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Law Offices of Countryman & McDaniel  
**THE CARGO LETTER** [462]  
Air & Ocean Logistics - Customs Broker News  
28 Jan. 2010  
**Part 1 of 1**  
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Good Thursday 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 is the news of our industry to start 2010.

**UPS Haiti Relief Information** -- The UPS Foundation has given US\$1M to help the people of Haiti -- but here is how you can help:  
<http://pressroom.ups.com/Fact+Sheets/UPS+Disaster+Preparedness+Fact+Sheet>

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)

Michael S. **McDaniel**, Editor, Countryman & McDaniel, forwarder/broker, hull & machinery attorneys at LAX.

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

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

**\*\*\*The Little Guy Best Presents America** .... as according to a new U.S. Trade Commission report, small & medium sized exporters engage more actively in higher-income small markets, such as Hong Kong, Switzerland, Australia & Israel, than they do to emerging markets like China & India. The roughly 250,000 American, small & medium sized exporters account for nearly 30% U.S. merchandise exports, and constitute about 97% of American merchandise exporters. Largest markets for American small & medium sized merchandise exporters were with North American Free Trade Agreement partners Canada and Mexico, and these markets accounted for more than 30% of small & medium sized merchandise exports from the United States.

[www.usitc.gov/publications/332/pub4125.pdf](http://www.usitc.gov/publications/332/pub4125.pdf)

**\*\*\*China Now #1 Exporter In The World** .... as already the biggest auto market & steel maker, China edged past Germany in 2009 to become the top exporter, yet another sign of its rapid rise and the spread of economic power from West to East. Total 2009 exports were more than US\$1.2 trillion, China's customs agency said Sunday. That was ahead of the US\$1.17 trillion forecast for Germany by its foreign trade organization, BGA. China's new status is mostly symbolic but highlights its growing presence as an industrial power, major buyer of oil, iron ore and other commodities and, increasingly, as an investor & key voice in managing the global economy. Its ability to unseat longtime export leader Germany reflects the ability of agile, low-cost Chinese manufacturers to keep selling abroad, even as other exporters have been hammered by a slump in global demand. China overtook Germany in 2007 as the 3rd-largest economy and is expected to unseat Japan as No. 2 behind the United States as early as this year. Its trade boom has helped Beijing pile up the world's biggest foreign currency reserves at more than US\$2 trillion. The global crisis speeded China's rise up the ranks as a US\$586Bn government stimulus kept its economy and consumption growing while the U.S. and other markets struggled with recession. Chinese economic growth rose to 8.9% in the 3rd quarter of 2009 and the government is forecasting a full-year expansion of 8.3%. New data released by an industry group showed China topped the slumping United States in auto sales in 2009 - a status industry analysts a few years ago did not expect it to achieve until as late as 2020. Economists and Germany's national chamber of commerce said earlier the country was likely to lose its longtime crown as top exporter.

**\*\*\*Man Up For 10+2** ..... as on Jan. 26, 2010, U.S. importers of ocean freight will not be permitted to cause cargo to be loaded onto a vessel at a foreign port without completing a properly executed Importer Security Filing (ISF). ISF is the new regulation from Customs & Border Protection to assist in keeping ocean containers safe upon entering U.S. ports. ISF is also known as "10+2" because it requires the U.S. importer to electronically submit ten key pieces of data relative to the container's contents 24 hours prior to loading, and asks the steamship line to electronically submit an additional two data points no later than 48 hours after departure. The electronic importer filing may be completed directly by the importer or an agent may be used. The ten data points required of the importer are as follows:

1. Manufacturer name & address
2. Seller name & address
3. Buyer name & address
4. Ship-to name & address
5. Container stuffing location
6. Consolidator name & address
7. Importer of record number (IRS)
8. Consignee number (IRS)
9. Country of origin code
10. Commodity: HTS-6

**Details:**

[www.cbp.gov/xp/cgov/trade/cargo\\_security/carriers/security\\_filing/](http://www.cbp.gov/xp/cgov/trade/cargo_security/carriers/security_filing/)  
[www.logisticswisdom.com/](http://www.logisticswisdom.com/)

**\*\*\*Retail Container Traffic Ends Two-Year Decline** ..... as import cargo volume at the America's major retail container ports ended a nearly two-and-a-half-year streak of year-over-year declines in Dec. and is on track to show gains through the 1st half of 2010, according to a 6-month forecast from the National Retail Federation (NRF) and Hackett Associates. "These numbers are a clear sign that retailers are optimistic about 2010," says Jonathan Gold, VP for supply chain and Customs policy with NRF. The Nov. volume number marked the 28th month in a row to show a decrease from the same month a year earlier. But the trend was broken in Dec., which was estimated at 1.08 million TEU, down slightly from Nov., as the holiday season came to a close, but a 1.7% increase over Dec. 2008. The report estimates that 2009 ended with a total volume of 12.7 million TEU, down 17% from 2008's 15.2 million TEU and the lowest since the

12.5 million TEU reported in 2003.

**\*\*\*Internet Bookings May Be "The Thing" ....** as on-demand ocean freight & trade management Web portal GT Nexus reports the amount of ocean & air transportation spending managed on its trade & logistics portal surpassed US\$10Bn in 2009. The volume was calculated from the collective buying power of all GT Nexus customers, which include shippers Nestlé, Hewlett Packard, The Home Depot, Caterpillar, Liz Claiborne, DHL, Weyerhaeuser & Procter & Gamble, as well as virtually every major ocean carrier.  
[www.gtnexus.com/](http://www.gtnexus.com/)

**\*\*\*China Builds The Biggest .....** as Enrui Intern'l Logistics Centre, the largest one of its kind in China, has started construction at Jinxia Logistics Park in central China's Changsha City in Hunan province, reports Xinhua. The US\$560M facility covers 329 acres with a total construction area of two million square meters and will have the largest scale and the most comprehensive range of logistics services for industrial raw materials & finished products in China. The project is the only one of its kind and enjoys a three-dimensional traffic network of integrated highways, railways, waterways & air transport.

**\*\*\*Security Chief Withdraws ....** as President Barack Obama's recent nominee for head of the Transportation Security Administration (TSA), Erroll Southers, has withdrawn his name from consideration for the position just weeks after revelations he had provided misleading information to Congress prompted several Republicans to suggest that his nomination would not move forward without a fight. The TSA has been leaderless for months.  
[www.washingtonpost.com/wp-dyn/content/article/2010/01/20/AR2010012001765.html](http://www.washingtonpost.com/wp-dyn/content/article/2010/01/20/AR2010012001765.html)

**\*\*\*The Rails Are Not Signing .....** as the Assn. of American Railroads said total carload traffic on U.S. railroads in 2009 was at its lowest levels since at least 1988, when the AAR's data series began. 2009 carload traffic was down 16.1% compared with 2008, and down 18.2% when compared with 2007. On the other hand, Union Pacific Railroad said it had a record 1.25 million domestic intermodal shipments in 2009. Prior to 2009, Union Pacific's highest domestic intermodal volume was 1.19 million shipments in 2007.

