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Law Offices of Countryman & McDaniel
THE CARGO LETTER [466]
Air & Ocean Logistics - Customs Broker News
30 June 2010
Part 1 of 1

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Good Wednesday Evening 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.**"

While the economy is in shambles, there is positive news this month of a bounce-back for our industry in June 2010 -- but can it last?

Happy 234th Birthday America! Our 4th of July Independence Day!

To help you find what you need -- **FAST** -- there's now a transport search engine installed at our 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

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

1. Freight Forwarder Trade Briefs _____

*****China Coming Back** as exports rose 48.5% in May from a year ago and imports were up 48.3%, according to Chinese Customs. These figures reflect orders booked before the onset of Europe's debt crisis and the Chinese Ministry of Commerce warned that the crisis would likely impact future exports to the EU. GDP grew by 8.7% in 2009, and is projected to grow by 10% this year, prompting some to ask whether we would see the rebirth of the 'China Factor' that helped to spur world trade to new heights and made shipping managers even wealthier individuals. China's trade surplus soared in May from the previous month on strong demand for Chinese-made clothes & electronics, which analysts say could increase pressure on Beijing to let its currency strengthen. Exports totaled US\$131.8Bn in May, up 48.5% from the same month a year earlier, customs authorities said. Imports gained 48.3% year-on-year to US\$112.2Bn.

*****Japan Coming Back** as it's economy, the world's 2nd biggest, expanded at faster pace than originally estimated in the 1st quarter as consumers spent more amid signs of a broadening recovery. Gross domestic product expanded at an annualized pace of 5% in the January-March quarter, revised up from 4.9% in a preliminary report last month, the government said June 8.

*****NAFTA Trade Coming Back** as for the 3rd month, U.S. trade with Canada & Mexico continued to boom in April compared to the same month in 2009, rising 32.4% to US\$65.8Bn, according to figures released by the U.S. Bureau of Transportation Statistics. U.S.–Canada surface transportation trade totaled US\$39.9Bn in April, up 32.1% compared to a year ago. U.S.–Mexico surface transportation trade increased 32.8% to US\$25.9Bn.

*****Top 25 Supply Chains For 2010** as **Apple Inc.** ranks number one in analyst firm AMR Research's compilation of the top 25 supply chains of 2010. Analysts attribute Apple's success to its ability to consistently bring both operational excellence & innovation excellence to bear in some of the most competitive markets in the world. As one of the original pioneers of demand-driven principles in supply chain, **Procter & Gamble** (P&G) is in 2nd place. **Cisco Systems** has climbed steadily in AMR's rankings for 5 straight years, moving up two slots to No. 3 this year, while 5 companies— **Research In Motion** (RIM), **Amazon.com**, **McDonald's**, **Microsoft** and **Inditex** —joined the Top 25 for the 1st time in 2010. The five companies that fell off the charts in 2010 are **Toyota Motor**, **Walt Disney**, **Texas Instruments**, **Publix Super Markets** and **Sony Ericsson**. >>> Rankings: 4. **Wal-Mart Stores**; 5. **Dell**; 6. **PepsiCo**; 7. **Samsung Electronics**; 8. **IBM**; 9. **Research in Motion**; 10. **Amazon**; 11. **McDonald's**; 12. **Microsoft**; 13. **Coca-Cola**; 14. **Johnson & Johnson**; 15. **Hewlett-Packard**; 16. **Nike**; 17. **Colgate-Palmolive**; 18. **Intel**; 19. **Nokia**; 20. **Tesco**; 21. **Unilever**; 22. **Lockheed Martin**; 23. **Inditex**; 24. **Best Buy**; and 25. **Schlumberger**.
www.amrresearch.com/

*****Protecting The Dream** as the Obama administration has announced its Joint Strategic Plan on Intellectual Property Enforcement, highlighting the need to safeguard U.S. intellectual property as a way to protect American jobs & exports. The plan calls for the U.S. to dedicate resources & expertise to make intellectual property enforcement effective, the administration said. Under the plan, the administration will:

- Make sure the federal government does not buy or use illegal products, including ensuring that government procurement is secured against the infiltration of counterfeit parts.
- Offer transparency in how the U.S. government will develop and implement policies, and how to report and share information at home and abroad.
- Ensure coordination of law enforcement across federal, state & local levels.
- Enforce U.S. rights internationally by combating foreign-based Web sites and other entities that violate U.S. intellectual property rights.
- Secure the U.S. supply chain to stop illegal products from entering the country by ensuring that law enforcement has authorities it needs, by encouraging voluntary cooperation by the private sector to reduce infringement occurring, and by vigorously investigating & prosecuting criminal activity.
- Collect good data, such as analyzing jobs & exports that are generated by intellectual property-intensive industries to help drive future decisions and action, and to build an open & fair environment for American intellectual property rights holders.

This new initiative will join existing intellectual property rights measures already used by the administration and federal government. For example, the Office of the U.S. Trade Representative's publication of the "**Special 301 Report**" has for more than 20 years focused on the global state of intellectual property rights protection and enforcement. 301:

http://itlaw.wikia.com/wiki/Special_301

*****The Word Is Soybean**..... as the St. Louis-based American Soybean Assn. said in 2009 the value of U.S. soybean exports to China reached a record US\$9.2Bn. U.S. soybeans represent more than half of the total value of U.S. agricultural exports to China. "More than half of the

world's soybean exports are purchased by China," testified ASA Vice President Randy Mann, who is chairman of ASA's Trade Policy & Int'l Affairs Committee. "The 22 million tons of U.S. soybeans expected to be exported to China in 2010 represent over 50% of all U.S. soybean exports and 25% of the U.S. soybean harvest. In other words, one of out of every 4 rows of soybeans grown in the U.S. is exported to China." As a result of substantial economic growth, more Chinese consumers can afford a higher standard of living, including more protein & vegetable oil in their diet. China's ability to supply these needs through increased production of soybeans & other feeds and oilseeds is limited, so most of the increase in demand will be filled by imports.

www.soygrowers.com/

*****This Will Require Some Agility** as U.S. prosecutors have branded Kuwait-based global logistics firm Agility fugitives from justice in a motion filed this month, as a fraud case filed in Nov. against the company drags on. The motion came as attorneys for Agility, indicted last fall by the U.S. Justice Dept. on fraud relating to a huge defense logistics contract in the Middle East, asked a U.S. District Court to block the case because prosecutors failed to properly serve the company. The company asserts it should have been served with the charges at its Kuwait headquarters rather than through its U.S. subsidiaries. Prosecutors, in the motion filed June 21, said Agility "contemptuously contends that it is not subject to the laws or courts of the U.S.," according to an Associated Press report June 22. "The temerity of this defendant is breathtaking."

www.agilitylogistics.com/EN/Pages/Landing.aspx
http://en.wikipedia.org/wiki/Agility_Logistics

*****Buying Greece** as China plans to invest billions of euros in shipping, logistics and airport projects in debt-laden Greece, following a visit to Athens by Chinese vice-premier Zhang Dejiang, according to an unidentified Greek government official. "These concern maritime affairs, telecoms and a project to renovate a landmark tower building in Athens' port of Piraeus," the official was quoted as saying in a London Financial Times report. Other deals, including shipbuilding agreements worth US\$615M, will also be signed, a report by AFP said. Greek transport minister Dimitris Reppas said in May that Chinese companies could be interested in involvement in the privatisation of Greece's heavily indebted railway OSE.

