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Law Offices of Countryman & McDaniel

THE CARGO LETTER [472]

Air & Ocean Logistics - Customs Broker News

28 January 2011

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Good Thursday 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.**"

We were dark for December 2010, but here is what happened in our industry for January 2011. Happy New Year!

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

1. **Freight Forwarder Trade Briefs** _____

*****China Calendar Note** as in observance of the upcoming **Chinese Lunar New Year**, most factories and offices in mainland China will be closed from Feb. 2, 2011 to Feb. 8, 2011, and in Hong Kong from Feb. 3, 2011 to Feb. 5, 2011.

*****Record Year For U.S. Cargo Theft** as a reported 75 cargo thefts took place per month across transport industry. The theft of cargo while in transit rose by 4.1% to record levels in 2010, according to the 2010 Annual Cargo Theft report released Tuesday by logistics security firm FreightWatch International. According to the report, an average of 75 cargo theft incidents were reported per month across the transport industry, the most ever recorded. The food and beverage industry was the most heavily hit by cargo theft, accounting for 21% of total theft activity, with an average loss value of US\$125,000 per incident, closely followed by the electronics sector, accounting for 19% of all cargo theft and an average loss per incident of US\$512,000.

*****Retail Sales Fuel U.S. Trade** as six consecutive months of American economic growth has resulted in a 2010 year-on-year increase of 6.7% in retail sales - the biggest surge since 1999, according to U.S. Commerce Dept. statistics. Core inflation rates, excluding volatile food & fuel, rose 0.1% for a second month. That held last year's increase to 0.8%, the smallest annual gain since 1958 when records began.

*****NAFTA Trade Up** as surface transport-related trade between the U.S. and its North American Free Trade Agreement partners Canada & Mexico was up 14.9% in Oct., compared to the same monthly period in 2009, reaching US\$70.6Bn, according to the U.S. Transportation Dept.'s Bureau of Transportation Statistics.

*****The Winds of War?** as Britain's Falkland Islands are under increasing attack by Argentina to curtail container movement and suffocate the local economy, putting shipping companies under pressure to boycott the colony, reports UPI. Under a recent Argentine presidential decree, vessels bound for the Falklands first must seek permission before going. Argentina has revived its sovereignty claim when British-backed oil firms resumed drilling for oil in 2009. Last year, Argentina blacklisted shippers trading with the Falklands. This, nearly 30 years after the brief Falklands War in which Argentina seized the islands and British forces seized them back in 1982.

*****Brown Heart - Red Cross** as UPS announced a charitable initiative to create Logistics Emergency Teams (LETs) for American Red Cross chapters in Atlanta, Houston, New Orleans and the San Francisco Bay area, expanding the reach of the company's urgent humanitarian relief program. Through this effort, UPS will provide logistics expertise, transportation and warehousing to local Red Cross Disaster Services Coordinators in the event of a large-scale emergency. To support planning for disaster response and post-crisis recovery efforts, assigned UPS LETs coordinators will work with each Red Cross chapter on needed logistics by providing skilled volunteers, transport of supplies to affected areas and allocating space for storage. In collaboration with global humanitarian relief partners, UPS has provided dollars, expertise and people in recent emergencies, including the tsunami in Southeast Asia, Hurricane Katrina, the earthquake in Haiti and the Chilean mine disaster. For three decades, UPS has partnered with the American Red Cross to improve the safety and well-being of local communities through financial, logistical and volunteer support. UPS is a proud member of the American Red Cross Annual Disaster Giving Program.

*****Site Specific Logistics Facility** as Kuwait's Agility logistics provider has opened a new warehouse near Seoul, to meet demand in South Korea fair and exhibitions trade benefiting from its proximity to the Korean Exhibition Centre (KINTEX). The state-of-the art facility measures 4,000 square meters - warehouse space of 1,300 square meter and a loading & outside storage area of 2,700 square meters. With more than 2,000 pallet positions.

*****Going Alone** as CEVA Logistics said it is expanding in West Africa in response to a growing customer base in the energy sector and a "strategic opportunity to become the leading player in these geographies." West Africa is a fast-growing market and offers energy companies many opportunities to significantly grow their business. CEVA has decided to establish its own offices, and has recently incorporated its own subsidiaries in Angola, Congo and Nigeria," the company said.

*****South American Niche -- In A Tropical Environment** as Swiss logistics powerhouse Kuehne + Nagel has acquired 3 South American freight forwarders that specialize in transport of perishable food products. Kuehne + Nagel bought Translago S.A.S. and Agencia de Aduanas Excelsia Ltd. in Colombia and Mastertransport SA in Ecuador, giving it access to two key export markets for flowers & other perishable products, as well as a larger presence in the regional air freight market. Combined, the & forwarders move about 75,000 tons of produce and other products by air each year.

*****Rapid Run Up To The Majors?** as Vanguard Logistics Services has opened a new branch office in Charlotte, N.C. as the first of more than 30 offices slated to open globally as part of a major expansion for 2011 in China, Germany, Spain, U.K., Fiji, Mexico, Colombia & the USA.
www.vanguardlogistics.com/

*****Crowley Maritime Looks "Forwarding"**as the marine asset based provider has acquired Jarvis Int'l Freight, a Houston-based freight forwarder with a focus on the oil and gas, mining, & energy sectors. Financial terms of the deal were not disclosed.
www.jarvisintl.com/
www.crowley.com/

*****Combining Soup To Nuts** as China-based e-commerce company Alibaba.com, has introduced a new warehouse, shipping & logistics service. It said the Fulfillment by AliExpress service would use bulk shipping deals and combine multiple int'l shipments from different suppliers to save small shippers up to 30%. Alibaba said GELS Enterprise Shanghai Co. Ltd. would handle all warehousing, shipping & logistics for AliExpress orders that choose to use the fulfillment service, offering a choice of discounted rates from int'l carriers such as UPS & EMS, China's Express Mail Service. Other carriers would be added in the future. The company will also offer the option of contracting GELS to inspect goods prior to shipment to verify that there is no exterior damage to the goods and the physical characteristics of the shipment, such as quantity, color & size. Alibaba had sales of US\$613M in the 1st nine months of 2010.
<http://fulfillment.aliexpress.com/>

*****Annual Paying of The Customs Piper** as U.S. Customs & Border Protection (CBP) reminds annual user fees of US\$138 are to be paid by each individual, partnership, association, or corporation holding a customs broker permit or national permit. The fees will be due by March 18, 2011.

