

# 40 YEARS

Wine  
and Spirits  
Shippers  
Association  
Inc.



# WSSA GRAPEVINE

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## Director's Corner



Alison Leavitt  
Managing Director

WSSA is proud to be celebrating its 40th year as the pre-eminent shippers' association in the wine and spirits industry!

Founded by the Wine and Spirits Wholesalers of America (WSWA) and the National Association of Beverage Importers (NABI) as a shippers cooperative, WSSA now operates as a not-for-profit shippers' association managed by a board of industry executives. From our beginning four decades ago, it has been our primary goal to serve our members by negotiating rates on your behalf, making sure your cargo is protected from origin to destination, and providing education and advocacy as

well as excellent customer service and support throughout the entire transit process. We have dedicated ourselves to providing efficient and economical transport by any mode – land, sea, or air – to our valued group of member importers, exporters, and distributors. Our global reach has continued to grow year after year. We currently have over 600 members worldwide. Our services have also continued to expand as we grow the organization and adapt to the ever changing environment. Every year we go to the table to negotiate rates with top industry carriers using our aggregate member volume, ensuring that our members get competitive industry rates, along with a direct connection to top executives at the ocean carriers. Not only that, but WSSA has one of the most – if not the most – comprehensive insurance program in the industry. Our all-risk insurance policy gives our participating members peace of mind that their cargo is protected no matter where it is going or how it is getting there. With low deductibles, a wide range of options, and spectacularly low rates, our coverage is difficult to beat.

While our services have expanded over the past forty years, our dedication to excellence has not altered. Every day we strive to serve our members and provide them with the resources, contacts, and advice for their success. We are proud to say we have done this successfully for forty years, and we are looking forward to many more.

## The Changing Face of the Ocean Carrier World

With the shipping climate still in confusion over the collapse of Hanjin, announcements of more mergers and acquisitions emerged at the end of 2016. For three Japanese lines, NYK, MOL, and "K" Line, the choice was simple. The lines have announced that they will merge into one new company, set to launch in approximately 18 months. Taking their time to complete the merger was a conscious decision, integrating their resources one step at a time. The three are creating a joint-venture company that, according to them, will "establish a culture that will welcome and rise to any challenge," "utilizing the best practices of the three companies." In an industry dominated by large-scale operations, mid and small size carriers must pool resources to gain a competitive edge. CMA previously bought APL, and Hapag joined with UASC, thus

further limiting the number of carriers in the field. Now with Maersk snapping up Hamburg Sud in a sudden turn of events, those large-scale operations have just become even bigger. With the uncertainty of the market and the demand for cost-efficient shipping, carriers must either combine resources, join the bigger players, or else face the possibility of extinction. As an association, we will continue the long term relationships we have with our key carriers, and will say goodbye to some of the players that will no longer exist in 2018. We will also continue to carefully monitor the financial health of our carriers and make the best choices for our members.

JOC Staff. JOC. V.17 N.23 "Japans' Big 3 to Become Big 1." November 14, 2016.

## INSIDE THIS ISSUE

### Page 1

Director's Corner

The Changing Face of  
the Ocean Carrier World

### Page 2

WSSA's 40th  
Anniversary

Export Business is  
Growing at Albatrans

Hanjin Bankruptcy

### Page 3

The Election's Impact  
on Trade

CBP and the CEE

### Page 4

WSSA at WBWE

WSSA's Winter Wine  
Program

Scheduled Events

*Stay on top of the latest  
industry news!*



Connect with  
WSSA

## WSSA Celebrating its 40th Anniversary!

WSSA is excited to announce its 40th Anniversary in 2017! We are celebrating all year long with new products, lower insurance deductibles, and more regional events for our members to attend! We've even updated our look through new mailings, publications, and our 40th year logo. We are so grateful to our members for your continued loyalty and support. Thank you for allowing us to serve you for 40 unforgettable years. Here's to many more!



