

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

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**Here is what happened in our industry during the Month of October 2012.**

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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** \_\_\_\_\_

**\*\*\*Iran Sanctions Increase** ..... as President Obama has signed an executive order 'Authorizing the Implementation of Certain Sanctions Set Forth in the Iran Threat Reduction and Syria Human Rights Act of 2012 and Additional Sanctions with Respect to Iran'. Amongst the most significant clauses of the Act is section 4, which effectively bars the non-U.S. subsidiaries of U.S. companies from transactions with the Iranian government and persons 'subject to the jurisdiction of the government of Iran'. Read the

Order:

[www.treasury.gov/resource-center/sanctions/Programs/Documents/2012iranthreat\\_eo.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/2012iranthreat_eo.pdf)

The FAQs:

[www.treasury.gov/resource-center/faqs/Sanctions/Pages/ques\\_index.aspx#itrshra\\_eo](http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/ques_index.aspx#itrshra_eo)

**\*\*\*China's Economic Growth Continues** ..... as 3rd quarter GDP grew 7.4%, the seventh consecutive quarter of declining growth, Bloomberg reported. The growth figure was slightly below 7.6% in the second quarter but matched economist expectations, according to a Bloomberg survey of 43 economists. Retail sales, industrial production and fixed-asset investment increased in September, signs that the economy may be rebounding, economists said. Industrial production increased to 9.2% from 8.9% in August while retail sales were up 14.2%. Growth in fixed-asset investment, excluding rural households, improved to 20.5%.

**\*\*\*Our Friends In Moscow** ..... as the U.S. government has indicted a number of individuals & companies which, it says, make up a network procuring U.S. technology for the Russian military. A U.S.-based company, Arc Electronics, is allegedly at the center of the network. Arc and its CEO Alexander Fishenko are alleged to be responsible for illegally exporting to Russia various types of microelectronics used in radar and surveillance systems, missile-guidance systems and detonation triggers. According to the indictment, Fishenko and the other defendants repeatedly took action to conceal that the true beneficiaries for the exports were Russian government entities, including Russia's domestic intelligence agency and military, by providing false end-use information to U.S. manufacturers and false export classifications to the U.S. government. Over 150 foreign individuals and companies involved in the defendants' past exports have also been designated on BIS's Entity List.

[www.bis.doc.gov/news/2012/doj10032012.htm](http://www.bis.doc.gov/news/2012/doj10032012.htm)

[www.bis.doc.gov/news/2012/Entity\\_List\\_rule\\_0694AF77.pdf](http://www.bis.doc.gov/news/2012/Entity_List_rule_0694AF77.pdf)

**\*\*\*China Steel Tariff Not Legal** ..... as the World Trade Organization (WTO) ruled Chinese tariffs on U.S. steel imports are illegal, confirming an initial ruling in June that Beijing had violated int'l trade law, reports London's Financial Times. China imposed tariffs on high-tech steel used in building power stations in response to the "Buy America" provision that came with the U.S.'s 2009 stimulus package. The anti-dumping and anti-subsidy tariffs covered bids on iron and steel contracts from the U.S. or countries with government procurement agreements. The WTO panel agreed with U.S. representatives that China did not demonstrate Buy America's damaging effect on the Chinese steel industry. Washington has won several claims against Beijing at the WTO, though the administration has also lost some cases, including one which ruled some aspects of the America's double-duty policy illegal.

**\*\*\*Customs Compatability** .....as Australian Customs and Border Protection Service has marked 40 years of bilateral co-operation between Australia and China by signing a new strategic partnership described as the most comprehensive and ambitious ever signed between the two customs agencies. The agreement commits both agencies to enhanced co-operation in six key areas. These are the targeting of port-to-port cargo movements, the international mail environment, trade data exchange, co-operation on trade facilitation measures, an exchange of cargo clearance procedures and co-operation focused on responding to the increased movement of ContacNT between the two nations. ContacNT is a pharmaceutical product which contains pseudoephedrine. It

has become a key precursor chemical for illicit drug manufacture in Australia.

**\*\*\*Buying Russian Rail** ..... as the rail freight sector may soon be experiencing yet another change in ownership, following news of two offers on the table for the remaining 25% stake in Freight One, which is due to be sold off by state carrier Russian Railways. A large portion of Freight One is currently owned by Vladimir Lisin, a Russian even wealthier than Evtushenkov. Lisin's company, UCL Holdings, currently holds a 75 percent stake in Freight One, and expressed interest in the remaining shares, which will be sold for a minimum of 45 billion rubles (\$1.45 billion), according to the Russian newspaper Kommersant.

<http://eng.rzd.ru/>

**\*\*\*Coming Home To A Job On The Road** ..... as President Barack Obama has signed into law the Military Commercial Drivers' License Act of 2012. The demand for qualified, safe truck drivers has risen over the past few years and the new law will make it easier for U.S. veterans and service men & women to obtain Commercial Drivers' Licenses (CDL), making them more employable once they leave active-duty. The law will enable an active duty service man or woman to go through the training and skill acquisition necessary to obtain a CDL while they are performing their duties in service to the United States. The fact that they may be serving in a state other than their home state will no longer be an obstacle.

**\*\*\*TNT Purchase Eyed** ..... as the EU anti-trust regulator has expressed concern at the US\$6.85Bn take over of Dutch parcel firm TNT Express by UPS for fear it will corner the market. The European Commission (EC) has raised objections to the deal because of increased concentration in an already concentrated market. However, the EC Commissioner Joaquin Almunia emphasised the usefulness of consolidation to promote efficiency and create strength in two different countries with no overlap. The question is whether the bid from the largest parcel courier of UPS with TNT Express would take up too much of the pan-European network where it too will reduce from four down to three firms.

**\*\*\*First Invent The Product -- Then How To Carry Your Creation?** ..... as C.H. Robinson Worldwide Inc. has two new, compatible products for the produce industry. The Eco-Crate is a recyclable crate that is lighter and more efficiently stacked than other crates, and the CantaBella is a melon with sweet orange flesh and a distinct aroma, according to a news release from Eden Prairie, Minn.-based C.H. Robinson. Because of the patent-pending Eco-Crate's easy stackability, 30% more crates can be loaded per truckload, compared to other crates. The Eco-Crate also generates less shrink, it's safer than wood and its labels adhere better than other crates, according to the release. The CantaBella, developed by Timco Worldwide, a C.H. Robinson subsidiary, is a cross between a conventional cantaloupe and a Charentais, a French melon. In addition to being sweeter than a cantaloupe, the CantaBella has smoother skin, which minimizes food safety risks, according to the release.

