

Good Friday 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.**"

The Cargo Letter is now perfectly designed to be enjoyed on your **iPad**. Access all our internet links directly from your device.

Here is what happened in our industry during the Month of May 2012. With apology, we're a day late due to court activity.

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

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

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

- 1. **Freight Forwarder Trade Briefs** _____

*****Don't Miss FIATA 2012** as this is the premier event for the International Freight Forwarding industry with 3PL leaders in attendance. Multiple business development events are scheduled daily giving delegates outstanding networking opportunities to meet with industry leaders, develop business contacts and conduct business with exhibitors, sponsors and other delegates. This is your opportunity to meet the global leaders in the industry, discuss business opportunities and the critical issues affecting the industry. October 8 - 12, 2012, Los Angeles, California, Hyatt Regency Century Plaza

Start to plan your trip to the conference:

www.eiseverywhere.com/file_uploads/091abd5b778b145034ccea3ab4063d1a_FIATA12-Conference-Brochure.pdf?utm_source=FIATA+Attendee+ebblast+-+Networking+Theme&utm_campaign=FIATA+5.29+Blast&utm_medium=email

FIATA 2012 Video

www.youtube.com/watch?v=JiMHHGvtYQs

*****All Time U.S. Trade Record** as the Georgia Center of Innovation. reports the U.S. set all-time records for both import & export volumes, increasing 5% and 3% respectively in March as the U.S. imported about US\$238.6Bn of cargo, the highest on record. March U.S. imports have increased 5.2% in terms of value over the previous month and grew 8.4% year-over-year. In March, the U.S. exported more than US\$186.8Bn of cargo, the highest on record. March U.S. exports have increased 2.9% in terms of value over the previous month and grew 7.3% year-over-year.

****U.S. seaports set the all-time record for TEU imports in April (up 9.2% over March).** This totaled 1.52 million TEUs imported, and the second-largest number of shipments ever, with 756,000 processed. The active container ship fleet reached a record 15 million TEUs. This is driven by deliveries of new vessels and a sharp reduction in the number of laid-up ships. Sixty-two new container ships have been delivered since January, 23 of which exceeded 10,000 TEUs each.

****Global air freight in March rose 0.3% from one year ago and was up 2.2% from the previous month.** North American air freight in March rose 2% year-over-year. In March, average international air cargo prices rose 7.3% from the previous month. Average air freight rates were up 2.8% year-over-year.

****Road Shipments rose 0.1% in April following a 0.3% increase in March and a 0.7% increase in February.** Overall trucked shipments decreased 1.9% on a year-over-year basis.

****Intermodal rail traffic in April 2012 was 3.6% higher than April 2011 and 0.3% higher than March 2012 totals.** Intermodal loadings have experienced year-over-year gains for 29 straight months.

*****NAFTA Trade Booms**..... as surface trade value between North American Free Trade Agreement (NAFTA) partners - the US, Canada and Mexico - increased 17.4% year on year to US\$78.1Bn in February, according to the U.S. Dept. of Transportation. The highest value cargo with Canada was automotive, valued at US\$8.7Bn, while electrical machinery headed the value list between the US and Mexico - US\$6.6Bn. Eighty-seven per cent of U.S. trade by value with Canada and Mexico moved overland, 8.7% was waterborne and 3.9% moved by air. U.S.-Canada trade value increased 13.7% to US\$45.4Bn while trade with Mexico increased 23% to US\$32.7Bn.

*****Bleak, But Promising** as a new report, Transport Outlook 2012, prepared for the Organization for Economic Cooperation and Development's Int'l Transport Forum in Leipzig this week, says that while the short-term outlook for trade and freight is bleak, "the conditions for returning to growth do exist." The report added that when compared to 2010, it expects freight growth (as measured in ton-kilometers) to be anywhere from 2 to 3.8-times as high in 2050. Read the report:

www.internationaltransportforum.org/Pub/pdf/12Outlook.pdf

*****Sino Downturn** as the World Bank has cut its forecast for China's 2012 growth to 8.2% from 8.4%, but said the government still has plenty of power to avoid a "hard landing," reports the Financial Times. China itself announced output growth hit a three-year low in April, adding to pressure on Beijing to ease monetary policy after weak trade data the previous day fueled fears over the giant economy. Official data showed on May 11 that industrial output in the workshop of the world rose 9.3% last month, the slowest pace since May 2009 and below the 12.2% forecast in a poll of economists by Dow Jones Newswires. Analysts said the data, combined with a fall in investment growth to 20.2% in the first four months of this year, boosted the case for allowing more credit to flow into the economy.

*****Franco Carbon** as in his first interview as France's Minister of Industrial Renewal, Arnaud Montebourg announced that he would be reviving plans to apply a carbon tariff to imports from countries with more lax emission regulations. The idea was first floated by the administration of former President Nicolas Sarkozy in 2009 ahead of UN climate talks in Copenhagen, but was widely rejected as protectionist by fellow EU member states. The newly appointed minister, who is well known for his distaste for globalisation, says a carbon tariff will help level the playing field in int'l trade.

*****American-Romanian Business Council** as the group was officially launched this month as a non-profit organization to promote commercial relations between the United States & Romania. Chevron will serve as the first chair of the council. The council's other board members are ADM serving as vice chair, Raytheon as treasurer, Smithfield Foods as secretary, Amgen, MetLife, and The Mega Company. General members include Cargill, Eli Lilly, ExxonMobil, PHRMA & Timken.

www.amrobiz.org/

*****A Thank You To Pakistan?** as the U.S. Trade and Development Agency has awarded a US\$628,000 grant to Premier Mercantile Services (PMS), a private sector port and freight logistics operator in Pakistan, to help facilitate the acquisition and operation of a fleet of locomotives on the

existing Karachi-Lahore Railway. This initiative is central to improving the capacity of one of Pakistan's most important trade corridors, and promoting continued economic growth in northern Pakistan, USTDA said.

www.ustda.gov/

*****China Retaliates** as it has met a 31% American tariff for the alleged dumping of solar panels by charging six U.S. eco-tech projects in five U.S. states are operating in violation of international trade law. The Ministry of Commerce accused the U.S. of illegally helping its domestic solar industry, but did not release details, saying the results were preliminary, reported the Wall Street Journal. The U.S. has said it will impose tariffs on Chinese solar panels being sold on the U.S. market below cost.