*****New Post-Departure Declaration Rules** as changes proposed by the U.S. Census Bureau would severely limit post-departure electronic export declarations. Only a limited number of agricultural and bulk commodities would be eligible. The bureau is seeking comments on changes to its export rules that will effectively eliminate "Option 4" filing for companies that export finished goods. The change reduces the post-departure reporting deadline to 5 days from 10. The proposal also includes several pages of technical changes to the Foreign Trade Rules. The deadline for comments is March 22. "Nobody is going to be grandfathered," said William Bostic, assistant director for economic programs at Census' foreign trade division. Companies that now have post-departure privileges will have to reapply after the new rules take effect.

*****First Full Length Yangtze River Route**..... as a new rail line connecting western and central China city Yichang and Wanzhou is now open to traffic, the first time a railway has gone that far up the Yangtze, Xinhua reports. The trial run showed that, with the new railway, the fastest travelling time between Yichang & Wanzhou is less than 3 hours, while the time of going from Wuhan to Chongqing is now slashed by nearly half compared to using the Xiangfan-Chongqing railway.

*****Chunnel Jump** as Groupe Eurotunnel, the operator of the undersea rail link between the UK and France, reported truck traffic surged 42% in 2010 from the previous year as it won market share from freight ferries. Just over 1 million trucks traveled on Eurotunnel's rail shuttles last year as traffic continued to recover from a fire in September 2008 that partially closed the tunnel. Eurotunnel said it had re-built its truck market share to 38% by the end of the year as overall cross-Channel traffic rose 3% year-on-year in 2010.

*****EU Choke Points Named** as NAVTEQ composed its Top 10 "most congested" list based on a mix of criteria including greatest rush hour delay in Western European cities containing more than one million inhabitants. The Top Ten list:

1. London

2. Paris
3. Dublin
4. Berlin
5. Stockholm
6. Hamburg
7. Manchester
8. Lyon
9. Vienna
10. Marseilles

<http://corporate.navteq.com/>

*****Heavy Truck Sales Hit Highest Point Since May 2006 In December 2010**as trucking companies put newfound profits into new vehicles, said ACT Research. That doesn't mean they're expanding capacity, however. Most carriers are replacing existing trucks and remain cautious about expanding fleets. Net orders exceeded preliminary estimates released by ACT late last year. Net orders for Class 8 trucks reached 27,044 units in Dec., the vehicle industry research firm said in its latest report on Class 5-8 vehicle sales.

*****Slice of Our Life - The Big Move** as super-sized transporter briefly closed Interstate 40 in Knox County Tenn., on Jan. 22, when a massive power generator was hauled from Knoxville to the Tennessee Valley Authority's new John Sevier natural gas plant in Hawkins County, Tenn. The 345-foot-long transporter left the Forks of the River Industrial Park in east Knox County and traveled along John Sevier Highway & Strawberry Plains Pike until it reached the I-40 overpass at Exit 398. The generator was too tall to fit under the I-40 overpass, so the 345 ft. unit was diverted up the on-ramp, across the interstate median and down the off-ramp. This caused a brief closing of I-40 for about 20 minutes. After crossing the interstate, the generator continued through portions of Knox, Jefferson, Hamblen & Hawkins counties, completing the entire 76-mile trip in 3 days. The transport company, Barnhart Crane & Rigging Co., will use a specially designed heavy lift trailer to haul the generator for the Tennessee Valley Authority. The transporter & generator together weighed 660 tons. There were no injuries , except for 2 risk management heart attacks.

*****Why The Post Office Does Not Compete With FedEx & UPS** as a Wisconsin postal carrier says he simply wanted to cheer up a woman on his rounds who seemed "stressed out" when he decided to deliver mail in the buff. But upon further review, the worker told police that delivering mail while completely naked probably wasn't a good idea. A police report says the 52-year-old man told the woman he would deliver the mail in the nude to her office in Whitefish Bay to make her laugh. The report says on Dec. 4 he brought the mail wearing only a smile. The mail carrier was arrested for lewd & lascivious behavior several days later. The Milwaukee Journal Sentinel says the man admitted delivering the mail naked was a stupid thing to do. Let's check the postal manual on this.

*****Double Parling Death Penalty** as a Chinese farmer & gravel dealer who was sentenced to life in prison for evading more than US\$560,000 in highway cargo tolls by using fake military license plates has now avoided the harsh punishment as well. After a public outcry about what was deemed harsh treatment of Shi Jianfeng and widespread grumpiness over high tolls in general, state media said Jan. 19 that authorities have overturned Shi's life sentence. Shi was sentenced for fraud. Fake military license plates on two of his trucks that carried gravel allowed them to avoid tolls more than 2,300 times because military vehicles are exempt. Authorities have scrambled to look responsive to the public out cry. Last week, the vice minister of transport told a news conference that highway tolls will go down - gradually.

*****Please Vet Your Shipping Agent** as police say a fake valet at a Massachusetts emergency room offered to park a pregnant woman's car, then drove away with it. Lowell police Capt. Kelly Richardson tells the Boston Herald the woman drove herself to Lowell General Hospital at 3 a.m. on Jan. 16 while suffering labor pains. She parked outside the emergency room doors and was met by a man wearing a uniform-style shirt who introduced himself as the valet.

The man said she couldn't park there, but volunteered to take her keys and move the car. Then, police say, he drove away. While being admitted, the woman was told the hospital didn't offer a valet service. The car was found the next morning. Police are examining it for fingerprints & other evidence to try to find the suspect.

*****Living In Ice Cream Condiment Heaven -- Logistics Stuff You Can't Make Up** as Mark Leon lives in a sweet spot for big rigs in Los Angeles County. Nine years after a truck hauling chocolate syrup crashed into his mobile home park, another rig hauling 36,000 pounds of whipped cream & sour cream crashed Dec. 7, just feet from his house. Authorities say the truck, driven by an unlicensed 16-year-old, was stopped by a stand of trees & chain-link fence just off Interstate 210. Three people had minor injuries. The California Highway Patrol says the 16-year-old fell asleep & lost control of the big rig that toppled down an embankment. Investigators say the teen's 20-year-old brother got tired and asked for driving help. Two cousins, ages 3 & 13, were also in the truck. Scientists conclusively now believe both tornadoes & ice cream toppings are drawn to mobile homes.

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2. The Cargo Letter Financial Page _____

****Canadian Pacific Railway. UP** as 4th quarter net income spiked 27% from a year earlier to US\$187M, outpacing a 13% rise in revenue to US\$1.3Bn.

****Heartland Express. UP** as 4th quarter net income rose to US\$15.4M, or 17 cents per share, from US\$10.7M, or 12 cents, a year earlier.

