

"SHAP" TALK

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WE WANT TO HEAR FROM YOU!

TRADE NEWS

Report from the 2008 C-TPAT Conference

The 2008 Customs-Trade Partnership Against Terrorism (C-TPAT) was held in late February in New Orleans. Over 700 C-TPAT members gathered for training and to hear the latest information on the program.

C-TPAT now has over 8,100 members, about half of whom are importers. C-TPAT gained over 2,600 new members in 2007. 87% of C-TPAT members have been validated. C-TPAT participants are $3\frac{1}{2}$ times less likely to receive examinations, even while the overall number of Customs exams has increased more than 20% in the past few years.

The third party validation pilot program with China has been slow to get off the ground. Of the approximately 300 C-TPAT members who import exclusively from China, only 20 have expressed an interest in third party validation. Customs stated the pilot program will not be extended.

With most of the initial validations completed for C-TPAT members, Customs is now performing revalidations as mandated by the SAFE Port Act. The revalidation will take place about three years from the time of the initial validation. This gives Customs an opportunity to visit a different foreign supplier and gain further insight into the C-TPAT member's supply chain.

One of the workshops focused on supply chain security breaches. A security measure is only as good as the ability to breach it. A lack of checks, balances, accountability, and responsibility will lead to a breakdown in the supply chain. Employees may not be properly trained to identify problems or anomalies. Employees may not be encouraged to report problems to management. A company may not have any written policies or procedures; policies and procedures may be outdated; or policies and procedures are not followed, perhaps due to lack of training. If there is an incident, Customs expects the company to be proactive and notify them, and to develop a corrective action plan.

In one of the best moments of the conference, the presenter likened cargo to a teenager. Once it leaves, it is out of your control. Where is it? Who is touching it? [Editor's note: As the mother of two teenage daughters, this really hit home.]

U.S. Customs has been working with the Transportation Security Agency so that C-TPAT and the TSA security programs support and complement each other and do not duplicate efforts or conflict with one another. Customs and TSA will be conducting validations of air carriers together.

C-TPAT for U.S. exporters is still a hot topic. The U.S. is very focused on establishing mutual recognition with other countries' cargo security programs with the ultimate goal of a global trusted trader network. A mutual recognition agreement has been signed with New Zealand. However, mutual recognition will not be truly meaningful until the C-TPAT program recognizes U.S. exporters. The European cargo security program of Authorized Economic Operators applies to both importers and exporters.

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U.S. Customs may begin by testing C-TPAT for exporters with companies that are already C-TPAT certified importers. Customs reported they are proceeding methodically with this issue. Unfortunately, at this time, Customs staffing resources are limited, so the addition of exporters to the program may not be a reality any time soon.

If you are interested in learning more about C-TPAT, please contact us at <u>consulting@shapiro.com</u>. We offer C-TPAT training, a do-it-yourself C-TPAT workbook, as well as our consultative services to handle the application on your behalf.

The Environmental Protection Agency's Strategy to Reduce our Carbon Footprint

Earlier this month the Environmental Protection Agency (EPA) announced its continued commitment to reduce the environmental effects of moving goods, with a plan to work with U.S. port authorities as well as others in the cargo transportation industry. The endeavor seeks to support new and existing EPA programs that will produce quantifiable results in the next 12 months as well as lay the groundwork for future measures.

The strategy focuses on six themes:

- Clean air and affordable energy
- Clean and safe water
- Healthy communities and ecosystems
- Global environment
- Port communications
- Enforcement

Possible actions include:

- Develop a supply chain model to assist shippers and carriers in calculating the environmental impact of moving goods, as well as establish corporate goals for the improvement of emissions by December 2008;
- Support all means of authority to prevent the importation of illegal and harmful products at the border;
- Develop a tiered set of emissions reduction goals for major ports responsible for a significant percentage of U.S. international trade with focus on port operations, expansion, and modernization;
- Encourage partnerships that use cleaner fuels, more efficient routes, operations and technologies;
- Develop port-specific baselines for emissions reductions targets by promoting early retirement of vehicles and engines;