*****Israel Exports Down** as the Israel Export and Int'l Cooperation Institute (IEI) reported in the 1st quarter of 2012, Israel's exports came to US\$10.9Bn - a 6.5% drop from Q4-2011 and a 5% drop compared to last year's 1st quarter. A 16% drop was reported in exports to the EU, while there was a 3% increase in U.S. exports. Exports to the U.S., which made up 21% of Israel's exports in the 1st quarter, added 3% and amounted to US\$2.4Bn. Still, U.S. exports dropped 23% compared to Q1-2011.

*****Transport Tech Growth** as the global supply chain management (SCM) software market increased by 12.3% to reach US\$7.7Bn in 2011, according to new numbers from technology research firm Gartner. This marks the 2nd year of double-digit growth for the SCM software market and was driven by an increasing number of supply chain investments. Gartner noted that these investments often came over objections or caution from IT budget decision makers. The top 5 vendors — SAP, Oracle, JDA Software, Ariba and Manhattan Associates — jointly held 48.3% of the worldwide SCM software market based on total software revenue for 2011.

<http://en.wikipedia.org/wiki/Gartner>
www.gartner.com/technology/home.jsp

*****China Rail Increase** as it's Ministry of Railway and National Development and Reform Commission have announced an increase of domestic railway freight rate by US\$0.0016 per ton per kilometer, namely an average growth of 9.5%, to CNY11.51, in order to relieve pressure from higher fuel and labour cost, Xinhua reports. The increase this time covers coal, grain, fertilizer, iron ore and many other kinds of cargo. Industry opinions pointed out the raise will pass the pressure on to the industries that are heavily reliant on railway transportation, such as steel plants.

*****Singapore To China Road Trip** as the freight management subsidiary of SNCF Geodis, Geodis Wilson, is expanding its trucking operations to include China, an extension of its existing routes through Singapore, Malaysia, Thailand and the Indochina region. The full cross-border route between Singapore & China covers a total distance of 5,950 km and has a lead-time of 6-7 days. Customers can choose between full container load (FCL) services or less than container load (LCL) services. FCL containers are sealed from door-to-door, and opened only if required by border customs, while LCL containers are consolidated at the company's facilities along the route, and fed into the main road network by regional trucks.

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

*****Mexican Road Crack Down** as the government will tighten inspections and lower maximum allowed weights for freight trucks after protests over a string of fatal accidents involving double-trailer trucks, the Associated Press reported. Independent truckers partially blocked highways leading into Mexico City late last month to protest rules allowing extremely heavy and very long trucks, which they said displaces them from hauling jobs and pressures them to overload their rigs, AP said. Mexico currently allows trucks on two-lane roads with loads of up to 176,000 pounds and lengths exceeding 100 feet, higher than the U.S. limit of 80,000 pounds on interstate highways. It will lower maximum weights by 9,900 pounds and limit double trailers to 15.5-mile runs on secondary roads, AP reported.

*****Someday: No Truck Drivers?** as Nevada drivers could soon be sharing the road with vehicles that don't need them. Dept. of Motor Vehicles officials said May 7 they've issued Google the nation's first license to test self-driving cars on public streets, after conducting demonstrations on the Las Vegas Strip and in Carson City that show the car is as safe - or perhaps safer - than a human. Self-driving vehicle technology works like auto-pilot to guide a car - in this case a modified Prius - with little or no intervention from a human operator. Laser radar mounted on the roof and in the grill detects pedestrians, cyclists and other vehicles, creating a virtual buffer zone around the obstacles that the car then avoids. Nevada's regulations require two people in the test cars at all times. One person is behind the wheel, while the

other person monitors a computer screen that shows the car's planned route and keeps tabs on roadway hazards and traffic lights.

*****Pensions Killing The Post Office** as the U.S. Postal Service (USPS) ended its 2nd quarter (Jan. 1 – March 31, 2012) with a net loss of US\$3.2Bn, compared to a net loss of US\$2.2Bn for the same period last year. What's more, the USPS says these types of losses will continue until and unless key provisions of its five-year business plan move forward. The losses are due primarily to legislative mandates such as the mandated pre-funding of retiree health benefits, and prohibiting management from making the needed operational and human resource changes required to address these issues under current laws and contracts. "Without legislative change, we will not have sufficient cash to pay the US\$11.1Bn required for retiree health prefunding and may be forced to default on other payments due to the Federal Government," said USPS CFO Joe Corbett.

*****Caterpillar Drops Its Forwarding Arm** as it has signed a deal to sell Platinum Equity a 65% equity stake in Caterpillar Logistics Services LLC, the company's 3PL division of subsidiary Caterpillar Logistics. The overall transaction is valued at roughly US\$750M, and Caterpillar will retain a 35% equity stake. Other terms of the deal were not disclosed.
<http://logistics.cat.com/>

*****Fake Brown** as U.S. Border Patrol agents on May 23 arrested a 21-year-old man for attempting to smuggle illegal aliens across the border near Niland, Calif., using a replica UPS delivery van, Customs and Border Patrol announced. Agents spotted the UPS van attempting to avoid a checkpoint on Highway 111 and stopped the vehicle, which had 13 undocumented passengers from Mexico hiding inside. An investigation determined that the vehicle was not a legitimate UPS van. The van was impounded and the illegal aliens were also arrested.

*****Handicapped Coke** as Federal authorities say a Mexican man tried to smuggle more than 7 pounds of cocaine into Arizona by hiding it in his wheelchair's seat cushion. U.S. Customs and Border Protection says the 43-year-old was stopped for further inspection at the Nogales port on May 13 after an officer noticed something peculiar about the cushion. Officials say that during the secondary inspection, they found the cocaine in 5 packages within the seat cushion. CBP officials say the cocaine has an estimated street value of more than US\$65,000. The man was arrested and turned over to U.S. Immigration and Customs Enforcement's Homeland Security Investigations. His name hasn't been released. Agents didn't say whether the man was disabled or was just using the wheelchair to smuggle drugs.

