



In The News

January 14, 2005

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1. Potential CN strike

The Unions representing locomotive engineers, conductors and other train service employees have been without a contract since December 31, 03.

The two Unions (UTU and TCRC) are in a strike position in the very near future once the Canada Industrial Relations Board (CIRB) completes its essential services review. The two Unions would be in a strike position by January 21 and 25 respectively, but no strike or lockout can be called until the CIRB resolves the 'essential services issue'. The TCRC website, www.teamstersrail.ca contains a letter that gives the union's position on the essential services issue.

After the CIRB decision has been rendered, the union can strike with a 72-hour notice. If a strike occurs, it is highly unlikely that CN can manage the situation with management staff only.

2. Far East 2004 Peak Season charge cancelled

The Peak Season Surcharge applicable in the Trans Pacific Eastbound to Canada Trade has been cancelled from January 8, 2005.

Transpacific shipping lines in the Canada Transpacific Stabilization Agreement (CTSA) have agreed to implement their current US\$400 peak season surcharge again in 2005, effective from June 15 through November 30 –or until further notice.

Carriers say they anticipate at least a 10-12% increase in North American import cargo from Asia in 2005, with a defined June-November peak over an already tight space situation throughout much of the year. While new vessel capacity will be introduced in 2005, actual availability of slots per sailing will likely remain tight due to growing demand combined with the sustained congestion situation.

3. CAF Pending Increases

In result of the US dollar's continuous decline in value against the Canadian dollar, carriers find they can no longer absorb further cost increases and have announced the implementation of a CAF (Currency Adjustment Factor) as follows:

FCL cargo:

- Eastbound and Westbound: UK and Continental ports: 12% effective Feb 1/05
- Eastbound and Westbound: Mediterranean ports: 13% effective Feb 1/05

LCL cargo:

- Eastbound and Westbound: Worldwide: from 10% to 15% effective Jan 15/05

4. CN introduces export appointment system

We are advised by CN that the reservation system will be implemented in Toronto (CN Brampton) on January 18, 2005, and implemented in Montreal (CN TASH) by the first week of February, per the following schedule:

January 14th - Start requesting Reservations Numbers for January 18th and beyond.

January 18th - All containers arriving Brampton must have a Reservation Number.

CN also stated that some destinations will be subject to certain designated drop off days in the week. In other words, certain export containers will only be accepted at a certain day in a given week. This will mean that delivery of the empty, the loading of the container by the exporter, and delivery to the yard by the carter will have to be carefully coordinated. It can also mean that Import containers cannot be automatically used for turn-around export containers, potentially causing higher costs to the Importers/Exporters.

5. CN storage free time and fees

Effective immediately, the tariff for storing import containers at CN's Brampton Intermodal terminal will be \$200 per day for each day or part thereof in excess of two days. For example the two day free time for a container grounded anytime on Friday will start at 04:00 on Saturday and end at 04:00 Monday. Containers not removed prior to 04:00 Monday will be subject to storage charges.

6. ITN acquires third warehouse

Demand for warehouse space is on the rise and in response, ITN is pleased to announce the opening of our third Toronto based warehouse. This increases our total storage capacity to 150,000 square feet. Some of our services include:

- short and long term storage
- order fulfillment
- cross dock distribution
- customs bonded
- complete third party logistics services

For our complete services and further information, please contact: Paul Franz at (905)362-1111 ext. 260 or email: paulf@itn-logistics.com

Any questions/clarifications with the above, please contact your sales representative or call **ITN Customer Service** department at **(905) 362-1111**



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