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

**\*\*\*Checking Off Chek** ..... as C.H. Robinson Worldwide Inc. (CHRW) announced it has sold its payment services business, T-Chek Systems, Inc., to Electronic Funds Source, LLC or EFS for US\$302.5M in cash. EFS acquired the assets and assumed certain liabilities of T-Chek. T-Chek is a business-to-business provider of spend management and payment processing services. T-Chek's technology supports a variety

of funds transfer, vendor payment, fuel purchasing, and online expense management tools. T-Chek has 190 employees and had annual payment services net revenues of US\$49.3M and operating income of US\$24.6M in 2011. T-Chek has been a subsidiary of C.H. Robinson since 1984.

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

**\*\*\*Damco Buys In Oz** ..... as the stand alone logistics arm of the AP Moller-Maersk Group, will acquire Melbourne-based PacNet, a forwarder in China and Australia with 382 staff and annual revenues of US\$180M.

<http://au.pacnet.com/customer-services/>

**\*\*\*Border War Continues** ..... as a three-judge panel of the U.S. Circuit Court of Appeals for the District of Columbia has agreed to hear oral arguments in Dec. from a pair of federal lawsuits challenging the U.S.-Mexico cross-border pilot trucking program. The two lawsuits filed last year, one by the Owner-Operator Independent Drivers Association and the other by the Teamsters union, allege the program allowing Mexican carriers into the United States does not comply with U.S. federal safety laws and regulations. So far, the program has not met expectations, with only seven Mexican-domiciled carriers being granted operating authority to participate in the Federal Motor Carrier Safety Administration's program.

**\*\*\*Angry Cargo** ..... as several emergency responders have been stung after a flatbed truck carrying honeybees rolled over in rural Nevada. Authorities say 66-year-old truck driver Rudy Breneman had been hauling a load of bees from Bruce, S.D., to California when he pulled to the side of the highway east of Tonopah - about 200 miles northwest of Las Vegas - on Oct. 1 afternoon. Breneman told troopers the big rig started sinking into the soft dirt of the shoulder and eventually tipped over, breaking open many of the hives. State troopers, sheriff's deputies and firefighters all were stung. Trooper Wes Hubred says he was stung seven times. Troopers say firefighters tried to contain the bees with water before beekeepers arrived. Breneman wasn't injured in the accident and is not being cited.

**\*\*\*Truckers of The Living Dead** ..... as drivers may have gotten a chuckle out of an electronic message board in Maine warning of zombies, but city officials were not amused. The sign at a Portland road construction site was changed by a hacker to read "Warning Zombies Ahead!" on Oct. 15 morning. It originally read "Night work 8 pm-6 am. Expect delays." City spokeswoman Nicole Clegg says the signs are a safety precaution and changing it could have led to driver distraction. She told The Portland Press Herald tampering with a safety device is a misdemeanor punishable by up to a year in jail and a US\$1,000 fine. She says it's not clear who changed the sign, but it's not the first time it has happened. See the event:

[www.pressherald.com/news/hacker-rewords-electronic-road-sign\\_2012-10-11.html](http://www.pressherald.com/news/hacker-rewords-electronic-road-sign_2012-10-11.html)

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

**\*\*Forward Air Corp.** **DOWN** with a 4.6% year-on-year decline in 3rd quarter profit to US\$12.3M, drawn on revenues of US\$143.5M, an increase of 5.7%.

**\*\*Kuehne + Nagel.** **UP** with a 4% increase in gross profit in the first 9 months of 2012 to US\$4.89Bn, drawn on a 6% growth in revenue.

**\*\*Union Pacific Corp.** **UP** with a 15% rise in profits to US\$1.04Bn in the third quarter,

compared with US\$904M in the third quarter of 2011, following a rise in automobile and chemical shipments.

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

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

\*\*\***Phoning In Your Air Cargo** .....as delivery of millions of latest iPhone5s has created an air cargo boom leading to an increase in freight costs per kilogramme due to sharp demand to get them to stores in time for the cell phone fashion period. The release of the latest Apple smartphone, coined "Operation iPhone Drop" by freight companies and air carriers, adds to an increasing freight shipment for consumers of must-have technology gadgets at release date. The rush to get the iPhone5 to market boosted freight rates last seen in March with the release of the latest iPad at 20% price increase. According to LA-based [supplychaindigital.com](http://supplychaindigital.com), the boom in electronic freight shipment was mentioned in the U.S. Federal Reserve latest quarterly report. Such is Apple's influence to uplift a sector in the doldrums that freight rates, which hit their lowest ebb in July since 2009 are to sure soar to their highest levels with the iPhone5 launch, an item which has sold five million within the first days of U.S. product launch. [www.supplychaindigital.com](http://www.supplychaindigital.com)

\*\*\***U.S. Transport Secretary Speaks To The Future** ..... as a healthy air cargo industry is essential in helping the U.S. to achieve its goal of doubling its exports by 2015, said Secretary of Transportation Ray LaHood to delegates at Tiara's Int'l Air Cargo Forum & Exposition in Atlanta, Georgia. "We are committed to your industry - because what's good for air cargo is good for the US economy," said Mr LaHood. "A strong air cargo industry expands international trade and contributes to job creation and prosperity at home. We will continue to work hand-in-hand with you, our partners here at home and abroad." The air cargo industry is worth US\$60Bn and delivers 35% of world trade by value which is worth over US\$5 trillion annually but still struggles to make the agendas of lawmakers and politicians, according to The International Air Cargo Assn. (TIACA) news release. [www.tiaca.org/tiaca/default.asp](http://www.tiaca.org/tiaca/default.asp)

\*\*\***Int'l Air Freight Dips** ..... as volume was 1.3% lower in Aug. for the 2nd consecutive month against a slight increase in capacity of 0.7%, said the International Air Transport Assn. (IATA). Asia-Pacific recorded its sixth consecutive month of decline with capacity off 3.7% on year and its freight ton kilometres (FTK) down 6.3%. Africa cargo volume was up by 11.1% and capacity grew 7.9% while the Middle East continued to show robust figures in Aug. with its international air cargo freight tonne kilometres up 11.4% on a 10.5% increase in capacity. North America volume was up by 1.8% while its capacity dropped 2.1% continuing a three-month decline since June. European declines continued as did Latin America with volumes down 1.1% and 3.6% respectively. Europe saw a slight capacity increase of 1.4% while Latin America surged to 13.1%. According to IATA, Europe is the only region forecast to show loss for 2012, finding itself in the red by as much as US\$1.2Bn. IATA expects the US\$630Bn airline industry to make a net profit of US\$4.1Bn this year, up from an earlier forecast of US\$3Bn but still less than half the US\$8.4Bn achieved in 2011. But IATA has pushed its forecast for cargo into the red, pointing out that the economically sensitive sector is expected to see a 0.4% contraction in 2012 instead of 0.3% growth as previously forecast. About 40% by value of internationally shipped goods go by air and cargo

demand is seen as a barometer for world trade and the health of the economy.