**\*\*\*UPS Reduces ....** as it has announced that it will reduce management & administrative headcount by 1,800 to streamline its U.S. package delivery operation. The reorganisation will reduce the number of districts & regions in the company's U.S. small package operation from 5 regions to 3 and 46 districts to 20.

**\*\*\*UPS Inovates New Parts Plan To Step Ahead .....** as the **Big Brown** plans to significantly increase its global service parts logistics (SPL) network by establishing 101 new field stocking locations (FSLs) in China. With the expansion, UPS will cover 89 cities across China with more than 110 bonded & non-bonded FSLs. Companies, in a variety of industries, that require same-day and/or next-business-day delivery of critical service parts will be served by UPS's expansion. Examples of these industries include high-tech/electronics, medical equipment & aerospace. The FSLs in China, like their counterparts across the globe, will utilize the UPS Post Sales Order Management System (OMS), a Web-based system that enables companies located anywhere in the world to assess their critical parts inventory, determine optimal routing strategy to meet customer needs, place orders online & track parts from the warehouse to the end user. In 2009, UPS announced expansion of its global FSL network in India and opening of a new customer support center in the Philippines to meet SPL needs in Asia.

**\*\*\*UPS Takes A Lap ....** as for the 10th consecutive year, a NASCAR Sprint Cup Series car will carry UPS's brown & gold into the season-opening Daytona 500 as David Ragan of Roush Fenway Racing begins his 2nd season behind the wheel of the No. 6 UPS Ford Fusion. Corporate excellence takes many forms.  
[www.racing.ups.com/nascar-teams/](http://www.racing.ups.com/nascar-teams/)

**\*\*\*FedEx Raises LTL Rates** ..... as it said Jan. 15 its regional & national less-than-truckload businesses would implement a 5.9% rate increase for the U.S. & Canada, effective Feb. 1.

**\*\*\*UPS Hybrid Trucks Save Big Time** .... as the Eaton Corp. says the U.S. Dept. of Energy's National Renewable Energy Laboratory has collected & analysed data from UPS's 1st generation hybrid diesel delivery vans. These are powered by an Eaton electric hybrid propulsion system and NREL found a 28.9% fuel saving. The 12-month test involved six hybrid vans & showed a 15% cut in the cost per mile.

**\*\*\*Spring Festival Shut Down** .... as in observance of the upcoming Chinese Lunar New Year, most factories & offices in mainland China & Hong Kong will be closed from Feb. 13 to 19, 2010.

**\*\*\*What Is That Smell?** .... as U.S. border inspector suspected something fishy about the truckload of white sea bass headed into San Diego from Tijuana, Mexico. It was a good hunch. U.S. Customs and Border Protection said Jan. 22 that authorities seized 708 pounds of marijuana stowed under the fish. An officer at the Otay Mesa border crossing ordered the truck driver aside Jan. 19 night to put the cargo under X-rays. Authorities said they found 29 wrapped packages of marijuana hidden beneath the fish and a layer of ice. The driver was a 34-year-old man from Ensenada, Mexico. He was booked into a downtown San Diego jail for investigation of drug smuggling.

**\*\*\*Rich Guys Can't Speed** ..... as a Swiss court has slapped a wealthy speeder with a chalet-sized fine - a full US\$290,000. Judges at the cantonal court in St. Gallen, in eastern Switzerland, based the record-breaking fine on the speeder's estimated wealth of over US\$20M. A statement on the court's Web site says the driver - a repeat offender - drove up to 35 miles an hour (57 kms/hour) faster than the 50-mile-an-hour (80 kms/hour) limit. Court clerk Heidi Baumann-Becker said Jan. 21, the unidentified driver can appeal the decision, handed down in Nov., to the Swiss Supreme Court. The fine was more than twice the previous Swiss record of about US\$107,000.

**\*\*\*Transport Consort** ..... as an enormous television screen showing a pornographic film caused a midnight traffic jam in central Moscow on Jan. 14 as stunned motorists slammed on the brakes to gawk at the writhing naked bodies. The owner of the advertising screen, which sits atop a main road about two km (1.2 miles) south of the Kremlin, told the state-run RIA news agency that hackers had broken into the screen's computer system and turned on the porn.

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

**\*\*Burlington Northern Santa Fe Corp. DOWN** as 4th-quarter profit fell 13% as shipping volumes continued to drop --to US\$536M, or US\$1.55 per share, from US\$615M, or US\$1.78, a year ago & in full 2009 year, profit fell 18.6% to US\$1.72Bn.

**\*\*CSX. DOWN** with earnings of US\$305M in the fourth quarter, 16% less than the US\$361M from the same businesses in the same 2008 period.

**\*\*OOCL's parent company. DOWN** as 2009 revenue dipped 35.2Bn to US\$3.8Bn, while global volume fell 14% to 4.15 million TEUs.

**\*\*Union Pacific Railroad's parent company. DOWN** with 4th quarter net income of US\$551M, 17% less than in the same 2008 period.

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

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

**\*\*\*Operation Haiti-- Unbelievable Suffering - Lynden Led The Cargo Effort** .... as "The Day After" on Jan.13 a Lynden Air Cargo L100-30 Hercules became one of the first aircraft to arrive in Port-au-Prince with United Nations aid. Two days later the UN launched a US\$562M cash appeal for Haiti following the earthquake that reportedly has now claimed 200,000 lives and left over two

million homeless. Since then the capacity-restricted airport and its Santo Domingo alternate have seen a continuous stream of flights from, among others, Deutsche Post DHL, American Airlines and its regional partner American Eagle, Amerijet Int'l, First Air, UPS, FedEx, Lufthansa, Northern Air Cargo, National Air Lines, Etihad, Volga-Dnepr, Maximus, Qatar Airways & Florida Coastal Airlines. The U.S. military said it has now got permission to use the Dominican Republic's air base at San Isidro, some 135 miles (220 kms) east of Port-au-Prince, in order to ease congestion. Charter broker, Chapman Freeborn reports that it has coordinated over 50 flights for aid agencies, including the World Food Program, the Int'l Committee of the Red Cross, Oxfam & USAID. Aircraft on scene have included L-100 Hercules, AN-12, IL-76, DC-8, MD11, B777F & B747 freighters. According to the UN, over US\$950M has been pledged for relief aid to Haiti in the coming months.

**UPS Haiti Relief Information** -- The UPS Foundation has given US\$1M to help the people of Haiti -- but here is how you can help:

[www.ups.com/content/corp/worldwide/caribbean/haiti.html](http://www.ups.com/content/corp/worldwide/caribbean/haiti.html)

**\*\*\*Asia Air Cargo Plummets, But Hope Is Near** ..... as the Assn. of Asia Pacific Airlines (AAPA) says 2009 cargo traffic dropped 11% overall compared to the previous 12 months. The average load factor for the period remained almost unchanged at 66.1%. Andrew Herdman, AAPA Director General, said, "We have been through downturns before, but none as severe as we've experienced in the past 2 years. Overall, Asia Pacific airlines are expected to report significant losses for 2009, following similar heavy losses suffered in 2008." Herdman noted, Air cargo "is regaining some of its dynamism," as his members focus on conserving cash & matching capacity with demand. "Whilst we remain hopeful about future prospects, the outlook for 2010 very much depends on the sustainability of what still appears to be a rather fragile global economic recovery," he added.

