SHAP TALK

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In this issue:

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TRADE NEWS:

New CBP Enforcement on Importer Security Filings (ISF)

For shipments that are already on the water on or after June 30, 2016, Customs and Border Protection (CBP) ports will no longer send requests for liquidated damages on late or not filed Importer Security Filings (ISF) to Headquarters for review, and the "three strikes" approach to liquidated damages against the importer will end.

Port Directors will continue to use discretion to enforce ISF by using cargo holds on all cargo that does not have ISF information on file prior to the vessel arrival. Ports may hold cargo instead of (or in addition to) initiating liquidated damage penalty claims.

When the manifest has a cargo hold on the shipment, Customs may ask the importer to provide extenuating circumstances as to why the "hold" should be reviewed after vessel arrival. The response must be given by the importer on company letterhead to address why the ISF was not filed timely or complete, and address what steps are being taken to ensure all future shipments are filed on time.

Importers are reminded that the Importer Security Filing must electronically be submitted 24 hours before merchandise arriving by vessel is imported into the United States.

CBP uses an internal database visible nationwide to keep track of the violations and identify those that warrant additional enforcement actions; this includes liquidated damages for repeat offenders.

The information submitted in Importer Security Filings improves U.S. Customs and Border Protection's (CBP's) ability to identify high-risk shipments in their quest to both prevent smuggling and ensure cargo safety and security.

For more information, check out Shapiro's What You Need to Know about Importer Security Filing (ISF) resource.

Export Licenses Receive Single Trade Application Reporting System (STARS)

The Single Trade Application and Reporting System (STARS) directs users whose export requires a license to the export licensing systems of the Department of Commerce, Bureau of Industry and Security (BIS); the Department of State, Directorate Defense Trade Controls (DDTC); and the Department of Treasury, Office of Foreign Assets Control (OFAC).

This single portal was created in support of the President's Export Control Reform (ECR) initiative and will eventually lead to one simplified form. The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center. The project is being directed by the National Security Council with cooperation from the Department of Commerce and the Department of State, as well as other regulatory control agencies.

Having one landing page or portal under Export.gov makes sense, especially to new exporters seeking information on how to export their product. New exporters may not readily think to check the Bureau of

Industry and Security export regulations, but they'll be able to find all requirements, BIS, DDTC and OFAC, on Export.gov on a single landing page.

Export Control Reform (ECR) Lists "Tracker"

Obama's Export Control Reform (ECR) initiative, launched in 2009, is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction. Eighteen of the twenty-one categories of the United States Munitions List have been revised and published for public comment, fifteen of which have been published as final rules.

The ECR's Control Lists "Tracker" provides a great snapshot of the Category, United States Munitions List (USML) Rules and the Commerce Control List (CCL) Rules and the effective dates for each final rule. Links are provided to access the proposed and final rules, along with the public comments.

Another resource to look at while on the Export.gov website check out the Consolidated Screening List, which must be checked by exporters for all entities you are doing business with, and the Export Control List Library, which houses fact sheets, speeches, reports to Congress and the ECR decision tree tools.

Commerce License Decrementation Coming Soon in AES

While State Department licenses already show the balance of the license used when an Electronic Export Information (EEEI) is filed in the Automated Export System (AES), trade has asked to have the same functionality when filing Commerce licenses.

Gerry Horner, Director of Office of Technology Evaluation at the Bureau of Industry and Security, announced that starting soon (possibly in July), all Bureau of Industry (BIS) licenses under the Department of Commerce will decrement providing a balance in the messages returned via AES.

Providing the decrementation of the Commerce license in AES will help exporters ensure that they have the correct balance left on the license, and deter them from overuse.

FWS Increases Penalties for Lacey Act and Endangered Species Violations

In a Federal Register Notice published on June 28, U.S. Fish and Wildlife Service (FWS) announced an interim rule has been issued revising the civil procedure regulations, which assess civil penalties when violations of laws or regulations have occurred.

According to the notice, The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 and the Office of Management and Budget (OMB) will, "adjust for inflation in the statutory civil monetary penalties that may be assessed for violations of Service-administered statutes and their implementing regulations."

