

“SHAP” TALK

December 2012 Issue No. 128

In this issue:

2 TRADE NEWS

FDA Food Facility Renewal Deadline is December 31st
CBP Announces Six New Centers of Excellence and Expertise
FDA Pilot for Document Review Processing
NCBFAA Outlines Roles of Customs Broker
Foreign Corrupt Practices Resource Guide
BIS Proposes Revisions to the EAR
BIS Proposed Rule for Voluntary Self-Disclosures
State Department and BIS Issue Related Rules for USML Category XI
Imports from Burma Now Allowed
U.S. and Taiwan Sign Mutual Recognition Arrangement

8 TRANSPORTATION UPDATE

December 2012 Update

15 SAMUEL SHAPIRO & COMPANY, INC. NEWS

Shapiro Named a “Top Workplace” for the Second Year in a Row by the Baltimore Sun
Shapiro Receives Women’s Business Enterprise Certification
Shapiro Participates in the Society for International Affairs (SIA) Annual Fall
Defense Trade Export Licensing Conference
Shapiro Collect Donations to Support the Maryland Food Bank
Shapiro Welcomes Walter Starr as New Chief Financial Officer
Employee of the Month

18 WE WANT TO HEAR FROM YOU!

Baltimore Headquarters
100 N. Charles St, Ste 1200 Phone
Baltimore, MD 21201 1-888-you-1915
www.shapiro.com you@shapiro.com

TRADE NEWS

FDA Food Facility Renewal Deadline is December 31st

This is a reminder that all foreign and domestic facilities that manufacture, process, pack, or hold food for human and animal consumption are required by the Food Safety Modernization Act to renew their food facility registration by December 31, 2012, and every two years thereafter.

Facilities may register online at www.fda.gov/furls. FDA does not charge a fee to register a facility. After all required information has been entered, the registrant will receive confirmation of registration and a registration number.

Please be sure your foreign suppliers are aware of this new registration renewal requirement. We also wish to remind you that the responsibilities for the U.S. agent designated in the registration have changed. The U.S. agent will now be financially responsible for foreign food facility re-inspection fees. The fees are expected to be \$289 per hour. If you are not sure if you have been designated as a U.S. agent, or if you would like to have your name removed as a U.S. agent, you may contact FDA at FURLS@FDA.gov.

Further information on food facility registration may be found on the FDA website at: <http://www.fda.gov/Food/FoodSafety/FSMA/ucm314178.htm?source=govdelivery>

CBP Announces Six New Centers of Excellence and Expertise

U.S. Customs and Border Protection (CBP) Deputy Commissioner David V. Aguilar announced at the East Coast Trade Symposium the expansion of the Centers of Excellence and Expertise (CEE), creating six new CEE's in 2013.

The Centers that are to be established in 2013 are:

1. *Agriculture & Prepared Products: Miami*
2. *Apparel, Footwear & Textiles: San Francisco*
3. *Base Metals: Chicago*
4. *Consumer Products & Mass Merchandising: Atlanta*
5. *Industrial & Manufacturing Materials: Buffalo*
6. *Machinery: Laredo*

These virtual centers will provide one-stop processing to lower the trade's cost of business, provide greater consistency and predictability, and enhance CBP enforcement efforts. The CEE's will also serve as resources to the broader trade community and to CBP's U.S. government partners. The current CEE's are Electronics in Long Beach; Pharmaceuticals, Health & Chemicals in New York; Automotive & Aerospace in Detroit; and Petroleum, Natural Gas & Minerals in Houston.

Customs also said at the Trade Symposium that they are still working out how the CEE's will handle importers who import goods across multiple industry categories.

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

FDA Pilot for Document Review Processing

The Food & Drug Administration (FDA) has proposed a pilot program to be initiated early next year to aid in the process of more timely FDA document review at the border. The program will start with four participant companies, UPS, TNT, DHL, and FedEx, and these companies will provide suggestions on which ports in which to begin the pilot. The Express Association of America (EAA), which is the industry group pushing for the pilot and updated FDA regulations, advised that two-thirds of FDA holds are due to requests for documents.

