

"SHAP" TALK

August 2013 Issue No. 136

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SHAPIRO SEMINARS

There is still time left to register for Shapiro's annual crab feast seminar!

Shapiro's popular summer seminar will be held August 8th in Baltimore at the Hotel Monaco. Our customers and industry professionals are invited to join us for this sought-after event. The topic this year will be supply chain management. This seminar will provide an introduction to logistics metric design and improving supplier performance. This entry-level overview will highlight key areas of concern such as transit, freight cost, vendor on-time shipping, and claims.

Plan on attending our seminar in the morning and enjoying the crab feast in the afternoon! The Baltimore Crab Feast attracts thousands annually and is arguably the most popular industry event of the year. It draws participants from New York to Norfolk and beyond to enjoy all-you-can-eat steamed crabs and plentiful networking opportunities at Conrad Ruth's Villa, a waterfront park on Middle River. The feast is a fundraiser for the Propeller Club, enabling the group to make significant contributions to various non-profit maritime organizations.

We hope you don't miss this opportunity for a day filled with learning and fun!

<mark>Date:</mark> Thursday, August 8th, 2013

Time: 8:30-9:00: Registration and continental breakfast 9:00-12:00: Seminar

Cost (includes continental breakfast, seminar materials, and refreshments):

\$90.00 per person \$60.00 for each crab feast ticket

Location:

Hotel Monaco – Athens Room 2 North Charles Street Baltimore, MD 21201 Venue Telephone: 443-692-6170

Registration:

Please contact us at <u>seminars@shapiro.com</u> to register.

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TRADE NEWS

GSP Expired July 31st

The Generalized System of Preferences program expired July 31st despite efforts to pass legislation to extend the program to September 2015. Chances of renewal are slim at this point since Congress adjourns for its summer recess on August 2nd. They are not back in session until after Labor Day, so importers can expect to pay duties on GSP merchandise for at least the next month. Entries will continue to be flagged with the special program indicator "A" so that in the event GSP is renewed retroactively, Customs will issue automatic refunds.

We recommend that you visit <u>www.renewgsptoday.com</u> to make your voice heard for GSP renewal efforts.

FDA Publishes Food Safety Requirements for Imports

Food and Drug Administration (FDA) issued two new proposed rules for verifying foreign suppliers and accrediting third party auditors under the Food Safety Modernization Act (FSMA) aimed at helping to ensure that imported food meets safety standards.

Under the <u>first proposed rule</u>, importers would be accountable for verifying that their foreign suppliers are implementing modern, prevention-oriented food safety practices, and achieving the same level of food safety as domestic growers and processors. In general, importers would be required to have a plan for imported food, including identifying hazards associated with each food that are reasonably likely to occur. Importers would be required to conduct activities that provide adequate assurances that these identified hazards are being adequately controlled.

The <u>second proposed rule</u> is intended to strengthen the quality, objectivity, and transparency of foreign food safety audits on which food companies and importers rely to help manage the safety of their global food supply chains. Under this rule, FDA would provide for accreditation of third party auditors or certification bodies to conduct food safety audits of foreign food entities, including registered foreign food facilities, and to issue food and facility certifications under FSMA. Use of accredited third party auditors or certification bodies and food and facility certifications will help FDA prevent potentially harmful food from reaching U.S. consumers and thereby improve the safety of the U.S. food supply. FDA also expects these proposed regulations will increase efficiency by reducing the number of redundant food safety audits.

The two proposed rules are available for public comment until November 26, 2013.

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USDA Defines Terms & Challenges in Lacey Act Reporting

On July 9th in the <u>Federal Register</u> the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) defined the terms "common cultivar" and "common food crop" for reporting purposes under the Lacey Act. These products are among the exclusions to the provisions of the act.

The Lacey Act is intended to combat trafficking in illegal, protected wildlife, fish, and plants. The act allows three exclusions to reporting requirements including:

- Common cultivars, except trees, and common food crops
- Scientific specimens
- Plants that are to remain planted or are to be planted or replanted, i.e. nursery stock

The listing of common cultivar and food crops can be viewed by visiting the APHIS website.

Decisions on which products will be included in the listing will be made jointly by APHIS and the Fish and Wildlife Service (FWS). The public may send requests to add or remove products from the list by emailing <u>lacey.act.declaration@aphis.usda.gov</u>.

On July 3rd APHIS also published a report defining the challenges of reporting under the Lacey Act for both APHIS and importers.