The adjustments to the penalties for Lacey Act and the Endangered Species Act are as follows:

Endangered Species Act of 1973 :

- *Knowing violation of section 1538 $49,467*
- *Other knowing violation $23,744*
- *Any other violation $1,250*

Lacey Act Amendments of 1981:

- *16 U.S.C. 3373(a)(1) Violations $25,000*
- *16 U.S.C. 3373 (a)(2) Violations $625*

The interim rule will become effective July 28, 2016.

NAFTA's Negative Trade Numbers

April marked the 16th month in a row that the Bureau of Transportation Statistics (BTS) recorded a decline in trade between the U.S., Canada and Mexico. Trade between the three NAFTA member nations declined 3.2% year-over-year, leaving the value of total trade at $90.4 billion USD.

Trade via truck, which constituted 66.8% of trade amongst the 3 countries, was the most utilized mode of transport. Despite a decrease in outbound shipments from the U.S. to Mexico and Canada, total trade via truck actually increased by .08%, driven by a 9.5% increase in inbound freight from Mexico and Canada. Overall, this mode accounted for 65.9%, or $34.1 billion USD, of U.S. imports from Canada and Mexico and 67.8%, or $29 billion USD, of U.S. exports to Canada and Mexico.

The remaining modes of transport continued their downward trending. Rail shipments decreased by 3.4%, shipments via air declined by 10.4%, pipeline trade dropped by 30.5% and ocean trade decreased by 26.4%. BTS has stated that the continued reduction in trade amongst the three NAFTA member nations is primarily a byproduct of the drastic decline of crude oil prices. It is likely that NAFTA trade will experience a significant increase once crude oil prices return to typical levels.

A Weakened U.S. Dollar has Exports Looking for Infrastructure Stability

Over the past few years, a strong U.S. dollar has been responsible for the decline of commoditized U.S. exports and, after a decade of rapid growth, the Chinese economy has begun to slow down and shift to a consumer-driven market. In recent months, however, a gradual weakening of the U.S. dollar has created export opportunities, for example, in China's growing middle class for agriculture products.

While the weakening dollar will make it easier for developing countries to be able to afford U.S. goods, many economists believe that governments need to do more. Steam ship lines have already begun shifting towards mega vessels, and many ports in developing countries do not have the capacity or inland infrastructure to service these larger ships. Some countries have already begun investing in infrastructure projects to be able to accommodate the larger vessels and increases in growth. Vietnam, for example, is undertaking major projects to build a port at Lach Huyen and in tandem, a major expressway to help facilitate transportation and distribution.

The Port of Oakland in the U.S. is planning to spend hundreds of millions of dollars in rail infrastructure and near-dock warehousing. Agricultural exports make up approximately 45 percent of the ports' total exports, increasing by 5.1% year-over-year. Based on the ports' location in northern California, the Port of Oakland is a natural gateway for agricultural commodities.

Adding infrastructure is a necessary component in order to handle anticipated increases in volume while also trying to alleviate congestion issues. However, if developing countries do not also invest in optimizing their supply chain infrastructures, they will not be able to take advantage of these key market opportunities.

DOC Seeks Countervailing Duties on Chinese Tire Imports

On June 28th, the Department of Commerce (DOC) issued a preliminary ruling for the application of countervailing duties on Chinese imports of bus, truck and commercial use tires. After performing two in-depth case studies, the DOC determined that the Chinese government is providing significant subsidies to manufacturers and importers of truck, bus and commercial use tires.

The DOC analyzed the financial records and business practices of Guizhou Tyre Co, which was assessed a penalty tariff of 23.38%, and Coin Holdings, which was assessed a penalty tariff of 17.06%. The tariffs imposed against Guizhou and Coin were then averaged to create a penalty tariff of 20.22% that is to be levied against all importers of truck, bus and commercial use tires manufactured in China. The tentative ruling is likely to have a negative impact on the annual $1 billion USD tire trade between China and the U.S.

The United Steelworkers Union initiated the countervailing duties case at the beginning of this year and are also spearheading the anti-dumping case (listed under a separate docket number and being handled as a separate proceeding). The DOC's final rulings on both proceedings are due on November 10th of this year.

Americans Getting a Caffeine Boost this Fall

Cuba is known for its vintage cars, good rum, some of the best cigars in the world, but don't forget about the coffee.

Americans consume an estimated 400 million cups of coffee per day, and soon, they'll have access to the first Cuban coffee to hit American shores in over 50 years. President Obama began the process of stabilizing relations with Cuba two years ago. Since then, changes in regulations have opened the doors for the import/export of certain products between the two neighbors as well as permitting travel to the Caribbean island.

