

other countries, Davis said government statistics indicate otherwise. The Bureau of Labor Statistics has found that in the case of layoffs of 50 or more people between 1996 and 2004, fewer than 3% were attributable to import competition or overseas relocation and, according to the U.S. Treasury Dept., as many as 57 million Americans now work for companies engaged in global commerce. That translates to two out of every five U.S. non-farm jobs being linked to exports & imports of goods and services. The even bigger "myth," Davis continued, is the notion that nothing is manufactured domestically anymore. The reality? In 2008, the United States remained the world's leading manufacturer, representing nearly one-quarter of all global manufacturing output. The U.S. also retained its title as the world's largest exporter of goods and services, with exports reaching US\$1.8 trillion.

*****More American Trade Jobs?** as in the last 3 years, manufacturers have seen a significant increase in costs related to off-shoring manufacturing for export purposes rather than in country demand. A new study by Archstone Consulting shows that companies are contemplating the re-establishment of manufacturing domestically, amid rising costs and other strategic challenges within the off-shoring model. As companies reassess their manufacturing and supply chain strategies for today's global economic environment, the trend may create significant job opportunities in the U.S., according to the recent study. "For years, the concept of off-shoring, or moving production and/or sourcing operations to a foreign country, has been the mantra of any supply chain manager looking to cut costs," said John Ferreira, Principal, Archstone Consulting. "Now, amid volatile oil prices & an uncertain global economic future, this analysis no longer is a certainty. Furthermore, companies that will commit to domestic manufacturing can spur much-needed improvements in customer service, innovation & job creation -- especially when servicing the large domestic market." The study revealed that in the last 3 years, manufacturers have seen a significant increase in costs related to off-shoring manufacturing for export purposes rather than in country demand, which include:

- * Ocean freight costs have increased 135%, highlighting risks & cost volatility.
- * The global commodity price index has risen by 27%.
- * The Chinese Yuan has gained 18% in value compared to the U.S. dollar.
- * Chinese manufacturing wages have risen by 44%.

In addition to the rising costs of conducting business on a global basis, the study found several soft cost issues, which affect the true cost of off-shoring, including: In the last three years, manufacturers have seen a significant increase in costs related to off-shoring manufacturing for export purposes rather than in country demand.

- * Slower Cycle/Delivery Time (59% of respondents)
- * Reduced Supply Chain Flexibility and Responsiveness (56% of respondents)
- * Lost Visibility, Coordination & Control Over the Supply Chain including Quality (50% of respondents)
- * Bottlenecks in Logistics Networks (e.g., ports, transportation) (50% of respondents)

The study found that almost 90% of the companies surveyed are considering changing -- or have begun changing -- their manufacturing & supply strategy and are being more selective in making off-shoring decisions. U.S. manufacturers have become increasingly aware of the need for a more sophisticated total cost model that considers factors such as supplier price and terms, delivery costs, operations and quality costs, customer-centric supply capabilities and other situational costs that arise. "Manufacturers who approach sourcing decisions with a holistic perspective -- evaluating market & customer demands and competitive strategy against a comprehensive knowledge of total cost will likely increase revenue & lower costs, giving U.S. companies a powerful competitive advantage," concluded Ferreira.

www.archstoneconsulting.com/

*****Guilty, But So What?** as the World Trade Organization dispute settlement panel sided with the U.S. by finding aspects of China's intellectual property rights protections to be inconsistent with China's obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The U.S. initiated the dispute in April 2007 because of serious concerns about several shortcomings in China's legal regime to protect and enforce copyrights & trademarks on a wide range of products. However, the panel also found that it

needed more evidence in order to conclude that actual thresholds for prosecution in China's criminal law are so high as to allow commercial-scale counterfeiting & piracy to occur without the possibility of criminal prosecution.

*****NAFTA Trade Suffers Biggest Fall Since 9/11.....** as the value of trade using surface transportation between the U.S. & its North American Free Trade Agreement partners Canada & Mexico was 13.8% lower in Nov. 2008 than in Nov. 2007, dropping to US\$60.7Bn, according to the Bureau of Transportation Statistics of the U.S. Dept. of Transportation. It's the biggest year-to-year decline in almost 8 years. About 88% of U.S. trade by value with Canada & Mexico moves on land.