The new program and related discussions will include:

- *Having FDA officers available at times when express border shipments occur, which is generally outside of regular office hours. Although details haven't been decided, it is expected that longer hours will be provided for the carrier to provide information to FDA such as an FDA registration number. FDA officers will be available at those off times to process documentation and information requests. Inspections and sample requests are not addressed or included in the pilot program.*
- *A discussion on how to improve FDA's Import Trade Auxiliary Communication System (ITACS). Allowing importers access to submit information back to the portal on held shipments has been discussed, but there are issues with confidentiality.*
- *Developing a risk based system under the Predictive Risk-Based Evaluation for Dynamic Import Compliance Targeting (PREDICT) program, which will allow enhanced detailed statistics on detained or denied products probably through a monthly assessment. The statistical review should provide data on FDA's efficiency. Under PREDICT FDA will also be reviewing release times on a district by district basis to identify those districts that are efficient under best practices recommendations. In addition, FDA has agreed to an evaluation of PREDICT by an outside third party.*

FDA did advise that there were certain recommendations that they would consider outside their purview such as resolving accuracy or duplicity issues with manufacturer identification codes (MID). Resolutions of this type would involve other government agencies beyond FDA, including CBP, and would have to be a joint effort. FDA did agree to meet with the EAA on a quarterly basis to review the recommendations and to outline the pilot.

Because of large shipment volumes transported by express carriers, it is hoped that the pilot results will give FDA information on how effectively the program can be expanded across other types of imports beyond border crossings.

NCBFAA Outlines Roles of Customs Broker

U.S. Customs and Border Protection (CBP) is currently in the process of rewriting 19 CFR Part 111 which covers Customs brokers. To aid in the review of current regulations, the National Customs Broker and Forwarders Association of America (NCBFAA) has published a paper released on November 2, 2012, which describes the current roles of Customs brokers.

The NCBFAA has broken down the roles played by brokers under the following categories:

- The broker is a Customs clearance expert or specialist. Brokers are responsible for making sure that proper duties are paid through the submission of proper forms and the transmission of shipment data to CBP. As this is a broker's core function it is unlikely that this function will change in the near future.
- The broker facilitates duty payments. Brokers manage daily and monthly statements for importers through the Automated Clearing House (ACH) and Periodic Monthly Statement (PMS) programs.
- The broker is a data manager for importers and government agencies including CBP. Types of data include commercial, financial, compliance, and transportation.
- The broker is compliance professional. The broker is licensed to perform Customs Business on behalf of importers and he provides compliance counseling and advice to importers, a role which is expected to grow over time with the Part 111 rewrite. In tandem CBP's Importer Self-Assessment (ISA) program and the new Centers of Excellence and Expertise (CEE) are expected to provide processing benefits to compliant importers.
- The broker is an educator who often provides CBP and the brokerage community with guidance on regulations. NCBFAA's Educational Institute (NEI) is in place to meet such needs. Continuing education will be essential as part of the Part 111 rewrite as broker roles grow.
- The broker is a secure supply chain partner with the database to support government security efforts, and the logical partner to review and transmit data from importers to CBP and other government agencies.
- The broker is a logistics provider and coordinator within ports, with transportation companies, and warehouses due to expanding tracking technologies available to the broker.

In summary, the NCBFAA publication has provided a historical accounting of broker roles and a perspective and suggestions on future broker roles.

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

Foreign Corrupt Practices Resource Guide

On November 14, 2012, the U.S. Securities and Exchange Commission (SEC) and the Department of Justice (DOJ) issued a resource guide with detailed information about the Foreign Corrupt Practices Act (FCPA) enforcement approach and priorities.