*****Buying Vietnam** as the U.S. Export-Import Bank and the Vietnamese government agreed this month to a US\$500M financing facility to increase sales of U.S. equipment & services to Vietnam for high-priority infrastructure projects, backed by Ex-Im Bank financing. The Vietnamese and U.S. governments passed a Bilateral Trade Agreement in Dec. 2001. In Dec. 2006, Vietnam gained Permanent Normalized Trade Relations with the U.S., and in Jan. 2007, Vietnam became the 150th member of the World Trade Organization.

*****Raising Vietnam** as with rising labor costs & cultural shifts in China pushing manufacturers to look for new sourcing options, many are rediscovering Vietnam. Transportation leaders are responding with investment in the developing nation whose business managed to grow last year as others struggled. Vietnam's prime minister reported at this month's World Economic Forum on East Asia, its economy will grow 6.5% to 7% this year after expanding 5.3% in 2009. PIERS Global Intelligence Solutions, a sister company of The Journal of Commerce, forecasts increased U.S. imports from Vietnam of 41.6% and exports of 16.3% this year. In the first 4 months of 2010, exports of computer & electronics jumped 40.8%, compared to the same period last year. Technology giant Intel will fuel that surge with a new packaging & testing plant in Ho Chi Minh City opening this year. Infrastructure investment is growing to meet the demand. In the face of recession cutbacks, 6 leading container lines initiated direct Vietnam-U.S. services, and operators opened 4 new terminals, with 2 more expected for 2011.

*****New Middle East Free Trade** as Turkey, Lebanon, Jordan & Syria have agreed to set up a free trade zone, complete with a visa-free travel regime for their nationals, according to Agence France-Presse. The 4 countries said, in a joint declaration at a Turkey-Arab forum in Istanbul last week, they will establish a cooperative counsel "to develop a long-term strategic

partnership" and "create a zone of free movement of goods and persons among our countries."

*****American Rails In The Out Back** as U.S. based Genesee & Wyoming Inc. (GWI) has signed an agreement to acquire the assets of FreightLink Pty Ltd, Asia Pacific Transport Pty Ltd and related corporate entities (together FreightLink) for US\$277.2M at current exchange rates), plus the assumption of debt with a carrying value of US\$1.4M. In addition, GWI expects to incur transaction-related expenses of US\$19.1M, principally related to the payment of stamp duty (an Australian asset transfer tax). FreightLink is the owner & operator of the 1,400-mile Tarcoola to Darwin railroad, linking the Port of Darwin to the Australian interstate rail network in S. Australia.
www.freightlink.com.au/
<http://en.wikipedia.org/wiki/FreightLink>

*****Faster Is Better** as Norfolk Southern Railway & GE Transportation, a developer of locomotives & technology for the rail industry, have developed technology for the rail industry that could lead to an increase in the average network speed of trains by 10-20%, or 2 to 4 miles-per-hour. One mile per hour in velocity improvement has the potential to save approximately US\$200M in capital & expense annually. GE's RailEdge Movement Planner software integrates railroad logistics with traffic control systems to project expected track usage, based on train schedules. The solution then produces an optimized plan to get trains moving faster & more efficiently. By helping to maximize existing railroad resources, RailEdge can also help improve railroad crew management availability. Norfolk Southern has implemented the solution on a 200-mile section of its railroad in Georgia
www.gereports.com/railedge-tech-faster-smarter-trains-to-save-millions/

*****U.S. Trucking Signals A Move To Fast Lane?** as after dramatic rate cutting and fleet downsizing over the last 3 years, trucking is regaining its footing, leading to sharp price increases this year for some shippers, according to the June 21 edition of The Journal of Commerce. Truckload is leading the industry with an overall rise in rates of 8% to 9% over 2009. Shippers are scrambling to lock in capacity and favorable pricing, but the growth's longevity is the unknown factor. Trucking's recovery has lagged that of ocean, rail and air but it appears to be catching up. Demand has risen 24% from last year and 14.4% in May alone. For contract shippers, truckload rates are up 3% to 5%, 10% and higher for 3rd-party freight brokers and several times that on the spot market. Trucking added 2,000 jobs in May, the second straight month the industry added positions, the U.S. Dept. of Labor said.

*****Bad PR Promotes Water Road** as protests by container truck drivers in Southern China this month over better pay has many shippers and their logistics providers taking a closer look at inland transport options. The truck drivers, who clashed with police on June 2, attempted to block the main road leading to the western ports in Shenzhen, which includes Chiwan, Shekou & Mawan. Although short lived, the truckers have now threatened to block other ports at Yantian & Da Chan Bay. Some logistics providers in China want shippers to be more aware of all their inland transport alternatives in the Pearl River Delta. Barge transport, although slower than truck, is a viable option to move containers to the outbound ports. Thousands of barges operate on the river.

*****U.S. Road Volumes & Rates To Rise** as investment bank Morgan Stanley said last week it expects a strong 2nd half for truckload carriers, with improved demand likely leading to improved rates in the 2nd half of the year, according to the bank's Proprietary Truckload Freight Index. The index is showing positive signs for carriers primarily due a rebound in demand. Morgan Stanley is forecasting that 2nd half pricing will improve for truckload carriers.

*****TT Club's Outlook Stable** as leading U.S. rating agency A.M. Best has again confirmed the mutual insurer financial strength rating as A- (Excellent), as well as the issuer credit rating of "a-". The agency said that the outlook for TT Club over the next year is "stable".

