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Law Offices of Countryman & McDaniel

**THE CARGO LETTER [497]**

Air & Ocean Logistics - Customs Broker News

30 May 2013

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

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

**Here is what happened in our industry during the Month of May 2013.**

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

Contribute your knowledge, stories & company information.....by e-mail to **The Cargo Letter**. We strive to bring you useful information which is timely & topical. Be sure to visit our website.....<http://cargolaw.com>

Archive of **The Cargo Letter** ..... [www.cargolaw.com/cl-archives.php](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** \_\_\_\_\_

**\*\*\*The Unintended Consequences of Defective Transportation**

**Contracts** ..... as asside from customer service and safe/on-time delivery of

cargo, one of the most important aspects of a transportation provider is to make certain its contracts relating to liability for cargo damage, loss or delay correspond to each other. Take the case of a forwarder which grants the trucking company a contractual liability limit of US\$250,000, but then forgetfully assumes liability with the customer for the value of the load. If the value exceeds US\$250,000 for the damaged cargo, the forwarder will be held liable for the excess. We see this all too frequently, where sales staff has not worked with operations personnel to clarify the potential liability issues.

There was an even worse case result where the carrier assumed full cargo liability to the customer, but then failed to understand it had previously agreed, in a poorly worded in-house contract, to indemnify the sub-contractor for any loss in excess of US\$250,000. Then, when the sub-contractor's truck drove off the road and a US\$2,000,000 loss ensued, the failure to have its contracts reviewed proved a very costly lesson for the carrier. Yes, these things really do happen.

With specially drawn contracts becoming more prevalent these days, it is important to note many insurance policies exclude coverage for unapproved contractually assumed liability.

The attorneys of **Countryman & McDaniel** commonly review client contracts to see that you do not fall victim to unintended liabilities. Think of it the same as you would an annual medical check-up.

For more on this topic see "**Negotiations: Where The Paper Trail Leads**", an interview with the **Countryman & McDaniel** lawyers in the June 2013 edition of **Air Cargo World** magazine, or see the article below:

[www.aircargoworld-digital.com/aircargoworld/june\\_2013/m3/Page.action?lm=1369927412000&p=30](http://www.aircargoworld-digital.com/aircargoworld/june_2013/m3/Page.action?lm=1369927412000&p=30)  
[www.aircargoworld-digital.com/aircargoworld/june\\_2013/m3/Page.action?lm=1369927412000&p=31](http://www.aircargoworld-digital.com/aircargoworld/june_2013/m3/Page.action?lm=1369927412000&p=31)

**\*\*\*Solar Trade War?** ..... as Economy Minister Philipp Roesler says the European Commission's decision to impose punitive duties on Chinese solar panels is a "grave mistake" and urged it to avoid a trade war. Mr Roesler said China already warned the average 45% import duties on solar panels would harm bilateral trade. "That shows punitive import duties are the wrong instrument," he said.

### **So How Does Anti-Dumping Work?**

[www.wto.org/english/tratop\\_e/adp\\_e/adp\\_e.htm](http://www.wto.org/english/tratop_e/adp_e/adp_e.htm)  
[www.cbp.gov/xp/cgov/trade/priority\\_trade/add\\_cvd/](http://www.cbp.gov/xp/cgov/trade/priority_trade/add_cvd/)  
[www.federalregister.gov/international-trade-anti-dumping-](http://www.federalregister.gov/international-trade-anti-dumping-)

**\*\*\*Is China Dumping China?** ..... as the European Union will impose 13.1% to 36.1% duties on Chinese household ceramics to counter what it alleges is dumping at below cost to crowd out EU products and enlarge market share, Reuters reports. Household ceramics value from China totaled US\$944.8M in 2011, according to the European Commission (EC), which is investigating 31 dumping and subsidy cases, 18 of them involving China. This follows the European Commission's attack on Chinese producers of EUR21 billion of solar panels, and a more recent launch of an investigation into Chinese mobile phone equipment. The European Ceramic Industry Assn. and the European Federation for Table and Ornamentalware, which brought the case, said Chinese imports have caused the loss of 10,000 jobs among EU producers in the past 5 years.

**\*\*\*Japan's 24 Hour Rule (AFR)** ..... as on March 30, 2012, a bill to amend part of the Customs Tariff Law had passed establishing the Advance Filing Rules (AFRs) for Japanese imports. The amendment set the requirements for a vessel operator or a NVOCC to electronically submit the Customs information on maritime container cargoes to be loaded on a vessel intended for entry into a port in Japan, in principle no later than 24 hours before departure of the vessel from a port of loading. The ruling is set to be implemented in March 2014.

**Read More From Japan Customs**

[www.brainetta.com/\\_BAL2005/index.htm](http://www.brainetta.com/_BAL2005/index.htm)

**\*\*\*Ausi-American Trade Deal** ..... as the Australia-U.S. Defence Trade Cooperation Treaty came into force on 16 May, reducing the need for export licences, and potentially 'improving delivery times, improve[ing] sustainment and giving Australian industry better access to technical data to tender for United States contracts,' according to Australia's Ministry of Defence. The event was marked by the exchange of notes in Canberra between Australian Minister for Defence, Stephen Smith, and the U.S. Ambassador to Australia, His Excellency Jeffrey Bleich. In a statement, the governments said the treaty reflected 'Australia and the United States' commitment to cooperation in defence capability & technology. It is a significant step forward for the Australia-U.S. Alliance.' The treaty aims to create a framework for the transfer of eligible defence goods, services and technology between approved entities in Australia and the United States – an "Approved Community" – without the need to apply for separate export licences.

**Read Details, The Treaty And FAQ**

[www.defence.gov.au/ustradetreaty/](http://www.defence.gov.au/ustradetreaty/)

**\*\*\*TWIC Biometric Reader Test Failed** ..... as a Government Accountability Office report criticizing a pilot test of Transportation Worker Identification Credential biometric readers does not diminish the justification for TWIC as a port security tool, a Coast Guard official said. The GAO said the voluntary pilot program for TWIC readers produced results that "were incomplete, inaccurate and unreliable for informing Congress and for developing a regulation" for the readers. The report also renewed the GAO's suggestion that a less-centralized

approach might work better than a single nationwide identification credential for transportation workers.

### **Read More About The TWIC Biometric Reader Program**

<http://chsdemocrats.house.gov/sitedocuments/twicreaderreport.pdf>

**\*\*\*Time Is Big Money** ..... as delays at U.S.-Mexico border crossings cost the U.S. economy US\$7.8Bn in 2011 as improvements lagged behind traffic growth, Bloomberg News reported May 15. And the cost could rise to almost US\$15Bn annually if the value of U.S.-Mexico truck trade reaches US\$463Bn by 2020 as predicted, according to data compiled by Bloomberg.

**\*\*\*Canada Border Services Agency (CBSA) Cargo Control & Sufferance Warehouse Modernization (CCSWM) Initiative** ..... as it will simplify in-bond process and provide electronic tracking of in-bond cargo, thus permitting bonded carriers to deliver these shipments directly to their own facilities or the premises of a third party.

### **Details of The New Canadian In-Bond Process**

[www.cbsa.gc.ca/import/ccswm-meacf/menu-eng.html](http://www.cbsa.gc.ca/import/ccswm-meacf/menu-eng.html)

**\*\*\*Colombian Ministry of Commerce, Industry & Tourism Decree # 925** ..... as it establishes the conditions and requirements to comply with new Import Licenses and Import Registry regulations, along with a list of 187 statistical breakouts subject to Import License requirement covering multiple Chapters of the Colombian classification system.

