



CEVA Logistics

08 May 2008

Dear Valued Ocean Customer:

Continued cost pressure including but not limited to rail and motor services coupled with inflationary pressures have made it necessary for CEVA Ocean Line to increase our Asia to North America FAK ocean rates on 12 May, 2008. Specific commodity and lane pair increases will be addressed directly in your new CEVA Ocean Line selling tariff. Increases are mostly limited to USA inland points via US West Coast. In addition, our North America export FAK rates have increased due to capacity, equipment shortages and bunker fuel is floating freely on all trade lanes.

We will ensure changes to individual tariffs will be communicated thoroughly and executed within the time parameters of current agreements. All future agreements will reflect the most current rate increases. CEVA Ocean Line has been extremely sensitive to our customers' costs and we have yet to announce a widespread base rate increase on our ocean rates. Our scheduled increase is proportionate to market changes and is designed to recover a reasonable portion of the overall cost impact we've experienced on full container and less than container loads.

We will continue to work with our customers to improve efficiencies and drive costs out of their supply chains with creative solutions and best-in-class performance on each transaction. We were recently successful in minimizing the increase on our Asia to US West Coast and US East Coast All Water Service FAK rates and will continue to work diligently with our transportation partners to mitigate costs. We recognize that flexibility and speed to market are key drivers in today's competitive environment and we are committed to excellence in each of these areas.

Thank you for the business and your continued patronage. If you have any questions or need any other information, please contact your local CEVA office or sales executive.

Sincerely,

Gary Phelps
Vice President - NORTAM Ocean Products