

**Joint Shippers' Declaration
of
Asian Shippers' Council
Canadian Industrial Transportation Association
European Shippers' Council
Japan Shippers' Council
The National Industrial Transportation League**

THE 2006 GLOBAL SHIPPERS' FORUM MEETING

**September 27-29, 2006
Antwerp, Belgium**

The annual gathering of shippers from the three major trading regions of the world took place on September 27-29, 2006 in Antwerp, Belgium, a major historic European gateway and centre for trade and commerce that has helped shape the world we live in today. To more accurately reflect the membership – the group adopted the name “Global Shippers’ Forum (GSF).” GSF recognizes the need to reflect the interests of all freight shippers regardless of geographic origin or trade lanes. It conveys the Forum’s continuing objective to support policies which enhance changing transport needs around the world where efficiencies can be realized through competition and a marketplace environment. In addition, GSF adopted a “Statement of Principals” that formalizes the group’s vision and purpose. Likewise it serves as an invitation to other shipper groups to join and share the GSF’s principles.

Maritime Regulatory Reform

Global trade requires secure, efficient and effective freight transport. Increasing volumes of the world’s freight are moving by sea in containers in the liner trades. GSF seeks to ensure that shippers and receivers of freight have effective controls over their maritime container logistics services in order to optimize the management of their supply chains. This group has emphasized the need for co-operation, partnership, and transparency in the commercial and operational relations they have with their service providers.

This campaign is as vital this year as it has ever been. The European Union (EU) has removed anti-trust/anti-competitive exemptions for the liner shipping industry in trades to and from the EU. In this regard, the GSF applauds this week’s decision by EU’s Competitiveness Council. GSF believes this decision will usher in a new environment that will create new economic relationships amongst all transport stakeholders. This new environment will not only provide benefit to transport stakeholders, but more importantly to consumers everywhere.

This repeal in Europe will become a force and model for change elsewhere. Competition policies for the liner shipping sector around the world can be expected to align themselves with those followed in most other industrial and service sectors. It is the GSF’s objective that these policies embrace competition, free market principles and end collusion among suppliers.

GSF firmly believes that all industry sectors must recognize the new competitive environment that now presents itself. Shippers, carriers and other stakeholders should embrace the new challenges and opportunities or else risk being left behind.

GSF concluded at its 2006 meeting, that the revised proposals by the European Liner Affairs Association (ELAA) represent a real risk of collusive activity. GSF will prepare a detailed assessment of the pertinent issues contained in the European Commission's "Issues Paper" including the ELAA's revised proposals.

GSF believes, to the maximum extent possible, rates should be formulated based on an *individual* carrier's calculation of its *individual* costs and necessary return on investment and the carrier's *individual* evaluation of market conditions, and should not be influenced by collective carrier discussions. Likewise, customers must recognize that their practices must adapt to this new environment.

Surcharges/Ancillaries Terminal Handling Charges

Surcharges and ancillary costs have long been a contentious issue for shippers. This past year has been no different in this regard to all modes

The volatility of the world oil prices has undoubtedly added significant costs for freight transport providers, as it has for many manufacturing companies. The pressure on all industries to manage these factors has been intense. The challenge for carriers in managing increased costs is to first do everything possible to mitigate these costs rather than automatically passing them along to their respective customers.

GSF strongly supports cost-based transparency for surcharges/ancillaries. It also believes that surcharges/ancillaries should be determined and announced by individual carriers and not guided by conference or discussion agreements or any other forum that seeks to facilitate a collective response to such charges.

Instead, all such decisions should reflect actual costs and the needs of customers. Surcharges should also be temporary in nature.

GSF supports those shippers' who desire to have all costs included in an "all-inclusive" freight cost. Many shippers, particularly Asian shippers, believe that the Terminal Handling Charge should be an integral part of the freight and hence shouldered by the party who pays the freight in accordance with normal commercial transport practices. GSF supports the desires of many shippers to have a simplified system with the ultimate objective of having "all-inclusive freight costs."

Equally, GSF supports those shippers who prefer to view line item costs that are calculated in the establishment of the final cost. Nevertheless, such an approach should not lead to the establishment of a "fixed base" for surcharges.

Freight Transportation Security

Anti-terrorist security measures, current and proposed, continue to be an issue of major importance to shippers around the world. GSF strongly supports initiatives and programs, that protect society, the economy, trade and transport from terrorist activity, without unduly impeding the efficient movement of goods.

Increasingly, the private sector is being required to invest in security systems, provide additional resources to implement security measures, and introduce new business practices in order to comply with new national and international security requirements.

GSF recognizes and accepts that industry has an integral role to play in preventing terrorists from exploiting trade and transport. It also firmly believes that industry will need to make investments in security measures and resulting systems. However, in instituting these new programs, it must be clear that the changes are proportional and effective in achieving their stated purposes and do not result in crippling the very systems they are designed to protect.