**\*\*\*Japan Airlines Bows** ... as it is to shed more than 15,000 jobs, 33% of its workforce, and will cut 14 int'l routes after filing for bankruptcy protection. Asia's largest carrier by revenue, crippled by debts of \$16 billion (US\$1.467Bn), hopes to return to profit by 2011-12 as it implements a rescue package drawn up by government-backed investment fund Enterprise Turnaround Initiative Corp. JAL, bailed out four times by the Japanese government since 2001, will keep flying with the help of nearly US\$11Bn in state support. But new CEO Kazuo Inamori, 77 years old & a self-confessed "complete amateur in the transport industry", faces a mountainous task. Losses of 51 billion yen last year are expected to soar to more than 250 billion yen for the financial year to March 30, due to declining traffic & restructuring costs. JAL, which has almost 100 subsidiaries, will be forced to sell around 50% of its assets. Also, central to its restructuring plan is a more fuel-efficient fleet. The carrier will replace all its B747-400 & 16 MD-90 aircraft with regional jets. Japan's number two airline, All Nippon Airways, has said it is not interested in taking over JAL's int'l services. ANA is also struggling and could lose 28 billion yen this year. Int'l cargo volume grew for both carriers in Nov., but domestic cargo declined. JAL recorded its 1st year-over-year increase since mid-2008, up 9.1% to 56,552 tons in Nov. Over the first 8 months of its financial year, April-Nov., volume was down 16.2% at 401,701 tons. Delta Air Lines & American Airlines are keen to invest in JAL, as a means of accessing Japan when an open skies deal is finally agreed between Japan and the U.S., expected later this year. Delta is believed to be the option preferred by the Japanese government and JAL's senior management. A vote for Delta would pull JAL from Oneworld into the rival SkyTeam alliance.

**\*\*\*Economy Carriers Eye Belly Cargo** .... as UK-based easyJet is moving into the cargo sector, territory previously avoided by most low-cost carriers. Cargo has been seen as an unnecessary burden to the low-cost model, which demands short turnaround times. Even passenger checked baggage is discouraged to ensure their tight schedules are maintained. Now easyJet, which operates on over 400 routes with 170 aircraft, typically A319s and B737s, in 27 countries across Europe, is launching a six-month pilot project to assess whether it can build an ancillary revenue stream from cargo. The airline will carry cargo on several routes out of its secondary UK hub at London Gatwick airport after contracting an unnamed 3rd-party cargo company to undertake the project. Chief operations officer Cor Vrieswijk explained: "There's

always the fear that any ancillary cargo operation will interfere with passenger operations in terms of on-time performance. We want to see if the concept will work and to assess cargo's possible contribution to the airline's revenue stream. Dah, this could be a lift for profitability.

**\*\*\*Fish Lift** .....as this has become Iceland's biggest airfreight export since the country's economic collapse. Volumes are increasing, with the UK, central Europe and the U.S. the main markets. Icelandair has branded its freighters with an Iceland Responsible Fisheries seal & the slogan "Absolutely fresh" as part of an initiative to emphasise the quality of the products and the national Fisheries Assn's dedication to sustainability. Iceland's preliminary trading figures for 2009 show overall exports of US\$3.7Bn in 2009, an increase of 1.5% on the previous year. The country saw its imports decrease 15% to 401 billion kronur as consumers and businesses reined in their spending following the financial crisis. Icelandair Cargo and the group's other freighter subsidiary, Bluebird, reduced their combined capacity by 28% to 174.5 million ATK last year but despite this, the load factor continued downwards. The companies carried 87.7 million FTK, down 37% on 2008, although there was some closing of the gap in December with a figure of 7.46 million FTK, down 22% on Dec. 2008.

**\*\*\*Air France KLM Won't Charge Over Volume Passengers** .... as it has denied media reports that it planned an extra charge for overweight passengers if they were unable to fit into a single seat. Instead, the national carrier said that from Feb 1, overweight passengers who had freely chosen to buy an extra seat for comfort would get their money back on flights that were not fully booked. "Contrary to reports in the press this morning, Air France is not planning to force corpulent passengers to pay for a 2nd seat," the statement said. Air France said that since 2005, it had offered overweight passengers an option to buy a second seat at a 25% discount. Several newspapers had reported that obese passengers flying Air France-KLM would have to pay 75% of the cost of a 2nd seat on top of the full price for the 1st seat and that the measure was introduced for safety reasons. Southwest Airlines & United Airlines have a policy where "oversize" people need to buy a second seat and can claim a refund if the plane is not full. This followed complaints from adjacent passengers.

**\*\*\*Boeing Dreams** ... as it has received 851 orders for its long-range 787 Dreamliner plane from 56 airlines, the head of Boeing France said on Jan. 19, describing the tally as "historic." The order total took account of 84 cancellations, 83 of which were received last year. But he said the order total was "historic for the launch of an aircraft." The first of the planes will be delivered to the Japanese carrier ANA in the last quarter of 2010. Because of composite materials used in its construction, the 787, which has made 15 test flights, but is 2 years behind schedule, can cut fuel consumption by 20%. Debris was found trapped in the fuel filter following the Boeing 787's 22 December 1st flight to Boeing Field in Seattle, Wa. Program sources say a piece of cheese cloth left in one of the aircraft's fuel tanks is said to be responsible for the return to Everett, where the facilities to accomplish the cleaning are located. Geez. Chees cloth. Hi tech.  
[www.boeing.com/commercial/787family/](http://www.boeing.com/commercial/787family/)

**\*\*\*FedEx Express Has 1st 777 Freighter** .... as it has introduced its first Boeing 777 freighter service to the eastern China air cargo market. The B777 directly connects Shanghai with FedEx's Memphis, Tenn. hub, catering to the express carrier's International Priority and Int'l Economy customers in Shanghai, Suzhou & Kunshan areas. FedEx Express is the first U.S.-based all-cargo freight carrier to add the B777 freighter to its fleet and has placed the largest order for the aircraft type to date. By April 2010, the carrier plans to have four B777s serving routes between Asia & the U.S. There will be 15 B777 in the FedEx Express fleet by the end of fiscal year 2014. FedEx Express has a 2nd order of 15 B777s, which will be delivered between fiscal year 2014 & fiscal year 2019, and holds options on 15 more. In typical FedEx operations, the B777 freighter has a revenue payload capacity of 178,000 pounds over a distance of 5,800 nautical miles. This represents a payload improvement of 14,000 pounds in payload and 2,100 nautical miles over the MD-11, which had been the primary long-haul plane of the company's fleet. Over shorter ranges, the B777 has the capability of payloads up to 215,000 pounds.  
[www.boeing.com/commercial/777family/pf/pf\\_freighterback.html](http://www.boeing.com/commercial/777family/pf/pf_freighterback.html)

\*\*\***For Sale: Second-Hand Airbus A320.** Condition: Total Wreck With Possible Traces of Goose Feathers ..... as the US Airways plane that Captain Chesley Sullenberger landed safely in the Hudson River a year ago after smashing into a flock of geese is on the auction block. Insurers AIG are hosting online bidding until March 27 for the Airbus A320, which is stored in a shed in New Jersey. Pictures on the website of AIG subsidiary Chartis handling the sale show the intact fuselage, spooky rows of empty blue seats and the hastily abandoned cockpit. Engines are not provided and a future owner might want to be handy with the toolbox.