**\*\*\*More Fixing Fines** ..... as the Federal Court in Sydney has fined Emirates Airline AUD\$10M for engaging in price fixing, an action that jump-starts the Australian Competition and Consumer Commission's formal proceedings against a number of airlines. The addition of Emirates — the 10th airline to settle with the Australian government — brings the total number of fines levied by the ACCC during these proceedings to AUD\$68M. In the case of Emirates, the government watchdog charged the carrier AUD\$7M for participating in an airfreight cartel from Oct. 2001 to May 2006 and AUD\$3M for conspiring with DAS Air Cargo to fix prices on airfreight shipments from Australia. Federal Court judge Anna Katzmann also ordered Emirates to restrain from this behavior for 5 years and to pay AUD\$500,000 toward the ACCC's costs.

**\*\*\*More Carbon Tax Fall Outs** ..... as Saudi Arabia has reportedly prohibited its national airline from complying with the controversial aviation component of the EU's Emissions Trading System (ETS), according to two unnamed sources cited by Bloomberg last week. The two sources cited by the news agency, which are said to have knowledge of the subject, claim Saudi officials have notified Brussels of the decision. Both sides are now said to be in negotiations in an effort to reach a compromise Saudi Arabia is among the self-dubbed "coalition of the unwilling," a group of nations that issued a joint statement in February stating their opposition to the EU's aviation emissions rule. Of those countries, India and China have already prohibited their airlines from complying with the EU law without government approval.

**\*\*\*Fall From Grace** ..... as just weeks ago, American Airlines was working its way through bankruptcy court, on schedule for one of the fastest turnarounds in aviation history. Planes were full. Revenue was pouring in. Then seemingly overnight, American became the butt of jokes from Facebook to late-night TV. A slowdown American blamed on pilots caused massive delays and cancellations. Then rows of seats came loose on a few planes. Passengers wondered if they'd get where they were going on time - and in one piece. "American Airlines has a new slogan," Jay Leno joked on NBC's "The Tonight Show." "Your seat is free to move about the cabin." Some travel experts advised booking on other airlines to avoid getting stranded on American. Low-cost rival Spirit Airlines picked on American with this ad: "We let low fares loose, not seats." American's on-time record fell well below its competitors, and its cancellations were the highest of any airline. There are signs the trouble - which began in Sept. when American threw out the union contract of its pilots - is causing passengers to switch. Domestic traffic fell by 7.1% in Sept. from the same month a year earlier. No other major airline experienced a drop like that. As a consequence, American Airlines' freight traffic plunged 8.3%, year-over-year, in Sept., while cargo volumes receded 1.2% from the first 9 months of 2012. AMR, which filed for Chapter 11 in late Nov., could still emerge from bankruptcy protection early in 2013. That would mark a quicker turnaround than the 38 months it took United and the 19 months for Delta.

**\*\*\*Southern Air Bankrupt** ..... as the all cargo carrier has applied for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court in Delaware, reports Reuters. Southern Air listed estimated assets of US\$100M to \$500M, and estimated liabilities in the range of US\$500M to \$1Bn. Southern Air operates a fleet of four B777s, four B747-400s and three B747-200s Southern Air reported revenues of US\$430M and a net loss of US\$160M. Southern Air has 600 full-time employees.

[http://en.wikipedia.org/wiki/Southern\\_Air](http://en.wikipedia.org/wiki/Southern_Air)

**\*\*\*New FedEx Hub** ..... as the cargo giant has opened a new S\$97M transportation hub, consolidating its air, ground and customs clearance operations under one roof. Located within the Air Cargo Express Hub at Singapore's Changi Airport, FedEx shipments are now able to be transported, cleared and sent from aircraft to vehicle in one single location. Spanning over more than 282,000 square feet, the new hub consolidates what was previously 3 Singapore facilities put together.

**\*\*\*Joining The Team** ..... as Taiwan's China Airlines (CAL) has joined SkyTeam Cargo to benefit from shared resources and expand its shipping network from current 84 destinations in 27 countries to 864 destinations in 174 countries. The alliance means it can exchange business expertise with other member airlines such as Delta Cargo, China Southern Cargo and Air France Cargo, and reduce its operational costs by generating higher volumes. SkyTeam Cargo, the world's largest cargo alliance was founded in 2000 and has 10 member airlines throughout the world with the addition of CAL.

**\*\*\*Memphis Int'l Airport Still 2nd** ..... as cargo is up by 2.75% for the year. After a year of flat growth in 2011, the airport of FedEx came in second after Hong Kong on Airports Council Int'l's recent list of the top 100 cargo airports by volume.

[http://en.wikipedia.org/wiki/Airports\\_Council\\_International](http://en.wikipedia.org/wiki/Airports_Council_International)

**\*\*\*Open Skies At The Other Frankfurt** ..... as Shanghai's Yangtze River Express and Navitrans, a Taiwan-Turkish company, have found advantage in the night flight ban at Frankfurt-Main airport by flying into neighbouring Frankfurt-Hahn airport, which is untouched by the restriction that mostly affects cargo flights. Yangtze River Express has been joined by Navitrans, the new Taiwan-Turkish joint venture, as well as MyCargo and Japan's Nippon Cargo Airlines, which have also signed deals to land at Frankfurt-Hahn.