<http://wsp.presidencia.gov.co/Normativa/Decretos/2013/Documents/MAYO/09/DECRETO%20925%20DEL%209%20DE%20MAYO%20DE%202013.pdf>

**\*\*\*Fighting The Railroad To Be More Pleasant?** ..... as the Surface Transportation Board (STB) has announced adoption of final mediation & arbitration rules that establish a new arbitration program aimed at helping shippers and railroads voluntarily arbitrate certain types of disputes with clearly defined liability limits. The changes to existing mediation rules establish procedures through which the STB can order parties to participate in mediation in certain types of disputes on a case-specific basis. The adopted rules reflect the board's attempt to facilitate alternative dispute resolution in lieu of formal agency proceedings, wherever possible, STB members said in a press release. Board members believe the new program will be more useful to both shippers and railroads by providing a dispute resolution process that's less time-consuming, expensive and adversarial than the formal adjudicatory process.

### **How The Mediation Process Works**

[www.stb.dot.gov/newsrels.nsf/13c1d2f25165911f8525687a00678fa7/db510565ccf66f1685257b6a005256e9](http://www.stb.dot.gov/newsrels.nsf/13c1d2f25165911f8525687a00678fa7/db510565ccf66f1685257b6a005256e9)

**\*\*\*Celebrating America's Two Greatest Bridges** ..... as two famous landmarks at opposite ends of the country are having anniversaries around this time. Both are landmarks of the cities they serve, and both were considered

engineering marvels when they were built. San Francisco's iconic Golden Gate Bridge opened in 1937, hailed as a technological marvel then as now. And, the Brooklyn Bridge, spanning New York's East River, opened in 1883 to link Manhattan & Brooklyn. It now daily carries thousands of automobiles, instead of the 1880s horse-drawn vehicles. More than 604,000 other bridges form a vital part of the nation's highway system. Of these, nearly a quarter are considered deficient and obsolete to cope with modern traffic -- including the U.S. Interstate 5 bridge over the Skagit River in the State of Washington which collapsed on May 23.

### **Read More About This Month's I-5 Bridge Freeway Collapse**

<http://ktla.com/2013/05/24/i-5-bridge-collapses-over-skagit-river-vehicles-people-in-water/#axzz2UKnPHYfz>

**\*\*\*When Your Body Becomes Freight** ..... as an Oregon funeral home in Eugene offers natural burials where the ride to the person's final resting place is on the back of a three-wheeled bicycle. Sunset Hills Cemetery and Funeral Home director Wade Lind says he got the idea from bikers and designed the pedal-powered hearse himself. It has an electric motor to give him a little help hauling the casket. KVAL reports Lind has bicycled five bodies so far and there's a waiting list for the service. The ride and a bamboo casket that looks like a basket costs about US\$3,500.

### **Seeing Is Believing**

[www.kval.com/news/business/Bicycle-hearse-offers-one-last-ride-to-final-resting-place-207791931.html](http://www.kval.com/news/business/Bicycle-hearse-offers-one-last-ride-to-final-resting-place-207791931.html)

**\*\*\*Zombie Fear And Loathing In Transport**.....as a Tennessee man who stole a big-rig truck in California, caused several accidents and told investigators he was fleeing zombies when he did it has pleaded guilty to several felonies. U-T San Diego reports Jerimiah Hartline pleaded guilty May 13, to assault with a deadly weapon, hit-and-run causing death or injury, and vehicle theft. He could get five years in prison. The California Highway Patrol says Hartline stowed away in the truck in Tennessee and stole it when the driver got out at roadside scales near Temecula, Calif. The CHP says after Hartline caused several crashes, the big-rig overturned on Interstate 15 and spilled its load of strawberries. Seven people were injured. CHP investigators say Hartline told them he had to speed and swerve because he was fleeing from the walking dead.

<http://bit.ly/17Yg8VO>

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## **2. The Cargo Letter Financial Page**

**\*\*A.P. Moller-Maersk.** **UP** with earnings of US\$204M for 1st quarter, compared with a US\$599 M loss in the same period last year.

**\*\*CEVA.** **DOWN** as adjusted earnings in 1st quarter 2013 plunged 53% from US\$84.8M in first quarter of 2012 to US\$4.1M at the end of the first 3 months of 2013.

**\*\*CSAV** (Chile's Compania Sudamericana de Vapores). **DOWN** with a first

quarter net loss of US\$96M while narrowing the decline 53.2% from the one suffered in the corresponding quarter of 2012.

**\*\*Hamburg Süd.** **UP** as revenues in 2012 were US\$6.17M, up 16% over 2011.

**\*\*Hanjin Shipping.** **UP** as the world's eighth biggest container line narrowed its year-on-year quarterly loss of US\$31.1M.

**\*\*Hapag-Lloyd.** **UP** as it nearly halved first quarter losses to EUR53.2 million year on year, drawn on revenues of EUR1.65 billion, up 3.1%.

**\*\*NOL** (Singapore parent of APL). **UP** as first quarter operating losses fell 64% to \$85 million, compared to same period in 2012.

**\*\*Virgin Atlantic Cargo.** **UP** for 2012 with revenue of US\$349.2M, which was nearly on par with its best-ever results from the previous year.

**\*\*Radiant Logistics.** **UP** as 3rd quarter net income rose to US\$881,000, or 3 cents per share, from a loss of US\$74,000, or zero cents a share, a year ago.

**\*\*Srilankan Cargo** (cargo arm of SriLankan Airlines). **UP** with record 2012 annual revenue of US\$102M.

**\*\*United Parcel Service** (UPS). **UP** as first quarter profit increased 6.9% to US\$1.04Bn year on year, drawn on revenues of US\$13.43Bn, up 2.3%.

**\*\*USA Truck.** **DOWN** with a first quarter loss of \$2.5M, or 24 cents per share, compared with a loss of US\$4.9M, or 47 cents, a year ago.

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

### 3. Freight Forwarder World Air Briefs

**\*\*\*Now Boarding -- The Boeing 787 Dreamliner** ..... as following FAA approval in the United States, Japan gave permission for passenger airlines to resume Boeing 787 flights in the country effective April 26, 2013. On April 27, 2013, Ethiopian Airlines took a 787 on the model's first commercial flight since the approval of battery system changes. United Airlines resumed its 787 flights on May 20, 2013. Boeing has faced difficulties with the 787's lithium ion batteries overheating. The problem caused an ANA flight to make an emergency landing in Japan 4 months ago. After that incident and a similar one in Boston, the plane was grounded worldwide. Boeing went back to the drawing board and improved the battery system so fires would be less likely and easier to control if they do occur. ANA, Japan's biggest airline, owns 17 of the Dreamliner crafts.

#### Tour The 787 Dreamliner

[www.newairplane.com/welcome/?gclid=CI6wgJ-2srcCFW-CQgodZwsArQ](http://www.newairplane.com/welcome/?gclid=CI6wgJ-2srcCFW-CQgodZwsArQ)

[https://en.wikipedia.org/wiki/Boeing\\_787\\_Dreamliner](https://en.wikipedia.org/wiki/Boeing_787_Dreamliner)

**\*\*\*Airbus A350 Poised To Take Paris?** ..... as company engineers are working 13-hour days to get the company's latest A350 plane off the ground in time to scoop the headlines at next month's Paris air show. A flight around the year's biggest aviation expo, starting June 17, would let Airbus steal the limelight from Boeing Co. (BA), which aims to use the event to spur orders for an updated 777 and revitalize the 787 program hit by a months-long grounding. The long-range A350 is designed to take on both Boeing models, with the 300-seat A350-

900 -- the first to fly -- and the smaller A350-800 competing with the 787 and 777-200, and the A350-1000, seating 350, challenging the 777-300ER and new 777X. The mid-sized version costs US\$287.7M at list price, without hub caps.

