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Law Offices of Countryman & McDaniel  
**THE CARGO LETTER** [460]  
Air & Ocean Logistics - Customs Broker News  
25 Nov. 2009  
**Part 1 of 1**  
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Good Wednesday Morning from our Observation Deck.....overlooking the officially designated "Cargo City" area and..... Runway 25-Right, at **Los Angeles International Airport**, voted "**Best Cargo Airport in North America**." Here's what happened for our industry in November 2009. **Happy Thanksgiving!**

To help you find what you need -- **FAST** -- there's now a transport search engine installed at our [www.CargoLaw.com](http://www.CargoLaw.com) website!

Contribute your knowledge, stories & company information.....by e-mail to **The Cargo Letter**. We strive to bring you useful information which is timely & topical. Be sure to visit our website.....<http://cargolaw.com>

Archive of **The Cargo Letter** ..... [www.cargolaw.com/cl-archives.php](http://www.cargolaw.com/cl-archives.php)

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**OUR "A" Section: Trade, Financial & Inland News\*\*\***

1. **Freight Forwarder Trade Briefs** \_\_\_\_\_

**\*\*\*Brazil May Levy 100% Tariff For U.S.** ..... as the Brazilian Chamber of Foreign Trade (CAMEX) this month published a list of 222 items of U.S.-origin products that may be subject to retaliatory duties of up to 100% beginning in Jan. 2010, according to some industry experts. The World Trade Organization ruled in August that Brazil may impose these duties because the U.S. has failed to comply with an earlier WTO ruling against subsidies provided to U.S. cotton growers. Brazil is now claiming the right to retaliate against up to US\$900M in U.S. goods & services. Brazilian imports of the U.S. goods on the CAMEX list are valued at US\$2.7Bn, representing 10.6% of all goods imported from the U.S. in 2008.

[www.brazillmag.com/index2.php?option=com\\_content&do\\_pdf=1&id=11412](http://www.brazillmag.com/index2.php?option=com_content&do_pdf=1&id=11412)

**\*\*\*Intra-Asia Group Drops All Tariffs** ..... as six members of Assn. of Southeast Asian Nations (ASEAN) will achieve their zero-tariff target for all goods moving across their borders as of Jan. 1, 2010. The group's 6 major members, so-called the ASEAN-6, are Brunei, Darussalam, Indonesia, Malaysia, Philippines, Singapore & Thailand. These countries are the original ASEAN

members which have been following liberalization efforts since the introduction of the ASEAN Free Trade Area (AFTA) in 1992. The remaining ASEAN members of Cambodia, Laos, Myanmar & Vietnam, have committed to abolish tariffs under AFTA by 2015. The regional bloc had a combined GDP of US\$1,504Bn in 2008, a level almost double for the 2003 level of US\$718Bn.

**\*\*\*Asia Centers of Gravity .....** as 3 Asia-centered trade triangles are expected to contribute almost 40% of global trade by 2028, according to a DHL report. The nexuses identified in the report are intra-Asia, Middle East/Africa/Asia and Latin America/Asia. "Asia's economies, particularly China and to a lesser extent India will remain the center of gravity for trade," said Herman Ude, CEO of DHL Global Forwarding, Freight. "Within the three identified triangles of trade, China's imports of raw materials and exports of various manufactured goods such as industrial machinery, textiles and telecommunications and office equipment dominates trade volumes. There's no doubt Asia and the emerging markets will shape the direction and future for economic and commercial expansion. If we look at the global logistics market in 1999, Asia's share of it stood at 34%, or US\$15.57Bn. By 2008 this figure had grown to US\$339Bn, making up 46%, or nearly half of the worldwide market." Within intra-Asia trade, DHL expects China to be responsible for some 40% of trade, led by the import of raw materials into China and the exports of textiles, industrial machinery, telecommunications and office equipment & foodstuff. Of these, China's trade with Korea, Taiwan, Japan, Hong Kong & Thailand will continue to dominate trade volumes. Chinese exports to India, Indonesia & Malaysia are also expected to grow rapidly.

**The Report:**

[www.dhl.com/en/media\\_relations/press\\_releases/2009/dhl\\_unveils\\_new\\_triangles\\_of\\_trade.html](http://www.dhl.com/en/media_relations/press_releases/2009/dhl_unveils_new_triangles_of_trade.html)

**\*\*\*China & The Rare Earths .....** as foreign firms & governments are growing increasingly concerned over lack of access to the metals used to make everything from hybrid vehicles to missiles. As resource-hungry China scours the world for crude oil and natural gas supplies, it has managed to corner the global market for a group of obscure metals used to make iPods, wind farms and electric cars. China supplies at least 95% of the world's rare earths -- 17 chemical elements with hard-to-pronounce names such as praseodymium and yttrium -- essential for a wide range of high-tech devices and green technologies. The nation has long recognized the value of these metals, with the late paramount leader Deng Xiaoping noting the Middle East had oil, but China had rare earths. And, as the Organization for the Petroleum Exporting Countries does with oil, China is tightly controlling the supply of these vital natural resources. "China's goal is to create jobs in China and create goods in China," Jack Lifton, a U.S.-based independent rare earths analyst. "We need to start producing these metals here [U.S.] as we did in the past. If we don't do that, China will be the only country manufacturing devices using rare earths by the year 2015." A single mine in China's northern Inner Mongolia region produces half of the world's rare earths, with the rest coming from smaller mines in southern China as well as Russia, India & Brazil. China keeps most of the minerals within its borders by restricting foreign shipments.

**\*\*\*KIA vs. Chevy .....** as Washington's top trade official insists the U.S. is "not standing still" on a free trade pact with South Korea that has sat un-ratified in the U.S. Senate for over 2 years. But the White House wants Seoul to further open its market to U.S. auto imports before lawmakers vote on the deal, the U.S. trade representative added. "Our market is open to Korean autos. All we are asking for is our own auto companies to be able to compete on a level playing field in the Korean market," USTR Ron Kirk said in a speech to the U.S.-Korea Business Council in Washington on 5 Nov. "As all of you know, the American auto industry is working through a period of difficult transition," he added. As it now stands, the deal would immediately cut South Korea's 8% tariffs on imports of U.S. cars, while the U.S. would be allowed 3 years to gradually reduce its 2.5% duty on South Korean auto imports. Washington would also be required to phase out a 25% tariff on imports of pick-up trucks over the next 10 years.

**\*\*\*C-TPAT Training .....** as U.S. Customs and Border Protection has announced the 2010 Customs-Trade Partnership Against Terrorism (C-TPAT) Supply Chain Security Training Seminar. The seminar will be held March 17, 18 & 19, 2010 in Anaheim, California. The Seminar

is open to all C-TPAT certified partners, however space will be limited. Registration will open on Jan. 6, 2010. Please monitor the C-TPAT website for further details regarding registration.

[www.cbp.gov/xp/cgov/trade/cargo\\_security/ctpat/2010\\_ctpat\\_training.xml](http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/2010_ctpat_training.xml)

[www.cbp.gov/xp/cgov/trade/cargo\\_security/ctpat/](http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/)

**\*\*\*Sobering Reality - Privatize.....**as despite cost-cuts of US\$6Bn and "a reduction of 40,000 career USPS employees," the U.S. Postal Service lost US\$3.8Bn in its financial year to Sept. 30 2009. CFO Joseph Corbett said, "Our 2009 fiscal year proved to be one of the most challenging in the history of the Postal Service. The deep economic recession, and to a lesser extent the ongoing migration of mail to electronic alternatives, significantly affected all mail products, creating a large imbalance between revenues and costs." With a total mail volume of 177.1 billion pieces, a reduction of 12.7% compared to 2008, the USPS reported operating revenue of US\$68.1Bn, down from US\$74.9Bn, and a drop in expenses to US\$71.8Bn from US\$77.7Bn. In its 2010 business plan, the USPS forecasts a further revenue drop of US\$2.2Bn, a net loss of US\$7.8Bn, cost reductions of more than US\$3.5Bn and a reduction in mail volume of 11 billion pieces for the year. The plan assumes there will be no change in the number of delivery days per week and no change in the current retiree health benefits payment schedule.