[www.aigaviation.com/aviationsalvage/salvagedetail.aspx?faano=N106US](http://www.aigaviation.com/aviationsalvage/salvagedetail.aspx?faano=N106US)

Time-lapse Video Depicts Flight 1549's Days In Icy Hudson

[http://news.cnet.com/geek-gestalt/?tag=rb\\_content;overviewHead](http://news.cnet.com/geek-gestalt/?tag=rb_content;overviewHead)

\*\*\***Air New Zealand Goes Prone** ..... as it will set a new benchmark for longhaul flights by offering beds in economy class, but they come with a catch - passengers need to buy three seats to enjoy lie-down travel. The airline's "Skycouch" will use 3 economy seats that unfold to create a space where children can play or people can relax and sleep, airline CEO Rob Fyfe said. To create the bed, leg rests rise up to fill the space between rows of seats. A thin mattress is placed on top and full size pillows are provided. The result is a level bed across 3 seats, though it is not completely even, due to the seat contours. The Skycouch is aimed at couples & families, and will be the price of about two and a half seats. Single passengers in business class lie-flat seats pay nearly US\$7,140 for the London flight, for example. A single premium economy seat that does not recline to a bed costs nearly US\$4,300. But after the "Christmas Underwear Bomber" -- no blanket!

\*\*\***On A Wing & A Prayer** ..... as a Jewish teenager trying to pray on a New York-to-Kentucky flight caused a scare Jan. 21 when he pulled out a set of small boxes containing holy scrolls, leading the captain to divert the flight to Philadelphia, where the commuter plane was greeted by police, bomb-sniffing dogs & federal agents. The 17-year-old on US Airways Express Flight 3079 was using tefillin, a set of small boxes containing biblical passages that are attached to leather straps, Philadelphia police Lt. Frank Vanore said. When used in prayer, one box is strapped to the arm while the other box is placed on the head. The teen explained the ritual after being questioned by crew of the flight, which had left LaGuardia Airport around 7:30 a.m. headed for Louisville and was operated by Chautauqua Airlines. Officials with the airline, however, said crew "did not receive a clear response" when they talked with the teen, said a statement issued by Republic Airways, which owns Chautauqua. "Therefore, in the interest of everyone's safety, the crew decided to land in Philadelphia, where a more complete investigation would be possible," the statement said. The flight landed in Philadelphia about 9 a.m. without incident and was met by police, bomb-sniffing dogs and officials from the FBI & Transportation Security Administration. They were more alarmed than we were," police said. The power of prayer.

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

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

\*\*\***Operation Haiti -- First Merchant Ship In** ..... as Crowley Maritime Corp., working under contract with the U.S. Transportation Command (USTRANSCOM), successfully discharged 12 20-foot containers of relief supplies across a beach in Port-au-Prince, Haiti on Jan. 23, in an experimental lightering operation. The success of this operation, which involved lifting the containers from a Crowley container ship anchored in the harbor to a smaller, shallow-draft landing vessel for transport & discharge over the beach, paves the way for container shipments directly into Port-au-Prince this week. The Crowley container ship *M/V Marcajama*, which offloaded the containers, returned to Port Everglades, Fla. over the weekend to load more relief cargo under contract with USTRANSCOM. The ship will return to Port-au-Prince in the middle of this week and discharge containers via the proven lightering method utilizing two shuttle vessels. Future cargo operations in the port should improve substantially in the coming weeks. Crowley is mobilizing two 400-foot-long, 100-foot-wide flat deck barges, along with two Manitowoc 230-ton

crawler cranes in the United States for USTRANSCOM that will be brought into Port-au-Prince to serve as a makeshift dock for future cargo operations. The first barge & crane in Orange, Texas should arrive in Haiti on or about Feb. 4. The 2nd deck barge is being outfitted in Lake Charles, La. and will arrive by mid-Feb. A Crowley customer service group has been formed to answer questions and assist the shipping public interested in getting relief goods into Haiti. All inquiries should be made to 1-800-490-3321, or [HaitiReliefCargo@crowley.com](mailto:HaitiReliefCargo@crowley.com). Due to the unstable situation in the country, no relief cargo bookings will be accepted without being qualified by this Haiti Team customer service group.  
[www.crowley.com](http://www.crowley.com)

**\*\*\*More Pirate Attacks -- More Violent .....** as a total of 406 incidents of piracy & armed robbery were reported in the 2009 to the Int'l Maritime Bureau's Piracy Reporting Center, 39% more than the prior year. More than half involved pirates from Somalia. The last time piracy figures crossed 400 incidents was in 2003. 2009 is also the 3rd consecutive year the number of reported incidents have increased with 239 in 2006, 263 in 2007, and 293 in 2008. The report states that worldwide in 2009, 153 vessels were boarded, 49 vessels were hijacked, and there were 84 attempted attacks & **120 vessels fired upon** -- compared to 46 ships fired upon in 2008. "The level of violence towards the crew has increased along with the number of crew injuries," the center said. A total of 1,052 crew were taken hostage, 68 were injured and eight killed. Total incidents attributed to the Somali pirates in 2009 stands at 217 with 47 vessels hijacked and 867 crew taken hostage. The prior year, 111 vessels were targeted by Somali pirates resulting in 42 hijackings. 2009 has however seen a significant shift in the area of attacks off Somalia. While 2008 attacks were predominantly focused in the Gulf of Aden, 2009 has witnessed more vessels also being targeted along the East Coast of Somalia. Since Oct., increased activity has been observed in the Indian Ocean with 33 incidents reported, including 13 hijackings. IMB also said 28 incidents were reported for Nigeria in 2009. The Nigerian attacks are however much more violent in nature than Somalia.

**\*\*\*Piracy Ransom Price Inflation .....** as Somali pirates released Greek supertanker [M/T Maran Centaurus](#), the European Union Maritime Security Center & Athens-based ship owners Maran Tankers Management said Jan. 18. Various news reports claimed the pirates had received a record ransom of US\$9M -- US\$7M in cash dropped on the deck of the vessel and a US\$2M cash transfer, while other reports said the payoff was on the order of US\$5.5M. A year ago ship owners are believed to have paid about US\$3M to secure the release of the Saudi tanker [M/T Sirius Star](#), a record to that time.

