

Good Friday Morning from our Observation Deck.....overlooking the officially designated "**Cargo City**" area and..... Runway 25-Right, at **Los Angeles International Airport**, voted "**Best Cargo Airport in North America.**"

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

**Happy World Maritime Day, Sept. 27. Here is what happened in our industry during the Month of September 2012.**

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

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

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

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

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

**\*\*\*A Major Industry Acquisition** .....as on Sept. 25, C.H. Robinson Worldwide Inc, a major 3rd-party provider of freight transport, announced it would buy smaller rival Phoenix International for US\$635M in cash and stock to expand its int'l freight forwarding business. C.H. Robinson, which arranges freight transport through its 53,000 contracted carriers, said it expects the deal to be modestly accretive in the first year. The company, which has a market value of about US\$9.30Bn, said it would pay US\$571.5M in cash and the remaining in newly issued C.H. Robinson stock. Sources had told Reuters in June that Chicago-based Phoenix International was exploring a sale

that could fetch as much as US\$500M from global logistics companies, including C.H. Robinson & United Parcel Service. CJ Korea Express, South Korea's biggest logistics company, had told Reuters last month that it may bid for Phoenix International. Founded by Bill McInerney in 1979, Phoenix arranges shipments for customers via air and ocean. It has more than 2,000 employees in 74 offices worldwide and is owned by McInerney and other executives, and employees of the company. A valued colleague of the Countryman & McDaniel attorneys, Phoenix generated net revenue of about US\$161M in the fiscal year ended June 30.

[www.phoenixintl.com/](http://www.phoenixintl.com/)  
[www.chrobinson.com/en/us/](http://www.chrobinson.com/en/us/)

**\*\*\*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+eblast++Networking+Theme&utm\\_campaign=FIATA+5.29+Blast&utm\\_medium=email](http://www.eiseverywhere.com/file_uploads/091abd5b778b145034ccea3ab4063d1a_FIATA12-Conference-Brochure.pdf?utm_source=FIATA+Attendee+eblast++Networking+Theme&utm_campaign=FIATA+5.29+Blast&utm_medium=email)  
**FIATA 2012 Video**  
[www.youtube.com/watch?v=JiMHGvtYQs](http://www.youtube.com/watch?v=JiMHGvtYQs)

**\*\*\*Taking China To Task** ..... as the Obama administration has filed a complaint to the World Trade Organisation (WTO) accusing China of subsidizing its auto parts industry to the tune of US\$1Bn over the past 3 years resulting in the loss of thousands of American jobs. The action comes as the U.S. Presidential campaign heats up and may be seen as political, given that the announcement was made before Obama's electoral campaign visit to Ohio - which has more than 50,000 workers employed in the auto industry, reports London's Containerisation International. It is also a response to Republican rival Mitt Romney's accusation that Barack Obama was "being too soft on China". The alleged illegal subsidy of auto parts in China is the latest in a tit-for-tat trade war brewing between the two nations ahead of the November 6 presidential election.

**\*\*\*Multiple Complaints Target Argentina** ..... as tensions have continued brewing over the past four weeks between Argentina and its trading partners, taking the form of six new WTO cases filed during the Geneva-based organisation's summer break. While the U.S., Japan and Mexico have joined the EU in formally complaining at the global trade arbiter over Argentina's import policies, Buenos Aires has also lodged its own series of WTO challenges, targeting both Washington and Brussels in three separate disputes. Mexico, Japan and the U.S. have also raised concerns over Argentina's requirements that importers balance imports with exports, increase investment in production facilities in Argentina, increase local content of products manufactured in Argentina, and refrain from transferring revenue abroad. Such measures, the complainants argue, do not pursue any public policy aims justified under the WTO Agreement.

**\*\*\*Counterfeit Goods Warning** ..... as the British Int'l Freight Association (BIFA) is urging its members to make sure that their procedures, when accepting consignments for shipment, are as tight as possible to avoid legal perils in shipping counterfeit goods. The European Commission recently published statistics showing that EC Customs detained almost 115 million items that were suspected of violating Intellectual Property Rights (IPR) in 2011, up on 2010's figure of 103 million. In total 73% of all IPR-infringing

goods originated in China, and 26.6% of all detentions were of products, which could be dangerous to the health & safety of the consumer.

**\*\*\*Fixing Freight Forwarding Fixes** ..... as on Sept. 14, int'l forwarder Kuehne + Nagel said it had entered into a settlement agreement with the U.S. government to pay US\$28M in a class action price-fixing lawsuit over surcharges assessed for freight forwarding services.

**\*\*\*Asia Holiday Note** ..... as in observance of the upcoming National Holiday, Hong Kong businesses will be closed on Oct. 1 & 2, 2012. China's National Holiday will be observed from Sept. 30 to Oct. 7, 2012 with businesses being closed for the duration of the holidays.

**\*\*\*Larger, Smaller Railroad** ..... as Genesee & Wyoming Inc.'s (GWI) agreement to acquire Jacksonville-based RailAmerica for approximately US\$1.4Bn, thereby combining the two largest shortline and regional rail operators in North America, marks a notable turn for the U.S. rail industry. As domestic shippers continue to test the efficacy of rail/intermodal solutions, smaller railroads play an important role in serving captive shipper needs, as well as feeding Class I carrier networks. Rail America's largest segment is agricultural products and chemicals, while GWI ships coal and metals. The deal is expected to diversify the railroad's commodity base, offering protection against volatility in certain industries and making GWI less dependent on certain big customers. In terms of geography, GWI's footprint expands from 24 to 37 U.S. states, while the United States overall will represent about 70% of GWI's revenue, followed by Australia (20%), Canada (10%) and Europe (less than 1%).

**\*\*\*Trucker Turnover Epidemic** ..... as the annual driver turnover rate surged in the second quarter, breaking the 100% barrier at large truckload fleets for the first time in more than 4 years, American Trucking Associations said Sept.12. For large truckload fleets with more than US\$30M in revenue, driver turnover rose 16% to 106%, the highest level since the 4th quarter of 2007. The last time the turnover rate was over 100% was in the first quarter of 2008. The turnover rate at smaller truckload fleets rose to 86%, a 15-point jump from the previous quarter. The spike put turnover at its highest level since the 3rd quarter of 2007.

[www.trucking.org/Pages/Home.aspx](http://www.trucking.org/Pages/Home.aspx)

**\*\*\*Wheels Up** ..... as third-party logistics provider Wheels Group Inc. has signed an agreement to acquire freight broker and forwarder MSM Group of Cos. for US\$18.8M in cash and stock. Toronto-based Wheels Group will pay almost US\$17M in cash and issue 2 million shares of its stock worth about US\$2M for the Bolton, Ontario, company.

**\*\*\*Damco Changes Country** ..... as the major 3PL is relocating its corporate headquarters from Copenhagen to The Hague, Netherlands, a move that it slated for completion in the first quarter of 2013. In a press release, Damco explained the new location is closer to the heart of the European forwarding sector and will help the company achieve top-5 status in the global logistics industry.