*****Road Culture** as a tractor-trailer crash in upstate New York has sent 18 tons of Greek yogurt spilling alongside a highway. WBNG-TV reports a truck hauling 36,000 pounds of Chobani yogurt was traveling west on U.S. Interstate 88 when it crashed on a curve and overturned late Monday night in the Broome County town of Chenango, just north of Binghamton. The station reports the yogurt spilled on the highway's shoulder and down a hillside. The sheriff's office says crews were still cleaning up the crash scene May 15 morning. The 24-year-old Nebraska man who was driving the truck wasn't seriously injured. He was ticketed for failure to reduce speed and improper lane use. The westbound lanes of I-88 were closed for a time after the crash.

*****18,250 Day Delivery - Guaranteed !** as a postcard mailed from Chicago in 1958 has finally reached its intended recipient, but not without a little help from Facebook. The Chicago Sun-Times reports that a postcard depicting Shedd Aquarium recently arrived at Scott McMurry's Virginia home, more than 5 decades after his mom mailed it. The 71-year-old says he immediately recognized his mother's handwriting. The postcard was addressed to Clairmont Lane in Decatur, Georgia, where McMurry grew up. But it recently arrived in Elizabeth Fulcher's mailbox on Clairmont Lane in South Daytona, Florida. Fulcher posted a picture of the postcard on Facebook and her friends helped track down McMurry. The half-century mail delay remains a mystery, except for USPS customers. In the meantime, the aquarium has offered to give him a tour of the attraction that his late parents visited.

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2. The Cargo Letter Financial Page _____

****Air France-KLM. DOWN** with an operating loss of US\$783M for the first quarter of 2012, down 82% year on year.

****APL. DOWN** with a loss of US\$246M from continuing operations in 1st quarter, a massive drop from the US\$8M it lost in the corresponding period in 2011.

****Assn. of Asia Pacific Airlines (AAPA). DOWN** with combined profits of US\$4.8Bn in 2011, down 47%

year on year because of the higher fuel costs and lower cargo revenue.

****China Shipping Container Line (CSCL). DOWN** with a 1st quarter loss that widened 928% to US\$229M year on year.

****CSAV. DOWN** as the world's 20th largest, posted a widening first quarter net loss of US\$202.9M against the US\$182M lost in Q1 last year.

****Damco** (unit of the A.P. Moller-Maersk). **UP** as 1st quarter 2012 profit was US\$7M, the same amount recorded in the corresponding prior year period.

****Hapag-Lloyd. DOWN** with a 1st quarter net loss of US\$171.8M year on year.

****Hanjin Shipping. DOWN** as it slumped to a US\$209M operating loss in the 1st quarter of 2012, a huge drop from the US\$28.3M it lost in the same quarter in 2011.

****Horizon Lines. DOWN** with a a net loss from continuing operations for the first quarter ending March 25 of US\$26.8M, compared to US\$20.2M in the same 2011 period.

****Maersk Line. DOWN** as world's biggest carrier had a US\$599M loss in yhe 1st quarter, against a US\$424M profit in Q1 last year.

****Neptune Orient Lines (NOL). DOWN** with a 1st quarter net loss of US\$254M against last year's US\$10M loss in same period, drawn on US\$2Bn in revenue, a decline of 4%.

****SAS. DOWN** as it steeply widened losses in the first quarter of the year, to US\$108M.

****U.S. Postal Service. DOWN** with a loss of US\$3.2Bn during the quarter, following a US\$3.3Bn fiscal first quarter loss and a US\$5.1Bn fiscal year 2012 loss.

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

3. Freight Forwarder World Air Briefs _____

*****Risk Alert** as air forwarders doing business in Germany are strongly advised to check and revise their documents, as German jurisprudence breaks the "unbreakable" liability limitation of the Montreal Convention by using the terms and conditions of air forwarders against them. While the Montreal Convention maintains a gross negligence liability limitation exception for the carriage of persons and baggage, any equivalent exception for the carriage of cargo has been long eliminated; the Convention has been relied upon to provide an "unbreakable" liability limitation of 19 SDR/KG of affected cargo. However, cargo interests have successfully argued before the German Federal Court that the German Freight Forwarders Standard Terms and Conditions (ADSp) constitute a contractual waiver of the Montreal Convention protections. The argument is based upon Article 25 of the Montreal Convention, which allows for the carrier to assume greater liability than that set forth in the Convention. As a result, air forwarders doing business in Germany are advised to alter their documents to specifically claim Montreal Convention protections for international air carriage, notwithstanding contrary ADSp terms. Please contact contributor Christoph Wahner of [Countryman & McDaniel](#) for more information.

*****TSA And EU Achieve Unprecedented Air Cargo Security through Agreement** as on June 1, 2012 the U.S. Transportation Security Administration (TSA) and the European Commission of the European Union (EU) each issued a press release announcing an agreement to recognize eachother's air cargo security regimes. As detailed in the EU press release, once fully implemented, "Air carriers transporting cargo from EU airports to the U.S. therefore no longer need to apply different measures, but need to implement in full the EU legal requirements which lay down obligations on the screening of consignments and on a regulated secure supply chain. The EU also recognises the U.S. cargo security regime as meeting the recently adopted EU requirements for cargo being flown into the EU from third countries."

www.tsa.gov/press/releases/2012/0601.shtm

*****Screening Deadline Set** as the Transportation Security Administration (TSA) issued a press release announcing a deadline of Dec. 3, 2012 for all passenger air carriers to conduct 100% cargo screening on int'l inbound flights, as required by the Implementing Recommendations of the 9/11 Commission Act. All cargo on a passenger aircraft departing a U.S. airport already undergoes screening. Domestically the process is handled by air carriers or parties voluntarily participating in the Certified Cargo Screening Program under TSA oversight. Details:

www.tsa.gov/press/releases/2012/0516.shtm

*****Airforwarders Association Monthly: 2012 Trend Analysis** as each month, the Airforwarders Association in conjunction with Cleveland Research sponsors a survey to better understand current trends and how they will impact our industry. The exchange of information costs nothing to Airforwarders Association members except for a few minutes of their time each month.