The FCPA Resource Guide is the product of extensive efforts by experts at DOJ and SEC, and has benefited from valuable input from the Departments of Commerce and State. It endeavors to provide helpful information to enterprises of all shapes and sizes- from small businesses doing their first transactions abroad to multi-national corporations with subsidiaries around the world. The Guide addresses a wide variety of topics, including who and what is covered by the FCPA's anti-bribery and accounting provisions; the definition of a "foreign official"; what constitute proper and improper gifts, travel and entertainment expenses; the nature of facilitating payments; how successor liability applies in the mergers and acquisitions context; the hallmarks of an effective corporate compliance program; and the different types of civil and criminal resolutions available in the FCPA context.

The Foreign Corrupt Practices Act (FCPA), enacted in 1977, generally prohibits the payment of bribes to foreign officials to assist in obtaining or retaining business. The FCPA can apply to prohibited conduct anywhere in the world and extends to publicly traded companies and their officers, directors, employees, stockholders, and agents. Agents can include third party agents, consultants, distributors, joint-venture partners, and others.

The FCPA also requires issuers to maintain accurate books and records and have a system of internal controls sufficient to, among other things, provide reasonable assurances that transactions are executed and assets are accessed and accounted for in accordance with management's authorization.

The sanctions for FCPA violations can be significant. The SEC may bring civil enforcement actions against issuers and their officers, directors, employees, stockholders, and agents for violations of the anti-bribery or accounting provisions of the FCPA. Companies and individuals that have committed violations of the FCPA may have to disgorge their ill-gotten gains plus pay prejudgment interest and substantial civil penalties. Companies may also be subject to oversight by an independent consultant.

The SEC and the Department of Justice are jointly responsible for enforcing the FCPA. The SEC's Enforcement Division has created a specialized unit to further enhance its enforcement of the FCPA.

The full FCPA Resource Guide can be accessed and downloaded from the SEC website at:
<http://www.sec.gov/spotlight/fcpa.shtml>.

Additional information can be found on the DOJ website at:
<http://www.justice.gov/criminal/fraud/fcpa/>

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

BIS Proposes Revisions to the EAR

On November 29, 2012, the Bureau of Industry and Security (BIS) published a proposed rule on revisions to the Export Administration Regulations (EAR) to make the Commerce Control List (CCL) clearer.

On December 9, 2010, BIS published an advance notice of proposed rulemaking entitled Commerce Control List: Revising Descriptions of Items and Foreign Availability as part of the President's Export Control Reform (ECR) Initiative. The December 9, 2010 notice sought, among other things, public comments on how descriptions of items controlled on the CCL could be made clearer. The proposed rule would implement changes identified by BIS and the public that would make the CCL less ambiguous. This rule would only implement changes that can be made to the CCL without requiring changes to multilateral export control regime guidelines or lists. However, BIS has identified changes that would require a decision of a multilateral regime to implement. For those changes, the U.S. government is developing regime change proposals for consideration by members of those multilateral export control regimes. BIS will implement those changes in separate rulemakings, if approved by the respective multilateral export control regimes.

Comments must be received by BIS no later than January 28, 2013.

The Federal Register Notice can be found at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-11-29/pdf/2012-28363.pdf>

BIS Proposed Rule for Voluntary Self-Disclosures

The Bureau of Industry and Security (BIS) has issued a proposed rule that will require the final comprehensive narrative account in a voluntary self-disclosure (VSD) to be submitted within 180 days of the initial VSD notification. Persons who have submitted an initial notification to complete and submit the final narrative report to the Office of Export Enforcement (OEE) will have a 180 day deadline. The Director of OEE has the discretion to extend the deadline if U.S. government interest would be served by an extension or upon a showing by the party making the disclosure that more time is reasonably necessary to complete the narrative account.

The proposed rule also includes authorizing the use of delivery services other than registered or certified mail for providing notice of issuance of a charging letter instituting an administrative enforcement proceeding under the Export Administration Regulations. BIS is proposing to allow sending a copy of the charging letter to the respondent's last known address by express mail or by a commercial courier or delivery service.