APHIS stated that they've received approximately 1.4 million import declarations since 2009 with 40,000 being filed monthly on average. Approximately 13% of the declarations remain on paper vs. electronic filing. Of the total declarations about 5% are for products for which the declaration is not required. They estimate the value of imports where a declaration is required at \$3.2 billion per quarter, which is expected to rise to approximately \$22.4 billion once enforcement is fully phased in.

APHIS stated that challenges include:

- A substantial number of entries for which declarations were required but were not filed
- 15% of electronic declarations were missing information on genus, species, or country of harvest
- 32% of paper declarations were missing at least one piece of information including genus, species, harvest country, and/or entry number
- In 5% of the overall filings, genus and species information was either missing or improperly declared
- Under headings 4421 and 4418, declarants have been stating the country of origin of the finished item rather than the country of harvest of the plant product
- Approximately 46% of electronic declarations are missing accurate value information\
- A large administrative burden is resulting from about 5,000 paper declarations a month
- Logistical burdens are resulting from electronic declarations as U.S. Customs & Border Protection (CBP) provides these weekly to APHIS on a CD
- The electronic transmission data has to be loaded into a computer system by APHIS through manual processes resulting in review after the goods have most likely already entered into commerce

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In summary APHIS stated that correct enforcement would require an enhanced presence of officers in all ports of entry where subject imports are screened. APHIS also admitted that it is unclear as to whether the efforts have led to any reduction in illegal activities or trafficking as there is no resource available to evaluate the effects of enforcement or reporting. Furthermore no new phase of the schedule for enforcing the declaration requirement has been proposed for more than 3 years.

If additional resources requested in the 2014 budget are appropriated, APHIS has stated that they will work to implement a web based solution for collecting and maintaining import declarations.

A copy of the report can viewed in its entirety by visiting the APHIS website.

Miscellaneous Tariff Bill Introduced

The House Ways and Means Committee has introduced a miscellaneous tariff bill (H.R. 2708) that would reinstate the duty reductions that expired in December 2012. While the duty reductions will be restored if the bill passes, they will not be retroactive to last December.

MTBs generally cover products that are not made in the U.S., have duties that amount to less than \$50,000 per year, and can include both finished goods as well as items used in manufacturing. MTBs often cover goods with high duty rates (a recent example includes shopping bags made of polypropylene which are normally dutiable at 17.6% and were duty free under the U.S. Manufacturing Enhancement Act of 2010 until December 31, 2012), or high volume goods with low duty rates. If a U.S. manufacturer objects to the inclusion of an item in a MTB, it will be removed. MTB provisions are reported with a tariff number starting with 9902 and a secondary tariff number for the underlying provision.

BIS Update 2013

The Bureau of Industry and Security (BIS) held its annual update in Washington D.C. July 23-25, 2013. The theme of the 2013 Update conference was "Export Control Reform: Fulfilling the Promise." Export Control Reform is upon us and more new rules are coming out from BIS and the State Department. Assistant Secretary Kevin J. Wolf aptly described what he calls "The Five (5) Stages of Export Control Reform Acceptance" when he is asked for a summary of reactions to the changes.

I. The Five Stages

The initial reaction is denial. "It won't happen." "The departments will never agree." "Congress will stop it." "It's been tried before." "If Thomas Jefferson couldn't reform the system, then no one can." "Government officials don't take risks. They play it safe."

The second stage is curiosity. "You know, if this did work, it would be really good for our business. It would eventually reduce our regulatory burden for sales and work in allied countries." "It would actually accomplish the national security objectives the Administration has laid out." "You know, we do struggle a lot with the borderline between the EAR and the ITAR and, yes, the ITAR does over-control less significant military items." "Nah, it's never going to work."

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The third stage is panic. "Oh my. This actually might happen. We don't have enough time for this." "I have to figure out which of my products will be affected." "I have to figure out new rules." "I didn't like the old rules, but I (mostly) understood them." "I have to re-mark my tech data." "But I liked MY private definition of 'specially designed.' This one is too complicated and takes away all my wiggle room." "I know industry has asked the Government for fundamental change, but I just wanted the government to decontrol all my products." "How do I change my order processing software?"

The fourth stage is intense focus. "How will the new rules apply to me and my products?" "What about this fact pattern?" "What about that?" "What did you mean when you wrote this? Really? I didn't read it that way." "Why did you use an Oxford comma in one place but not another?" "Why so many quotation marks?" "How is Commerce's definition of 'required' technology different from State's definition of 'directly related' technical data?" "How many angels can you fit on top of a paragraph (b) (2) nut plate?"