[http://en.wikipedia.org/wiki/Frankfurt-Hahn\\_Airport](http://en.wikipedia.org/wiki/Frankfurt-Hahn_Airport)

**\*\*\*Tapped To Be One** ..... as Qatar Airways was elected member designate to the Oneworld Alliance; it will be the second Middle East airline member after Royal Jordanian. The carrier's implementation into oneworld is expected to take 12-18 months. Its network serves 120 destinations in 70 countries in the Middle East, Europe, Africa, North and South America, Asia and Australasia, including oneworld hubs Amman, Berlin Tegel, Buenos Aires Ezeiza, Hong Kong, London Heathrow, Madrid, Melbourne, Moscow Domodedovo, New York JFK, Osaka Kansai, Sydney, Tokyo Narita, and the Kuala Lumpur home of oneworld member elect Malaysia Airlines. It operates a fleet of 111 Boeing and Airbus aircraft.

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

**\*\*\*Qantas Shake Up** ..... as it has made major changes to its freight sector, having reached an agreement to sell 50% of its freight company, StarTrack at the same time as acquiring 100% of air freight business Australian Air Express. Following the sale of StarTrack, Qantas expects to receive net proceeds of US\$408M, plus completion adjustments of approximately US\$5M from the transaction, which it hopes will result in an estimated profit of US\$30M. Under joint venture arrangements between Qantas and Australia Post, each party currently owns 50% of Australian Air Express and StarTrack in an arrangement that has existed since 2003.

**\*\*\*Walking Cargo Boost** ..... as movement of animals has softened declines in the air cargo by remaining a constant speciality freight and producing steady revenue for carriers. The profitability of animal freight lies in the value of larger animals such as thoroughbred horses, giant pandas and dolphins on int'l flights which create bigger margins for the carriers, Reuters reports. Lufthansa's Cargo animal unit creates steady sales of EUR30 million (US\$39M) per year against the group's overall revenue of EUR\$1.4 billion, but it remained constant during the downturn. Lufthansa invested EUR10 million in its Animal Lounge, a 4,000-square-meter animal facility, opened 4 years ago to expand the business that increases revenue by 3% to 4% a year compared to other freight which has experienced a drop of 9.2% in volume in the first half of 2012.

**\*\*\*DHL Express To The Zoo** ..... as it hauled a Sumatran tiger from Cincinnati/Northern Kentucky Airport to ZSL London Zoo on Oct. 14. The successful transportation of the tiger, Jae-Jae, came less than one month after DHL Express flew Melati, a female tiger, from Perth, Australia to London.

**\*\*\*The Dream In Service** ..... as on Oct. 5, Boeing marked a historic milestone with delivery of the first 787 Dreamliner built at its North Charleston, S.C., facility to Air India. The delivery continues the momentum of the 787 Dreamliner's entry into revenue service by customers globally and marks the beginning of a new era of commercial airplane production in South Carolina. Work on the Boeing South Carolina Final Assembly and Delivery Center began in Nov. 2009. Production of the first South Carolina-built 787 began in mid-2011 and the completed airplane rolled out of the factory in April.

**\*\*\*Guarenteed Production** ..... as the U.S. Export-Import Bank has authorized a US\$117.5M loan guarantee supporting exports of Boeing 737-800 planes to flydubai, a low-cost airline owned by the Dubai government.  
[www.flyduba.com/](http://www.flyduba.com/)

**\*\*\*Flying The Big Fish** ..... as weighing in at 91,000 pounds, the world's largest salmon landed in Anchorage Oct. 4 to a cheering crowd of hundreds of Alaska Airlines employees and seafood industry executives. Stretching nearly 129 feet, the fish-themed Boeing 737-800 is the most intricately painted commercial aircraft in the world and celebrates the partnership of Alaska Airlines and the Alaska Seafood Marketing Institute. The new "Salmon-Thirty-Salmon II" design is nearly identical to an earlier version of the paint scheme that Alaska Airlines unveiled on a 737-400 in 2005, which was re-painted with the carrier's traditional Eskimo livery last year. See the Big Fish: <http://airnation.net/2012/10/07/worlds-largest-737-salmon/>

**\*\*\*Schenker Limited In New Hub** ..... as the UK arm of the global services provider DB Schenker Logistics has formally opened their new headquarters building London Heathrow, 9,900 square meter facility, which will be the main airfreight hub for the UK.

**\*\*\*Volumes >>>** American Airlines' freight traffic plunged 8.3%, year-over-year, in Sept., while cargo volumes receded 1.2% from the first 9 months of 2012. >>> Singapore's **Changi Airport** has announced its Sept. performance after posting a 0.4% decrease in cargo volume to 153,700 tons year on year. For the first nine months of the year, air freight movements dropped 0.3% to 1.84 million tons. >>> **Delta Air Lines** transported 201,698 tons of cargo in Sept., a 3.2%, year-over-year and also an uptick in freight volumes from a nine-month perspective; as

Delta's traffic surged 1.1% from Jan.-to-Sept. 2011. >>> **Hong Kong Air Cargo Terminals Ltd.** handled 697,791 tonnes of cargo in the third quarter of 2012, its second-highest quarterly total since 2010.>>> **Southwest Airlines** recorded an 11.4%, year-over-year, spike in freight operating revenue in the third quarter of 2012, which ended Sept. 30.

**\*\*\*Int'l Incident** ..... as a Syrian A320 Airbus, forced down by Turkish F-16s to Ankara's Esenboga airport, had no arms or illegal cargo aboard, says Russia's foreign minister, which Turkey has failed to deny after making initial claims to the contrary. A Turkish diplomat told Moscow's Interfax news agency that officials were still investigating and would contact Russia when they finished the inquiry. After the seizure Turkish Prime Minister Recep Tayyip Erdogan said the cargo seized contained "equipment and ammunition". Syria's Foreign Ministry challenged the Turks to publicly display the "equipment & ammunition and Turkey has now admitted that the Syrian-bound passenger plane was not carrying illegal arms or contraband, according to the Russian news agency RIA-Novosti.

**\*\*\*Dressed To Kill** ..... as a man arrested at Los Angeles Int'l Airport was wearing a bulletproof vest & flame-resistant pants and had checked in a suitcase full of weapons. Federal officials say Yongda Huang Harris, 28, was on a stopover on a trip from Japan and had an array of suspicious items in his luggage, including a smoke grenade, knives, body bags, a hatchet, a collapsible baton, a biohazard suit, a gas mask, billy clubs, handcuffs, leg irons and a device to repel dogs. Harris has been charged with one count of transporting hazardous materials and made a brief court appearance Oct. 9. Federal officials say the smoke grenade is prohibited on board passenger aircraft, but the hatchet, knives, clubs and other items authorities found in Harris' luggage don't violate Transportation Security Administration guidelines for what can be carried in checked bags. Bulletproof vests and flame-resistant pants are also not listed among items prohibited aboard flights. According to the TSA, a wide range of weapons are allowed in checked baggage, but not in a carry-on. For example, you can pack knives, meat cleavers, sabers and swords in your checked luggage, as well as brass knuckles, throwing stars, billy clubs and night sticks. Tools are OK, too. The TSA allows travelers to check cattle prods, drills, saws and crowbars and more. Almost all types of explosives, flammable materials and disabling chemicals are banned in both carry-on bags and checked luggage. Among the no-nos are blasting caps, hand grenades, gasoline, dynamite, fireworks and chlorine for pools & spas.