The proposed rule may be found in the November 7, 2012 Federal Register at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-11-07/pdf/2012-27206.pdf/>

Comments are due by January 7, 2013.

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201

Phone
1-888-you-1915

www.shapiro.com you@shapiro.com

State Department and BIS Issue Related Rules for USML Category XI

On November 28, 2012, the Bureau of Security (BIS) published a proposed rule on Control of Military Electronic Equipment and Related Items the President Determines No Longer Warrant Control under the United States Munitions List. The U.S. State Department published a related proposed rule on Revision of U.S. Munitions List Category XI and Definition for "Equipment." Both proposed rules are part of the President's Export Control Reform Initiative.

As part of the President's Export Control Reform effort, the Department of State proposes to amend the International Traffic in Arms Regulations (ITAR) to revise Category XI (military electronics) of the U.S. Munitions List (USML) to describe more precisely the articles warranting control on the USML and to provide a definition for "equipment." The revisions contained in this rule are part of the Department of State's retrospective plan under E.O. 13563 completed on August 17, 2011. The Department of State's full plan can be accessed at <http://www.state.gov/documents/organization/181028.pdf>

Comments on both of these related rules are due by January 28, 2013.

<http://www.gpo.gov/fdsys/pkg/FR-2012-11-28/pdf/2012-28477.pdf>

<http://www.gpo.gov/fdsys/pkg/FR-2012-11-28/pdf/2012-28396.pdf>

Imports from Burma Now Allowed

The United States has removed the ban on importations from Burma with the issuance of General License Number 18 on November 16, 2012. Products of Burma are now permitted to be imported into the United States, with the exception of jadeite or rubies mined or extracted from Burma, or articles of jewelry containing jadeite or rubies mined or extracted from Burma.

U.S. and Taiwan Sign Mutual Recognition Arrangement

The U.S. and Taiwan have signed a mutual recognition arrangement between the Customs-Trade Partnership Against Terrorism (C-TPAT) and the Taiwan's Authorized Economic Operator (AEO) programs.

The arrangement recognizes the compatibility between the Taiwan and U.S. cargo security programs, and acknowledges that both customs authorities will treat the security status of members of the other customs authority the same way it treats its own program members.

The goal of mutual recognition is to link the various international industry partnership programs so that together they create a unified and sustainable security posture that can assist in securing and facilitating global cargo trade.

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201

Phone
1-888-you-1915

www.shapiro.com you@shapiro.com

TRANSPORTATION UPDATE

December 2012 Update

INDUSTRY NEWS:

Tough Negotiations between ILA and USMX Worries International Trade Community

This past summer the trade community was worried about a possible strike by the International Longshoremen's Association (ILA) during the height of peak season. As we near the end of the year, this threat has reemerged and has no signs of improvement. The ILA and USMX (United States Maritime Alliance) continue to dispute on port labor contracts from Maine to Houston.

With the 90 day extension of negotiations from September 29 to December 29, 2012, a federal mediator had entered in the discussions to make negotiations run more smoothly. The federal mediator suggested for both sides to cease the public fighting. As a result, slight progress was achieved with both sides staying quiet for a while.

This silence was shattered in late November when ILA President Harold Daggett went on the radio and accused USMX of pitting U.S. ports against each other. Daggett continued to explain how he doesn't plan to accept caps on workers' year end checks from carrier's tonnage based container royalties. The USMX Chairman/CEO slammed back by saying ILA is unwilling to compromise and negotiations are not a one-way street.

Daggett's public outburst was intended to reinforce the ILA's position among members outside the NY/NJ area, where employers want to get rid of old rules and practices that raise cost and cut productivity. These practices are concentrated in the NY/NJ area where they require excessive staffing, overtime, and sometimes 24/7 pays. With this extra pay a few employees have earned annual pay up to \$400,000. Daggett's statement also stressed container royalty payments are highest in Charleston and Savannah, not New York/NJ.