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

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## 2. [The Cargo Letter](#) Financial Page \_\_\_\_\_

**\*\*Air New Zealand. DOWN** with a 12% fall in full-year profits, down to US\$56.7 M for the year to the end of June.

**\*\*Cosco. DOWN** as first half net loss to US\$770M in the first six months of 2012 from the US\$421M the company lost in the corresponding period last year.

**\*\*El Al Israel Airlines. DOWN** with a 7.2% decline in 2nd quarter cargo revenue to US\$47.6M year on year as net profit loss narrowed to US\$6.2M from US\$19.7M last

year.

**\*\*Evergreen Marine Corp. UP** with 2nd quarter net profit of US\$29M on operating income of US\$22M.

**\*\*FedEx Corp. DOWN** with a 1% slip in quarterly net profit to US\$459M, drawn on revenues of US\$10.79Bn, up 3% year on year.

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

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

**\*\*\*Protection For American Carriers & Airforwarders** ..... as the Airlines for America (A4A), the industry trade organization for the leading U.S. airlines, commended the Senate for passage of S.1956, which would allow the Transportation Secretary to direct U.S. airlines to not participate in the European Union Emissions Trading Scheme (EU ETS) because it violates international law and U.S. sovereignty. "Congress has spoken -- U.S. airlines should not be subjected to this illegal scheme that amounts to little more than a cash grab for the European Union as none of the funds collected are required to be used for environmental purposes," said A4A President and CEO Nicholas E. Calio, noting that the House previously passed a similar bill.

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

**\*\*\*Global Volume Flat** ..... as air freight demand in July fell 3.2% year on year after 0.1% uptick in June, leaving volumes flat worldwide, according to the International Air Transport Association (IATA). The only gainers were the Middle East carriers that posted a 16% increase in demand on an 11% boost in capacity year on year, helping raise load factors two percentage points to 45.3%. But all other markets experienced declines and the small recovery seen since the end of 2011 has stagnated, said IATA. Asia-Pacific carriers saw a 7.6% decline in demand in July compared to the previous year, the steepest decline for any region, while capacity dipped just 4.3%. Asia-Pacific carriers have experienced no growth in freight since the fourth quarter of 2011. European airlines had a 3.6% decline with a 0.9% rise in capacity. Europe's airlines have seen only a one per cent rise in demand since the fourth quarter of 2011. North American airlines had a 3.6% drop in demand, matching a similar reduction in capacity. Load factor was the lowest for any region at 32.3%. Latin American airlines' demand fell 5.6%, while capacity climbed 13.9%, resulting in a load factor of 35.2%.

**\*\*\*Fraud Warning** ..... as the British Int'l Freight Association (BIFA) is warning its members not to be fooled by fake emails demanding payment from IATA. BIFA claimed in a news letter that many of its members have reported receiving fake email demands for payment, similar to those it warned about earlier in May's edition of BIFALink. "Most of the emails bear the usual tell tale signs of a scam such as an email address for IATA at gmail or Yahoo. However, some of the more deceptive scammers have managed to replicate @iata.org into the e-mail suffix. "Don't be taken in," BIFA says. "The only payments made to IATA will be via your CASS account and unsubstantiated e-mails should be deleted immediately."

**\*\*\*High Tech Interference?** ..... as Cathay Pacific cancelled 13 flights to Frankfurt, London, Paris, Malpensa, Manchester & Amsterdam earlier this month while Cargolux Italia cancelled 4, arousing suspicions from regular customers that they were being dumped to serve of high-paying, high-tech shippers demanding mass delivery of new e-gadgets, reports London's Loadstar. "The implication is that Cathay cancelled freighters to the general market and held it all for the electronics boys, who probably paid top dollar," said one European forwarder, according to the report, which was also re-printed in the UK's Transport Intelligence.

**\*\*\*High Tech Boost** ..... as air cargo rates are expected to rise more than 20% as

new smartphones and tablets from Apple, Google Inc (GOOG), Microsoft Corp and [Amazon.com](http://Amazon.com) (AMZN) Inc flood the market, benefiting the likes of UPS and Atlas Air Worldwide Holdings. Bloomberg reported that air freight rates rose by 20% after Apple's new iPad was launched in March, according to Kevin Sterling, a transport analyst at BB&T Capital Markets. The explosion of electrical devices is said to be a bright spot for air freight companies in the run-up to the traditionally strong holiday shipping season, which this year has been overshadowed by weak U.S. job growth and slowing demand out of Europe and China.

**\*\*\*EU Volume Down** ..... as cargo traffic among European airports fell 3.2%, year-over-year, in July, according to Airports Council Int'l statistics. This decline is in line with the cargo drop European airports recorded in the first 6 months of 2012. Traffic stalled 3.4%, year-over-year, during this period.

**\*\*\*Boeing Big Buy Seen** ..... as it has forecasted China will require 5,260 new aircraft, valued at US\$670Bn, by 2031. Small and medium-sized, twin-aisle aircraft will account for the majority of the future deliveries, according to Boeing projections. Boeing expects Chinese carriers to post an annual growth rate of 8.9% over the next two decades. What's most impressive about China's projected need is that more than 75% of the deliveries will be due to growth, not replacement. This is all the more reason for continued development of a domestic Chinese industry.

**\*\*\*Airbus See Freighter Boom** ..... as its most recent Global Market Forecast, the European aircraft manufacturer projected that the global aviation sector will generate a demand for 3,000 freighters by 2031. This figure, which represents a near doubling of the global freighter fleet, will be propelled by increased urbanization and economic growth in emerging regions, according to Airbus. Overall, Airbus estimated that the industry will necessitate 28,200 passenger and freighter aircraft, valued at US\$4 trillion, by 2031. The Asia-Pacific will lead the world in aircraft demand, accounting for 35% of aircraft deliveries, followed by Europe and North America; the latter regions will each account for 21% of the projected deliveries, according to the report.

**\*\*\*American Cargo Goes Back To Space** ..... as Hawthorne, Calif.-based Space Exploration Technologies (SpaceX) and NASA have set an Oct. 7 launch date for the first of 12 contracted cargo missions to space. The upcoming launch follows the successful attachment of SpaceX's Dragon cargo spacecraft to the International Space Station (ISS) in May. ISS program managers confirm the readiness of Dragon and Falcon 9, the rocket carrying Dragon, for the SpaceX CRS-1 mission, as well as the ISS's availability to receive Dragon. The spacecraft will be filled with nearly 1,000 pounds of cargo. In a press release, NASA said SpaceX's mission ushers in a new era of freight transportation.

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

**\*\*\*Air Fixing Now Up To US\$100M In Fines** ..... as Japanese freight forwarder Yamato Global Logistics Japan Co. Ltd. has agreed to plead guilty and pay a US\$2.3M criminal fine for its role in a conspiracy to fix certain fees related to air cargo services from Japan to the United States, the U.S. Justice Dept. announced on Sept. 19. As a result of the department's price-fixing investigation, 14 companies have either pleaded guilty, or agreed to plead guilty and pay more than US\$100M in criminal fines.

