SHAP TALK

May 2014 Issue No. 145

In this issue:

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TRADE NEWS

FDA Proposes to Expand Tobacco Products Coverage

The Food and Drug Administration currently regulates tobacco products such as cigarettes, cigarette tobacco, roll-your-own tobacco and smokeless tobacco. In a long awaited proposed rule published April 25, 2014, FDA is proposing to extend its coverage of tobacco products to include hookah tobacco, electronic cigarettes, cigars, pipe tobacco, nicotine dissolvables, and nicotine gels.

FDA has the authority to "deem" certain tobacco products as subject to their authority. Once the tobacco product is deemed, FDA can then place restrictions on the sale and distribution of the product (such as not marketing to children). FDA can also require warnings on labels and in advertisements.

Accessories to tobacco products would not be included. Examples of accessories are hookah tongs, bags, cases, charcoal burners and holders, cigar foil cutters, humidors, carriers and lighters.

Components and parts would be included. Examples are air/smoke filters, tubes, papers, pouches, or flavorings used for any of the proposed deemed tobacco products (such as flavored hookah charcoals and hookah flavor enhancers), and cartridges for e-cigarettes.

FDA is seeking comments on cigars to see if "premium cigars" should be excluded from the scope of the proposed rules.

FDA is also seeking comments on how e-cigarettes should be regulated.

Comments on the proposed rule must be submitted by July 9, 2014. The deeming provisions and age restrictions would be effective 30 days from the date of publication of the final rule. The proposed health warning requirements would be effective 24 months after the final rule is issued.

Requesting Manifest Confidentiality

Did you know that the information that appears on ocean bills of lading is available to the public? Do you want your competitors to know what products you are bringing in and where you source them? Do you want your competitors to know what products you are exporting and the names of your customers? 19 CFR 103.31(3)(d) provides an importer, exporter or consignee the right to request confidential treatment of its name and address and the names and addresses of their shippers contained in inward and outward manifests. This includes confidential treatment of marks and numbers that may reveal the name and address of the importer, exporter or consignee.

The request must be made to Privacy Officer, U.S. Customs and Border Protection, 90 K Street, NE, 10th Floor, Washington, DC 20229-1177, by fax to: 202-325-0154, or by email to: vesselmanifestconfidentiality@cbp.dhs.gov. CBP requests that you submit your request by one method only. There's no required format for the certification request, but it must include the importer's, exporter's, and consignee's IRS number, if available. To ensure that the information is deleted from all public disclosure, the names identified should include all variations of the names and their spellings that may be shown on shipping documents. For example, one would show both ABC Corp. and ABC Corporation. The request does not have to include proof that any disclosure may cause substantial harm to the competitive position of the importer or consignee.

Please note that the information contained in the Customs entry, in the 10+2 Importer Security Filing, and in the AES export record is confidential and cannot be released to the public.

Launch of CBP's e-STB Processing System

U.S. Customs and Border Protection (CBP) plans to roll out its centralized electronic single transaction bond (e-STB) system in January, 2015 for all entry summaries processed through the Automated Commercial Environment (ACE). The processing will likely include Importer Security Filing (ISF) bonds as well. The agency also plans to start development of eBond applications for continuous bonds by May 7th of this year with the hope of full deployment of both types of bonds by the January roll out date.

Although CBP is still working to identify potential issues the changes may cause with bond processing and the required data elements, they have identified many benefits that will result from the centralized program. Benefits include:

- *The allowance of single entry bond transmissions as part of the entry process through ACE; although the automation allows for the bond to be transmitted at any time and potentially 24/7.*
- *Improved revenue protection by CBP through better enforcement of single entry bond requirements.*
- *The continuance of port director and eventually Centers of Excellence and Expertise (CEE) intervention that will allow reduced bond amounts for high value imports.*
- *Limiting who can send the bond data to CBP as brokers will not be able to do so unless authority is given by the surety in hopes of reducing the amount of litigation for CBP over inaccurate or inadequate bonds. The sender will be the responsible party for the data based on eventual revised CBP regulation.*
- *An increase in uniformity of procedures at all ports and more consistent monitoring by CBP.*
- *A reduction in importer port shopping based on resulting increased ports uniformity.*
- *The elimination of manual CBP review of single entry bonds and of printed paper bonds.*
- *Electronic rejection of the bond against established criteria/data requirements/parameters back to the surety so that the bond may be corrected and retransmitted before acceptance.*
- *The allowance of CBP to process the bond initially in front of the transaction so that they can focus efforts on the cargo.*
- *The expansion of Remote Location Processing (RLF) if/when CBP changes its policy of allowing single entry bonds under RLF.*
- *Increased transparency of data by the surety.*

What are the current identified stumbling blocks for e-STB?

- *Very few Customs brokers currently utilize ACE; although ACE will become the system of record in November, 2015. [Note: Shapiro is capable of filing entries in ACE.]*
- *Fewer than 50% of Automated Broker Interface (ABI) vendors are programmed for ACE. [Note: Shapiro is programmed for ACE.]*
- *Both the current bond system and the e-STB system will have to be run at the same time until ACE is implemented.*
- *Defining the standard data set required to be transmitted. From the broker's perspective those data elements will be what is currently transmitted under ABI, not the entire entry summary data set.*

CBP is currently utilizing outreach activities at the port level to engage industry and trade in their final determinations for the system and they continue to discuss system requirements and implementation with software developers and sureties.

C-TPAT Members Notified of Container Seal Standards

U.S. Customs and Border Protection has posted a bulletin for Customs-Trade Partnership Against Terrorism (C-TPAT) members regarding compliance with high security container seal standards. Members can find this bulletin in their C-TPAT portal in the Public Document Library.

The new ISF 17712:2013 standards for security seals go into effect May 15, 2014. Container seals must meet physical strength tests as a barrier to entry; the manufacturer's security-related business processes must be audited; and seals must be designed and constructed with built-in tamper evidence features.

C-TPAT members may continue to use remaining ISO 17712:2010 seals they have in stock prior to purchasing ISO 17712:2013 high security seals. Customs reminds C-TPAT partners to be vigilant in their purchase of ISO 17712 compliant seals and to ensure they obtain independent written certification from the supplier that its product and processes meet or exceed the ISO 17712 standards.

Customs to Trademark C-TPAT Logo

U.S. Customs and Border Protection (CBP) has sent a message to members of the Customs-Trade Partnership Against Terrorism (C-TPAT) program that an application has been submitted to the U.S. Patent and Trademark Office for a trademark on the C-TPAT logo in order to protect the program against the misuse of the logo and deceptive business practices.

In the message CBP states that the C-TPAT Partner Agreement will be updated to include clauses describing the proper use of the C-TPAT logo. When each C-TPAT partner completes the annual profile review and re-signs the Agreement, they will also be agreeing to the proper use clauses. Licensing agreements will be issued free of charge. Partners will be authorized to continue current uses of the logo until the next annual review.

The C-TPAT trademark is being licensed only to C-TPAT partners as a membership benefit. CBP states that a method already exists to record the user agreement and identify the number of licensees. Customs is developing a method external to the C-TPAT Portal to allow non-C-TPAT members to request and register use of the logo.

Companies that are removed or withdraw from the C-TPAT program must cease using the logo.

Customs reminds members that display of the logo does not denote program status. Only the Status Verification Interface within the C-TPAT portal can be used to verify current program status.

Broker Continuing Education Requirements

At the April 9th National Customs Broker & Freight Forwarder Association of America's (NCBFAA) annual conference U.S. Customs and Border Protection (CBP) advised that it is making progress toward its proposed rule on how to accredit continuing education classes and training for licensed brokers as part of its changing guidelines for "the role of the broker" regulations revamp.