****Union Pacific. UP** as 4th quarter net income increased 41% to US\$775M.

****Werner Enterprises. UP** as 4th-quarter profit jumped 34% to net income of US\$24.1M or 33 cents per share.

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

3. Freight Forwarder World Air Briefs _____

*****Cargo Fixing - The Next Chapter** as Australian airline Qantas will pay US\$26.5M to a group of U.S. importers to settle a class action lawsuit over its role in an air freight pricing cartel. Paradise, a women's clothing retailer, filed the suit against 19 airlines on behalf of itself and other importers following an announcement of criminal investigations around the world into allegations that airlines conspired together on air cargo surcharges. Qantas has already pleaded guilty and paid fines in the United States and Australia for those antitrust charges, and the airline's former cargo chief for the United States was sentenced to jail in the case. The criminal penalties against airlines around the world have surpassed US\$2Bn, and Air France-KLM, Lufthansa, American Airlines and others also have paid millions of dollars to settle the U.S. lawsuit.

*****But Other Airlines Will Fight Price Fixing Charges** as Cargolux said Jan. 26 it will appeal the European Union's US\$109M fine for participating in an int'l price fixing cartel, making the all-cargo carrier the second airline to formally challenge penalties in the worldwide cargo pricing investigation. Cathay Pacific said on Jan. 25 it has appealed a US\$77.7M EU fine for its participation in the cartel. Luxembourg-based Cargolux received the 3rd highest penalty when EU trust busters fined 11 airlines a total of US\$1.1Bn for colluding to set fuel and security surcharges between 2000 & 2006.

*****100% Cargo Screening Schedule Advanced.**U.S. Transportation Security Administration (TSA) now proposes to require the air cargo industry to screen 100% of the cargo carried on passenger aircraft bound for the U.S. by the end of this year. Previously, TSA had said the deadline for screening 100% of int'l inbound cargo had been delayed until at least 2013, given the complex challenges associated with screening int'l inbound cargo carried on passenger aircraft. However, given recent global events related to air cargo security, TSA has alerted passenger carriers and their supply chain partners that 100% screening of int'l inbound cargo will be required by the end of the year.

*****Airframe Race Update** as this month Airbus said it took in 574 net new aircraft orders last year, beating rival Boeing Co. for the 3rd year running as the int'l aviation market rebounded more strongly than expected from the steepest drop in its history. The Toulouse-based plane-making consortium said 2010 orders were worth US\$74Bn at list prices, that it delivered a record 510 aircraft last year, and predicted even more deliveries this year. A year earlier, Airbus took in just 271 net orders, as the global economic slowdown led airlines to cancel or delay existing orders and stop making new ones. Boeing this month, reported it took in 530 net orders in 2010 and delivered 462 aircraft.

*****Boeing Backs Delayed 787** as on Jan. 17 it resumed the flight tests of its long-delayed 787 jetliner aimed at achieving Federal Aviation Administration certification for the aircraft. Boeing halted all flight testing of the two-engine widebody jet following a Nov. 9 in-flight electrical fire in a power distribution system that forced a 787 to make an emergency landing in Laredo, Texas. The flight tests resumed in late Dec. after Boeing came up with an interim software fix, but not the tests for FAA certification. The federal agency must certify aircraft before they can enter service, an all-important milestone Boeing must achieve before deliveries can begin on the aircraft, already 3 years late getting to customers. Even before last fall's fire, production problems, including those from outsourcing much of the aircraft's construction, had forced repeated delays for jet, which made its first flight in Dec. 2009.

www.boeing.com/commercial/787family/background.html

*****SIN Wants To Be Key Hub** as Singapore Chang Airport Group (CAG) and the Civil Aviation Authority of Singapore (CAAS) are to jointly develop an Air Cargo Express (ACE) Hub, which is expected to boost Singapore's (SIN) status as a key cargo hub in the Asia-Pacific. Under the Changi Airport Masterplan, CAAS has set aside 80,000 square meters for the ACE Hub and its supporting infrastructure, while CAG will invest more than US\$19.4M in the ACE Hub, to be operational in the first half of 2012. Last year, Singapore registered strong cargo growth, with airfreight movements climbing nearly 12% year-on-year to 1.66 million tons for the first 11 months of 2010.

*****Hell Snow! We Can't Go!** as is refusing to pay millions of dollars in landing fees at Heathrow because of disruptions to services by airport closures caused by severe Dec. snows. It is understood Virgin is withholding landing charges totalling around US\$15.5M. The carrier said it would not pay the British Airports Authority (BAA) - the airport's owner - until BAA completed its investigation into the closure of the airport - scheduled to be done by April.

*****Killing A Needed Resource** as it slows production of its C-17 military transport aircraft, Boeing said on Jan. 20 it will cut about 1,100 jobs over the next 2 years. Boeing said it would deliver 13 C-17s in 2011, one less than the prior year, as it moves to a new annual production rate of 10. The long-haul military cargo C-17, which is in its 18th year of service, can carry large equipment, supplies and troops directly to small airfields, the company says. The U.S. Air Force is the biggest customer, taking 206 of the 226 C-17s delivered worldwide. The C-17 has also supported humanitarian & disaster-relief missions, such as providing relief to Haiti in the aftermath of a devastating hurricane a year ago. This next generation program needs to continue into eventual commercial cargo use.

[http://en.wikipedia.org/wiki/Boeing_C-17_Globemaster III](http://en.wikipedia.org/wiki/Boeing_C-17_Globemaster_III)

*****Huge Buy** as India's IndiGo Airlines is to purchase **one hundred eighty** A320 planes for US\$15Bn, Airbus has announced. Airbus will begin delivering the enhanced A320s in early 2016 and projects a potential demand of 4,000 planes over 15 years. IndiGo is the 1st client committed to adopting this jet type.

*****Reading The Will, Before Time of Need** as Malaysia's cargo airline Transmile is to sell four MD-11Fs in a US\$68M aircraft deal with FedEx, reports the Malaysia Star. The funds are earmarked to settle outstanding debt obligations. The airline is seen as unlikely to meet its

restructuring deadline of Feb. 23.

*****Volumes >>> Columbo** airport moved 156,412 tons of import, export and transshipment cargo in 2010, the 3rd highest amount ever and a 23% increase year on year, >>> **Israel's** total air cargo movements amounted to 302,903 tons, up from 274,319 tons a year earlier, representing an increase of 10.41% and also in 2010, Israeli flag carrier El Al carried 57,651 tons of air freight on its passenger aircraft, an increase of 19.61 year on year. >>> **Cathay Pacific Airways** and its sister company **Dragonair's** 2010 cargo volume increased 18.1% year on year and passenger volume up 23.2%. >>> **Lufthansa Cargo's** sales rose 19.9% to a record 8.9 billion revenue cargo ton-kilometers in 2010 and were accompanied by a pronounced improvement in capacity utilization. >>> **Memphis Int'l Airport** volume fell 8.3% from Oct. to Nov., including a 10.6% drop in inbound domestic shipments for FedEx, which has its main global hub at the airport. >>> Japan's **All Nippon Airways** said its int'l cargo volume rose for the 15th consecutive month in Nov., soaring 29.2% on a year-on-year basis to 45,659 tons.