**\*\*\*B747-8 Engine Trouble** ..... the National Transportation Safety Board (NTSB) has ordered checks of all GENx engines for cracks on Boeing 747-8 cargo planes in an urgent bulletin released Sept. 14. The NTSB also said all 747-8s should be grounded until the inspections take place. The agency said GE has used a field ultrasonic inspection method to inspect the fan midshaft on all in-service and spare GENx-1B engines, used on the 787 Dreamliner. The similar but smaller GENx-2B engines on



passenger versions of the 747-8 have also been inspected, the NTSB said, but approximately 43 GEnx-2B engines on 747-8F cargo airplanes that have not yet been inspected. GE says fewer than 10 planes need to be inspected, and that task should be completed within a few days. The first engine issue took place when a GE engine had a failure on a 787 during a runway test in North Charleston, South Carolina on August 9th and the second was an AirBridgeCargo 747 that lost thrust on takeoff on Sept. 11.. Now the NTSB has revealed a 3rd problem: "A GEnx-1B engine installed on a Boeing 787 that had not yet flown was found to have an indication of a similar crack on the fan midshaft."

**\*\*\*Growing Your Own .....** as Delta Airlines plans to purchase the Bakken oil field in North Dakota to use for its recent refinery purchase. The airline's move is a simple and vital one to cut fuel costs. Earlier, Delta announced it would be purchasing the ConocoPhillips oil refinery in Trainer, Philadelphia (PA). for US\$150M. Delta plans to invest US\$100M more to modify and maximize the complex for jet fuel production. The airline expects the refinery to supply 80% of its fuel needs in the United States. The company estimates securing North Dakota crude oil will provide Delta with an expected US\$300M annual benefit from the facility. The company's biggest expense is fuel which jumped 15% in the first half of the year to US\$5.54Bn. 'Delta says the company plans a high-speed unloading facility to handle up to 140,000 barrels a day of domestic oil.

**\*\*\*Cargo-XML .....** as Descartes Systems Group says it has developed an innovative technology bridge that helps air cargo messaging participants move from older software to new Cargo-XML standards in partnership with the Int'l Air Transport Assn. (IATA). The solution provides bi-directional translation & message version control between legacy Cargo Interchange Message Procedures (Cargo IMP) and the new Cargo-XML schema. Since 2009, the IATA Cargo-XML Task Force, on which Descartes is a participant, has been developing new XML standards designed to innovate how the air cargo industry communicates and offer industry stakeholders an alternative to Cargo-IMP messages. The new Cargo-XML standards are designed to provide airlines, forwarders and their trading partners with more robust capabilities for data capture, enhanced data exchange and accuracy in support of the e-freight, an ability to keep pace with rapidly evolving customs and security requirements and reduce costs.

[www.iata.org/workgroups/pages/cxml.aspx](http://www.iata.org/workgroups/pages/cxml.aspx)

[www.iata.org/whatwedo/cargo/tracker/july-2011/pages/cargo-xml.aspx](http://www.iata.org/whatwedo/cargo/tracker/july-2011/pages/cargo-xml.aspx)

**\*\*\*Aerolineas Argentinas Is Number 18 .....** as it has joined SkyTeam as its 18th - and first South American airline member. Six existing SkyTeam members – Aeroméxico, Air Europa, Air France, Alitalia, Delta Air Lines and KLM – already serve Buenos Aires. Joining SkyTeam is a step in a long-term restructuring plan for Aerolineas Argentinas.

<http://en.wikipedia.org/wiki/SkyTeam>

**\*\*\*Airways & Qantas Divorce .....** as they have agreed to terminate their joint business as of March 31, 2013 with Qantas leaving to enter a new global partnership with Emirates. The BA-Qantas joint business was established in 1995 to enable close commercial cooperation on the airlines services between Australia and the UK. A statement issued by Qantas said the airlines will continue to work together as part of the oneworld alliance and through bilateral codeshares.

**\*\*\*Dubai Airports' Big Expansion .....**as part of its US\$7.8Bn Strategic Plan 2020, Dubai Int'l Airport's cargo facilities are undergoing a facelift. Renovations are slated to begin in the next few months and will increase the airport's annual freight capacity to more than 3.1 million tons by 2018. Believe us, Dubai Airport is already enormous.

**\*\*\*Southwest Cargo At ATL .....** as in the first six months of it's new cargo operation

at Hartsfield-Jackson Atlanta Int'l Airport, the carrier has handled more than 2.5 million pounds of cargo. As a result of its merger with Atlanta-based AirTran, Southwest officials opened a 26,000-square-foot cargo facility to much fanfare on Feb. 12.

**\*\*\*Volumes >>> Air France-KLM** has posted a 7.8% year-on-year decline in cargo in August attributed to weak Asia-Pacific and the Americas demand. >>> **Cathay Pacific** and wholly owned subsidiary **Dragonair** saw freight volumes plunge 6.9%, year-over-year, to 122,351 tons in August. >>> **Frankfurt** airport, Europe's 2nd largest air cargo hub, has posted a 4.1% drop in August freight shipments to 164,406 tons year on year, blaming the year-long night flight ban and the continuing euro crisis. >>> **Hong Kong Int'l Airport** saw freight volumes rise 3%, year-over-year, to 328,000 tons in August. >>> **Huntsville Int' Airport**, with a big boost from its Panalpina hub, experienced strong cargo volumes in the fiscal year ending June 30 with cargo coming in at 204 million pounds, an 11% year-on-year increase. >>> **United Airlines** transported 194,465 tons of cargo in August, a 2.6%, year-over-year, drop and the merged carrier's freight traffic is also down from an 8-month perspective, plunging 7% from January-to-August 2011.

**\*\*\*Conveyor Death** ..... as US Airways has been fined US\$21,000 by an Arizona safety agency after one of its employees was crushed to death in a cargo/luggage conveyor at Phoenix Sky Harbor Airport. 60-year-old Robert Demarco was sucked into an area between the upper and lower belts and killed at Terminal 4 after trying to free some bags. Another worker discovered his mangled body face-down in the machine about 15 minutes later. The Industrial Commission of Arizona's Division of Occupational Safety and Health said the airline was at fault because it failed to train Demarco and other employees on how to shut down the giant machine properly.  
[www.nydailynews.com/news/national/airways-hit-21-000-fines-baggage-worker-crushed-conveyor-belt-article-1.1161930](http://www.nydailynews.com/news/national/airways-hit-21-000-fines-baggage-worker-crushed-conveyor-belt-article-1.1161930)