**\*\*\*Without Conscience** .....as the testimony at a federal drug trafficking trial was chilling: Jurors heard how bribed baggage handlers at John F. Kennedy Int'l Airport concealed cocaine on commercial jets inside sensitive wing assembly compartments. Saying the tactic risked the lives of passengers, a federal judge sentenced the convicted leader of the drug ring on Oct. 16 to life in prison. Former American Airlines baggage handler Victor Bourne was found guilty last year of charges he used his behind-the-scenes access at New York City's busiest airport to orchestrate the smuggling of more than 330 pounds of cocaine from 2000 to 2009. The sentencing capped a federal investigation that has resulted in the convictions of 20 people - 19 of them airlines employees - the seizure of large amounts of cocaine and the forfeiture of US\$6.9M. As leader of the crew, Bourne made millions of dollars he laundered through business ventures in Brooklyn and Barbados, authorities said. "You personally exacerbated one of the nation's greatest blights," U.S. District Judge Nicholas Garaufis said at the sentencing in federal court in Brooklyn.

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

**4. FF World Ocean Briefs**

**\*\*\*The Fight Moves West** ..... as West African pirates, striking off the coast of Cote d'Ivoire captured a tanker, took it to a distance location where it pumped off some of its cargo of petrol to another tanker, reports GAC Port News. The pirates use smaller tankers to offload the cargo and take to final destination, said the International Maritime Bureau (IMB), adding that they have ship movement intelligence, a substantial fencing network, expert personnel and expensive equipment. According to a report from the IMB, the vessel carrying 30,000 tons of petrol was attacked by 14 pirates armed with knives and AK47s. Once under siege the hijacked vessel left its anchor and passed Ghana, Togo and Benin. The ship was released 3 days after the attack resulting in 2,500 tons of petrol being pumped off. The crew of 22 Filipinos and two Greeks were unharmed although some damage was made to the vessel's communication system. West African piracy grew in 2011 to total 20 tankers attacked off neighbouring Benin, of which eight were hijacked and, in most cases, gasoline was stolen and the vessel was released. The spread of Nigerian pirates westwards in the Gulf of Guinea over the past 2 years has shown a targeted approach, said the IMB, rather than previous "opportunistic attacks" that the pirates aim for product tankers carrying refined oils. The IMB reported there was a 50% year-on-year reduction in pirate attacks in the Indian Ocean to 177 in the first 6 months of 2012. Somali pirates also hijacked fewer vessels, down from 21 to 13.

**\*\*\*Following The Trend** ..... as Qatar has approved a proposal by the Interior Ministry to allow ships with armed guards on board to enter into Middle East nation's territorial waters. The government is expected to make an official announcement in the coming weeks, reports GAC's Port News.

**\*\*\*A Good "High Season" Seen** ..... as import cargo volume at the nation's major retail container ports is expected to increase 9.9% in Oct. as merchants wrap up the annual shipping cycle for holiday merchandise, according to the monthly Global Port Tracker report released by the National Retail Federation and Hackett Associates. U.S. ports followed by Global Port Tracker handled 1.42 million Twenty-foot Equivalent Units in August, the latest month for which after-the-fact numbers are available. That was up 6.7% from July and 3.3% from August 2011. One TEU is one 20-foot cargo container or its equivalent. Sept. was estimated at 1.49 million TEU, up 8 % from last year, and Oct. is forecast at 1.45 million TEU, up 9.9%. Aug., Sept. and Oct. are the three busiest months of the year as retailers bring merchandise into the country for the holiday season, and volume for the three months combined is up 7%. With most holiday merchandise already at least in distribution centers by the end of Oct., monthly cargo volume will drop off for the remainder of the year but will remain above 2011 levels.

**\*\*\*Investment Lags** ..... as U.S. ports need US\$18Bn in infrastructure upgrades to keep up with the rest of the world, but only US\$7.2Bn has been budgeted to do the job, according to the American Society of Civil Engineers (ASCE). "Congestion and delays lead to goods waiting on docks and in warehouses for shipment, which in turn leads to higher transportation costs and higher-priced products on store shelves," says ASCE president Andrew Herrmann. From 2020 to 2040, more than US\$28Bn will be needed, which leaves requirements US\$17Bn short in current budget estimates, said the ASCE

study, according to New York's Maritime Professional. Inland waterway traffic is forecast to rise by 11% to 51 million tons by 2020, and 25% by 2040, the report said.

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

**\*\*\*Fleet Volume Will Increase** ..... as delivery of container vessels is on the rise in 2013 with shipyards set to deliver 1.7 million TEU, expanding the global fleet 9.5%, which surpasses levels reached in 2008, the last record high since the economic recession with 1.5 million TEU delivered against this year's 1.3 million TEU. According to London shipbrokers Braemar Seascope, the postpanamax segment of vessels of more than 10,000 TEU will grow to total 48 ships of 650,000 TEU, bringing an average annual delivery in the period from 2011 to 50 units or more. Scrapping has remained moderately high in the three quarters of 2012 compared to the highest year of demolition in 2009 at 370,000 TEU.

**\*\*\*Increasing The Load** ..... as containr stacking weights can be modified to allow the carriage of more cargo, and as much as 10% weight could be added to the cargo transported aboard an 18,000-TEU ship, says Lloyd's Register marine director Tom Boardley. "The results come from looking hard at ship efficiency - and how we optimise designs. Examining the forces involved in container stacks is throwing up interesting and innovative results," said Mr Boardley in a report in New York's Marine Link. "These results indicate clearly that we will be able to allow much higher cargo weights and enable more operational flexibility - and to do this in safety. The potential in cargo increase is considerable," he said. "It's about being able to load more containers that are carrying cargo and being able to have more options as to where to load which can help speed up cargo operations, reducing time in port, energy used and driving increasing asset efficiency ashore and afloat. The larger the ship, the bigger the benefit as the efficiencies are scalable," he said. The next steps towards final confirmation and the ability to offer new rules will go for approval by the Lloyd's Register Technical Committee in Nov.