Indicators like these showcase how both countries are willing to work together and establish new relations. Although travel and trade regulations are becoming more lax, there is still no sign of the 1960 trade embargo being lifted.

Starting this fall, the Swiss food and beverage company, Nestle, will sell their Grand Cru Cafecito de Cuba under its Nespresso brand in the U.S. and American coffee lovers will soon taste some of the greatest Arabica beans in the world. Nespresso USA President Guillaume Le Cunff stated, "Nespresso is thrilled to be the first to bring this rare coffee to the U.S., allowing consumers to rediscover this distinct coffee profile."

Change is in the Wind for the International Longshoreman's Association

The International Longshoremen's Association (ILA) Local 333 was officially handed back to its members after a secret ballot election declaring Scott Bowman as the new president. The local chapter has been held in trusteeship by the ILA since December of 2014 when a 2013 audit revealed criminal action.

Riker "Rocky" McKenzie, the local union's former president, lead a three-day labor strike in 2013 that brought the attention of the industry to Baltimore. The strike not only lead to the financial audit, which netted criminal elements within the union, but also established a legal precedent for unions nationwide; once a master contract has been ratified, the no-strike clause ensures that work stoppages cannot occur over local disputes.

TRANSPORTATION NEWS:

Industry News:

Peak Season Surcharges Might Actually Stick

Peak season is right around the corner, and so is the start of surcharge season for Asia to U.S. trade. While shippers have been enjoying record-low rates, ocean carriers have been stuff offering spot rates at or below break-even for several months. As summer temperatures rise, rates will likely do the same, however it won't be because of the weather. A July 1 General Rate Increase (GRI) of approximately $600 per FEU to both U.S. coasts has been announced and, unlike previous attempts to implement an increase, at least a portion of this one is likely to stick.

West Coast capacity has been gradually decreasing as carriers look to turn the tide on rock-bottom rates caused by high inventories and decreased demand. A 3% capacity decrease to the U.S. West Coast is expected since this time last year. Capacity to the U.S. East Coast on the other hand, will benefit from the newly widened Panama Canal allowing larger vessels to make regular calls. As a result, the West Coast GRI will likely be stronger than the surcharge to the East Coast.

A looming July 15 peak season surcharge (PSS) is also on the horizon. While most carriers have announced increases of $400-$600 per FEU, the final charge will be dependent on the strength of the preceding July 1 GRI.

Draft Restrictions Squeeze Santos Port Capacity

Three major terminals at Brazil's Santos port have been experiencing significant draft restrictions limiting their ability to handle fully-loaded ships with capacities of 9,000 TEUs or more. Ecoporto Santos, Brasil Terminal Portuaria and Embraport ports have been reduced from 14.1 meters to 12.7 meters in a matter of months.

Funding for port maintenance dredging and draft deepening has already been approved, however release of the funds has been mired by disputes between local port authorities and the Department of Transport's Special Ports Authority. With the Panama Canal expansion completed and the anticipation of larger vessels, continuing draft issues could hurt South America's largest and busiest port's standing in the region. Local port users have begun campaigning to deepen the channel to 17 meters in order to ensure the port can handle the increased capacity. At the moment, however, the port is struggling to maintain its current channel depth.

PMA Requests Contract Extension to Avoid Another Port Crisis

After a public battle over contract negotiations that gridlocked West Coast trade, the U.S. government and the shipping public are putting much needed pressure on the International Longshore and Warehouse Union (ILWU) and their maritime employers to extend the current contract beyond the July 2019 expiration.

"Negotiations are more visible now," stated Jim McKenna, Pacific Maritime Association President, at an Agriculture conference in Long Beach. "There is pressure on both sides, and pressure does a lot to get things done."

The 2014-2015 contract negotiations led to work slowdowns and lockouts affecting both importer and exporters, especially perishable agriculture cargo that still have not recovered from their losses. Since these last negotiations, at least 3 Congressional bills aimed at preventing work slowdowns, strikes or lockouts were proposed, however, none of the have passed.

As a result, West Coast contract negotiations are usually prone delays and congestion as talks extend beyond the expiration on the existing contract. When the recent contract expired in 2014, the union refused to extend, so the "no-strike" clause became void. One of the failed bills proposed a mandate that contracts be extended during negotiations to keep the "no-strike" clause in place.

