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US Commerce Under Secretary: TPP is of crucial importance to US and world trade

US Undersecretary of Commerce for International Trade Stefan Selig made a strong pitch for the Trans-Pacific Partnership (TPP).

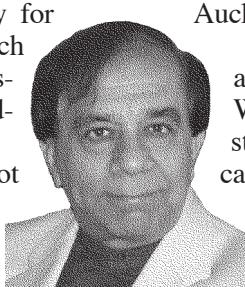
By Manik Mehta, AJOT

US Undersecretary of Commerce for International Trade, Stefan Selig, made a strong pitch for the Trans-Pacific Partnership (TPP), underscoring its importance not only for the U.S. but also for world trade, which stood to benefit as trade barriers are dismantled and borders between the trading partners become irrelevant.

"The importance of the TPP cannot be overstated ... it is a 21st century trade agreement," Selig told the *American Journal of Transportation* on the sidelines of an event held on May 16 at the Baruch College in New York to mark the World Trade Week NYC where international trade awards were given to recipients for their outstanding work in their respective business.

"The TPP is President Obama's rebalance to Asia," Selig said, emphasizing that the TPP would be passed amid consternation over opposition to the TPP agreement expressed by both the presumptive Presidential nominees, Republican Donald Trump and Democrat Hillary Clinton.

The TPP is a free trade agreement between 12 countries: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. All 12 TPP countries are members of the Asia-Pacific Economic



Cooperation (APEC). The TPP agreement, concluded on October 5, 2015 in Atlanta, Georgia, was formally signed on February 4, 2016 in Auckland, New Zealand.

"I have 50 persons on my team who are 100 percent devoted to the TPP. While I am not going to comment on the statements made by the various political candidates, one should realize that this is an election season ... electoral politics is not reflected in policies," he said.

Selig, intimately familiar with Asia, pointed out that President Obama will soon be travelling to two TPP member states Vietnam and Japan from May 21-28. This trip will highlight the President's ongoing commitment to the U.S. rebalance to Asia and the Pacific, designed to increase U.S. diplomatic, economic, and security engagement with the countries and peoples of the region. The President will first visit Vietnam, where he will hold talks with Vietnam's leadership on intensifying cooperation under the U.S.-Vietnam Comprehensive Partnership across a wide range of areas; he will also meet with members of civil society, the Young Southeast Asian Leadership Initiative, entrepreneurs, and the business community. In Japan, the President will participate in his final



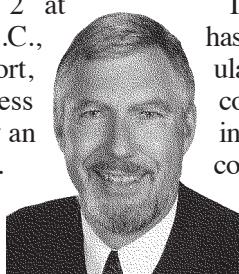
US Undersecretary of
Commerce for International
Trade Stefan Selig

(CRUCIAL – continued on page 18)

Vancouver's Terminal 2 takes another step forward

By Leo Quigley, AJOT

The Canadian Government has moved Port Metro Vancouver's application to construct Terminal 2 at Roberts Bank, B.C., adjacent to Deltaport, from the "completeness review" to review by an environmental panel.



The terminal, which could surpass Deltaport as the largest in Canada, is a key component of Vancouver's plans to expand container handling capacity.

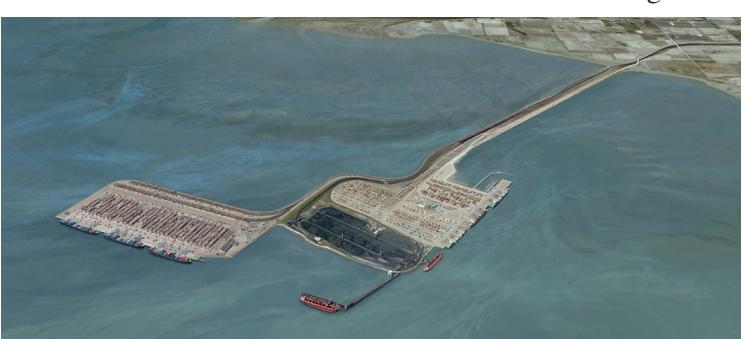
In a letter to the port the Canadian Environmental Assessment Agency has concluded its: "completeness review of the Vancouver Fraser Port Authority's Environmental Impact Statement, Marine Shipping Addendum and responses to the Agency's additional information requirements for the proposed Roberts Bank Terminal 2 Project and has determined that the environ-

mental assessment may now proceed to the Review Panel process phase."

In a statement the port has said that subject to regulatory approvals, market conditions and a final investment decision, construction of the new terminal will begin in 2018 and will take approximately five-and-a-half years to complete. This would allow the project to be operational by the mid-2020s, when its capacity will be required.

The project will be funded by the Vancouver Fraser Port Authority (Port Metro Vancouver) and private funding. Tax dollars will not be required for the project.

When completed, the terminal could easily be the largest-capacity terminal in Canada and, according to employees at Deltaport, could include considerable automation in its design.



The proposed Roberts Bank Terminal 2 Project

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US agricultural shippers weigh in on SOLAS

Perhaps more than any other U.S. shippers' group, agricultural exporters are upset with the SOLAS amendment dictating containerized cargo must have a reported verified gross mass, or VGM, reported before the vessel sails. With the July 1st implementation date right around the corner, determining how the VGM will be measured and reported is a weighty question.

By Matt Miller, AJOT

Some of America's biggest agricultural exporters and their shippers have squared off against ocean container lines over who weighs what when. It sounds like nitpicking, but there could be monumental consequences and millions of dollars in lost business is at stake.

"What seems like a simple thing is a big deal," said Donna Lemm, vice president of Mallory Alexander International Logistics. "We have exporters who could lose up to half their sales."



Donna Lemm – VP of Mallory Alexander Int'l. Logistics

On July 1, 2016, shipping lines are scheduled to implement a change globally in the Safety of Life at Sea Convention, or SOLAS. Under this amendment, containerized cargo must have verified gross mass, or VGM, reported to the vessel before sailing. According to IMO guidelines being pushed by the shipping lines, the shipper must provide the VGM to the carrier. This changes current policy, at least in the US, where the shipping line and shipper share responsibility.

The amendment stems from widespread abuse of weight declarations, especially in some emerging markets in Africa, Asia and Latin America. Discussions on this issue have been taking place since 2010.

The trade associations World Shipping Council and Ocean Carrier Equipment Management Association, or OCEMA, are leading the charge for these changes.

Authorities in the vast majority of countries have simply ignored the issue. According to Lemm, only 11 of 177 countries have "announced a position about implementing this amendment." Only three countries

have issued final rules.

US EXPORTERS AND VGM

It's a radically different scene in the US. The fight has been elevated to the point where American senators and Congressmen convened hearings on the issue, where the US Coast Guard has had to

(SOLAS – continued on page 6)



The Wiggins AG Loader is a lift truck that features clearance above the rows of plants and the ability to handle four rows of pallets weighing 3,000 lbs each. (see Wiggins Lift Co. article on page 4)

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Wiggins Lift - A forklift company born in the agricultural fields of California

By Martin C. Pillich, AJOT

Wiggins Lift Co., a forklift manufacturer that literally sprouted up in the agricultural fields of California, is located near Oxnard, North of Los Angeles. The company began the ascendancy to its present position as a leading materials handling innovator by playing an initial role in the development of tools to support the California agricultural industry. Wiggins' founder, mechanic Mel Wiggins, recognizing the need for machines to work in the fields in support of the workers, designed and manufactured the first lift trucks capable of meeting the rigorous working conditions. The rest as they say is history.

Since their modest beginning, Wiggins has continued to grow to its present position, recognized worldwide as a highly specialized forklift manufacturer. Upon retirement his son, Mike, followed Mel Wiggins. Under Mike Wiggins, Wiggins products are successfully working not only in the agricultural industry, but the maritime industry, the U.S. Military and the company is the world's largest producer of lift trucks for the marina industry. Mike Wiggins continues to head the company working every day, but daughter, Michelle McDowell, now carries on the family tradition as CEO.

Under Mel Wiggins, the fledgling lift company carefully crafted machines designed to assist farm workers in the handling of their harvest. Wiggin's goal was to provide machines that would move the product directly from the fields to distribution and storage sites for loading and transport to market. Over the years, Wiggins has refined and manufactured three lift products that have made significant impacts upon the process of harvesting produce. The machines, the AG Loader, the Produce Handler, and the Harvester, work side by side with the laborers, increasing and creating safer working conditions. Since entering the produce industry, Wiggins' lift equipment has provided the ability of machines to move safely through the rows of plants being harvested with little or no field damage.

At first look, the Produce Handler appears to be a standard design forklift truck, but in reality, it includes very special features, tailored to increase the overall productivity of the workers. Its design includes a high and wide load center,

which allows it to handle 10, 12, or 14 pallets at one time. It also features standards such as fork positioning and pile slope. With these features, the Produce Handler can load a complete truck in one lift, moving more products quicker. In addition, it is powered by a propane engine, which reduces cost as well as its impact on the surrounding environment. (*see photo of the AG loader on page 2*)

AG LOADER

The AG Loader is an all season, all weather, diesel powered lift truck mounted on tracks that features low ground pressures, clearance above the

rows of plants and the ability to handle four rows of pallets weighing 3,000 lbs each.