**\*\*\*Pirates Even Have A Stock Market - But This Is How Lloyd's of London Began! .....** as in dysfunctional Somalia, a high-functioning financial sector: a "stock market" to fund the seagoing pirates! In Somalia, which is without a central government to speak of and where very little functions beyond an Islamic resistance and individual warlords' fiefdoms, a robust "stock market" has emerged in the city of Harardheere for "investors" in the seagoing pirate "industry" to raise money & supplies for kidnapers in exchange for a share of the bounty once a ransom is paid. According to a Dec. Reuters dispatch, 72 "companies" are listed on the exchange, enabling "venture capital" to fund greater piracy traffic and more sophisticated looting. There even seems to be a financial "bubble" at work, in that since the "exchange" opened, pirates' ransoms have doubled to about US\$4M per ship.

**\*\*\*This Would End Quickly -- If The Attacks Were Upon Airliners .....** as the Hong Kong Shipowners' Assn. (HKSOA) has called for governments to throw out the current response to pirates menacing ships off the Horn of Africa, accusing the int'l community of tolerating piracy instead of eliminating attacks. This approach was sending out the message that piracy carries little risk for generous reward, the association said in a statement. More than 1,500 seafarers have been taken hostage for ransom, often for months at a time, said the HKSOA, despite significant measures shipowners have taken to defend their crews. The HKSOA has demanded a more robust approach from the international community. This is a stance that will resonate across the shipping industry that is becoming increasingly frustrated with pirates who seem able to

operate with impunity. Military patrols in the Gulf of Aden have prevented many attacks but the pirates have simply moved far out to sea. The HKSOA questions why motherships that ferry smaller & faster skiffs deep into the ocean are not found and disabled or detained. Instead, pirates are allowed to return to these deepsea bases and continue their attacks. "It is extraordinary that governments today seem less able to protect shipping than they were almost 200 years ago," the HKSOA lamented. The association makes the point that if airlines were being hijacked as regularly as ships in the Indian Ocean, the response would be far more robust. There is merit in this argument. One failed attempt to bring down an airliner bound for the U.S. on Christmas Day and airports have begun profiling half the world. Yet even though ships carry 90% of global trade, scores of pirate attacks and millions paid in ransoms are allowed to continue. Waiting for democracy in Somalia to solve the problem has been suggested as an option, but it is a terrifically poor one. **Somali democracy revolves around one man-one AK-47, rather than one man-one vote**, and the sad reality is that the country will still be a basket case when Rip van Winkle wakes up. There is only one way to tackle piracy, just like there was back in the days of buccaneers, Blackbeard and the skull & crossbones – bring out the guns. Blow pirate skiffs and motherships out of the water and this scourge of shipping will end. There is too much money at stake on both sides for a kid gloves approach to work. Only when pirates know as they put out to sea that there's a good chance they won't return alive – or in the next few years – will they seek out a new profession.

**\*\*\*America Calls For Action ....** as on 19 Jan. the Chamber of Shipping of America expressed its frustration "at the seeming impotence of the int'l community to address the continuing piracy crisis in the Indian Ocean. The unacceptable situation prevailing now, with seafarers lives being threatened on a daily basis -- and Somali pirates still operating with impunity -- cannot be allowed to continue by the nations of the world," said Joseph J. Cox, president of the chamber. "There is a growing concern among the national ship owner associations that the international community is not actively seeking to eliminate piracy and is instead treating the current level of attacks against shipping as somehow 'tolerable.'" "It is particularly upsetting when the main focus of some senior politicians, both here & abroad, is limited to commenting on their objections to the payment of ransoms or even worse suggesting payments are or should be illegal," he continued.

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

**\*\*\*Some Rate Recovery Leading To Health .....** as London-based shipping consultant Drewry has released its Dec. 2009 Container Freight Rate Insight report. Drewry said for the 1st time since mid-2008, average global container freight rates experienced a year-on-year increase in late 2009. Drewry's Global Freight Rate Index recovered by 3% in the year to Nov. 2009, after collapsing the 1st half of 2009. Between Sept. & Nov., the global "all-in" container freight rate index rose from US\$2,040 per 40-foot container to US\$2,160, maintaining a trend of price rises that has lasted for more than 6 months. However, Drewry said average global freight rates in late 2009 were still about 20% below the peak of 2007. Drewry believes the potential for further increases in spot freight rates is generally limited, except for the transpacific trade where container carriers just implemented an emergency rate charge last week, an action brought protests from the Asian Shippers Council. Drewry said its consultants expect a sharp increase in spot transpacific rates from mid-January, as new capacity reductions can still stimulate some significant rate recovery in that trade.

[www.drewry.co.uk/](http://www.drewry.co.uk/)

**\*\*\*Extra-Slow-Steamming -- Slow Ships Are Happy Ships.....** as initiatives by liner carriers have employed roughly 300,000 TEUs of global fleet capacity that would ordinarily be idled, according to a report Jan. 11 from maritime news service Alphaliner. "These ESS initiatives keep in activity 47 vessels of between 3,000 and 13,000 TEUs, which otherwise would have been idle," Alphaliner said. "The capacity kept active through ESS corresponds to 2.3% of the cellular fleet." To put that 2.3% in context, nearly 12% of the global containership fleet is idle due to overcapacity. Alphaliner said 5% to 7% of vessel costs can be saved by slowing ships down, including the extra costs of deploying extra ships to keep weekly port schedules. But the initiatives have the added effect of employing capacity that would ordinarily be laid up. The report

said nearly 66% of Asia/Europe loops are slow steaming, while 20% of transpacific and 25% of transpacific all-water services are doing likewise. Less than 10% of transatlantic loops are slow steaming. For its calculations, Alphaliner considers vessels operating at an average speed of 21 knots or less to be slow steaming, and 18 knots or less to be "extra-slow steaming." "Super-slow steaming" would entail speeds of 15 knots or less.

[www.axs-alphaliner.com/top100/index.php](http://www.axs-alphaliner.com/top100/index.php)

**\*\*\*India Attempts Recovery** ..... as the Indian government said last week it would not sell shares in its state-owned ocean carrier, the Shipping Corp. of India. The government had in July signaled that it might sell a percentage of the carrier to outside investors as part of a widespread state-asset sale plan in which US\$5.5Bn worth of state-owned companies would be sold, according to a Bloomberg report. The flight of Indian marine officers to foreign shipping companies has become a cause of worry for Indian shipping companies who are already plagued by shortage of officers. Recently, the Indian National Shipowners Assn. (INSA) requested the Ministry of Shipping, Government of India to exempt Indian ship staff from seafarer's tax being the crux of this problem and Indian officers who serve on foreign ships are exempt from paying taxes.