McKenna has already sent a request to ILWU President, Bob McEllrath, to formally consider an extension to provide adequate time for negotiations in the next contract. "The logical thing is an extension of the contract for three to five years," said McKenna. The ILWU leadership advised that they will present the proposal to union members.

The Impact of Brexit on International Trade

Since the Brexit referendum on June 23rd, when Britons voted to leave the European Union (EU), the U.K. will have a two-year window to establish a new Free Trade Commission and renegotiate the country's trade relationships with the EU and the remaining global community. Currently, U.K. companies enjoy trade with the EU on a tariff and quote free basis.

Brexit may have hefty consequences for American businesses, which employ more than a million people in Britain. The United States is the largest single investor in Britain, and many firms consider it the gateway to free trade with the 28 nations that make up the EU. Without this unrestricted access, major trading partners such as U.S. and China may be forced to find alternative ways gain entry back into these lucrative markets. Brexit could also mean that the U.K. will not be part of the controversial Transatlantic Trade and Investment Partnership (TTIP), a trade deal between the EU and U.S. to promote trade and multilateral economic growth.

OCEAN FREIGHT NEWS:

The Panama Canal is Open for Business- but What Does That Mean?

Sunday, June 26, 2016 marked the first commercial passage of a container ship via the expanded Panama Canal. COSCO Shipping's appropriately named vessel, Panama, was the first to successfully navigate the new locks.

It has taken nine years and $5.4 billion dollars to get the canal ready to accommodate larger vessels. The new locks can allow vessels of approximately 13,000 TEU to pass through, which is two and a half times the capacity of the older lock system.

The Panama Canal opened in 1914 and the opening of the expanded canal was originally scheduled for 2014 to coincide with the 100th anniversary date, however, construction was inundated with delays, soaring costs and the last minute discovery of flaws in the concrete, thus delaying the opening to 2016.

As reported in the Journal of Commerce, a crowd of 30,000 onlookers watched as the COSCO Panama, a

9,400 TEU vessel, transited through the new set of locks. Panamanian officials reported that eight foreign heads of state were also present for the historic passage. The CEO for the Panama Canal Authority, Jorge Luis Quijana, stated, "This new route is the tip of the iceberg in making Panama once again the logistics center of the Americas…It represents a significant opportunity for the countries of the region to improve their infrastructure, increase their exports."

Panama and surrounding countries are not the only ones with some skin in the game. There is much speculation regarding how the canal opening will affect trade between Asia and the U.S. East and Gulf coasts. Ports in these regions have already invested billions of dollars in dredging and other improvement projects to help take a bite out of the dominance in the West Coast's trans-Pacific market share. They are hopeful that the added capacity via the Panama Canal will help to accelerate trade momentum.

According to David Eagan, head of industrial research in the Americas for the real estate firm CRBE, "the short term won't bring massive, game-changing gains for East Coast ports, because much of that repositioning already occurred in recent years…but it will shift U.S. cargo from slightly favoring the West Coast to a more even split between the two coasts."

Only time will tell the true future of how this historic event may change maritime trade. To quote Panamanian President, Juan Carlos Varela, "…this is a route that will unite the world."

SOLAS Has Positive Effect on U.S. Exporters

Just days before the July 1 deadline for container weight regulations mandated by SOLAS took effect globally, new announcements from U.S. terminals and steamship lines will have a positive effect on U.S. exporters. All six terminals that make up the Port of New York and New Jersey have announced that they will provide weighing services to shippers who do not provide the Verified Gross Mass (VGM).

Previously, Maher Terminal and APM Terminal had stated that they would be unable to provide the weighing service. Now, the Port of NY/NJ joins other terminals up down the East and Gulf coasts who will offer to weigh outbound containers (sometimes at a cost) and provide the necessary VGM to the carrier. Most export containers are already weighed upon entering marine terminals in order to comply with existing OSHA regulations. This movement towards utilizing existing weighing procedures (long pushed for by shippers) signals a standardization with the least amount of disruption on existing business practices.

Within the last couple of weeks, the 19 carrier members of Ocean Carrier Equipment Management Association (OCEMA), an organization that represents the steamship line industry, joined U.S. exporter and forwarder groups who have been pushing for this simple and unified VGM process. At a time when the dollar remains strong, weakening demand for U.S. goods, exporters are concerned that any disruption or port congestion could hurt their business. These concerns have prompted action by Congress and the Federal Maritime Commission. FMC chairman, Mario Cordero, publically applauded these recent efforts by the carriers and terminals.