*****Qantas To Be Restructured** as its int'l domestic services is to be run as two distinct businesses starting July 1. The Qantas Group also announced changes are to be made to its executive team as it enters the next phase of the 5 year transformation plan launched in August 2011. After being restructured over the coming months, Qantas International and Qantas Domestic - currently combined as 'Qantas Airlines' - will be formally managed as two distinct businesses. Each will have its own CEO and its own operational and commercial functions. Their financial results will also be reported separately. This change will enable a greater focus on the priorities of turning around the Qantas int'l business and enhancing the strong Qantas Domestic business, as part of the overall group strategy.

*****The Enemy Within** as Aer Lingus welcomed a court victory May 22 that permits British authorities to keep investigating Ryanair over its ownership of a 30% stake in Aer Lingus, a sore point between Ireland's two major carriers. Ryanair sought to block the probe into whether its status as the No. 1 shareholder in Aer Lingus represents a threat to competition on British-Irish air services. Ryanair lawyers argued that Britain's Office of Fair Trading had no jurisdiction to investigate two Dublin-based airlines, and that the probe launched in 2010 came too late. But the Court of Appeal in London sided with the Office of Fair Trading and Aer Lingus, which wants Ryanair to be forced to sell. Ryanair built its stake as part of a hostile 2006 takeover bid that was blocked by European Union regulators and Ireland's government, which retains a 25% stake. Aer Lingus accuses Ryanair of being a disruptive presence inside the company since its surprise takeover bid was thwarted.

*****Vietnamese Vacuum** as the government has offered incentives to foreign carriers after domestic airlines exited the field including Indochina Airlines and Trai Tien Air Cargo, following licence revocations in the face of financial difficulties. Air Mekong and Vietjet Air continue to struggle while Vietnam Airlines looks to restructuring and privatisation, along with its recent acquisition of 70% stake in Qantas low-fare carrier Jetstar Pacific. Japan's All Nippon Airways (ANA) is reportedly considering cargo flights to Vietnam after a passenger launch of its transpacific joint venture with United Airlines cooperating with airfares and networks on the U.S. to Vietnam route.

*****UPS Takes Itself Back** as it approved a US\$5Bn share buyback program and boosted the amount of cash it plans to use to buy Dutch package firm TNT Express NV. The repurchase plan has no expiration date and replaces one announced in 2008, UPS said in a statement. UPS, which announced in March it will buy Netherlands-based TNT Express for US\$6.8Bn, plans to finance the purchase with about US\$5Bn in cash and US\$1.8Bn in debt — a US\$2Bn increase in the cash portion compared with its original guidance. TNT last week reported 1st-quarter operating income of about US\$48M, turning around a US\$103M loss a year earlier, Reuters reported. Revenue rose 1.3% to about US\$2.4Bn.

*****Pharma Specialist** as UPS has shipped 375,000 doses of flu vaccines worth US\$9M half way around the world which involved complex, precise planning flying temperature-sensitive pharmaceuticals on five flights from Louisville to Laos. The vaccines, donated by Walgreens, were transported from the company's healthcare distribution centre in Louisville, Kentucky to Bangkok's Suvarnabhumi Airport, after routing through Anchorage, Alaska; Incheon, Seoul; and Shenzhen. They then took 20 hours to get to Vientiane by truck. The company opened five pharmaceutical facilities last year in the Americas, Europe and Asia, as well as acquiring Italian pharmaceutical logistics company Pieffe at the end of 2011.

*****UPS Gets Earlier** as in a second expansion in just nine months, UPS has extended its competitive advantage by enhancing its coverage area for early morning deliveries. For the critical 8 a.m. delivery option, the enhancement has allowed UPS to extend even more its advantage of delivering to more ZIP codes and more businesses than anyone. UPS also increased the number of ZIP codes it serves by 10:30 a.m. with its regular express service, another arena in which UPS already was serving more ZIP codes and businesses than any other carrier. The latest U.S. coverage expansion involved more than 2,600 Early A.M. and Next Day Air ZIP codes. More than 80% of all U.S. businesses now can receive guaranteed early morning UPS deliveries. In the overseas market UPS has added Honduras and Nicaragua to its UPS Express Freight network, offering the two Central American nations day-definite transportation services. This development follows UPS' announcement that it more than doubled its freight capacity to Latin America during the first quarter of 2012.

*****New FedEx Hub** as it has unveiled plans to develop a new North Pacific (NPAC) regional hub at Kansai Int'l Airport (KIX) in Osaka, Japan to serve as a consolidation point for shipments from North Asia

to the United States. The new regional hub will also operate round the clock as an international gateway for western Japan. The company said in a statement the expanded facility will provide greater operational flexibility to meet its customers' needs. The agreement with Kansai International Airport for this new 25,000 square metre facility includes customs clearance, ramp operations, sort and transshipment operations. The facility is slated to begin operations in spring, 2014. The role of the company's Asia Pacific hub in Guangzhou, China will remain unchanged.

*****FedEx Expands Brazil Footprint** as it announced May 30, it has signed an agreement to acquire the Brazilian transportation and logistics company, Rapidão Cometa Logística e Transportes S.A., the latest step in FedEx's strategy for profitable growth in Latin America. The acquisition of Rapidão Cometa, which has been one of FedEx's authorized representatives in Brazil for the past 11 years, will supplement the FedEx Express service portfolio in Brazil and continue its Latin America expansion through key strategic investments. The company has 45 operational branches and approximately 145 distribution points and some 9,000 employees across Brazil. FedEx also announced plans to procure French business-to-business express company Talex. The exact terms of the deal haven't been disclosed, but the acquisition will give FedEx Express access to a domestic ground network that handles 19 million shipments a year and generates approximately €150M in annual revenue.