[http://en.wikipedia.org/wiki/Airbus\\_A350\\_XWB](http://en.wikipedia.org/wiki/Airbus_A350_XWB)

See The Bloomberg Video

[www.bloomberg.com/news/2013-05-13/airbus-a350-s-new-paint-job-points-to-paris-show-blow-for-boeing.html](http://www.bloomberg.com/news/2013-05-13/airbus-a350-s-new-paint-job-points-to-paris-show-blow-for-boeing.html)

**\*\*\*Air Cargo In A Stall** ..... as the international freight decline of 2.3% in the first 3 months of 2013, on a 0.3 % drop in capacity, is a "temporary stall", said the International Air Transport Association (IATA) director general and CEO Tony Tyler, former CEO of Hong Kong Cathay Pacific. Despite the decline seen in March results, the growing business confidence and gathering export orders in 2013 will revive air freight trade. "The fundamentals for a sustained improvement in air cargo volumes are in place," he said.

**\*\*\*Carbon Exclusion** ..... as the European Union has named Air China as one of 8 Chinese airlines that could face fines and total exclusion from Europe for failing to submit emissions data for EU carbon tax collection, reports the New York Times reports. China, India, the United States and others say the European Union has no right to charge for emissions on routes that are mostly outside European airspace. The European Commission (EC) said Air China & Air India were among 10 airlines facing the prospect of fines and exclusion from airports in the EU for refusing to comply with its rules to tax carbon emissions. Permits go for EUR3.65 (US\$4.70) per ton in the international trading market that has emerged.

### **What Is A Carbon Tax?**

[https://en.wikipedia.org/wiki/Carbon\\_tax](https://en.wikipedia.org/wiki/Carbon_tax)

**\*\*\*2013 Marks 25th Anniversary of UPS Airlines** ..... as a quarter-century ago, the Federal Aviation Authority offered its initial approval of the UPS Air Carrier Operating Certificate. Starting with two DC-8s, UPS Airlines would quickly become one of the largest airlines in the world. And with Worldport, UPS Airlines' innovative international hub, they have helped make Louisville, KY a global leader in logistics.

### **The Celebration**

<http://blog.ups.com/2013/01/31/twenty-five-years-in-the-air-the-silver-anniversary-of-ups-airlines/>

[www.facebook.com/media/set/?set=a.592872530727054.145416.154423787905266&type=1](http://www.facebook.com/media/set/?set=a.592872530727054.145416.154423787905266&type=1)

Inside The UPS Airlines Global Operations Center (your editor loved the tour)

[www.travelchannel.com/video/welcome-to-ups-airlines](http://www.travelchannel.com/video/welcome-to-ups-airlines)

How UPS Airlines Works

<http://videos.howstuffworks.com/howstuffworks/106-how-ups-airlines-works-video.htm>

**\*\*\*Lufthansa Cargo Goes eAWB** ..... as it has signed an agreement with the Int'l Air Transport Assn. (IATA) to rapidly enable electronic Air Waybills (eAWB), the company has announced. The company plans to switch entirely to eAWB by 2015, having already made it the standard for all German stations to all destinations in its global network this year. Lufthansa Cargo said it has for years spearheaded migration to paperless air freight with more than 60 customers already signed up to using the eAWB. Following the new IATA multilateral electronic air waybill standard, forwarders need to sign only one agreement with IATA to gain acceptance from multiple carriers for their eAWB. All signatory airlines are then automatically included in the IATA accord. The agreement spells out rules on the use of the eAWB and "renders complex bilateral eAWB agreements on legal aspects and interfaces between carriers and freight forwarders unnecessary", said the Lufthansa statement.

**What Is The e-Air Waybill (e-AWB)?**

[www.iata.org/whatwedo/cargo/e/eawb/Pages/index.aspx](http://www.iata.org/whatwedo/cargo/e/eawb/Pages/index.aspx)

**\*\*\*Goodbye Air Cargo Germany?** ..... as it filed for bankruptcy on May 3. A statement published on the ACG website states "the management and shareholders of ACG (have) unanimously decided to declare insolvency. Through the insolvency proceeding, both management and shareholders envision creating an opportunity to restructure the company and restore operational activities. All options will be taken into account to restore customer confidence." However, insiders suggest it is highly doubtful and it is not that likely ACG aircraft will ever be airborne again.

**Read More About Air Cargo Germany**

[http://en.wikipedia.org/wiki/Air\\_Cargo\\_Germany](http://en.wikipedia.org/wiki/Air_Cargo_Germany)

**\*\*\*New French European Cargo Airline** ..... as Aerospace One, with a heavylift focus, will officially be launched at June's Air Cargo Europe show in Munich. The airline, which is a member of the Skyone Group, made its maiden flight in April when a Boeing 747-200 flew from Sharjah, United Arab Emirates to Jakarta, Indonesia, reports Atlanta-area Air Cargo World. The carrier will offer wide-body freighters for charter or ACMI lease and specialises in the transport of heavy loads for charter businesses worldwide. The fleet will use Boeing 747-200s and new 747-400s. There are also plans to add more cargo aircraft to the fleet.

**Read More About The New Company**

<http://aerospaceone.com/>

**\*\*\*Undercover DHL** ..... as it shipped the latest generation of the Mercedes S-Class to its international premiere in Hamburg. Transported straight from the Mercedes-Benz plant in Stuttgart, Germany, the luxury sedan was flown in an A300-600 DHL freight aircraft. The car had a special camouflage system to make sure the operation's stringent security requirements were met.

**\*\*\*Flying To The Showdown** ..... as on May 20, Alaska Air Cargo delivered the season's first shipment of Copper River salmon to Seattle-Tacoma Int'l Airport. The arrival of the fish marks the start of the summer salmon season, a time that seafood lovers look forward to. The Alaska Airlines plane arrived with Copper River king and sockeye salmon from three seafood processors: Ocean Beauty Seafoods, Trident Seafoods and Copper River Seafoods. Other Alaska Airlines flights will transport salmon from Cordova, Alaska, to Anchorage, Seattle and across the U.S. The arrival of the first delivery of kings and sockeye kick starts a top Seattle chefs' competition to create the best salmon recipe in Alaska Air Cargo's "Copper Chef Cook-off."

**Visit The Event**

[www.flickr.com/photos/airlinereporter/sets/72157629786015542/](http://www.flickr.com/photos/airlinereporter/sets/72157629786015542/)

**\*\*\*DHL Express Is Rolling In Dough** ..... as it has been entered in the Guinness Book of World Records for performing the largest pizza delivery in history for Pizzas 4 Patriots, a non-profit organization. Since 2008, DHL Express and Pizzas 4 Patriots have joined forces to bring pizza to U.S. troops serving overseas. In July 2012, DHL Express donated its services to deliver 30,000 pizzas from Chicago to U.S. troops serving in Kandahar, Bagram and Camp Bastion in Afghanistan. The delivery, covering a distance of more than 6,800 miles within 36 hours, was recognized by the Guinness Book of World Records in April 2013 as the largest pizza delivery.

**Read More About Pizza 4 Patriots**

[www.businesswire.com/news/home/20130520005271/en/DHL-Pizzas-4-Patriots-Enter-Guinness-Book](http://www.businesswire.com/news/home/20130520005271/en/DHL-Pizzas-4-Patriots-Enter-Guinness-Book)

**\*\*\*Lufthansa Cargo May Mothball The MD-11F Fleet** ..... as it is to review its capacity expansion plans in light of fragile economic recovery in Europe. The scaling back of capacity by mothballing older aircraft is possible despite a recent order for five Boeing 777 freighters for delivery in autumn 2013 including an option for further five.

**\*\*\*Volumes >>>** Cathay Pacific Airways Ltd said its freight traffic dropped 0.6% year-on-year in April on weak air cargo demand. **>>>** Hong Kong Int'l Airport reported cargo throughput in April reached 342,000 tons, up 4.5% compared to April 2012. **>>>** Liege Airport handled almost 12% less cargo during the first quarter with 139,593 tons of cargo compared with 158,458 tons during same period in 2012. **>>>** Virgin Atlantic Cargo carried 214,737 tons in 2012/13, down 0.91% year on year. **>>>** Srilankan Cargo (cargo arm of SriLankan Airlines).had 2012 annual cargo tonnage increase of 15% to 101,000 tons.