Noticeably absent from this list of terminals are those covering the ports of Los Angeles and Long Beach, the busiest in the U.S., as well as other terminals up and down the West Coast. These terminals together represent a key gateway for agricultural product destined for Asia.

New York Port Is Not Prepared for Megaships…Yet

With the opening of the expanded Panama Canal, ocean carriers are pushing to start using larger vessels in rotation to the U.S. East Coast market. Unfortunately for carriers and the shipping public, the East Coast's largest port complex, Port of New York and New Jersey, will not be ready for the added capacity until 2017.

New York-New Jersey Port Authority has been working for the past 20 years to deepen its channel to 50 feet in order to allow mega-vessels to gain access to four of its five largest terminals. While the channel dredging project is almost completed, they have one big problem; The Bayonne Bridge that spans the main shipping channel leading into Newark Bay is too low to allow the megaships to pass.

The entire bridge needs to be raised from its current clearance height of 151 feet to 215 feet so they can increase the vessel capacity from the current 9,200 TEU threshold to 14,000 after the bridge is raised. There is some question as to if the new channel and harbor can safely handle vessels larger than 12,500 TEUs. The Army Corps of Engineers is now studying the channel closely to come up with a plan for pilots and tugs to navigate the waters.

The Ports of Virginia, Halifax, Baltimore, and Miami are already at the required 50 foot depth with no obstacles, while Savannah and Charleston will reach the required depth in 2018 and 2010, respectively. It is unlikely that any carriers will bring megaships into select ports while skipping New York, the largest port of call on the East Coast. There is even talk of 18,000 TEU ships that may be able to enter the market on the U.S. East Coast in the not so distant future if navigationally feasible. The Army Corps of Engineers is currently studying the navigational capabilities to look forward to the possibility of handling the 18,000 TEU ships.

AIRFREIGHT NEWS:

Brexit Impact on Air Cargo

The recent vote by the British people to leave the European Union has created global uncertainty for financial, political, and trade institutions alike. While the long term effects will likely take several years to realize, we are already seeing the consequences of the vote. The air cargo industry is no different and will face several complications over the next several years as a result of Brexit.

In the short term, the fluctuations in the value of the British pound will affect the price of goods moving into and out of the U.K., however it isn't clear what impact Brexit will have on the air cargo market. Long term, the U.K. will be negotiating new trade deals including aviation agreements with the European Union and the rest of the world. The International Air Transport Association (IATA) is anticipating a significant decrease in U.K. trade which will in turn affect air cargo business drastically. The U.S. Organization for Economic Co-operation and Development is expecting trade volume to decline of as much as 20%, which could devastate the air cargo. The air cargo community is hoping the U.K. will become a member of the European Common Aviation Area (ECAA) which would require the acceptance of all EU laws regarding aviation, but would help to keep the trade lanes open.

Lufthansa- an Industry Leader is Shaking Things Up

On June 9th, a press release from Lufthansa (LH) announced their Chief Financial Officer, Simone Menne, requested "early termination from her assignment." The next day, Reuters reported LH shares falling after the announcement and almost simultaneously reported that Lufthansa's cargo division would be cutting up to 800 jobs out of its worldwide workforce.

First quarter results at LH were a warning bell as their cargo sector reported underwhelming stats. Low-growth 2016 cargo forecast, increased competition from Middle East carriers, Brexit, and union strikes are complications faced by virtually every cargo operation. In order to stay competitive in a turbulent international market, Lufthansa plans to continue the "C-40" cost-reduction program announced last year, reduce cargo workforce, target new customers with new products, invest in its metal-neutral relationships, e-innovation, and fleet adjustments with a goal "to reduce cost by €30 million annually."

Cargolux China Discloses New Global Strategy

Cargolux China has disclosed a new global strategy that will utilize its northern China hub to launch new routes across Asia, the trans-Pacific, South America, and Africa within the next three years. The cargo airline, based in Zhengzhou, will start operations in 2017 focusing initially on the trans-Pacific and intra-Asia routes, with plans for quick expansion.