*****Another Wheel Well Tragedy** as a stowaway fell to his death the wheel well in which he was hiding on a Pakistani Airblue flight to Dubai shortly after take off at Lahore's Allam Iqbal Int'l Airport on Jan. 20. The 20-year-old is believed to have fallen from the cargo aircraft at 700 feet and landed on the roof of a house in nearby residential area, Al Faisal Town, according to police.

*****UK Version of Biggest Loser** as dozens of Easyjet passengers were ordered off a plane & threatened with arrest if they refused - because the overloaded jet was too heavy to take off. The flight from Birmingham, UK to Geneva on Jan. 10 was over-filled with 10 tons too much fuel so the captain asked the last 37 customers to get off the plane. When some passengers refused to budge they were informed of 3 police officers were waiting in the airport terminal and would arrest them if necessary. But unbeknown to the remaining passengers, their luggage was also removed from the flight along with cargo to save weight. They only discovered their bags had been left back in England when they arrived in Switzerland - and some did not received their baggage for another 5 days.

*****Cockpit Crotch Catastrophe** as a pilot's spilled coffee accidentally triggered a hijacking alert and caused a United Airlines flight from Chicago to Frankfurt, Germany, to make an unscheduled stop in Canada. A Transport Canada report said United Flight 940 was diverted to Toronto late Jan. 3 and landed safely at Pearson Int'l Airport. In a twist reminiscent of the plot of the 1964 Glenn Ford movie 'Fate Is the Hunter', the coffee spill caused distress signals to go out, including Code 7500, which means hijacking or unlawful interference. The report says Canada's defense department was notified, but, with the help of United dispatch staff the flight crew confirmed it to be a communication issue and not a hijacking. The report on Transport Canada's website said the U.S. FAA reported that United's corporate office had indicated the pilot "had inadvertently squawked a 7500 Code after spilling coffee on the aircraft's radio equipment, which interfered with the communications equipment." A fighter escort ensued. "The flight crew had advised that they had communication problems & subsequently reported that they had some navigation problems as well and from there the pilot in the command diverted the flight onto Toronto," a Transport Canada spokeswoman, said. The Boeing 777 was carrying 241 passengers & 14 crew members. Johnson said United flew them back to Chicago on another plane & put them up in hotel rooms overnight. They flew to Germany on Jan. 4.

www.youtube.com/watch?v=RoPaZ1ui61Y

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

4. FF World Ocean Briefs

*****WikiLeaks Disclosure Calls Canal Expansion "A Disaster"** as Panamanian VP Juan Carlos Varela called the Panama Canal expansion a "disaster" after a group led by Spain's Sacyr Vallehermoso SA won a US\$3.1Bn contract to accommodate larger ships, a confidential U.S. diplomatic cable said. The cable, released by WikiLeaks and published today in

Madrid's El Pais newspaper, said Varela expressed concerns that Sacyr is in "deep financial trouble" and may not be able to complete the work. "The Canal expansion project is a disaster," the cable cited Varela as saying at a lunch with U.S. Ambassador Barbara Stephenson on Dec. 29, 2009. "In two to 3 years, it will be obvious this is all a failure." Sacyr is working with Italy's Impregilo SpA to build a third set of locks that will allow bigger ships to traverse the canal by 2014. The contract was awarded in July 2009. Expansion of the 80-kilometer (50-mile) canal, which connects the Pacific & Atlantic oceans, remains on schedule after heavy rains caused the waterway's 1st closure in more than 20 years, Alberto Aleman, the canal's CEO, said in an interview on Dec. 13.

*****Record Violence in 2010 Pirate Year** as pirates took a record number of 1,181 hostages in 2010 and killed 8 seafarers as attacks on merchant vessels hit a 7-year high despite increased naval patrols of the seas, the Int'l Maritime Bureau said. Somali pirates accounted for 49 of the 53 ships hijacked last year and took 1,106 crew members hostage, according to the London-based IMB. A total of 445 attacks on ships were logged by the IMB's piracy reporting centre in Kuala Lumpur, a 10% increase on 2009 and the highest figure since the previous peak in 2003. "These figures for the number of hostages and vessels taken are the highest we have ever seen," said Capt. Pottengal Mukundan, head of the Piracy Centre, which has been monitoring pirate attacks since 1991. Somali pirates are now operating further offshore, reaching as far south as the Mozambique Channel in Dec. and as far east as 72 degrees East Longitude in the Indian Ocean, an operating range that is "unprecedented," according to the IMB. A total of 28 ships and 638 hostages were still being held for ransom by Somali pirates as of Dec. 31, 2010, according to the IMB. The number of attacks in the South China Sea more than doubled to 31 in 2010, while 21 ships were boarded in Bangladesh. Nigerian pirates boarded 13 ships, most near the port of Lagos with 4 being fired upon. Somali pirates secured an estimated aggregate ransoms of US\$238M last year, with average payments rising from US\$150,000 per ship in 2005 to US\$5.4M in 2010.

*****Is A Mercenary Land Force Moving On The Somali Pirates?**as founder of Blackwater Worldwide, since renamed Xe Services, after controversies involving security contractors in Iraq & Afghanistan, is reportedly raising a 2,000-strong force to fight pirates on the shores of Somalia. Erik Prince, no longer with Blackwater or its successor organization, is involved in a multimillion-dollar programme financed by several Arab countries, including the United Arab Emirates, to deploy forces to suppress pirates at their shore bases, reports AP. "I think it's quite possible that it might work," said John Burnett, director of Maritime Underwater Security Consultants. "There are 34 nations with naval assets trying to stop piracy and it can only be stopped on land." Turning down interview requests, Mr Prince's spokesman e-mailed AP a statement saying they were interested in "helping Somalia overcome the scourge of piracy" and has advised on antipiracy measures. The European Union is training 2,000 Somali government soldiers with U.S. support, and an African Union force of 8,000 from Uganda & Burundi is protecting the transitional government in Mogadishu. Last month, AP reported the Somalia project encompassed training a 1,000-man antipiracy unit in Somalia's northern semiautonomous Puntland and presidential guards in Mogadishu. Saracen Int'l, a Beirut security contractor, was reportedly involved in that effort, along with a former U.S. ambassador Pierre Prosper, senior ex-CIA officer Michael Shanklin and an unidentified Muslim donor nation. Mr Prosper and Mr Shanklin told AP they were advisors to the Somali government. Mr Prince is reportedly involved in Saracen Int'l's second 1,000-strong military unit, planned for Mogadishu, where insurgents battle poorly equipped government forces. This will be interesting.