As part of the process CBP has started an economic analysis of cost impact on brokers, which they define as a necessary step before drafting any new rule. CBP is also considering a staggered change schedule instead of implementing all decided changes at the same time. The continuing education proposed rule will likely be published sometime in 2015. Other regulatory changes such as broker employee reporting requirement, e.g. triennial status reporting, and the validation of importer bona fides would come at a later date.

Under the current plan for continuing education CBP needs to determine what the contents of an application to act as an accreditor should include, qualifiers for suspension and revocation of the accreditor designation, whether qualified accreditors can accredit their own materials and courses, and what documentation would be acceptable for non-accredited courses taken by brokers, which can be taken to satisfy 8 of the current proposed 40 hour requirement.

According to CBP the long term plan would include the collection of accreditor applications every 5 years, and 5-10 applicants would be chosen as accreditors. CBP could select the same, choose completely new accreditors, or a combination of both every period.

CBP has received lots of negativity from the brokerage community on the costs impact of the continuing education requirement from travel costs to course fees to time investment. In response the agency has stated there should be a low cost approach to meeting education requirements with very low or no-cost opportunities available where travel will not be required such as webinars, webcasts, local port meetings, etc.

Compliance Corner

The Top 3 Reasons Importers and Exporters Need to Review their Trade Compliance Programs

Trade compliance should be the goal of every importer and exporter to ensure all personnel know the rules and regulations, how to abide by them, and how to manage them. Compliance promotes integrity within the company and upholds your company standards. Think of a compliance program as a security blanket that protects the company and its employees by having a structure in place.

Here are the top 3 reasons importers/exporters need to review their trade compliance program:

1. ***A trade compliance program lays the groundwork for how you need to behave and ensures you are meeting your legal obligations with Customs and other government agencies.*** *How do you know if your company is adhering to what it is supposed to do? Have personnel been adequately advised or trained in import or export compliance matters? Compliance can be a moving target with constant regulatory changes in economic, industry, and operating conditions. That's why a continuous process is needed.*
2. ***Not having a compliance program in place increases your exposure to penalties.*** *An established compliance program goes a long way towards mitigating any penalties you do receive. The larger the company, the greater the expectation by Customs that you have a functioning program in place. Penalties for negligence and gross negligence have been issued in the millions of dollars. Export penalties easily reach 7 or more figures.*
3. ***A compliance program will also save your company money.*** *It will help you avoid audits, penalties, and border delays. When your shipment is held up for an exam, it can affect your cost margin and your relationship with your customer when a delivery is delayed, which directly impacts your bottom line. You can also take advantage of duty savings under duty reduction programs such as GSP, NAFTA, and other free trade agreements. Not having regulatory impediments to your business will lower your costs and ensure your product moves to market faster and more effectively.*

Trade compliance should never be an afterthought and won't happen on its own. In most cases, you should consider outsourcing this function so that experts can put the pieces of the compliance puzzle together for you. Compliance experts can advise you what your obligations are as an importer and/or exporter and show you how to comply with them. By understanding the regulatory risks your company faces, you can put into place the necessary policies and procedures. This should be the foundation of any compliance program. The only way to know if your compliance program is working is to assess it and evaluate it. Lowering your risks and ultimately lowering your costs will be the end result.

If your company does not have a compliance program, we advise you get one started now. If you do have one in place, make sure it is reviewed by an expert. If you work with a Customs broker, they could be a great resource for this type of consulting. Some companies go as far as evaluating the services of a Customs attorney; however, Customs brokers are licensed by Customs and are usually more cost effective. You are even able to find companies that will do an assessment of your program and advise you on whether you need further help.

Shapiro offers Import or Export Compliance Appraisal services for a flat fee of $250. Contact us if you would like more information.

This is an excerpt from our Shap Blog, The Top 3 Reasons You Need to Review Your Import/Export Trade Compliance Program Now. Please visit our website to read the blog in its entirety and leave us a comment.

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Export Resources from Shapiro

Are you new to exporting and you don't know where to go for information? Look no further than the Shapiro website. Shapiro strives to keep our employees and customers up to date with the latest rules and regulations for both import and export.