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- Use voluntary measures as well as binding international agreements to promote cuts in air pollution;
- Collaborate with other key federal entities to facilitate the use and exportation of cleaner technology through partnerships with domestic and foreign ports and other interested parties;
- Promote the use of the National Environmental Policy Act as a tool to evaluate and promote efforts to address impacts from infrastructure development plans;
- Encourage ports to minimize impacts during the development of systems that address security requirements;
- Encourage ports to make green purchasing decisions in all of their security procurements;
- Work with the U.S. Coast Guard in the development of standards for invasive species in ballast water from vessels;
- Continue to raise awareness both domestically and aboard on the issue of invasive species in freight pallets and packaging;
- Work with the Office of the U.S. Trade Representative and other economic agencies in the development and negotiations of trade policies and agreements to help minimize adverse local consequences associated with growth in international trade;
- Actively work with the Department of Transportation, other government agencies and key stakeholders on broader transportation system planning and financing efforts that will reduce congestion and enable ports to meet their emissions reduction targets;
- Establish an International Sustainable Ports and Carriers Partnership that would serve as a mechanism for international collaboration on projects to address the range of environmental problems associated with shipping.

The EPA notes that its strategy complements the American Association of Port Authorities' (AAPA) recent resolution and guiding principals on port sustainability. The EPA will work with the AAPA as well as individual port authorities, private port operators, transportation supply and logistics companies, government agencies, states, communities and other interested groups to promote and implement sustainable practices at ports and their related operations.

Intellectual Property Rights Enforcement Efforts for 2007/2008

The National Intellectual Property Law Enforcement Coordination Council recently published its report to the President and Congress on Intellectual Property Rights (IPR) accomplishments for the year 2007 and its goals for 2008. The report saw increased

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IPR prosecutions, enforcement efforts, and increased initiatives with foreign countries in an effort to eliminate IPR infringements.

Some of the significant accomplishments are listed below:

U.S. Customs made approximately 14,000 seizures of counterfeit and pirated shipments including footwear, healthcare items, pharmaceuticals, and electronics at an estimated value of \$200 million, which represents a value increase of 27%.

The International Trade Commission issued 9 exclusion orders to prevent infringing shipments from entering the U.S.

The Department of Justice filed 217 IPR cases which is a 7% increase over the year 2006 that resulted in 287 separate sentences for IPR crimes. Those sentences represent a 35% increase over 2006.

The Food and Drug Administration created the Counterfeit Alert Network which is a council of health professionals and consumer groups that works to educate the general public about the issues and dangers surrounding counterfeit pharmaceuticals to help protect the U.S. drug supply from counterfeits.

Representatives of the U.S. and the Association of Southeast Asian Nations met to develop an IPR enforcement network in Southeast Asia.

The United States Trade Representative sought to negotiate anti-counterfeiting trade agreements with countries such as Japan, Korea, Mexico, and the European Union.

U.S. and European Union officials shared best practices enforcement information and technologies as part of their ongoing initiatives to secure supply chains against IPR infringements.

The Department of Commerce sponsored programs with various government, congressional officials, and industry groups to provide education on how to enforce IPR in China.

Some of the significant goals for 2008 include:

- Continue to focus on high risk shipments that have potential health and security consequences.
- Continue to develop international IPR investigations and prosecutions.

Pursue crime groups that threaten through trafficking in stolen and counterfeit items.

Work more aggressively with congress to support new legislation to strengthen IPR enforcement and penalties.

Continue to promote and improve enforcement in problem countries such as China and Russia.

Changes in Store for In-Bond

An in-bond or transportation entry is a type of entry that permits goods to move from one port in the United States to another port without payment of duties and without entering the commerce of the U.S. The most typical in-bond entries are I.T. (immediate transportation) where goods enter the commerce of the U.S. at the destination port,

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I.E. (immediate exportation), and T&E (transportation and exportation) where goods are exported from the destination port. (While cargo can move in-bond, people cannot! International travelers must clear Customs at the first port/airport of arrival.)