www.saracen-int.com/

www.mareeq.com/fidsan.php?sid=18301&tirsan=3

*****Pirates May See The Light** as British defence company, BAE Systems, has developed a non-lethal laser system to blind pirates by creating a green shield at distances up to two kilometres to disorientate & temporarily blind attackers during day & night. "The effect is similar to when a fighter pilot attacks from the direction of the sun," said Roy Evans, BAE Systems in a report from San Diego's Supply Chain Digital. "The glare from the laser is intense enough to

make it impossible to aim weapons like AK47s or RPGs, but doesn't have a permanent effect." See the light:

www.baesystems.com/AboutUs/Dazzlingdisplaytocombatpirates/index.htm

*****Tighter Rate Control On The Ocean Carriers** as the Federal Maritime Commission is ordering 3 global vessel alliances to provide more timely reports on changes in vessel capacity in the U.S. trades. The Grand Alliance, New World Alliance and CKYH Alliance will report changes in overall capacity monthly, rather than quarterly. The order takes effect Jan. 24. According to the FMC order issued Tuesday, a shortage of vessel capacity a year ago led to a 9-month investigation of the causes. The investigation led to an FMC order last September that the Transpacific & Westbound Transpacific discussion agreements must provide verbatim records of all meetings. Hapag Lloyd, Nippon Yusen Kaisha (NYK) and OOCL Line are members of the Grand Alliance. The New World Alliance comprises APL, Hyundai Merchant Marine & Mitsui O.S.K Lines. The CKYH is made up of Cosco Container Lines, "K" Line, Yangming & Hanjin. Read the Order:

www.fmc.gov/assets/1/News/Alliance%20Order%20FINAL%201-11-2011.pdf

*****Container Fleet Expands As Idle Vessels Join Up** as active global containership fleet has increased 21% from 11.55 million TEU in Jan. 2010 to 13.94 million TEU at present after adding 1.39 million TEU, involving the reactivation of 1.18 million TEU of last year's idle capacity, according to Alphaliner. This has led to a decrease of idle capacity from its pinnacle of 1.51 million TEU in Jan. 2010 to 326,000 TEU a year later. Scrapping & deletions have also contracted from 381,000 TEU in 2009 to 184,000 TEU last year.

www.alphaliner.com/top100/index.php

*****U.S. Inbound Rates Jump** as eastbound spot rates on the trans-Pacific opened the New Year with a hefty jump as shipping lines put peak season surcharges into effect until the Chinese New Year. The Drewry container rate benchmark for shipping a 40-foot equivalent container unit from Hong Kong to Los Angeles rose 10.1% to US\$2,119 in the week ended Jan. 3, compared to US\$1,925 per FEU the week before. Drewry believes the industry has emerged from the global recession with both carrier profitability and demand figures bearing this out.

www.drewry.co.uk/

*****Expanding Capacity May Impact Rates** as Alphaliner estimates cellular containership capacity is expected to grow by an average annual rate of 8.7% over the next two years, with 1.26 million TEU due to be added in 2011 and 1.33 million TEU in 2012, based on Alphaliner projections. These figures follow the 1.20 million TEU which have been added to the fleet in 2010. Although the fleet increases over 2011-12 will not reach the figures recorded in 2006-2008, when an average of 1.37 million TEU per year were added, the level of capacity additions remains a key concern for the industry. A large part of the new capacity added in 2010 was absorbed by the increased demand that was caused by the rapid economic recovery. Throughput volumes at the world's five busiest container ports grew by 18% on average in the first three quarters of 2010. But average growth at these ports slowed to 8% in the 4th quarter, with the trend towards slower growth likely to persist into 2011. Weakening demand in the fourth quarter has already started to hurt carriers' load factors.

www.alphaliner.com/liner2/research_files/liner_studies/nofleet/BRS-AlphaForecast.pdf

******"On The Waterfront" -- Another Question of Who Influences The Docks** as several current & former Int'l Longshoremen's Assn officials were among 18 waterfront figures charged as part of a federal crackdown that U.S. Attorney General Eric Holder labeled "one of the largest single-day operations against the Mafia in the FBI's history." More than 110 were arrested and a total of 127 persons were charged in 16 indictments unsealed Jan. 17 in federal courts in New York, New Jersey & Rhode Island. Two of the indictments involved allegations of Mafia racketeering at the Port of New York & New Jersey. Fifteen were charged with various racketeering-related offenses that included extortion of ILA members in New Jersey for annual "Christmas tribute" (cash union officials extort from longshoremen) payoffs, loan-sharking, and

management of an illegal sports betting operation and a poker room. All but two of the 15 are current or former ILA members. Three ILA members were charged with committing perjury during testimony before a federal grand jury investigating mob activity on the waterfront. Read the indictment with some of your favorite mob names, including "Beach", "Lumpy", "The Bull" and "Brooklyn".

www.justice.gov/opa/documents/1-20-2011-depiro.pdf

The Charges:

www.justice.gov/opa/documents/1-20-2011-cicalese.pdf

Marlon Brando Scene In "On The Waterfront":

www.youtube.com/watch?v=eeVq1e6JKlw

*****Slow Steaming Under Review** as the U.S. Federal Maritime Commission voted Jan. 26 to issue a notice of inquiry (NOI) on "slow steaming," the increasingly popular practice of operating container ships at reduced speeds. Last year the FMC allowed the 15 carrier members of the Transpacific Stabilization Agreement to modify their discussion agreement so they could work together to implement slow steaming and other environmental initiatives, and Chairman Richard A. Lidinsky said last fall the agency was continuing "to watch how that plays out." Operating at reduced speeds cuts fuel use, reducing pollution & operating costs for carriers, but it can also lengthen customers' supply chains by increasing transit times. Slow steaming has become so popular that more than half of transpacific services have adopted extra slow steaming, maritime information service Alphaliner said in October.

*****Shanghai Is Top Port** as it overtook Singapore as the world's busiest container port in 2010, helped by continuing growth in Chinese trade and the business generated by the World Expo it hosted last year, the city government said Monday. Shanghai's port handled 29.5 million TEU in 2010, an increase of 16.2% over the volume of 25 million TEUs it handled in 2009. Shanghai's 2010 container throughput was about 650,000 TEUs greater than the 28.4 million TEUs handled by the Port of Singapore in 2010, which was up 9.9 % from 2009, according to the Maritime and Port Authority of Singapore.