*****NFI Buys** as the large trucking & logistics provider based in Vineland, N.J., has bought IPD Global, a multimodal Canadian freight forwarder that specializes in perishable imports from Central & South America, and Europe. NFI had US\$810M in revenue last year and expects to top US\$900M this year.

www.nfiindustries.com/

*****Too Many Boxes** as the June issue of industry newsletter, "Distribution Center Management," cautions that shipping items in overly large boxes creates a number of problems. For starters, you're paying for cardboard you don't need, then adding unnecessary filler. You're also boosting transportation costs by failing to maximize truck space. To combat packaging waste, adding more boxes is recommended Half a dozen boxes is a typical number of choices at a DC, but not for any scientific reason. Increase that number to 10 or 12, and you'll likely increase efficiency without adding excessive complexity. But don't go box-crazy. The publication visited a DC that was very proud that it used 42 box sizes to ship packages. But when the company's use of boxes was studied, it was learned that half a dozen boxes were used in 92% of shipments, suggesting that the other 36 types of boxes were unnecessary.

www.distributiongroup.com/

*****If You Can't Beat The Traffic Cams - Buy Their Website** as after a Tennessee police dept. let its website expire, the site was snatched up by a new owner - a man who uses it to gripe about traffic cameras that issue speeding tickets. Computer network designer Brian McCrary says he discovered the Bluff City Police Dept. site was up for grabs, so he paid domain provider Go Daddy for the rights to the website. McCrary, who says he received a US\$90 speeding citation earlier this year, took over the site May 22. His site now shows a smiling cartoon police badge clutching green currency. It also posts gripes from others who've been cited. Police Chief David Nelson said the officer who managed the site had been on medical leave and the expiration slipped up.

www.bluffcitypd.com

*****Pizzas 4 Patriots** as a non-profit organization, is teaming up with DHL Express, the world's leading global express delivery company, and AT&T to send thousands of Edwardo's Natural pizzas to U.S. servicemen & women overseas in time for Independence Day, July 4, 2010. "We should never forget the sacrifices of the men & women based around the world that defend our freedoms and those of our allies, which is why we have been working to expand our distribution to all regions of the world where U.S. Commands are based" This 4th of July, U.S. servicemen & women at bases in Iraq, Afghanistan as well as South Korea will get a taste of home – Chicago & New York Style. Over 5,000 Award Winning Stuffed Pizzas from Edwardo's Natural Pizza in Chicago, along with hundreds of pizzas from New York Flying Pizza left the U.S. on June 26, in time for 4th of July celebrations at U.S. military bases. DHL Express has donated its global shipping network for the delivery. **You can help:**

www.pizzas4patriots.com/

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2. The Cargo Letter Financial Page _____

****Descartes Systems Group.** **DOWN** with US\$200,000 in its Q1 profit ending April 30, compared to US\$2.2M in prior fiscal year.

****FedEx.** **UP** with 4th quarter results ending May 31 of US\$9.43Bn in sales, a 20.1% hike profit year on year. Operating income was US\$2.0Bn, up from US\$747M last year and net income rose from US\$98M to US\$1.18Bn.

****Navistar Int'l Corp.** **UP** as net income rose to US\$30M, or 42 cents per share, from US\$12M, or 16 cents, a year ago. Revenue for the quarter ended April 30 slipped 2.3% to US\$2.74Bn.

****UTi.** **UP** 3% with Q1 net profit of US\$10.1M, or 10 cents a share, on quarterly revenue of US\$1.06Bn for fiscal quarter ended April 30, compared to US\$9.8M, or 10 cents, in 2009.

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

3. Freight Forwarder World Air Briefs _____

*****U.S. Air Rises** as the Air Transport Assn. of America (ATA) reported an overall 17% upturn in revenue ton-miles in April 2010 compared to same month last year. The result, split 8% for domestic services and 25% internationally, is based on data reported by Alaska, American, Continental, Delta, FedEx, Hawaiian, JetBlue, Southwest, United, UPS & US Airways. "These results reflect encouraging signs of the nation's economic recovery from the very deep hole of a year ago," said ATA president and CEO James May. ATA member airlines help drive more than US\$1 trillion in U.S. economic activity annually via 25,000 flights a day in 80 countries carrying 50,000 tonnes of cargo.

*****Air Industry Rises** as the global airline industry is expected to post a profit of US\$2.5Bn in 2010, according to projections from the Int'l Air Transport Assn. (IATA). The industry's 1st profit since 2007 comes after a decade in which airlines have lost a cumulative US\$47Bn. The time is right, says Giovanni Bisignani, director general and CEO of IATA, to strategically define a sustainable future for the industry. "In just over a decade, I can see US\$100Bn in industry profits on revenues of US\$1 trillion," he continues. "As we move towards 2050, this 10% margin will become even more robust. This is not just a crazy dream. Before the recession, at least a dozen IATA members already had 10% margins."

*****Asia Up Despite Rise In Capacity!** as the Assn. of Asia Pacific Airlines (AAPA) reports a 39% growth in freight ton-kilometers for May 2010 compared to the same month last year. Despite a 22.2% growth in capacity, cargo load factors rose 8.7% during the month to reach 72.6%. Andrew Herdman, AAPA director general, said: "The latest set of air traffic figures confirm the underlying strength of the economic recovery, led by dynamic growth in the Asia Pacific region." Noting a 35.6% upturn in FTKs for the first 5 months of 2010, Herdman added: "Both business confidence & consumer sentiment are signaling a generally positive outlook for the 2nd half of the year."

*****Inspection Means Earlier Cut - Off** as shippers must prepare for earlier air cargo cut-off times if goods are to be inspected before loading in bellyholds of passenger aircraft when stringent air cargo screening rules bite on Aug. 1, say industry experts. American Airlines (AA) Cargo Division will demand customers tender their freight six hours - and not the 4 allowed today - before an aircraft's departure if they expect the carrier to screen the goods and meet the delivery commitments.. Also, AA will double its fees after Aug. 1 for screening cargo before it is loaded. Arthur Arway, who heads security for the Americas DHL Global Forwarding said, American Airlines' post-August 1 policy will become standard throughout the industry. From Aug. 1, all domestic cargo shipped in the below-deck compartments of passenger aircraft must be certified as having been screened or inspected at some point in the supply chain before it can be loaded. In an effort to push the screening responsibility upstream, the U.S. Congress created the Certified Cargo Screening Program (CCSP), a voluntary initiative that authorises shippers & freight forwarders to screen and inspect cargo before it reaches the airline. About 500 forwarders are enrolled in the CCSP, making them the largest group. Shipper involvement is slight and forwarders fear the onus on them to ensure there are no delays & missed flights. The air cargo supply chain is 75% screening compliance, said DC Velocity. But the biggest challenge will be with the remaining 25%, most of which will involve multiple pieces shrink-wrapped in pallets or loaded into containers destined for the busiest airports.

*****Boeing 787 So Far A Hit** as 56 customers around the world have ordered 860 of the all-new twinjet 787s since the program was launched in April 2004, making the Dreamliner the fastest-selling new commercial jetliner in history. Delivery of the first 787 is planned for the 4th quarter of 2010.

*****Joining The Chinas** as EU anti-competition regulators have given Hong Kong's Cathay Pacific Airways the nod to acquire a stake in Air China's cargo unit, saying the deal would not hurt competition in Europe. Cathay Pacific announced in February that it would form a joint venture

with Air China to capture the lucrative air cargo business in two top Chinese manufacturing centers, said Agence France-Presse. Under the deal, Cathay would acquire a 49% stake in Air China Cargo (ACC), the platform for the joint venture, for US\$249.01M.

