



WSSA Grapevine

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Meet WSSA's New Managing Director

It is with great pleasure that I introduce myself to all of our members and readers of *The Grapevine*. I joined WSSA as the new Managing Director on September 1st, 2013, and have had a great first few months. As many of you are aware, Geoff Giovanetti retired after 31 years at the helm of WSSA. With the first leadership transition in over 30 years, it is a great time to reflect on the organization. I had time to speak with Geoff extensively on the history of WSSA, the early years, and the evolution to where we are today—a highly successful, financially stable, and well-oiled machine. In this day and age, there are associations for everything—other shippers' associations for goods such as toys, shoes and agricultural products, as

well as, associations covering every industry from insurance to self-storage. Companies and individuals join associations to get the benefit of connecting to other people in their industry, sharing ideas, capitalizing on buying power, and getting good information. WSSA's mission remains the same, "to provide members all types of services for the efficient and economical transportation of beverages via land, sea, or air", and my goal in the coming years will be to continue to refine and expand our benefits to the members. Some of these goals are already in the works, including our social media launch and streamlining our insurance program. I will also be doing a lot of outreach to our members, visiting companies all over

the USA and in global locations, getting direct feedback on services, and also visiting companies who are not yet part of the WSSA family. The benefits of volume rate negotiation will only get better as we gain more support, more members, more volume. I look forward to working with all of you and please feel free to contact me at any time with any input, suggestions, ideas or concerns!

I wish you all a safe and happy new year and thank you for your support and loyalty.

Warm Regards,
AL



INSIDE THIS ISSUE:

WSSA Member Weekend	1
Carrier Alliances	2
The Bayonne Bridge	2
Will Rate Increases Affect Members?	3
ISF Enforcement	3
Port Labor Disputes	3
Whiskey Growth in Ireland	4
New Services	4

Stay on top of the latest industry news!



Connect with WSSA!

WSSA Hosts Members in New Orleans

WSSA hosted a group of our top shippers in New Orleans for a weekend in October. Under beautiful sunny skies, attendees enjoyed a Friday cocktail reception, a Saturday breakfast meeting followed by a tour of New Orleans,

as well as a gala dinner and farewell brunch on Sunday. The weekend was a great opportunity to introduce WSSA's new Managing Director, Alison Leavitt and honour Geoff Giovanetti's many years of service to WSSA.

The attendees enjoyed socializing as well as sharing business ideas and creative problem solving. We look forward to hosting many gatherings of this type around the country in the future.



Carrier Alliances-P3, G6, CYK, ???



The ocean transportation industry was rocked in June when the three largest carriers announced they would form an alliance to share space on each other's ships throughout the world. **Maersk, Mediterranean Shipping, and CMA-CGM**, the world's number 1-2-3 carriers, respectively, announced they would begin sharing space with each other around the middle of 2014.

The alliance will cover the major volume lanes of Transatlantic, Transpacific, and Asia/

Europe. The carriers were careful to keep pricing out of the scope of their joint activities, presumably to ease the regulatory approval, in the US, Europe, and



elsewhere. The three carriers' share of the Asia/Europe market is 40-45%, well above the threshold most anti-trust entities regard to reflect a dominant market share.

Mario Cordero, chairman of the

US Federal Maritime Commission voiced our fears when he said, "Our concern is that [the P3 Alliance] does not result in unreasonable increase in rates or unreasonable decrease in service." There are wide ranging concerns about the alliance, and the FMC, as well as European and Asian regulators, will continue to gather information prior to making a final decision.



For up to the minute news, check the Members Only section at wssa.com!



While many US ports worry about having enough water depth to accommodate the larger ships expected once the new, wider Panama Canal locks open in 2015, most terminals within ports of New York/New Jersey are concerned about "air draft": the Bayonne Bridge clearance from the water is too low to allow large ships from passing beneath it.

Two NY container terminals, Red Hook (Brooklyn) and Global, are not affected by the Bayonne Bridge restrictions, and are already receiving larger containerships arriving via the

Raising the Bayonne Bridge

Suez Canal. But NYCT, Port Newark, Maher and APM Terminals are limited to serving smaller ships because of the bridge height.

On June 26, 2013, the project to overcome this problem officially began. Construction will continue through 2017, but engineers expect that the greater clearance will be achieved close to the time the widened Panama Canal opens.

