



Letter from the President

Roger Scarborough
Founder, CEO
Scarborough International, Ltd.



SHOPPERS, BEWARE!

The freight market is in turmoil. It is contract season in the Pacific to USA trade lane and the Steamship Lines have managed to remove vessels, realign their rotations, and create space shortages to influence the General Rate Increases (GRI'S) they want in new contracts. As a result, space will be a big problem at least through May. Most of the Chinese ports will be effected and many other Asian ports as well. This will be true for exports, as well, with space continuing to be an issue. Maersk has started testing a "no show" fee for bookings made and containers not delivered. The use of "surcharges" is a new big revenue producer just like baggage fees for the airlines.

Contracts have changed dramatically over the last 10 years and even more so in the last five, but I think we will see even bigger changes in the future. There are many implications to the market with none being bigger than developing a relationship with your

forwarder or Steamship contract holders to secure space, as well as rates. Increasingly, the "negotiation" will become multi-faceted with the savvy knowing and negotiating the features that are really important to their transportation program. For those people who have just been shopping rates with multiple forwarders or on the internet, you will likely have many problems with space, surcharges, and supplemental fees. SHOPPERS BEWARE is the best advice I can give to you.

Prices are going up! Space will be an issue! Knowing the "real" conditions and having a freight forwarder who will tell you "how it really is" will be key to protecting the transit times you need to get your freight to your facility or customers. We have heard many stories of shippers being quoted a rate and then finding out it won't move for 3 or 4 weeks. Scarborough International Ltd. has always been a "tell it like it is" company who wants you to be informed of market conditions. We have protected our existing customers to the best of their projections. We have told many things they did NOT want to hear but NEEDED to hear. Did you get that information? The market is crazy and you need a supply chain partner you can trust.

We appreciate all our customers and do our best to tell them what they need to know and not what they want to hear. For the rest of you,

SHOPPERS BEWARE!



You are welcome to look at & print the last page of this newsletter to view different operators' existing fleet on board compared to what cargo has booked & received space. This graph does not even reflect the Asian-specific lanes, which are much worse than the rest of the world, but reflects the steamship lines, as a whole.

This graph was found at
<http://www.axs-alphaliner.com/top100/index.php>

Comments and questions are always encouraged. Please email:
kcmc@scarbrough-intl.com

For more information on space, please see the following resources or ask your Scarborough rep today:

[InfoTech News](#)

[Journal of Commerce Apr 12 Issue](#)

Direct Service between CANADA and Midwest USA

Kim Dalzell
Marketing Director

One area of expertise that we pride ourselves on is our professional NAFTA Team. Our NAFTA Team unravels the difficulty of North American borders. Our NAFTA Team offers flawless freight transportation and documentation between USA, Canada and Mexico.

We would especially like to introduce our direct service between the Toronto Metropolitan Area and the Chicago Metropolitan Area. Scarbrough's Toronto-Chicago program helps our customers throughout the Midwest to receive and ship goods in a timely and affordable fashion. Moreover, we also have freight programs very similar to this for the Montreal metropolitan area, as well as throughout Mexico. Don't hesitate to ask your Scarbrough rep or the NAFTA Team about details today!

note: Toronto includes the entire Toronto Metropolitan area as a direct service



EXPEDITED Two Day Service

- Chicago, Kansas City,
- St. Louis, Milwaukee
- Delivery on second business day
- (subject to Customs delays)

STANDARD Service available

- to and from these metropolitan areas (not limited to):

Chicago, Des Moines, Indianapolis, Kansas City, Memphis, Milwaukee, Minneapolis, Madison, Nashville, Oklahoma City, Omaha, Springfield, St. Louis, Tulsa & more

also available in the following states:

Arkansas, Indiana, Kansas, Minnesota, Nebraska, Tennessee, Wisconsin, Illinois, Iowa, Michigan, Missouri, Oklahoma, and Texas.

DEFERRED Service available

- at reduced pricing for flexibility

All Services Include:

- Flexible Pick-up & Delivery options door to door
- NAFTA documentation
- US Customs Clearances
- Canadian Customs Clearances
- Distribution Capabilities
- Warehouse Capabilities
- Dependable staff
- Single Point of Contact
- Canadian Customs consulting

We price according to your needs: LTL, FTL, Pallet pricing and deferred pricing all available.