*****China's Own Bailout** as in Feb. 5, 2009, China's People Daily Online reported an increase in export tax rebates for Chinese textile & garment manufacturers effective Feb. 1, 2009. The increase, from 14% to 15%, is one of several financial support measures China's government is using to boost the country's textile industry. This most recent export tax rebate increase follows 2 earlier increases in 2008 for textile and garment exports. The textile sector is seen as one of the country's strongest industries and is also viable in the international arena. Even so, its profits dropped 1.8% to US\$15.3Bn in the first 11 months of last year, due to shrinking demand, according to the People Daily Online article.

<http://english.people.com.cn/90001/6586035.html>

*****Say No To China Toys** as last week India's Directorate General of Foreign Trade ordered a 6-month ban on the import of Chinese toys in a bid to help local manufacturers. The government gave no official reason for the ban or its duration, though product safety concerns from Chinese-made toys are also suspected to have prompted the decision. The ban covers most products, including wheeled toys, dolls, stuffed toys, toy guns, wooden & metal toys, musical instruments, electric trains & puzzles. Roughly half the toys bought in India are imported from China.

*****Lacey Act Delayed** as the U.S. Dept. of Agriculture (USDA) Animal & Plant Health Inspection Service (APHIS) has extended the length of each phase of the original Lacey Act enforcement plan from 3 months to 6 month. The entire enforcement phase-in schedule is expected to last until Sept. 30, 2010. It will also begin no earlier than April 1, 2009, or as shortly thereafter as technical requirements will allow.

<http://edocket.access.gpo.gov/2009/E9-2232.htm>

<http://edocket.access.gpo.gov/2009/pdf/E9-2232.pdf>

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

*****Fishing For Certificates** as the U.S. Food & Drug Administration said it intends to stop issuing export certificates for fish & fishery products that are shipped to the European Union and the European Free Trade Assn., effective June 17. The agency had originally intended to discontinue the certificate's issuance on Feb. 17, stating the industry's demand for EU Export Certificates continue to "rise dramatically" and it can no longer justify the use of limited food safety resources to issue these certificates. Seafood processors and other operations involved in exporting seafood to the EU may continue to obtain EU Export Certificates from the National Oceanic & Atmospheric Administration Seafood Inspection Program. For more details, access the revised document "Guidance for Industry: Referral Program from the Food and Drug Administration to the National Oceanic and Atmospheric Administration Seafood Inspection Service for the Certification of Fish & Fishery Products for Export to the European Union & the European Free Trade Assn."

www.cfsan.fda.gov/~dms/eucergu2.html

*****40% of Indian Food Spoils** as the Indian government is offering individual companies up to US\$10M in subsidies to help develop "Mega Food Parks" in 10 states throughout the country. The goal of the program is to better process India's agricultural production, which has suffered from chronic spoilage due to poor transportation and storage. The blueprint developed

by the government would see central processing centers developed in each of the 10 states, with 6 to 10 primary processing centers linking to the central center. The aim is to improve processing by 8% to 10%, and to minimize post-harvesting losses in the supply chain by 10% to 15%. Experts in cold storage in India estimate that one-third to 40% of the country's production is lost to spoilage.

*****Fingerprinting Vegetables** as the North American produce industry has launched a Web site to promote an initiative to standardize the tracking & tracing of fruits & vegetables from the field to store shelf. ProduceTraceability.org, administered by the Canadian Produce Marketing Assn., includes resources & educational tools for those companies interested in learning more about the Produce Traceability Initiative. Since Oct. 2008, more than 40 companies from throughout the produce supply chain have endorsed the recommendations to move the supply chain to a common electronic tracing standard by the end of 2012.
www.produceTraceability.org/