*****U.S. & Switzerland Open** as they have signed a new open skies agreement to replace an earlier version signed in 1995. The new treaty includes all of the essential elements of Open Skies and adds the right for airlines of both countries to operate all-cargo flights to third countries without a connection to the home country – so-called "7th freedom rights". In addition, the new agreement allows Swiss airlines to be owned and controlled by nationals of any EU country and enables Swiss carriers to compete under the "Fly America Act" for US government civilian agency-funded passenger and cargo traffic between the U.S. and Switzerland and between non-US points. The U.S. has open skies agreements with more than 90 countries worldwide.

*****China Cuts Debt Load** as it's decision to end the yuan's peg against the dollar stands to cut its aviation debt load, according to analysts at Hong Kong's CLSA Asia-Pacific Markets, reports the Wall Street Journal online. CLSA analysts said China's big 3 airlines carry most of their debt in dollars. "At China Southern Airlines, 69% of the debt is in U.S. dollars. At China Eastern it's 74%. And at Air China, it's 81%." said the report. Analysts estimate one airline would earn 0.7% more profit for every 1% increase the yuan made against the dollar. The value of that debt, and the cost of servicing it, would also drop as the yuan rises, say analysts, lowering the companies' costs & strengthening their balance sheets. Airlines also must pay much of their costs in dollars, from jet fuel to landing rights to aircraft leasing & offshore maintenance and repairs, said the report. In Asia - and especially in China - the most airline revenue comes in local currencies, which means a rising yuan would lower costs for Chinese airlines, said the analysts. Overall, CLSA estimates that 15% of Air China's operating costs are incurred in dollars, while no more than 6% of its revenue is in dollars - the rest being in yuan.

*****Leasing Is King** as the lack of available capital for the procurement of new aircraft & falling interest rates are the major factors triggering growth in the world aircraft leasing market. During 2008 & 2009, the aircraft leasing industry had been reeling under the impact of the frozen credit markets & the slump in air traffic. Due to the financial crisis, there were difficulties in arranging funds. This led to an increase in the number of parked aircraft and a decrease in the market value/lease rentals of aircraft. Despite these impediments, the aircraft leasing industry was able to maintain healthy profitability, as falling interest expense has allowed leasing companies to maintain good profit margins. Airlines have been able to raise equity funds of US\$4.8Bn and debt of US\$25.7Bn between Jan. 2008 & Oct. 2009. Most of the aircraft leasing firms that were up for sale were not distressed assets, but were up on the block as a result of their parent company's poor financial health. Trends indicate that the aircraft leasing industry is poised for a growth upswing within the next 4-5 years.

www.financialservices.frost.com/

*****Night Flights** as German exports are at risk from one-sided court decisions, claims a new influential lobby group in Frankfurt. Dubbed "Cargo Needs the Night", the initiative is supported by Lufthansa Cargo, the Association of German Freight Forwarders and Logistics Operators (DSLVO), the Federal Assn. of Road Haulage, Logistics & Disposal (BGL), the Forwarding and Logistics Assn. of Hessen/Rheinland-Pfalz, the Board of Airline Representatives in Germany (BARIG) and the Air Cargo Club Germany (ACD). Lufthansa Cargo CEO Carsten Spohr said: "The right of local residents living near the airport to be protected from unnecessary noise is not at issue. We accept our responsibility as an airline and we are investing massive sums in new technologies. At the same time, we are responsible for thousands of jobs in the logistics industry in Germany, which is an export and industrial nation. Germany is the world's 2nd-largest exporter thanks above all to its logistics expertise." According to Cargo Needs the Night, 40% of the value of domestic German exports moves by air. "Anyone who shuts down central logistics hubs at night is acting irresponsibly & putting the future viability of Germany's export industry at risk," added Spohr. The lobby group said that in recent years German courts increasingly have issued one-sided rulings that if applied to a ban on night flights could jeopardize

the competitiveness of Germany's airports and its export industry. The group cited other European air cargo hubs such as Amsterdam, Paris, London & Madrid which continue to ensure night flights. Spohr called on the federal German government to create a reliable framework for future night flying.

*****DHL Express Vietnam Pump** as its package volume for Vietnam grew 30% in the 1st quarter on the strength of intra-Asian trade. The express carrier attributed the results to the mild impact of the global recession in Vietnam. Export revenue in Vietnam increased 26% on a yearly basis in the Jan.-to-April period, and industrial output grew 13.5%, led by electronics and computers, tools and spare parts. DHL is investing in Vietnam as more multinational firms locate production and distribution facilities in the country. In April, DHL opened a US\$5M package-handling center near Ho Chi Minh airport.

*****Cool Kenya** as it will soon open the largest cold-chain air cargo handling facility in Africa at Nairobi's Jomo Kenyatta Int'l Airport, reports American Shipper. The airport, served by 40 scheduled airlines, has the 2nd-highest cargo volume in Africa after Johannesburg, up 5% year on year to 290,500 tons in 2009. The new US\$16.3M Transglobal Cargo Center will be the first fresh produce & cargo handling facility in Africa to incorporate a multi-storey cool-chain elevating transfer vehicle, to handle perishables. It can store 160 pallets, or four 747 dedicated freighter loads - or 250,000 tons a year. It will cover 12,351 square meters of warehousing with 11 truck docks, 10 container stations, a 3-level ETV system, a combined ULD (unit load device) weigh-scale and x-ray unit and 6 additional security scanners.

*****The Boeing Supremacy** as it has won a tender to supply Russian flag carrier Aeroflot with some 65 mid-range jets, beating out rivals Airbus & United Aircraft Corp.

*****Getting A Head In The Industry** as officials in Arkansas are investigating a shipment of 40 to 60 human heads found by Southwest Airlines employees at a cargo facility on June 16, in Little Rock, the Pulaski County coroner said. The shipment of 3 separate containers was discovered at the facility after employees saw the package was "not labelled properly," a Southwest spokeswoman said. Southwest employees opened the box, found the heads and contacted local police, who turned the heads over to the local coroner. "They were basically in plastic containers with lids that are not air-sealed," Coroner Garland Camper said. "They were duct-taped with minimal information to disclose what was inside." The heads were being shipped to a Medtronic Inc. facility in Fort Worth, Texas. They were for educational training for neurosurgeons studying ear, nose & throat procedures, said a Medtronic spokesman. There were between 40 & 60 heads packed in 3 containers. The company had ordered 4 heads and 40 skull parts, or the portion of the head with the ear. "In this particular instance, they were going to be used for educational training, which is routinely done," the company said. Medtronic, the world's largest independent medical device company, employed Arkansas-based JLS Consulting to supply & ship the head & head parts. The 24-hour Southwest cargo facility is one of 70 operated by the low-cost airline and typically handles shipments of items like flowers & seafood.
www.medtronic.com/