The Harvester is the third Wiggins agricultural machine. It also features tracked running gear and is designed to work as many as 10, 12 or 14 plant beds at a time. The wide tracks span a single row of produce, and allow the machine to be deployed in all weather conditions and all seasons. The machine's platforms are fitted to handle pallets, crates, water, hoses and high-powered nozzles to wash the produce before it is crated. It is designed to

(**FIELDS** – *continued on page 10*)

APL supports Japanese agricultural exporters with containerized reefer solutions

As Japan ramps-up its export drive, APL steps in to support Japanese growers and exporters in the exploration of overseas markets for their fresh produce. Through its range of SMART reefer solutions and well-diversified global network, APL is committed to offering an optimal and cost-effective transportation that not only preserves the quality of delicate produce but also enables market accessibility.

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(**SOLUTIONS** – *continued on page 16*)



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(SOLAS – continued from page 2)

repeatedly respond and where US ports must decide whether to allow these commodities to even enter the terminals.

According to new guidelines, there are only two ways to verify weight: The first is to weigh the packed container. The second is to weigh the cargo and packing materials and then add the empty weight of the container, which is known as the tare weight. According to testimony by John Butler, the World Shipping Council's president and CEO, the tare weight is marked on the outside of every ocean-bound container and can easily be grabbed by shippers.

Shippers have in the past weighed the actual cargo, which, for agricultural products is strictly regulated by a number of authorities; that won't change. The dispute here centers on verifying the weight of the empty containers. Shipping lines say this will become the responsibility of shippers.

According to Butler, the process itself and the software that supports it demand unified electronic transmission from a single source – the shipper. Having to determine whether the VGM is complete or partial introduces a second step that will slow down the process considerably, he said.



John Butler, World Shipping Council's president and CEO

Shippers respond that this shift of responsibility makes no sense. Shipping lines provide shippers with the containers, which the lines either own or lease. Since the lines have empty container weights at hand, shippers maintain they shouldn't be forced to weigh them again or assume liability for a weight the carriers have posted, a calculation shippers must add, certify as correct and transmit many times at the last minute.

"We know the gross cargo weight well before it enters the port. All that's in place," said Perry Bourne, director of international transportation and rail operations for Tyson Foods Inc., one of the world's largest food companies. "For our industry, we don't know what the container will be until we're trans-loading the cargo just hours before it's supposed to deliver."

To accommodate the reporting of VGM, carriers have said they must move up the cutoff time for delivery from 5pm until noon. With this new schedule, shippers could well lose an entire day, Lemm said.

"You can't get the job done the way cargo moves so quickly through the supply chain," said Bourne.

VERIFYING WEIGHT VERSUS JUST-IN-TIME

Weighing the packed containers in many locations doesn't appear to be a viable alternative for shippers themselves. According to Lemm, most scales are miles away from the terminals, if they're to be found at all. She cited New Orleans that has a single scale 12 miles from the port.

In a telephone interview with AJOT, Bourne described how Tyson each week moves anywhere from 60 to 70 truck-

loads of chilled beef and pork from plants in the Midwest to the West Coast, where it is trans-loaded into containers dockside, containers that are immediately loaded onto ships bound for Asia. Schedules are extremely tight, he said. Tyson ships loads of chilled meat by truck Wednesday through Friday, arriving at the ports Sunday and Monday.

If Tyson misses a sailing, Bourne said, the company can't just order up another ship, as its customers expect weekly shipments. "It's all just-in-time," he said. "Customers will cancel or insist the order is shipped by air," Bourne believes, a cost of \$40,000 for one shipment. Missing a ship also means Tyson will be forced to sell the meat as frozen, at a much lower rate.

"Shippers should provide what they know," Bourne said. "Carriers should pro-

vide what they know."

Tyson is by no means alone in its opposition. American fruit and vegetable exporters face the same issue.

"Margins are very thin with agricultural and forest products," said Lemm, who also is chair of the Agriculture Transportation Coalition's container weight committee. The coalition has emerged the principal voice opposing VGM implementation, as directed by the council. "There's not a lot of room for additional costs."

There are broader trade issues as well, the exporters say. They fear this will give another leg up to other countries competing for agribusiness. American exporters are already reeling from the strong dollar.

"We're concerned about being labeled an inconsistent or unreliable commodity source," stressed Bourne, who said his company and

other exporters were hit hard by the West Coast ports slowdown. "We can't afford another breakdown," he said.

Ports are caught in the middle. Some ports and terminals such as Los Angeles and Long Beach and Maher, at the Port of New York and New Jersey, are saying they are incapable of weighing the filled containers. These ports and terminals say come July they will refuse to accept cargo without VGM. In April, for example, the three Oakland terminals issued a joint release that said they lack "terminal infrastructure necessary to obtain VGMs using the methods specified within the guideline amendments."

FLEXIBILITY

Others are attempting to be more flexible.

The Port of Charleston
(SOLAS – continued on page 17)

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IUMI "welcomes" CMI revised York-Antwerp rules

The International Union of Marine Insurance (IUMI) said that they welcomed the revised York-Antwerp Rules (YAR 2016) which were adopted by the Comité Maritime International (CMI) at its conference in New York May 3-6.

The York-Antwerp Rules (YAR) is a set of rules by which General Average (GA) is adjusted. Under the doctrine of general average (GA) sacrifices and expenses arising from a marine casualty are apportioned between the ship, cargo and others interested in a common maritime adventure according to their contributory values at the termination of the voyage.

IUMI has a particular interest in their content as, on average, the GA system increases the cost of maritime casualties by between 10%- 30% largely due to interest (7% p.a. under the 1994 and 1974 YAR), commission (2%) on nearly all expenses and sacrifices, and adjusters' fees. The process of collecting GA security from all the cargo interests, assembling information about ship and cargo values and expenses then re-adjusting all GA expenses and sacrifices usually takes several years and prevents claims files being closed quickly. While there is no accurate estimate of the amount of money moved in GA it would be surprising if it were found to be less than US\$1 billion each year. For these reasons IUMI has, for more than 20 years, been campaigning for a set of YAR which allow more GA expenses to lie where they fall outside GA (but usually still covered as "particular average" under marine insurance policies) and encourage the quicker publication of GA adjustments.

Prior to YAR 2016, CMI had adopted YAR 2004 following a long campaign by IUMI. YAR 2004 contained a number of measures which reduced the cost of GA such as a variable but generally lower interest rate on GA allowances (averaging 3.86%), the abolition of commission at 2%, the exclusion of salvage from GA (except in cases where one party paid the salvage liability of another), and the reduction of the amount of wages and maintenance which a ship-owner can recover in GA while detained at a port of refuge. If the YAR 2004 had been universally incorporated into contracts of carriage it is estimated that the underwriters' GA exposure would have been reduced by roughly 20% p.a. on average.

For a number of reasons YAR 2004 were not incorporated into BIMCO's standard forms of contract and so have remained largely redundant.

YAR 1994 have continued to be the most frequently encountered set of YAR costing insurers significant sums each year which might have been saved under the YAR 2004.

To resolve this, a CMI international working group undertook in 2012 a complete re-appraisal of YAR in view of adoption at the CMI conference.

The new YAR 2016 introduces some helpful measures which, if incorporated into contracts, may reduce insurers' GA exposure by a few percentage points.

The most important gains in the new YAR for insurers are:

1. Interest will be fixed annually at ICE LIBOR on the first banking day of each year in the currency of the adjustment plus 4 percentage points. For a US\$ adjustment that would produce a rate of 5.18% for 2016 as opposed to 7% under YAR 1994 or 2.5% for YAR 2004. However while this will result in savings in the short term if interest rates rise substantially insurers may be exposed to rates even higher than 7%.

2. Commission at 2% will no longer be recoverable. This was one of the few changes made by the YAR 2004, which was retained.

3. Several measures designed to speed up the adjusting process have been introduced; these include excluding low value cargo from contributing in GA if the cost of including them is greater than their contribution and clarifying the process by which adjusters can estimate GA allowances in the absence of information

(WELCOMES – continued on page 10)



TAPA calls for more law enforcement agencies and insurers to share data on cargo crime

Increased sharing of cargo crime data by law enforcement agencies will enable manufacturers and logistics service providers to further protect high value/theft attractive goods in supply chains and relieve the pressure on police forces that have to deal with the growing number of incidents in the Europe, Middle East and Africa (EMEA) region, says the Transported Asset Protection Association (TAPA).

Thorsten Neumann, Chairman of TAPA EMEA, said: "Our members are able to operate more resilient supply chains because they can use the intelligence we already receive from some police forces to avoid known 'hotspots' for cargo crimes and to protect their facilities and vehicles against the types of attacks we know are taking place several times a day in Europe alone. We already receive data from law enforcement agencies in the United Kingdom, Netherlands, Germany and Sweden and now we have a commitment from French police to also share data with our Incident Information Service (IIS). However, we need much more crime intelligence from across the EMEA region if industry is to help the police tackle this issue. Similarly, we are asking more insurers to help us gain a better understanding of the true level of cargo crime, which remains

massively under-reported."

His comments come as cargo crimes reported to TAPA's IIS in the Europe, Middle East and Africa (EMEA) region reached a three-year high in Q1 2016, with an average of nearly five incidents every day culminating in millions of euros of losses for manufacturers and logistics service providers.

Overall, 444 incidents were reported to TAPA's IIS in the region in the first three months of 2016, a 115% increase year-on-year. This compared to 216 and 206 freight thefts recorded by the Association in the first quarters of 2014 and 2015 respectively. Thefts of products from supply chains were reported in 19 countries in EMEA in Q1 2016 and included 29 major losses with a value of more than €100,000. The total loss for the 24.1% of incidents reporting a value was €7,979,623 and this produced an average loss of €74,547.

The highest single loss reported over the three months was the theft of eight pallets of perfume valued at €600,000 from a trailer in Lastrup, Lower Saxony, in Germany.