**\*\*\*Fleecing The Yankees .....** as a federal grand jury in Atlanta, GA has returned a 6-count indictment against the Kuwait-based logistics giant Agility, formerly known as Public Warehousing Company (PWC). The lawsuit alleges that since 2003, PWC, The Sultan Center Food Products Company (TSC) and Tarek Abbul Aziz Sultan Al-Essa, Agility's CEO, have made false claims for payment under PWC's multi-billion contracts with the U.S. Defense Logistics Agency to supply food for the U.S. military in Kuwait, Iraq and Jordan. The complaint alleges that Agility knowingly overcharged the U.S. for fresh fruits & vegetables that PWC purchased through TSC. The complaint also alleges that PWC failed to disclose and pass through rebates and discounts it obtained from its U.S.-based suppliers. TSC is a retail chain founded by Sultan Al Essa's uncle, Jamil Abdul Aziz. He and 4 other Sultan family members are stockholders in TSC that has shares in PWC/Agility. The case was initially filed by whistleblower Kamal Mustafa Al-Sultan, a cousin of Sultan Al-Essa and owner of a Kuwaiti company Kamal M. Sultan Co. that had originally partnered with PWC in order to obtain U.S. government contracts. In 2003, PWC won a contract to become the prime food vendor to U.S. forces in Iraq & Kuwait. As a result PWC's business grew from US\$77M in 2002 to US\$3.69Bn in 2006. However, reports say PWC won the contract without Kamal, its original partner.

**\*\*\*Intermodal Decline Levels Off .....** as the U.S. economy showed hints of recovery during the 3rd-quarter, so did intermodal results, reports Intermodal Assn. of North America (IANA) at its annual conference, held this year in Anaheim, Calif. According to IANA, year-over-year volume comparisons improved during the quarter, with total volume off 16.4% - a significant improvement over Q2's downturn of 18.7%. Domestic container volume increased in every U.S. region during Q3, growing 1.3% overall. U.S. domestic advances during the quarter were entirely in 53-foot equipment, which jumped 5.5%. Despite the severity of the recession, it is important to note that domestic container growth has not retreated into negative territory once on a quarterly basis. Although growth did slow in 2009, gains in domestic equipment volume have increased each quarter of the year. These increases began with a Q1 advance of 0.1%, followed by a 0.9% surge in Q2, and finally this quarter's 1.3% up-tick. Int'l volumes fell for a 9th-consecutive quarter, with over 20% decreases realized during each quarter of 2009. Encouragingly, the rate of decline decelerated in every month of the quarter, with September's result only 20%. Intermodal marketing companies (IMCs) continued to mirror the industry's challenges in Q3. IMC intermodal volume results were in line with the broader industry on a year-over-year basis, falling 8.6% compared to a 7.7% overall decline in domestic intermodal. IMCs had topped overall results slightly in Q2. At the same time, IMC highway loadings drew almost even with year-ago results after 2 years of steady & sometimes brutal decline, IANA reports.

[www.intermodal.org/](http://www.intermodal.org/)

**\*\*\*Bigger Appears Better** ..... as 2 new studies claim that increasing tractor-trailers' capacity to haul more goods will reduce greenhouse gas emissions. The American Transportation Research Institute, the research arm of the American Trucking Associations (ATA), said a comparison of trucks operating with a gross vehicle weight of 100,000 pounds in Maine improved fuel efficiency 14% to 21% when operating on an interstate route instead of a state highway. Trip emissions were estimated to decrease 6% to 11 % for carbon dioxide and 3% to 8% for nitrogen oxide and particulates. The national limit for loaded trucks is 80,000 pounds, but Maine has a federal exemption to run heavier trucks on Interstate 95 and the Maine Turnpike to support the logging industry. States can set their own limits on state highway systems. ATRI conducted the study for the Maine Dept. of Transportation. State officials are seeking a broader exemption or new legislation that would raise the allowable weight level to 97,000 pounds. One of the ATA's policy goals is to allow states the option to raise the weight limit to 97,000 pounds on federally designated highways.

[www.nescaum.org/documents/heavy-duty-truck-ghg\\_report\\_final-200910.pdf](http://www.nescaum.org/documents/heavy-duty-truck-ghg_report_final-200910.pdf)

**\*\*\*U.S. Short Line Rail Remains Bleak** ..... as RailAmerica, Inc. reported its freight carloads for the month ended Oct. 31, 2009. Total carloads for Oct. 2009 were 70,159, down 19.9% from 87,610 in Oct. 2008. In the 2nd quarter of 2009, the Company restructured a customer contract, which resulted in the Company recording the revenue derived from that contract as non-freight revenue instead of freight revenue & carloads. Excluding the effect of this contract, carloads were down approximately 15% for Oct. 2009 compared to Oct. 2008. The company had decreased shipments in October 2009 in 9 out of 12 commodity groups compared to Oct. 2008. RailAmerica, Inc. is the largest owner & operator of short line & regional freight railroads in North America, measured in terms of total track-miles, operating a portfolio of 40 individual railroads with approximately 7,500 miles of track in 27 U.S. states and 3 Canadian provinces.

**\*\*\*UPS Goes Up** ..... as it has released new list rates for 2010, including an average increase of 4.9% for UPS Ground packages and an average net increase of 4.9% on all air express & U.S. origin int'l shipments. The rate increase for air express and int'l shipments is based on a 6.9 % increase in the base rate, less a 2% reduction in the air and international fuel surcharge index. On Dec. 18, customers can download the 2010 Rate and Service Guide. The new rates take effect on Jan. 4, 2010.

The new rates are posted:

[www.ups.com/rates](http://www.ups.com/rates)

**\*\*\*FedEx 3PL Expands** ..... as its freight forwarder subsidiary FedEx Trade Networks has opened 7 new offices in Asia and Europe as part of an aggressive global expansion plan. The company has opened 14 new freight forwarding locations in 2009. In 2008, FedEx Trade Networks opened freight forwarding operations in Hong Kong & Shanghai, followed by offices in Brazil, Singapore, Taiwan, Qingdao, Beijing, Guangzhou and Shenzhen in 2009. In Asia, new offices have opened in Xiamen, Tianjin, Dalian & Ningbo, as well as a representative office in Ho Chi Minh City. In Europe, the company opened facilities in Paris & Amsterdam, the first owned operations in Europe. FedEx said the European offices would focus particularly on the Europe/Asia lane. The Netherlands office will also serve as the FedEx Trade Networks headquarters for the Europe, Middle East & Africa regions.

**\*\*\*Audit As Value Added Service** ..... as OOCL Logistics is launching an electronic payment audit system for its customers. "With Payment Audit, customers pay only for the transportation services they have received, in compliance with their freight contract. They can check details on every field audited," said Allan Wong, CEO of OOCL Logistics. "This unique product will also tell customers what has been validated and how it has been done, and is fully customized to their needs." OOCL says the system can also audit payments made to other logistics companies. For years now we have seen a true traffic audit as key to viable shipping.

[www.oocllogistics.com/](http://www.oocllogistics.com/)

**\*\*\*Big Money In Used Cars** ..... as Manheim, a provider of automotive remarketing services, has selected UPS to oversee its supply chain for moving millions of used vehicles each year to the wholesale market. UPS's Automotive Industry Solutions Group will work on behalf of Manheim's customers -- including dealerships, auto manufacturers, car rental companies and financial institutions -- to arrange pick up and drop off of vehicles bound for Manheim's 77 operating locations in the U.S. Through its wholesale operating locations and remarketing technology, Manheim says it connects buyers & sellers around the globe to the world's largest, most comprehensive wholesale marketplace. In 2008, Manheim handled nearly 10 million used vehicles, facilitating transactions representing more than US\$50Bn in value.  
[www2.manheim.com/](http://www2.manheim.com/)

**\*\*\*FedEx Ground Opens US\$60M Facility** .... as the small-package ground delivery unit of FedEx Corp., is celebrating the opening of a new distribution facility in Medley, Fla. The 217,015 square-foot operation is double the size of the facility that it replaces, which also was located in Medley. The US\$59M facility is part of an ongoing national expansion plan and will provide processing rates of up to 15,000 packages per hour, additional load & unload doors, more scan tunnels and sorters — all of which will better serve the increasing customer base in the Miami-Dade county area. The facility supports a workforce of more than 340 employees & independent contractors and expects to add approximately 50 temporary positions for the holiday season.