*****Airport of The Dead?**as sculptures outside Denver Int'l Airport already include a 30-foot-tall, rearing blue mustang with glowing red eyes, nicknamed "Bluecifer" by snickering locals. Now the airport has another statue: a 26-foot tall replica of Anubis: the Egyptian God of The Dead. It's not far from that sculpture of the blue horse called "Mustang," by Luis Jimenez. The artist was killed in 2006 when a large piece of that sculpture fell on him in his studio. Geez. Anubis will stay only through the summer. Enjoy your flight!
www.nytimes.com/2009/03/02/arts/design/02hors.html? r=1
[www.anomalies-unlimited.com/Denver Airport.html](http://www.anomalies-unlimited.com/Denver_Airport.html)

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

4. FF World Ocean Briefs

*****Sen. John McCain Bill Would Repeal Jones Act** as he has introduced a bill that would repeal the 90-year old Jones Act, calling it a law that hinders free trade and favors labor unions over consumers." A keystone of U.S. maritime policy, the Jones Act requires goods shipped between domestic ports to be carried by vessels built in the U.S., and owned and crewed by Americans. "This restriction only serves to raise shipping costs, thereby making U.S. farmers less competitive and increasing costs for American consumers," McCain claimed. Tim Brown, president of the Masters, Mates, and Pilots union said that while repeal of the Jones Act might reduce shipping costs, it would also result in the displacement of hundreds of jobs for seafarers. Some interests have called for a repeal of the Jones Act to allow additional foreign-flag vessels to be used in the BP oil spill cleanup. McCain said the Obama administration "has the ability to grant a waiver of the Jones Act to any vessel -- just as the previous administration did during Hurricane Katrina -- to allow the int'l community to assist in recovery efforts. Unfortunately, this administration has not done so. Therefore, some senators have put forward legislation to waive the Jones Act during emergency situations, and I am proud to co-sponsor this legislation." U.S. Senator John Cornyn (R-TX) sent a letter to Admiral Thad Allen on June 22 supporting Allegiance Capital's request for a waiver of the Jones Act. For more than 2 weeks, Fred McCallister, V.P. of the Dallas-based investment bank, has been requesting a waiver of the Jones Act in order to bring boats from Europe to U.S. waters to assist in the Gulf oil spill clean-up. Allegiance Capital has available 12% to 25% oil skimming vessels as well as several ships for boom deployment and the housing of volunteers & rescue workers. The Coast Guard-compliant ships are currently sitting idle. The Bill:

http://www.shippers.com/enewspro/t.aspx?S=2&ID=833&NL=5&N=927&SI=23758&URL=http%3a%2f%2fwww.mccain.senate.gov%2fpublic%2findex.cfm%3fFuseAction%3dFiles.View%26FileStore_id%3d244846c7-d436-4704-87fb-ccff411ebae7

*****But - The Other Side** as American-flagged Jones Act carriers have told U.S. Congressional committee foreign-flag operators often slip in & out of coastal waters with cargo & passengers without being stopped. "These vessels are blatantly ignoring the Jones Act. Worse, the agency charged with enforcing the Jones Act - Customs & Border Protection [CBP] - has failed to live up to its responsibilities," Offshore Marine Service Association (OMSA) president Ken Wells told to the House Subcommittee on Coast Guard and Maritime Transportation. "We have become very concerned the Jones Act is being degraded and the numbers of foreign-flag vessels in the offshore energy sector is increasing," he said. Section 27 of the 1920 Jones Act requires vessels carrying people & cargo from or between U.S. ports in coastal waters to be American-built, owned, operated & crewed, reports American Shipper. OMSA said there were about 85 foreign vessels working in the offshore energy sector on a regular basis. Another 60 foreign vessels have worked in the Gulf Of Mexico in the last few months, according to OMSA, but have since departed.

U.S. National Incident Command (NIC) Interactive Map of Oil Spill Response

www.geoplatform.gov/gulfresponse/

Deepwater Horizon Response

www.deepwaterhorizonresponse.com/go/site/2931/

Gulf Oil Spill Live Cams

www.al.com/news/gulf-oil-spill/video/index.ssf

*****The Mother of All Threats** as the saber-rattling between Iran and the int'l community moved up a gear June 24, when Iran's legislature indicated it would pass a bill backing retaliatory measures on ship inspections. Essentially, the move would allow Iran to inspect any foreign ship, just as United Nations sanctions passed last week to compel nations to inspect Iranian ships that could be linked to the national carrier, the Islamic Republic of Iran Shipping Lines. IRISL was sanctioned last fall by the U.S. government for aiding illegal weapons proliferation. Among a list of

new sanctions imposed on Iran by the U.N. were more specific guidelines in trying to expose a network of shell companies IRISL has allegedly set up to hide its illicit trade activities. If Iran is successful in its retaliatory maritime inspections, it could conceivably have a great effect on Middle East trade. Iran could use the Strait of Hormuz, which links the Gulf of Oman & the Persian Gulf, to suppress the movement of commercial vessels, affecting some of the region's busiest container ports, such as Jebel Ali & Sharjah (in the U.A.E.), Bahrain, and the Saudi Arabian port of Dammam.

*****Bracing For The Surge** as the Transpacific container carriers say they are bracing for a surge in peak season cargo after eastbound volumes in May were sharply higher than last year. The Transpacific Stabilization Agreement, a discussion agreement of 15 container carriers serving the Asia-to-U.S. trade, said internal reporting by its members "shows a 24.1% year-on-year increase in traffic during the month of May alone to the U.S. West Coast, and a 30.8% increase in all-water shipments to the East & Gulf coasts via the Panama Canal. TSA said 1st quarter cargo demand from Asia to the U.S. was equivalent to 2.54 million TEUs, 13% more than in the 1st quarter of 2009 according to figures from PIERIS. TSA members are APL, China Shipping, CMA-CGM, COSCO, Evergreen, Hanjin, Hapag-Lloyd, Hyundai, "K" Line, Maersk, MSC, NYK, OOCL, Yang Ming & Zim.

