



# The American Companies

## "News Flash"

December, 21<sup>st</sup> 2009

### Rate Increases Proposed by Transpacific Stabilization Agreement & Independent Carriers

Within the past week, carriers that are both part of TSA (Transpacific Stabilization Agreement) group of carriers and/or Independent, have proposed rate increases to be implemented in January 2010.

These increases are a result of the continued efforts by the carriers in the Transpacific Eastbound trade to recover losses during the long trend of declining rates that resulted in huge deficits and cost constraints over the past year and more. It has been reported that in 2009, an estimated \$20 billion dollars have been lost amongst the mix of carriers within the TSA.

Below is what the TSA carriers have proposed and effective January 15, 2009 on the Transpacific Eastbound trade:

<u>Equipment</u>	<u>Increase per Container</u>
<b>20' Container</b>	<b>USD 320</b>
<b>40' Container</b>	<b>USD 400</b>
<b>40' High Cube Container</b>	<b>USD 450</b>
<b>45' Container</b>	<b>USD 505</b>

These and other similar charges are still due to be announced in the form of a General Increase, Emergency Recovery Charge, or Peak Season Surcharges, based on the terminology and filed rate by the carrier.

Furthermore, there is also another review of the BAF (Bunker Adjustment Factor) for carriers that are reviewing this cost on either a monthly or quarterly floating basis.

Increases in other trade lanes are also being reviewed with plans of implementation in early 2010 if not already.

Please make immediate note of this and the increases to come. As always The American Companies will work hard to mitigate any additional increase on your behalf and we will report to you the final outcome of our efforts shortly after the negotiations process concludes.

Please contact your local sales representative or handling office for more information and additional questions.

Sincerely,

The American Companies

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