**\*\*\*LATAM Airlines No Longer To Haul Aluminum** ..... as it has purchased 3,517 ultra-light Kevlar containers from Nordisk Aviation Products to replace all of those used in the company's cargo operations and improve fuel efficiency to make an annual cost saving of US\$3.2M. The Santiago-based airline, the result

of a merger in 2012 of two airlines LAN Airlines & TAM Airlines, has acquired the lighter containers at a price of US\$9M. The ultra-light containers are high strength, offer thermal stability under extreme temperatures, and weigh 30% less than standard aluminium containers.

**Read More About Kevlar Containers**

[www.nordisk-aviation.com/main/en/news/latam-goes-lightweight-with-nordisk-ultralite/](http://www.nordisk-aviation.com/main/en/news/latam-goes-lightweight-with-nordisk-ultralite/)

**\*\*\*American Airlines Cargo Goes FlightSafe** .....as it is offering to shippers, freight forwarders and couriers the option of adding a tracking device to an air cargo shipment in order to monitor the package from point of origin to destination. The one-time use program with FlightSafe, a GPS and sensor-based tracking device for air freight, is being delivered in partnership with OnAsset Intelligence, which provides the product. The tracking device can be added to the carrier's US domestic and international shipments to monitor temperature, pressure, shock, location and vibration. It is available for use with all of the airline's products - Expedite, Confirmed, PPS - and is particularly useful for shipping time-critical, high-value and temperature-sensitive cargo.

**Read More About FlightSafe**

[www.firpr.com/PDFs/Backgrounder-WP/FlightSafe-Backgrounder.pdf](http://www.firpr.com/PDFs/Backgrounder-WP/FlightSafe-Backgrounder.pdf)

**\*\*\*Cargo 2000 Lost It's Zing?** ..... as the cargo quality assurance agency has lost its appeal to smaller forwarders and airlines unwillingly to implement its cargo management processes, according to one of its key clients, Air France-KLM Martinair Cargo. The carrier's VP of sales, Mattijis ten Brink, told delegates of CNS [Cargo Network Services] Partnership Conference that the air cargo business needs to retain industry standards at a time when airlines and forwarders suffer from low reliability. The launch of Cargo 2000 was to bring the industry into line over changes in security rules and e-freight but it has failed to take into account the cost and manpower such a metrology creates for an airline.

**Read More About Cargo 2000**

[www.iata.org/whatwedo/cargo/cargo2000/Pages/index.aspx](http://www.iata.org/whatwedo/cargo/cargo2000/Pages/index.aspx)

**\*\*\*747 Lost It's Zing?** ..... as Boeing is facing a dwindling number of orders for its famous giant as its latest cancelled US\$1.76Bn order for five 747-8 freighters by Dubai Aerospace Enterprise shows. It remains to be seen whether this is the end of days for the 747, which remains king of the skies after 40 years of service, having flown the equivalent of half the world's population at 3.5 billion people in that time. The slowdown of output for its 747 program, at two per month is to fall to 1.75 by next year, is partly the result of the attraction of the 777 which brings twin-engine efficiency and reliability to the long-range market.

**\*\*\*Pilots Loosing Their Zing?** ..... as there is word Fed Ex may be testing unmanned freighters somewhere in USA, "maybe in the Las Vegas desert," according to one source. Back in 2009, FedEx founder Fred Smith told the publication Wired that he would like to "switch the Fed Ex freighter fleet to

Unmanned Aerial Vehicles (UAV) as soon as possible," but had to wait for the FAA, which has a tough road ahead in figuring out the rules of NAS integration. "Unmanned cargo freighters have lots of advantages for FedEx: safer, cheaper, and much larger capacity," said Chris Anderson, former editor of Wired, who spoke to Smith. Today he is CEO of 3D Robotics and founder of DIY Drones. According to Anderson, today the B777 is already capable of being an unmanned vehicle that can take off, fly and land itself.

#### **Read More About Drones**

<http://diydrones.com/>

**\*\*\*New Kassel Airport Off To A Bad Start .....** as Germany's KSF is still having some bad luck after the first scheduled flight on April 5th did not take place because of a lack of passengers. Next, Croatia Airways cancelled the 17 May flight as well, but this time there were a sufficient number of passengers, but no cabin crew. More than forty crew reported sick, which is almost a third of the entire cabin staff. The completely new full regional airport was built next to the old airport to accommodate commercial chartered and scheduled carriers. The new airport officially opened on April 4th, 2013 with the arrival of a Germania flight from Frankfurt.

[http://en.wikipedia.org/wiki/Kassel\\_Calden\\_Airport](http://en.wikipedia.org/wiki/Kassel_Calden_Airport)

**\*\*\*Fuel Savings Are In The Bag .....** as the U.S. Air Force has announced plans to buy up to 18,000 Apple AAPL +1.47% iPads after a six-month trial at Little Rock Air Force Base. According The Street, Apple will spend US\$9.36M to give pilots electronic flight bags. Pilots typically carry 30-40 pounds of paper documents in their flight bags and there is another 90 pounds or so of documentation on the aircraft. With 10 crewmembers on a C-5 Galaxy transport this could add up 490 pounds per plane. This, in turn, leads to significant savings in fuel consumption. American Airlines recently got permission to use its iPad Electronic Flight Bags in the cockpit during all phases of flight, saving an estimated US\$1.2M of fuel annually. The U.S. Airforce estimates the savings at US\$50M. For pilots, it's a huge benefit. A bag full of airways charts, airport maps and operations manuals can weigh 35 or 40 pounds. If you think your carry-on bag is heavy, try adding that for every trip. These iPads will be locked so users can't play Angry Birds or install their own software. This makes them more secure and more manageable – an important concern if you have 18,000 devices to keep track of. Instead of using regular iPad apps, electronic flight bags need specialist aviation map software. For example, Boeing subsidiary Jeppesen makes a product called FlightDeck Pro that combines airways charts, approach plates and FAA-approved moving maps of airports (very handy in big, unfamiliar places, especially at night).

Read More About FlightDeck Pro

[www.jeppesen.com/company/newsroom/articles.jsp?newsURL=news/newsroom/2012/FlightDeckPro\\_iOS\\_NR.jsp](http://www.jeppesen.com/company/newsroom/articles.jsp?newsURL=news/newsroom/2012/FlightDeckPro_iOS_NR.jsp)

**\*\*\*British business Magnate Richard Branson Fired .....** as he has lost his latest job because of orange juice. The Virgin Group founder had his legs shaved, put on lipstick and squeezed into a red skirt to honor a bet by serving as a flight attendant May 10, on an AirAsia trip from Perth, Australia, to Malaysia. But he earned a reprimand from AirAsia chief Tony Fernandes after he deliberately dumped a tray of orange juice on Fernandes' lap. Branson lost a bet to Fernandes in 2010 after they wagered that their Formula One racing teams would finish ahead of each other. Fernandes' team landed two spots above Branson's. Fernandes gleefully declared after Sunday's nearly six-hour flight on his budget airline that Branson's skills as an attendant were "rubbish" and that he was being immediately fired. A cheerful Branson, who was tasked with pouring beverages, serving meals and making flight announcements, posed with Fernandes and popped champagne after stepping out of the plane at Malaysia's main low-cost carrier terminal south of Kuala Lumpur.