**\*\*\*U.S. Trucker Werner Enterprises Inc. Goes Under** ..... as it has established a subsidiary in Australia. The Omaha-based carrier, one of the 5 largest U.S. truckload carriers, said Werner Global Logistics Australia Pty. Ltd. was formed in the 3rd quarter and will offer freight forwarding, logistics, local transportation & distribution services. The primary service areas include the most densely populated markets of Melbourne, Sydney & Brisbane.

**\*\*\*Multipart Supply Chain Solutions Sale** ..... as one of the UK's leading specialist logistics service providers to the automotive, defence, utility & beverage sectors -- Multipart --has been bought by TVS Group, a US\$5Bn volume, privately-owned Indian conglomerate. TVS has a strong presence in both vehicle parts logistics and in the UK component supply industry.  
[www.multipart.com/scs/index.aspx](http://www.multipart.com/scs/index.aspx)

**\*\*\*Fuel, Not Gas** .... as natural gas is not a viable alternative fuel for most longhaul trucking operations, but it could be an acceptable alternative fuel for some shorthaul carriers, American Trucking Associations reported this month. ATA said despite the lower cost of the fuel at the pump, there are some significant financial and operational challenges associated with the use of natural gas for many carriers. Those challenges include the high cost of natural gas trucks, heavier tanks on natural gas trucks and the lack of a natural gas infrastructure across the U.S., ATA said.

**\*\*\*Garrett Said STOP! - We All Did** ..... as it's hard to imagine busy city streets without automated traffic lights to regulate the flow of cars, trucks, motorcycles, bicycles & pedestrians. One of the 1st traffic signals was patented this week in 1923. The patent was granted to African-American inventor Garrett Morgan, who decided to do something after witnessing a collision between a car and a horse-drawn wagon on a Cleveland Street. Morgan's 3-position signal was used for some years until the now familiar system of green, yellow & red lights was adopted. Today's traffic signals regulate the movements of more than 244 million motor vehicles in the U.S.  
[www.users.fast.net/~blc/xlhome7.htm](http://www.users.fast.net/~blc/xlhome7.htm)

**\*\*\*French Connection Heist** ..... as French police are looking for the driver of a security van suspected of driving off with more than US\$15M after the man vanished, apparently after first clearing out his apartment. The van disappeared early on Nov. 5 after the 3-member crew took delivery of the cash at a branch of the Bank of France in the southeastern city of Lyon. While they were making their delivery rounds, two crew members who had left the driver alone returned to find the van had disappeared. It was found abandoned later in the day. "The suspicion is directed

at the driver," state prosecutor Xavier Richaud told i-tele television on Nov. 6. "We went to search his place & were surprised to discover the flat was unoccupied, almost cleared out, the refrigerator was empty and we couldn't find his papers," he said. "It's as though he had prepared his escape beforehand." Gee, do you think?!

**\*\*\*Surprise! You're Dinner!** ..... as a circus lion named Caesar was fighting fit again on Nov. 12, after an ordeal that saw the van he was being transported in stolen in Germany by an unwitting thief, his keepers said. The Mercedes Transporter containing Circus Probst's ferocious 5-year-old feline star was recovered in the early hours of Nov. 11 morning in Wuppertal in western Germany after crashing into a road sign, police said. Hours earlier it had been stolen from among the circus's other vehicles, with the thief, who remains on the loose, apparently unaware of the nature of his stolen cargo. It was unknown whether the thief becoming aware of Caesar's presence, perhaps through a hungry roar, had caused him or her to crash the vehicle and then abandon it with the engine still running. Police then towed the van away, also unaware of its feline freight and it wasn't until midday on Nov. 11, that Caesar was returned to his rightful owners, more than 12 hours after his adventure began. "Caesar is fine. We're not worried about him," circus spokesman Laurens Thoen said. "Since yesterday afternoon he has been in his enclosure at the circus [dreaming of that thief]."

**\*\*\*Noodling On The Postal Job** ..... as Police in Marion, IL & U.S. Postal authorities are investigating the case of a mail carrier who was allegedly found drunk inside a residence while on the job. Police said the postal worker, 46, was charged with public intoxication Nov. 3 after she was found sitting on the kitchen floor of 95-year-old woman's house, eating leftover noodles from her refrigerator. Police said that the woman apparently entered the home through an unlocked front door. She was in uniform and had mail & a mailbag with her. The woman, a 17-year employee of the U.S. Postal Service, was taken to the Linn County Jail. Marion Postmaster Rick Leyendecker said the woman is currently on unpaid leave and banned from noodles.

**\*\*\*Diplomatic Immunity! Not!** ..... as Swedish police have arrested 2 North Korean diplomats on suspicion of smuggling 230,000 cigarettes into the Nordic country, the Swedish Customs Office said Nov. 20. The pair, a man & a woman who have diplomatic status in Russia, were stopped by Swedish customs officers Nov. 18 morning as they drove off a ferry from Helsinki, the Finnish capital. Customs officials discovered Russian cigarettes in the car driven by the couple, Swedish Customs said.. The 2 North Koreans claimed diplomatic immunity. "They were accredited as diplomats in Russia, but had no accreditation in Sweden," she said. "They were arrested on suspicion of smuggling." Sweden's Foreign Ministry said it had been informed of the arrests but would not comment directly on the matter, saying it was a criminal case and was being handled by the police. Foreign Ministry spokeswoman Cecilia Julin said foreign diplomats are only immune from criminal prosecution in countries where they have been accredited with the authorities. "If you come to Sweden and commit a crime, you're just like any other foreign national," she said.

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**2. The Cargo Letter** Financial Page \_\_\_\_\_

- \*\*ABF. DOWN** with a net loss of US\$5.6M, compared with net income of US\$15.4M in same period in 2008.
- \*\*Emirates Air. UP** with a 165% improvement in net profit to US\$205M for the 1st 6 months of its financial year ending 30 Sept. 2009 -- 13 million passengers & 700,000 tons of cargo.
- \*\*Frozen Food Express Industries. DOWN** as it lost US\$2.6M, in 3rd quarter, compared with net income of US\$1.4M, a year ago
- \*\*Hanjin Shipping. DOWN** as it US\$177M from operation of its container line in the 3rd quarter, bringing its year-to-date loss to US\$519M on revenue of US\$3.6Bn.
- \*\*Maersk Line. DOWN** with operating losses of US\$1.37Bn in the 1st 3 quarters of 2009, a drastic drop from the US\$794M the line made in same period 2008.
- \*\*Radiant Logistics Inc. DOWN** with 3rd quarter net profit of US\$116,000 compared to US\$250,000 in the same 2008 period.

**\*\*Singapore Airlines Cargo. DOWN** with a net loss of US\$139M in the 1st half of its fiscal year, a steep fall from the US\$55M loss in same period 2008.

**\*\*Trailer Bridge. UP** with 3rd quarter net profit of US\$1.7M compared to US\$34,444 in the same 2008 period.

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**OUR "B" Section: FF World Air News\*\*\***

### **3. Freight Forwarder World Air Briefs \_\_\_\_\_**

**\*\*\*Montreal Limitation Change** ..... as there is a provision in Article 24 of the Montreal Convention (MC99) which allows for review & change of the damage limitation amount every 5-years. This comes as an unusual development for most because the provision of Article 24 has never before been used to trigger a change with the limitation amount. The proposed increase to 19 SDRs was made by the Int'l Civil Aviation Organization (ICAO). The increase could have been overruled if at least 47 ICAO member states had objected by 30 Sept. 2009. Because this did not occur, the change comes into effect on 30 Dec. 2009. The ICAO decided upon the increase because inflation in the past 5-year period exceeded the prescribed limit. The 2 SDR increase per kilo is designed to compensate this. The change is now known as **IATA Resolution 600b**. Other limitation amounts under the MC99 will also change on 30 Dec. as follows:

**Loss Damage or Delay For Baggage, Per Passenger:** 1,131 SDRs (currently 1,000 SDRs)

**Damage Caused By Delay In Carriage Of Persons:** 4,694 SDRs (currently 4,150 SDRs)

**Death Or Bodily Injury Of Passenger:** 113,100 SDRs (currently 100,000 SDRs)

**Special Note:** Limits of liability under the Warsaw Convention & Montreal Protocol 4 remain unchanged.

**Special Note:** The correct damage limitation applies under the MC99 regardless of what number is stated in the air waybill & even when no air waybill has been issued. In other words, there is no particular need or hurry to change your current stock of air waybills.

