



In The News

November, 2006

ITN is pleased to provide you with information relating to your business in respect to transportation charges and changes to policies and procedures in the transportation industry.

Please let us know if we can assist you further!

CTSA LOOKING FOR SIGNIFICANT RATE HIKES

Canada Transpacific Stabilization Agreement (CTSA) member lines have announced a schedule of freight rate adjustments for 2007-08, in an ongoing effort to address current and forecast increases in operating costs. Recovery of rising inland transport, equipment and other operating costs remain a top priority heading into rate negotiations.

Intended freight rate increases:

- US\$300 pr 40-foot container (FEU) to Vancouver local cargo
- US\$650 per FEU for inland point and minilandbridge intermodal shipments
- US\$500 per FEU for cargo moving all-water to East Coast Canada, as well as reverse inland point intermodal moves

The planned increases are intended to take effect with all new 2007 bids, agreements, tariffs and contracts, but by no later than May 1, 2007, and will apply to all shippers. The Agreement says it will continue to review market conditions throughout the year and consider the possibility of further quarterly increases as warranted.

Lines stress the particular need for rate recovery in light of continued rising import volumes, and a widening cargo and

equipment imbalance. CTSA estimates higher costs in the coming year for equipment handling, inland transport and other aspects of carrier operations related to this overall imbalance. It also forecasts increases in Asia feeder service rates, rising marine container prices due to higher steel costs, carrier investments in terminal productivity, and increased costs related to infrastructure and security improvements.

Fuel cost recovery remains an urgent need in the Asia-Canada market, where the cost of a single sailing has increased by several hundred thousand dollars in the past year. STSA says it will redouble efforts in 2007 to achieve full recovery through bunker surcharge and similar mechanisms. It has recently adjusted its bunker surcharge calculation formula to reflect recent changes in the mix of Pacific ports where fuel is loaded, and fuel consumption pattern among newer vessels.

CTSA is a discussion forum of 11 major container shipping lines serving the trade from Asia and the Indian Subcontinent to ports and inland points in Canada. Members include:

American President Lines, Ltd., COSCO Container Lines, Ltd., Evergreen Marine corp., Hanjin Shipping Co., Ltd, Hapag Lloyd Container Lines, Hyundai Merchant Marine Co., Ltd., Kawasaki Kisen Kaisha, Ltd. (K Line), Mitsui OSK Lines, Ltd., Nippon Yusen Kaisha (N.Y.K. line), Orient Overseas Container Line, Inc., Yangming Marine Transport Corp.

FIATA update - Containers Failing to Meet CFIA ISPM15 Requirements

"Containers failing to meet ISPM 15 requirements for Wood Packing are being refused entry into Canada and returned at the Shippers expense"

As there seems to be a fair level of confusion concerning the use of Methyl Bromide fumigation under ISPM 15 standards the following may aid in clarifying this. ISPM 15 does allow for both options of either heat treatment (this is the preferred option in many countries) or Methyl Bromide fumigation.

The STAMP/BRAND/SYMBOL (marking) on the wood packing materials may signify treatment by any of the approved methods under ISPM15. In the absence of the STAMP/BRAND/SYMBOL (marking) on the wood packing material a Phyto sanitary certificate issued by the appropriate authorities in the country of export, attesting to the treatment method of the wood packing material is acceptable.

Heat treated wood packing material supplied by an approved facility in the country of export should usually display the appropriate/approve STAMP/BRAND/SYMBOL (marking) as required under ISPM15. (NOTE: countries are inspecting these brands closely as several areas of the world have given rise to counterfeit brands).

Shipments found to contain wood packaging that does not meet Canadian import requirements are being ordered removed from Canada and may have to be treated with methyl bromide prior to removal to mitigate pest risk escape.

Fumigation at destination as a remedy does not render the Wood Packaging as compliant and is not allowed in Canada.