**\*\*\*For Sale: Air Force One .....** as -- sorry -- the auction ended on May 15th. In the thirty years this aircraft was assigned to the 89th Airlift Wing (Feb 1975- Sep 2005) it flew Presidential missions, Vice President, First Lady, Cabinet Secretaries (Secretary of State, Secretary of Defense, others), Chairman Joint Chiefs of Staff, U.S. Senators, U.S. Representatives, Four-Star Generals, Admirals, Foreign Heads of State and other foreign dignitaries

<http://gizmodo.com/you-can-buy-the-presidents-real-air-force-one-airplane-499234503>

The Auction

<http://gsaauctions.gov/gsaauctions/aucdsclnk?sl=91QSCI13056100>

**\*\*\*Fake Birdman Caged .....** as a man who forged pilot's qualifications to get a job as a commercial airline pilot is believed to be on the run after failing to turn up at court. Michael Fay, 59, faked papers to get a job with Libyan firm Afriqiyah Airways, flying passengers into Gatwick. Hampshire police said Fay, a U.S. national, did not attend Winchester Crown Court on 3 May when he was due to be sentenced for fraud. He was handed 3 years imprisonment in his absence. The former U.S. Air Force Pilot, who had settled in Alton, was arrested in Feb. 2011 after raising the suspicions of another pilot on an internet forum. Police said he operated Airbus A320 aircraft for 8 months after forging his licence and medical certificates and had flown passengers into Gatwick Airport on 8 occasions.

**\*\*\*If The Post Office Had An Airline .....** as a couple who had intended to fly from Los Angeles to Dakar, Senegal, West Africa, ended up 7,000 miles away in Dhaka, Bangladesh, because of an airline error. Sandy Valdivieso and her husband Triet Vo, 39, told the Los Angeles Times that they didn't think anything was amiss when they got their Turkish Airlines boarding passes for their flights from Los Angeles to Dakar, the capital of Senegal. Their passes had them going from LAX, the airport code for Los Angeles International Airport, to IST, Istanbul, to DAC. It turns out that DAC is the airport code for Dhaka, the capital of

Bangladesh. The airport code for Dakar is DKR. "I guess we were just going by the flight number on our tickets, and that DAC was printed on them," Valdivieso, 31, an academic counselor at UCLA, told the Times. "You just assume that everything is correct." Their flight to Istanbul went smoothly. On their second flight, "when the flight attendant said we were heading to Dhaka, we believed that this was how you pronounced 'Dakar' with a Turkish accent," Valdivieso said.

**\*\*\*Boeing Causes Big Flaps in Atlanta** ..... as authorities are investigating why pieces of a China Airlines B-747F freighter crashed into a woman's house May 18 afternoon. The woman lives on Newton Estate Drive in Atlanta, along a direct flight path to Hartsfield-Jackson Int'l Airport. Another piece of the plane landed at a Walmart just a couple of miles away. Mechanics and inspectors canvassed the right wing of the plane Wednesday night, replacing the 20-foot section that ripped off. Federal investigators told Thomas the 747 freight coming from Anchorage was about 5 miles east of Hartsfield-Jackson International Airport when a piece of the right wing flap ripped off, breaking into at least two pieces and potentially damaging the aircraft body. The pilot declared an emergency and landed safely at the airport. Boeing and China Airlines' inspectors were on site as the jet sat just off Hartsfield's runways. Federal investigators now have taken those pieces of the wing flaps as part of their investigation. Local press tried reaching China Airlines several times on the incident date, but received no answer.

**\*\*\*Coffee, Tea Or Auto-Pilot?** ..... as two Air India pilots put the lives of 166 passengers on a Bangkok-Delhi flight in danger by taking a 40-minute break from the cockpit and getting 2 stewardesses to operate the plane in their absence. Their stunt almost ended in disaster after one of the stewardesses accidentally turned off the auto-pilot, forcing the pilots to rush back to their seats. The incident took place 33,000 feet in the air on Air India flight AI 133 (an Airbus 321) from Bangkok to Delhi on April 12, which took off from Bangkok on schedule, at 8.55 am. Thirty minutes later, First Officer Ravindra Nath excused himself from the cockpit for a bathroom break and got airhostess J Bhatt to occupy his seat in his absence. "According to the guidelines it is a standard procedure to ensure the presence of second person in the cockpit so that if the pilot is not able to operate the aircraft for some reason, the other crew member in the cockpit can immediately call for the other pilot. But what actually happened after this made a mockery of air safety," said a source in Air India, who did not wish to be named. Minutes after his co-pilot left the cockpit, Captain B K Soni called another stewardess, Kanika Kala, and asked her to take his seat. Captain Soni did not leave the cockpit immediately; instead, he spent a few minutes teaching the two stewardesses how to operate the aircraft.

**\*\*\*IN MEMORIUM:** Bagram Airfield Crash Video, 29 Apr 2013.....as a civilian B-747F owned by American company, National Airlines crashed at Bagram Airfield, north of the Afghan capital, soon after takeoff, killing all seven people aboard, the U.S.-led military coalition said. The plane — owned by National

Airlines, an Orlando, Fla.-based subsidiary of National Air Cargo — was carrying vehicles and other cargo, according to National Air Cargo VP Shirley Kaufman. She said those killed were four pilots, two mechanics and a load master, who was responsible for making sure that the weight & balance of the cargo were appropriate. Five of the seven fatalities were from Michigan. A cargo shift is the suspected cause. Tragically, our staff met with staff members of National Airlines while presenting at the Aie Cargo 2013 event in Las Vegas last month. Heros who bravely serve in the war zone do not always wear military uniforms

### **The Tragic Video**

[www.youtube.com/watch?v=7GXzkruPYjQ](http://www.youtube.com/watch?v=7GXzkruPYjQ)

About National Airlines

[www.nationalairlines.aero/](http://www.nationalairlines.aero/)

### **About The Loss**

[www.nationalairlines.aero/news.asp](http://www.nationalairlines.aero/news.asp)

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

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

##### **\*\*\*May 20 -- National Maritime Day: Remembering The Forgotten**

<http://navylive.dodlive.mil/2013/05/20/national-maritime-day-remembering-the-forgotten/>

**\*\*\*Anti-Piracy Ramp-Up.....** as funding of US\$47.7M is to be allocated by the European Union to fight piracy in eastern and southern African countries through its Regional Maritime Security program. Financial support focuses on the development of legal and judicial systems in these countries so the arrest and transfer of pirates can be dealt with effectively. It will also allocate training for authorities to prevent the transfer of funds profited from piracy, or for it, and strengthen existing financial oversight systems.

**\*\*\*New Pirate Haunts .....** as Somali pirates cut down on their attacks due to arming global fleets, Bangladeshi pirates are seen as the next threat. C-Level Maritime Risks said Bangladesh-based pirates will emerge as a serious threat side by side with the fading Somali pirates in the next two years. The maritime risks reduction expert said Bangladeshi pirates will have the Bay of Bengal as their playground. The Bay of Bengal has long been known as a hot spot for smashand grab style robberies, but such attacks have been localized and the area has not been seen as a major threat to shipping until the rise in piracy.

<http://c-level.us.com/page.htm>

**\*\*\*New OTI Rules .....**as the U.S. Federal Maritime Commission (FMC) has voted 3-2 to move forward with reforming the Ocean Transportation Intermediaries (OTI) rules, regulating U.S. and foreign-based non-vessel-operating common carriers (NVOCC) and freight forwarders. The advanced notice of proposed rulemaking will be published in the Federal Register, starting

a 60-day notice and comment period preceding the final rule publication. Under the proposed rule, licensed OTIs will have to renew their licenses every two years. Also, foreign-based NVOCCs must have a U.S. presence that is staffed full-time to be licensed under the new regulations as currently proposed. Qualifying individuals will have to be at least 21 years of age and have 3 years of "relevant and diverse" OTI experience, including general supervision responsibilities. Under the proposed rule, this experience cannot be gained with an unlicensed OTI. The proposed rule adds character criteria by which an individual can be disqualified, including violations of shipping laws, operating while unlicensed or suspension of a Transportation Worker Identification Credential (TWIC).