**\*\*\*Big Ditch Reduces Transit Time** ..... as the Panama Canal Authority (ACP) released 1st quarter (Q1) operational metrics for fiscal year 2010. In Q1, Canal Waters Time (CWT), the average time it takes a vessel to transit the Canal (including waiting time for passage) significantly decreased. There also were increases in total transits & net tonnage. These metrics are based on operations from Oct. through Dec. 2009, the 1st quarter of the ACP's 2010 fiscal year, and are compared with Q1 of fiscal year 2009. CWT decreased 27.5% – to 20.29 hours from 27.97 hours. CWT for booked vessels, those ships holding reservations, also experienced a decrease of 20.7% – to 13.43 hours from 16.94 hours. Total Canal transits increased 2% – to 3,590 transits from 3,520. Transits of supers, larger ships that require greater time & navigation skills to transit the Canal, increased 8.1% – to 2,026 transits from 1,874. Panama Canal/Universal Measurement System (PC/UMS) tonnage increased 3.5% – to 80.9 million PC/UMS tons from 78.2 million PC/UMS tons. The official accident rate declined 0.9% to 1.11 accidents per 1,000 transits from 1.12. An official accident is one in which a formal investigation is requested & conducted. Utilization of the booking system decreased 52.6% – to 43.1% utilization from 90.9%.

**\*\*\*Hanjin Shipping Rates Up** .... as it will seek to raise transatlantic container freight rates in the coming year by US\$900 to US\$1,200 per container. The Korean carrier said it will raise rates three times in April, July & August by US\$300 for 20-foot containers & US\$400 for 40-foot containers.

**\*\*\*Caribbean Shipowners Assn. Rates Up** ..... as they will seek to raise rates on dry & reefer cargo between U.S. & Caribbean ports in both directions. The general rate increase is US\$50 per 20-foot container, US\$100 per 40-foot container and US\$113 per container for boxes larger than 40 feet. CSA members are Bernuth, CMA CGM, Crowley, Seaboard Marine, Seafreight Line and Zim. The GRI is effective Feb. 21.

**\*\*\*K Line To Half** ..... as Japan's Nippon Yusen Kaisha is set to cut its owned containership fleet by half & reduce total lifting capacity by about 30% by 2015, in favor of short-term charters to better control costs & increase profitability.

**\*\*\*Import Decline Blocks Portland Exports** ..... as a shortage of container boxes is reported to be slowing exports at the U.S. Port of Portland as less containerised goods are being transported by sea freight from Asia to the U.S. on the back of falling US demand for Asian imports, resulting in less available empty containers to transport U.S. exports. Recession-weary Northwest farmers are landing big sales in Asia, an encouraging sign of recovery. But a severe shortage of shipping containers, as steamship lines boost rates, downsize vessels and slow ships to save fuel, stifles what could be a U.S. export boom," reports The Oregonian newspaper. It gave the example of Portland commodities trader Larry Jansky who recently received 19

containers a month late. "He barged the steel boxes to Idaho. He loaded them with dried peas & garbanzo beans. He got them back to Portland in time for shipping to India, Taiwan and South Korea," it said. "Yet the vessel was full. Longshoremen left the US\$400,000 worth of cargo on the dock, awaiting a ship about a week later. The delay exposed Jansky's North Pacific Group Inc. to postponed payments, rising shipping rates and the risk that buyers in India, where local chickpeas ripen soon, could use the excuse to reject delivery." This comes as container shipping services at the Port of Portland have been reduced to one transpacific route and one Europe-South America-Mediterranean service.

**\*\*\*Seabury Cargo Advisory Defines Trade Volume** ..... as it has launched a global ocean database for trade volumes per commodity type, in weight & number of TEU. Launch customers include leading carriers such as Maersk Line & MOL as well as the Port of Rotterdam Authority which is the largest European port. The Global Ocean Database uses up-to-date information on all global country to country flows, and the split of containerized, bulk & liquid cargo. Furthermore, the type of cargo can further be analyzed through the use of 2,000 different commodity descriptions. Updates are provided on a monthly basis.

[www.seaburygroup.com/Web/AerospaceTransportation/Site.nsf/ID/cargo-advisory](http://www.seaburygroup.com/Web/AerospaceTransportation/Site.nsf/ID/cargo-advisory)

**\*\*\*Hats & Horns For Liberian Registry** ..... as 2009 was a landmark year. It was the year in which the 3,000th vessel was registered under the Liberian flag. The Liberian-flag fleet grew to a record 3,140 ships, aggregating 97.2m gross tons, in 2009. This represents a net growth during the course of the year of 215 ships and 10.5m gross tons.

**\*\*\*Major Great Lakes Case Ruling Delayed** ..... as the U.S. Supreme Court has delayed a ruling on whether the Chicago Sanitary and Ship Canal locks should be closed. Michigan is among the states that want the locks shuttered to prevent the invasive Asian carp from reaching the Great Lakes. The canal operator says such a closure would be too devastating to the Chicago region's economy and the nation's inland shipping industry. The American Waterways Operators (AWO) said that barges transport millions of dollars worth of essential goods & commodities on waterways that would be shut down if the Chicago-area's locks are closed. Such closure is proposed in a lawsuit filed Dec. 21, 2009, by the state of Michigan against the state of Illinois to prevent Asian carp, suspected to be in the vicinity of Lake Michigan, from entering those waters.

**\*\*\*Expanding The Pan American Highway -- By Water** ..... as the State of Missouri wants to boost freight barge traffic on the Missouri River. Officials expect more container volume to reach the inland rivers from the Gulf of Mexico after the 2014 Panama Canal expansion, and a river freight corridor could be a more efficient & cleaner way to move the cargo through the heartland. The plan, however, hinges on the willingness of upriver dams to release more water.

**\*\*\*Many of Our Legal Cases Arise From The Same Cause** ..... as the U.K. Marine Accident Investigation Branch said inaccurate weights on a containership loading plan were responsible for a collapse of a stack of containers on a feeder vessel last Oct. 2009. The accident happened on the container feeder [M/V Husky Racer](#) in Bremerhaven in Oct. The ship is owned by Magellan Chartering Services and was chartered by Maersk Line. During discharge & loading operations, containers in one bay toppled, resulting in the loss of 18 containers overboard. There were no injuries. U.K. investigators found that top containers in 7 of the 9 stacks which were shown on the plan as empty, actually had contents with weights ranging between 15 & 30 tons. Maersk is running trials on an upgraded software package that will provide cargo planners with the declared weights of the containers. Many of our [Countryman & McDaniel](#) law firm legal cases against NVOCCs arise from similar causes. The NVOCC must defend the claim.

[www.maib.gov.uk/publications/completed\\_preliminary\\_examinations/completed\\_preliminary\\_examinations\\_2010/husky\\_racer.cfm](http://www.maib.gov.uk/publications/completed_preliminary_examinations/completed_preliminary_examinations_2010/husky_racer.cfm)

**\*\*\*End of The Single Hull** .... as South Korea will ban all single-hulled oil tankers from calling at the country's port starting in 2011 as part of its effort to prevent oil spill incidents. The country's Ministry of Land, Transport and Maritime Affairs said the government will limit single-hulled

tankers to 15% in 2010, down from a limit of 53% in 2007 & 22% in 2009. The phasing out of single-hulled tankers is a global initiative in order to protect waters from oil pollution. According to the Int'l Maritime Organization (IMO)'s MARPOL regulations, single-hulled oil tankers will have to stop sailing beginning 2011, with a strictly limited provision permitting some vessels to continue in service until 2015. Korea is one of 146 nations that has pledged to ban single-hull ships built before 1977 from entering their waters.