The fifth stage is acceptance. "You know, this is actually kind of clever. It all holds together rather well now that I understand it." "It's going to eliminate hundreds of licenses and thousands of pages of MLAs that always get approved anyway." "I can get product out the door to allied countries more quickly." "Having a de minimis rule for sales to most of the rest of the world helps." "I can often go straight to the release paragraphs in the definition of 'specially designed' for what is really just a one sentence definition for me." "Gee, this is simpler, although with more words." "There is a little tweaking to be done, but it works." "The definitions do allow for more reliable, predictable, consistent outcomes." "I have the option of getting a license or using License Exception Strategic Trade Authorization (STA) for the 36 countries, whichever works best for me." "OK, there will be more enforcement focused on exports and reexports to countries of concern." "The Administration is listening to me."

BIS has tried hard to make the reform effort transparent by publishing the rules for comments and reaching out to industry and trade for comments through outreach events and weekly calls with Assistant Secretary Kevin Wolf. We think Secretary Wolf must eat and sleep these reform rules. He has a wealth of knowledge and delves deep to be sure he understands all issues. Significant input from industry has helped shape the new rules. One rule was totally rewritten after comments were received from industry.

Along with the export control reform rules, many changes to what is required of the exporter and forwarder will be in effect. The first changes become effective October 15, 2013. The new "600 series" Export Control Classification Numbers (ECCN's)must be filed in the Automated Export System (AES) regardless of value or destination, including exports to Canada and all exports under the exception Strategic Trade Authorization (STA). There are new ECCN numbers, restrictions on exceptions, new annotations for invoices, bills of lading, and other export control documentation.

Exporters must review their products and work closely with their forwarder to ensure compliance with all of the new regulations.

To assist exporters with the review of their products and to comply with the new rules, BIS has two interactive tools on its website: the <u>Commerce Control List Order of Review Decision Tool and the</u> <u>"Specially Designed" Decision Tool</u>.

BIS is in the process of updating the online interactive STA tool to assist companies in determining whether they are eligible for and compliant with STA to take into account the "600 series."

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BIS is also in the beta-testing phase for a fourth interactive tool that will assist the private sector, academic, and research communities in determining whether a deemed export license is required.

The enforcement of export regulations is continuing to rise with more government personnel focusing on enforcement in the U.S. and in other countries. Each year the numbers of penalties are increasing, while individuals continue to receive penalties at three times the rate of companies.

A written export management compliance program (EMCP) still remains extremely important as an effective tool for compliance and penalty mitigation. BIS has come up with an example compliance program that they will unveil at the next two EMCP seminars for comments.

A couple of interesting facts about penalties is that the top transit country for Iran is the UAE, and computers and aircraft parts are the most common type of equipment involved in criminal convictions.

BIS is doubling its outreach efforts, especially to companies that have changeover from the United States Munitions List (USML) to the Commerce Control List (CCL).

BIS updated the attendees with detailed information on how to process the new licenses, what to do with existing commodity jurisdictions, the order of review for a product, the specially designed definition, the "600" series ECCN's and compatible exceptions, what is now included for a Commerce license, and what does not require a license, and a host of other topics including antiboycott compliance, sanctions, satellites, aerospace, military vehicles, nuclear technology and transition issues.

The Bureau of Census also enlightened the attendees on the upcoming changes to the Foreign Trade Regulations (FTR) effective January 8, 2014. These changes include new exclusions, new consignee type to be provided by the exporter, changes to post departure filing from 10 days to 5 days, a new field for the license value, and changes to other data elements and definitions throughout the FTR.

BIS Director Office of Technology Evaluation Gerry Horner talked about the changes for AES instituted by BIS and the visibility for measurements. Fatal errors and compliance errors are being programmed intentionally to ensure greater compliance. A test environment will be available by August 15, 2013 for the BIS regulations effective in October. If you are a self-programmer for AES, BIS encourages your company to mirror the edits that will be implemented in AES. Gerry Horner also advised that the commodity should show a good description of the CCL item so Customs and Border Protection (CBP) can recognize the intended ECCN. This will save the exporter time.

CBP is gearing up for training to recognize the items being transferred to the CCL, so shipments won't be held up at time of export. CBP is also working on ACE and establishing a single automated platform for export to include Participating Government Agencies (PGA's). They are also looking at the Document Imaging System (DIS) for export, working on EDI edits, handling of State Department Licenses, and other export initiatives including an export manifest piece.