**\*\*\*Favoring The Long Way Around** ..... as the Panama Canal expects a 2.4% loss in Asian cargo volume this fiscal year as major shipping lines shift to the Suez Canal to reach the consumer rich-U.S. east coast, the canal administrator said. While it takes 11 days more, Maersk Line said Suez saves money because it can nearly double its load on bigger ships which cannot go through the Panama locks, Reuters reports. Maersk is the Panama Canal's biggest customer. Maersk is joined by APL, which is launching a service from Asia to the U.S. east coast, sending ships through Suez, while still retaining three of its six services via Panama.

**\*\*\*More Slow Steaming Ahead?** ..... as although the practice continues to be a contentious issue with shippers, the current rate war on Asia-Europe and Asia-U.S. routes, combined with a flood of new ships, will force carriers to resort to more slow steaming, says Drewry Maritime Research. The London analysts say that with east-west freight rates now falling to unprofitable levels, carriers will take the view that "shippers get the service they pay for" and their ships will take the obvious slow-steaming course to cost saving. At the end of April, there were still another 31 ships of more than 10,000 TEU each due for delivery this year as carriers running out roles for their unwanted 8,000-TEUers, said the Drewry report. At the same time, cargo growth between Asia and the U.S. is insufficient, as it is between Asia and the east coast South America, which means either more vessels will be laid up or more slow steaming introduced. The latter is the most logical, as it was difficult to justify throughout most of last year due to freight rates being so high, said Drewry analysts. Estimated overall vessel speeds remained more-or-less constant between September and March, although Drewry's research shows there were wide variances at individual schedule level, depending on the extent of port optimisation required.

#### **Who Is Drewry's**

[www.drewry.co.uk/publications/view\\_publication.php?id=312](http://www.drewry.co.uk/publications/view_publication.php?id=312)

**\*\*\*Maersk Line Goes Up** ..... as the world's largest container carrier will increase rates from the Far East to Caribbean starting June 15. Rates will rise US\$980 per TEU and US\$1,400 per FEU, and 40-foot high-cube from Hong Kong, Indonesia, Japan, South Korea, Malaysia, Philippines, Singapore,

Thailand, Vietnam, Cambodia and Taiwan to Dominican Republic, Haiti, Jamaica, Venezuela, Trinidad and Tobago, Panama, Colombia and Puerto Rico. The increase will be US\$969 per TEU and US\$1,395 per FEU and 40-foot high-cube from China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Philippines, Singapore, Thailand, Vietnam, Cambodia and Taiwan to Cuba.

**\*\*\*COSCO's Next Super Ship** ..... as it has received delivery of its 13,386-TEU post neopanamax vessel, [M/V COSCO France](#), the second, after the delivery of [M/V COSCO Belgium](#) in March, of eight identical ships from Nantong Cosco KHI Ship Engineering Company (NACKS), Cosco's joint venture with Kawasaki Heavy Industries. The [Cosco France](#) is a 20-row wide twin-isle ship costing US\$167 million, first scheduled for an earlier delivery, but deferred because of the global economic downturn. The other ships will be delivered over the next 18 months, with the final ship due in September 2014. Each of the vessels will be named after a European country.

**Read More About** [M/V COSCO France](#)

<http://linervision.wordpress.com/2013/05/20/nantong-cosco-khi-shipyard-delivers-cosco-france-13386-teu/>

**\*\*\*Shore Power Makes Flower Power** .....as it is to be available to ships at all international terminals of California ports by the end of 2013 with Long Beach & Los Angeles offering "cold ironing" at 13 terminals in total. Cold ironing enables a ship's auxiliary engines to be switched off, reducing pollution from ships at berth by up to 95%, according to Port of Long Beach, which along with LA is involved in anti-air pollution programmes supported by the California Air Resources Board (CARB). Half of all visits by container, refrigerated cargo and cruise vessels will be powered by electricity by Jan. 2014, said an ARB mandate, according to a report from London's Lloyd's List. Currently, nearly half of the two ports' terminals offer shore power at some berths.

**\*\*\*Port of Montreal: New Hub** ..... as it is to see improved access to Montreal on the St Lawrence river navigation channel for vessels up to 44 meters wide allowing entry for post-panamax vessels of 6,000 TEU capacity, reports American Shipper. This is the first time vessels wider than its previous restriction of 32.1 meters are allowed up the channel. This will reinforce Montreal's strategic position as a logistics transportation hub of choice for all types of cargo, said port president CEO Sylvie Vachon.

**\*\*\*Tragedy In Genoa** ..... as the containership [M/V Jolly Nero](#) crashed into a control tower in the northern Italian port of Genoa. Eight people were killed and three remain missing. The tower was about 160 feet high and was hit by the 781-foot [Jolly Nero](#) on May 7. The crash occurred shortly after 2100 in calm conditions as [Jolly Nero](#) was maneuvering out of the port with assistance from two tugboats. The collision caused the control tower to collapse into the water. In addition to the dead and missing, officials said four people were injured and had been taken to a nearby hospital.

## **Video of The Loss**

[www.huffingtonpost.co.uk/2013/05/10/genoa-ship-jolly-nero-aerial-footage\\_n\\_3253054.html](http://www.huffingtonpost.co.uk/2013/05/10/genoa-ship-jolly-nero-aerial-footage_n_3253054.html)

**\*\*\*Meet The Largest Container Ship In The World: M/V CMA CGM Marco Polo** .....16,020 TEUs, 396 meters long, 16 meters wide, but a crew of only 27.

## **Take The Video Tour**

[www.youtube.com/watch?v=05LpKFrDmqs](http://www.youtube.com/watch?v=05LpKFrDmqs)  
[www.youtube.com/watch?v=N6ydeCuuzPU](http://www.youtube.com/watch?v=N6ydeCuuzPU)

**\*\*\*Throughput >>>** Port of Hamburg's container port throughput was in the first quarter at 2.2 million TEUs, a decrease of 1.2%. **>>>** Port of Long Beach has posted a 12.5% year-on-year container volume growth in April to 519,464 TEU. **>>>** Port of Mumbai has posted an 81% year-on-year decline in container volume in April to 2,577 TEU, with overall cargo falling 30% to 3.85 million tons. **>>>** Eastern China's port of **Rizhao** has posted a year-on-year 11.7% increase in throughput to 100.17 million tons as of the end of April this year. **>>>** Port of Rotterdam saw cargo volumes drop 1% in the first quarter of 2013 to 109 million tons due to lacklustre European economy. **>>>** Port of Savannah posted a 4% increase in container volume in April year on year to 258,951 TEU with growth in ro-ro rising 14% to 526,348 units year to date.

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

1779 - Continental Navy sloop **Providence** captures British brig Diligent off Cape Charles. 1882 - Commodore Shufeldt signs commerce treaty opening Korea to U.S. trade.

1917 - **USS Ericsson** fires first torpedo of WWI.

1944 - Accidental explosion on board an LST unloading ammunition in West Loch, Pearl Harbor, and the resulting fire and other explosions sink five LSTs.

1958 - Naval aircraft F4D-1 Sky Ray sets five world speed-to-climb records, May 22-23.

1967 - New York City reaches agreement to purchase Brooklyn Navy Yard, ending 166 years of construction and repair of naval vessels.

1968 - **USS Scorpion** (SSN 589) is lost with all hands.