**\*\*\*Cub Scouts** ..... as Carnival Cruise Lines won't be sailing anymore with a boatload of "cougars" and their willing prey. The Miami-based company has turned down a request from a singles travel group to book another cruise with the cougar theme. The term refers to older women who date younger men. The singles group says the ban is unfounded. They point to their 1st cruise on Carnival's [M/V Elation](#) in Dec. 2009 that drew about 300 women and the men they call "cubs." Carnival says there were no problems with last month's trip, it's just a business decision. They have no room for groups with that "theme." Analysts say it's meant to protect Carnival's focus on family fun. Party planners say they've had no trouble booking with rivals Norwegian & Royal Caribbean.

**\*\*\*Throughput >>> Port of Antwerp** container volume slid 15.6% to 7.3 million TEUs in 2009, now the world's 15th-largest port. >>> Haifa port handled record TEU 105, 000 in December 2009. >>> Despite the difficult economic climate, the **Port of Kiel** handled 4.86 million tons of cargo in 2009, nearly reaching its 2008 handling figure of 4.91 million tons. >>> India's largest port of **Jawaharlal Nehru Nhava Sheva** handled 8% fewer containers year on year in 2009 down from the 2008 figure of 3.8 million TEU >>> Overall throughput at **Rotterdam** fell by 8.5% in 2009. >>> Malaysian **Port of Tanjung Pelepas** (PTP) has announced that its container throughput in 2009 grew 7.5% year on year to six million TEU, enabling the port to retain its position as the country's leading container terminal. >>> China's **Port of Tianjin** had handled 8.7 million TEU in 2009, up 2.4% year on year.

**\*\*\*Ready For The Icy Need** ..... as the Danish navy has decided to station two of its heavy vessels in the shipping lanes of western & eastern Greenland for fear of a disaster because cruise vessels sail too close to icebergs & glaciers in the territory. Experience from Antarctica shows that you need a cruise ship to rescue a cruise ship - no other vessels have the capacity. So we are advising cruise companies to cooperate and sail in pairs in Greenland waters", Rear Admiral Henrik Kudsk, Commanding Officer at the Danish Grønnedal base in the Arsuk Fjord in southern Greenland, said. In fact, it is not a question of if, but when it happens. It's only a question of time". Thirty-six cruise ships visited Greenland in 2009. >> We remember the **Cruise Ship Ice Berg Disaster of Nov. 2007** -- despite the loss of [RMS Titanic](#) -- it happened again : [www.cargolaw.com/2007nightmare\\_explorer.html](http://www.cargolaw.com/2007nightmare_explorer.html)

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

1783 - Hostilities cease between Great Britain and the United States.

1813 - U.S. Frigate [Chesapeake](#) captures British brig [Hero](#).

1870 - Cmdr. Thomas Selfridge sails the gunboat [Nipsic](#) on an expedition to ascertain the best location for an interoceanic canal across the Isthmus of Darien.

1903 - Theodore Roosevelt issues Executive Order placing Midway Islands under jurisdiction of the Navy Dept.

1911 - First aircraft landing aboard a ship, [USS Pennsylvania](#) (ACR 4) by Eugene Ely.

1917 - The cruiser [Milwaukee](#) (CL 21) strands off Eureka, Calif., while attempting to refloat the submarine [H-3](#) (SS 30).

1943 - In the first submarine resupply mission, [USS Gudgeon](#) lands 6 men, 2,000 pounds of equipment & supplies on Negros Island, the Philippines.

1953 - A U.S. Coast Guard PBM seaplane crashed during takeoff after having rescued 11 survivors from a ditched U.S. Navy aircraft shot down off the coast of mainland China. A total of 9 servicemen lost their lives in this crash, including 5 Coast Guardsmen.

1944 - During Operation Shingle, Amphibious Task Force 81, under the command of Rear Adm. F.J. Lowry, lands the Army's VI Corps at Anzio, Italy.

1954 - Launching of [USS Nautilus](#) (SSN 571), first nuclear submarine, at Groton, Conn.

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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 photo feature for Jan. 2010: "**Life & Death At Port-au-Prince**" - destruction of the marine terminal Jan. 12 2010

[www.cargolaw.com/2010nightmare\\_haiti.html](http://www.cargolaw.com/2010nightmare_haiti.html)

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

[www.cargolaw.com/2000nightmare\\_singles.only.html](http://www.cargolaw.com/2000nightmare_singles.only.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 Wahner, 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>>>>>>**

2010 Version: Harmonized Tariff Schedule of the United States (HTS)

[www.usitc.gov/tata/hts/bychapter/index.htm](http://www.usitc.gov/tata/hts/bychapter/index.htm)

Consumer Product Safety Commission Final Rule on Lead & Children's Electronic Devices

<http://edocket.access.gpo.gov/2010/pdf/2010-877.pdf>

Federal Aviation Administration Proposed Amendments For The Transport of Lithium Cells & Batteries.

<http://edocket.access.gpo.gov/2010/2010-281.htm>

Small & Medium-Sized Enterprises: Overview of Participation in U.S. Exports ..... new U.S. Trade Commission report

[www.usitc.gov/publications/332/pub4125.pdf](http://www.usitc.gov/publications/332/pub4125.pdf)

U.S. Coast Guard -- Cargo Securing Methods for Packages in Transport Vehicles or Freight Containers

<http://edocket.access.gpo.gov/2010/2010-106.htm>

U.S. Customs & Border Protection Final Rule Amending Procedures For Class 9 Bonded Warehouses

<http://edocket.access.gpo.gov/2009/pdf/E9-30735.pdf>

U.S. Customs & Border Protection (CBP) Proposing Amendments to The Continuous Bond Procedures

<http://edocket.access.gpo.gov/2010/pdf/E9-30920.pdf>

U.S. Treasury Office of Foreign Assets Control Frequently Asked Questions

[www.treas.gov/offices/enforcement/ofac/faq/index.shtml](http://www.treas.gov/offices/enforcement/ofac/faq/index.shtml)

### **PRODUCTS**>>>>>>>>>>

**More Gallons** ..... members can pre-purchase fuel and lock in at today's prices.

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

**UPS Developer Kit For Customers To Utilize LTL Freight Tools** ..... rating, shipping, scheduling locator & more

[www.ups.com/upsdeveloperkit?loc=en\\_US](http://www.ups.com/upsdeveloperkit?loc=en_US)

### **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)

10th Trans-Pacific Maritime Conference..... March 1 & 2, 2010 - Long Beach, CA

<http://quest.cvent.com/EVENTS/Info/Summary.aspx?e=e53aa686-c0b4-42b1-a81a-0251ddb9ba7f>

17th Annual Insurance Insolvency & Reinsurance Roundtable .....March 24-27, 2010, Scottsdale, Arizona