As you can see Commerce, State, and Customs have been very busy with all of the changes. New rules will continue to be published by both State and Commerce and there will be many transition issues to work through.

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The last day of the Update conference included roundtable discussions that were very beneficial to the trade community. Personnel from BIS, OFAC, OAC, Enforcement, CBP, State, Census, and even Export Control Officers for various countries led these discussions throughout the day. This bi-directional discussion of issues really helped generate understanding for all participants.

BIS has posted all of its presentations and speeches on their <u>website</u>.

Foreign Trade Statistics-Free Trial

The U.S. Census Bureau, Foreign Trade Statistics was on hand at the BIS 2013 Update in Washington, DC (7/23-7/25) and gave permission to us to place a notice for a 60-day free trial subscription to USA Trade Online, the Official Source for U.S. Merchandise Trade Data.

The Foreign Trade Division of the U.S. Census Bureau brings USA Trade Online to you with a sneak peak at U.S. statistics that could help you evaluate your competition and find new areas for opportunities. With this dynamic service, you can access current and cumulative U.S. export and import data for over 9,000 export commodities and 17,000 import commodities. USA Trade Online provides trade statistics using the Harmonized Tariff System (HTS) up to the 10-digit level and the North American Industry Classification System (NAICS) commodity classification codes up to the 6-digit level.

Do you want to know the top states and districts for exporting? Do you want to know the top export commodities for a certain state? Find this data and more at <u>www.usatrade.census.gov/promo</u>, enter promo code F1787 for a 60-day free trial. Hurry, this must be activated by September 15, 2013.

CBP Working to Centralize and Automate SEBs in 2014

In a June 27th meeting in Boston with the trade community Bruce Ingalls, the Director of U.S. Customs and Border Protection's (CBP) Revenue Division, stated that CBP hopes to implement an automated Single Entry Bond (SEB) process by the summer of 2014.

SEB processing is currently handled at the port level. In 2011 a report published by the Department of Homeland Security (DHS) recommended that CBP create a centralized office to monitor SEB activities and to automate the process through formal procedures for SEBs while utilizing risk based methodology to determine bond amounts. As a result Congress has approved funding for an "e-bond" system that will involve electronic transmission of SEBs as part of entry processing. The proposed portal will be integrated into the Automated Commercial Environment (ACE).

The portal will allow the SEB to be transmitted to CBP electronically without having to print the bond for attachment to the entry documentation. Therefore CBP will no longer be reviewing paper copies at the time of entry and it is thought that a "documents required" message will no longer be generated for these types of transactions. The exception to CBP review will involve when a bond amount is deemed insufficient. According to CBP the changes will no longer allow sureties to use bond execution issues as a defense with CBP against CBP penalties.

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There have been issues with ports accepting bonds with errors that should be rejected. These errors often result in non-collection of duties. Potential loses can be substantial. According to the report between 2007 and 2010 CBP wrote off \$46.3 million in revenue.

To achieve their goal CBP will have to revise the Customs regulations on bonds on which they are currently working. They hope to have the initial IT system completed for testing by February 2014. Bruce Ingalls advised that CBP hopes to eventually have the ability to process continuous Customs bonds in the same manner as well.

Energy Labeling for Consumer Products and Industrial Equipment

U.S. Customs and Border Protection (CBP) has issued a final rule effective August 5, 2013, that allows CBP to refuse admission for consumer products and industrial equipment found to be noncompliant with energy conservation and labeling standards set out by the Energy Policy and Conservation Act of 1975 (EPCA). The final rule does provide that Customs may conditionally release noncompliant goods under bond to the importer for purposes of reconditioning, relabeling, or other action in order to bring the subject products or equipment into compliance.

Products covered are consumer products and industrial equipment that are classified by the Department of Energy (DOE) as covered by an applicable energy conservation standard, or by the Federal Trade Commission (FTC) as covered by an applicable energy labeling standard, pursuant to the EPCA. The DOE or the FTC will provide Customs with a written or electronic notice when a determination of noncompliance by a covered import is made.

The final rule may be found in the July 5th <u>Federal Register notice</u>.

Cotton Fee to Decrease Effective September 3, 2013

The cotton fee will decrease effective September 3, 2013 from \$0.014109 per kilogram to \$0.012876 per kilogram. The cotton fee is assessed on certain products for use by the Cotton Research and Promotion Program. A list of the applicable tariff numbers may be found in the <u>Federal Register notice</u> of July 2nd.