Zhengzhou's Xinzheng International Airport is one of China's fastest-growing and most important aviation hubs. Cargo volumes increased from 85,800 to 403,000 tons between 2010-2015, with fresh goods and spare parts as the two main commodities responsible for the rapid growth.

Cargolux China is the youngest addition to the Luxembourg-based Cargolux Group, which currently operates 25 B747 freighters, including four operated by Cargolux Italia. The Chinese joint venture project will expand the Cargolux fleet to 30 aircraft by 2020 and all aircrafts will be based at the Zhengzhou hub.

The strategy is a direct result of the all-cargo carrier looking to grow market share, increase capacity, and expand their global presence. For U.S. importers, increased capacity out of Asia should provide downward pressure on a weak rate market that is already suffering from overcapacity and volatile price fluctuations. However the airline industry is hoping that as the global economy picks up the pace, excess capacity will be absorbed by an increase demand for air freight.

DOMESTIC NEWS:

North America Railroad Free Time Policy Summaries Effective June 6, 2016

It's no secret that 'free time' is a crucial element for cargo businesses that move freight via rail, especially because rail terminals typically have shorter windows for sitting equipment before storage and detention start.

Shapiro has compiled the latest free time updates for various railroads and terminals across North America in the chart on the next page. Any new updates have been highlighted in orange, so be sure to pay close attention if your cargo moves by rail.

Locations	Free Time I.T. Bond	Free Time Non I.T.	DM 1st Period *	Subsequent Days *	Remarks
Union Pacific	2D	2D	5D/$100	Day 6-10/$150 Day 11+/$300	Notification Clock for storage & detention: • If notification is made before 5 pm, the day of notification is that (same) day. • If notification is made after 5 pm, the day of notification is the following day. Holidays - Good Friday, Day after Thanksgiving, and Presidents Day become chargeable days.
G3	3D	3D	5D/$100	Day 6-10/$150 Day 11+/$300	Saturday's will be included in the computation of free time and will be chargeable. (Sundays will not be charged storage or be counted in the free time calculation if free time has not expired)
For LAXU, LAXP, CHIW, DLST,KANU,PTLS & LRDU					**EFF: 2016-JUN-1 Sunday will now count as a Business Day and WILL count against Free Time.**
For LAXU, LAXP & PTLS			**Days 1 – 5** **$100 per day**	**Days 6+** **$200 per day**	**Free Time REDUCED from 48 hours down to 24 hours** **Storage charges adjusted at ALL terminals**
BNSF	See Remarks To Determine Free time	See Remarks To Determine Free time	See Remarks To Determine Storage Charge	See Remarks To Determine Storage Charge	Weekend days will be chargeable ***(including Sundays)*** and will be incorporated into the storage charge calculation. Free time includes the day of notification plus standard free time. If notification occurs after 5:00 p.m. local time, the day of notification is the following day. The amount of free time in each ramp, and the amount of storage charges will charge as follows: Facilities / Free Time / Storage Charge Group I Facilities / Notification Day + 24 Hours / $150 a day (Chicago Cicero, Portland, St. Louis)
Atlanta					Atlanta will follow CSX Free Time Policy until further notice.
CSX	2D	2D	10D/$75	$200	Notification Clock for storage & detention: • If notification is made before 5 pm, the day of notification is that (same) day. • If notification is made after 5 pm, the day of notification is the following day. Saturdays, Sundays and Holidays will be considered additional free days when they occur prior to the expiration of the free time period except for terminals in Atlanta (Fairburn & Hulsey), Boston, Chicago (59th Street), Cincinnati, Cleveland, Columbus, Detroit, Indianapolis, Louisville, Memphis, Nashville, Orlando, Springfield MA, Syracuse, Tampa, and Worcester, Saturday is considered a business day and chargeable day. Free time includes the day of notification plus standard free time.
Orlando	**1D**	**1D**			
Norfolk Southern	2D	2D	5D/$100	$150	Free time is calculated according to the schedule below: • When notification is made before 5:00 pm, the Day of Notification is that (same) day. • If notification is made after 5:00 pm, the Day of Notification is the following business day. • If notified on Sat, Sun or a Holiday = 8:00 am of the following business day is the day and time of notification At locations providing for Saturday gate hours, Saturday will be considered a "Business Day." As such, at those locations, Saturday can be a Day of Notification, and will count against Free Time. At terminals not providing Saturday gate hours, Saturday status will not change. A unit will continue to incur storage charges if its free time has expired prior to the start of the weekend or holiday. Standard terms do not apply to the equipment listed for the following facilities. These facilities are subject to the individual terminal operator's rules and charges: Front Royal, VA; Garden City, GA; Huntsville, AL; Norfolk International Terminal, VA; Norfolk Portsmouth Marine Terminal, VA; Savannah (ITCF), GA. **EFF: 2016-AUG-1 Storage at ALL Terminals will now begin at 08:00 on the day following the Last Free Day.**
For CHI & KAN			**Days 1 - 5** **Peak = $150** **Off-Peak = $100**	**Days 6+** **Peak = $200** **Off-Peak = $150**	**Sunday will now count as a Business Day and WILL count against Free Time. Demurrage will now be on a Tiered scale; PEAK (08:00 – 18:00) and OFF-PEAK (18:01 – 07:59).**
CN (Canada)	3D	3D	CAD$100	CAD$100	Free time is three (3 calendar) consecutive days, **including** Sat, Sun, and holidays, where the Terminal is open, commencing at 7:00 AM after the day of arrival.
(USA)	3D	3D	USD$75	USD$75	
TRT	See Remarks	See Remarks	CAD$200 (TRT Brampton only)	CAD$200 (TRT Brampton only)	**For TRT Brampton Only:** (A "Day" will begin at 07:00 and end at 06:59) One (1) free days commencing at the next 07:00, including Sat/Sun and all public