## Export Business is Growing at Albatrans – and at the Port of Oakland!

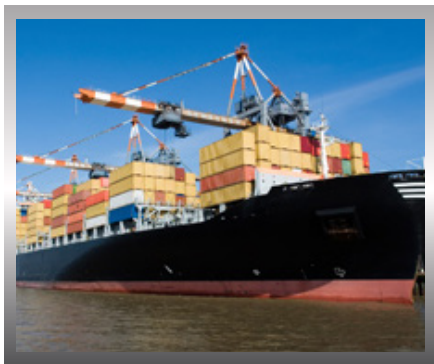
Exports at the Port of Oakland are at a 3-year-high, displaying a 20% increase over 2015. WSSA and the Albatrans Export Department are certainly feeling the growth! With more consolidations than ever going to Scandinavia, the UK, Hong Kong and Southeast Asia, export business has skyrocketed. To corroborate our experience, AJOT reports, “Growers in California’s Cen-

tral, Napa and Salinas valleys depend on Oakland to reach markets in Asia.” We are happy to work with hundreds of suppliers and buyers to make these export shipments seamless and efficient. With our superb contacts around the world, we are able to deliver product virtually anywhere – and with the help of WSSA insurance – we can make sure that product gets

there in great condition. For suppliers selling ex-works, talk to us about DIC (difference in condition) insurance and brand protection. For a very low cost, you can protect your investment should a buyer’s insurance be inadequate or monitor its condition throughout the journey.

AJOT: “Port of Oakland Export Boom Reaches a Three Year High.” Nov. 7, 2016.

## What Can We Learn from the Hanjin Bankruptcy?



The demise of Hanjin has left shippers around the world wondering about the financial health of the carriers they use every day to transport their cargo. The aftermath left shippers fearful of another carrier crisis, and has

caused them to be extra cautious in planning future shipments. Shippers face a difficult task assessing a carrier’s financial circumstances, since that depends on a number of factors such as payment plans, charter agreements, etc. Simple analysis of annual losses verses operating margins is not enough. According to Drewry Container Insight Weekly, “the real warning signals come as container shipping debt climbs, and carriers run short of cash to meet even their interest expenses.” Hanjin displayed this and many other warning signs prior to its collapse and ultimately succumbed to the consequences.

With the dust finally starting to settle on Hanjin, the Japanese lines merger in motion, and the Maersk acquisition of Hamburg Sud announced, shippers are looking to the future, still skeptical about what the industry holds. What you can do as a shipper is understand your exposure when such events occur. At WSSA, we are happy to review and advise on any insurance policy held and the coverage available to cover expenses that occur when a carrier fails.

Mark Szakonyi. JOC. V. 17 N. 22 “Learning from Hanjin.” October 31, 2016.

## The Election's Impact on Trade

The 2016 political season was a roller coaster of emotions for almost all Americans. But, now that the election is over, what does the outcome mean for shippers? As unprecedented as Trump's victory may have been, the reality of a new administration – and with it new policies – must be recognized. Both parties – Democratic and Republican – are hopeful that the new administration will improve the current infrastructure, and thus, make shipping more efficient, cost effective, and reliable. However, the deliverability on those promises remains to be seen. Another potential positive for shippers is that the Trump administration may roll back regulation on the trucking industry, easing pressure on trucking companies and lowering transportation costs for shippers. Finally, it remains to be seen how the administration will deal with current trade agreements – specifically NAFTA. With strong beliefs and opinions weighing heavily on the issues at hand, we will all be watching closely and we will keep you updated on changes that affect our industry.

William B. Cassidy. JOC. V.17 N. 24 "Will Trump Deliver?" November 28, 2016.