Commerce/State Publish 2nd Proposed Rules on Military Electronics

As part of the Export Control Reform Initiative, on July 25, the Departments of Commerce and State published proposed rules on military electronics. This is the second set of proposed rules to describe how military electronics and certain superconducting and cryogenic equipment and related items the President determines no longer warrant control under the United States Munitions List (USML) would be controlled on the Commerce Control List (CCL).

These rules reflect interagency analysis of the public comments on earlier proposed rules on the same subject and on a review of USML Category XI and WAML category ML20 by the Department of Defense, which worked with the Departments of State and Commerce in preparing these proposed amendments. Comments on these proposed rules are due no later than September 9, 2013.

The Commerce Department rule can be found <u>here</u>. The State Department rule can be found <u>here</u>.

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TRANSPORTATION NEWS

August 2013 Update

INDUSTRY NEWS:

Pier Pass Fee to Increase August 19, 2013

The Traffic Mitigation Fee (TMF) at the ports of Los Angeles and Long Beach will increase by 8.1 percent effective August 19, 2013. The TMF will increase by \$5.00 per TEU to \$66.50 per TEU or \$133.00 per FEU. The TMF is adjusted annually based on increases in labor costs. The fee helps pay for evening and Saturday PierPass OffPeak gates to relieve daytime congestion in and around the ports. The program is meant to incentivize companies to move their cargo during non-peak hours.

Delays Hit NY-NJ Port Operations

This summer was off to a rocky start for the ports of NY-NJ. The Port Operations have been severely hampered by mounting delays as a result of Maher Terminals' newly deployed operating system. The new system has had its kinks, resulting in delays coming into the port that can be measured in miles. These delays caused 15 ship calls to be rerouted to other terminals. On top of this problem, the truckers in the area complain of lower productivity by their drivers as a result of the delays and they are also complaining about the increasing costs for chassis rental and container use. These delays have increased costs for shippers, carriers, and terminals alike just as the Peak Season for container shipping is about to start.

Trucking leaders in the port of NY-NJ are now facing loss of cargo to rival ports on the East Coast unless the terminals can end the delays that have now run for seven consecutive weeks. Customers to the port are fed up and the cargo diversions mean that the local truckers will have to absorb heavy losses in profits.

The diversions have come at a time when summer vacations have shortened the supply of longshoremen labor so cargo shifts within the port have left truckers scrambling to find chassis when they are needed. Since the delays have started, many drivers have had to wait as long as 12 hours to pick up or deliver their loads. Truckers also report that the long delays have made it difficult to remove the cargo from the pier before free-time expires and demurrage charges begin. The truckers have said that they have not been able to arrange extra free time and special situations are being handled on a case-by-case basis.

Bridge Toll Relief for New York Container Terminal

Some positive news for the port of New York - New York Container Terminal (NYCT) and the Port Authority of NY & NJ have agreed on a plan to offset the impact of bridge toll increases that have recently raised truckers' costs and reduced cargo volumes at the Staten Island terminal. NYCT is the only major terminal on the New York side of the harbor and NYCT has seen its business erode since tolls were raised in 2011. The new agreement means that truckers making pickups or deliveries at the terminal will be reimbursed for part of their bridge tolls. The tolls are currently assessed at \$12 per axle or \$60 for a five-axle truck and chassis and were scheduled to raise to \$18 per axle by 2015.

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The recent troubles with delays at Maher Terminals on the NJ side of the river have given NYCT a boost but the higher tolls have prevented the terminal from attracting new business. The bridge toll credit program will reimburse trucking companies directly to their bank accounts. The new program is expected to be fully implemented by the end of August. The Empire State Development Corp. will be funding the program with a \$15 million grant over the next five years.

China GDP Continues to Slow

The Chinese gross domestic product growth has dropped in the second quarter of 2013 to 7.5 percent which was the ninth quarter in the last ten that China's growth has decreased. The slowdown is due to weak demand on Chinese exports to the United States and European Union. Customs data shows that China's exports fell 3.1 percent in June against a forecast for a rise of 4 percent. Economists do not see any major stimulus on the horizon. There is some worry that a VAT of 6% levied on any goods and services being billed in China as of August 1 could impact China's competitiveness but there is a good chance that the VAT policy will be amended to not impact China's trade policies.