All Inquiries:

nafta@scarbrough-intl.com

Direct Line: 816-584-2406

Eyjafjallajökull Volcano (ay-yah-FYAH-lah-yer-kuhl)



Two weeks ago, this volcano in Iceland started a huge disruption in everyone's

supply chain. Things are starting to get back to normal, but the backlogs will take weeks or even months to clear up. Airfreight rates will be at a premium and space will continue to be an issue.

Here are some quick & interesting facts about the volcano and the delays.

- Iceland's Institute of Earth Sciences reported the average discharge rate of ash at 750 tons per second -- a rate that could fill Yankee Stadium every few seconds.
- More than 100,000 flights were canceled from April 15 to April 22.
- The average airlines lost approx. \$400 million per day between

Saturday, April 17 - Monday, April 19, 2010.

- IATA said the scale of the disruption for the world's airlines eclipsed the aftermath of the September 2001 terrorist attacks, when U.S. airspace was closed for 3 days. U.S. aviation analysts challenged the claim, saying it might be true for European airlines but not for U.S. carriers.

Check out this video capturing "visualization of the Northern European airspace returning to use after being closed due to volcanic ash." Video found at:

<http://vimeo.com/11205494>

Exports from USA: We'll Take Your Headache Away

*Pam Mallette
Exports Supervisor
Scarborough, St. Louis Office*

President Obama has a plan for U.S. Exports; he wants to double the volume of exports over the next 5 years, which will help our economy and in turn support millions of American jobs. The idea is simple and one that countries all over the world strive for – the more products we make in our own countries and sell to other countries, the more jobs we support in our communities, and the more money we bring back into our communities.

So, how are we going to do it? Obama has several strategies to expand exports, but his biggest push is going to be his administration's "National Export Initiative," which is a program to help farmers and small businesses who want to sell their products internationally. Through several agencies including the Department of Commerce and the Bureau of Industry and Security, more information is going to be readily available to educate and inform US businesses on international trade. For example, initiatives will be made to educate individuals on how to find customers, how to find a market for their product, U.S. principal party responsibilities, and the list goes on.

Obama's administration is also going to work on reforming export controls that smother the sales of certain commodities that are considered "dual use." Dual use items are products that could have a commercial use as well as a military or proliferation application. This reform is going to be aimed at making the export of certain dual use items a little bit less cumbersome for U.S. exporters, which will hopefully expand sales and increase exports.



The third strategy he has outlined is to push both international and bilateral free trade agreements, including strengthening trade relations with South Korea, Colombia, and Panama.

Exports certainly have room for growth. The export market nearly doubled in the 1990s, and then nearly doubled

again more recently between 2003 and 2008, going from \$1 trillion in 2003 to \$1.8 trillion in 2008. The recent downturn in the economy has certainly taken its toll on the U.S. export market, but here at Scarborough International, we are already seeing signs of growth compared to where we were at this time last year.

With the President's focus on exports, the sky is the limit and we are looking forward to a newly booming export market over the next few years!

If you plan to increase your exports or have export opportunities, please contact us so we can help you develop your program and strategy. We have several subject matters of expertise that are happy to help you get things going. We also extend our services to all areas of export consulting including export compliance, documentation, competitive pricing, project cargo management, helping you to develop relationships with different governmental agencies, among other areas. On top of that, we can be a valuable addition to your logistics team.

For all inquiries, please email exports@scarbrough-intl.com

Scarborough International, Ltd., and especially the owners, Roger and Jeannie, are very proud to celebrate their 26th anniversary on May 1st, 2010.

The Scarborough Team (also known as the Scarborough Family) would like to extend our gratitude to all our customers, partners, vendors, and supporters. We know we couldn't have been successful this long without you, and we are truly gracious.

Thank you !!!



Connecting through Innovative Rate Sharing Technology

Brett Jones
Business Development Manager
Cargosphere

Scarborough International, as part of its commitment to use technology to improve operational efficiency, is utilizing an innovative and unique rate sharing technology provided by CargoSphere.

CargoSphere, a leading rate management technology provider, developed the CargoSphere Rate Sharing Network to support large-scale rate aggregation and rate sharing among its clients. The Rate Sharing Network has rapidly become a vehicle for NVOs, forwarders, and associations to share rates using their CargoSphere systems. This revolutionary technology continues to enhance global cooperation by connecting partners wishing to work together and share rates from system to system.