We know exporting is important for the U.S. economy. U.S. exports reached a record $2.3 trillion in 2013, and exports now support 11.3 million jobs, up 1.6 million since 2009. U.S. Secretary of Commerce Penny Pritzker announced recently at the Johns Hopkins School of Advanced International Studies (SAIS) that the Department of Commerce will expand its overseas resources to help U.S. businesses. The International Trade Administration will add a total of 68 new positions and open offices in five new countries, including its first in Burma. The expansion is largely focused on fast-growing markets in Asia and sub-Saharan Africa.

With exports expanding there are more people with jobs in export that may not have the breadth of experience as some of the export professionals that have been in the field for a number of years. To help customers that are new to exporting, Shapiro has resources available on our website. Take a look at the Exporting 101 resource that provides questions to think about when exporting. This guide highlights some of the major responsibilities exporters have under U.S. government regulations.

Exporters must electronically submit specific export information known as Electronic Export Information or EEI to the Bureau of Census. Shapiro employees work with regulatory agencies and are members of committees that stay abreast of these regulations. On our website, you can find the Shipper's Letter of Instructions (SLI) where our customers can complete the regulatory export information required for transmission of the EEI information to the Automated Export System (AES) and certain transportation elements to ensure a smooth export transaction.

Along with the SLI, you will find step by step instructions for completion and the regulatory citation or additional information for each field. We hope you will find these tools useful. If you have any questions, please contact us at compliance@shapiro.com.

TRANSPORTATION NEWS

April 2014 Update

INDUSTRY NEWS:

Small Ocean Carriers Struggle to Compete With Large Carriers

Financial reports for the 2013 shipping season are beginning to emerge to reveal a sea of red ink for the smaller carriers as they struggle with high bunker fuel prices and weak freight rates which combine to drag down profits. The largest carriers such as Maersk Lines and CMA CGM are definitely not in the same grim situation which is an indication that carriers that are now operating the large ships with extensive service networks have the financial advantage. The largest carriers are poised to withstand the pressures of overcapacity and it seems that this will remain the case through 2015.

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Maersk Lines enjoyed profits of $1.57 billion in 2013 and $525 million in 2012, while CMA generated $756 million in profit in 2013 and $1 billion in 2013 according to SeaIntel. Smaller carriers such as APL, Cosco, CSAV, Hanjin, MOL, and Zim have seen losses of $200 million to over $500 million in that period. Hapag Lloyd and OOCL both weathered much better because their larger average size vessels make them more profitable.

The race to build bigger vessels to reduce costs ultimately is happening but this is competing with the supply-demand in the industry and is affecting prices in the short-term by lowering them. Many industry analysts point out the current imbalance of supply and demand and state that excess tonnage has to be taken out of service. The number of deliveries taken by the carriers of mega-ships is expected to peak this year, which means the smaller trade lanes will receive larger older vessels as the smallest vessels are scrapped, which is expected to make the freight rates more volatile, and the market will continue to struggle to support the constantly announced General Rate Increases (GRIs).

Drewry forecasts that overcapacity will keep the shipping industry in a down cycle until 2016 because the sharp spike in new ships with capacities of at least 8,000 TEUs have resulted in declines in freight rates. Carriers are scrapping vessels at record levels but this cannot match the rate of deliveries of the newer and larger vessels over the next two years so efforts to increase rates will most likely fall flat.

U.S. Containerized Exports Decline

In February 2014, U.S. containerized exports dropped 9 percent year-over-year to 923,493 TEUs which was the lowest monthly drop in 32 months according to preliminary figures from PIERS.

One of the culprits for the decline seems to be China's struggling manufacturing sector. China's manufacturing decline has resulted in a slowing demand of its imports of industrial resins and scrap metals from the United States. The largest regional drops were exports to the Middle East, Africa, and the Indian subcontinent which all slipped roughly 18 percent. The only region that saw an increase in exports was the Mediterranean region, which increased its volumes by 9 percent. Turkey saw the fastest growth in exports from the United States, increasing 23 percent year-over-year in February.