**\*\*\*The Slow Road Back** ..... as in its latest cargo forecast OAG, part of UBM Aviation, says it may well be 2013 before airfreight volumes return to 2007 levels. According to the study, "The good news is that as the global economy begins to recover & return to normal growth levels, airfreight is likely to once again be a leading indicator of future economic activity." In its 10-year forecast, OAG projects a slow pick up in airfreight flows led by slow economic recoveries in both the U.S. & Europe. U.S. GDP is projected to grow less than two percent per year in both 2010 & 2011 (after 0.4% and -2.4% GDP growth in 2008 & 2009, respectively) while Europe GDP is expected to remain essentially flat through 2010 and then grow a "pedestrian" 1.8% a year over the remainder of the forecast period. OAG notes that overall airfreight traffic has decreased 15% in 2009 (following a soft 2008) and the industry has aggressively tried to rationalize capacity but thus far is finding profitability difficult to achieve. With oversupply in some markets and demand weakened, the yield environment remains "very challenging" says the author. As corporations are squeezed to reduce costs to remain profitable, OAG suggests a growing concern is a modal shift from air to ocean. "Shippers are more willing to accept slower transit to gain the cost advantage maritime or ground shipping offers over air cargo," explains Graham. "Thus air cargo operators must overcome not only a slowdown in global shipment volumes, but also a modal shift caused by shippers looking for ways to reduce logistics costs," he adds.

[www.oagaviation.com/](http://www.oagaviation.com/)

[www.oagcargo.com/](http://www.oagcargo.com/)

**\*\*\*Less Pacific Pain** ..... as Int'l air cargo demand continued its slow but steady growth with Asia Pacific airlines' Oct. traffic just 2.4% below the levels recorded during the same period one year ago – the smallest shortfall so far this year. The Assn. of Pacific Airlines reported this week that the average int'l cargo load factor in Oct. rose by 4.2% to 69.1% as carriers reduced capacity by 8.3%. The group representing major airlines in the Asia-Pacific region said its members carried 4,366 million freight ton kilometers in Oct., down from 4,474 in Oct. 2008. For the 10 months of this year, member airlines have experienced a 16.5% decline in air cargo traffic, according to AAPA.

**\*\*\*More Santa Air Parcels** .... as a projection from Forrester Research of an 8% increase in online holiday sales compared with 2008, sending expectations for online spending to US\$44.7Bn. That would translate into more boxes in-transit for the global network. Experts expect Dec. 14 will be the busiest day.

**\*\*\*Royal Wedding** ..... as British Airways & Iberia Air report their boards have signed an agreement to merge in a deal that would create the world's 3rd-largest airline by revenue. The new airline group would have 419 aircraft & 205 destinations. In 2008, British Airways and Iberia carried 62 million passengers and, in their last financial years, their joint revenues are about US\$22Bn. "There is a compelling strategic rationale for the transaction, which is expected to generate annual synergies of about US\$595M," the companies said in a joint statement, adding that a combination would bring "enhanced customer benefits with a larger combined network for passengers & cargo and continued investment in new customer product" The merger is to be completed in late 2010.

[http://en.wikipedia.org/wiki/Iberia\\_Airlines](http://en.wikipedia.org/wiki/Iberia_Airlines)

**\*\*\*Fixing Price Fixing** ..... as British Airways has been fined US\$4.16M by a Federal Court in Ottawa, Ontario for its role in a cargo price-fixing cartel between 2002 & 2006. The British Airways' fine brings the current total to over US\$13.5M. Air France, KLM, Martinair & Qantas have already pleaded guilty and been subject to similar penalties. The investigation continues with other airlines. From March 2010, the maximum fine will be increased to US\$23.17M per count & imprisonment for up to 14 years, or a combination of both.

**\*\*\*New F** ..... as Airbus' new freighter variant of the A330-200 passenger aircraft made its maiden flight Nov. 5 over Toulouse, France. The 4-hour flight marked the start of its flight test & certification program. Plans call for 1st delivery in the summer of 2010 to Etihad Crystal Cargo. Air Cargo World reported last week that Etihad would get one of the 1st 2 deliveries of the A330-200F. First delivery had been targeted for India-based Flyington Freighters. There are 67 firm orders for the A330-200F with nine customers. In addition, Airbus said the aircraft has also been selected by Turkish Airlines. Airbus predicts more than 3,000 freighters will be needed in the next 20 years to meet a 5.2% average annual growth rate.

**\*\*\*Pre-Flight Checklist** ..... as a recent UK survey conducted by DialAFLight suggests that frequent travelers are heavily reliant on alcohol to get them through flights. The research shows that 53% of people have consumed more than 2 drinks while waiting to board a plane, while 33% have been drunk on a plane.

[www.dialaflight.com/flights/australia/](http://www.dialaflight.com/flights/australia/)

**\*\*\*Professional Boxing In Vegas** ..... as a project to construct a US\$29M air cargo center at Las Vegas' McCarran Int'l Airport is set to begin. Las Vegas-based Marnell Properties conducted a groundbreaking ceremony Nov. 16 for the 201,000 sq. ft. airfreight logistics center at the airport's new Terminal 3. The project is set for completion next year. The Marnell Air Cargo Center is being designed to host freight & mail-sorting operations for companies including FedEx, Southwest Airlines, Worldwide Flight Services, Allegiant Air & UPS.

**\*\*\*Creepy Cargo** ..... as a Briton has been arrested in Rio de Janeiro airport after security X-rays discovered he was trying to smuggle 1,000 live spiders out in his luggage, reports said Nov. 12. The man, unnamed in reports by the state Agencia Brasil, was apprehended late Nov. 11, for violating laws banning the export of Brazilian animals without authorization. He faces imprisonment of up to a year & a fine of up to US\$2.3M for trying to fly out with the arachnids in his 2 suitcases. After being charged, he was released on bail. The seized spiders were taken by Brazil's environmental watchdog agency Ibama to a museum in Rio's federal university.

**\*\*\*Crawling The Plank** .... as federal officials say they arrested a man who strapped 15 live lizards to his chest to get through customs at Los Angeles Int'l Airport. The U.S. Fish & Wildlife



Service said that 40-year-old Michael **Plank** of Lomita, Calif., was returning from Australia when U.S. Customs agents found 2 geckos, 2 monitor lizards & 11 skinks - another type of lizard - fastened to his body Nov. 17. Plank has been released on US\$10,000 bond and will be arraigned in federal court on Dec. 21. Authorities say the lizards' value totals more than US\$8,500. All Australian reptiles are strictly regulated and Plank did not have a permit for them.

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**OUR "C" Section: FF World Ocean News\*\*\***

#### **4. FF World Ocean Briefs**

**\*\*\*Post-Monsoon Pirate Surge ....** as last week U.S. Transportation Secretary Ray LaHood reminded mariners about the importance of taking necessary precautions & implementing best practices in the wake of recent attacks on [M/V Harriett](#) & [M/V Maersk Alabama](#) off the coast of Somalia. Earlier this month, the [M/V Harriett](#) thwarted a pirate attack by outrunning the pirate ship. On Nov. 18, guards aboard [M/V Maersk Alabama](#) repelled a pirate attack using small arms fire. No casualties were reported in the incident, which took place 350 nautical miles east of the Somali coast. This was the 2nd attack by pirates against the [Maersk Alabama](#) this year. In April, pirates hijacked the ship & took Capt. Richard Phillips hostage, holding him at gunpoint in a lifeboat for 5 days until he was freed by U.S. Navy SEALs. A maritime advisory issued in Sept. by the U.S. Dept. of Transportation's Maritime Administration warned vessels to avoid routes where attacks have taken place while also recommending that mariners demonstrate a willingness to defend themselves. Somali pirate attacks have reached an alarming 50% success rate in hijacking vessels since the end of the monsoon season, according to the Int'l Maritime Bureau. An alert sent to shipping by the IMB's piracy reporting center said that within a few weeks it had received reports of 17 attacks with 8 successful hijackings in the seas off Somalia.