TAPA's incident intelligence data shows that 86.2% of cargo thefts in the three months occurred in four countries. 131 new incidents were reported in the United Kingdom, 126 in

(SHARE – continued on page 10)

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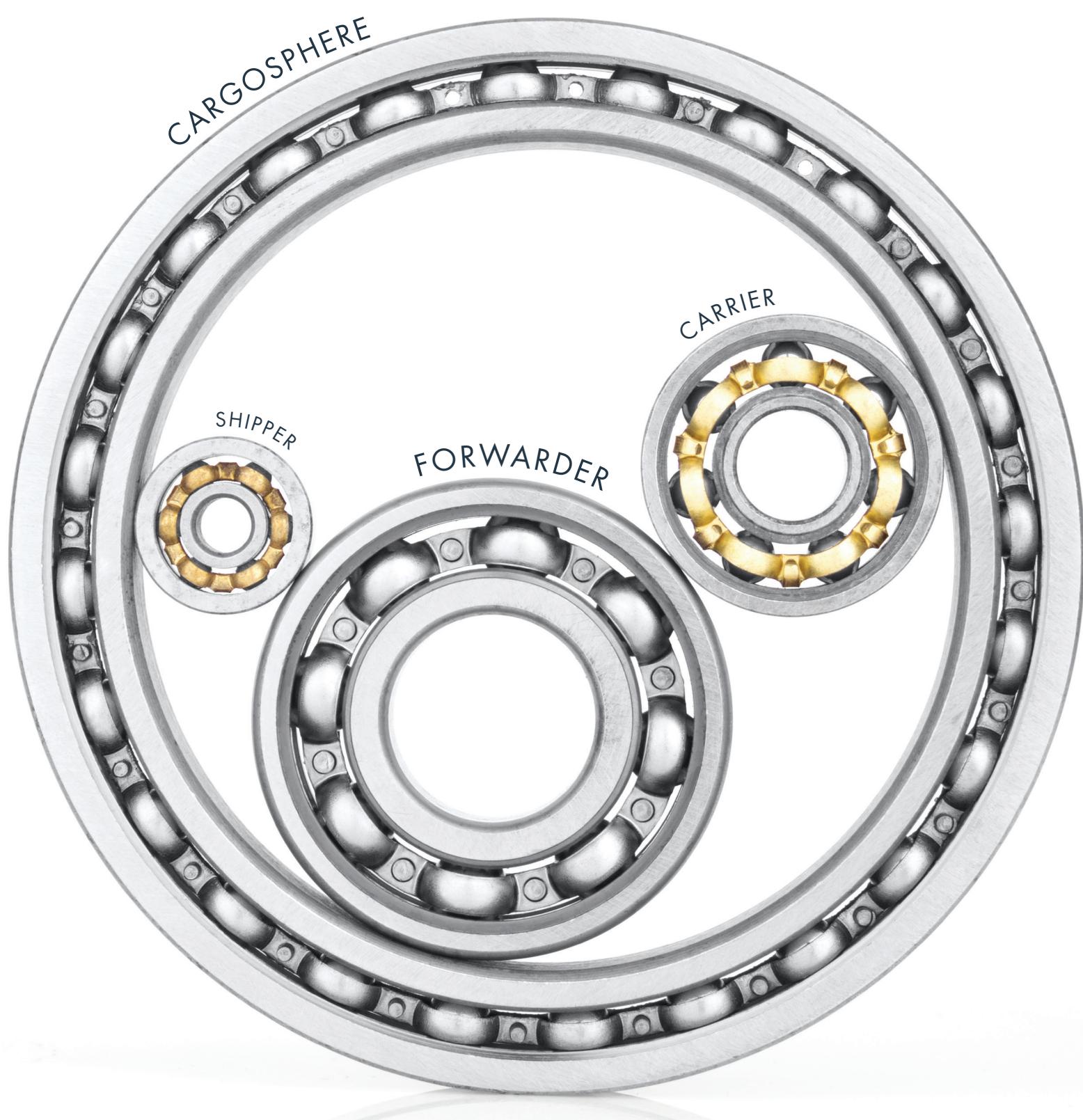
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UASC speeds rate distribution to customer, SEKO Logistics, in CargoSphere cloud

Carrier's goal is to eliminate friction in their rate distribution model and to drive growth and booking volumes

CargoSphere, the leading provider of frictionless rate networking and cloud-based global freight rate management, has announced that UASC, a leading global ocean carrier, along with its customer SEKO Logistics, a global supply chain and logistics management company, have implemented a direct CargoSphere rate technology connection to significantly accelerate the distribution of current, frequently changing, Asia-Europe freight rates. Ongoing and increasing rate volatility is weighing the global, ocean shipping industry down. Carriers can't distribute bottom-line rates comprised of numerous surcharges fast enough and logistics service providers (LSPs) are challenged with effectively managing rate updates.

In this environment, everyone loses out. Carriers lose business due to pricing distribution delays and LSPs are forced to manage non-stop freight rate updates which is time consuming and costly. UASC's vision is to increase the value it offers customers by electronically distributing rate pricing to customers in real-time, directly into their rate database, so rates are ready to use immediately. CargoSphere is delivering this capability with a suite of solutions.

HOW IT WORKS

UASC uploads global tariffs and surcharges with CargoSphere's Smart Tariff, and their base rates and contract specific surcharges with CargoSphere's SUDS (Smart Upload and Diagnostic Solution) into their private, neutral

CargoSphere application.

Accurate, current UASC pricing data from their CargoSphere application is shared confidentially via CargoSphere's Rate Mesh, a connected, online one-to-one sharing network. SEKO Logistics, an established CargoSphere Rate Mesh customer, easily accesses UASC's pricing in their rate database for timely quoting to customers.

Implementation of this solution was 2 weeks from contract signing to 'go live'.

"Our goal is to lead with an advanced technology infrastructure that adds substantial value for our customers. With CargoSphere, we are eliminating many steps in distributing rate updates which is enabling us to more quickly make rates visible to our customers, which benefits our customers as well as working to our advantage," said Eric B. Williams, Vice President, Global Head of Sales & Marketing at UASC.

"UASC is in the forefront of carrier technology with their use of CargoSphere's frictionless rate distribution and management. Receiving accurate, current ocean rates in our database allows us to act on them faster and with more confidence. This is what results in greater customer satisfaction and increases our competitive position in the marketplace at a lower cost," said Jose Quesada, Vice President, Ocean Services, SEKO Logistics.

"UASC is the first vessel-owning ocean carrier to add the power of CargoSphere's real-time connectivity to their business. This is the most accurate, efficient way for the industry to distribute frequent pricing updates to customers and it saves time and effort. It is truly a game changer for UASC."

(WELCOMES – continued from page 8)
from the parties.

4. Approved CMI Guidelines about the nature and operation of the GA process have been introduced which it is hoped will assist those involved in GA in understanding what is required of them.

Against these helpful moves a number of changes made by the YAR 2004 and/or sought by IUMI have not found their way into the YAR 2016. These include:

(a) Wages and maintenance of crew while a vessel is detained at a place of refuge are to be allowed (as in YAR 1994 but not in the YAR 2004).
(b) The cost of temporary repairs of accidental damage at a port of refuge will not be capped as it is under the YAR 2004 thus restoring the position under the YAR 1994.
(c) Salvage will be re-adjusted in GA in most cases save where such re-adjustment is going to make no material difference to the parties' situations, the so-called simple salvage situations.

Overall IUMI "welcomes" the YAR 2016 as being an improvement on the YAR 1994. On 10th May BIMCO's Documentary Committee meet to consider whether to approve the YAR for incorporation into their standard contracts.

Should this be done, the new YAR should start to be incorporated into contracts of carriage by the end of 2016.

(SHARE – continued from page 8)

the Netherlands, 86 in Germany and 40 in Sweden, with all four countries recording an increase year-on-year as a result of increased sharing of incident data by police authorities. France, South Africa and Italy recorded a further total of 32 cargo crimes. The UK also recorded most of the major cargo crimes, 13 in total, followed by Germany with seven.

Continuing a trend reported in TAPA's IIS Annual Report for 2015, data for the first quarter of this year shows the wide variety of products being targeted by cargo thieves, with high volumes of lower value goods proving to be just as attractive to criminals as high value products. In the 16 IIS product categories reporting losses in Q1, Food & Drink recorded the highest number of incidents – as it did for the whole of 2015 – with 48 losses or 10.8% of the 444 Q1 crimes. There were 35 recorded cases of thefts of Clothing & Footwear, 25 losses of Computers/Laptops, 24 incidents involving Furniture/Household Appliances, and 20 reported crimes in both the Cosmetics & Hygiene and Tools/Building Materials categories.

Other products stolen from supply chains by cargo thieves in Q1 included Tobacco, Tyres, Toys &

Games, Bicycles, Metal, Sports Equipment, Pharmaceuticals, Car Parts, Cash and Phones.

Cargo thefts involving trucks continued to dominate recorded crimes in the quarter with 56.3% of losses or 250 incidents involving Theft from Vehicle. There were a further 53 cases of Theft from Trailer and 36 reports of Theft of Vehicle, Theft from Facility was reported on 25 occasions in Q1 2016 and there were also 12 Hijacking crimes. Other types of incident included Theft of Trailer, Theft from Container, Fraud and Robbery.

The lack of secure parking locations, particularly on major trade routes across Europe, was again evident. The majority of freight thefts took place when vehicles were stopped at motorway services, in lay-bys along main highways, or on industrial estates while drivers took their required rest breaks. Losses involving unsecured parking locations accounted for 55.7% or 247 of the incidents reported to TAPA in the EMEA region over the three-month period to 31 March.