**\*\*\*Breaking The Speed Limit** ..... as Boeing Business Jets (BBJ) set a new world record for "Speed Over a Recognized Course" when a BBJ flew non-stop from Los Angeles to Auckland, New Zealand for installation of its VIP interiors. The BBJ, a 737-700 modified for VIP use, made the 5,658 nautical mile (10,479 km) trip in 13 hours, 7 minutes and 54 seconds. The record-setting trip was monitored by the National Aeronautic Association based in Washington, D.C. and take-off was watched by the attorneys of Countryman & McDaniel. The BBJ, owned by Samsung Electronics, is equipped with 7 auxiliary fuel tanks, giving it the extended range capability. Boeing delivers the BBJ to the customer "green" (no interior or paint) so it can be customized to suit the specific needs and taste of the customer. The completion center of the customer's choosing installs the VIP interiors, which typically takes nine months to a year. The BBJ is the best selling model of Boeing's business jet line with 157 sold to date.  
[http://cdn.airnation.net/wp-content/uploads/2012/09/boeing\\_bbj\\_world\\_record\\_2bna-e1347903198270.jpg](http://cdn.airnation.net/wp-content/uploads/2012/09/boeing_bbj_world_record_2bna-e1347903198270.jpg)

**\*\*\*Really?** ..... as American Airlines and United Airlines will face a federal trial for negligence claims when jets owned by the carriers were flown in to the World Trade Center Twin Towers in New York City destroying them. Nearly 3,000 people were killed in the attack on Sept. 11th, 2001. World Trade Center Properties LLC, which owned the twin skyscrapers in lower Manhattan destroyed in the attacks, sued the airlines in 2008 alleging negligence against the carriers for allowing terrorists to board and hijack the planes that were flown into the buildings. U.S. District Judge Alvin Hellerstein in Manhattan said a trial is required. The American aircraft hijacked in the attack on the WTC was a Boeing 767-223ER and the United plane was a Boeing 767-222.

**\*\*\*Forced Cargo** ..... as when an Ohio woman packed her bags for a Disney

vacation, her cat didn't want to stay behind. Sometime Sept. 10, Bob-bob the cat found his way into Ethel Maze's suitcase, made it through screening at Port Columbus International Airport and was loaded into an airplane for a flight to Orlando. The Orlando Sentinel reports the black cat popped out when Maze unzipped her bag after checking into her hotel Monday night. Maze, of Circleville, Ohio, says the 14-month-old cat was shaken but still purring. Maze was part of a group of disabled veterans and volunteers making an annual trip to Orlando. Mike Groleau, who handled the bags for the group, says he thought he saw the bag move, but loaded it along with the other bags heading to Orlando.

**\*\*\*Dropping In On Kent, Washington** ..... as FAA investigators are trying to find out why a cargo plane lost a landing gear door in mid-flight. The door, nearly the size of a refrigerator, crashed onto a quiet street outside Seattle and residents are asking a lot of questions. No one was killed or seriously injured, despite the timing of the incident, in the early morning just as children were heading to school. At around 7 a.m. Sept. 7, Kent, Wash. residents saw a cargo plane flying low overhead. "It sounded a little [as if], maybe, it was distressed. Yes, distressed or vibrating or whatever," resident Diane Oien recalls. Moments later, witnesses say, the door plummeted from the sky and skidded 30 feet along the ground before finally coming to a stop in front of a house. FAA has yet to give details of the aircraft, but a recent report from a morning television show CBS This Morning attributed the cargo plane to ABX Air flying under the DHL logo en route from Cincinnati for Seattle's Boeing field.  
[www.youtube.com/watch?v=7IO1Tfy0Pis](http://www.youtube.com/watch?v=7IO1Tfy0Pis)

**\*\*\*Good To Know About That "Find My iPad" App** ..... as a flight attendant for Horizon Air was arrested on Sept. 21 for allegedly stealing a passenger's iPad computer. Oregon police report that a Nevada man had lost his iPad on a Horizon plane and used an app called 'Find my iPad' to locate his missing device. The device was found at the home of Horizon flight attendant Wendy Ronelle Dye. 'The flight attendant for Horizon Air allegedly told officers that a passenger brought her the tablet saying it was found on a seat. She said she never used the iPad and planned to turn it over to airline officials, but police found some of her personal information on it including her husband's birthday. A spokeswoman for Alaska Airlines, which owns Horizon, says Dye was suspended.

**\*\*\*Thanks, But I'll Just Take A New Bag** ..... as a sewage pipe that ruptured at London Heathrow's Terminal 5 covered dozens of British Airways passengers' bags in raw sewage on Sept. 3. The Daily Mail of London reported: about 100 suitcases were covered in the raw filth when a pipe in the sewage system burst in Terminal 5's baggage hold. Many passengers were still waiting to be reunited with their suitcases today after the airport sent them off to be cleaned. "The smell was absolutely foul, as was the mood of the passengers who had to leave without their bags," one unnamed source said to The Sun, a British tabloid. A spokesman for airport operator BAA Heathrow acknowledged the incident to The Independent. "We appreciate this will be upsetting for passengers," the spokesman says. "The bags have now been cleaned and are being reunited with their owners." British Airways has apologized to its customers.

**\*\*\*Shrouding Yourself At Turin** ..... as a man posing as an airline pilot was arrested Sept. 21 at Turin Airport in Italy after reportedly flying in the cockpit of at least one airline flight. The 32 year-old man, who went by the name of 'Andrea Sirlo', 'created a false identity as a Lufthansa pilot and uploaded photos of himself in uniform on Facebook where he talked about his 'fake' flights with 400 friends, including imaginary flight attendants. Wearing a home-made pilot's uniform and using forged identity cards, 'Sirlo' flew in the cockpit as a "3rd pilot" free of charge on at least one flight in from Munich to Turin in April. He also created a Twitter account giving himself the title, First Officer Lufthansa. Police said they were alerted in January after 'Sirlo' introduced himself as a



captain to a civil aviation lieutenant who thought he was too young for the job. 'Sirlo' is the name of a flight corridor over Turin. 'Sirlo' who is unemployed and has a criminal record for several offences including fraud. On at least one occasion in 2012, he posed as a pilot of a foreign commercial airline, and with a fake name succeeded in flying as the 3rd pilot in the cockpit," police said in a statement.'

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

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

**\*\*\*100 Years After Titanic** ..... as the **World Maritime Day** (Sept. 27th) theme for 2012 is "IMO: One hundred years after the Titanic", which will focus on the Organization's roots and raison d'être, i.e. safety of life at sea. One of the consequences of the sinking, in 1912, of the Titanic, in which more than 1,500 people lost their lives, was the adoption, two years later, of the first International Convention for the Safety of Life at Sea (the SOLAS Convention). The 1914 version of the Convention was gradually superseded, respectively, by SOLAS 1929, SOLAS 1948, SOLAS 1960 (the first adopted under the auspices of IMO, then known as IMCO) and SOLAS 1974. SOLAS 1974 is still in force today, amended and updated many times.