[www.navy.mil/swf/mmu/mmplyr.asp?id=13527](http://www.navy.mil/swf/mmu/mmplyr.asp?id=13527)

**\*\*\*Low Marks For Chem/Bio Threat .....** as U.S. Customs & Border Protection has not taken sufficient measures to protect against the threat of chemical & biological weapons smuggled in an ocean container the way it has with nuclear & radiological devices, according to a report recently released by the Dept. of Homeland Security's Inspector General. The audit recommended that CBP conduct a formal risk assessment to determine which methods of entry, including maritime containers, pose the greatest risk of chem-bio weapons entering the country. The agency has not followed through on its own promise in 2007 to conduct such an exercise. CBP relies on risk assessments prepared by other government agencies to target shipments for inspection of chemical or biological weapons, the report said. CBP officials told investigators that new devices are being developed and tested that could help officers rapidly detect & identify biological and chemical threats during cargo inspections. The technologies would be used in secondary inspections after a suspicious container was identified through regular screening of shipment information and virtual X-ray exams.

**"Ability to Detect Biological & Chemical Threats in Maritime Cargo Containers"**

[www.dhs.gov/xoig/assets/mgmt/rpts/OIG\\_10-01\\_Oct09.pdf](http://www.dhs.gov/xoig/assets/mgmt/rpts/OIG_10-01_Oct09.pdf)

**\*\*\*Ghost Fleet Will Linger .....** as it could take 5 years to clear the fleet of idled containership capacity, according to a report from maritime news service Alphaliner. The report said increased scrapping, delayed vessel deliveries and increased slow-steaming in the coming months will likely minimize the growth of the idle fleet to below projections Alphaliner made earlier in the year. So far, 700,000 TEUs of capacity expected to come in new deliveries has been delayed by up to 2 years, while 380,000 TEUs have been scrapped, with more expected due to healthy scrap steel prices. "The idle fleet could still reach 3 million TEUs by the end of 2011, based on the revised delivery schedule and a demand growth of 5% per annum over the next 2 years," Alphaliner said. "Even with demand recovering progressively to 12.5% by 2014, it would still take 5 years for the idle fleet to be cleared." The idle fleet is 1.4 million TEUs or 10.9% of the global fleet.

[www.axsmarine.com/public/axs-alphaliner.php](http://www.axsmarine.com/public/axs-alphaliner.php)

**\*\*\*French Carrier Sees Black** ..... as CMA CGM said it expects operations to start breaking even financially in Dec. 2009. The embattled line, like all of its competitors, has been battered this year by historically low rates and a demand slump in the 1st half that only recently has showed signs of gradual improvement. CMA CGM, which is not publicly traded, said it lost US\$515M in the 1st half of the year & has sought advice on how to restructure its business in recent months. It is also negotiating with its lenders about how to fund a major expansion to its vessel fleet in an environment in which rates are expected to remain depressed. Officials confirmed in late Oct. that the line has debts of US\$5.6Bn, mainly tied up in the fleet expansion drive that includes an order book of 59 vessels with 500,000 TEUs of capacity

**\*\*\*New Ruling Helps Forwarders** ..... as ocean freight forwarders & NVOCCs will have more latitude in how they organize their businesses as a result of a court decision and U.S. Federal Maritime Commission order this month. The FMC order said "it is lawful for licensed ocean transportation intermediaries to engage unlicensed persons to act as their agents to perform OTI services on behalf of the disclosed licensed OTI." The decision grows out of a petition made in Aug. 2006 by Team Ocean Services Inc., a Winnsboro, Texas-based forwarder & NVO, which asked the FMC to issue a declaratory order to clarify what was the permissible use of agents by so-called ocean transport intermediaries. The order reverses a declaratory order on Feb. 15, 2008 that said "only licensed persons are permitted to provide OTI services to the public." After the 2008 order, Jacksonville, Fla.-based Landstar System petitioned the U.S. Court of Appeals for the District of Columbia Circuit to review the FMC declaratory order in the Team Ocean matter. The appeals court reversed the FMC ruling on June 26, saying that agents providing OTI services need not be licensed, saying the FMC "lacks authority to compel those agents to obtain licenses." Randy Honeycutt, president of Team Ocean Services, said he could live with that original decision, but he had wanted more flexibility in how he organized his business, to be able to use a franchise-like model.

[www.fmc.gov/UserFiles/pages/File/06-08-010 - NOV 6.pdf](http://www.fmc.gov/UserFiles/pages/File/06-08-010 - NOV 6.pdf)

**\*\*\*Please Do Stop By** ..... as some European ports are either lowering or freezing their port dues and tariff for 2010. The Antwerp Port Authority said it has decided to keep its 2010 port dues at 2009 levels, with most dues staying at levels from 2008 that were kept intact in 2009. Belgian port has also pledged to cut fees by 10% for transshipment of conventional/breakbulk cargo. The Port of Rotterdam is reportedly offering a 7% "crisis discount" on port dues in 2010, according to the maritime consultant Dynamar. The port's dues were set to rise by 2% next year, so the effect of the discount will be to cut dues by 5%. Rotterdam will also postpone a 20% rise in pilot fees that had been planned.

**\*\*\*Stop By If You Want** ..... as the Port of Houston Authority will raise tariffs on container cargo by 3% in 2010 to help offset an expected 8% increase in operating costs. The port will also raise the tariff on general cargo by 2%.

**\*\*\*Hanjin Shipping Up** ..... as it is increasing freight rates in the Asia/Europe trade starting Dec. 14. The Korean carrier will hike rates US\$200 per 20-foot container & US\$400 per 40-foot container from the Far East, Southeast Asia and Indian Subcontinent to northern Europe and the Mediterranean. From the Middle East to northern Europe and the Mediterranean, rates will rise US\$150 per 20-foot container and US\$300 per 40-foot container. The increases apply to dry & reefer containers.

**\*\*\*OOCL Up** ..... as it is raising rates from Southeast Asia, the Indian Subcontinent and Middle East to Australia beginning Dec. 15. The Hong Kong-based carrier will hike rates from Singapore, Malaysia, Thailand, Indonesia, Vietnam, Cambodia, Philippines, Indian Subcontinent and the Middle East to by US\$250 per 20-foot container.

**\*\*\*Deeper Ditch** ..... as the Suez Canal has been deepened by 2 meters to allow larger oil tankers to use the key waterway connector between Asia & Europe, according to press reports. The head of the canal, which is owned by Egypt, is one of the country's largest sources of

revenue. The channel is now dredged to 66 feet, allowing oil tankers up to 240,000 tons to transit. The previous depth of the canal precluded the world's largest oil tankers from doing so.

**\*\*\*Deadly Cargo** ..... as Israel's navy intercepted a German-owned boxship carrying hundreds of tons of weapons, 161 km off Israel's coast on Nov. 5. The Antigua & Barbuda-flagged Francop (864 TEU), was intercepted with dozens of containers carrying 500 tons of weapons & ordnance including Katyusha rockets, assault rifles, mortar shells, grenades & anti-aircraft platforms, reportedly disguised as civilian cargo. The Israel Ministry of Foreign Affairs said the cargo was to be delivered to the Iran-backed terrorist group Hezbollah.