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

**\*\*\*Paying The Piper?** ..... as International Longshore and Warehouse Union (ILWU) president Bob McEllrath has been sentenced to one day in jail and an 89-day suspended sentence following a 3-day trial on his part in an attack by ILWU members at a new facility Export Grain Terminal (EGT) near the Port of Longview, southern Washington state. The vandalism consisted of damage to the facility where the union has demanded rights to work at with 400 longshoremen blocking a BNSF train from entering the EGT and in turn dumping the grain and withholding security officials at the grain terminal. A jury was unable to reach a verdict in June on Mr. McEllrath's charges of misdemeanour in trespassing in the 2nd degree and blocking a BNSF train from entering the EGT and in turn dumping the grain on Sept. 7, 2011.

**\*\*\*France Supports It's Flag Line** ..... as the sovereign's wealth fund, Fonds Strategique d'Investissement (FSI), has agreed to buy US\$150M in CMA CGM bonds, convertible into a six per cent equity in the Marseille-based company, reported London's Container International. Istanbul-based Yildirim Group, which bought a 20% stake of the company for US\$500M in 2010, has agreed to buy US\$100M of the new convertible bond issue that would raise its stake another 4% of the world's third largest container shipping line.

**\*\*\*More Accross The Top of The World.....** as the total cargo transported on the Northern Sea Route (NSR) is already almost 200 000 tons more than in last year's season, updated numbers from Rosatomflot show. 35 vessels have transported a total of 1,022,577 tons of different goods between Europe and Asia so far, and the season is not yet over, reports the 'Barents Observer'. In 2011, 34 vessels transported a total of 820 789 tons during the five months the route was open. The sailing season can still last another month. In 2011, the last vessel reached the Pacific Ocean on Nov. 18, marking the longest sailing season on the Northern Sea Route ever. Iron ore was transported from Murmansk to China four times this summer.

[http://en.wikipedia.org/wiki/Northern\\_Sea\\_Route](http://en.wikipedia.org/wiki/Northern_Sea_Route)

**\*\*\*Hapag-Lloyd's New Giant .....** as it has received the 13,169-TEU [M/V New York Express](#), the second unit of its newbuilding program of ten 13,169 TEU ships with Korea's Hyundai Heavy Industries (HHI). But Alphaliner notes the 13,169 TEU figure may be as low as 12,500 as carriers tend to add another layer of containers to increase the apparent size of a ship when it typically carries fewer boxes than stated capacity. "The 500-600 TEU difference is explained by the fact carriers include a top tier in the count, which is more notional than real," said Alphaliner, the Paris-based maritime consultancy.

**\*\*\*China's New Coastal Route .....** as COSCO and China Shipping (CSCL) have joined to provide full coastal service from the provinces of Shantou in the north to Guangdong in the south, linking up to Fujian in between, reports Xinhua.

**\*\*\*Moving Chassis Ownership From Steam Ships To The Motor Carriers .....** as Memphis trucker, IMC Companies, has purchased 1,500 container chassis from OOCL (USA) Inc and placed the chassis into one of six Consolidated Chassis Management (CCM) pools-the Mid-South Consolidated Chassis pool-for OOCL's dedicated use. This comes as the company, along with other members of the American Trucking Associations' Intermodal Motor Carrier Conference group, are studying creation of a motor carrier cooperative that would purchase chassis from ocean carriers. The North American Chassis Pool Cooperative would contribute chassis to neutral pools such as CCM, which is owned by 18 container shipping lines and has 120,000 chassis under management in six regional cooperative pools. Last year, the U.S. Federal Maritime Commission granted approval to CCM to accept chassis contributed by truckers and shippers, as well as ocean carriers, said media reports.

**\*\*\*Certified Maritime .....** as this year the State Bar of California has established a new area of legal specialization for licensed attorneys, This is the first legal certification program for admiralty and maritime lawyers west of the Mississippi River: **Certified Specialist in Admiralty and Maritime Law**. Criterion for the new license qualification includes a wide range of requirements in legal education, teaching and real world experience in designated professional tasks and case handling for admiralty and maritime cases. Among members of the 2012 class of new specialists is [Michael McDaniel](#) of the [Countryman & McDaniel](#) attorneys.

**\*\*\*The Dwindling "Moth Ball Fleet" .....** as the U.S. Transportation Dept. is scrapping old unwanted ships in the Suisun Bay Reserve Fleet in California faster than planned, reports American Shipper. Since the Maritime Administration announced in 2010 that it would remove 28 ships from the fleet by Sept. 30, some 36 ships have been

removed, and three more are scheduled for removal by the end of the year. In October 2009, MarAd unveiled a plan to award contracts to prioritise removing the most hazardous ships from the bay and improve cleaning methods for the rest. Out of an original fleet of 57 ships, 21 now remain. MarAd said all of them will be removed by October 2017. In recent years, MarAd has sold 15 vessels for recycling. In addition to the vessels removed from Suisun Bay, 11 ships have been taken out of the Beaumont and James River fleets since Oct. 2009.

[http://en.wikipedia.org/wiki/Suisun\\_Bay\\_Reserve\\_Fleet](http://en.wikipedia.org/wiki/Suisun_Bay_Reserve_Fleet)

**\*\*\*Throughput >>>** In **Latvia ports** cargo throughput increased 23.8% to 278,630 TEU from January to Sept. and the Freeport of Riga handled 275,025 TEU in the first nine months a 23.5% increase year on year. >>> Container volumes of the U.S. west coast container ports of **Los Angeles** and **Long Beach**, also the two largest U.S. ports, were mixed in Sept., with LAX up 5.6% to 745,000 TEU and LBG down 2.9% to 512,000 TEU. >>> **Port of Melbourne** has posted a 3.3% year-on-year increase in container volume to 2.58 million TEU in fiscal year 2011-12, also posting a record throughput of 87 million tons. >>> **Qingdao**, China's 2nd largest port, has managed to maintain its status with a year-on-year growth of 9.4 % in its foreign trade cargo volume to 157 million tons in the first seven months of this year. >>> **Shanghai** and **Ningbo** recovered in Sept. with throughput Shanghai rising 11.6% year on year to 2.9 million TEU while Ningbo jumped 20% to 1.6 million TEU.