Origin Facility was the location of 45 crimes and incidents were also reported at Maritime, Railway and Road Transportation Facilities. Violence and Threat with Violence was the modus operandi used by criminals in 19 or 4.3% of cases.

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(FIELDS – continued from page 4)

reduce physical demands on the workers, creating less injuries and subsequently, increased availability. The Harvester is diesel powered with low ground pressure allowing it to work without becoming mired down or destroying the fields during wet conditions.

CEO Michele McDowell confirms that, "The first forklifts from Wiggins were tailored specifically for the farmers surrounding our plant in Oxnard. Today, while Wiggins is well known around the world for our marina lifts, our connection to agriculture remains strong."

Wiggins has not only continued to improve produce related forklifts but also has designed specialized materials handling applications that have increased the efficiency of the entire agricultural harvesting process. Ms McDowell also indicated that, "Wiggins believes that the agricultural industry has benefitted from our experience with other industries."

"In fact," she continues, "All Wiggins lift trucks for transportation, mining, construction, marina and military benefit from the innovative designs and custom engineering created by Wiggins for each discipline."

DIVERSIFICATION

The innovative spirit, fueled by this success, has contributed significantly to Wiggins' ability to expand horizons in other industries. These industries such as cargo handling at warehousing and marine terminal facilities, are now capitalizing on Wiggins' innovative applications. Wiggins' products have also had a positive impact on the marina industry and most recently, the U.S. military.

Under Mike Wiggins,

the company entered industrial sectors that hadn't realized the efficiencies gained by the utilization of specially designed forklifts. Many of these industries had been utilizing forklifts, but had not considered the innovations offered by the team at Wiggins. In numerous applications, Wiggins' products caught the attention of those that had not considered the efficiencies that could be gained by the use of the "right" forklift. Wiggins applications run from the minute to the most sophisticated.

A prime example of the company's diversity is the award of a contract from the U.S. Navy for forklifts capable of working aboard newly designed U.S. Navy Combat vessels. The Navy specifications required the handling of specifically designated capacities in any sea state. The lift truck's design includes a special computerized stability feature so that it will be allowed to work under the most stressful conditions.

Wiggins Lift has moved to the forefront of the marina industry, becoming the largest supplier of marina forklifts in the world. Wiggins has provided lift trucks that can handle boats from the water to dry stack racks, customizing their lift trucks to handle some of the largest pleasure boats in existence. The transition of the marina industry includes the demand for efficient, safe, dry storage boat handling not only dock-side, but also inland to specially designed high and dry enclosed storage facilities. Over the years, Wiggins has developed a worldwide sales network and service centers for its marina trucks, including a cooperative marketing relationship with Taylor Machine Works. This relationship provides an even larger network of sales, parts

(FIELDS – continued on page 17)

Seaport Marine Insurance Services Programs

- 1.) Freight Services Liability Programs
- 2.) Online Cargo Insurance thru Lloyds
- 3.) OTI Bonds
- 4.) ICC Bonds
- 5.) Warehouse Insurance
- 6.) Stock Throughput Policy
- 7.) Domestic Transit Insurance
- 8.) Boat Insurance
- 9.) Small Individual Boats
- 10.) Hull and Liability Coverage
- 11.) International Household Goods Movers
- 12.) International Auto Shippers
- 13.) Customs Bond



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 Phone: (949) 701-4612





INTERMODAL & LOGISTICS NEWS



Intermodal volumes rise 2% in first quarter

First quarter 2016 performance underscored intermodal's core strengths despite results in the trailer segment, according to the Intermodal Association of North America's Q1 Intermodal Market Trends and Statistics report. While intermodal trailer volumes declined a significant 24.4 percent, this market segment represents the smallest portion of total intermodal shipments and has been losing ground over the last several years. Domestic container loads recorded a 6.4 percent increase and combined with 3.8 percent gains in international volumes, netted 2 percent total growth for the quarter.

"Total container shipments, domestic and international combined, rose approximately 5 percent during the first quarter of this year," said Joni Casey, president and CEO of IANA. "And while influenced by comparisons to last year when we were dealing with port congestion issues, we're cautiously optimistic about this year's growth potential."

The seven highest-density trade corridors, accounting for 63.4 percent of total intermodal volume, increased 4.7

percent against the more modest industry gain. While growth rates for each individual corridor varied widely, all were positive. The Midwest-Northwest corridor led with 10.1 percent, reflecting the strength of both international and domestic containers. Likewise, the Midwest-Southwest lane, which had the highest overall share of volume, grew 8.7 percent on container traffic that more than offset a decline in trailers.

Weak international container imports incurred negative growth in specific regions, including Mexico, a new addition to the IMTS report. Exposure to trailer declines affected the regional picture more broadly. Nonetheless, the Mountain Central, Northwest, Southwest and Eastern Canada regions all had significantly greater than average intermodal growth rates.

Intermodal Marketing Companies again demonstrated clear gains in the highway sector, up 15.4 percent from the previous year, thanks to excess trucking capacity. Intermodal loads fell 13 percent. The net result was a volume decrease of 1.1 percent.

BNSF Logistics opens subsidiary in Mexico

BNSF Logistics, LLC, a leading multi-modal third-party logistics service provider, announces a new subsidiary in Mexico, BNSF Railway Servicios de Logistica. This further strengthens BNSF Logistics' service offering across North America and globally. BNSF Logistics has been an active global service provider for more than a decade, and with the creation of Logistica, which is based in Monterrey, BNSF Logistics will now have the additional local resources to support Mexico-based customers better than ever. The opening of Logistica's office in Monterrey means that BNSF Logistics is now present at a local level for the hands-on movement of industrial products with a focus on project cargo and rail services throughout Mexico.

The Mexico headquarters of BNSF Logistics will be led by Gerardo Guarjardo, the newly named Director of Mexico Proj-

ects and Rail Services. He comes to the BNSF Logistics team with more than 20 years of experience in the logistics industry. Guarjardo previously held the role of Market Manager for Petroleum Products, Minerals and Machinery at BNSF Railway's Mexico subsidiary, where he played a key role in strategic plan development for growth in Monterrey.

"Monterrey is an ideal location for BNSF Logistics' first expansion into Mexico, as it is Mexico's third largest city and has close proximity to the U.S. border. The Monterrey Region is strategically important to our growth plans in Mexico, and having a local presence is key to developing vendor and client relationships," said Ray Greer, President of BNSF Logistics. "BNSF Logistics is excited to launch our Mexican subsidiary and address the growing need for a locally operated logistics

Evergreen Shipping Agency names CN Railroad Company of the Year

Evergreen Shipping Agency (America) Corp. announced that it has named CN as its 2015 Railroad Company of the Year in recognition of CN's "consistent high level of performance" and superior customer service. This is the second consecutive year CN has won the Evergreen award.

Evergreen Shipping Agency (America) Corp. serves as North American General Agent for Evergreen Line. Evergreen is a global ocean carrier that serves all continents with container ships. Among its many trade routes, Evergreen Line serves the east coast of Asia and west coast of North America. The company operates more than 150 container ships calling on 240 ports worldwide in about 80 countries.

Roy Amalfitano, president of Evergreen Shipping Agency (America) Corp., said Evergreen's goal is to fulfill its customers' requirements by meeting and exceeding their expectations and providing service that keeps them competitive in global trade.

Amalfitano said Evergreen's selection of CN as its 2015 Railroad Company of the Year is recognition of CN's "excellent professional service to our shared customers...and consistent level of performance as a transportation provider...Evergreen appreciates and recognizes CN's excellence in quality, service and support. We thank CN and its employees and encourage you to continue providing this quality of service to our shared market."



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CN Rail cuts full-year forecast because of falling carloads

Canadian National Railway Co., the country's largest railroad, lowered its annual profit target for the first time in eight years amid weaker-than-expected demand for commodities from coal to crude oil.

Adjusted earnings this year will be in line with 2015's C\$4.44 a share, the Montreal-based company said in a statement. The railroad had earlier forecast a "mid-single digit" increase for the full year.

Canadian National has seen volumes for several commodities dwindle. Carloads this year will decline 4 percent to 5

percent, with pricing staying above inflation, the company said. Coal, crude oil and sand shipments will continue to be weak this year, Chief Marketing Officer Jean-Jacques Ruest said on a conference call.

Shipping crude by rail has become "broadly unattractive" because of low oil prices and excess pipeline capacity, Ruest said.

Canadian National said a strengthening of the Canadian dollar versus its U.S. counterpart also contributed to the forecast revision.

Averitt Express earns NASSTRAC Carrier of the Year honor

Averitt Express was recently honored by the National Shippers Strategic Transportation Council (NASSTRAC), as it was named the organization's Carrier of the Year for the Southeast Regional LTL Category.

Through its Carrier of the Year Awards Program, NASSTRAC recognizes carriers that demonstrate excellence in transportation, and helps shippers to identify the best

carriers in performance and value.

Regular members of NASSTRAC who are qualified buyers of transportation services graded Averitt as the top Southeast Regional LTL Carrier based on a quantitative scale in five key areas. These areas included customer service, operational excellence, pricing, business relationships, and leadership and technology.

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AIR CARGO NEWS



TIACA calls for greater cooperation in global fight against counterfeit goods

TIACA condemns the growing problem of goods that infringe Intellectual Property Rights (IPR), and calls for Customs authorities to bring together rights holders, service providers, and regulators for a working dialogue in a new Position Paper published today.