Peak Season Surcharge (PSS) to Commence August 1

Starting August 1, ocean carriers in the Trans-Pacific trade will implement a Peak Season Surcharge (PSS) on all shipments from Asia and the Middle East to the U.S. The increase in rates will be \$320 per 20-foot container, \$400 per 40-foot container, \$450 per 40-foot high-cube container, \$505 per 45-foot container, \$575 per 48-foot container, and \$640 per 53-foot container. This is the recommended surcharge by the Transpacific Stabilization Agreement and is subject to change. Please contact your Shapiro Representative for details.

OCEAN FREIGHT

China Shipping Leads the Mega-Ship Race

China Shipping Container Lines increased the definition of a mega-ship by ordering five 18,400 TEU giants that will now pass Maersk's "Triple E" vessels in size meaning China Shipping will have the largest container ships afloat in the industry. China Shipping has said that they will deploy these new mega-ships in the Asia-Europe service on their joint venture with United Arab Shipping Co, which is also considering ordering its own vessels of the same size. Mediterranean Shipping Co. may also join the mega-ship owners as it has been reported that they will be chartering three 18,400 TEU vessels recently ordered by Hong Kong Asset Management.

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AIR FREIGHT

Asia-Pacific Air Cargo Demand Is Weak

Demand on space from Air Carriers in the Asia-Pacific air market continues to weaken as the demand in June 2013 was 2.2 lower than the same month last year. Freight capacity was up slightly at 0.3 percent. The load factor also declined 1.7 percent to 66.2 percent of space being utilized. Asia Airlines reported a 2.4 percent decline in freight traffic for the first six months of the year, which mirrors the persistent weakness in global trade conditions.

TIACA Appoints Brittin Secretary General

Douglas Brittin, who currently is Division director of Air Cargo at TSA headquarters in Arlington, VA has recently been appointed the new Secretary General for The International Air Cargo Association (TIACA). Brittin replaces Daniel Fernandez who held the position since 1999. Brittin has been involved in the transportation, logistics, and government sectors for 33 years. While at TSA, Brittin was responsible for the development of the Certified Cargo Screening Program, as well as policy, forwarder programs and screening technology development.

DOMESTIC

Estes Express Imposes Low Rate Hike

The nation's largest privately owned less-than-truckload (LTL) carrier; Estes Express, has raised its tariff rate 3.7 percent on average as of July 8. This rate hike only affects non-contract freight. This is much lower than the rate hikes for many competitors which were 6.9 percent on average. Estes has been focusing on increasing its productivity by putting its focus on new technology and the investments seem to be paying off. Nonetheless, Estes still remains concerned with the shortage of truck drivers and rising regulatory compliance and rising healthcare costs. Estes and other LTL carriers are still trying to recover from a sharp drop in revenue in 2009 when the largest 25 LTL carriers lost 31.6 percent of their revenue.

SAMUEL SHAPIRO & COMPANY, INC. NEWS

Shapiro Unveils New Brand, Launches New Website

Shapiro revealed its new brand in a modern, interactive website, a few weeks before its 98th anniversary.

Shapiro's rebranding exercise, which began late last year, aimed at creating a dynamic and interactive website platform that highlights the personality behind the brand. Keeping with its Baltimore roots, Shapiro selected a Baltimore-based marketing firm to assist with its efforts. Shapiro received a new logo, website, print materials, and other branding elements to create a cohesive and modern look. The website introduces enhancements in usability and new features, including industry whitepapers, a resource library, and a new blog (Shap Blog), among others. The site's content and language reflect the extensive

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knowledge, quirky humor and collective voice of the company and its employees. The company is not changing its legal name from Samuel Shapiro & Company, Inc.; the change to "Shapiro" is a simple application of customer feedback and a reflection of its modern approach to business.

The company's new brand was primarily inspired by direct feedback from its customers and input from its employees. Next on Shapiro's agenda for this year is the upgrade of the Shapiro 360° suite of products, which provides its customers with flexible cargo tracking, reporting, and PO management tools.

"Some customers know us as a serious and, admittedly, quirky group of people that pride ourselves in climbing mountains for them. Others say that we are a company that is committed to the old-fashioned values of personalized customer service and integrity that were instilled in us by Samuel. And others say that we embrace modern technology and innovative solutions with flexibility at its core," said Margie Shapiro, Shapiro's President and CEO. "With our 100th year approaching, we felt it was time that our website and our logo reflect this evolution, and this very rare combination."

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 Michael Wohlfrom, Transportation Service Representative, for his outstanding performance and contributions.

We encourage you to provide us with employee feedback! Please email us at <u>hr@shapiro.com</u>.

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 <u>shaptalk@shapiro.com</u>.

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