One bright area is the outlook for exports of autos and auto parts to Europe. The auto industry and the growth of imported autos into Europe of U.S. models has been expanding as Europe's economy sees signs of recovery. The expansion in Europe is broad based but particularly focused on Germany. Production is strong in the U.S. because automakers are doing more sourcing here. The luxury brands like BMW, Audi, and Mercedes are expanding their plants in the U.S. In the past year, auto exports from the U.S. grew 5 percent, and this growth in exports also drives imports of auto parts.

OCEAN FREIGHT

Port of Baltimore Breaks Records for Cargo Handling in 2013

The Port of Baltimore continued to grow its business in 2013. Containerized cargo grew 1 percent over its 2012 totals and the port handled 749,100 autos in 2013 which is an increase of 16 percent over the previous year. Total tonnage handled by the port was 9.6 million at public terminals, but by adding what was handled at private terminals the port moved 30.3 million tons which matched the record set the previous year.

Port of Los Angeles Sees Container Volumes Skyrocket in March

Container volumes through the Port of Los Angeles saw their largest rebound in seven years after this year's Chinese New Year holiday and a particular rough winter season in the U.S. The number of both loaded and empty containers that were handled in Los Angeles in March 2014 (515,323 TEUs) increased 34 percent as compared with March 2013 (385,825 TEUs). This is the largest monthly volume in the port since February 2007. The surge of imported Asian goods reflects the timing of Chinese factory closings during the Chinese New Year holiday and the end of the disruption of cargo movements to the Midwest and Northeast areas after the bad winter weather subsided. Imports handled by the port surged 41.5 percent over last year while exports increased 21.6 percent last month.

Hapag-Lloyd and CSAV Finalize Merger

Hapag-Lloyd and CSAV have signed a binding contract to finalize a merger that has created the world's fourth-largest container line. With this merger, Hapag-Lloyd will have 200 vessels with a total capacity of 1 million TEUs. The merger keeps Hapag-Lloyd in the top ranks of global carriers and will control 25 percent of the trans-Atlantic trade lanes, 12 percent of the Latin America market, 7 percent of the trans-Pacific trade, and 4 percent of the Asia-Europe trade.

The merger will have CSAV holding a 30 percent stake in the merged company, making it one of Hapag-Lloyd's largest shareholders. The company's head office will remain in Hamburg with a regional office in Chile, where CSAV is currently based to handle the Latin American business.

Asia Inbound GRI Delayed until May 15 and Peak Season Announced

Carriers in the Asia inbound to USA trade have postponed their announced May 1 GRI to be effective now on May 15. The GRI is reported by the carriers to be as follows:

1) For USWC bound cargo from Asia and Indian subcontinent to all areas:

USD 240/20'

USD 300/40'

USD 338/40'HC and reefer

USD 380/45'

2) For all other cargo:

USD 320/20'

USD 400/40'

USD 450/40'HC and reefer

USD 506/45'

Additionally a Peak Season Surcharge is being announced by the TSA carriers as of June 15 at the following levels:

1) USD 320/20'

USD 400/40'

USD 450/40'HC and reefer

USD 506/45'

AIR FREIGHT

Strong Air Cargo Demand Prompts Cautious Optimism

Early improvements in the airfreight market in the first two months of 2014 gave cause to early optimism for the year. The demand for air cargo grew only 1.4 percent in 2013, but in the first two months of the 2014 it grew 3.6 percent according to the International Air Transport Association (IATA) figures. Also early results for March by Cathay Pacific Cargo in Hong Kong showed an increase in freight volumes of almost 14 percent over the same month last year. The airline showed strong demand out of China and Hong Kong, particularly for usage of freighter (all cargo) aircraft, but there is still excess capacity available in the market for belly cargo for passenger aircraft which is dragging down rates out of Asia at the present time.