The in-bond program has come under much criticism from the Department of Homeland Security's (DHS) Office of Inspector General, the Government Accountability Office (GAO), and from the importing community concerned with the security of its cargo while the goods are moving in-bond under Customs custody and control. Immigration and Customs Enforcement (ICE) recently reported a large smuggling scheme on the west coast where over 7,000 containers of Chinese apparel worth hundreds of millions of dollars were entered under T&E's to move in-bond from Los Angeles to Mexico, but instead went directly to U.S. store shelves without payment of duties or reporting of quotas.

How could something like this happen? One issue is the length of time Customs allows cargo to move in-bond. Goods moving in-bond by land have up to 30 days to move between ports. Goods moving in-bond by air have 10 business days for an I.E. and 15 business days for an I.T. Because many in-bond entries are still filed manually, often minimal information is entered into ACS (Automated Commercial System), and sometimes after the goods have begun their in-bond journey. Moreover, the Customs Regulations permit diversion of in-bond goods to another port without prior notification to Customs (19 CFR 18.5(a)). Customs does not even know the goods have been diverted until they show up at the new destination port. This particular regulation has been criticized by the GAO and is a serious security concern.

The GAO report, which found "persistent weaknesses," states that Customs does not adequately monitor or track in-bond goods, nor does it reconcile in-bond documents issued at the arrival port with the documents filed at the destination port to ensure the cargo is entered with appropriate duties or quotas applied, or is in fact exported. Prior to moving in-bond, shipments are screened by the Automated Targeting System (ATS), however the screening is based on manifest information only. More accurate and detailed entry information is not used to re-score the shipment until and unless the cargo enters the U.S. commerce. As a result, higher risk cargo may not be identified for inspection.

According to the DHS report which found "significant deficiencies" in the in-bond program, Customs is unable to determine the status of in-bond shipments in ACS. There are no policies or procedures to monitor in-bond audit results, if these audits take place at all. The report found lack of national oversight of the in-bond program.

At the 2008 Customs-Trade Partnership Against Terrorism (C-TPAT) conference, Customs stated the last major revision to the in-bond regulations was in the 1930's. The regulations are clearly due for an update. Customs is currently in the process of revising 19 CFR Part 18. Some of the proposed regulatory changes will be:

- Automation of all in-bonds where all in-bond applications must be filed electronically
- Shortening of the in-bond transit time, perhaps by as much as 50%
- Modification of 19 CFR 18.5 to require Customs be notified prior to diversion to another port

• Creation of a new term, "In-Bond Filer," to make the party who initiates the bond accountable for all applicable postings such as the arrival or export of the goods (currently, for example, a customs broker can create an in-bond document, but the bonded carrier is responsible to close out the in-bond)

Customs hopes to combat fraud by automating the in-bond process and using technology to track in-bonds. Customs is also reviewing the shortcomings in ACS so that they are not transferred to ACE (Automated Commercial Environment), the new Customs automated system currently under development. A notice of proposed rulemaking with these regulatory changes is not to be expected any time soon, but is in the planning stages.

ICE press release dated 3/3/08: http://www.ice.gov/pi/news/newsreleases/articles/080303losangeles.htm

DHS report dated 11/27/07: http://www.dhs.gov/xoig/assets/mgmtrpts/OIG_08-15_Nov07.pdf

GAO report dated April 2007: http://www.gao.gov/new.items/d07561.pdf

BIS Establishes Online Export Control Training for Exporters

The Bureau of Industry and Security (BIS), under the Department of Commerce, has announced the creation of the *BIS Online Training Room*, an innovative new resource for companies interested in learning about U.S. dual-use export control regulations. The Training Room will act as an organized, online repository of training modules and webinars, amplifying and augmenting current BIS exporter outreach programs. This is a great new resource for exporters and easy to use.

"Active compliance with U.S. dual-use export control regulations is critical to maintaining safe and secure international trade, and it is essential that we support the good-faith efforts of exporters to comply with our regulations," said Under Secretary of Commerce Mario Mancuso. "The BIS Online Training Room will be a great help to exporters, particularly small and medium-sized enterprises, by making available a convenient mechanism to learn about our regulations."