*****Surging Rates** as London's shipping consultancy Drewry's reports that spot rates for transpacific container shipping have increased 182.9% - hitting a 5 year high - over the last 12 months. Specifically, the Hong Kong-Los Angeles container spot rate stood at US\$2,607 per FEU last week, up 18.9% over the week before, representing an 182.9% year-on-year increase. "It is a mini container shipping boom, ahead of the full recovery of the real economy," said Philip Damas, editor of the Drewry Container Freight Rate Insight report, adding that the big percentile difference also reflected 2009's very poor performance. "The rebound in spot container freight rates has been phenomenal, as rates now substantially exceed pre-crisis levels of about US\$2,000 per 40-foot box," he said. The jumped-up rates also reflect new peak season surcharges tight eastbound transpacific ship capacity and a shortage of containers, which Maersk says has become a "global challenge".

www.drewry.co.uk/publications/view_publication.php?id=310

*****Maersk Line Surge Surcharge Up** as its June 17 peak season surcharge announced to customers last week is mostly due to an expected surge in demand that has caused a global shortage of containers expected to last until the 3rd quarter. "Following the recession in the market at the end of 2008 and through 2009, many container shipping & container leasing companies stopped sourcing and producing equipment," the line said in a statement. "As carriers & shippers did not expect the current demand surge, the necessary equipment has not been ordered in 2010, ultimately resulting in the global shortage in equipment. Maersk's peak season surcharges from Asia to Europe, range from US\$600 to US\$1,200 per container, depending on size & destination of the container. Maersk said it will not issue any more surcharges or rate hikes on the trade.

*****Getting Underway**..... as the worldwide idle containership fleet has fallen from 1.17 million TEU at the beginning of April to 380,000 TEU currently, based on Alphaliner's records. This is attributed to demand for vessels outstripping the supply of newbuildings delivered in the last three months. The second quarter is also expected to see over 410,000 TEU of new capacity delivered. The current idle fleet represents 2.8% of the total cellular fleet with more than 1.2 million TEU being absorbed over the last 3 months.

*****Suddenly We Love Empty Containers - Again** as the shortage of containers is pushing up equipment prices to new highs as fear grow that production will not be able to meet surging demand. "As both carriers and container leasing companies rush to place fresh orders to meet the demand, prices for new containers have soared to their highest levels in almost 20 years. The current price for TEU has reached US\$2,750 compared to less than US\$2,000 at the end of last year," Alphaliner reports. Although annual production capacity at the 2 largest

container manufacturers, CIMC & Singamas, is over 3.5 million TEU, these suppliers are expected to produce only 1.35 million TEU this year. The global output of new containers is estimated at 1.5-2.0 million TEU for the full year, well down from the peak of 4.2 million TEU produced in 2007, and a global capacity of 5 million TEU. Demand has picked up since the beginning of the year, with CIMC reporting sales of 102,900 TEU of dry van containers in the 1st quarter, up from 60,400 TEU in the whole of 2009. According to Alphaliner, Maersk said it is deploying 5 ships to collect empties and bring them back to the Far East, and it said it has identified 10 from other carriers, that are on trips to the Far East and are likely being used primarily for empty container repositioning.

www.axsmarine.com/public/axsalph-news.php

*****Being On Time Saves Money**as Maersk Line is apparently serious about ramping up its schedule reliability. The Danish carrier earlier this year boldly declared it would aim for 95% on-time arrivals, allowing its customers to reduce their buffer inventories and streamlining its own network. In an article in its in-house magazine, Maersk Post, the carrier said it has begun to quantify the impact better schedule reliability could have on its own bottom line. "For Maersk Line, achieving a 95 % level of 'on time reliability' would not only mean net annual savings of up to approximately US\$250M, but also additional market share & volume," the article said. "At present, many customers use several carrier lines to spread out their transport risks. But a survey of 30 of Maersk Line's largest customers found that if Maersk Line could deliver their cargo on time with 95% consistency, the additional volumes they would consider shipping with Maersk Line would be equivalent to a 17% boost in revenue." Of course, the move is aimed at helping Maersk's customers also improve their own bottom lines. "For int'l companies, supply chain delays can be the difference between profit & loss," the article said. "One Maersk Line customer said that of its US\$1Bn transport budget (air, land & sea), a whopping US\$75M is reserved purely for contingency planning. Maersk Line's research found that incremental gains in reliability do little for customers, but a dramatic increase in reliability would have a powerful impact on their costs per container."

*****Big Ditch Cracks Down** as the UN Office on Drugs & Crime (UNODC) and Panama this month launched a joint program intended to prevent illicit & counterfeit goods from entering markets through seaports. The program includes the launch by UNODC of the Center of Excellence on Maritime Security in Panama City and the opening of a regional office for Central America, Cuba & the Dominican Republic, with financial support from the Panamanian government. The center will help identify threats to maritime security and serve as a resource of expertise, training, data collection and analysis, UNODC said in a news release. Roughly 11 million containers pass through the Panama Canal every year. Since joining UNODC's World Customs Organization Global Container Control Program last year, Panama has significantly increased the number of seizures of illicit goods hidden in containers, the agency said. Thanks to improved intelligence and information-sharing, in just 7 months Panamanian authorities have managed to confiscate 146 containers transporting drugs & counterfeit goods, with a value of over US\$20M.

*****Great Lakes Is Again Alive** as on June 21, the St. Lawrence Seaway Management Corporation (SLSMC) reported that cargo volumes on the Seaway remain almost 20% ahead of the pace set last year, as shipments of iron ore and steel slabs showing continued strength. Total cargo shipments on the Seaway for the period from March 25 to May 31 amounted to 6,888,000 metric tons, as compared to 5,840,000 metric tons for the same period last year, the SLSMC said. Marine carriers have transported 33,000 metric tons of steel slabs as of May 31. In the same period last year, no slabs whatsoever were observed in transit. Iron ore volume is 105% above the same period last year.

http://en.wikipedia.org/wiki/Saint_Lawrence_Seaway

*****Throughput >>>** May container volume at the **Port of Charleston**, South Carolina, rose more than 22% over the 2009 level, with 68,238 pier containers handled. >>> Southeast China's **Qinzhou** port in Guangxi province registered a 63.9% increase in throughput to 9.18 million tons

and made a 172.9% leap in container volume to 81,000 TEU in the 1st 4 months of 2010. >>> Container volume handled by the **Port of Hampton Roads** has increased 14.2% to 161,535 TEU in May year on year, according to the Virginia Port Authority. >>> **Los Angeles** container traffic was 689,421 TEUs in May, 19.9% more than May 2009. Imports were up 12.5% to 342,171 TEUs and export boxes improved 5.3% to 160,621 TEUs. Empties handled rose 57.8% to 186,628 TEUs. >>> **Long Beach** container traffic was 524,715 TEUs in May, 25.1% more than May 2009. Imports were up 26.8% to 264,505 TEUs and export boxes rose 14.5% to 138,659 in May. Empties handled increased 35.2% to 121,551 TEUs in May when compared to the May 2009. >>> Cargo handled at leading French port **Marseilles Fos** through May reached 36.6 million metric tons — up 6% on the first five months last year — with container throughput contributing a 16% increase in both tonnage & volume of 421,14 TEUs. >>> **Ningbo**, Shanghai's neighbor to the south, has seen the fastest growth this year of any of China's top ports. Volume grew 52.3% in May, and has grown 33.5% for the year, to 5 million TEUs. >>> Container throughput of Russian Black Sea port of **Novorossiysk** totaled 172,749 TEU in the first 5 months of 2009, an increase of 34.6% compared to the same period a year earlier. >>> The West Africa Container terminal in the **Port of Onne** saw May container volume grow 18%, according to APM Terminals, which manages the Nigerian port. Container throughput was 87,000 TEUs in 2009, a 20% increase over 2008 volume >>> **Shanghai** recorded a throughput of 2.56m TEU in May, up 22.6% over the same period last year. It was the single largest monthly throughput total since records began. During the same month, SIPG reported a 15.4% increase in throughput for general cargo to 37.84m tons. >>> **Shenzhen**, China's second-busiest port, saw 27.2% growth in May, much in line with its 27.1% growth for the year, handling 8.4 million TEUs through the first 5 months, compared to 11.4 million for Shanghai.