Goods that infringe IPR account for a growing proportion of international trade, estimated at over USD250 billion by the Organization for Economic Co-operation and Development (OECD).

TIACA's Paper explains that the air cargo industry plays a vital role in the interdiction of counterfeit shipments and in investigations of illicit trade and that, as intermediaries, the industry's role is distinct from that of other parties.

The air cargo industry should be recognized as one piece in a three-pronged approach to combatting goods that infringe IPR, working alongside

rights holders and Customs authorities.

"The industry's cooperation with law enforcement agencies contributes to the increase in seizures by government agencies," said Doug Brittin, Secretary General, TIACA.

"However, each party needs to acknowledge its role and limitations. Air cargo industry members are not law enforcement agencies, and our role is necessarily limited by this reality."

"Any potential liability for air cargo industry members should be limited to instances where air cargo operators have actual knowledge of receiving or handling IPR infringing goods and have failed to take action based on that knowledge."

The Position Paper was put together by TIACA's Market Access and Trade Facilitation Subcommittee and approved by the TIACA Board, which includes members from across the air freight industry.

Air Canada to launch non-stop flights from Vancouver to Delhi

Air Canada has announced the introduction of the only non-stop flights from Vancouver to Delhi, India beginning October 20, 2016, in time for Diwali festivities. The seasonal, three-times weekly flights complement Air Canada's Toronto-Delhi non-stop service launched last fall.

"Customer response to our Toronto-Delhi service has been extremely positive, and with this new seasonal Vancouver route, we are strategically increasing our presence in the important Asia-Pacific market in time for Diwali festival celebrations. Our non-stop Dreamliner flights from our Vancouver hub will also offer the shortest elapsed flying time from Calgary, Edmonton, Seattle, Portland and Los Angeles to Delhi," said Benjamin Smith, President, Passenger Airlines at Air Canada. "The operating economics of the Dreamliner together with the efforts of the Vancouver Airport Authority who have maintained airport operating costs at levels among the lowest in Canada, have enabled us to grow our Vancouver hub. Together with our extensive western Canada domestic and western US transborder network combined with the seamless connection experience through YVR's US in-transit pre-clearance facilities, position YVR to be the preferred gateway hub for trans-Pacific travel to and from North America."

"The cultural ties between India and British Columbia reach back 100 years, and with increasing trade and investment links, those ties are growing stronger every year," said Premier Christy Clark. "Air Canada's new Vancouver-Delhi route reflects the increasing importance of our relationship with India."

Flights will operate three-times-weekly October 20, 2016 to April 8, 2017 with Air Canada's state-of-the-art Boeing 787-9 Dreamliner aircraft fea-

turing 30 International Business Class lie-flat pod suites, 21 Premium Economy and 247 Economy Class seats with upgraded in-flight entertainment at every seat throughout the aircraft.

"We are thrilled that Air Canada is launching non-stop service between Delhi and Vancouver later this year," said Craig Richmond, President & CEO at YVR. "Our community has requested this route for many years and it will be a pleasure to celebrate its arrival during Diwali. I would like to thank our long-standing partner Air Canada for opening up this exciting new route and for supporting us in our vision to be a world-class, sustainable connecting hub between Asia and the Americas."

"The Canada-India Business Council is thrilled to hear

that Air Canada will be offering yet another direct service to India via Vancouver. These direct routes facilitate speedy travel for those considering and currently doing business in India," commented Gary Comerford, President & CEO, Can-ada-India Business Council.

Air Canada has optimized connections to and from the carrier's extensive Western Canada and Western U.S. network through the airline's Vancouver hub, and in Delhi, Star Alliance partner Air India offers excellent connectivity across the Indian subcontinent.

Air Canada launched new international services last year from Vancouver-Osaka, Toronto-Delhi, Toronto-Amsterdam, Toronto-Dubai, Montreal-Venice and Montreal-Mexico City.

Amazon strikes cargo jet deal with Atlas, may take 30% stake

Amazon.com Inc. could take as much as a 30 percent stake in a large cargo carrier, its second such deal this year as the e-commerce giant seeks to control more of the delivery process, from factories where goods are made to the doorsteps of customers.

As part of the agreement, Atlas Air Worldwide Holdings Inc. will acquire and operate 20 Boeing Co. 767-300 freighters for Amazon, according to a statement from the airline. The deal mirrors a March transaction with Air Transport Services Group Inc. and would double Amazon's cargo-hauling fleet to 40 Boeing 767 freighters.

The Seattle-based retailer is moving quickly to build up its delivery network, aiming to reduce its dependence on United Parcel Service Inc. and FedEx Corp. as it expands its Prime membership service that delivers some orders in as little as one day. In light of the company's aggressive moves, the question for some analysts is how much Amazon intends to encroach on the package carriers' turf.

"The debate right now is where will Amazon stop and if this is meant to complement or substitute the legacy parcel carriers," Morgan Stanley analysts Ravi Shanker and Brian Nowak wrote in a note. "We believe UPS/FDX need to at least keep one eye on the rear-view mirror."

Amazon Chief Financial Officer Brian Olsavsky has reiterated that Amazon was looking to supplement, not replace, the capacity of its delivery partners.

Even a small fleet of planes will help Amazon reduce costs, said Jarrett Streebin, chief executive officer of EasyPost,

a San Francisco company that helps retailers coordinate shipping labels and tracking with delivery companies.

REDUCING INVENTORY

Amazon can use the planes to quickly move inventory—especially small electronics—around the country to respond to demand spikes, which will ease its reliance on FedEx and let it meet demand with less inventory, Streebin said. The planes help the company accomplish speedy delivery without the cost of abundant inventory in each warehouse around the country, he said.

"It's clearly about cutting out FedEx, and could help them manage their inventory," Streebin said.

The Amazon deal would transform Atlas, which operates a global air cargo network as well as a leasing operation that supplies customers with airplanes, flight crews and maintenance. The partnership is expected to begin later this year and expand to full operation by 2018, Atlas CEO William Flynn said.

Under the terms of the transaction, Atlas is increasing its aircraft fleet by 40 percent from 49 planes it owned or leased at the close of 2015. Because the company's fleet is dominated by Boeing 747 jumbo jetliners, Atlas only had two of the 767 freighter model favored by Amazon and is shopping for passenger jetliners to be converted into package-haulers.

Amazon was granted warrants to acquire as much as 20 percent of Atlas's common stock at \$37.50 a share over a five-year period, with an option for an additional 10 percent at the

(DEAL – continued on page 19)



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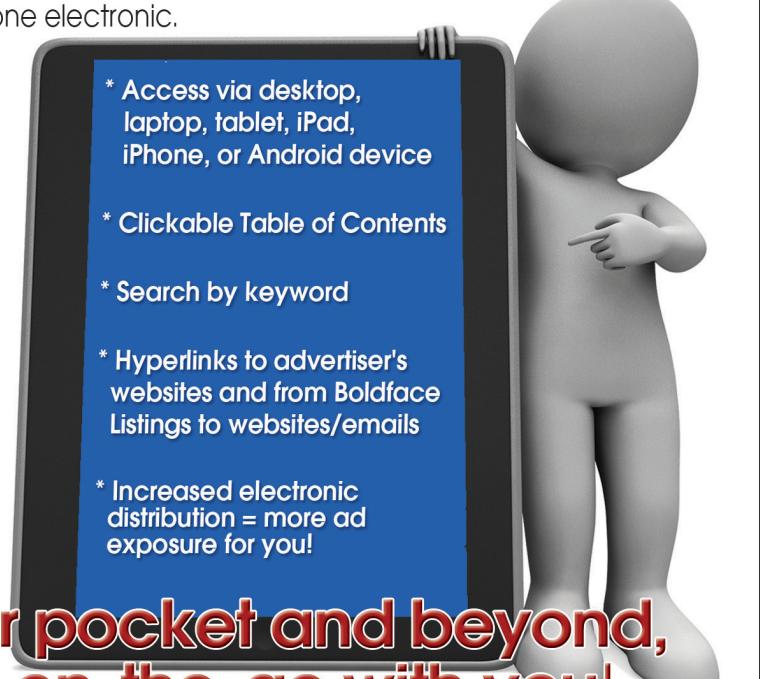
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MARITIME Section

G6 Alliance announces Asia – North America new product and service updates

In response to the upgrade of the Panama Canal and seasonal changes in market demand, members of the G6 Alliance have announced new product and service updates for the Asia – North America trade effective this summer.