As part of its ongoing efforts to improve outreach, BIS will continue to create and supplement the materials regularly. The initial launch includes the first half of the *Essentials of Export Controls* seminar that BIS currently offers around the country, as well as five pre-recorded webinars covering a variety of topics. The training modules are presented in a video streaming format. The pre-recorded BIS webinars were conducted over the past year and focus on specific export control issues.

The BIS Online Training Room can be found at: http://www.bis.doc.gov/seminarsandtraining/seminar-training.htm

State Department Posts New Requirements for DSP-73 and DSP-61 License Applications

The Directorate of Defense Trade Controls (DDTC) is implementing new guidelines for supporting documentation requirements for license types DSP -73 and DSP-61. These requirements are effective <u>April 15, 2008</u>, and any submission not meeting these requirements is subject to Return Without Action (RWO). DDTC will not accept standalone license applications for the DSP-73 and DSP-61, and they would like to see industry implement these new guidelines prior to April 1, 2008.

In order to facilitate review of DSP-73 and DSP-61 license applications and to ensure compliance with the AECA and ITAR, DDTC is implementing new guidance for the supporting documentation requirements for these license types. These license applications must include documentation supporting the requested transaction.

For transactions "in furtherance" of an agreement, all DSP-73 and DSP-61 license applications must satisfy the additional requirements identified in Section 9.4 of the "Guidelines for Preparing Agreements."

DSP-73 – Temporary Export License Applications must include a transmittal letter explaining the need for the temporary export and describing the role of each party to the license, and must be limited to one end use or purpose. Any replacement or renewal must also include a transmittal letter. A renewal license application must be received 60 days prior to expiration to ensure sufficient time for review by DDTC.

DSP-61 – Temporary Import License Applications must be supported by a request from the foreign owner of the defense articles. In addition, the license application must be accompanied by a transmittal letter explaining why the temporary import does not meet the relevant exemption in 22 CFR §123.4(a) and as necessary, explaining fully the modification/upgrade to be performed.

For transactions relating to the temporary import of foreign-manufactured defense articles for trade shows and demonstration, the license application must be supported by documentation from the U.S. entity responsible for the defense articles while in the U.S. and/or trade show registration documentation from the foreign party. For transactions relating to demonstration, the license application must also be supported by documentation from the U.S. party requesting the demonstration.

For transactions relating to military exercises at U.S. bases/ranges, the license application must be supported by documentation from the foreign government identifying the participation of the foreign country in the exercise. The license application must clearly identify the defense articles to be imported and must specifically identify the name of the military exercise. These application types should be submitted by a foreign embassy on behalf of its military. Any exception must be explained in a transmittal letter describing the circumstances.

Transit to a Third Country/Transshipment Requests (22 CFR §123.3(a)(2))

For transshipment licenses involving non-U.S. origin defense articles, the documentation must represent the transaction between the two foreign entities (Blocks 16 and 24) and must include the same information that a DSP-5 requires. The license applicant and the U.S. entity identified in Block 21 should only be acting as a

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freight forwarder. If not, the role of the U.S. parties must be explained in a transmittal letter.

For licenses involving the transshipment of U.S. origin defense articles, the application must be supported by an approved General Correspondence (GC) letter for retransfer of the defense articles to the new end-user pursuant to 22 CFR §123.9. A copy of the GC approval letter and the DSP-83, if applicable, must be submitted with the license application.

Replacement/Renewal License Applications: The transmittal letter must explain the need for the continued activity. The application submission must be accompanied by a complete copy of the precedent license. The transmittal letter must identify the current disposition of the subject defense articles. The renewal license application must be received 60 days prior to expiration to ensure sufficient time for review by DDTC.

For complete information, please refer to the DDTC website located at: <u>http://www.pmddtc.state.gov/license_applications_requirements.htm</u>

South Carolina State Port Authority Ready for TWIC

The South Carolina State Port Authority as announced that the Transportation Worker Identification Credential (TWIC) has an anticipated implementation date of September 2008. TWIC will be required by all individuals who are in need of unaccompanied access to secure areas of the port. TWIC will cost \$132.50 per person and will require fingerprinting, a digital photograph, and a security threat assessment administered by the Transportation Security Administration.