Introduction of New Zealand Security Fee: Effective October 5/06

In order to defray some of the ever increasing costs for security measures, a minimal Security Fee has been introduced in New Zealand. This new security charge will be payable on all import and export containers (dry and refrigerated) payable at all New Zealand ports of call.

- Export Containers USD\$10/20' or 40' container
- Import Containers USD\$10/20' or 40' container

Transpacific Trade Westbound GRI - October 1, 2006

Details of October 1/06 Revenue Recovery Program:

- Forest Products US\$120/20', US\$150/other sizes
- Agricultural Products US\$120/20', US\$150/other sizes
- All other commodities US\$120/20', US\$150/other sizes
- This rate increase will apply for **DRY** cargoes from all Canadian Origins.

- Applies on all cargo including Agricultural Products, Plastic Scrap, Forestry Products, Hay, and All dry cargo not listed above.

Mediterranean GRI - October 1, 2006

- General Cargo US\$100/20', US\$150/40'
 - This increase will be applied to South Europe, the Mediterranean, the Middle East, and South Asia.

Asia GRI - October 1, 2006

- Cargo, N.O.S. US\$120/20', US\$150/40'

India Sub-Continent GRI

Effective November 17/06

- Cargo N.O.S. US\$ 50/20', US\$ 100/40'

UPDATE ON SURCHARGES:

CAF (Currency Adjustment Factor)

EXPORTS: UK / CONT / MED: Flat fee: 20'cntr:
US\$ 55.00
40'cntr: US\$ 80.00
LCL 20%

IMPORTS: UK / CONT / MED: 12%-13% Min
20'cntr: US\$ 90.00
40'cntr: US\$ 120.00

**Bunker/Fuel Recovery surcharge for
November 1st, 2006:**

Far East - Imports & Exports

For Eastbound cargo import into Canada

US\$ 410.00 per 20ft container
US\$ 545.00 per 40ft container
US\$ 615.00 per 40ft high cube container
US\$ 690.00 per 45ft container
US\$ 12.00 w/m

For Westbound cargo export from Canada

US\$ 436.00 per 20ft container
US\$ 545.00 for all other sizes
US\$ 28.00 w/m

UK and European Continent

Imports & Exports

20'cntr: US\$ 411.00
40'cntr: US\$ 822.00
LCL from US\$ 18.00 wm

Mediterranean - Imports & Exports

20'cntr: US\$ 479.00
40'cntr: US\$ 958.00
LCL from US\$ 18.00 wm

Australia/New Zealand - Exports

20'cntr: US\$ 489.00
40'cntr: US\$ 996.00
LCL from US\$ 21.00 wm

**South American, Central American,
Caribbean - Exports**

20'cntr: US\$ 228.00
40'cntr: US\$ 456.00
LCL from US\$ 15.00 wm

South Africa - Exports

20'cntr: US\$ 625.00
40'cntr: US\$ 1040.00
LCL US\$15.00 wm

AIRLINES FUEL FEES - Exports from Canada

Fuel fees are fluctuating as market dictates
and may change at time of booking.

Current levels:

Air Canada: Cad\$ 0.57 per kilogram
Air France: Cad\$ 0.56 per kilogram
American Airlines: Cad\$ 0.67 per kilogram
British Airways: Cad\$ 0.56 per kilogram
Finnair: Cad\$ 0.60 per kilogram
KLM: Cad\$ 0.56 per kilogram
Korean: Cad\$ 0.62 per kilogram
Lufthansa: Cad\$ 0.61 per kilogram

AIRLINES FUEL FEES - Imports into Canada:
Please inquire with our office

The above charges are adjusted and applied directly by the Carriers. ITN has no control over these fees and will continue to monitor these changes and advise accordingly.

-----Thank you for your continued support-----



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

To add or remove an e-address from the "ITN News Letter" please send e-mail to:
sales@itn-logistics.com with the word **REMOVE** or **ADD** (accordingly) in the subject line.