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

1833 - [USS Constitution](#) enters drydock at Charlestown Navy Yard, Boston for overhaul. The ship was saved from scrapping after public support rallied to save the ship following publication of Olive Wendell Holmes' poem, "Old Ironsides."

1865 - Confederate raider [Shenandoah](#) fires last shot of Civil War in Bering Strait.

1870 - [USS Mohican](#) burns Mexican pirate ship Forward

1884 - Navy relief expedition under Cmdr. Winfield S. Schley rescues Lt. A.W. Greely, USA, and 6 others from Ellesmere Island, where they were marooned for 3 years on Arctic island.

1933 - Commissioning of [USS Macon](#), Navy's last dirigible.

1934 - Commander in Chief, Asiatic Fleet Adm. Frank Upham reports to Chief of Naval Operations that based on analyses of Japanese radio traffic, "Any attack by (Japan) would be made without previous declaration of war or intentional warning."

1945 - Okinawa declared secure after most costly naval campaign in history. United States had 30 ships sunk and 223 damaged, mostly from kamikaze attacks, with 5,000 dead & 5,000 wounded, while the Japanese lost 100,000 dead.

1948 - Berlin airlift initiated to offset the Soviet Union's blockade access of U.S., France, and Great Britain to their sectors of Berlin.

1959 - Twenty-eight naval vessels sail from Atlantic to Great Lakes, marking the formal opening of Saint Lawrence Seaway to seagoing ships.

1962 - Naval Facilities Engineering Command Cape Hatteras makes first Sound Surveillance System (SOSUS) detection of a Soviet diesel submarine.

*****Safe Arctic Navigation** as the Danish Maritime Authority has - in cooperation with the Island Command Greenland and the Danish Meteorological Institute - made a safety package containing information about safety regulations & int'l recommendations. The safety package draws attention to the special conditions that apply when navigating in Arctic or Greenland waters. Thus, one of the most important recommendations is cruise ships should sail in pairs of two or more so that they can assist each other if so needed. In Arctic regions, the closest rescue station may be far away so it is a good idea to sail in pairs.

www.dma.dk/Ships/Sider/Greenlandwaters.aspx

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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

SPECIAL NOTE: Please view the dramatic new pictures at our special "**Gallery of Cargo Loss**" website feature.
www.cargolaw.com/gallery.html

See our new feature for June 2010: "**Going Strait**" - a remarkable discovery Down Under.
www.cargolaw.com/2010nightmare_zhong_xing.html

See our newest photo feature "**Singles Only**" - Transportation Disasters Told In A Single Photo!
www.cargolaw.com/2000nightmare_singles.only.html

See our new Singles for June 2010: "**Full Astern! Storm'n Ahead!**"
www.cargolaw.com/2000nightmare_singles.only.html#FullAstern

See our other new Singles for June 2010: "**Yet Another BP Oil Spill?**"
www.cargolaw.com/2000nightmare_singles.only.html#AirBP

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

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>>>>>>

5 Top 3PL Billing Challenges & How to Conquer Them
www.3plcentral.com/3plbilling/il0610whitepaperdigest.htm

Advance Your Supply Chain Career Through Online Learning
www.inboundlogistics.com/articles/10tips/10tips0510.shtml

GAO Report: Haitian Textile Trade Preference Underused
www.gao.gov/new.items/d10654.pdf

Lloyd's Merger History Chart evolution of syndicates
www.intelligentinsurer.com/wall_chart.asp

Military Tactics: From The Service To The Supply Chain
www.inboundlogistics.com/articles/features/0510_feature02.shtml

Port of Long Beachseeking comment on proposed replacement for Schuyler Heim Bridge
www.shippers.com/enewspro/t.aspx?S=2&ID=786&NL=5&N=872&SI=23758&URL=http%3a%2f%2fwww.polb.com%2fenvironment%2fdocs.asp

Port of Los Angeles Container Traffic
www.portoflosangeles.org/maritime/stats.asp

Steve Wynn Takes On Washington Las Vegas entrepreneur speaks out on trade
www.cnbc.com/id/15840232?play=1&video=1506508223

U.S. Dept. of Agriculture's Animal & Plant Health Inspection Service Proposed Panamanian Pepper Rule
<http://edocket.access.gpo.gov/2010/2010-13002.htm>

U.S. Dept. of Commerce's Bureau of Industry & Security (BIS) Export Control Basics
www.bis.doc.gov/seminarsandtraining/training-modules/bis-module1-h.wmv

World Seafood Directory
www.worldseafooddirectory.com/

PRODUCTS>>>>>>>>>>

Int'l Law of the Shipmaster (2009) Lloyds/Informa: London (800pp), online under the Maritime Law tab scrolling down the T's.
www.informaprofessional.com

Ports Guide Onlineupdated daily to ensure you have access to the latest information on over 9,800 ports & terminals worldwide.
www.bharatbook.com/detail.asp?id=76730&rt=Ports-and-Terminals-Online.html

EVENTS>>>>>>>>>>

Transport Events
www.transportevents.com/

Trade Shows, Exhibitions, Conferences & Business Events Worldwide
www.eventseye.com/

World Trade Organization Events
www.wto.org/english/news_e/meets.pdf

3rd Annual Global Maritime Information Sharing Symposium 14-16 Sept. 2010, Baltimore, MD
www.gmsa.gov/qmiss

7th Int'l Marine Claims Conference 22-24 Sept. 2010, Dublin
www.marineclaimsconference.com

25th Int'l Air Cargo Forum & ExpositionNov. 2-4, 2010, Amsterdam, Netherlands
www.tiaca.org/tiaca/ACF.asp?SnID=1564325440

2010 Shanghai World Expo May 1 - Oct. 31 2010
www.worldexpochina.net/

2010 SNAME Annual Meeting and Expo Nov. 3-5, 2010, Seattle /Bellevue, Washington
www.sname.org/SNAME/AM/Home/

ATA Management Conference & Exhibition 16-19 Oct. 2010,Phoenix, Oct. 16-19
www.truckline.com/mce/Pages/default.aspx