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

1863 - Confederate steamer David seriously damages [USS New Ironsides](#) with a spar torpedo off Charleston, S.C.

1914 - [USS Jupiter](#) (AC 3) is first Navy ship to complete transit of the Panama Canal.

1922 - Lt. Cmdr. Virgil C. Griffin, in a Vought VE-7SF makes first the takeoff from a U.S. Navy aircraft carrier, [USS Langley](#) (CV 1) anchored in York River, Va.

1941 - German U-boat [U-568](#) torpedoes and damages [USS Kearny](#) (DD 432) near Iceland, resulting in 11 killed and 22 injured.

1944 - Naval Forces land Army Rangers on islands at the entrance to Leyte Gulf in preparation for landings.

1989 - Following the San Francisco earthquake, 24 Navy and Military Sealift Command ships render assistance.

2000 - Terrorists in a boat make a suicide attack on [USS Cole](#) (DDG 67) while the ship refuels in the port of Aden, Yemen. Seventeen Sailors are killed. **Our Cargo Law Tribute;**

[www.cargolaw.com/2000nightmare\\_cole.html](http://www.cargolaw.com/2000nightmare_cole.html)

**\*\*\*Low Sulphur Vessel Danger** ..... as ships using costly, eco-friendly low sulphur fuel suddenly lose power and therefore control, causing accidents at times when maneuverability is most needed, said a Risk Focus bulletin from the marine insurer, UK P&I Club. The UK Club's risk assessors looked into 700 claims and found main engine failures and blackouts tend to occur most regularly at the point in a voyage where the ship is at its most vulnerable. Eco-friendly low-sulphur fuel has been mandated by the UN's International Maritime Organisations and now enforced in the Baltic Sea, and within 200 miles of the U.S. and Canada. Separately, the state of Alaska is challenging the low-sulphur rule in court on the grounds that it is not yet U.S. law. The U.S. has long been a party to the International Convention for the Prevention of Pollution from Ships, but this is a treaty amendments, which must be ratified by Congress before becoming U.S. law.

**\*\*\*Hull Fouling Geographics** ..... as Finland's Eniram Limited has analysed hull fouling on 60 cruise ships in different seas, including the Caribbean, around California and Alaska, the Mediterranean and the Baltic. The results show high levels in the Caribbean with Alaska coming in with the least. The study also shows vessels operating in serious hull fouling waters can increase costs per ship to nearly US\$500,000 a year. This study also takes into account the impact of washing and dry docking on fouling by using data from over 38,000 operative sea days complemented with temperatures and salinity databases.

[www.eniram.fi/](http://www.eniram.fi/)

**\*\*\*Smugglers Monkey Around** ..... as a major cocaine seizure in Europe has turned out to be good news for the animals at Rotterdam's zoo. The drugs were hidden among boxes of bananas, and the fruit was later donated to the monkeys and other creatures at the Blijdorp zoo. Dutch prosecutors said Oct. 12 more than eight tons of cocaine was hidden among the bananas on a ship from Ecuador. The drugs were seized Oct. 8, in the Belgian port of Antwerp, while the bananas were allowed to continue on to Rotterdam - the shipment's final destination. Dutch police arrested a Belgian truck driver and 4 Dutch men on Oct. 9. Dutch authorities say the seizure is the biggest ever in the Netherlands or Belgium.

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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 for Oct. 2012: "**Final Endeavour**"

[www.cargolaw.com/2000nightmare\\_singles.only.html#Endeavour](http://www.cargolaw.com/2000nightmare_singles.only.html#Endeavour)

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**>>>>>>

Int'l Trade Administration (ITA) & Environmental Protection Agency (EPA)  
Environmental Solution Exporter Portal  
<http://export.gov/envirotech/>

Int'l Trade Administration (ITA) Antidumping and Countervailing Duty Fact Sheet .....  
investigation of hardwood and decorative plywood from China  
[http://ia.ita.doc.gov/download/factsheets/factsheet\\_prc-plywood-adcvd-init-20121018.pdf](http://ia.ita.doc.gov/download/factsheets/factsheet_prc-plywood-adcvd-init-20121018.pdf)

Supply Chain Risk 2.0 – Strategies for Disaster Response ..... free white paper  
<https://RapidRequest.emediausa.com/2/2.aspx?3014070.BKTOXIDC.131923>

U.S. Office of Foreign Assets Control Prohibited Transactions & Sanctions FAQ  
[www.treasury.gov/resource-center/faqs/Sanctions/Pages/ques\\_index.aspx](http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/ques_index.aspx)

U.S. Customs FAQs On In-Bond Transition From ACS To ACE  
[http://apps.cbp.gov/csms/docs/18979\\_539471299/In\\_bond\\_Questions\\_and\\_Answers\\_S\\_EPT\\_2012.pdf](http://apps.cbp.gov/csms/docs/18979_539471299/In_bond_Questions_and_Answers_S_EPT_2012.pdf)  
<http://apps.cbp.gov/csms/viewmssg.asp?Recid=18979>

Webinar -- Armed Guard Aboard Merchant Vessels To Combat Piracy  
[www.maritimetv.com/FeaturedContent/FeaturedVideos.aspx?VID=maritime/120509\\_Maritime\\_Maitland\\_Cartner.flv#ancho](http://www.maritimetv.com/FeaturedContent/FeaturedVideos.aspx?VID=maritime/120509_Maritime_Maitland_Cartner.flv#ancho)

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

**Int'l Institute of Marine Surveying**  
[www.iims.org.uk/](http://www.iims.org.uk/)

Marine Insurance Legislation  
[www.researchandmarkets.com/publication/9iizod/marine\\_insurance\\_legislation](http://www.researchandmarkets.com/publication/9iizod/marine_insurance_legislation)

Salvo DockMonitor .....live graphic information running on a PC interface for assessment of overall site performance and individual dock statistics.  
[www.salvosafe.com/dockmonitor.htm](http://www.salvosafe.com/dockmonitor.htm)

## **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)

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)

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

<http://link.pentonnav.com/u.d?I4GroRZPU-ypWTcMfs1qn=2371>

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)

IATA 8th Cargo Claims and Loss Prevention Conference .....6-8 Nov. 2012, Houston

[www.iata.org/events/Documents/cclp12-agenda.pdf](http://www.iata.org/events/Documents/cclp12-agenda.pdf)