ENHANCEMENTS FOR ASIA - NORTH AMERICA EAST COAST SERVICES

Effective from Week 23, the G6 Alliance will upgrade the Asia – North America East Coast product with the following details:

INTRODUCTION OF NEW SERVICE – NYX

G6 Alliance will launch a new service called the NYX, focusing on coverage between Central and North China/Korea to the United States East Coast with the following port rotation:

- NYX port rotation: Qingdao – Ningbo – Shanghai(Yangsan)
- Busan – Panama Canal – Manzanillo (Panama) – New York
- Norfolk – Savannah – Manzanillo (Panama) - Panama Canal
- Busan – Qingdao

PA1 ENHANCEMENT

To provide improved schedule reliability for our network linking Asia to the United States and Europe, the PA1 will be enhanced with the following new port rotation: New PA1 port rotation: Busan – Shanghai (Yangshan) – Kobe – Nagoya – Tokyo – Vancouver – Tacoma – Oakland – Los Angeles – Panama Canal – Manzanillo (Panama) – New York – Halifax – Southampton – Antwerp – Bremerhaven – Rotterdam – Halifax – New York – Norfolk – Savannah – Manzanillo (Panama) - Panama Canal – Los Angeles – Oakland

- Yokohama – Busan

PA2 ENHANCEMENT

The PA2 port rotation will also be enhanced with an additional call to Shanghai, focusing on coverage between Asia – Mid and South Atlantic connections: New PA2 port rotation: Tokyo – Kobe – Busan – Shanghai (Yangshan) – Panama Canal – Manzanillo (Panama) – Miami – Savannah – Jacksonville – Charleston – Norfolk – Manzanillo (Panama) – Panama Canal – Balboa – Los Angeles – Oakland – Tokyo

CEC ENHANCEMENT

The CEC coverage will be widened to include port calls at Kaohsiung: New CEC port rotation: Kaohsiung – Hong Kong – Shekou – Yantian – Singapore – Suez Canal – New York – Savannah – Charleston – Norfolk – Suez Canal – Jeddah – Singapore – Vung Tau – Kaohsiung

The port rotations of AZX and SVS will remain unchanged as follows: AZX : Laem Chabang – Singapore – Colombo – Suez Canal – Damietta – Cagliari – Halifax – New York – Savannah – Norfolk – Halifax – Cagliari – Damietta – Suez Canal – Jebel Ali – Singapore – Laem Chabang

SVS: Hong Kong – Yantian – Vung Tau – Singapore – Suez Canal – Norfolk – Savannah – Jacksonville – Charleston – Cape of Good Hope / Suez Canal – Colombo – Singapore – Hong Kong

As a result of the above enhancements, the current NYE/

(**UPDATES – continued on page 19**)

CKYHE Alliance to reorganize US East Coast service network

Will also reconfirm the current cooperation scheme until the end of March in 2017

CKYHE Alliance, COSCON, "K"Line, Yang Ming, Hanjin and Evergreen Line is reorganizing their service network for Asia-US East Coast trade in 2016.

CKYHE Alliance will provide five Asia-US East Coast services (AWE1/AWE3/AWE4/AWE8/NUE) from early June of 2016. The Alliance members have re-designed the services to provide optimum port coverage from Asia to US East Coast with AWE1/AWE3/NUE services upsized & AWE4/AWE8 services re-structured in order to enhance the competitiveness of the Alliance.

Meanwhile, CKYHE Alliance members reconfirm current cooperation scheme on related East and West Trade (Asia-North Europe services/Asia-Mediterranean services/Asia-US East Coast services/Asia-US West Coast services and Trans-Atlantic service) will remain unchanged and will continuously offer great and stable service quality to customers to meet with customers demand until the end of March in 2017 by enhancing service efficiency, providing fast transit time and offering more flexible port-pair options.

ASIA-US EAST COAST SERVICE

AWE1(9*6500TEU vessels): Ningbo - Shanghai - Pusan - New York - Wilmington - Savannah - Pusan - Ningbo
AWE3 (10*8500TEU vessels): Hong Kong - Yantian - Kaohsiung - Shanghai - Pusan - Colon - Savannah - Charleston - Norfolk - Singapore - Hong Kong
AWE4 (10*8500TEU vessels):

- Qingdao - Ningbo - Shanghai - New York - Boston - Norfolk - Qingdao
- AWE8 (10*8500TEU vessels): Xiamen - Kaohsiung - Hong Kong - Yantian - Singapore - New York - Norfolk - Savannah - Colon - Xiamen
- NUE (10*8500TEU vessels): Qingdao - Ningbo - Shanghai - Colon - Savannah - Charleston - Baltimore - New York - Colon - Qingdao



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MOL, NYK, "K" Line, Hanjin, Hapag-Lloyd and Yang Ming to create a new partnership

Mitsui O.S.K. Lines, Nippon Yusen Kaisha, "K" Line, Hanjin, Hapag-Lloyd and Yang Ming have agreed to create a new alliance covering all East-West trade lanes namely, Asia-Europe / Mediterranean, Asia-North America West Coast, Asia-North America East Coast, Transatlantic and Asia-Middle East / Persian Gulf / Red Sea. A binding agreement has been concluded by all partners and "THE Alliance" is scheduled to begin operation in April 2017 subject to approval of all relevant regulatory authorities. The initial term of the cooperation will be five years.

The new partnership will build one of the leading networks in the container shipping industry combining approximately 3.5 million TEU or 18% share of the

global container fleet capacity. All six partners operate advanced and competitive fleets with more than 620 ships in total. This will become the basis of a dedicated fleet deployed into the groups' future service portfolio. Clients will be able to enjoy an outstanding product characterized by fast transit times, high frequency sailings and expansive port coverage.

Ongoing discussions between Hapag-Lloyd and UASC are progressing according to plan, although an agreement on business combination has not yet been reached and will in any event be subject to regulatory approvals. It is anticipated that UASC will become part of THE Alliance, which will increase the overall alliance capacity to more than 4 million TEU.

Operator agreement in place for JAXPORT's new rail facility

JAXPORT CEO Brian Taylor and Ceres Terminals CEO Patrick Burgoine have signed an Operator Agreement for JAXPORT's new on-dock rail facility, the Intermodal Container Transfer Facility (ICTF) at Dames Point. Ceres will be responsible for managing the day-to-day operations and maintenance of the terminal. Commercial container operations are scheduled to begin in August.

JAXPORT's ICTF at Dames Point serves JAXPORT's Northside terminals: The TraPac Container Terminal at Dames Point and the Blount Island Marine

Terminal. The direct transfer of containers between vessels and trains speeds up the shipment process and reduces the number of trucks on the road.

Rail that connects to CSX's main line allows for two unit trains each day (one inbound and one outbound) carrying up to 200 containers each.

The US Department of Transportation awarded JAXPORT a \$10 million grant toward the development of the facility, and the State of Florida Dept. of Transportation allocated \$20 million to fund construction of the project.

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Hamburg Süd – significant growth in a challenging year

In an environment characterized by strong fluctuations, the Hamburg Süd Group succeeded in significantly increasing its total turnover by 16.8 percent to 6,058 million euros. The main drivers were the successful takeover and integration of the container operations of the Chilean shipping company Compañía Chilena de Navegación Interoceánica S.A. (CCNI) in late March 2015 as well as the entry into the East-West trade lanes.

Shipment volume in the liner business rose sharply on the previous year, by 21.5 percent to 4,101 million TEU (1 TEU = 20' standard container). Despite the weakness of the South American economies (especially Brazil, Argentina, and Venezuela), this made it possible to meet the volume growth planned for the reporting year. A fleet capacity of 625,000 TEU (+16 percent year on year) propelled the Hamburg Süd Group into the ranks of the ten largest container shipping lines worldwide for the first time.

Due to global overcapacity, freight rates declined by roughly 16 percent. The resulting loss of revenue could only partially be offset in the liner division by falling fuel prices, and restrictive capacity and cost management. The result in this sector failed to meet expectations and must be described as less than satisfactory.

Bulk shipping was also characterized by very difficult market conditions. Due chiefly to China's lower raw material imports, demand for shipping space remained static while global fleet growth rose once again on the previous year. As a result, the revenue generated fell sharply. Bulk shipping fell well short of the result planned for the reporting period. Only the product tanker segment achieved a satisfactory result.

Capital spending totaled 437 million euros, putting it above the level of the previous year. The number of employees increased to 5,960 on an annual average due to growth.

BUSINESS ENVIRONMENT

At 3.1 percent, global economic growth in 2015 was slightly below that of the previous year. Containerized sea transport, by contrast, at +1 percent, grew scarcely at all on a global level in the past fiscal year (2014: +5.2 percent). It can be assumed that the international division of labor is no longer rising and the containerization of general cargo is largely complete. With a capacity totaling 1.7 million TEU (+8.5 percent), by contrast, worldwide deliveries of container ship new-builds – especially large container vessels – reached an all-time high in the past

fiscal year. As a result of further increases in overcapacity, freight rates collapsed in almost all trades. Shipping companies attempted to adjust capacities in service in line with the static or even declining cargo volumes, so that the laid-up fleet worldwide increased sharply and, at 1.4 million TEU, reached the highest level of the past five years by year-end. Charter rates for container ships fell in part to historic lows and even failed to cover operating costs in some cases.

HAMBURG SÜD'S SHIPS & CONTAINERS

As of December 31, 2015, Hamburg Süd's fleet comprised 189 vessels (2014: 168), 48 of which are Group-owned. A total of 130 ships were deployed in the liner services and 59 in the tramp sector (bulk carriers, product tankers). In the course of 2015, the enhancement and modernization of the Hamburg Süd Group's fleet was largely completed with the delivery of three more newbuilds of the "Cap San" class (10,600 TEU). Four vessels, each with a capacity of 3,800 TEU, were ordered for delivery in 2017. The container pool increased by 22 percent to 562,000 units on an annual average.

OUTLOOK FOR 2016

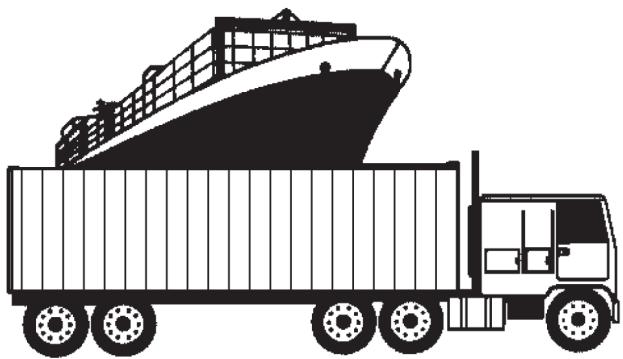
According to the International Monetary Fund (IMF), the global economy and global trade will each grow by around 3 percent in 2016. While the US economy and the eurozone are roughly retaining their dynamic, the recession in Brazil is expected to continue (-3.8 percent). At 6.5 percent, China is set to remain the growth driver in the world economy, though its dynamism is diminishing.