##### **World Maritime Day 2012 Links, Events & Videos**

[www.imo.org/About/Events/WorldMaritimeDay/wmd2012/Pages/default.aspx](http://www.imo.org/About/Events/WorldMaritimeDay/wmd2012/Pages/default.aspx)

**\*\*\*The Storm Has Passed - For Now** ..... as the International Longshoremen's Association (ILA) and United States Maritime Alliance (USMX) have agreed to a 90-day labor contract extension to December 29, ending fears of dock strike on the U.S. east coast next month. After two days of negotiations, a compromise was made by both parties. Retailers were delighted with the news. "This should provide for stable holiday shipping and shopping over the next few months," said National Retail Federation (NRF) vice president Jonathan Gold. Said Kelly Kolb, VP of the Retail Industry Leaders Assn: "A 90-day extension ensures that a work stoppage will not interfere with the flow of goods during the critical holiday season."

**\*\*\*Deminished Spirit?** ..... as general confidence levels in the shipping industry dropped to the 4-year low to 5.3 of a scale of one to 10, according to int'l accountant and shipping adviser Moore Stephens. Oversupply of ships and a sluggish global economy were blamed by many respondents. "Supply trends are negative. Banks are reluctant to put out any money, let alone new money. The economic outlook, particularly in Europe, is dismal, while China looks increasingly likely to suffer a hard landing," said one respondent. The August confidence level was down 0.4 point from 5.7 recorded in the previous survey in May, and was also identical to the figure posted one year ago in Aug. 2011. Both Aug. 2012 & 2011 figures were the lowest recorded since the survey started in May 2008 at a rating of 6.8.

[www.moorestephens.com/shippingandtransport.aspx](http://www.moorestephens.com/shippingandtransport.aspx)

**\*\*\*Great Expectations** ..... as import cargo volume at the nation's major retail container ports is expected to increase 8.5% in Sept. compared with the same month last year, and strong increases are expected into the holiday season, according to the monthly Global Port Tracker report provided by the National Retail Federation and Hackett Associates. August was estimated at 1.43 million TEUs, up 4.4% from last year. Sept. is forecast at 1.49 million TEUs, up 8.5%; Oct. at 1.48 million TEUs, up 11.7%; Nov. at 1.32 million TEUs, up 1.9%; and Dec. at 1.25 million TEUs, up 2.7%. Jan. 2013 is forecast at 1.23 million TEUs, down 3.8% from Jan. 2012. The first half of 2012 totaled 7.7 million TEUs, up 3% from the same period last year. For the full year, 2012 is expected to total 16 million TEUs, up 4.2% from 2011. These figures reflect this month's addition of Port Everglades in Fort Lauderdale, Fla., to the list of harbors covered by Global Port Tracker, with 2011 numbers adjusted to provide accurate comparisons.

[www.nrf.com/modules.php?name=Pages&sp\\_id=393](http://www.nrf.com/modules.php?name=Pages&sp_id=393)  
[www.nrf.com/](http://www.nrf.com/)

\*\*\***Global Fleet Grows** ..... as this month our friends at the [Bow Wave](#) e-zine featured a report on the 2012 data on world fleet numbers. After an annual growth of almost 10%, as of Jan. 2012, the world fleet reached a total tonnage of 1,534 million dwt. At the beginning of the year, there were 104,305 seagoing commercial ships in service. Dry bulk carriers saw the largest growth of tonnage, 17%, reaching now a 40.6% share of the world total. This is followed by oil tankers, which grew by 6.9% and now account for 33.1% of the world fleet. The third most important vessel type is container ships, with a share of 12.9% of the world fleet; their tonnage grew by 7.7% during 2011. The general cargo fleet continued its relative decline, being the only major vessel type with a smaller tonnage compared to previous year.

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

\*\*\***Singapore Joins The Armed Vessel Solution** ..... as the Maritime and Port Authority (MPA) has authorized the deployment of armed security contractors on board Singapore-registered ships when sailing through pirate-infested waters. "While armed security personnel may lawfully bear arms, they will still be liable under Singapore's laws if they use their arms on board the ship without lawful excuse, as a person on board is not exempted from criminal liability in respect of any offence that he commits on the ship," said the MPA statement. The MPA said the new guidance is "in line with the revised interim guidance being promulgated by International Maritime Organization (IMO)". As we have pointed out for some years now, in modern times, no armed vessel has ever been taken by pirates. The solution was there all the time, Yet, [The Cargo Letter](#) and the [Countryman & McDaniel](#) attorneys were frequently challenged for this opinion.

\*\*\***New Antitrust Probe** ..... as reports from Bloomberg and Reuters say executives of several major shipping companies that operate car carriers were interviewed by antitrust authorities today in Japan. Wallenius Wilhelmsen Logistics issued a statement saying its "offices in Tokyo were visited by the Japan Fair Trade Commission as part of an investigation related to the Japan Anti Monopoly Act." Bloomberg said Nippon Yusen, Mitsui O.S.K. Lines, Kawasaki Kisen Kaisha and Eukor Car Carriers all confirmed their offices were visited as well.

\*\*\***Slow Steaming To The Airport** ..... as shipping lines embarking on super-slow steaming in a bid to cut fuel costs, shippers appear to be more open-minded to send their goods by air, according to London's Loadstar. Six Asia-Europe strings are now adopting super-slow steaming and are going slower than the 19th century tea clippers. Although it's a win-win for shipping lines - absorbing capacity while cutting fuel costs, the average rotation of Far East to Northern Europe loops is now 10.5 weeks - in 2007 it was 8.2 weeks, the publication pointed out. The gap between sea freight and air freight is widening and for shippers who don't want inventory - and thus working capital - tied up for long periods, super-slow steaming isn't always their first choice. For the struggling air cargo industry, there surely must be an opportunity here.

\*\*\***Leasing Trend Continues** ..... as London based Drewry Maritime Research has published its latest Container Leasing Industry 2012/13 report, saying container lessors are expected to experience overall growth in 2012 but due to the slowdown in shipping market, newbuild lease rates have been slackening over the past few months. The Drewry report said the rental container fleet increased 10.6% in 2011, improving on the 9% returned in 2010 with a 9.5% compounded rate for the two years combined.

\*\*\***Important To Know The Weight** ..... as talks continue within the IMO (International Maritime Organization) to introduce mandatory weighing of containers.

The goal is to avoid accidents & equipment damage due to overloaded containers, poorly loaded vessels consuming additional fuel and revenue loss for terminals and shipping lines from transporting containers with under-declared weights. Port operators can significantly improve both safety and productivity by allowing crane operators to know exactly what weights they are lifting, enabling vessels to be correctly loaded and by ensuring all containers are charged according to actual weight. As a forensic tool, verification of container weight will expose a short-loaded container or help determine where in the supply chain a shipment may have been pilfered.

**\*\*\*Not Guilty** ..... as the managing director of APL Dubai, Steve Dolan, who was implicated in the smuggling of 30,000 handguns and faced 50 years in prison, has been acquitted in Dubai, according to a report in his hometown St Louis Post-Dispatch. Mr Dolan, a 27-year industry veteran with Singapore's APL, the container shipping arm of state controlled Neptune Orient Lines (NOL), had been detained in Dubai since Feb. over a shipment from Turkey bound for Djibouti and transhipped through Dubai. Mr Dolan and three associates, two from Sri Lanka and one from India, were implicated in the case. Mr Dolan told the newspaper his passport had been confiscated, and he was coerced into signing a confession on a document written in Arabic.

