



In The News

May 16, 2005

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1. CN – Possible Strike Action (May 18)

The Canadian National Railway is facing a Wednesday strike deadline, by more that 1700 unionized locomotive engineers. The members of Teamsters Canada Rail Conference (TCRC) set the walkout for 12:01am Wednesday morning, after negotiations failed to produce an agreement on a number of issues. CN has assured that they have contingency plans to maintain core operations in the event of a strike. We will monitor this situation and advise accordingly.

2. Emergency Fuel Surcharge –new fee (June 1)

Exceptional increases in world oil prices have had and continue to have a serious impact on fuel costs. Carriers in the North Atlantic have scheduled a EFS effective June 1st to compensate for these increases. The announced fee is: us\$75.00/20' and us\$150.00/40'

3. Further Rate Increases – Trans Atlantic Conference (June 1 and July 1)

The rising costs of containerized shipping are blamed for more rate hikes. The seven member-lines of the Trans-Atlantic Conference Agreement (TACA), state rising costs can not be absorbed and they will be seeking Westbound rate hikes of US\$240 per 20 ft container and US\$300 per 40/45 ft container from 1 July. This seems to be in addition to an already announced surcharge of US\$200 per 20 ft container and US\$400 per 40/45 ft container from June 1.

4. CP Ships General Rate Increase – UK (June 1)

CP Ships have advised that they will be implementing an increase via the North Atlantic from June 1. They state that the increase is a necessary measure to restore Eastbound rates. The scheduled increase will be: US\$100.00 per container to all points in the UK. Other carriers have yet to announce their position at this time.

5. Carriers Begin Recovery of the GLA (Great Lakes Arbitrary effective June 1).

Carriers via the Montreal Gateway to the North Atlantic, have advised their intention to recover the GLA and will implement increases in stages as follows:

June 1/05: US\$75.00/20' and US\$150.00/40'

Sept. 1/05: US\$75.00/20' and US\$150.00/40'

Feb. 1/06: US\$40.00/20' and US\$80.00/40'

6. Recap of BAF and CAF levels

BAF - EXPORTS:

UK/CONT – June 1, 2005

20'cntr: us \$281.00 - 40'cntr: us \$562.00 – for LCL us 12.00wm

FAR EAST – June 1, 2005

20'cntr: us \$220.00 - 40'cntr: us \$275.00 – for LCL us 8.00wm

MED – April 1, 2005

20'cntr: us \$311.00 - 40'cntr: us \$622.00 – for LCL us 12.00wm

BAF - IMPORTS: (as above –except for Far East as follows.)

20'cntr: us \$205.00 – 40'cntr: us \$275.00 – 40'hq: us \$310.00 – 45'hq: us 345.00

Recap of Carrier's CAF (currency adjustment factor)

EXPORTS: UK / CONT / MED: Flat fee: 20'cntr: us \$55.00 – 40'cntr: us \$80.00

IMPORTS: UK / CONT / MED: 12% Min 20'cntr: us \$90.00 – 40'cntr: us \$120.00

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