New and improved technologies must have proven capabilities that are effective in meeting both security as well as transport needs. This critical balance is imperative if we as an industry are to be successful in effectively combating terrorism.

Businesses, and especially small and medium sized enterprises, should be provided incentives, to help them make the investments necessary to comply with enhanced security requirements. Every effort should be made to prevent the proliferation of security regimes unilaterally imposed on the freight transport industry and its customers and encourage collaboration between governments.

Finally, GSF believes all security programs should be subject to regular reviews to insure that they are meeting their intended objectives. Industry assessed security charges and taxes should be used only for their intended purposes.

Ocean Cargo Liability

GSF has strongly supported completion of the deliberations of the UNCITRAL Working Group that is seeking to develop a new international instrument governing liability for the loss and damage of ocean cargoes. GSF still believes that adoption of an instrument which reflects modern shipping practices and up-to-date values for loss and damage to freight, would be beneficial to industry. However, there are notable areas of concern with respect to the present instrument as drafted.

GSF is not yet satisfied that the rights and interests of shippers are properly protected under the proposals, the freedom to contract using volume contracts that can provide derogation from the instrument is not contested when it is between equal parties. Additionally, there are outstanding issues which must be resolved with shippers, carriers and other parties which will bring about fair and equal treatment for all.

Enhancing Freight Transport Efficiency in the Supply Chain

Increasing volumes of freight, port congestion, capacity and gauge restrictions on the rail and road networks, limited infrastructure investment, increased security-based controls and growing unreliability of road freight services: these are all issues that are increasingly giving rise to concern among the members of GSF.

GSF supports initiatives from government or industry that seek to address these issues when they have, as their primary objective, the enhancement of efficient supply chains.

A multimodal, multi-party approach to finding solutions to inefficient supply chains is required. GSF will actively support, facilitate where possible, and promote initiatives that seek to develop and introduce best practices that involve all the parties active in a supply chain: carriers (all

modes), agents, air/port owners and operators, third and fourth party logistics providers and, significantly, shippers (consignors and consignees).

Equally, GSF welcomes dialogue with governmental organizations that seek to understand and enhance freight transport efficiency through facilitating intermodal logistics solutions where these are appropriate to the commercial needs of the users, and improving awareness of potential intermodal logistics solutions.

GSF also urges governmental organizations to invest in the strategic, open access/multi-user infrastructure, to support economic growth and development; in doing so, and not withstanding the social and environmental responsibilities of governments, it is important that governments do not dictate where economic developments should be located nor where the freight should move. Such matters are for business to determine according to the patterns and trends in trade and commerce and best commercial decisions, rather than political decisions.

Regulating Wood Packing Materials

GSF fully supports efforts to regulate solid wood packaging materials that are associated with the spread of undesirable pests and insects via international trade.

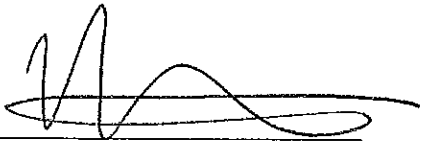
However, there are concerns with certain aspects of the implementation of the ISPM 15 Wood Packaging regulations for dunnage which is usually used to secure cargo inside containers. Wooden dunnage has to be custom-cut to size at the very last moment when a container is loaded. If the US interpretation of the requirement for marking every piece of wooden dunnage is adhered to by the authorities, and if the strict rule is applied to return the whole container (including cargo and packing materials) in the case of any violation of the rule, it is likely to result in insufficient dunnage in the container and may lead to a serious accident. The USA is still advocating such a course of action.

GSF calls for mitigating rules to be applied, in the interests of efficient and safe transport of goods. These include allowing IPPC Markings on container dunnage at places visible around the container doors. Alternatively a statement from the shipper could be made on the shipping documents saying that the dunnage materials have been treated in accordance with the rules.


The member delegations of GSF pledge to work in accomplishing the goals set forth within this Joint Declaration. While shippers throughout the world recognize that great value lies in accomplishing these policy initiatives, it will only be through coordination and communication that these goals will be realized, we know that much work lies ahead and GSF intends to take a leading role in helping to set the agenda.

The GLOBAL SHIPPERS' FORUM will develop measures and proposals that will give added impetus and new vigour to our efforts in securing a better environment in which our members – the world's shippers, can conduct their business.

Adopted in Antwerp, Belgium
September 29, 2006



European Shippers' Council



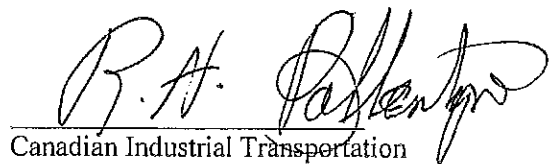
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