## CBP and the CEE (Centers of Excellence and Expertise)

The Agriculture and Finished Product CEE is fully operational and has a new director, Dina Amato. The Centers of Excellence and Expertise were designed a few years ago to improve consistency and create teams of focused experts within the customs service to deal with product groups. There are ten centers and the beverage industry falls into the "AgCEE." WSSA has visited the headquarters of the AgCEE in Miami and encourages our members who import into the United States to get familiar with the CEE and become a member. WSSA can provide more information on joining the CEE and we plan to host a webinar to introduce our members to the CEE in the near future.

### CEE - CENTER OF EXCELLENCE AND EXPERTISE How it operates



#### Before CEE participation:

- Importer uses 20 ports of entry
- 20 CBP offices review entry summaries
- Paper documents submitted for CBP reviews
- 20 CBP offices advise on cargo admissibility
- Importers have 20 port points of contact



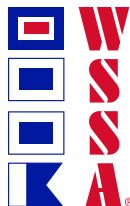
#### CEE Operations:

- Importer uses 20 ports of entry
- One Center reviews entry summaries
- Documents submitted to CBP electronically
- Center manages importer as a single "account"
- One Center advises on cargo admissibility
- Importers have one Center point of contact



# 40 YEARS

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The Wine and Spirits Shippers Association (WSSA) negotiates shipping contracts on behalf of importers and distributors in the beverage industry. Our dedication to providing efficient and economical transportation by land, sea, or air, enables our members to tap into a marketplace efficiently and affordably.

WSSA was founded by the Wine and Spirits Wholesalers of America (WSWA) and the National Association of Beverage Importers (NABI) in 1976 as a shipping cooperative. Today, WSSA serves as a not-for-profit shippers' association that is managed by a board of industry executives. WSSA combines the total volume of its member shipments to achieve preferential rates and service from each of its carriers and vendors. These rates improve the opportunities for our members to compete in the global wine and spirits marketplace.

Together with Albatrans, WSSA provides complete logistics management from door to door. WSSA also provides a comprehensive marine insurance program unmatched by any others in the industry. Our members can quantify the savings with each shipment and our commitment to personal service makes WSSA unique.

For more information on the benefits of a WSSA membership, contact us at [info@wssa.com](mailto:info@wssa.com) or 800-368-3167

## WSSA at WBWE

WSSA and our freight forwarding partner, Albatrans, attended the 8th World Bulk Wine Exhibition (WBWE) at Amsterdam's RAI exhibition center on November 21-22, 2016. The fair that brings together virtually all of the bulk wine producing and exporting countries in the world was host to over 6,000 visitors and 220 exhibitors from over 66 different countries. WSSA's own Managing Director, Alison Leavitt, led a presentation on the intricacies involved with protecting bulk wine through transit, and the benefits of the WSSA insurance program for visitors looking to obtain knowledge on risk management. WSSA and Albatrans continue to handle an increasing volume of flexitanks and isotanks, and we were fortunate to see many of our current and new shippers at this event. We will be there again in November 2017!

## WSSA's Winter Wine Program

The season of frosty days and frigid nights is still here. If you are concerned about finding an economical way to ship your wine through the winter months, let WSSA help! Protect your cargo from temperature extremes with WSSA's Winter Wine Program. Through our Winter Wine Program, your cargo will be shipped in a standard or insulated container to a warm-weather U.S. port then



loaded into a heated container for transport to your door! Call or email us today for more information or to get started!

## Scheduled Events

**Come see WSSA at upcoming industry events:**

- W&SD Beer Summit and Wine and Spirits Summit in San Diego, California
- WSSA Webinar - sign up for our annual insurance webinar, March 8th, 2017. This year's focus will be on understanding the gaps in coverage. Whether you sell EXW or buy CIF, you can still take steps to protect your products!
- ProWein Dusseldorf, Germany, March, Hall 13, Booth F07
- WSWA April, Orlando, Florida
- NABCA, May, Marco Island, Florida
- AgTC Annual Meeting in Long Beach, California

***We make shipping affordable, efficient, and possible for all members!***