*****Cathay Pacific Doubles Down On Cargo** as it will retire three Boeing 747-400BCFs this year. Although the carrier will still take delivery of three additional Boeing 747-8Fs in 2012, with two more arriving in 2013, the retirements mean freighter capacity growth will be flat this year. Earlier company projections pegged freighter growth for 2012 at 3%.

www.cathaypacificcargo.com/usrapps/identity/home.aspx

*****The Power of Winglets** as Boeing has developed a new advanced technology winglet for its 737 MAX aircraft, combining rake tip technology with a dual feather winglet concept. The new design will provide MAX customers with an additional 1.5% fuel burn improvement over the 10-12% already offered on the 737 MAX – a number validated by wind tunnel testing. The 737 MAX so far has over 1,000 orders and commitments from 16 customers worldwide.

www.newairplane.com/737max/

http://en.wikipedia.org/wiki/Boeing_737_Max

*****Without Conscience Or Country** as a man who once used his air cargo company in South Africa to spy on the military operations of nearby countries that opposed the apartheid regime, and who later helped the U.S. Drug Enforcement Agency to capture a Russian arms trafficker, was recently jailed for 5 years in a New York court, according to a report in the New York Times. Born in Britain in 1941, but raised in South Africa and served in its air force, Andrew Smulian was caught in Bangkok in 2008, with Russian arms dealer Viktor Bout. The court heard that it all started when Mr Smulian's business failed and then he became ensnared in a purported arms deal with terrorists that turned out to be a sting operation by the American government; he was used unwittingly to capture the Russian arms trafficker Bout. When he was arrested Mr Smulian decided to switch sides and over the past 4 years, he has co-operated with the authorities against Bout, meeting regularly with prosecutors and agents, and pleading guilty to supporting terrorism, among other charges. Last fall, at age 70, he became the government's star witness at Bout's trial in Federal District Court in Manhattan; Bout was convicted and sentenced to 25 years. The Drug Enforcement Administration approached Mr Smulian as early as 2007, using one of his old friends who was secretly cooperating with the drug agency. Mr Smulian was asked to convey a potential arms deal to Bout and they both met in Moscow and later in Curacao and other places with other informers who posed as representatives of a Colombian terrorist group, the Revolutionary Armed Forces of Colombia, or FARC. Bout agreed to sell 100 surface-to-air missiles, machine guns, grenades and five tons of C-4 explosives, prosecutors said. He and Mr Smulian knew that the weapons would be used to kill American pilots stationed in Colombia, the evidence showed.

*****Volumes >>>** Hong Kong's **Asia Airfreight Terminal (AAT)**, the airport's 2nd ground handler, posted a drop of 0.4% in cargo volume in April year on year to 58,041 tons. >>> **Air China'** latest operating results show the carrier handled 93,300 tons of air freight in April, down 11.7% year on year and 4.1% month to month. >>> **Air France-KLM's** April freight volumes plunged 8.3%, year-over-year, on a capacity decline of 3.3%; especially sluggish was the Americas area and in the Asia-Pacific, with volumes falling 10.6% & 8.9%, year-over-year, respectively. >>> **China Southern Airlines** posted a year on year increase of 7.2% in its cargo volume to 103,400 tons in April while passenger volume increased 5.6% to 7.14 million people. >>> **Singapore Changi Airport** handled 148,200 tons of cargo during April, 4.9% less cargo than during the same month a year earlier, owing to a 9% decrease in exports.

*****This Month In Aviation History**

- 1904 - The Wright brothers begin flight-testing the Wright Flyer II.
- 1908 - Mechanic Charles Furnas becomes the world's first airplane passenger, accompanying Wilbur Wright in a 2.5 mile flight.
- 1908 – Léon Delagrangé makes the first airplane flight in Italy.
- 1927 – Charles Lindbergh completes the first solo airplane flight across the Atlantic Ocean, in the Spirit of St. Louis.
- 1959 - Benjamin Davis, Jr. becomes the first African-American Major General in the United States Air Force.
- 1982 - British Airways completes its last Boeing 707 service.
- 1992 - The 2,000th C-130 Hercules is produced.
- 1995 - Boeing delivers the first 777 to United Airlines.

*****Was This Really So Hard?** as Virgin Atlantic says passengers on its new Airbus will soon be able to chat on their cell phones. They'll be able to text as well. Each plane will have its own cellular network that bounces signals to satellites. That in-house network will prevent signals from interfering with air traffic control.

*****Minor Terror** as officials say an 18-month-old girl was mistakenly pulled off a JetBlue flight before it left Fort Lauderdale because airline employees thought her name was on the U.S. no-fly list. An airline employee boarded the Newark, N.J.-bound flight before it departed May 8 evening, telling the family their toddler was on the federal list that includes thousands of known or suspected terrorists. JetBlue blamed the problem on a computer glitch, saying employees were following proper protocol. The U.S. Transportation Security Administration says the girl never was flagged by the agency. The child's parents told ABC affiliate WPBF they believe they were targeted because they are of Middle Eastern descent and the mother wears a hijab. The family was cleared to re-board. But they declined, saying they were too embarrassed.

*****Minor Terrorist** as a 3-year-old boy who refused to use his seatbelt never got off the ground when he and his father boarded an Alaska Airlines flight at SEA in Seattle. The pilot returned to the gate at Sea-Tac Airport on May 26 and asked the father and the boy to get off. Alaska Airlines says it was a matter of safety and the pilot would rather deal with it on the ground than in mid-flight. The father, Mark Yanchak of Everett, told KIRO-FM the crew overreacted. OK, as long as he did not sit next to me.

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

4. FF World Ocean Briefs

*****UPS Will Float The Olympics**as it will use two barges on a route along the Thames as part of its logistics operations for the London 2012 Olympic Games The barges follow a route down the river from the largest UPS London 2012 logistics facility, located at the Port of Tilbury, to Northumberland Wharf, situated just a couple of miles from the Olympic Village. This demonstration event is being undertaken by the London Organising Committee for the Olympic and Paralympic Games (LOCOG) in partnership with UPS and Transport for London. Previous barge trips have been made to transport 38 containers full of furniture and soft furnishings, used to kit out the Olympic and Paralympic Village ahead of the athletes' arrival this summer. In the future, if this initiative is upscaled, the use of barges can help to alleviate capacity on London's road networks, supporting LOCOG's broader sustainability efforts by reducing traffic congestion and noise pollution. **UPS** is responsible for virtually all the distribution and logistics services for the London 2012 Olympic Games. Millions of items are being handled, including 1M pieces of sporting equipment.