*****Paying Attention To A Heavy Question Will Solve Many Ills** as weighing containers - full or empty - will become a necessary part of shipping life, according to delegates attending a London conference sponsored by the insurance group, UK P&I Club. The consensus at the conference - "Weighing containers: Is it really that difficult?" - was that carriers operating their own terminals would be best placed to start the process, followed by terminal operators with strong links to specific shipping lines. Typically, late arriving containers are often the heaviest and can only conveniently be placed high above the weather deck, hence risking instability of the vessel in heavy seas. Even under normal circumstances, proper vessel stowage should take account of container weights more than it does today, say experts. It was important, some said, to weigh empties as there have been cases when they were loaded with waste and to put these on board a vessel with real empties, which risked a "stack collapse". Security experts also said an explosive device placed in an empty container would stand a better chance of being detected if empties were weighed. On Dec. 1, the World Shipping Council (WSC) and the Int'l Chamber of Shipping (ICS) announced that they were urging the International Maritime Organisation (IMO) to establish an international legal requirement that all loaded containers be weighed before stowage. Where cargo theft is concerned, cargo weighing will also tell us where the theft occurred. This is currently a problem, where loss of a significant portion of the cargo might have occurred while in the hands of one of a number of logistics companies in the supply chain. Where did the loss occur? Weighing the cargo at major cargo touch points should eliminate this issue and identify the responsible party.

*****Opening The Mexico To Florida Route** as Zim will start a direct weekly container service between Mexico & Tampa, according to the Tampa Port Authority. The Mexico Tampa Express Service (MTX) will use two ships chartered by Zim of 550- and 700-TEU capacities with a rotation of Kingston, Veracruz, Altamira, Tampa & Kingston. The 1st sailing is scheduled to depart Kingston on Jan. 29 and arrives in Tampa Feb. 7.

*****After A Huge Loss, The Lakers Are Back** as the Lake Carriers' Assn. reported that U.S.-flag freighters plying the Great Lakes carried 88.7 million tons of dry bulk cargo in 2010, a 33.4% increase over 2009. However, these shipments were off nearly 10% from the industry's five-year average due to the economic recession. The association noted that the largest increase in 2010 came in iron ore shipments for the steel industry. Shipping through the St. Lawrence Seaway increased 15.5% in tonnage during 2010, according to the St. Lawrence Seaway Management Corp.

*****Half The Chill To Be Gone** as 50% of the refrigerated ship fleet worldwide is expected to vanish and be replaced by containerships carrying refrigerated boxes, reported London's Financial Times. "In 10 years' time the overall world fleet might only be half of what it is today," said managing director of Seatrade Yntze Buitenwerf. Since containers are easier and cheaper to load, unload and be delivered by trucks, trains and ships, nearly all manufactured and semi-finished goods are shipped in containers now instead of being consigned in conventional vessels. Some refrigerated ships will be useful to deliver sensitive cargo that cannot be shipped by containers.

*****Textainer Cashes In** as the world's largest container lessor, has been cashing in on a worldwide container shortage. During the recession, very few new dry freight containers were produced. Combined with the retirement of old containers, once demand picked up again in 2010, there was no supply. The world container fleet actually declined 4% in 2009. Even after production resumed on new containers, it has taken some time to get back to full throttle. Demand for containers also continued to grow. Cargo volumes are expected to climb 10 per cent to 11% in 2010 compared to 2009. Revenue grew US\$19.2M to US\$75.3M. Average fleet utilisation rose to 98% in the quarter from 85.4% year previous. Textainer purchased 212,620 TEU of new containers through the third quarter for delivery through Dec. 2010.

*****Water Scrubbing** as an innovative air pollution-reduction device called the "seawater scrubber" will be tested on APL containership M/V APL England as part of a US\$3.4M project co-sponsored by the ports of Los Angeles and Long Beach and starting this spring. Seawater will be used to filter pollutants from ships' auxiliary engines and boilers. It is expected to reduce a ship's sulfur oxide emissions by up to 99.9% and particulate matter by as much as 85%. Seawater is used to scrub, or filter, contaminants from a ship's auxiliary engines and boiler before exiting the exhaust stack of a ship. Once solid carbon contaminants have been removed, the seawater used during the scrubbing process is then treated and cleaned before being discharged. The solid contaminants are contained and collected for later disposal. It's expected to result in air emission reductions of about 80% to 85% in diesel particulate matter, 99.9% in sulfur oxide emissions, more than a 90 % decrease in volatile organic compounds (VOC) and another 10% reduction in nitrogen oxide pollutants. Here's how it works:

www.hamworthy.com/PageFiles/1774/Seawater%20Scrubbing%20Technology.pdf

*****Port of Long Beach Turns 100** as part of the Centennial celebration, the Port has launched an amazing website, marking a century of progress from humble beginnings to one of the world's busiest seaports. See video of the port, U.S. Naval Base Long Beach, arrival & refit of [RMS Queen Mary](#), famous visiting ships and much more. Your Editor grew up here, before the area became a beautiful tourist destination and mecca for land developers & bankers -- back when LBG was Home Port for the U.S. 7th Fleet and maritime boom town on the rim of the Pacific frontier.

<http://polb100.com/>

*****The Danger of Pistachios** as oxygen generators & batteries aren't the only things that can spontaneously combust in transit. Pistachios are so likely to burst into flames that there are strict shipping codes to keep them from doing so. Unprocessed pistachios are dangerous. Under the right conditions, they've been known to heat enough that they spontaneously combust. In fact there seem to be no end to the ways pistachios can kill. Just having them in an enclosed space

can suffocate someone. They take in oxygen and excrete carbon dioxide, even after they've been harvested. Ships have to keep them in a well-ventilated area. When the water content in pistachios gets too large, fat-cleaving enzymes kick in. The fat-cleaving enzymes produce free fatty acids, and those fatty acids are broken down when the nut takes in oxygen and spits out carbon dioxide. During that process it also spits out water, which makes more fat-cleaving enzymes kick in. What's more, that process of breaking down the fatty acid, taking in oxygen and putting out carbon dioxide has a more common name; burning. The process gives off a lot of heat, and that heat builds until the entire bunch of nuts catches fire and sometimes explodes. Because of this danger, pistachios, and other nuts, need to be kept at just the right temperature, pressure and humidity.