**\*\*\*Defending The Defender** .... as former British Navy LT. Chris Enmarsh's decommissioned gunboat **Defender** has been stopped from sailing since being forced to stop off in Tenerife for repairs. The Spanish authorities are understood to be concerned Mr. Enmarsh and his five-man crew intend to operate as so-called guns-for-hire protecting oil platforms off the coastline of East Africa, reports the Daily Mail. The 127ft boat was built in Lowestoft, Suffolk, in the mid-'70s as a fast attack craft for the Sultan of Oman's navy in the Gulf. She was decommissioned in 2002, and Mr Enmarsh is thought to have bought it 2 years ago. Officials are understood to have been suspicious the formidable looking vessel, which flies the British flag, was registered as a pleasure boat.

## **Photo**

[www.islandconnections.eu/1000003/1000043/0/39596/daily-news-article.html](http://www.islandconnections.eu/1000003/1000043/0/39596/daily-news-article.html)

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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)

Take A Look Back To Our June 2000 Feature: "**Give Me A Brake, Please!**"

[www.cargolaw.com/2000nightmare\\_n.w.\\_brakes.html](http://www.cargolaw.com/2000nightmare_n.w._brakes.html)

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**>>>>>

2013 Maritime Day Observance Ceremony, Washington, D.C.  
[www.maritimetv.com/Events/maritime/day\\_130522.aspx?VID=maritime/130522\\_MaritimeTV\\_MaritimeDay.flv#anchor](http://www.maritimetv.com/Events/maritime/day_130522.aspx?VID=maritime/130522_MaritimeTV_MaritimeDay.flv#anchor)

CSX National Gateway Video ..... a collection of railway corridors throughout the United States that help transport goods and products quickly and efficiently.  
[www.youtube.com/watch?feature=player\\_embedded&v=VcxBWtjtXnA](http://www.youtube.com/watch?feature=player_embedded&v=VcxBWtjtXnA)

National Maritime Day Luncheon Speaker Navy Vice Adm. Mark Harnitcheck  
[www.maritimetv.com/Events/maritime/day\\_130522.aspx?VID=maritime/130522\\_MaritimeTV\\_MaritimeDay\\_1200.flv#anchor](http://www.maritimetv.com/Events/maritime/day_130522.aspx?VID=maritime/130522_MaritimeTV_MaritimeDay_1200.flv#anchor)

Protecting Particularly Sensitive Sea Areas (PSSAs)  
<http://pssa.imo.org/#/intro>

U.S. Customs & Border Protection Trusted Trader Program ..... provides additional incentives to participating low-risk partners  
[www.cbp.gov/linkhandler/cgov/trade/trade\\_outreach/coac/coac\\_13\\_meetings/may22\\_meeting\\_dc/trusted\\_trader\\_status.ctt/trusted\\_trader\\_subcommittee\\_status.pdf](http://www.cbp.gov/linkhandler/cgov/trade/trade_outreach/coac/coac_13_meetings/may22_meeting_dc/trusted_trader_status.ctt/trusted_trader_subcommittee_status.pdf)  
[www.cbp.gov/linkhandler/cgov/trade/trade\\_outreach/coac/coac\\_13\\_meetings/may22\\_meeting\\_dc/trusted\\_trader\\_summary.ctt/trusted\\_trader\\_subcommittee\\_coac\\_executive\\_summary.pdf](http://www.cbp.gov/linkhandler/cgov/trade/trade_outreach/coac/coac_13_meetings/may22_meeting_dc/trusted_trader_summary.ctt/trusted_trader_subcommittee_coac_executive_summary.pdf)

U.S. - Myanmar Trade And Investment Framework Agreement (TIFA) Signed May 21.  
[www.ustr.gov/about-us/press-office/press-releases/2013/may/u.s.-burma-sign-tifa](http://www.ustr.gov/about-us/press-office/press-releases/2013/may/u.s.-burma-sign-tifa)

**USTR Annual Special 301 Report on World Intellectual Property Rights**  
[www.ustr.gov/about-us/press-office/press-releases/2013/may/ustr-releases-annual-special-301-report](http://www.ustr.gov/about-us/press-office/press-releases/2013/may/ustr-releases-annual-special-301-report)

Waterways Council Produces TV Commercial Calling For Infrastructure Repairs  
<http://waterwayscouncil.org/wci-tv-commercial-keep-america-moving/>

**PRODUCTS** - a feature for which we are not compensated >>>>>>

**Cargo ShockTimer-Plus 3D version 2** ....low cost tri-axial shock, temperature & humidity recorder.  
[www.isthq.com/PressReleases/NewLostcostShockTimerPlus3D.aspx](http://www.isthq.com/PressReleases/NewLostcostShockTimerPlus3D.aspx)

**Incoterms 2010 Q&A: Questions & Expert ICC Guidance on the Incoterms 2010 Rules**  
<http://uscib.informz.net/z/cjUucD9taT0zMjAyMDEyJnA9MSZ1PTEwNDM5OTEwMDYmbGk9MTY4NjcwNjM/index.html>

## EVENTS>>>>>>

### **Transport Events**

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

4th Annual MarineTech Summit-2013 .....23-25 Sept., Hangzhou, China

[www.bitconferences.com/mts2013/default.asp](http://www.bitconferences.com/mts2013/default.asp)

2nd Annual World Congress of Ocean-2013 ..... 23-25 Sept., Hangzhou, China

[www.bitconferences.com/WCO2013/default.asp](http://www.bitconferences.com/WCO2013/default.asp)

9th IATA Cargo Claims & Loss Prevention ..... 19 - 21 November, 2013, Limerick, Ireland

[www.cvent.com/d/Keb2VZzWmkTNk0S1HSaRA/nn4d/P1/1Q?](http://www.cvent.com/d/Keb2VZzWmkTNk0S1HSaRA/nn4d/P1/1Q?)

11th 3PL Summit .....18-20 June, Chicago

<http://events.eyefortransport.com/3pl/>

2013 Global Shipping Summit ..... 24-25th Jun 2013 at Dalian China

<http://gss2013.shippingchina.com/pren/>

AfricaRail .....24-27 June 2013, Johannesburg, South Africa

[www.terrapinn.com/2013/africa-rail/?elq=076210742ad04618a56015727416aef9&elqCampaignId=3294](http://www.terrapinn.com/2013/africa-rail/?elq=076210742ad04618a56015727416aef9&elqCampaignId=3294)

Air Cargo & Logistics Asia Conference and Exhibition ..... 16-18 Oct. 2013, Singapore

<http://atwonline.com/events/air-cargo-logistics-asia-conference-exhibition-1212>

Cargo Logistics Canada Expo + Conference ..... 29-30 Jan. 2014, Vancouver, Canada

[www.bettermail.ca/ct/1177/763349/283687549/2c0a496742cce33fd448475cee6a9f38](http://www.bettermail.ca/ct/1177/763349/283687549/2c0a496742cce33fd448475cee6a9f38)

FIATA World Congress 2013 in Singapore ..... 16-19 Oct. 2013

[www.fiata2013.org/site/](http://www.fiata2013.org/site/)

IATA E-Cargo Conference ..... 18-20 June, Geneva, Switzerland

[www.iata.org/events/Pages/e-cargo.aspx](http://www.iata.org/events/Pages/e-cargo.aspx)

Intermodal Europe 2013 .....8-10 October 2013, Hamburg Messe, Hamburg Germany

[www.worldcargonews.com/htm/ex20130416.220127.htm](http://www.worldcargonews.com/htm/ex20130416.220127.htm)

Marine Insurance Association of Seattle: June Educational Luncheon ..... 4 June, Washington Athletic Club

[www.miaseattle.org/index.php?option=com\\_mc&view=mc&mcid=72&eventId=375591&orgId=mias](http://www.miaseattle.org/index.php?option=com_mc&view=mc&mcid=72&eventId=375591&orgId=mias)

Sino-European Freight Forwarders Conference..... 20-23 June, Barcelona, Spain

<http://sinoeuropean2013.com/info/eng/index.php>

TOC Container Supply Chain: Europe ..... 25-27 June, Rotterdam, Netherlands

[www.tocevents-europe.com/](http://www.tocevents-europe.com/)

#### Apps For That - iPhones>>>>>>

UPS App for iPad ....lets users easily track packages, find UPS shipping locations and access UPS My Choice, all with enhanced mapping features. Enables customers to track packages and find locations where they can send shipments. The app allows users of UPS My Choice to access all of the features of the service including the ability to reroute or reschedule delivery.