The growth markets for air cargo have been realized by airlines in the Middle East and Europe, which have recorded increases of 11.9 percent and 5.5 percent respectively. Asia-Pacific carrier volumes have only grown 0.1 percent in February compared to a year ago. The slow growth in Asia can be attributed to the weakening of the Chinese currency and a slowdown of the Chinese economy. The RMB has fallen 2.4 percent against the dollar since the start of the year.

Trucking News

Los Angeles Port Truckers Strike

Port truckers from the four largest local drayage firms in Los Angeles went on a 48 hour strike starting April 28. The strike highlights the truckers' demand for an end to what they see as violations of workers' rights. The striking truck drivers are protesting against working the terminals as they point to the long hours worked which often result in paychecks below the minimum wage. The large drayage firms are fed up with the illegal misclassification of small independent drivers as "independent contractors." The drivers are willing to fight for what they believe is a lawless trucking community which is undermining their ability to earn a decent salary at time when the middle class is eroding in this country. A press conference was held on April 18 near the port so that the workers could discuss their grievances.

Trucking Rates Expected To Increase Four Percent In 2014

This winter's severe weather is looking to be the catalyst that truckers needed in order to boost their contract rates to their customers. The largest truck carriers are expected to raise rates by around 4 percent in 2014. Previous to the harsh winter, the truckers were expecting rates to raise 2 to 3 percent in 2014. The winter caused truckers to burn more fuel and they incurred abnormally high insurance and claim costs, not to mention additional expenses such as engine repairs and higher repositioning costs due to the snow, ice, and cold. There is still a backlog of freight in many areas due to weather delays in the first quarter of the year.

Trucking Industry Eyes Uber-like Technology

Many tech-savvy individuals in America's largest cities have learned the simplicity and convenience of a smartphone app called "Uber" to help them get an efficient and quick ride to their favorite destinations. This app shows that people are willing to pay a premium for such a convenience with a touch of their smartphone instead of waiting for or hailing a cab.

Truck drivers will be required to have electronic logging devices by the end of 2014 and similar technology will allow shippers to locate a truck an app instantaneously. Expected government regulations requiring truck and bus drivers to replace paper logbooks with electronic devices with further drive this new trend. Industry analysts believe that this new technology will change the way business is done with trucking companies and freight brokers and shippers will be able to hook into an Uber-like service for freight. The new technology will also likely tighten truck capacity even further as the technology will make it harder for drivers to evade new hours of service rules that took effect July 1, 2013.

SAMUEL SHAPIRO & COMPANY, INC. NEWS

Shapiro Congratulates Tamarian Carpets for Achieving Commercial Recognition in Nepal for Export Excellence

Shapiro congratulates one of its long-term customers, Tamarian Carpets, for being named a Commercially Important Person (CIP) by the Nepalese Government. The Nepalese Government awards CIP classification to companies each year based on their export volume and value, employment generation, and overall stimulation of communal growth.

Tamarian Carpets, a Baltimore-based premier designer and importer of Tibetan rugs, was founded in 1994 by owner Steve Cibor. Ryan Higgins became co-owner of Tamarian about three years ago, although he has been working alongside Cibor for almost twenty years. According to an article recently featured in the Baltimore Sun, the Baltimore-based rug designer has grown to a top importer from Nepal. Tamarian, the largest exporter of woolen rugs from Nepal by value, imports approximately 40,000 pounds of carpets monthly, shipped via air and ocean to its Baltimore and High Point, North Carolina, warehouses, which now employ 20 people.

Tamarian has experienced vast growth since its inception in 1994 and is now retailed through a network of 200 carpet retailers, including Alex Cooper Gallery of Rugs in Towson, according to the Baltimore Sun. The company is the leader of a burgeoning industry that imported nearly $24 million worth of rugs from

Nepal last year. More notably, Tamarian is pouring its share of these profits back into the local Nepalese community by helping to fund hospitals, schools, and clean water initiatives throughout the region. The company is currently working with its business partner to construct a new weaving factory that will provide a workspace and living accommodations for roughly 250 Nepalese weavers. Higgins is currently living in Nepal with his family working on designs, production, and overseeing the completion of the new factory.