*****Bogus Website & Bills of Lading Warning** as Maersk specialist unit, Safmarine, is dealing with suspected fraud as a Cameroon-based bogus website called "Safmarine Shipping Line SA", under the web address, www.safmarineshippingline.com. The website is the source of false company chain messages to customers and producing bogus bills of lading, pro-forma invoices, certificate of origin notices, phyto-sanitary certificates, etc.
www.safmarineshippingline.com/

*****Throughput >>> Port of Charleston** handled nearly 17 percent more containers in 2010 than the previous year and non-containerized cargo is up 36.5% for the first six months of the fiscal year. >>> EU container volumes strengthened last year with Jan. to Nov. imports up 15.4% over 2009, while exports rose 10.3%.. >>> **Port of Guangzhou's** container throughput surpassed 12 million TEU and cargo tonnage surpassed 400 million tons, making it the third largest port in China and the 5th in the world. >>> **Hong Kong** Marine Dept. reports the port handled 23.5 million TEU in 2010, an increase of 11.8% from 21 million in 2009. >>> France's **Le Havre port** container volume rose 5% in 2010 over 2009 to 2.4 million TEU despite much industrial unrest throughout the year. >>> **Port of Long Beach** moved 6.3 million TEUs in 2010, 23.6% more than in 2009. >>> **Port of Los Angeles** container traffic surged 16% last year, led by a record number of exports up 10.3% to 1.84 million, while imports increased 12.8% to 3.97 million TEU. >>> **Port of Oakland** in 2010 reported strong growth in containerized imports, up 14.5% over 2009, as total container volume including imports, exports & empties, increased 13.9%. Although exports declined 1.3% from 2009 to 954,814 20 TEU, the export volume in 2010 was the 2nd highest ever at the Northern California port. >>> **Qingzhou port**, a south western Chinese port, lifted 27.2 million tons of cargo from Jan. to Nov. 2010, up 52.1% over the year before to a new record, and in the same period, the port's container throughput surged 133.5% to 206,000 TEU. >>> **Rotterdam Port** volume increased 14.4% to a record 11.1 million TEU in 2010, an increase that was below Antwerp's more than 16%, but ahead of Zeebrugge's rise of 7.4%. >>> **Port of Seattle** had a banner year in 2010, with containerized imports increasing 46.6%, containerized exports up 19.3% and total int'l containers up 34.9%. >>> **Port of Tianjin** became the first port in northern China whose throughput hit 400 million tonnes as of December 21, at which point its container volume hit 10 million TEU.

*****Volumes >>>** Chilean carrier Compania Sudamericana de Vapores' (CSAV) container volume increased 62% year on year last year to 2.89 million TEU beating its 2008 historic high by 34%..

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

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

1821 - The schooner, [Lynx](#), sails from St. Mary's, Ga. for the West Indies and disappears en route.

1848 - Sloop [Lexington](#) attacked in San Blas, Mexico.

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

1929 - The 3rd Marine Corps Brigade is disbanded at Tientsin, China, and all units, except the 4th Marines & Peking legation guard, are withdrawn from the country.

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

1954 - Launching of [Nautilus](#), first nuclear submarine, at Groton, CT
1961 - [USS George Washington](#) completes first operational voyage of fleet ballistic missile submarine staying submerged 66 days
1964 - [USS Manley](#) (DD 940) evacuates 54 American and 36 allied nationals after Zanzibar government is overthrown.

*****Cruise Ships Leave Port of Los Angeles ...** as according to a Jan. 14 report from the Los Angeles Times, Cruise line officials & port officials say the moves stem from the sour economy and continuing drug-related violence in Mexico. Royal Caribbean's [MV Mariner of the Seas](#) is leaving this month and Norwegian Cruise Lines' [Norwegian Star](#) is departing in May. Other cruise lines have subsequently announced cancellation of port calls at Mazatlan for reasons of increasing crime upon tourists.

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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 Jan. 2011: "**Plugging Up The Hooghly**" - M/V Tiger Spring Jan. 8 2011

www.cargolaw.com/2010nightmare_tiger_spring.html

"**Getting Down At YYZ**" - Dec. 7 2010

www.cargolaw.com/2000nightmare_singleonly15.html#A380

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

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

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 U.S. Import Reviewdetailed import profiles for 29 major U.S. industry sectors
www.zepol.com/SPECIAL/Contact.aspx?formid=55

FMC To Tighten Oversight of New World, Grand & CKYH Alliances
www.fmc.gov/assets/1/News/Alliance%20Order%20FINAL%201-11-2011.pdf

Food Logistics Facts
www.inboundlogistics.com/articles/features/0109_feature04.shtml

Food Logistics: From Farm to Fork
www.inboundlogistics.com/articles/features/1210_feature02.shtml

GAO Report: Efforts To Prevent Seafarer Ship Jumping In U.S. Ports
www.gao.gov/new.items/d11195.pdf

Global 3PL & Logistics Outsourcing Strategy Report
<http://events.eft.com/3pl/pdf/Survey2011.pdf>

Outpacing the Perils of Perishables risks & solution
www.inboundlogistics.com/articles/features/0809_feature02.shtml

U.S. Dept. of Agriculture BioPreferred Program
www.biopreferred.gov/?SMSESSION=NO

U.S. Dept. of Transportation Proposed U.S.-Mexico Cross-Border Truck Plan
www.fmcsa.dot.gov/documents/cross-border/Concept-Trucks-English.pdf

U.S. Drayage Directory with trucker details -- free to use
www.drayage.com/directory/city.cfm?r=SPR

U.S. Food and Drug Administration (FDA) Basics for Industry
www.fda.gov/ForIndustry/FDABasicsforIndustry/ucm2024416.htm

White Paper: Best Practices to Reduce International Freight Cost
<http://info.managementdynamics.com/IL10TipsBanner-ITMBestPractices.html>

World Shipping Council Warns of Wind Farms In Shipping Lanes
www.americanshipper.com/NewWeb/PDF/PDF2011/World_Shipping_Council_Comments_to_BOEM_10_Jan_2011.pdf

You Need To Know Him: Capt. James Cook
<http://maritimeprofessional.com/Blogs/Maritime-Musings/January-2011/Captain-James-Cook.aspx>

PRODUCTS>>>>>>>>>>

Alibabamatches sourcing needs with suppliers
www.alibaba.com/

Lloyds Maritime Academy Distance Learning: Fundamentals of Container Shipping starts May 26 2011
www.informaglobalevents.com/event/container-shipping-distance-learning

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

6th Int'l Freight Forwarders Conference18-20 March 2011, Geneva
www.fnc-group.com/

11th Annual Trans-Pacific Maritime Conference 7-8 March, Long Beach
www.cvent.com/EVENTS/Info/Summary.aspx?e=c74a155d-0134-41d2-8461-a8a1f473caba

2011 African Logistics SummitMarch 10-12, Int'l Conference Centre in Abuja, Nigeria.
www.afcala.org/index1.html

Aviation & Aerospace Supply Chain Summit 9 March, Hong Kong
www.supplychains.com/en/cev/580

Intermodal South America 5 - 7 April, Sao Paulo, Brazil
<http://intermodal.com.br/en/>