TWIC is a tamper resistant biometric credential. The South Carolina Sate Port Authority decided to jump on the band wagon early and enrolled all of their personnel. The port did not want to wait until the last minute in order to avoid any possible delays with the process. This latest program goes hand in hand with the other security practices already in place at the port such as radiation scanning for import containers, federal grants for security projects, as well as the Project Seahawk Command Center.

COMPLIANCE CORNER

Shapiro's 2008 Seminar Schedule is Here!

The wait is over! Get your calendar ready...Shapiro's 2008 seminar schedule is set!

Our focus this year will continue to be on compliance. We will be hosting classes on Import and Export Compliance, in addition to a special seminar on Transportation and Insurance.

Our Import Compliance seminars will be presented and hosted by Jane Taeger, our Director of Compliance. Our Export Compliance seminars will be presented by Liz Gant, our Export Compliance Analyst, and will feature guest speakers from Immigration and Customs Enforcement (ICE) and the Department of Justice.

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The Transportation and Insurance seminar will be presented by Jack Bashkow, Shapiro's Director of Transportation, and will feature a guest speaker from Avalon Risk Management, a premier provider of insurance and surety products. Continuing with tradition, we will host this seminar the same day as the Annual Propeller Club Crab Feast. So plan on attending our seminar in the morning and enjoying the Crab Feast in the afternoon! Complimentary transportation to and from the Crab Feast will be arranged by Shapiro.

Here is our 2008 seminar schedule:

Seminar Topic	City/Area	Location	Date
Import Compliance and 10+2	Baltimore	Tremont Grand Hotel	5/15/08
	Atlanta	TBA	10/14/08
	NY/NJ	ТВА	11/6/08
Export Compliance	Atlanta	ТВА	6/12/08
	Baltimore	Tremont Grand Hotel	9/10/08
Transportation & Insurance	Baltimore	Tremont Grand Hotel	8/14/08

To reserve your space before registration opens, please email <u>compliance@shapiro.com</u>. We look forward to seeing you soon at one of our events!

TRANSPORTATION UPDATE

April 2008 Update

Samuel Shapiro & Company, Inc. now has a Global LCL program for both imports and exports to offer our customers competitive pricing and provide us with the technology that will support us and our customers. We can quote almost immediately and also have access from our website to sailing schedules.

FAR EAST

CMA CGM, Maersk, and MSC the world's three largest shipping companies are reorganizing their services between China and the U.S. West Coast with the launch of two joint services in April 2008: the Yang Tse, serving Central and South China, and the Bohai Rim, serving Central and North China. These two new services will deploy ten 8,000 TEU vessels (5 on each loop) creating a weekly direct service between China and the United States. These modern, state-of-the-art ships will provide excellent ontime service so that customers can rely on timely delivery.

The rotation will be:

Yang Tse - Hong Kong, Yantian, Kaohsiung, Shanghai, Qingdao, Los Angeles, Hong Kong

Bohai Rim – Dalian, Tianjin, Xingang, Shanghai, Ningbo, Long Beach, Oakland

Mediterranean Shipping Co. announced three new services in the Trans-Pacific, part of the restructuring previously reported with Maersk Line and CMA CGM, to take effect in April.

A 5,090-TEU vessel, part of the fleet of Taiwan's Evergreen Group, became the largest containership to sail in the Adriatic Sea. The 294-meter Ital Laguna made its first call at Trieste Marine Terminal (TMT) as part of Evergreen's weekly China-Adriatic (ADR) service. Three other sister ships are set to be phased in to the service to replace smaller ships. The ADR uses seven vessels on a rotation of Shanghai, Ningbo, Hong Kong, Yantian, Tanjung Pelepas, Alexandria, Dekheila, Taranto, Trieste, Koper, Rijeka, Taranto, Tanjung Pelepas and back to Shanghai.

Samuel Shapiro & Company, Inc. has direct service for LCL cargo from Hong Kong to Baltimore without the congestion of New York. Service moves on the MOL/HYUNDAI service and has very reliable transit time.

MEDITERRANEAN

We have been advised by some of our contract carriers in the Mediterranean Region of the following Bunker Adjustment Increase and Emergency Bunker Adjustment.