NY/NJ terminals remain the focus of this year's contract negotiations. The container carriers that direct USMX want to take steps to lower costs. This change does not come easily because the ILA's home base is NYC/NJ.

Daggett has recently accused the carriers of building ships that run \$200 million each and not giving any compensation to ILA members who help them accumulate most of their money. The carriers responded that they provide royalties to union members on average \$15,500 at the end of the year. Also the carriers' investment in large ships is a must to compete globally and maximize the economies of scale.

Since both sides don't want to budge, it will be up to the federal mediator to clean up this mess now as the trade anxiously waits to see what will happen before the December 29 negotiation deadline.

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

OCU in LA-Long Beach Strike Shuts Down Port Terminals

Union workers of the International Longshore and Warehouse Union Office Clerical Unit (OCU) refused to work causing nine terminals at the port of Los Angeles and Long Beach to close down in the final week of November. ILWU dockworkers refused to cross picket lines.

OCU members have been working without a contract since June 2010. It is startling to see these union members not come to an agreement for 2 ½ years. OCU workers process documentation and perform other clerical functions at the offices of shipping lines and terminal operators. The union is affiliated with the ILWU, but it has a separate contract. The employers of the OCU complain that the union workers have a 29 percent absentee rate under their contracts. The employers refuse to continue this practice of having to replace absent workers with others from the hiring hall even when the substitutes are not needed. The OCU said their main concern is that employers are using computer technology to outsource their jobs to other states and other countries. OCU workers earn an average salary close to \$90,000 per year and the employers have offered pay raises under a new contract.

The Terminals below are still closed but analysts worry this can spread to other ports or even shutdown the whole port of Los Angeles and Long Beach. The trouble began at the Maersk facility at APM terminals and employers are worried that other terminals will follow suit in support of the Maersk facility.

Samuel Shapiro & Company Inc. recognizes that the situation on the West Coast with OCU relations remains fluid at this time. We encourage you to visit the Harbor Employers Association website under News/Inquiries/Press Releases as the single best source for factual details of what is occurring with labor relations.

<http://harboremployers.com/web/news/latest/>

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

Status of Port Terminals in LA-Long Beach as of November 28:

Port of Long Beach

SSA (COSCO)– Pier J status: OPEN

SSA (MSC) – Pier A status: OPEN

TTI (HANJIN)– Pier T status: CLOSED

TTI (CMA-Pearl/ Bohai)– Pier T status: CLOSED

SSA (CMA-Yang Tse/ Peral) – Pier C status: OPEN

SSA (MATSON) – Pier C status: OPEN

ITS (K LINE) – Pier G status: CLOSED

LBCT (OOCL) – Pier F status: CLOSED

Port of Los Angeles

APM (MAERSK)– status: CLOSED

CUT (HYUNDAI)– status: CLOSED

APL – status: CLOSED

STS (EVERGREEN) – status: CLOSED

TRAPAC (MOL) – status: OPEN

WBCT (CHINA SHIPPING) – status: CLOSED

WBCT (YANG MING) – status: CLOSED

YTI (NYK LINES) – status: CLOSED

U.S. East Coast Ports Prepare for Panama Canal Expansion

As the Panama Canal is being expanded, ports all over the world are rushing to make sure they are ready for the larger ships. The East Coast of the U.S. is no exception.

Savannah has already started to make plans to dredge 40 miles of its port. Currently the Savannah port channel is 42 - 47 feet deep. It has been estimated that this project would cost over \$600million. The federal government will assist in 60% of the cost. With this action plan, the Savannah port should be able to handle the large Post Panamax ships.

Baltimore Headquarters
100 N. Charles St, Ste 1200 Phone
Baltimore, MD 21201 1-888-you-1915
www.shapiro.com you@shapiro.com

Jacksonville, Miami and New York have all pushed for government funding of their ports to accommodate these huge ships. Unfortunately some ports may not be ready in time. For a port to secure its position for these gigantic ships they must have deeper harbors, stronger wharves, and larger cranes. All these improvements come at a heavy cost which puts some ports at a disadvantage.