<http://litigationconferences.com/?p=4207>

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/)

Intermodal South America ..... 6-8 April 2010, Sao Paulo Brazil

[www.intermodal.com.br/](http://www.intermodal.com.br/)

Let's Say Thanks In Support of Our Troops ..... personalize your special message - free, thanks to Xerox

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

Logistics 2010 ...Feb. 21-24, Orlando, Fla  
[www.rila.org/events/conferences/Pages/Logistics.aspx](http://www.rila.org/events/conferences/Pages/Logistics.aspx)

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

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. Customs-Trade Partnership Against Terrorism (C-TPAT) Supply Chain Security Training Seminar** .... 16-18 March 2010, Anaheim, CA  
[http://www.cbp.gov/xp/cgov/trade/cargo\\_security/ctpat/ctpat\\_supply\\_chain.xml](http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/ctpat_supply_chain.xml)

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

**Worldwide Legal Airports Lawyers Conference** ... April 15-16, Lisbon  
[www.worldairportslawyers.org/Portada.asp](http://www.worldairportslawyers.org/Portada.asp)

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

**gTrax: AIS Vessel Tracking** ..... presently U.S. port only & Shanghai .... but extra charge for each port

**Ship Find** ..... worldwide vessel real time tracking & photos ..... initial charge only .... all world ports are free

**Ships Ahoy!** ... identifies any ship at which you point the iPhone

**Around Me** .... wherever you are -- all the services your will ever need, including a virtual reality feature which acts as radar to point you to that restaurant, bar, ATM, hospital or so much more

**Earthquake** (exact spelling) ..... constant real time readings & locations around the world Who knew there were so many each day?

#### **General Interest**>>>>>>>>>>

**Above SFO In Zeppelin Eureka** ..... becoming a Zep head  
<http://home.comcast.net/~bzee1b/Zeppelin/Zeppelin.html>

**Airship Ventures**  
[www.airshipventures.com/](http://www.airshipventures.com/)

**Battleship Missouri Memorial** ..... she came home on Jan. 7  
[www.ussmissouri.com/](http://www.ussmissouri.com/)

**Haiti Dispatch From US Navy Hospital Ship USNS Comfort**  
[www.thedonovan.com/archives/2010/01/haiti\\_relief\\_ge.html](http://www.thedonovan.com/archives/2010/01/haiti_relief_ge.html)

**Jubilee Sailing Trust** ..... charity that owns & operates [Lord Nelson](#) & [Tenacious](#), the only two tall ships in the world designed & built to enable people of all physical abilities to sail side-by-side

as equals. Give your support.

[www.jst.org.uk](http://www.jst.org.uk)

### Rat Pack

[http://www.youtube.com/watch\\_popup?v=VPH0-g25Vl8](http://www.youtube.com/watch_popup?v=VPH0-g25Vl8)

Revolutionary Ship Readies for Commissioning - USS Independence (LCS 2)

[www.navy.mil/search/display.asp?story\\_id=50413](http://www.navy.mil/search/display.asp?story_id=50413)

**Ship Simulator Professional v2.0** ..... can be used on Windows XP & Windows Vista desktop PCs with up to 3 screens

[www.shipsim.com/products/ship+simulator+2008+professional.php](http://www.shipsim.com/products/ship+simulator+2008+professional.php)

### US Airways To Close Boston Crew Base, May 2, 2010

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

US Airways Pilots Protest Las Vegas Base Closure

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

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**OUR "E" Section: The Forwarder/Broker World\*\*\***

### 7. "In The Wake" &

### 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 we visit the impact of "course of employment" issues upon long standing maritime case decisions.

A sailor may recover for injuries sustained during the "course of his employment" under the Jones Act. This requirement is usually liberally interpreted, but one court drew the line in **McClendon v. OMI Offshore Marine Service**, 807 F. Supp. 1266 (E.D. Tx. 1992). The plaintiff had inhaled mercury fumes, generated as a result of his efforts, "reminiscent if not worthy of Paracelsus," to produce gold by baking mercury placed inside an Idaho potato. The court held that the practice of alchemy is not within the course of a sailor's employment.

Finally, two more cases deserve passing reference. Any attempt to paraphrase the courts' choice of words in the first, **Koistinen v. American Export Lines Inc.**, 83 N.Y.S.2d 297 (N.Y. City Ct. 1948), a personal injury case, would fail to do the court justice. However, reference may be made to mariners' "wanted privilege" of consorting with a woman for other than platonic purposes who was subsequently frustrated in her expectation for financial gain. In the circumstances of the case, the mariner was confronted with the Scylla of the woman's male colleague and the Charybdis of an eight-foot leap to the ground from the woman's room. He chose the leap, and hospitalization followed. Notwithstanding his initial culpability, he was awarded maintenance and cure. The second, **Rumpelheimer v. Haddock**, "reported" at *Uncommon Law*, page 237 (1974), flowed from the creative pen of A.P. Herbert. This "case" considered the situation of the tidal River Thames overflowing an adjacent highway, raising the issue as to when the Regulations for Prevention of Collision at Sea become binding on motorcars. Supposedly, **Rumpelheimer v. Haddock** has been cited by a court in one of our Southeastern states.

**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](#).

**CASES =====**

***Equatorial Marine Fuel Management Services Pte Ltd. v. MISC Berhad***

U.S. 9th Circuit Court of Appeals

Jan. 11 2010, No. 08-57046

**Admiralty Law / Attachment Pursuant to Supplemental Rule B:** MISC Line contracted to purchase bunker fuel (bunkers) from Market Asia Link (MA Link), who had purchased the bunkers from Equatorial Marine Fuel Management Services (Equatorial). MA Link became insolvent and never paid Equatorial. Equatorial brought suit against MISC for breach of contract and unjust enrichment. To obtain jurisdiction over MISC, Equatorial filed an ex parte motion to attach MISC property that could be found in the district, including a ship. The district court vacated subject to MISC filing a US\$400,000 bond pending the appeal. The district court found that Equatorial had failed to show a valid prima facie admiralty claim against MISC. Under Rule B of the Supplemental Admiralty Rules, a plaintiff may attach a defendant's property only if (1) plaintiff has a valid prima facie admiralty claim against defendant, (2) defendant cannot be found within district, (3) property of the defendant can be found within the district, and (4) there is no statutory or maritime law bar to the attachment. MISC argued that the claims were not maritime in nature. The 9th Circuit held that the claim presented by Equatorial was maritime in nature, but that Equatorial had not shown a valid prima facie claim as there was no evidence of an agency relationship between MA Link and MISC, and MISC had shown that it had paid for the bunkers and thus was not unjustly enriched. Therefore, the 9th Circuit agreed with the district court decision to vacate the attachment. **AFFIRMED.** The Opinion:

[www.ca9.uscourts.gov/datastore/opinions/2010/01/11/08-57046.pdf](http://www.ca9.uscourts.gov/datastore/opinions/2010/01/11/08-57046.pdf)

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

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