**\*\*\*Inchcape Expands** ..... as marine services provider Inchcape Shipping Services (ISS) has opened 10 new offices in India. The offices are located in Ludhiana, Jaipur, Jodhpur, Nagpur, Kanpur, Ahmedabad, Vadodara, Indore, Hyderabad, and Bengaluru, and are the result of Inchcape's significant increase in business with Hapag-Lloyd India.

**\*\*\*China - Taiwan Trade Up** ..... as sea shipping services between Fujian province and Taiwan carried 88.84 million tons of cargo from Jan. to Aug., a sharp increase of 54.57% over the same period in 2011, Xinhua reports. In this period, Fujian-Taiwan direct shipping services ran a total of 1,419 sailings, representing a 57.49% increase year on year.

Xinhua reports Ningbo port's container throughput has rocketed 780% in the past 10 years - making it the greatest annual growth rate of the world's top 30 ports. Ningbo went from 1.86 million TEU in 2002 to 14.51 million TEU in 2011, 7.8 times of that in 2002, becoming the sixth largest in the world. Overall tonnage grew from 154 million tons in 2002 to 433 million tons in 2011, 2.8 times of that in 2002, making it the 5th largest port in the world.

**\*\*\*Throughput >>> Port of Hamburg** has achieved cargo volume growth of 2.7% in the first half of 2012 to total 65.8 million tons, while container throughput was up 1.9% year on year to 4.4 million TEU. **>>> Hong Kong** Marine Dept. figures show the port handled 1.9 million TEU in Aug, representing a year-on-year decline of 9.2% over the 2.1 million TEU in Aug. of last year. **>>> Port of Los Angeles** container volumes slip 6.2% in August year on year to 525,581 TEU, while tonnage increased at Long Beach 1.4% year on year to 543,445 TEU. **>>> Port of Rizhao** in eastern China's Shandong province has lifted 200.11 million tons this year as of Sept. 13, 10.5% more year on year. **>>> Port of Virginia** container throughput grew 24% in Aug. on a yearly basis to 188,658 TEUs. **>>> Singapore's** Maritime and Port Authority reported a 4.5% increase in container movement in Aug., having handled 2.7 million TEU compared to 2.6 million TEU in Aug. last year.

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

1804 - [USS Intrepid](#) (Lt. Richard Somers) blew up in failed attack on Tripoli.

1813 - [USS Enterprise](#) captures HM brig Boxer off Portland, Maine.

1915 - Secretary of the Navy Josephus Daniels organizes the Naval Consulting Board to mobilize the scientific resources of the United States for national defense.

1918 - [USS Mount Vernon](#) torpedoed by German submarine off France.

1941 - U.S. Navy ships escort eastbound British trans-Atlantic convoy for 1st time (Convoy HX-150). Although the U.S. Navy ships joined HX-150, which left port escorted by British ships on 16th, the official escort duty began on 18th.

1957 - [Bathyscaph Trieste](#), in a dive sponsored by the Office of Naval Research in the Mediterranean, reaches record depth of two miles.

1992 - Joint Task Force Hawaii activated to provide humanitarian aid after Typhoon Iniki struck Hawaiian Islands.

1992 - Joint Task Force Marianas stands down after providing assistance to Guam after Typhoon Omar.

**\*\*\*False Testimony** ..... as a Miami-based marine surveyor was sentenced today for lying to the Coast Guard and for falsely certifying that inspections had been performed on two ships, which were designed to ensure the ships were seaworthy and did not pose a threat to the crew or the marine environment. Alejandro Gonzalez, 60, of Miami-Dade County, Fla., was sentenced in U.S. District Court for the Southern District of Florida to 21 months in prison. On May 24, 2012, a federal jury found Gonzalez guilty of lying to a Coast Guard inspector and a federal agent about the drydocking of the [M/V Cala Galdana](#), a 68-meter cargo vessel, in San Juan, Puerto Rico, in April 2009 and Dec. 2009. Gonzalez was also convicted of falsifying documents for the [M/V Cosette](#), a 92-meter cargo vessel. "Surveyors are responsible for the safety of the ships they inspect. When they fail to do their jobs properly, lives are put at risk," said U.S. Attorney Ferrer

**\*\*\*M/V Liberty Star** ..... as the former NASA vessel used to recover solid rocket boosters from the Space Shuttle, will become the new training ship at the U.S. Merchant Marine Academy in Kings Point, N.Y. The vessel is one of two NASA-owned and United Space Alliance operated merchant vessels serving as recovery ships. Each is used in retrieving spent Solid Rocket Boosters (SRB's) following the launch of Space Shuttle missions. Her sister is the M/V Freedom Star. The Maritime Administration will relocate the vessel from Cape Canaveral, FL, to Kings Point, NY, this fall. The Liberty Star will remain on standby for any future NASA missions.

[http://en.wikipedia.org/wiki/MV\\_Liberty\\_Star](http://en.wikipedia.org/wiki/MV_Liberty_Star)

**\*\*\*Shackleton's Epic Reimagined** ..... as a crew of 6 British & Australian adventurers will re-enact Sir Ernest Shackleton's epic Antarctic small boat voyage. With only 4 months to go before the 'Shackleton Epic' adventure gets underway, a significant milestone has been reached with the sea trial and the expedition's naval element is eager to get going on the trip of a lifetime. The 'Shackleton Epic' has been in development since 2008 when The Honourable Alexandra Shackleton, grand-daughter of Sir Ernest, had the idea of an expedition to honour one of the greatest leadership and survival stories of all time. Now, a crew of six British and Australian adventurers will attempt to become the first to authentically re-enact Sir Ernest Shackleton's treacherous boat voyage from Elephant Island to South Georgia, followed by the difficult crossing of its mountainous interior. Come January 2013, the team will be in Punta Arenas in Chile ahead of their attempt beginning around 17 January to emulate Shackleton's voyage across 800 nautical miles (1,480km) of the most challenging and treacherous seas on the planet. The sailing lifeboat 'Alexandra Shackleton', an exact replica of Sir Ernest's lifeboat the James Caird, will be equipped with modern emergency equipment and radios as its only concession to the present day, although a support vessel, TS Pelican will be on hand in the Southern Ocean. On arrival at South Georgia three of the team will traverse its mountainous interior to reach the former whaling station at Stromness. The expedition will culminate in a pilgrimage to Shackleton's grave at Grytviken.