Even though the federal spending on port expansion is limited, some states have jumped in to help. The Florida government has invested heavily in the Miami port on their dredge expansion project.

At this time, Baltimore and Norfolk are the only East Coast ports that can handle Post Panamax ships. Baltimore is in the midst of working towards upgrading the rail tunnels in the region to accommodate double stacked trains to compete with Norfolk.

New York plans to deepen their port to 50 feet by 2014, but with low bridges large ships still can't enter the port. The NY/NJ ports are looking into raising those bridges.

The race towards expanding ports drives competition, so Baltimore and Norfolk certainly will soon be in good company.

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

This newsletter is for informational purposes only. Although every effort is made to ensure accuracy, Samuel Shapiro & Company, Inc. assumes no legal liability for any erroneous information. Links to other websites are provided for reference and convenience and do not constitute endorsement of the content of those sites.

OCEAN FREIGHT:

Possible Port Congestion Surcharge Looms for USA East and Gulf Coast Cargo

The ILA has extended its contract negotiations to December 29, 2012. If an agreement isn't reached there will be a possible strike on the East and Gulf coasts. As a result ocean carriers have instituted a "Port Congestion Charge." This dramatic will be canceled if the strike does not occur.

The proposed amounts are: \$800/20'; \$1000/40'; \$1125/40HC'; \$1266/45HC'

Ocean Carriers Post Profits in Third Quarter of 2012

With most carriers seeing red numbers or losses for the past several quarters, it has been a relief for them to be in the black again.

- *Maersk is the world's largest container carrier. Maersk saw a profit of \$498 million in the third quarter of 2012, up from a \$289 million loss last year*
- *APL saw profits of \$55 million this quarter following a loss of \$88 million last year*
- *Hanjin made a profit of \$64 million in the third quarter following a loss of \$157 million last year.*
- *China Shipping's profit jumped to \$157 million this quarter following a \$148 million loss last year.*
- *COSCO saw improvement with a 26% increase, resulting in a net loss of \$242 million*
- *CSAV saw a profitable quarter earning \$37.3 million up from huge \$354.9 million loss previously.*

TSA Consolidates Intermodal Fuel Related Charges

On January 1, 2013, the Transpacific Stabilization Agreement (TSA) carriers plan to simplify intermodal movement which currently has 3 tiers: West Coast/Group 4, IPI and RIPI. As a result the TSA's intend to eliminate West Coast/Group 4 and RIPI and use solely IPI rates for all inland moves.

The TSA carriers will evaluate this new system over the next three months to see if is effective and simpler. Under the consolidated fuel structure, an example of a consolidated bunker fuel charge would be \$930/40', including \$538 marine bunker charge, \$15 low sulfur, and a \$380 intermodal component. Most carriers agree that having a single intermodal charge will make the inland transportation easier.

Super Storm Sandy Cost Shipping Industry \$1 Billion

It has recently been estimated that Super Storm Sandy has cost the shipping industry approximately one billion dollars. The ports of New York and New Jersey were closed for several days after the storm hit, and there was significant cargo loss at the terminals. Cargo had to be rerouted to different ports on the East Coast. Evergreen moved all their cargo to Baltimore and Norfolk, while Maersk moved their cargo to Halifax, Baltimore, Philadelphia and Norfolk.

The Ports in NY/NJ are now open and operational, however carriers, truckers and rail yards have been scrambling to work through the backlog to get cargo to its final destinations.

Carriers Begin to Omit Services for “Slack Season” Prior to Chinese New Year

Now that Peak Season is over, carriers are beginning to announce cuts in service, and they are cutting vessels from their rotations. Importers should watch this closely as we approach Chinese New Year. As customary, there is normally a “mini-peak” just prior to Chinese New Year which will fall during the week of February 10th. Carriers such as CMA have already announced that they are omitting two services during weeks 49 and 50.