Intermodal Europe 2012 ..... 27-29 Nov. 2012, Amsterdam RAI, Holland

[www.intermodal-events.com/wcnb](http://www.intermodal-events.com/wcnb)

International Air Transport Assn. Legal Symposium 2013 ..... 17-19 Feb. 2013, Radisson Blu Hotel, Berlin, Germany

<https://ems.resrunner.com/IATALegalSymposium>

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 Jan. 2013, London  
<http://v11.vuturevx.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>

Uncollected Cargo Seminar .....28 Nov. 2012, 2 pm - 4 pm, YMCA of Hong Kong  
[richardchan@smicsl.com](mailto:richardchan@smicsl.com)

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 & Galaxy>>>>>>>>](#)

Delivery Status Touch , A Package Tracker ..... follows every major service provider by recognizing it's unique tracking number -- even in an email. Very handy

**Incoterms 2010** ..... useful tool

**SuMo** -- the first fully functioning mobile application which converts employee behaviour into profits by decreasing wastage on non-salary employment costs such as business travel, energy, heating, cooling, lighting, water & waste.

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

**10 Worlds Most Dangerous Airports**  
[www.youtube.com/watch?v=GOTuo1vdDkk&feature=related](http://www.youtube.com/watch?v=GOTuo1vdDkk&feature=related)

**70 Years of Jet Powered Flight** ..... the first U.S. jet flight took place October 1, 1942 in the Bell Aircraft Corp XP-59A (powered by the General Electric I-A), flown by Robert M. Stanley from Muroc Army Airbase on Rogers Dry Lake (now Edwards Air Force Base).  
[www.youtube.com/watch?v=A-7nGp9S00g](http://www.youtube.com/watch?v=A-7nGp9S00g)

**747 Crashes in Suburban Street**  
[www.youtube.com/watch?v=jX3C\\_60cAak&feature=fvwrel](http://www.youtube.com/watch?v=jX3C_60cAak&feature=fvwrel)

Fire Tornado  
[www.youtube.com/watch?v=OL\\_VUh4gzlk](http://www.youtube.com/watch?v=OL_VUh4gzlk)

Mega-Fly - Autonomously Guided Parafoil Based Heavy Load Delivery System  
<http://defense-update.com/products/m/megaafly.htm>  
<http://nsrdec.natick.army.mil/LIBRARY/00-09/R07-30.pdf>

Pan Am Boeing 377 "Stratocruiser"-1950 ..... traveling in true style. When flying was like a luxury cruise  
[http://m.youtube.com/watch?feature=related&v=7Fwp9Vheh8E&desktop\\_uri=%2Fwatch%3Fv%3D7Fwp9Vheh8E%26feature%3Drelated](http://m.youtube.com/watch?feature=related&v=7Fwp9Vheh8E&desktop_uri=%2Fwatch%3Fv%3D7Fwp9Vheh8E%26feature%3Drelated)

Remembering the Cuban Missile Crisis  
[www.navy.mil/viewVideo.asp?id=17649](http://www.navy.mil/viewVideo.asp?id=17649)

Royal Thai Navy, Third Naval Area Command - Gangnam Style  
[www.youtube.com/watch?v=FHx4nF7jJzI](http://www.youtube.com/watch?v=FHx4nF7jJzI)

Seabreacher  
[www.seabreacher.com/seabreacher-x](http://www.seabreacher.com/seabreacher-x)

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

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

### **Contractual Force Majeure Defense Upheld**

#### ***Starke vs. United Parcel Service***

E.D.N.Y No. 10-CV-1225, 24 Sept. 2012

The United States District Court for the Eastern District of New York upheld UPS' Terms and Conditions for carriage excluding liability for delays "due to causes beyond UPS' control." The Plaintiff shipped a letter by UPS' "Next Day Air, Early A.M." service amidst severe weather, which wreaked havoc on the Northeast's roads and airports. When the letter arrived 23 hours late, he demanded a refund pursuant to UPS' otherwise guaranteed service. The Court ruled in favor of UPS and was unconvinced by the Plaintiff's argument that foreseeability of severe weather evicserated UPS' Force Majeure defense. Logistics providers are reminded to protect themselves by including Force Majeure language in their carriage terms. The attorneys at [Countryman & McDaniel](#) can assist in providing proven language for a variety of different potential Force Majeure events

#### **\*\*\*When Is Delivery of Ocean Cargo By The NVOCC Complete?**

Under the ubiquitous port to port or CY-CY house bill of lading, the carrier responsibility of the NVOCC terminates at the port or container yard. Not so under an ocean through bill of lading issued by the NVOCC, where carrier responsibility terminates only at the final destination designated on the through bill.

But when at what point is **delivery** actually achieved under either variant of house bill of lading? The U.S. Supreme Court addressed the issue many years ago and held delivery is complete upon the cargo being made "available" to the consignee under the respective house bill of lading terms. Importantly, delivery does not depend upon the consignee accepting the cargo. Any issue of non-conformance of the cargo is properly the subject of discussion between the consignee and consignor. It generally is not the responsibility of the NVOCC to assure cargo conformity.

NVOCCs are advised to avoid situations where the consignee can argue delivery is dependent upon acceptance of the cargo. A letter of credit which is conditioned on consignee approval of the cargo should raise a red flag, just as should allowing the motor carrier to return to port with the load still in the container because the consignee has refused to accept it.

As a practical matter, to avoid these situations, NVOCCs are advised to adhere to the



**The Cargo Letter** is published by **The Law Offices of Countryman & McDaniel**: Legal, Business, Marine Insurance and Claims representation of Air/Ocean Freight Forwarders, NVOCC's, Indirect Air Carriers, Shipper's Agents, Inland Carriers and Customs Brokers.....and Liability & Marine insurance Underwriters since 1978 in the United States & world-wide via **The Cargo Law Network**. Member, Maritime Law Association of the United States, **FIATA** and others.

Our Home Page Of Forwarder/Broker Services

**Cargo Law**  
[www.cargolaw.com](http://www.cargolaw.com)

&

**TRANS-CAMS**

[www.cargolaw.com/cameras.html](http://www.cargolaw.com/cameras.html)

**The Cargo Letter** Home Page

>>>>>>[www.cargolaw.com/cl-archives.php](http://www.cargolaw.com/cl-archives.php)<<<<<<<<

<<<<<<<<[The Cargo Letter](#)>>>>>>