[www.timjarvis.org/shackletonpic/](http://www.timjarvis.org/shackletonpic/)

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**5. The Cargo Letter** Cargo Damage Dispatches

**\*\*Back By Popular Demand\*\***

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

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

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

See our new feature: "**Hurricane Isaac Grounds M/V Hansa Berlin**"  
[www.cargolaw.com/2000nightmare\\_singles.only.html#MV.Hansa.Berlin](http://www.cargolaw.com/2000nightmare_singles.only.html#MV.Hansa.Berlin)

See our newest photo feature "**Singles Only**" - Transportation Disasters Told In A Single Photo!  
[www.cargolaw.com/2000nightmare\\_singles.only.html](http://www.cargolaw.com/2000nightmare_singles.only.html)

**Daily Vessel Casualties** ..... as we don't want you to miss the excitement of our 24 hour reports of the dramatic events at sea each day -- stories of casualties & pirates --- almost none of which are carried on your local news. Edited daily by **Christoph Wahner, Esq.** of **Countryman & McDaniel**.  
[www.cargolaw.com/presentations\\_casualties.php](http://www.cargolaw.com/presentations_casualties.php)

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

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

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

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

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

**10 Years after the Maritime Transportation Security Act**  
[www.gao.gov/products/GAO-12-1009T](http://www.gao.gov/products/GAO-12-1009T)

**Cargo Canaveral**  
[www.portcanaveral.com/cargo/cargo.php/](http://www.portcanaveral.com/cargo/cargo.php/)

**Is the Juice Worth the Squeeze?**  
[www.roanoketrade.com/topics/IsJuiceWorthSqueeze\\_JOC\\_0712-0812.pdf](http://www.roanoketrade.com/topics/IsJuiceWorthSqueeze_JOC_0712-0812.pdf)

**Key Factors in Motor Carrier Selection: Balanced Risk Assessment**  
[www.chrobinson.com/en/us/Resources/White-Papers/](http://www.chrobinson.com/en/us/Resources/White-Papers/)

**Maritime TV**  
[www.maritimetv.com/](http://www.maritimetv.com/)

**Inside The McDonald's Supply Chain** ..... from Inbound Logistics  
<http://myvenue.venuecom.com/emt/newsletter/3223/31565/1361>



**Obama Administration Challenges China's Export Subsidies To Auto and Auto Parts Manufacturers in China**

[www.ustr.gov/about-us/press-office/press-releases/2012/september/obama-administration-challenges-china-auto-subsidies](http://www.ustr.gov/about-us/press-office/press-releases/2012/september/obama-administration-challenges-china-auto-subsidies)

**A Simulator Study of The Effects of Singing On Driving Performance .....**

questionary study of the effects of singing on truck drivers. Really?

[www.sciencedirect.com/science/article/pii/S0001457512002552](http://www.sciencedirect.com/science/article/pii/S0001457512002552)

**The U.S. Needs a Department of the Supply Chain**

<http://mhlnews.com/global/us-needs-sept-supply-chain-0912/>

**UPS 2012 Pain in the (Supply) Chain Healthcare Survey**

[www.ups.com/content/us/en/bussol/browse/industries/pain-in-the-chain.html?WT.mc\\_id=VAN700372](http://www.ups.com/content/us/en/bussol/browse/industries/pain-in-the-chain.html?WT.mc_id=VAN700372)

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

**PalletPal Level Loaders**

[www.southworthproducts.com/contentmgr/showdetails.php?id=27&tp=VE1HUj0xLHRpZD0xOTE5LA%3D%3D](http://www.southworthproducts.com/contentmgr/showdetails.php?id=27&tp=VE1HUj0xLHRpZD0xOTE5LA%3D%3D)

**Walkie Tug Handles 20,000 Pounds**

[www.americansalesdevelopment.net/Electric-Tuggers.html](http://www.americansalesdevelopment.net/Electric-Tuggers.html)

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

**Transport Events**

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

**Trade Shows, Exhibitions, Conferences & Business Events Worldwide**

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

**World Trade Organization Events**

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

**2012 FIATA World Congress .....** 8-12 Oct. 2012, Hyatt Regency Hotel, Los Angeles

[www.fiata2012.org/ehome/index.php?eventid=23377&](http://www.fiata2012.org/ehome/index.php?eventid=23377&)

[www.facebook.com/pages/Transportation-Intermediaries-Association/117074095521](http://www.facebook.com/pages/Transportation-Intermediaries-Association/117074095521)

**7th World Cargo Symposium .....** 12-14 March 2013, Doha, Qatar

[www.iata.org/events/wcs/Pages/index.aspx](http://www.iata.org/events/wcs/Pages/index.aspx)

**8th International Conference on Marine Technology (MARTEC) .....** 20-22 Oct., Malaysia

<http://martec.umat.edu.my/>

**10th 3PL Summit.....** 22-24 Oct. 2012, Antwerp

<http://events.eft.com/eu3pl/index.php>

[http://events.eyefortransport.com/3pl/pdf/EFT\\_3PL-Summit\\_US-2\\_Online51.pdf](http://events.eyefortransport.com/3pl/pdf/EFT_3PL-Summit_US-2_Online51.pdf)

**17th Annual Regional & Business Aviation Industry Suppliers Conference .....** 14-16 Nov. 2012, Paradise Valley (Scottsdale), AZ

<http://link.pentonav.com/u.d?l4GroRZPU-ypWTcMfs1qn=2371>

**18TH World Route Development Forum** .....29 Sept. - 2 Oct. 2012, Abu Dhabi  
[www.routesonline.com/events/150/the-18th-world-route-development-forum/](http://www.routesonline.com/events/150/the-18th-world-route-development-forum/)

**19th Annual GAD 2012 - Global Airport Development Conference** ..... 5 - 8 Nov. 2012, Pullman Paris Bercy  
[www.icbi-gad.com/page?xtssot=0](http://www.icbi-gad.com/page?xtssot=0)

**21st Annual Admiralty and Maritime Law Conference** ..... Oct 26, 2012, Houston  
[www.utcle.org/conference\\_overview.php?conferenceid=1029](http://www.utcle.org/conference_overview.php?conferenceid=1029)

**AirCargo 2013** ..... 10-13 March 2013, Red Rock Casino, Las Vegas  
[www.aircargoconference.com/](http://www.aircargoconference.com/)

**Air Cargo Africa 2013** ..... 20-23 Feb. 2013, Johannesburg, South Africa  
[www.stattimes.com/aca2013/](http://www.stattimes.com/aca2013/)

**Cargo Security Summit** .....Nov. 12 - 14, 2012 - Washington, DC  
[www.cargosecuritysummit.com/?mac=IDGA\\_OI\\_Featured\\_2011&elq=00499ca597cb44c69968d45fb0d7baa8&elqCampaignId=311](http://www.cargosecuritysummit.com/?mac=IDGA_OI_Featured_2011&elq=00499ca597cb44c69968d45fb0d7baa8&elqCampaignId=311)

**Council of Supply Chain Management Professionals Annual Global Conference 2012** .....Sept. 30-Oct. 3, Atlanta  
<http://cscmpconference.org/>

**Intermodal Europe 2012** ..... 27-29 Nov. 2012, Amsterdam RAI, Holland  
[www.intermodal-events.com/wcnb](http://www.intermodal-events.com/wcnb)