The bridge connects Bayonne, NJ with Staten Island, NY, and has a clearance of 151 feet above normal water level.

"Raising" the roadway will increase the clearance to 215 feet. The existing 4-lane (2 SB +

2 NB) will be reduced to two lanes, one each direction, during construction, while an upper 4-lane roadway is built supported by the same steel arch originally constructed in 1931. The lower roadway will be demolished in late 2015, timing which roughly coincides with the opening of the widened Panama Canal.



WSSA Members Continue to Enjoy Rate Stability

The majority of WSSA's rates are set in the first half of the year. Through diligent negotiation, WSSA has offered a period of stability and competitive rates throughout 2013. We continue to work constantly with our carrier partners, updating items as the need for new inland points or port pairs arise.

In terms of the overall market, capacity on vessels continues to increase, and market demand is relatively flat, thus we expect carriers to

continue to practice the cost savings measures they have put in place over the last few years: slow steaming, centralized customer service, reduced staffing, vessel idling, and chassis reform. The relationships that WSSA has built with the carriers over the years becomes of paramount importance in achieving the goals of our members—providing both the service and the rates needed.

WSSA's Managing Director will travel to South America,

Europe, Australia, new Zealand and South Africa in early 2014 to meet with carriers and origin offices to insure the continued rate and service levels offered by WSSA.

rate watch

ISF 10+2



The US Customs and Border Protection began full enforcement of the "Import Security Filing" (ISF or 10+2) on July 9, 2013. All importers are subject to this rule, which requires advance notice of twelve data elements which include identification of the

supplier, type of cargo, where the container was loaded, ocean vessel's name, where the container was stowed, consignee's name, etc. While initial enforcement efforts are concentrated on completely non-compliant importers, it is important to be as compliant as possible to avoid any future penalties.

ISF Enforcement Began July 9th

Albatrans can provide ISF information and automated ISF filing through their integrated system and would be happy to answer any questions you may have on ISF filing. As of this time, we have had no reports from members of problems due to inaccurate data or late submission nor do we have any reports of penalties issued.

Labor Issues Continue to Disrupt Ports in Baltimore & West Coast Ports—Is NY Next?

In our November 2012 issue, we were breathing a sigh of relief when the east coast longshoremen's labor contract was approved and strike averted. Now, we are looking to the west coast, where the ILWU contract expires this coming June. In the last months, various la-

bor actions have sporadically closed down terminals at west coast ports. And recently in the news again, the NY International Longshoremen's Association President, Harold Daggett, is announcing potential trouble on the east coast as well. Daggett feels that there have been delays in new hires, but it is difficult to tell if his threats are due to the waterfront Com-

mission's diligence in stopping discrimination and cronism, or by the delays in hiring the 682 new longshoremen requested by the ILA and terminal operators. Instability in the labor arena is not a healthy situation for shippers. We will monitor the situation on both coasts and keep you advised.





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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 or 800-368-3167

Albatrans Attends “Grow my Business” Meeting in Dublin

Alan Wilkinson, Manager of Interocean Agencies, an Albatrans owned company, attended the “Grow my Business” meeting in Dublin in October 2013. Ireland is on the fast track to add distilleries for Irish whiskey and craft beer, and is scheduled to build over 100 distilleries and breweries in the next years. One of the keynote speakers was Dr. John

Teeling, Chairman of the newly formed Teeling Whiskey Company. Alan reports, “John is a larger than life character...full of enthusiasm for the various business ventures he is involved in. He is the Chairman of the newly formed Teeling Whiskey Company and wasted no time getting involved again following the sale of Cooley Distillery to Beam

approximately 2 years ago.”. Teeling is best known for being the founder and Chairman of Cooley Distillery. He is known as a serial entrepreneur and holds and MBA from Wharton and doctorate from Harvard. We look forward to future production and shipments from Teeling Whiskey!



New Services: Mexico & Canada

WSSA is thrilled to offer services from Mexico and Canada with the opening of Albatrans offices in these two countries. The Mexico office is located in Guadalajara and specializes in shipments of beer and tequila. The opportunity to convert over the road business to ocean cargo is an excellent opportunity for cost saving. We are also shipping dry contain-



ers, ISO Tanks and flexitanks from key Mexican ports to both the east coast and the west coast of the United States. The staff in the Toronto, Canada office has vast experience in the bulk business throughout the Americas and the world and we look forward to further expansion in this dynamic area of the beverage industry.

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