Scarborough has used this technology to support its partnership with associations and its partner members throughout the world.

This Rate Sharing technology allows Scarborough to connect with partners and agents worldwide. Through utilization of the Rate Sharing Network, Scarborough is able to have real-time and transparent access to rates shared by partners in several countries throughout the globe. This real-time rate visibility is essential considering the time differential between partners

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and helps to improve quote turnaround time. Furthermore, since rates are shared from system to system, they can easily be pushed into branded quotations and sent to downstream customers using CargoSphere's advanced quoting functionality. Rates are managed within CargoSphere's Contract and Rate Management Module. This database driven approach is essential considering that frequently changing rates are a reality in today's volatile freight market. It has become a business imperative to collaborate through technology with partners worldwide. Scarborough is leading the way through the use of CargoSphere's Rate Sharing technology.

Scarborough International also intends to leverage this technology to share rates from its LCL consolidation program to companies worldwide. Selected rates will be shared from Scarborough's CargoSphere system directly to the systems of interested companies.

If you are a partner, agent, or client of Scarborough International and interested in connecting through this global collaborative platform, please contact Kim Dalzell at

kdalzell@scarbrough-intl.com

About Cargosphere

CargoSphere is a software company that develops, markets, and sells its premier Rate Management System to the transportation industry. The company was founded in 1999 and has focused primarily on transportation intermediaries (NVOs and freight forwarders) since 2002. The System enables user companies to manage their own carrier contracts, while aggregating large volumes of external rates from a wide range of sources, including associations, agent partners, and neutral NVOs.

CargoSphere has also created a collaborative platform for rate requests (RFQs) and responses between all participants in the quoting process: shippers, agents, internal sales and pricing personnel, and carriers. Advanced quoting tools enable users to produce branded and professional looking quote packages for FCL, LCL and Air, and range in size from single rates to 1,000 plus rates.

For more information on CargoSphere, please contact Brett Jones at

816-635-2405

brett.jones@cargosphere.com



An update on **The Shoes** - Thank you to all our supporters, donators, and helpers! We plan to sort and stuff the shoes from our goal of 15,000 shoe collection for Honduras on Saturday, May 8th. We have had great success and we will keep you updated.

Thank you for your efforts!

www.scarbrough-intl.com

Alphaliner - TOP 100

Operated fleets as per 30 April 2010

THE TOP 100 LEAGUE

> The percentage shown on the left of each bar represents the operator's share of the world liner fleet in TEU terms.
 > The light coloured bar on the right represents the current orderbook (firm orders).

Rnk	Operator	TEU	Share	Existing fleet	Orderbook
1	APM-Maersk	2,040,492	14.6%		
2	Mediterranean Shg Co	1,623,680	11.6%		
3	CMA CGM Group	1,072,891	7.7%		
4	APL	584,923	4.2%		
5	Evergreen Line	556,142	4.0%		
6	Hapag-Lloyd	529,957	3.8%		
7	COSCO Container L.	486,277	3.5%		
8	Hanjin Shipping	447,206	3.2%		
9	CSCCL	437,564	3.1%		
10	CSAV Group	427,832	3.1%		
11	NYK	355,109	2.5%		
12	MOL	351,890	2.5%		
13	OOCL	346,934	2.5%		
14	Hamburg Süd Group	331,994	2.4%		
15	K Line	330,775	2.4%		
16	Zim	319,503	2.3%		
17	Yang Ming Line	313,379	2.2%		
18	Hyundai M.M.	273,278	2.0%		
19	PIL (Pacific Int. Line)	219,495	1.6%		
20	UASC	199,082	1.4%		
21	Wan Hai Lines	155,440	1.1%		
22	HDS Lines	100,125	0.7%		
23	MISC Berhad	92,027	0.7%		
24	TS Lines	59,731	0.4%		
25	RCL (Regional Container L.)	52,734	0.4%		
26	Sea Consortium	51,881	0.4%		
27	Grimaldi (Napoli)	50,198	0.4%		
28	KMTC	40,215	0.3%		
29	Maruba + CLAN	36,434	0.3%		
30	SITC	36,406	0.3%		

All information above is given as guidance only and in good faith without guarantee