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

AIRFREIGHT:

US vs. EU: Carbon Emissions Tax

President Obama signed into law The EU Emissions Trading Scheme Probation Act of 2011. The President has made it very clear that the United States will not tolerate any unilateral tax scheme on the U.S. civil aviation industry for flights going in and out of Europe.

This bill highlights that U.S. airlines should be omitted from the EU carbon emissions tax in all EU airports. If the EU wants to proceed with this tax on U.S. airlines then there would be an economic backlash between both parties. As of now the EU has delayed this carbon emissions tax until October 2013.

DOMESTIC:

Intermodal rates weaken as peak season closes

US intermodal rates from west to the east have decreased significantly in November. On average the rates are 7% lower than they were in October. The industry expects rates to continue to decrease during the "off peak" weeks and will spike slightly just prior to Chinese New Year on February 10.

SAMUEL SHAPIRO & COMPANY, INC. NEWS

Shapiro Named a “Top Workplace” for the Second Year in a Row by the Baltimore Sun

The Baltimore Sun, in collaboration with Workplace Dynamics, LLP, a leading research firm on organizational health and employee engagement, has recently released a listing of the Top Workplaces 2012 in the region. Workplace Dynamics conducts regional Top Workplaces programs with more than 30 major publishing partners and recognizes a national list of Top Workplaces. Over the past year, more than 4,500 organizations in the U.S. have turned to Workplace Dynamics to better understand what is on the minds of their employees.

Firms were nominated for consideration by their own employees and then evaluated using confidential surveys focused on corporate direction, execution, career opportunities, conditions, managers, pay/benefits, and engagement. After collecting and analyzing all surveys, Workplace Dynamics ranked the participants against companies of similar size.

Samuel Shapiro & Company, Inc. was recognized as one of the top workplaces in the Baltimore region for the second year in a row. Shapiro was founded in Baltimore in 1915 by Samuel Shapiro and is now in its third generation of family ownership and management, under Margie Shapiro, the company's President and CEO.

“Samuel Shapiro & Company is very honored to be selected as a ‘Top Workplace’ for a second consecutive year by the Baltimore Sun and, most importantly, by our family of employees,” said Shapiro. “Our mission statement is ‘We Deliver. Problem Solved.’ This promise to our customers continues to be delivered by passionate, creative people with the fire and commitment to design the best logistics solutions in the business.”

The Baltimore Sun published the complete list of Top Workplaces on Sunday, December 2nd. For more information about the Top Workplaces lists and Workplace Dynamics, please visit <http://www.topworkplaces.com> and <http://www.workplacedynamics.com>.

Shapiro Receives Women’s Business Enterprise Certification

Shapiro recently received national accreditation as a Women’s Business Enterprise through the Women’s Presidents’ Educational Organization-DC (WPEO), a regional certifying partner of the Women’s Business Enterprise National Council (WBENC).

The Women’s Business Enterprise National Council is the nation’s largest third party certifier of businesses owned and operated by women in the United States. WBENC is a resource for the more than 700 US companies and government agencies that rely on WBENC’s certification as an integral part of their supply diversity program. WBENC’s national standard of certification implemented by the WPEO is a meticulous process including an in-depth review of the business and site inspection. The certification process is designed to confirm the business is at least 51% owned, operated and controlled by a woman or women.

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

What was once a male-dominated industry, the logistics field is now thoroughly diversified, with many women in high-level, executive positions. Margie Shapiro became Samuel Shapiro & Company's Owner, President and CEO after acquiring the company from her father, Sig Shapiro, in 2002, making it a third generation family owned business. Samuel Shapiro, Margie's grandfather, opened the company's doors in 1915 with the desire of providing a single point of contact for all of its customers' logistics needs. Since then, Margie has cultivated the company's focus on providing personalized, old-fashioned customer service, but also on expanding its reach from being recognized not only as one of the country's most respected Customhouse brokers, but also a leader in the freight forwarding field.