**\*\*\*Taking A Bite Out of Bacteria** ..... as Carrier Transicold has launched the Purfresh Transport service under an exclusive agreement with Purfresh, Inc., providing the container shipping industry with a cost-effective, chemical-free means to protect produce cargoes from spoilage. Purfresh Transport technology purifies air & surfaces inside the container, helping to eliminate molds, yeasts & microscopic bacteria that can attack and ruin a container-load of perishables. Produce quality is preserved—without the use of undesirable chemicals, resulting in better firmness, weight, sugar content, taste & value. "Globally, up to 20% of post-harvest losses on average occur during transit," the company said. "Purfresh technology utilizes ozone to help eliminate bacteria that spoils cargo and profits." Carrier will lease Purfresh Transport active purification systems to customers on a per-trip basis as part of its SeaCare Solutions program, saving customers the expense of large capital outlays. Carrier's worldwide network of service centers will handle logistics, installation & removal of the Purfresh Transport systems on refrigerated containers prior to loading & after unloading at their final destinations. Purfresh Transport service will be available in the 1st quarter 2010, starting with shipping lanes originating in Chile and serving ports on the U.S. West Coast. Carrier plans to roll out the Purfresh Transport service globally throughout 2010.

[www.corp.carrier.com/www/v/index.jsp?vnextoid=854cafa722fd9110VgnVCM10000cb890b80RCRD](http://www.corp.carrier.com/www/v/index.jsp?vnextoid=854cafa722fd9110VgnVCM10000cb890b80RCRD)

**\*\*\*Will The Idea Fold?** ..... as Compact Container Systems of Boston has invented a foldable 40-foot high-cube ISO container. Compact Container Solutions believes the collapsible container would be most useful on shipping routes where trade is highly imbalanced. For example, if containers filled with consumer products are shipped from Asia through Los Angeles to a distribution center in the U.S. Midwest where there is a shortage of cargo for backhaul to Asia, the containers could be collapsed & moved back to Los Angeles by truck or rail for their return voyage to Asia. The company estimates there are containers totaling 27 million TEUs of capacity in use today. They generate more than 120 million TEUs movements per year and the industry spends more than US\$22Bn annually on repositioning empty containers, it added. The company states it has studied past efforts to develop collapsible containers that never caught on, and believes it has developed a better product.

[www.compactcontainers.com/product/](http://www.compactcontainers.com/product/)

**\*\*\*Throughput >>> APL** reports it carried the highest number of containers in its history in the monthly period ending Oct. 16. The Singapore-based line carried 423,000 TEUs, 14% higher than the volume carried in the corresponding period in 2008 -- which was the month immediately following the apex of the global financial crisis. The volume did not translate well to revenue, however, with rates down 29%, to an average of US\$1,127 per TEU, due mostly to low base rates & bunker surcharge collection. >>> The ports of **Los Angeles & Long Beach** saw container volume slump significantly in Oct., in what is traditionally the final month of peak season through the country's major container gateway. Los Angeles' volume fell 8.3% to 647,000 TEUs in Oct. while **Long Beach** saw an even more precipitous drop of 24% to 452,000 TEUs against volume in Oct. 2008. For the year, volume at **Los Angeles** is down 15.4% to 5.6 million TEUs. At **Long Beach**, year-to-date volume is down 24.5% to 4.2 million TEUs.

**\*\*\*DHX Gains Another Paradise Footprint** .... as Dependable Hawaiian Express has opened a new 41,000-square-foot freight terminal on the Hawaiian island of Maui. The facility is located

about 10 minutes from the dock areas & the Kahului airport. The freight forwarder, which has extensive operations throughout Hawaii & Guam, said the terminal is equipped to handle all types and sizes of freight, from heavy, oversized cargo to full containerloads & small packages.

**\*\*\*This Month In U.S. Navy History**

1776 - First salute to an American flag (Grand Union flag) flying from Continental Navy ship [Andrew Doria](#), by Dutch fort at St. Eustatius, West Indies.  
1861 - Capt. Charles Wilkes seizes 2 Confederate diplomats from British steamer [Trent](#), causing an int'l controversy with Great Britain (known as the Trent Affair).  
1890 - [USS Maine](#), 1st American battleship, is launched.  
1917 - [USS Fanning](#) (DD 37) & [USS Nicholson](#) (DD-52) sink first enemy submarine, [U-58](#), off Milford Haven, Wales.  
1922 - CDR Kenneth Whiting in a PT seaplane, makes first catapult launching from aircraft carrier, [USS Langley](#), at anchor in the York River.  
1933 - Navy crew (LCDR Thomas G. W. Settle, USN, and MAJ Chester I. Fordney, USMC) sets a world altitude record in balloon (62,237 ft.) in flight into stratosphere.  
1942 - Loss of [USS Juneau](#) (CL 52) during Battle of Guadalcanal results in loss of the five Sullivan Brothers.  
1943 - President Franklin D. Roosevelt embarks in [USS Iowa](#) (BB 61) to go to the Allied conferences at Teheran, Iran, and Cairo, Egypt.  
1962 - President John F. Kennedy lifts the Blockade of Cuba.  
1992: The [CGC Storis](#) became the cutter with the longest service in the Bering Sea, eclipsing the [U.S. Revenue Cutter Bear](#) which had held that distinction since 1929. The [Bear](#) was decommissioned in 1929 after serving in the Bering Sea for 44 years & 2 months.

**\*\*\*Great Lakes Disaster** ..... as in early Nov., 1913, a blizzard struck the U.S. Midwest and the Canadian province of Ontario. The Great Lakes storm of 1913 reached its highest intensity on Nov. 9. A total of 19 ships were sunk & another 19 were stranded on Lakes Superior, Michigan, Huron, & Erie. Cargo losses were in excess of 68,300 tons. More than 280 mariners lost their lives in the most destructive natural disaster to ever strike the Great Lakes. The 2010 Annual Conference 2will be held in San Diego, April 18-21. So they learned some climate tips in the last 96 years!

**\*\*\*Treasure of The S/V Endurance** ..... as a beverage company has asked a team to drill through Antarctica's ice for a lost cache of some vintage Scotch whisky that has been on the rocks since a century ago. The drillers will be trying to reach 2 crates of McKinlay & Co. whisky that were shipped to the Antarctic by British polar explorer Sir Ernest Shackleton as part of his abandoned 1909 expedition in [S/V Endurance](#). Whyte & Mackay, the drinks group that now owns McKinlay and Co., has asked for a sample of the 100-year-old scotch for a series of tests that could decide whether to relaunch the now-defunct Scotch. Workers from New Zealand's Antarctic Heritage Trust will use special drills to reach the crates, frozen in Antarctic ice under the Nimrod Expedition hut near Cape Royds. Al Fastier, who will lead the expedition in January, said restoration workers found the crates of whisky in 2006. At the time, the crates & bottles were too deeply embedded in ice to be dislodged.

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**5. [The Cargo Letter](#) Cargo Damage Dispatches**  
**\*\*Back By Popular Demand\*\***

**We're sorry**, but there were so many sinkings, explosions, pirate attacks, fires, cargo mishaps, battles on the water & other disasters at sea that we do not have room to print even the highlights this month. **Many people lost their lives at sea this month!!**

But you can read all this month's disaster news at our special Internet web feature which provides full details of each event -- our **Vessel Casualties & Pirate Activity Database**. Bookmark the site and visit every day! Updated twice daily.  
[www.cargolaw.com/presentations\\_casualties.html](http://www.cargolaw.com/presentations_casualties.html)

**SPECIAL NOTE:** Please view the dramatic new pictures at our special "Gallery of Cargo Loss" website feature.

[www.cargolaw.com/gallery.html](http://www.cargolaw.com/gallery.html)

See our new feature for Nov. 2009: "Make 25 Knots, Then Sit" M/V Marco Polo

[www.cargolaw.com/2009nightmare\\_marco-polo.html](http://www.cargolaw.com/2009nightmare_marco-polo.html)

See our new feature for Nov. 2009: "The Bridge On The River Shetrumji"

[www.cargolaw.com/2009nightmare\\_marco-polo.html](http://www.cargolaw.com/2009nightmare_marco-polo.html)

..... and "Road Warrior" ... saga of the La-Z-Boy

[www.cargolaw.com/2000nightmare\\_singles.only.html#Road.Warrior](http://www.cargolaw.com/2000nightmare_singles.only.html#Road.Warrior)

See our favorite feature from 2002: "Under Achiever" ..... the one & only forever!