*****Stopping The Pirates** as U.S. flag vessel [M/V Maersk Texas](#) thwarted an attack by multiple pirate skiffs while transiting the Gulf of Oman, northeast of Fujairah, after leaving the Strait of Hormuz according to 'The National'. The security team fired warning shots when, despite cautionary signals, numerous skiffs with armed men in each boat quickly closed on [M/V Maersk Texas](#). When the skiffs continued to directly approach the multipurpose vessel, the team fired shots at the pirates. The pirates then fired at the ship, and the security team returned fire. All sailors on board were safe, and the vessel has proceeded on its voyage to the U.S., said Kevin Speers, a senior director of marketing for Maersk Line. No armed vessel has been taken by pirates in modern times.

*****M/V Rena Officers Sentenced** as both the captain & navigation officer of the container vessel [M/V Rena](#) have each been sentenced to 7 months in prison. Both pleaded guilty to numerous charges, which included operating a ship in a manner likely to cause danger or risk to persons or property. [M/V Rena](#) grounded on Astrolabe Reef on the Bay of Plenty Coast on October 5 of last year, which caused the ship to spill fuel, cargo and other debris into the ocean; all of which resulted in environmental ruin to the coast. Mauro Balomaga, the captain, and Leonil Relon, also lost their name suppression when they appeared for sentencing today in the Tauranga District Court. The two appeared solemn during sentencing. Afterward, female supporters were seen leaving court in tears. Salvors are still cleaning up the remainder of the cargo and ship; the ship eventually split in two and sank earlier this year. Crown prosecutor Rob Ronayne stated in court that the crew, under time pressure, committed a number of faults while racing to the Port of Tauranga. Ronayne claimed the ship cut corners and sailed perilously close to other landmarks and the captain and navigational officer tried to conceal the errors. "Substantial deviations" were made from the approved passage plan and without just cause. In an interview of October 11, neither of the accused mentioned falsifying charts. Balomaga plead guilty to a charge under the Resource Management Act of being the master of a ship from which harmful substances or contaminants were discharged into the coastal marine area. He also plead guilty to four charges under the Crimes Act of "willfully attempting to pervert the course of justice." [The Cargo Letter](#) has followed the incident since Oct. 2011 with a continued photo feature, available at: www.cargolaw.com/2011nightmare_mv_rena.html

*****Eating Their Young** as the number of containerships sent for demolition is surging, with 69 vessels for 124,000 TEUs scrapped so far this year, according to Alphaliner records, compared to only 85,000 TEUs, scrapped in the whole of 2011. Scrapping activity is expected to remain high for the rest of the year, with low earnings and a weak outlook for older, less efficient ships driving more owners to send such ships to the breakers. The total capacity scrapped this year is expected to exceed 200,000 TEUs, making this the second highest year of scrapping behind the record-breaking 379,000 TEUs scrapped in 2009, according to Alphaliner. Younger vessels are also coming under consideration for scrapping. Alphaliner said a 13-year-old ship (1,500-TEU [M/V Ocean Producer](#)) was scrapped last month, making it the youngest container vessel ever demolished. The average age of scrapped vessels has been 28 years over the past decade, but that has dropped to 26 years more recently. High scrap prices are motivating lines to consider scrapping vessels. On the other hand, 621,000 TEUs have been delivered into the global fleet this year, far outpacing the level of scrapped capacity, said Alphaliner. www.alphaliner.com/top100/index.php

*****Big Ditch Tax Jump** as the Panama Canal tolls are set to be increased by an unspecified amount from the start of July, in a move designed to align Canal toll charges with the value the route provides, the Panama Canal Authority (ACP) said in a statement.

*****U.S. Throughput Grows** as total traffic for all imports entering all U.S. ports was up 9% in April 2012, compared to the same month in 2011, according to U.S. import market data compiled by Zepol Corp. The biggest percentage gain in imports for the month came from autos & parts imports, which were up 27% over the same month a year ago. Furniture imports were up 16% in April 2012, and mineral and stone imports were up more than 14% for the month. In fact, all categories of imports tracked by Zepol were up percentage-wise from April 2011. On a regional basis, the busiest ports in April were on the East Coast, where import traffic was up 10.4% over a year ago www.zepol.com/

*****New Hub For Anti-Pirates** as commercial maritime security specialist, Neptune Maritime Security, which has its operations and support center in Poole, Dorset, UK, has opened a new office in the United Arab Emirates, close to the UK Maritime Trade Operations (UKMTO) headquarter in Dubai, which is part of the contribution by the British Royal Navy to ensure safe trade in the Red Sea and Gulf areas. The company guarantees British-trained, experienced, professional operatives who understand shipping companies' needs, and can confront any security situation. 'Neptune' uses careful selection and training of operatives; top-class equipment; detailed operating instructions; 24-hour operational management contact; and constant quality monitoring, to ensure the safe passage of any vessel in its care, regardless of type or size. The company was founded by experienced former members of the UK's Special Boat Service (SBS), and supported by a range of specialists. www.neptunemaritimesecurity.com/

*****APM Terminals' Big Bid** as it has submitted a proposal to the Commonwealth of Virginia for a

strategic partnership with the Port of Virginia, which the terminal operator values at between US\$3Bn & US\$4Bn. APM Terminals is offering to operate all the Port of Virginia's facilities in Hampton Roads and related inland locations under a long-term concession agreement with the Virginia Port Authority (VPA). Under the terms of the proposal, APM Terminals will transfer ownership of its facility in Portsmouth to the Commonwealth. APM Terminals will also pay concession fees, make additional capital investments, and provide a share of the operations' revenue to the VPA.