Shapiro began its WBENC certification process in late spring 2012 and achieved official certification on October 31, 2012. The company will now be among many other certified women-owned businesses, working with WBENC members, which in turn, demonstrate their commitment to fostering diversity and the continued development of their supply/vendor diversity program. "I am honored to have Shapiro join the WBENC alongside many inspiring, successful companies," said Shapiro. "We look forward to collaborating and working with our fellow council and its corporate members."

For more information on WBENC, please visit <http://www.wbenc.org/>

Shapiro Participates in the Society for International Affairs (SIA) Annual Fall Defense Trade Export Licensing Conference

Shapiro took part on the Import Compliance and Focused Assessments panel for the 2012 Fall Defense Trade Export Licensing Conference hosted by the Society for International Affairs. The Society for International Affairs, Inc.(SIA), jointly formed in 1967 by U.S. government and industry, is a volunteer, non-profit, educational organization that provides a forum for the exchange of information related to export and import licensing. The organization hosted a two-day conference on November 8-9, which focused on the Export Control Reform (ECR) Initiative and several other related topics, such as product jurisdiction/classification, import compliance, and anticorruption programs.

On the second day of the conference, Jane Taeger, Shapiro's Director of Compliance, contributed to the Import Compliance panel alongside Thomas Jesukiewicz of U.S. Customs and Border Protection, Marshall Miller of Miller & Company, P.C., and Michele Dunkle of Northrop Grumman Corporation. The session covered focused assessments and how companies can proactively prepare.

"I am so pleased to have been invited to participate in this popular conference, and to partner with my fellow panel members to present a topic so vital to the importing community," noted Taeger. "All importers, regardless of size, can be subject to a Customs audit and should know their compliance responsibilities."

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

Shapiro Collect Donations to Support the Maryland Food Bank

The Maryland Food Bank, an affiliate of Feeding America, was founded in 1979 to collect and distribute food donations from manufacturers, wholesalers, retailers, government agencies and organizations to the state's hungry. They have two distribution centers and provide food to soup kitchens, food pantries, and emergency shelters. In fiscal year 2011 alone, the Maryland Food Bank, whose slogan is "Until Hunger Ends," distributed more than 23 million pounds of food to those in need.

Shapiro's Baltimore employees organized a food drive and the company vouched to donate \$50 for each box of food donated by its employees. All departments came together and collected 26 food boxes weighing a total of 623 pounds, and in turn, Shapiro provided an additional monetary contribution of \$1,300 to the Maryland Food Bank.

"Giving back to the community is one of our corporate values," said Margie Shapiro, Shapiro's President & CEO. "Our company makes me very proud."

Shapiro Welcomes Walter Starr as New Chief Financial Officer

Samuel Shapiro & Company, Inc. recently announced the addition of C. Walter Starr as Chief Financial Officer at its headquarters in Baltimore, MD.

Starr joins Shapiro with more than 25 years of experience in accounting, finance, and management serving in a variety of high level corporate roles including CFO, VP of Finance, Controller, and Director, in small to mid-sized companies in various industries. In addition to his well-rounded financial and management experience, Starr is also proficient within the logistics field through his previous role as CFO and Vice President of Finance & Administration at TBB Global Logistics, a Baltimorebased, non-asset supply chain management company.

In his new position, Starr will be responsible for providing management direction and development to our accounting department, while supervising all aspects of Shapiro's financial operations.

"I am thrilled to join such a long standing and well respected company in the industry," says Starr. "I look forward to combining my past 3rd party logistics experience with my international finance and operations experience in my new role as CFO."

"We are very excited to have Walter join our family," says Margie Shapiro, President and CEO of Samuel Shapiro & Company, Inc. "With his wealth of experience, we look forward to both his contributions and the new perspective he will bring to our strategic discussions."

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com

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 Gena Haddock, Import Manager in Charleston, 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.

Baltimore Headquarters
100 N. Charles St, Ste 1200
Baltimore, MD 21201
www.shapiro.com

Phone
1-888-you-1915
you@shapiro.com