[www.cargolaw.com/2002nightmare\\_towboat.html](http://www.cargolaw.com/2002nightmare_towboat.html)

See our newest photo feature "Singles Only" - Transportation Disasters Told In A Single Photo!

[www.cargolaw.com/2009nightmare\\_india-bridge.html](http://www.cargolaw.com/2009nightmare_india-bridge.html)

Daily Vessel Casualties ..... as we don't want you to miss the excitement of our 24 hour reports of the dramatic events at sea each day -- stories of casualties & pirates --- almost none of which are carried on your local news. Edited daily by **Christoph Wahaner, Esq.** of **Countryman & McDaniel**.

[www.cargolaw.com/presentations\\_casualties.php](http://www.cargolaw.com/presentations_casualties.php)

**NOTE:** The historic dangers of carriage by sea continue to be quite real. **Shippers must be encouraged** to purchase high quality marine cargo insurance from their [freight forwarder](#) or [customs broker](#). It's dangerous out there.

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**OUR "D" Section: FF in Cyberspace\*\*\***

**6. The Cargo Letter "Cyber Ports Of Call"**

Here are our suggested world wide web sites of the week for your business, your information and your amusement.....

**Cargo & Trade**>>>>>

2009 Ocean Carrier Guide: Anchors Aweigh ..... free

<http://server-us.imrworldwide.com/cgi-bin/b?cg=inbound&ci=us-bpaww&tu=http://www.inboundlogistics.com/digital/oceancarriers09.pdf>

CROSS: Customs Rulings Online Search System

<http://rulings.cbp.gov/>

L.A.'s Rich Rail History - "Hollywood - Trains, Streetcars & the Movies"

[www.latimes.com/theguide/events-and-festivals/la-etw-railroad17-2009nov17,0,253053.story](http://www.latimes.com/theguide/events-and-festivals/la-etw-railroad17-2009nov17,0,253053.story)

Logistics Resources & Tools

[logisticsnetwork.com](http://logisticsnetwork.com)

Los Angeles Railroad Heritage Foundation

[www.larhf.org/](http://www.larhf.org/)

Market of The Month -- India

[www.export.gov/articles/marketofmonth/eg\\_main\\_020622.asp](http://www.export.gov/articles/marketofmonth/eg_main_020622.asp)

Package & Label Your Products for Export

[www.businesslink.gov.uk/bdotg/action/layer?r.s=m&r.l1=1079717544&r.lc=en&r.l3=1078027562&r.l2=1077717216&topicId=1078027562&r.i=1078027697&r.t=RESOURCES](http://www.businesslink.gov.uk/bdotg/action/layer?r.s=m&r.l1=1079717544&r.lc=en&r.l3=1078027562&r.l2=1077717216&topicId=1078027562&r.i=1078027697&r.t=RESOURCES)

Philippines Department of Trade & Industry

[www.dti.gov.ph/splash.html](http://www.dti.gov.ph/splash.html)

Philippines Trade

[www.wowphilippines.com.ph/](http://www.wowphilippines.com.ph/)

Philippines -- U.S. Commercial Service

[www.buyusa.gov/philippines/en/](http://www.buyusa.gov/philippines/en/)

Trans-Pacific Partnership Fact Sheet

[www.ustr.gov/about-us/press-office/fact-sheets/2009/november/ustr-fact-sheet-trans-pacific-partnership](http://www.ustr.gov/about-us/press-office/fact-sheets/2009/november/ustr-fact-sheet-trans-pacific-partnership)

U.S. Customs & Border Protection US\$138 Annual Broker Fee Due Jan. 25 2010

<http://edocket.access.gpo.gov/2009/pdf/E9-27598.pdf>

U.S. Food & Drug Administration Predictive Risk-based Evaluation for Dynamic Import Compliance Targeting (PREDICT)

[www.fda.gov/ForIndustry/ImportProgram/ucm177275.htm](http://www.fda.gov/ForIndustry/ImportProgram/ucm177275.htm)

U.S. Trade & Development Agency Consultant Database

[www.ustda.gov/consultantdb/](http://www.ustda.gov/consultantdb/)

**Webinars**>>>>>>>>>>

**Trade Winds 2010: "The Americas"** ..... now through March 2010

<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=0Q10>

**PRODUCTS**>>>>>>>>>>

**The Admiralty Manual of Seamanship** ..... new

<http://88.208.244.6/ni/bookshop/Default.aspx?refID=0315>

**FreightWare Transportation Management Software**

[www.freightware.net/products.aspx](http://www.freightware.net/products.aspx)

**EVENTS**>>>>>>>>>>

**Transport Events**

[www.transportevents.com/](http://www.transportevents.com/)

Trade Shows, Exhibitions, Conferences & Business Events Worldwide

[www.eventseye.com/](http://www.eventseye.com/)

World Trade Organization Events

[www.wto.org/english/news\\_e/meets.pdf](http://www.wto.org/english/news_e/meets.pdf)

**2nd Breakbulk Asia Transportation Conference & Exhibition** .....Jan. 26 - 27, 2010, Singapore

[www.joc.com/BBA](http://www.joc.com/BBA)

10th Annual U.S. Customs Trade Symposium .....Dec. 8-10, Washington D.C.  
[www.cbp.gov/xp/cgov/newsroom/news\\_releases/09212009.xml](http://www.cbp.gov/xp/cgov/newsroom/news_releases/09212009.xml)

10th Trans-Pacific Maritime Conference..... March 1 & 2, 2010 - Long Beach  
<http://guest.cvent.com/EVENTS/Info/Summary.aspx?e=e53aa686-c0b4-42b1-a81a-0251ddb9ba7f>

2010 Shanghai World Expo ..... May 1 - Oct. 31 2010  
[www.worldexpochina.net/](http://www.worldexpochina.net/)

Commercial Vehicle Operator Show ..... April 13 - 15, 2010, Birmingham, UK  
[www.cvoperatorshow.com/](http://www.cvoperatorshow.com/)

First in Flight Festival ..... Dec. 5, Elizabeth City, NJ  
[www.ecfirstinflight.com/](http://www.ecfirstinflight.com/)

MARAD Approved Maritime Security Awareness Classes  
<http://71.14.2.130/moodle/>

Messenger Courier Assn. of America -- Employee Driver Reimbursement Accountable Plans .....  
Dec. 7 2009  
[https://netforum.avectra.com/eweb/DynamicPage.aspx?Site=MCAA1&WebCode=EventDetail&evt\\_key=3fec07eb-8f79-428b-8961-21a2ea74f211](https://netforum.avectra.com/eweb/DynamicPage.aspx?Site=MCAA1&WebCode=EventDetail&evt_key=3fec07eb-8f79-428b-8961-21a2ea74f211)

Package & Label Your Products for Export  
[www.businesslink.gov.uk/bdotg/action/layer?r.s=m&r.l1=1079717544&r.lc=en&r.l3=1078027562&r.l2=1077717216&topicId=1078027562&r.i=1078027697&r.t=RESOURCES](http://www.businesslink.gov.uk/bdotg/action/layer?r.s=m&r.l1=1079717544&r.lc=en&r.l3=1078027562&r.l2=1077717216&topicId=1078027562&r.i=1078027697&r.t=RESOURCES)

Transportation & Logistics Council 36th Annual Conference .... April 18 - 21, 2010, San Diego, CA  
[www.tlcouncil.org](http://www.tlcouncil.org)

U.S. Consumer Product Safety Commission To Hold Testing, Certification, & Labeling Workshop  
..... Dec. 10 & 11, Bethesda, Maryland  
<http://edocket.access.gpo.gov/2009/pdf/E9-27328.pdf>

U.S. Customs "10 + 2" Outreach Events Scheduled in 2009  
[http://cbp.gov/xp/cgov/trade/trade\\_outreach/09\\_outreach\\_schl.xml](http://cbp.gov/xp/cgov/trade/trade_outreach/09_outreach_schl.xml)