Effective 4/15/08, BAF and EBAF will increase from the Mediterranean (Italy, Spain, Portugal, France, Slovenia, Israel, Turkey, and Greece) to the U.S.:

BAF to East Coast and Gulf ports: \$600.00 per 20' container \$1,200 per 40' container

BAF to West Coast ports: \$660.00 per 20' container \$1,220.00 per 40' container

EBAF to East Coast and Gulf ports: \$280.00 per 20' container \$560.00 per 40' container

EBAF to West Coast ports: \$281.00 per 20' container \$562.00 per 40' container

Regrettably we are required to announce that we have put these surcharges in our tariff as well. Please note we are having discussions and negotiations to mitigate and will notify you accordingly.

Please be advised that due to the continued rise in fuel costs, MSC has filed an increase effective April 10, 2008 to the Fuel Escalation Surcharge (FES) as per below for all U.S. Inland Tariffs except for the Far East Eastbound:

* Effective Date	: FES, April 10th, 2008
* Tariff Number	: Mesu – 037 10-A

* Rule Name : FES for all US Inland Tariffs

All U.S. Inland rates are subject to a Fuel Surcharge as follows:

- Ramp-Move: \$160.00 per container
- Rail-Motor: \$235.00 per container

- All-Motor:
 - For inland tariff rate up to \$400.00 the applicable FES will be \$88.00 per container
 - $\circ\,$ For inland tariff rate over \$401.00 the applicable FES will be \$150.00 per container

Samuel Shapiro & Company, Inc. has direct service for LCL cargo from Italy to Baltimore without the congestion of New York. Service moves on the MSC service with very competitive rates.

SOUTH AMERICA

Brazilian Customs employees went on strike March 18, 2008 after nearly 98 percent of them voted in favor of that action March 11. Services that have been suspended as a result of the strike, which is expected to last until at least March 24, include most import and export customs clearance and federal tax collection. Sources indicate that the only shipments being released are perishable items, explosives and pharmaceuticals.

Customs employee leaders said prior to the strike that 30 percent of customs activities would continue while it was underway. About 70 percent of customs inspectors and auditors have remained off the job since March 18. The decline in service is expected to result in losses for importers and exporters, and officials plan to review the extent of the damage next week.

The customs workers, who are represented by the National Union of Auditors and Inspectors of the Brazilian Internal Revenue Service, are seeking a 42 percent wage increase. The government has offered only 17 percent, arguing that it cannot afford more than that because of the revenue it has lost with the elimination of the Provisional Contribution on Financial Transactions (CPMF) tax.

NORTHERN EUROPE

Based upon the latest monitoring of fuel prices, TACA's Bunker Adjustment Factor (BAF) will be held unchanged for a further period of thirty days, through at least May 15, 2008, at the following levels:

Traffic to/from and via:

Atlantic/Gulf Coast Ports	Pacific Coast Ports
\$607.00 per 20' container	\$911.00 per 20' container
\$1214.00 per 40'/45' container	\$1822.00 per 40'/45' container
W/M \$61.00	W/M \$91.00

The Currency Adjustment Factor (CAF), based on the latest monitoring exercise, will remain unchanged at 12% through at least April 15, 2008.

NORTH AMERICA

Trade between the United States and its North American Free Trade Agreement partners Canada and Mexico grew 4.9 percent in 2007, according to the Bureau of Transportation Statistics of the U.S. Department of Transportation. Despite a record

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value of \$797 billion, growth was off from the 8.9 percent pace of the previous year for freight movements by truck, rail and pipeline. Total North American surface transportation imports rose 4.2 percent in 2007. Exports rose 5.8 percent.

EXPORT

In today's dynamic shipping market, sometimes it is necessary to make you aware of significant factors affecting our ability to service your business. Unfortunately, this is such a time for those of you exporting full container load ocean shipments from the U.S.

Freight forwarders in the U.S. are currently experiencing significant delays in getting space on board vessels. We have seen this developing in the market since the New Year. In other words, when you call us to make a booking and we contact the steamship line, typically the first available vessel we can book is not for two to three weeks. Gone for now are the days when you can call and expect to make a sailing in the same or next week.