JAXPORT 2011 Logistics & Intermodal Conference March 21-23, 2011, Sawgrass Marriott, Ponte Vedra Beach, Florida
www.cvent.com/EVENTS/Info/Summary.aspx?e=dcfd9743-4c55-4a31-a122-b4f64da97848

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/>

Maritime and Navigation Risk Conference March 30-31, 2011, Montreal, Canada
www.passeportmaritime.com/en/events/mnrc2011

Mississippi Valley Trade & Transport Conference 2-4 March, New Orleans
www.mvttc.com/conference.php

National Work Truck Industry Show7-10 March, Indiana
www.ntea.com/worktruckshow/index.aspx?id=11272

Retail Industry Leaders Assn. Logistics Conference 2011 20-23 Feb. 2011, Orlando
www.rila.org/events/conferences/logistics/Pages/default.aspx

TOC Asia 15-17 March, Tianjin, China
www.tocevents-asia.com/

TOC Middle East 2011 Sept. 27-29, Dubai World Trade Centre
www.tocevents-me.com/page.cfm/EMSLinkClick=1869_693_442_0_0_6133

World Cargo Symposium 2011 8-10 March 2011, Istanbul, Turkey
www.iata.org/events/wcs2011/Pages/default.aspx

[Apps For That - iPhones & Droid>>>>>>>>>](#)

AAA Roadsideavoid waiting on the phone & get direct assistance

Auction Time buy trucks & trailers

<http://itunes.apple.com/us/app/auctiontime/id405124399?mt=8>

General Interest>>>>>>>>

B747 - 800 Heavy (Really Heavy)1st one million pound takeoff !

www.boeing.com/Features/2010/08/bca_one_million_08_23_10.html

Earth From Int'l Space Station

<http://triggerpit.com/2010/11/22/incredible-pics-nasa-astronaut-wheelock/>

Flight Deck of Enola Gaythe B-29 that dropped the first atomic bomb on Japan.

www.davidpalermo.com/data/slideshow/4/index.html

GE Celebration of Flight a must

www.ge.com/thegeshow/flight/index.html#ch1

Sometimes, You Have to do Things The Hard Way

<http://multivu.prnewswire.com/mnr/lexus/48190/>

The Power of Auto Correct

<http://damnyouautocorrect.com/4077/10-most-popular-autocorrects-from-december-2010/>

When Engineers Are Laid Off don't miss!

www.chilloutzone.de/files/player.swf?b=10&l=197&u=ILLUMIISOAvIF//P_LxP92A42ICHCeeWCejXnHAS/c

Who Needs A Runway? Geez Louise!

www.aircraftowner.com/videos/view/super-cub-landing-on-windy-mt-top_912.html

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

7. New U.S. Transport Related Legal Case & Gulf Ocean Event _

Mason and Dixon v. Lapmaster International

U.S. 9th Circuit Court of Appeals

Jan. 18 2011, No. 09-17833

CARMACK: Federal Carmack Amendment does not preempt state law unless the statelaw enlarges or limits a carrier's liability for damages to a shipper.

Lapmaster, a shipper, and its insurer brought claims under the federal CarmackAmendment and negligence claims in diversity under California state law against Mason and Dixon Intermodal, Inc. ("MDII"), a motor carrier, and freight broker ITG for damage caused to freight in transit. MDII maintained state negligence and contribution claims against ITG. ITG settled with Lapmaster and its insurer and moved for dismissal pursuant to good faith settlement under Cal. Civ. Proc. Code Secs. 877 and 877.6.

The District Court found the settlement to be in good faith, thus barring MDII's claims against ITG. MDII appealed. The 9th Circuit held the District Court properly applied Cal. Civ. Proc. Code. Secs. 877 and 877.6 as substantive law in dismissing MDII's claims. It explained that the federal Carmack Amendment does not preempt state law unless the state law enlarges or limits the responsibility of the carrier for damages to the shipper. Application of California's settlement laws does not threaten the Carmack Amendment's uniform national scheme designed to allow carriers to set their rates based on predictable liability. The Ninth Circuit also held that ITG and

MDII were joint tortfeasors under the meaning of the California statute, and application of the law to MDII's claims was proper. Finally, the 9th Circuit held that ITG's settlement was in good faith under the statute because the facts indicated that it was not unreasonable to conclude that MDII was responsible for the overwhelming majority of damage. AFFIRMED. Read The Decision: www.ca9.uscourts.gov/datastore/opinions/2011/01/18/09-17833.pdf

U.S. National Commission On The BP Deepwater Horizon Oil Spill & Offshore Drilling's Final Report

On May 22 2010, President Obama announced he has signed an executive order establishing the bipartisan National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling -- the tragic Macondo well accident last spring, which took the lives of 11 men and women in the U.S. oil and natural gas industry.

The Jan. 11 report recommends the federal government increase not only the budgets of agencies charged with regulating the oil and gas industry, but it also removes the US\$75M liability cap to cover economic damages caused by future oil spills.

The commission's 398-page report follows a six-month investigation into the Deepwater Horizon explosion that resulted in the discharge of 4.9 million barrels (205 million gallons) of oil into the Gulf of Mexico..

Tyler Priest, a leading authority on the history of offshore drilling, who served as a senior analyst to the commission, has noted that the 4.9 million barrels of oil America watched gush into the Gulf from the uncontrolled BP well, would have kept the United States, which consumes 20.1 million barrels a day, going for only about a quarter of a day. "Large numbers with lots of zeros -- 20.1 million barrels a day -- are too abstract to drive home the scale and velocity of our oil consumption. But if you say that all the oil that gushed out of Macondo, around the clock for half a school year, would only have satisfied our nation's demand for merely 6 hours, then you get a concrete sense of our relationship to oil," said Priest, who teaches at the University of Houston. The sheer volume of oil that poured out of the Macondo well may, in the view of Bob Bea, the University of California at Berkeley engineer who leads the Deepwater Horizon Study Group, suggest richer deposits in the deep waters of the Gulf than "the current estimates" than suggested by the Commission report.

The Macondo Well And The Blowout

www.oilspillcommission.gov/sites/default/files/documents/Chapter4.pdf

The Complete Final Report

https://s3.amazonaws.com/pdf_final/DEEPWATER_ReporttothePresident_FINAL.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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Michael S. **McDaniel** Esq., Editor (Countryman & McDaniel)

Christoph M. Wahner, Esq. (Countryman & McDaniel) **Daily Vessel Casualties**

Maria Payne (Countryman & McDaniel)

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The Cargo Letter
(since 1978)

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Michael S. **McDaniel**, Editor.

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www.cargolaw.com/cameras.html

The Cargo Letter Home Page _
>>>>>>www.cargolaw.com/cl-archives.php<<<<<<<

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