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

www.vappta.org/unsolicited_conceptual_ptpa_proposal_brto_operate_port_of_virginia.asp

*****The Uncharted Course** as NOAA has formally presented to Alaska officials a new nautical chart for Kotzebue Sound in the Alaskan Arctic, a sparsely charted region that is seeing increased vessel traffic because of the significant loss of summer sea ice.

www.noaanews.noaa.gov/stories2012/images/kotzebue_map.jpg

www.nauticalcharts.noaa.gov/pod/POD.htm

*****False Survey** as the U.S. Justice Dept. announced a federal jury in Miami convicted a Miami-based ship surveyor this month for lying to the Coast Guard and for falsely certifying the safety of ships at sea. Alejandro Gonzalez, 60, was convicted of 3 counts of making false statements to the Coast Guard and one count of obstruction of an agency proceeding. He faces a maximum penalty of 5 years in prison on each count. The jury found Gonzalez guilty of lying to Coast Guard inspectors and a criminal investigator during an interview in April 2009 about the dry-docking of **M/V Cala Galdana**, a 68-meter cargo vessel, in San Juan, Puerto Rico. Gonzalez repeatedly claimed the vessel was dry-docked in Cartagena, Colombia, in March 2006, while evidence at the trial proved conclusively the vessel was never in Colombia during 2006. Coast Guard inspectors in San Juan discovered the vessel taking on water in Aug. 2008 and requested information concerning the last dry-docking of the vessel. The government said Gonzalez concocted a false story about the vessel being dry-docked in Colombia in 2006 when he knew it was not. As the surveyor on behalf of Bolivia, Gonzalez certified the ship as safe for sea while the vessel was docked in Fort Pierce, Fla., in November 2009. When the vessel shortly thereafter arrived in New York City harbor, Coast Guard inspectors discovered exhaust and fuel pouring into the ship's engine room, endangering the crew and the ship.

*****Bouyant Contraband** as authorities say three and a half tons of marijuana have been found floating in the ocean off Southern California. A boater spotted 160 bales of pot around noon May 20 about 15 miles off the coast of Dana Point. Orange County authorities and the U.S. Coast Guard sent boats to gather up the pot and turn it over to the U.S. Border Patrol. They say it's unclear who dumped the pot, which together weighs about 7,000 pounds and has an estimated street value of US\$3M. Authorities say there was no boat in sight and they didn't get any distress calls from a vessel.

*****Swatting Containers** as dozens of fly swatters bearing logos of collegiate and professional sports teams have been washing up on the beaches of an Alaska island. The fly swatters found on Kodiak were believed to be debris from last year's Japanese earthquake and tsunami. But the Kodiak Daily Mirror reports that they are from a shipping container that went overboard almost 4 months ago. Team Sports America received word the container ship carrying its products from China lost several shipping containers after a rogue wave hit the vessel in a storm. A cable on the ship broke and an entire stack of containers went overside in the Pacific Ocean. It is likely the containers were on **M/V Cosco Yokohama**, a container vessel transiting from Asia to Prince Rupert, British Columbia.

*****Throughput >>> Port of Charleston'** container throughput increased by 7.7% in April compared to the same month the previous year to 123,439 TEU. **>>> Port of Hamburg**, Europe's 2nd largest container port after Rotterdam, reported a 5.2% increase in first quarter volume to 2.2 million TEU, driven by improved trade with the Baltic region and North America. **>>> Port of Los Angeles'** record-breaking 14.5% increase in container volume to 707,182 TEU in April. **>>> Port of Long Beach'** 14% slump in import laden boxes to 232,963 TEU. **>>> Oman's Port of Salalah**, the second largest container terminal in the Middle East by volume, raised its container throughput 3% to 922,000 TEU, drawn on a 5.1% revenue increase to US\$35.77M year on year. **>>> Port of Savannah**, long the U.S. east coast star for Asian imports, posted a 4.2% decline in container volume in April year on year to 248,886 TEU, compared to 260,063 TEU the same period last year and 259,796 TEU in March. **>>> Port of Xiamen**, in Fujian opposite Taiwan, lifted 2.06 million TEU from January to April this year, an increase of 11.82% year on year.

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

1781 - [Frigate Alliance](#) captures [HMS Atalanta](#) and Trepassy off Nova Scotia.
1850 - Navy sends [USS Advance](#) and [USS Rescue](#) to attempt rescue of Sir John Franklin's expedition, lost in Arctic.
1917 - First U.S. convoy to cross North Atlantic during World War I leaves Hampton Roads, Va.
1918 - [USS Olympia](#) anchors at Kola Inlet, Murmansk, Russia, to protect refugees during Russian Revolution.
1939 - First and only use of Vice Adm. Allan McCann's Rescue Chamber to rescue 33 men from sunken [USS Squalus](#) (SS 192).
1941 - Authorization of construction or acquisition of 550,000 tons of auxiliary shipping for Navy, 6 months before Pearl Harbor attack.
1962 - [USS Valcour](#) (AVP 55) provides medical care to a merchant seaman from tanker [SS Manhattan](#) in the Persian Gulf.
1945 - Fast carrier task force aircraft attack airfields in southern Kyushu, Japan.
1945 - Nine U.S. ships damaged by concentrated kamikaze attack off Okinawa.

*****New Giant** as a wholly-owned subsidiary of SinOceanic Shipping ASA, SinOceanic III AS (Sino III), has taken delivery of [M/V MSC Regulus](#) with a capacity of 13,100 TEU and placed her on a 15-year bareboat charter party with Mediterranean Shipping Company, Geneva, at a daily rate of US\$46,650. The vessel was purchased for US\$156M. The company now operates four container vessels with a total container carrying lifting capacity of 44,000 (TEU) containers.

*****M/V Maersk Alabama Crew Seeks Damages** as the five-day saga off the coast of Somalia ended when Navy SEALs killed three of the ship's masters' captors in a volley of rifle fire and a fourth pirate had previously surrendered to the Navy. Though the master of [M/V Maersk Alabama](#), Captain Richard Phillips, was hailed as a hero, 11 former crew members allege in lawsuits filed in Norfolk Circuit Court and in Mobile, Ala., that his employers, through Phillips' actions, put them in grave danger when the ship sailed within about 250 miles of the Somali coast despite warnings to stay at least 600 miles out because of pirate activity, according to 'The Virginia Pilot'. Together, the suits seek nearly US\$50M in damages from Norfolk-based Maersk Line Ltd., the owner of the ship, and Alabama-based Waterman Steamship Corp., which operated and crewed it under a charter. Among other things, the lawsuits filed by the 11 mariners claim bodily injuries and an array of damages. They accuse the two companies of negligence, failing to provide safe working conditions, and failing to pay injured crew members reasonable compensation for medical expenses and lost wages. Both companies deal with U.S.-flag vessels, which means crew members generally must be U.S. citizens.