Following the significant growth of shipment volume in liner shipping in the past fiscal year, Hamburg Süd anticipates a further significant, albeit more moderate increase in carryings of some 8 percent for 2016 compared to the previous year. The once again above-average increase in excess of market growth is based primarily on the capacities and market shares built up in the past fiscal year, which are to be maintained throughout 2016 and selectively further expanded. Because freight rates are expected to remain under pressure due to continuing overcapacities and weak economic development, it is anticipated that the shipping group's turnover will stay roughly the same.

In the current market environment, Hamburg Süd, like most of its competitors, is also exposed to strong downward pressure on earnings. The projects successfully launched last year to achieve sustainable cost reductions will, there-



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fore, also be further stepped up in 2016 by, among other things, measures to cut fuel consumption, the implementation of further synergies and economies of scale as well as progressive efficiency increases in processes. Where required, capacity reductions will be undertaken in individual trades.

In 2016, further consolidation can be expected in liner shipping. The lines will only be able to regain reasonable levels of returns if capacities and cargo volumes will be in balance on a global scale. The result of Hamburg Süd liner shipping in 2016 is significantly dependent on the development of the global economy and global trade as well as of the industry's ability to adapt to changed underlying conditions.

(**SOLUTIONS** – continued from page 4) such as South China, Hong Kong, Taiwan, Korea and Southeast Asian markets including Thailand and Vietnam amongst others.

While its network services enable market access regionally, APL's cutting-edge controlled atmosphere technology, SMARTcare+ ensures the quality of fruit and vegetable shipments it ships from Japan. By manipulating ripening rates through nitrogen flushing at the start of the process, APL's SMARTcare+ can triple the post-harvest life of some perishables compared to conventional methods.

APL customises the application of its reefer solutions based on the requirements of shippers, import protocols and the unique characteristics of the fresh produce cargo that it is shipping. Through trials and active collaboration with shippers, APL identifies the optimal solution to be deployed.

In March this year, APL successfully applied SMARTcare+ and shipped Japanese premium strawberries, as well as Japanese leafy vegetables from Hakata to Hong Kong. The shipment was made by Fukuoka-based, Fuyo Trading, an exporter of fresh vegetables, fruits and food supplies to Asian countries.

Keiji Tanaka, President of Fuyo Trading said, "We have high exacting standards for all our fresh produce which are meticulously cultivated to satisfy palates for the finest quality and taste. We are delighted that our fresh strawberries and leafy vegetables reached Hong Kong in pristine conditions so that consumers there can enjoy only the best produce from us."

APL is one of the most active ocean carriers in Japan to conduct trials with producers of premium fresh fruits and vegetables. "The global fresh fruit market is growing. We see opportunities in testing our technology on different fruits and vegetables, as well as conducting trials with Japanese growers," elaborated Fujita.

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(SOLAS – continued from page 6)
has said it will offer to weigh containers for \$25 each. The Georgia Ports Authority has gone one better and is offering to weigh containers for free and then share the information with both shippers and carriers.

The Virginia Port Authority shows just how unsettled the issue is. In February, the authority said it would refuse to accept cargo that didn't have VGM verification. Then, it reversed itself in May, saying it would continue to accept containers at the gate and will provide "OSHA-compliant weights to line operators for their potential use in order that they may comply with SOLAS VGM requirements."

The Virginia Port Authority cited the Coast Guard as prompting a change of heart.

In an April memo, the Coast Guard said it had determined existing US laws satisfy SOLAS requirements through what is called equivalency and said there are numerous ways for shippers and carriers to comply. A month earlier, Rear Adm. Paul Thomas, the Coast Guard's assistant commandant, said in a memo that shippers and carriers have been compliant with SOLAS since the convention was adopted in 1994 and termed the new regulations "business to business requirement." The IMO guidelines on implementation, he said, "are not mandatory under SOLAS, and carriers are not required to meet non-mandatory SOLAS guidelines. The regulation itself provides great flexibility in how compliance can be achieved by carriers who are working with their business partners. There is no 'one-size-fits-all' requirement."

Just what is behind the carriers' hard-line stance is far from clear – legal liability, perhaps, or insurance demands. There's more than a bit of brinksmanship at play. If a compromise isn't reached, will the shipping lines simply refuse to accept containers from shippers who haven't provided the VGM? That would be commercially insane.

"We need each other," Lemm said.

(FIELDS – continued from page 10)
and service throughout the United States and has benefited both companies.

Wiggins has also demonstrated its unique design capabilities in the marine terminal industry with a number of products capable of handling all types of general cargo. Wiggins lift trucks range in capacity from 15,000 lbs to 110,000 lbs. Innovations include a removable counter weight design for any of its largest capacity trucks so they can be lifted with crane or ships gear into the hold without their counter weight. The counter weight is also designed to be lifted into the hold and reattached easily. This feature allows the lift truck to work the heavier steel slabs when necessary. The feature is also available for their lighter capacity lift trucks so that they can operate without the counterweight while making lifts on lighter cargo. This feature reduces the stresses for longer forklift life.

Wiggins' most popular marine terminal trucks range in lift capability from 36,000lbs to 70,000 lbs, based upon the challenge at hand. Many of the Wiggins models can also be designed with a short wheelbase, lower profile, to work under tighter conditions and low ceiling vessels.

Wiggins marketing capability has been strengthened with the award of its first independent dealership to long time marketing manager, Michael Marzahl. Marzahl, now President of XL Lift, has been operating the dealership for over a year and has been successful in generating increased business, especially in the materials handling industry. XL Lift will be handling Wiggins' products including new and used, lift trucks.

Marzahl and Wiggins pioneered the first modern day indoor big truck exhibit at the popular Breakbulk Expo in New Orleans. Following Wiggins lead, up to four heavy-duty forklift companies have taken advantage of the Wiggins pioneer spirit with floor models of some of the largest forklifts available to the industry.

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(CRUCIAL – continued from page 1)

G-7 Summit in Ise-Shima. The TPP will figure prominently in the President's talks in both countries.

When it was pointed out to Selig that Asian member states were confused by the signals emanating from the U.S. on the TPP's fate, going by the statements of leading politicians opposing the TPP, Selig said that "everyday we wait and don't take action on the TPP, it costs Americans money. These delays cannot be justified".

The TPP, Selig averred, would constitute a benchmark achievement, because it would raise standards for various aspects of trade which all the member states would have to comply with and work in tandem with each other, adapting their practices to the high standards on which the partnership would be built. Some of the issues on which the TPP member states would become compliant include intellectual property rights, labor and human rights, environmental protection, ethical use of sources, fair competition (a euphemism for eliminating practices such as currency manipulation and dumping which the U.S. steel industry laments is happening with China's massive oversupply to the U.S. market), etc.

The formation of the TPP contours seems to have also spurred China into pushing for its own "TPP version", better known as the Regional Comprehensive Economic Cooperation (RCEP) though skeptics scoff at the latter because of its "much lower standards". The RCEP sets the bar low and accepts that countries will reduce trade barriers at different rates—especially among less developed members—and also makes limited demands for regulatory harmonization.

The TPP is open to new entrants already, as will the RCEP be in the future. More importantly, neither agreement restricts participants from joining other trade groupings. Nonetheless, it is hard to ignore the fact that the China-supported RCEP does not presently involve the United States and the US-led TPP efforts presently do not include China. And while China is not excluded from the TPP in principle, the regulatory

emphasis of the arrangement makes China a less likely candidate to join.

The U.S. administration is also eyeing another giant, India, to eventually join the TPP, though both U.S. and Indian officials are tight-lipped about it. However, U.S. officials have supported India's membership in the over-arching Asia Pacific Economic Cooperation (APEC) and that could be a route India could follow to eventually land up at the TPP table. The U.S. side is having a continuous dialogue and, as Selig put it, "we are talking about issues of mutual interest".

Earlier in his address to the gathering at the World Trade Week Awards event – several Asian trade promotion agencies and U.S. organizations showcased their products and services at the accompanying Expo – Selig reminded that in the six years since 2009, when the U.S. climbed "out of the deepest crater of the economic crisis", the United States had produced its highest levels ever for annual exports, jobs supported by exports, and real manufacturing output.

Apparently alluding to those who were critical of foreign trade, which for some is becoming a synonymous with rising imports, Selig said that foreign direct investment was a key driver of that recovery. The U.S., in the same period, saw its cumulative FDI increase year after year.

"... we would see a record 6.1 million Americans directly employed by U.S. subsidiaries of foreign firms, and another 6 million American jobs indirectly attributed to FDI," he said.

He said that the New York metropolitan area had advanced to become "either the 1st or 2nd largest goods export hub in the country". In 2014 merchandise exports from this area topped \$105 billion. "And it is worth noting here that 98% of the goods' exporters in the metro area are small and medium-sized enterprises, representing more than 32,000 businesses," he said.