Container Freight Derivatives Association 14 Sept. 2010, Shanghai
www.cf-da.com

Global GreenShip Sept. 23-24, Washington, D.C.
www.marinelog.com/DOCS/MSECMMV/green2010reg.html

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

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

SNAME Annual Meeting and Expo 3-5 Nov., 2010, Bellevue, Washington
www.sname.org

Supply & Demand 2010-2012 Horizons June 30, Hong Kong
www.shippingazette.com/Supply&Demand-10-12/images/Supply%20and%20Demand%202010-2012.pdf

Transported Asset Protection Assn. Expo & Conference Sept. 14 & 15 2010, London
www.transec.com/page.cfm/Link=125/t=m/trackLogID=67083_A9E2AB262B

U.S. Customs and Border Protection (CBP): "The Rulings Process Reviewed."
www.cbp.gov/linkhandler/cgov/trade/trade_outreach/presentations09/rulings_present.ctt/rulings_present.pdf

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

[Free Webinars>>>>>>>>>>>>>>>>>>>>>>>](#)

U.S. Dept. of Commerce's (Commerce) Bureau of Industry & Security (BIS) Special Comprehensive License Webinar July 16, 2009
www.bis.doc.gov/asfruit/special_comprehensive_license.wmv

[Apps For That>>>>>>>>>>>>>](#)

"AP Mobile" most comprehensive news briefs

[General Interest>>>>>>>>>>>>>](#)

Aircraft of The Past
www.youtube.com/watch_popup?v=nKU0uQki5Dc

Another Great Commercial From Dutch insurance company "Centraal Beheer" ending says "Even Apeldoorn bellen", which generally means "Let's make a call to Apeldoorn", the city where the company is located.

www.youtube.com/watch?v=aaWJN23Bqv0

BP Spills Coffee

www.youtube.com/watch?v=2AAa0gd7CIM&feature=Playlist&p=DE014941DBA1A469&playnext_from=PL&playnext=1&index=21

Breathtaking Spy plane Footage With Surprise Ending

www.wimp.com/breathtakingfootage/

VJ Day, Honolulu Hawaii, August 14, 1945don't miss the color video from Kodachrome 16mm film!

<http://vimeo.com/5645171>

World Maritime GGuide

www.worldmarineguide.com/

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

7. New U.S. Transport Related Legal Cases _____

Kawasaki Kisen Kaisha LTd. v. Regal-Beloit Corp.

U.S. Supreme Court

21 June 2010, 08-1553; 08-1554

Kennedy, J. delivered the opinion of the Court, Roberts, Alito, Breyer, Thomas, & Scalia, J.J. join. Sotomayor, J. dissenting, Stevens, & Ginsburg J.J. join.

INTERSTATE COMMERCIAL (The Carmack Amendment does not apply to the inland rail segment of a shipment originating overseas under a single through bill of lading. The parties' agreement to litigate their agreement in Japan is binding) Regal-Beloit and other plaintiffs contracted with Kawasaki to ship Regal-Beloit's goods. Kawasaki issued a bill of lading to cover the goods from China to various U.S. destinations. Kawasaki shipped the goods from China to Long Beach, and Kawasaki subcontracted with Union Pacific to transport Regal-Beloit's goods from Long Beach to their U.S. Midwestern destinations. Union Pacific's train derailed in Oklahoma and caused damage to Regal-Beloit's goods. The district court granted Kawasaki's motion to dismiss because the contractually agreed-upon Carriage of Goods by Sea Act (COGSA) trumped the Carmack Amendment. However, the appellate court reversed. First, the appellate court relied on precedent to show the Carmack Amendment trumps COGSA unless the contracting parties properly opted out of Carmack. The appellate court then concluded that 49 U.S.C. § 10502 contains the requirements for opting out of the Carmack Amendment, prompting a remand. The Supreme Court held that The Carmack Amendment does not apply to the inland rail segment of a shipment originating overseas under a single through bill of lading. The court began by stating that Carmack Amendment's provisions apply only if the journey began with a receiving rail carrier, which would have to issue a Carmack-Complaint bill of lading. It follows that Carmack does not apply if one receives the property at an overseas location under a through bill of lading that covers the transport into an inland location in the United States. In this case, Carmack did not require K line to issue bills of lading because K line was not a receiving rail carrier. K line obtained the cargo in china for overseas transport across the ocean and then to inland destinations in the United States. Because the journey included in receiving rail carrier that had to issue bills of lading under Carmack, Carmack does not apply. Therefore, the parties agreement to litigate these cases in Tokyo is binding.

Valladolid v. Pacific Operations Offshore

U.S. 9th Circuit Court of Appeals
13 May 2010, No. 08-73862

District Judge Selna for the Court: Circuit Judges Reinhardt and Bybee.

ADMIRALTY LAW: The Outer Continental Shelf Land Act § 1333(b) applies to any injury resulting from operations on the outer continental shelf so long as the injury is "the result of" outer continental shelf operations which is demonstrated by a substantial nexus between the injury and the operations. Juan Valladolid worked for Pacific Operations Offshore (Pacific) where he was killed by a forklift on an onshore oil processing facility. His wife, Luisa Valladolid (Valladolid), brought a claim for death benefits under the Longshore and Harbor Workers' Compensation Act ("LHWCA") and the Outer Continental Shelf Land Act ("OCSLA"). The Administrative Law Judge ("ALJ") heard the matter and denied the claim under both the OCSLA and the LHWCA. Under the OCSLA, the ALJ determined that the injury occurred outside the geographic situs of the outer continental shelf ("the shelf") and under the LHWCA, the ALJ concluded that the Decedent was not engaged in maritime employment and not injured on maritime situs. These determinations were upheld by the Benefits Review Board ("BRB") under the "situs-of-injury" test. Valladolid contends that the BRB's application of the "situs-of-injury" test to the OCSLA was impermissible. The Ninth Circuit interpreted the natural meaning of OCSLA § 1333(b) concluding that the operations must be conducted on the shelf and the only limitation on the injury is that it be "the result of" operations on the shelf. The court also stated that there was no mention of a "situs-of-injury" requirement within § 1333(b). The Ninth Circuit concluded "the result of" component be satisfied by demonstrating a substantial nexus between the injury and extractive operations on the shelf. This would be established by showing that the work performed furthers the shelf operations and is in the regular course of such operations. The Ninth Circuit reviewed the BRB's denial of the LHWCA claim and determined that the BRB did not err in finding there was no injury on maritime situs. GRANTED in part, DENIED in part, and REMANDED.

www.ca9.uscourts.gov/datastore/opinions/2010/05/13/08-73862.pdf

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

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The Cargo Letter
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