Shapiro has proudly collaborated with Tamarian since 2004, offering reliable Customs brokerage and highly personalized global cargo services to accommodate their rapidly growing business. "We are extremely fortunate to work with a company like Tamarian that cares very deeply about what they do and the community around them," noted Kathy McKoy, regional manager for Shapiro. "Through our relationship of one decade, we have had the opportunity to experience Tamarian's growth firsthand and proudly congratulate them on this prestigious recognition."

"Both Ryan and I have always prided ourselves on being extremely hands on in order to make sure that Tamarian has stayed the course for our vision. With our complete confidence, Shapiro has been able to satisfy the logistical aspects of our responsibilities", said Steve Cibor, founder of Tamarian Carpets. "Tamarian truly appreciates the decade-long relationship that our company has developed with Shapiro as they offer immediate and direct support to our entire staff while maintaining superb customer service."

"Our entire Tamarian office not only enjoys the professional day-to-day dealings with Shapiro but we also count down the days until the annual Propeller Club Crab Feast when we all get to hang together on a social level, too," added Jesse Kohler, a manager at Tamarian Carpets. "Very much a great group of people."

Shapiro's Jeff Knapp Presents International Freight Transportation Session at the Coverings 2014 Tradeshow in Las Vegas

Shapiro will be represented by Atlanta-based Jeff Knapp, Regional Director of Commercial Development, at the 25th annual Coverings Tile + Stone Showcase in Las Vegas, Nevada, on April 29 – May 2, 2014.

The four-day event will landmark the iconic show's 25th anniversary since the merger of the Tile Expo and The World Exposition of Ceramic Tile and Bathroom Furnishings in 1990. Coverings is an international trade fair and expo dedicated to showcasing the newest in ceramic tile and natural stone. It has grown to be the largest and most important show of its kind in the U.S., featuring exhibitors from more than 50 countries and attracting thousands of distributors, retailers, fabricators, contractors, architectural and design professionals, builders and real estate developers. Coverings showcases some of the most innovative tile and stone products in the world. The exposition also serves as a valuable resource for continuing education for all categories of attendees with informative, accredited seminars and live demonstration sessions conducted throughout the four days, all free of charge.

Shapiro's Jeff Knapp led the "Crystal Ball Look at Future Transportation Issues" session on April 28, from 2:15 to 3:15 pm. Knapp, who holds a BSBA from Washington University in St. Louis and an MBA from Northwest Missouri State University, started his career at Shapiro in 2007 and has eighteen years of experience in the industry. In this seminar, he identified the many factors that should be used by logistics professionals for the "Crystal Ball Approach" such as vessel fill, economic projections, new ship building, and several scenarios that could upset projections as well as provided an early analysis on how the deeper and wider Panama Canal could affect rates to the U.S. when it opens in 2015.

"Each year, logistics managers are asked to forecast freight rates for the next year and, frequently, their only tool is a dartboard," noted Knapp. "Our discussion focused on a number of factors that affect rate changes. This is not a scientific process with a formula, but an appraisal process that allows the logistics professional to provide an educated estimation of where rates will be over the coming year."

Employee of the Month

As previously featured in Shap Talk, Shapiro has been sharing with you the names of employees who have been recognized for their exceptional efforts and contributions to our Company. At Shapiro, we continually work to develop, challenge, and inspire all of our employees to grow individually and with the Company. This month, we would like to recognize Trevin Johnson, System Administrator in Baltimore, for his outstanding performance and contributions.

We encourage you to provide us with employee feedback! Please email us at:

hr@shapiro.com.

WE WANT TO HEAR FROM YOU!

Do you have suggestions for an article? Is there a topic you'd like us to cover in a future issue? Please let us know! Send your feedback to shaptalk@shapiro.com.