In his address, Selig also touched on the "disappointing and, frankly, distortive criticisms" regarding trade and, in effect, the TPP. "That includes

(CRUCIAL – continued on page 19)

A SERVICE		B SERVICE		J SERVICE	
FROM NEW YORK	Cutoff Friday	LOLO	RORO	LOLO	Cutoff Friday
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BREMERHAVEN	—	—		12	—
GÖTEBORG	15	19		—	—
HAMBURG	14	18		—	23
LE HAVRE	—	—		—	19
LIVERPOOL	10	14		—	—
ROTTERDAM	—	—		14	20
SOUTHAMPTON	—	—		9	26

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Lubrizol begins exporting to Europe through Port of Cleveland

The Port of Cleveland and The Lubrizol Corporation, one of Ohio's largest exporters to Europe, have announced the maker of specialty chemicals is now exporting products directly to Europe through Cleveland's Port. Lubrizol, a Berkshire Hathaway company headquartered in Wickliffe Ohio, is now shipping container loads of specialty chemicals produced at its facilities in Northeast Ohio via the Cleveland-Europe Express (CEE) service. The CEE service, a partnership between the Port of Cleveland and the Spliethoff Group of the Netherlands, is the only scheduled ocean service between the Great Lakes, Europe and beyond.

Port President and CEO Will Friedman said, "We are extremely pleased Lubrizol is now a customer of the Cleveland-Europe Express. As a world leader in the specialty chemicals industry and a leading global company based in Northeast Ohio, Lubrizol is exactly the type of Ohio exporter we aimed to serve. While it is still early, this is a critical milestone for the Cleveland-Europe service". Although the CEE has been carrying Ohio-made exports to Europe since its inception, Lubrizol is

the first large Ohio exporter to shift volume from the traditional East Coast routing to the CEE.

Lubrizol's Director of Supply Chain Americas, Matthew Joyce, said, "As a major exporter from Northeast Ohio, we are excited to now have this option to ship directly from the Port of Cleveland, eliminating the overland segment to East Coast ports. We fully support this concept as a way to help Heartland producers reach global markets more efficiently and compete more effectively".

In conjunction with the Lubrizol announcement, the Port officially commissioned two new, state-of-the-art mobile harbor cranes. The cranes, Leibherr model 280's, will dramatically improve the efficiency of port operations, especially loading and unloading shipping containers filled with products made by Lubrizol and other Ohio companies. Port CEO Friedman said, "These cranes and other investments at the Port allow us to compete for and win business like Lubrizol's. Global commerce demands high productivity and these machines, when operated by our skilled longshoremen, deliver the results".

Nordic doubles size of Savannah operation

Nordic Logistics and Warehousing has doubled capacity at its Savannah location with a new 200,000-square-foot cold storage and blast freezing facility.

"Exactly three years ago, Nordic opened its doors here in Savannah to give our customers the logistical advantages that come with one of America's most efficient ports, combined with the superior connectivity of Interstates 95 and 16," said Don Schoenl, President and Chief Executive Officer of Nordic.

Nordic, a member of AGRO Merchants Group, LLC, opened its initial 200,000 square-foot cold storage warehouse in Savannah April 11, 2013. Nordic's Phase I facility has exported over half a million tons of frozen food since its opening.

"Nordic's expansion here is a powerful endorsement of the Port of Savannah's expertise in handling refrigerated cargo, and its ability to meet the demands of producers as well as a growing consumer market across the U.S. Southeast," said Griff Lynch, incoming executive director at the Georgia Ports Authority.

Nordic's Phase II increases employment by approximately 70 associates at its cold storage warehouse at I-95 and Jimmy Deloach Parkway, just six miles from the Port of Savannah. The site's second building can hold more than 20,000 tons of cargo at a time. Ross Maple, Director of Business Strategy for Nordic, said the added space will bring the company's total Savannah capacity to almost 50,000 tons of cargo.

"To be able to offer companies access to the world via our ports is one of our major economic

development selling points as we recruit businesses to Georgia," said Georgia Department of Economic Development Commissioner Chris Carr.

Noting outstanding service at the Port of Savannah, including fast turn times for trucks carrying refrigerated containers, Maple said Nordic is committed to growing in Savannah. "With the port's deepening project, post-Panamax ships and continued growth of the area, we are building not only for our current customers, but our future growth and new commodities as well," Maple said.

JAXPORT selects new head of facilities development

JAXPORT has announced the selection of Paul Soares, P.E., as the authority's new Senior Director, Facilities Development. In this position, Soares will direct the port's marine and landside infrastructure development and coordinate engineering and construction operations including all new construction and capital improvements. In addition, he will coordinate with federal, state and local agencies involved in the management and completion of JAXPORT's major growth projects.

Soares is a licensed engineer with extensive experience in senior executive positions, specializing in construction and facilities management.

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VMA Conference provokes questions about the ocean carrier alliances

The Virginia Maritime Association (VMA) Conference, held last week, covered a wide range of topics. But if there were one abiding message to be derived from the VMA conference it would be that more uncertainty is certain when it comes to the ocean carrier industry.

The eager crowd of shippers and supply chain professionals were all looking forward to the SOLAS conversation, which had the conference room packed. Art Moye, executive vice president of the Virginia Maritime Association commented, "At nearly 400 participants we were pleased with the numbers and the level of executives that contributed to an open and constructive dialogue around the issues presented."

Congestion issues, carrier alliances and SOLAS are still hot topics within every part of the supply chain. The Federal Maritime Commission (FMC), International Maritime Organization (IMO), World Shipping Council (WSC), shipping lines and ports are all trying to clarify these issues, but it seems with every conference and press release trying to clarify an issue they cloud the waters even more.



(L-R) Murray Bishop – STIHL Inc., Ashley Craig – Venable LLP, Joe Ruddy – Port of Virginia, Curtis Struyk – Carolina Ocean Lines, John Fay – INTTRA



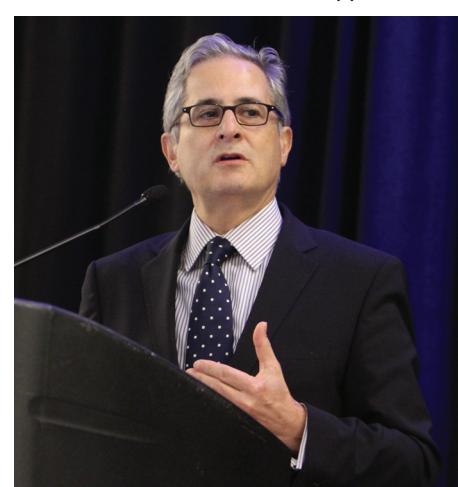
(L-R) John Reinhart – Port of Virginia, Kimberly Clark – Hooker Furniture Corp.



(L-R) Raymond Newlon – VMA, Aubrey Layne – Secretary of Transportation, Commonwealth of Virginia



(L-R) Thomas Lorenzo – Domtar Corporation, Anil Vitarana – Cranford Consulting, Mario Cordero – Federal Maritime Commission, Hayes Howard – BlueWater Reporting & American Shipper, Bill Ralph – R. K. Johns & Associates



Peter Friedmann – Agriculture Transportation Coalition



Vice Admiral Charles Michel – US Coast Guard

(DEAL – continued from page 14)
same price over seven years. Amazon gained the right to buy as much as 20 percent in Air Transport Services as part of the March agreement to lease planes.

TRANSPORT EXPANSION

Amazon has been quietly building out its transport strategy for years. A 2013 report to senior management proposed an aggressive global expansion of the company's Fulfillment By Amazon service, which provides storage, packing and shipping for independent merchants selling products on the company's website.

"The natural step for Amazon is controlling more of its own transportation and logistics, including additional air cargo and other transportation/operations, as these are almost a necessity to continue the rapid expansion of Prime and Prime Now," Colin Sebastian, an analyst at Robert W. Baird & Co., wrote in a note to investors.

(UPDATES – continued from page 15)
SCE Combo and NCE services will be suspended.

NYE/SCE Combo service original rotation: Xiamen – Kaohsiung – Hong Kong – Yantian – Shanghai (Yangshan) – Busan – Panama Canal – Manzanillo (Panama) – Kingston – Savannah – Charleston – New York – Norfolk – Jacksonville – Kingston – Manzanillo (Panama) – Panama Canal – Balboa – Busan – Xiamen

The last sailing will be the Hyundai Dynasty 046E/W with an ETA to Xiamen on June 2, 2016, ETA Savannah 4 Jul 2016.

NCE service original rotation: Busan – Qingdao – Ningbo – Shanghai (Yangshan) – Panama Canal – New York – Nor-

folk – Savannah – Panama Canal – Busan
The last sailing will be Hyundai Integral 051E/W with an ETA to Busan on 29 May 2016, ETA New York 2 Jul 2016.

ENHANCEMENT FOR ASIA – NORTH AMERICA WEST COAST SERVICES

The G6 Alliance will resume the CC2 service in Week 21 with the following port rotation: CC2 port rotation: Ningbo – Shanghai (Waigaoqiao) – Busan – Long Beach – Ningbo

As a result, the CC4 service will resume its original port rotation as a shuttle service between Central China and the United States West Coast as follows: CC4 port rotation: Shanghai (Waigaoqiao) – Ningbo – Los Angeles – Oakland – Shanghai (Waigaoqiao)

(CRUCIAL – continued from page 18)
the rise of protectionist rhetoric and with it the mistaken, defeatist refrain that trade and investment is a path to American decline and a threat to American leadership," he said, adding that because TPP will be an "expression of our country's leadership".

Other speakers at the World Trade Week NYC 2016 included Maria Torres-Springer, President, New York City Economic Development Corporation, Molly Campbell, Port Director, Port Authority of NY & NJ (PANYNJ), and Chuck Ludmer, Principal, Chief Marketing and Practice Development Officer, all of whom echoed the view that world trade was an important element in economic development. PANYNJ representatives told the *American Journal of Transportation* that world trade was very important for the economy and "transportation is key to world trade". "Indeed, trade and transportation go hand in hand," they said.

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