IDN	2D	2D	USD$75	USD$75	holidays. **Loaded containers will be subject to normal storage charges, not to exceed 30 days. Containers remaining at a CN facility beyond 30 days will be subject to an additional removal fee of $1000, payable by the Steamship Line, in the applicable country's currency.** Free time is two (2 calendar) consecutive days, **including** Sat, Sun, and holidays, where the Terminal is open, commencing at 7:00 AM after the day of arrival.
Canadian Pacific MNA	3D	3D	$75	$125	Saturdays, Sundays and legal holidays are not counted against free time.
FEC FTL	2D 1D	2D 1D	10D/$75 10D/$75	$100 $100	Free time and charges will be computed from first 11:59 PM following day of notification. In computing free time, Saturdays (except Miami, Ft. Lauderdale and Jacksonville), Sundays and Holidays will not be counted. When notification is given after 12 noon, the day of notification will be the first day following which is not a Saturday, Sunday or Holiday. Effective July 1, 2011 the Miami, Ft. Lauderdale and Jacksonville ramps will be opened on Saturdays. Saturday will count against free time and will also be considered a day of Notification.

Please reference to Routing Guide to determine destination railroad terminal

* If there are no days "D" in DM period then charges remain the same from the day after free day expired until the day that container is delivered. Effective June 6, 2016

NORTH AMERICA RAILROAD -- FREE TIME POLICY

Effective June 6, 2016 *(Changes/Additions in this revision are in orange)*

Oakland Port Implements New Extended Hour Program to Eliminate Port Congestion

The Port of Oakland announced that starting July 1st, Oakland International Container Terminal (OITC) will begin charging a $30 terminal fee for all import and export containers in order to support extended hours during four night gates every week. In the past few months, the port has been subsidizing an extended gate program at OITC in order to address the port congestion problems. In addition to the regular 8 a.m. to 5 p.m. gate hours, OITC will have evening hours on Monday through Thursdays for container pickups and deliveries.

Other ports and terminals have flexed their gate hours during periods of high activity, but they have not been successful in figuring out how to compensate terminals for the additional labor and equipment cost required to operate the extra shifts. Oakland initially had the same issues, but it was able to convince beneficial cargo owners (BCO), forwarders, truckers and labor to agree to the new $30 per container fee.

According to the Port of Oakland's maritime director, winning the support of BCOs was one of the most critical parts of the process because they will be pay the bill. Truckers and other stakeholders welcome the flexibility and productivity that this new program will add for the port.

The program will be studied by other U.S. ports that are struggling to handle cargo increases caused by megaships operated by constantly-shifting alliances of container lines. So far, the ports of Los Angeles-Long Beach, which implemented the PierPass extended-gate program more than 10 years ago, is the only U.S. port where BCOs pay a fee to ensure a regular schedule of night and weekend gates.

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SHAPIRO NEWS:

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 Melvin Voyd, 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.