**U.S. Customs & Border Protection 2009 Trade Symposium** ..... Dec. 8 to 10 2009,  
Washington, DC  
[www.cbp.gov/xp/cgov/trade/trade\\_outreach/trade\\_symposium\\_09.xml](http://www.cbp.gov/xp/cgov/trade/trade_outreach/trade_symposium_09.xml)  
**Webcast Registration**  
[www.cbp.gov/xp/cgov/trade/trade\\_outreach/trade\\_symposium\\_09.xml](http://www.cbp.gov/xp/cgov/trade/trade_outreach/trade_symposium_09.xml)

**U.S. Tariff Classification -- What You Should Know**  
[www.cbp.gov/linkhandler/cgov/trade/legal/informed\\_compliance\\_pubs/icp017r2.ctt/icp017r2.pdf](http://www.cbp.gov/linkhandler/cgov/trade/legal/informed_compliance_pubs/icp017r2.ctt/icp017r2.pdf)

**Washington Union Station's Centennial Celebration**  
<http://newsroom.dc.gov/show.aspx/agency/ddot/section/2/release/15040>

**Apps For That**>>>>>>>>>>

**UPS Mobile**

**Plane Finder**

**Lie Detector**

**General Interest & Christmas Gifts**>>>>>>>>>>

**Air Security Traveling with Food or Gifts -- How to Pack Food & Gift Items**  
[www.tsa.gov/travelers/airtravel/holiday.shtm](http://www.tsa.gov/travelers/airtravel/holiday.shtm)

**The Appalachian Trail**  
[www.atcvip.org](http://www.atcvip.org)

**Auto-Finder**  
[www.findertechnologies.com/](http://www.findertechnologies.com/)  
[www.auto-finder.com/](http://www.auto-finder.com/)

**Clock Sheet**  
[www.crunchgear.com/2009/11/19/bed-clock-lets-you-tell-the-time-without-opening-your-eyes/](http://www.crunchgear.com/2009/11/19/bed-clock-lets-you-tell-the-time-without-opening-your-eyes/)

**Hands Free Bluetooth Speaker Phone Rear View Mirror**  
[www.amazon.com/gp/product/B001E82A8W?ie=UTF8&tag=gadge05-20&linkCode=as2&camp=1789&creative=390957&creativeASIN=B001E82A8](http://www.amazon.com/gp/product/B001E82A8W?ie=UTF8&tag=gadge05-20&linkCode=as2&camp=1789&creative=390957&creativeASIN=B001E82A8)

**Home Away**  
[www.homeaway.com/](http://www.homeaway.com/)

**The ObaMao T-shirt .... it put a CNN reporter in custody last week**  
[www.cnn.go.com/explorations/shop/obamao-tshirt-658266](http://www.cnn.go.com/explorations/shop/obamao-tshirt-658266)

**Power HotSpot .....** can run 12 volt "non-critical" electronics in remote locations or anywhere grid power isn't available - US\$300.  
[www.solisenergy.com/](http://www.solisenergy.com/)

**Private Jets**  
[www.privatejets.com/](http://www.privatejets.com/)

**Ships Simulator Using Google E**  
[www.youtube.com/watch?v=1AQXvHSf3yQ](http://www.youtube.com/watch?v=1AQXvHSf3yQ)

**TaxiBot .....** with this new tug design, the plane is clamped to the truck & then puts the pilot in charge of driving it to the gate.  
[www.autoblog.com/2009/11/21/ricardo-develops-airplane-taxi-bot-to-reduce-emissions-noise/](http://www.autoblog.com/2009/11/21/ricardo-develops-airplane-taxi-bot-to-reduce-emissions-noise/)

**Tugs Tow Crowley-owned Barge La Princesa From Where It Was Grounded**  
[http://cgvi.uscg.mil/media/main.php?q2\\_view=core.DownloadItem&q2\\_itemId=716273](http://cgvi.uscg.mil/media/main.php?q2_view=core.DownloadItem&q2_itemId=716273)

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**OUR "E" Section: The Forwarder/Broker World\*\*\***  
7. New U.S. Transport Related Legal Cases \_\_\_\_\_



**\*\*\*In The Wake** .... as this month we continue with a more humorous side of maritime law from [Geoffrey Gill, Esq.](#) at [Countryman & McDaniel](#). Geoff writes about official maritime legal cases -- this month the sea spirits resulting from beloved liquid spirits:

In observance of Halloween, last month this column examined how the spirit world has been addressed by U.S. maritime cases. Not surprisingly, liquid spirits have also been featured in maritime litigation. Historically, sailors injured in the service of their ship have been entitled to recover maintenance and cure, except where the sailor is guilty of some gross misconduct or disobedience of orders. But intoxication does not result in forfeiture of the right. The U.S. Supreme Court noted that intoxication as a forfeiture occasionally had been qualified "in recognition of a classic predisposition of sailors ashore." [Aguilar v. Standard Oil Co.](#), 318 U.S. 724, 731 (1943). See also [Garay v. Carnival Cruise Lines](#), 904 F.2d 1527 (11th Cir. 1990).

But we have seen some rather strange collisions where liquid spirits were not involved – but likely should have been! For example, a ship was rammed and constructively sunk by a railroad train in [Zanzibar Shipping S.A. v. Railroad Locomotive Engine No. 2199](#), 533 F.Supp. 392 (S.D. Tx. 1982). The decision fails to disclose exactly how this collision came about, commenting only that "not unwisely, the railroad has conceded liability." In another train-ship collision case, [Chicago, Burlington & Quincy R. Co. v. Tug W.C. Harms](#), 134 F.Supp. 636 (S.D.Tx.1954), the court commented favorably on the "seaworthiness" of the "SS Mark Twain Zephyr" express. The defendant tug had pushed a barge from its tow so far onto the Mississippi River bank that the barge overhung a railroad track and damaged the oncoming train that struck it!

**Geoffrey W. Gill, Esq** is a graduate of Fordham University School of Law, United States Merchant Marine Academy and United States Naval War College. He is a licensed Master & practices maritime hull & yacht litigation in California, Florida & New York at the [Law Offices of Countryman & McDaniel](#).

### [Hawknet, Ltd. v. Overseas Shipping Agencies, et al](#)

U.S. 2nd Circuit Court of Appeals  
Case No. 09-2128cv, Nov. 13 2009

Last month we reported the new rule under [Shipping Corp. of India, Ltd. v. Jaldhi Overseas Pte Ltd.](#) (2d Cir. Oct. 16, 2009) that an electronic funds transfer was not properly attachable under a maritime attachment order pursuant to Rule B of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions of the Federal Rules of Civil Procedure. On Nov. 13, 2009, in the decision of [Hawknet, Ltd. v. Overseas Shipping Agencies](#), the same court held that the rule applies retroactively.

### [Norfolk Southern Railway Company v. Groves](#)

U.S. 11th Circuit Court of Appeals  
Case No. 08-15418, Nov. 2, 2009

This appeal arises from a dispute between a rail carrier and a warehouseman regarding liability for demurrage, i.e., penalties assessed for the undue detention of rail cars. Norfolk Southern Railway Company sued Brampton Enterprises, LLC d/b/a Savannah Re-Load for demurrage accrued over the six month period from March to Aug. 2007. Savannah Re-Load denied liability for the demurrage charges and, despite being named as consignee on the bills of lading, maintained it was not a party to the shipping contracts. Norfolk Southern asserts that as the named consignee Savannah Re-Load became a party to the contracts by accepting the shipments. The district court granted summary judgment in favor of Savannah holding that a freight re-loader cannot, without notice, be made a consignee by the unilateral action of a 3rd party. The court stated that a bill of lading is essentially a contract and Savannah could not be made a party to that contract without its knowledge or consent. In sum, the court held that Savannah "cannot be made a consignee by the unilateral action of a third party, particularly where Savannah Re-Load was not given notice of the unilateral designation in the bills of lading." Norfolk appeals the district court's denial of its motion for partial summary judgment and grant of summary judgment to Savannah. The court of appeal affirmed the trial court decision.

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Written from wire stories, the Associated Press, Reuters, Hong Kong Shipping News Lloyds &  
other world sources.

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