To be clear about this challenge, the reasons for it unequivocally lie with the steamship lines. In general terms, they have reconciled their vessel strings to increase capacity in the Asia to Europe trade lane, subsequently reducing capacity in their other routings. Meanwhile U.S. exports have picked up due to the weakening dollar, which also puts downward pressure on capacity. In combination, there is more demand for space, rates are increasing, and the leverage once again lies with the steamship lines as they choose not to satisfy this burgeoning volume.

In discussion with other freight forwarders, two to four weeks appears to be standard for getting on board a vessel. If you are booking through us, we recommend the following. First and foremost, please give us as far advance notice as possible to make the booking. There is no charge from the steamship line to cancel a booking so long as the equipment is not pulled out. If you can notify us when the order goes into production, we will make the booking that far out. Should it be necessary to cancel, we can do so.

Secondly, the steamship lines typically allow a certain number of container slots per port. If you are willing to consider higher pre-carriage costs in order to make an earlier sailing, then we can try to book out of a port further away. For example, if you normally sail out of Baltimore, you may want to consider New York or Norfolk as alternatives. We can look at alternative ports as well as alternative carriers.

As with any challenge in international logistics, clear open communication is key to success. We ask that you please bear with us through these challenges and know that we will do everything in our power to get you on the earliest vessel possible. There is no foreseeable end to the current environment, so this is a business reality that we will have to work through together.

SAMUEL SHAPIRO & COMPANY, INC. - THE LATEST

Coming Soon: Shapiro 360°

In the next few weeks Samuel Shapiro & Company, Inc. will introduce Shapiro 360° to all of our customers. Shapiro 360° encompasses all of our I.T. tools, including our redesigned Internet Tracking System and new P.O. Management Tools. The new Internet Tracking System provides even more effortless access to your shipment data with quick sort and filter options, ability to export to an Excel spreadsheet, the ability for each user to customize their views of the shipment data, and much more.

The P.O. Management Tool allows Shapiro to reach back into your supply chain all the way to order placement. Working in conjunction with your suppliers and our worldwide network of agents, the system places the status of your orders prior to booking at your fingertips. The system allows for user-definable "checkpoints" in the lifecycle of your orders to be collected and delivered to you via a convenient web portal. At the time of booking, the integration with our agent network allows for visibility of the booking and complete tracking to your door.

You will soon receive additional information about these time-saving tools. We are considering hosting complimentary Shapiro 360° workshops in the Baltimore and Atlanta areas this year. If you are interested and would like to reserve your spot now, please email our Marketing Department at <u>marketing@shapiro.com</u>.

Samuel Shapiro & Company, Inc. Introduces New Mission Statement

For many years, we have promoted a very comprehensive mission statement—one that we believed provided in great detail the reason we are in business. We present it below:

It is the mission of Samuel Shapiro & Company, Inc. to achieve, manage and deliver the highest quality of personalized customer service in all facets of international/domestic transportation and logistics. We will utilize the knowledge of our skilled employees, our three generations of experience, our expertise in compliance, and our cutting-edge technological tools, individually tailored to our client's needs, to achieve this goal. We will maintain the ethical and professional standards established by Samuel Shapiro in 1915, and strive to be a model corporate citizen. We will continue to foster a culture of excellence among our employees, always conscious of our responsibilities to our clients, our Company philosophy, and the communities in which we live.

While we continue to stand by every word, it's not terribly easy to recite! And if you think about it, our mission can really be stated much more simply.

We deliver. Problem solved.

What does this mean?

We deliver the most complete logistics product.
We deliver nine decade's worth of compliance excellence.
We deliver the highest quality employees.
We deliver sophisticated, tailored automation solutions.
We deliver the highest level of customer service to every single customer.
We deliver on our promises.
Our company delivers. And we solve problems.
We deliver. Problem solved.

So next time someone asks you about Samuel Shapiro & Company, Inc., tell them! We deliver. Problem solved.

Employee of the Month

As previously featured in "Shap" Talk, Samuel Shapiro & Company, Inc. 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 Mary Anne Steinlein, New York Import Account Coordinator, for her 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.