[www.pressroom.ups.com/Press+Releases/Current+Press+Releases/UPS+App+For+iPad+Advances+Suite+Of+Customer+Technology+Offerings](http://www.pressroom.ups.com/Press+Releases/Current+Press+Releases/UPS+App+For+iPad+Advances+Suite+Of+Customer+Technology+Offerings)

#### General Interest>>>>>>

##### **3-D Printing Offers Unlimited Potential for Navy Making Parts At Sea**

<http://navylive.dodlive.mil/2013/05/18/3-d-printing-offers-unlimited-potential-for-navy/>

Flying Over The Salvage of [M/V Costa Concordia](#)

[www.youtube.com/watch?feature=player\\_embedded&v=ESYr2y-WOeE](http://www.youtube.com/watch?feature=player_embedded&v=ESYr2y-WOeE)

Google's Shiny New US\$82M Airport Terminal In Silicon Valley

[http://flightaware.com/squawks/link/1/24\\_hours/popular/33806/Google\\_s\\_Shiny\\_New\\_82\\_Million\\_Airport\\_Terminal\\_In\\_Silicon\\_Valley](http://flightaware.com/squawks/link/1/24_hours/popular/33806/Google_s_Shiny_New_82_Million_Airport_Terminal_In_Silicon_Valley)

Helicopter Balances On Rail On Side of Road

[www.youtube.com/watch?feature=player\\_embedded&v=3FhS652kWLM](http://www.youtube.com/watch?feature=player_embedded&v=3FhS652kWLM)

Littoral Combat Ships: The Value of Forward Presence & Numbers ..... photos & video

<http://navylive.dodlive.mil/2013/05/24/littoral-combat-ships-the-value-of-forward-presence-and-numbers/>

**London 1927 -- In Color**

<http://vimeo.com/7638752>

**Massive Rain Shower Engulfs Hong Kong Int'l Airport**

[www.youtube.com/watch?v=3-84Z3vHuw0](http://www.youtube.com/watch?v=3-84Z3vHuw0)

Rebuilding The Boardwalk After Hurricane Sandy

<http://www.youtube.com/watch?v=ovliNBwTZrQ>

**Shanghai's Air Train Plans**

[https://blogs.terrapinn.com/total-rail/2013/05/16/shanghais-air-train-plans/?pk\\_campaign=Blog\\_Newsletter\\_Total Rail&pk\\_kwd=2013-05-20&elq=c29d7abeebb24e719dbba20a5c101ddf&elqCampaignId=3939](https://blogs.terrapinn.com/total-rail/2013/05/16/shanghais-air-train-plans/?pk_campaign=Blog_Newsletter_Total Rail&pk_kwd=2013-05-20&elq=c29d7abeebb24e719dbba20a5c101ddf&elqCampaignId=3939)

Train Crash in Missouri --7 Injured Bridge Collapses

[www.youtube.com/watch?v=mfMvYIUoMPs](http://www.youtube.com/watch?v=mfMvYIUoMPs)

Unmanned MQ-4C Triton Completes First Flight

<http://navylive.dodlive.mil/2013/05/22/unmanned-mq-4c-triton-completes-first-flight/>

What A Drone Can See From 17,500 Feet .....roughly equal to 3-1/2 miles.

[www.youtube.com/v/AHrZgS-Gvi4](http://www.youtube.com/v/AHrZgS-Gvi4)

**What's in an airport name?**

[www.usatoday.com/story/travel/flights/2013/05/22/whats-in-an-airport-name-sometimes-its-aviation-history/2347651/](http://www.usatoday.com/story/travel/flights/2013/05/22/whats-in-an-airport-name-sometimes-its-aviation-history/2347651/)

X-47B First "Trap" Arrested Landing NAS Pax River

[www.youtube.com/watch?feature=player\\_detailpage&v=y84oAUjA8ms](http://www.youtube.com/watch?feature=player_detailpage&v=y84oAUjA8ms)

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

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

**\*\*\*The Unintended Consequences of Defective Transportation**

**Contracts** ..... as aside from customer service and safe/on-time delivery of cargo, one of the most important aspects of a transportation provider is to make certain its contracts relating to liability for cargo damage, loss or delay correspond to each other. Take the case of a forwarder which grants the trucking company a contractual liability limit of US\$250,000, but then forgetfully assumes liability with the customer for the value of the load. If the value exceeds US\$250,000 for the damaged cargo, the forwarder will be held liable for the

excess. We see this all too frequently, where sales staff has not worked with operations personnel to clarify the potential liability issues.

There was an even worse case result where the carrier assumed full cargo liability to the customer, but then failed to understand it had previously agreed, in a poorly worded in-house contract, to indemnify the sub-contractor for any loss in excess of US\$250,000. Then, when the sub-contractor's truck drove off the road and a US\$2,000,000 loss ensued, the failure to have its contracts reviewed proved a very costly lesson for the carrier. Yes, these things really do happen.

With specially drawn contracts becoming more prevalent these days, it is important to note many insurance policies exclude coverage for unapproved contractually assumed liability.

The attorneys of **Countryman & McDaniel** commonly review client contracts to see that you do not fall victim to unintended liabilities. Think of it the same as you would an annual medical check-up.

For more on this topic see "**Negotiations: Where The Paper Trail Leads**", an interview with the **Countryman & McDaniel** lawyers in the June 2013 edition of **Air Cargo World magazine**, or see below:

[www.aircargoworld-  
digital.com/aircargoworld/june\\_2013/m3/Page.action?lm=1369927412000&pg=30](http://www.aircargoworld-digital.com/aircargoworld/june_2013/m3/Page.action?lm=1369927412000&pg=30)  
[www.aircargoworld-  
digital.com/aircargoworld/june\\_2013/m3/Page.action?lm=1369927412000&pg=31](http://www.aircargoworld-digital.com/aircargoworld/june_2013/m3/Page.action?lm=1369927412000&pg=31)

### ***Frescati Shipping v. Citgo***

U.S. 3rd Circuit Court of Appeals  
No. 11-2576, 16 May 2013

**A marine terminal may be liable for a submerged abandoned anchor in the harbor....**as the U.S. Court of Appeals for the 3rd Circuit concluded on 16 May 2013 that the "safe berth warranty" is an express assurance of safety, and that the named port exception to that warranty does not apply to hazards that are unknown to the parties and not reasonably foreseeable. The case arose from the oil tanker M/T ATHOS I, which after a journey from Venezuela to Paulsboro, New Jersey, struck an abandoned ship anchor laying hidden on the bottom of the Delaware River only 900 feet away from its berth. The accident caused approximately 263,000 gallons of crude oil to spill into the River. The cleanup following the casualty was successful, but expensive. Although dozens of ships had docked since the anchor was deposited in the River, none had reported encountering it. The Court ruled it could not be sure the safe berth warranty was actually breached, as the lower District Court made no finding as to the ATHOS I's actual draft nor the amount of clearance actually provided.

***Churchill v. F/V Fjord***

U.S. 9th Circuit Court of Appeals  
892 F.2d 763 (1988)

Doctrine of in rem liability of vessel applies where owner of vessel has entrusted control to a third party, and under this doctrine, charterers, pilots, and stevedores are considered to be in lawful possession, whereas pirates, mutineers, and "like" people are not.

<https://bulk.resource.org/courts.gov/c/F2/892/892.F2d.763.86-4178.html>

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

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