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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 May 2012: "**Striking Beauty**"

www.cargolaw.com/2000nightmare_singles.only.html#Matanuska

See our continuing feature for May 2012: "**Acute Rena Failure**" the sad saga of [M/V Rena](#)

www.cargolaw.com/2011nightmare_mv_rena.html

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>>>>>>

G8 Summit 2012 May 18-19, 2012, the leaders of Britain, Canada, France, Germany, Italy, Japan, Russia, and the EU joined President Obama at Camp David for the annual G8 Summit.

www.state.gov/e/eb/ecosum/2012g8/index.htm

www.whitehouse.gov/the-press-office/2012/05/19/camp-david-declaration

Airforwarders Association Monthly: March 2012 Trend Analysis

<http://library.constantcontact.com/download/get/file/1105037637574-60/AfA+Transportation+Report++April+2012.pdf>

Inbound Logisitcs Magazine Top 100 Motor Carriers

www.inboundlogistics.com/digital/top100truckers_2011.pdf

Popular Mechanics: 7 Tips to Help You Move Anything

www.popularmechanics.com/cars/how-to/repair/7-tips-to-help-you-move-anything?src=nl&mag=pop&list=nl_pnl_aut_non_050312_move-anything&kw=ist#slide-1

U.S.-Colombia Trade Promotion Agreement System Update

<http://apps.cbp.gov/csms/viewmmsg.asp?Recid=18738>

U.S. Customs and Border Protection (CBP) Customs Trade Modernization, Facilitation, and Enforcement

www.cbp.gov/linkhandler/cgov/newsroom/congressional_test/aguilar_trade_testimony.ctt/aguilar_trade_testimony.pdf

U.S. Int'l Trade Commission Releases Report On Likely Effects of Modifications To U.S. Generalized System of Preferences

www.usitc.gov/press_room/news_release/2012/er0525kk1.htm

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

10th 3PL Summit, June 18-20 in Chicago

http://uk.eyefortransport.com/fc_eyefortransportlz/lz.aspx?p1=05054131S092&CC=&p=1&cID=0&cValue=1

25th Annual Agriculture Transportation Conference 20-22 June, San Francisco

www.agtrans.org/index.php/component/dtregister/

2012 FIATA World Congress 8-12 Oct. 2012, Hyatt Regency Hotel, Los Angeles
www.fiata2012.org/ehome/index.php?eventid=23377&
www.facebook.com/pages/Transportation-Intermediaries-Association/117074095521

2012 Int'l Freight Forwarders Conference16-17 June, 2012, Hong Kong
www.regonline.com/Register/Checkin.aspx?EventID=993206

Chief Supply Chain Officer Forum18-20 Junw, Chicago
<http://events.eft.com/csc/>

EAA AirVenture Oshkosh 2012, July 23-29
www.airventure.org/

Seminar On PRC Supreme People Court's Forwarder Rules..... 18 July 2012, Hong Kong
www.scribd.com/doc/95336775/PRC-Supreme-People-Court-s-Forwarder-Rules-Form

TOC Container Supply Chain: Europe 12-14 June 2012, Antwerp Expo Belgium
www.tocevents-europe.com/

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

The Boeing Apps all interesting
[Boeing Milestones](#)
[The Boeing Company](#)
[Boeing 787](#)
[Boeing 737](#)

U.S. Transportation Security Administration - "My TSA" FAQ, TSA Guide & location status

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

Chincha Islands War.....last hurrah for Spain in Latin America
www.maritimeprofessional.com/Blogs/Maritime-Musings/May-2012/Chincha-Islands-War.aspx

Life In 2050
www.youtube.com/watch?v=IFe9wiDfb0E&feature=player_embedded

Abu Musa
www.maritimeprofessional.com/Blogs/Maritime-Musings/May-2012/Abu-Musa.aspx

From Love to Bingo
www.youtube.com/watch?feature=player_embedded&v=E7xc7J8bdsU

How Big Is Australia?
<http://i.imgur.com/5rRRz.png>

The Latest Wrecked Exotic Cars
www.wreckedexotics.com/newphotos/exotics2012may14/

M/V Selandiapossibly the world's first ocean-going diesel-powered commercial vessel.
<http://maritimeprofessional.com/Blogs/Maritime-Musings/April-2012/MS-Selandia.aspx>

One Man, One Island, One Year Alone
www.facebook.com/AlaskanPioneer

San Francisco Bay Ferry
<http://eastbayferry.com/>

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

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

United States v. Dire

4th Circuit U.S. Court of Appeals

No. 11-4310, No. 11-4311, No. 11-4312, No. 11-4313, No. 11-4317

2012 U.S. App. LEXIS 10371, September 20, 2011, Argued, May 23, 2012, Decided.

Piracy Convictions Affirmed...as the U.S. Court of Appeals for the Fourth Circuit affirmed the decision of the Federal District Court for the Eastern District of Virginia convicting five Somali men of piracy, as proscribed by 18 U.S.C. § 1651, plus a "myriad other criminal offenses." The conviction arose from the April 2010 attack on the [USS Nicholas](#) on the high seas of the Indian Ocean between Somalia and the Seychelles; the men having confused the vessel for a vulnerable merchant ship. The men initiated fire on the vessel intending to attain its surrender. The crew of the [USS Nicholas](#) responded in kind, resulting in an exchange of fire that lasted less than 30 seconds without casualty. On appeal, the mens' legal team argued the crime of piracy has been narrowly defined as robbery at sea, whereas they boarded the [USS Nicholas](#) only as captives and took no property. The Court of Appeals disagreed, holding that § 1651 incorporates a definition of piracy that changes with advancements in the law of nations, and that piracy under the law of nations encompassed the mens' acts of violence directed against the [USS Nicholas](#). (Review by Christoph Wahner, Esq. of [Countryman & McDaniel](#))

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

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Christoph M. Wahner, Esq. (Countryman & McDaniel) **Daily Vessel Casualties**
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The Cargo Letter
(since 1978)

A world news service for Air/Ocean Freight Forwarders, NVOCC's, Consolidators, Indirect Air Carriers, Surveyors, Intermodal Shipper's Agents, Inland Carriers, Customs Brokers and Liability & Marine Underwriters world-widea free service to more than 8,000 industry subscribers & readers on 6 continents.

Michael S. **McDaniel**, Editor.

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