



The American Companies

"News Flash"

January 29, 2010

Transpacific Cargo Congestion Alert and Emergency Rate Increases

As a result of serious space issues and cargo congestion on the eastbound Trans-Pacific trade, carriers have immediately begun to implement warnings of serious space shortages, congestion backlogs and the need to implement emergency increases in the ocean freight charges as a result.

This is primarily a result of the carriers reducing capacity the past few months in efforts to manage their costs and in turn inflate rates after posting significant losses in 2009. This has created an artificial supply and demand of space just as we come upon the traditional surge of pre Chinese New Year cargo.

With this noted, we are advising our client base of this situation and will have no choice but to either pay the higher costs as being charged by the carriers or risk bookings being rejected or cargo rolled as the higher revenue containers receive priority loading.

Many carriers have not yet announced the rate levels for us to properly advise and may vary from carrier to carrier.

Please also be reminded that on February 1st, many carriers will update their BAF (Bunker Adjustment Factor) surcharge based on the current fluctuation in fuel. These rates will be effective immediately upon their implementation and your rate grids will be updated as soon as we know, but will apply for any sailings on/after the noted date.

The American Companies will work closely with our origin offices to find the best option of space and rates and continue to focus on keeping your freight moving in the pipeline during this market condition.

We will keep you further advised as we determine more information.

In the meantime, if you have any questions, please feel free to contact your sales representative or handling office.

Sincerely,



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