**JAXPORT 2013 Logistics & Intermodal Conference** .....18-20 March 2013, Omni Amelia Island Plantation Resort, Amelia Island, Florida  
[www.jaxportconference.com/?6095b020](http://www.jaxportconference.com/?6095b020)

**Maritime Piracy & Security Summit** ..... 30+ 31 January 2013, London  
<http://v11.vuturvevx.com/exchange-sites/Whitmore%20Group/59/events-pdfs-eu/mps4-marketing-agenda.pdf>

**Transport Security Expo 2012** .....14-15 Nov.,London Olympia  
<https://secure3.eventadv.com/Niche/Registration/VisitorLanding.aspx>

**World Cargo Symposium 2013** .....12-14 March 2013, Doha, Qatar  
[www.iata.org/events/wcs/pages/index.aspx](http://www.iata.org/events/wcs/pages/index.aspx)

**Apps For That - iPhones**>>>>>>>>>>>

**Find iPhone** ..... for when a flight attendant misplaces your device.

**Numbers** ..... make stunning spreadsheets, charts & graphs

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

**Arctic and Northern Maritime Heritage**  
[www.nauticapedia.ca/Articles/Arctic%20and%20Northern%20Maritime%20Heritage.php](http://www.nauticapedia.ca/Articles/Arctic%20and%20Northern%20Maritime%20Heritage.php)

**A Toy Train In Space**

[www.frequency.com/video/toy-train-in-space/60792480](http://www.frequency.com/video/toy-train-in-space/60792480)

**FedEx Office TV Ad "Candidates"**

[www.youtube.com/watch?v=u2eojFZ0c20&feature=youtube\\_gdata\\_player](http://www.youtube.com/watch?v=u2eojFZ0c20&feature=youtube_gdata_player)

**Freeing The Siren: The Evolution of The Starbucks Logo**

<http://blog.nrf.com/2012/09/12/freeing-the-siren-the-evolution-of-the-starbucks-logo/>

**HMHS Britannic**

[www.maritimeprofessional.com/Blogs/Maritime-Musings/September-2012/HMHS-Britannic.aspx](http://www.maritimeprofessional.com/Blogs/Maritime-Musings/September-2012/HMHS-Britannic.aspx)

**Keepsake Aircraft Carrier Offer Sought**

[www.marinelink.com/news/keepsake-aircraft-carrier347550.aspx](http://www.marinelink.com/news/keepsake-aircraft-carrier347550.aspx)

**Navy To Commission Littoral Combat Ship Fort Worth**

[www.navy.mil/submit/display.asp?story\\_id=69676](http://www.navy.mil/submit/display.asp?story_id=69676)

[www.navy.mil/view\\_image.asp?id=133972](http://www.navy.mil/view_image.asp?id=133972)

**RMS Olympic**

[www.maritimeprofessional.com/Blogs/Maritime-Musings/August-2012/RMS-Olympic.aspx](http://www.maritimeprofessional.com/Blogs/Maritime-Musings/August-2012/RMS-Olympic.aspx)

**USS Somers** - the only U.S. Navy ship to experience a mutiny that resulted in executions

[www.maritimeprofessional.com/Blogs/Maritime-Musings/September-2012/USS-Somers.aspx](http://www.maritimeprofessional.com/Blogs/Maritime-Musings/September-2012/USS-Somers.aspx)

**Voice mail Accident Hilarious**

[www.funnieststuff.net/viewmovie.php?id=2998](http://www.funnieststuff.net/viewmovie.php?id=2998)

**Why Couldn't We Save Glacier?**

<http://maritimematters.com/2012/09/glacier-recedes-into-history/>

**WWI Submarine Mystery Disappearance Honored**

[www.marinelink.com/news/disappearance-submarine347649.aspx](http://www.marinelink.com/news/disappearance-submarine347649.aspx)

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

7. New U.S. Transport Related Legal Cases \_\_\_\_\_

### **MUDDYING THE WATERS ..... a cautionary tale**

As an NVOCC on an ocean import ending at the port (CY/CY), more often than not you will also act in the separate capacity of a Customs House Broker. Most Brokers issue a Delivery Order (D.O.) on behalf of the importer to the on-carrier once the cargo has cleared U.S. Customs. The traditional purpose of the D.O. is to notify the on-carrier as to cargo location & availability.

The customer has requested door delivery and you have accommodated this request by arranging the inland transportation with an independent motor carrier. The Delivery Order does not describe the nature of the service you are providing or your status. However, your Customs Power of Attorney incorporates your standard Terms and Conditions of Service which limit your agent liability for cargo loss & damage, perhaps using the terms and conditions of the NCBFAA as a model. If the bad thing then

happens to the cargo while being transported by the motor carrier to final destination inland, you are not responsible as an agent arranging the service, but only for any independent negligence. You are covered by your liability limitation, either because the cargo is damaged while in the custody of a third party or by the monetary damage limitation (usually US\$50 per shipment), **right?**

The answer is definitely **yes**, under traditional industry design, case law and the correct interpretation of customer agreements. But not necessarily, if your company falls prey to the wrong claim lawyer in a court which has little or no experience with transportation cases.

Though the scenario described above fits the accepted business model of NVO/CHBs followed in the industry for many years, we are now seeing the trend of claims by plaintiff attorneys representing subrogating cargo insurance companies which intentionally attempt to obscure the well-defined multimodal roles of NVO/CHBs and attempt to claim the CHB is no longer acting in the capacity of a customs broker for the inland dray, but instead has magically assumed the capacity of a motor carrier or Title 49 freight forwarder, liable to the cargo interests under the Carmack Amendment for the damage to the assured's cargo.

This twisted theory of claim springs from the very broad definition of motor carriers and freight forwarders within the Carmack Amendment (at 49 U.S.C. section 13102) and various court decisions which hold an entity need not be licensed either as a motor carrier or domestic freight forwarder to be found liable as one, if they "held themselves out" as a motor carrier or Title 49 freight forwarder to any of their customers, even though they did not do so for the particular transaction at issue. The allegation is made that your duties as a CHB only involved clearing the cargo and you represented you would transport the cargo inland in accepting the door-to-door shipping request. Thus, the subrogation attorney makes the completely spurious argument you somehow held yourself out as a motor carrier or Title 49 forwarder.

Worse, the claimant lawyer disingenuously attempts to deny application of your Terms and Conditions to limit your liability for the loss by the false argument that the document no longer applies to your actions as a "motor carrier" or "Title 49 freight forwarder," as your customs broker duties were over and finished at the moment the cargo cleared.

This twisted theory of claim recovery against international ocean forwarder/brokers has become a "flavor of the month" tactic by the industry claim attorneys, and you need to know.

The [Countryman & McDaniel](#) attorneys can help prevent such a claim nightmare. It only requires taking steps to clarify your actual legal capacities on operating documents, such as your Delivery Order. [Countryman & McDaniel](#) is available to revise your transportation documents Terms and Conditions of Service and Service Agreements to see that you are not challenged by this ploy, simply because your documents do not clearly define your role for the inland drayage.

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

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