*****Held Back From Terrorists** as the U.S. Justice Dep. announced that Hassan Saied Keshari, owner of Kesh Air Int'l, pled guilty in Miami to charges of conspiring to illegally export military and commercial aircraft parts to Iran. Sentencing is scheduled for April 8. Keshari faces a maximum prison term of 5 years and a maximum fine of US\$250,000. Kesh Air Int'l faces a maximum fine of US\$500,000. Court documents show Keshari, through his Novato, Calif.-based company bought aircraft parts on behalf of Iranian purchasers & exported the parts to Iran by way of freight forwarders in Dubai, UAE. The parts were purchased from a supplier in Broward County, Fla., defendant Traian Bujduveanu of Orion Aviation Corp. These parts were designed exclusively for the U.S.-built F-14 fighter jet, the Cobra AH-1 attack helicopter and the CH-53A military helicopter. All of these aircraft are part of the Iranian military fleet, while the F-14 is known to be used exclusively by the Iranian military.

*****Transport Index Plunges** as the U.S. Dept. of Transportation's freight transportation services index declined 3% in Dec. from a year earlier. The 3% decline last year was the 3rd consecutive annual downturn and the largest since 2000, DOT's Bureau of Transportation Statistics said in its monthly report. The 105.1 reading left the freight index at its lowest level in more than 5 years, going back to Sept. 2003 when it was 104.4. It is down 7.1% from its historic peak of 113.1, set in Nov. 2005. The index rose 2.7% in the 1st 7 months of 2008 but fell 5.5% in the final 5 months, the largest such decline since the 5 months ended April 2000. The TSI is a seasonally adjusted monthly index measuring the output of services provided by the for-hire transportation industries, including railroad, air, truck, inland waterways, pipeline & local transit.

*****U.S. Truck Sales Plunge**as customers bought just 7,374 new Class 8 tractors in Jan., the lowest one-month total in 17 years and a drop of more than 5,000 units from Dec., WardsAuto.com reported.

*****FedEx Freight Drops The Boom** as the less-than-truckload unit of FedEx Corp., will cut 900 jobs at 150 terminals because of declining demand and aggressive pricing by competitors. The cuts, about 2.6% of the LTL unit's 35,000 employees, are in addition to 540 jobs trimmed at FedEx Freight late last year and 650 at FedEx's Office division, a company spokeswoman told Bloomberg. FedEx said in Dec. that it would Cut its executives' & salaried employees' pay, suspend its matching contributions for employees' 401(k) retirement plans for a minimum of a year and cut expenses by US\$200M this fiscal year & US\$600M next year.

*****Commercial Real Estate's Loss is Trucking Industry's Gain** as the crash in the U.S. real estate market, including declining property values for commercial properties, is turning into an unlikely boon for the trucking industry, reports Traffic World Associate Editor John Gallagher in a Special Report titled "Terminal Buy Time." Traffic World has provided authoritative coverage of trucking, rail transport, express and domestic-focused logistics since 1907. "The recent collapse of commercial real estate has provided a rare opportunity for companies that previously had a hard time finding space for terminals," commented Traffic World Editor-in-Chief Paul Page. "It's

the flip side of the real estate crash, at least for trucking companies that have the cash to take advantage." Not since Consolidated Freightways unloaded 280 terminals following its 2002 shutdown have as many quality properties come up for sale, Gallagher writes. And carriers with strong balance sheets & plenty of cash are reveling in the best real estate market in years for expanding & upgrading their LTL (less-than-truckload lot) terminal networks. Consultants Stifel Nicolaus estimated a 40% year-over-year decline in trucking company failures during the 4th quarter of 2008, mainly due to high fuel costs and weak demand. An estimated 130,000 to 140,000 trucks were removed from service during the year.

www.trafficworld.com/newssection/special.asp?id=49820

*****U.S. Shelves Milage Tax Plan** as the White House backed off a suggestion by Transportation Secretary Ray LaHood that the Obama administration would consider a vehicle mileage tax (VMT) in lieu of the federal gasoline tax, the Washington Post reported. White House press secretary, Robert Gibbs shot down the idea when questioned by reporters when it published an interview with LaHood, a former Illinois Republican congressman. The White House backed off a suggestion by Transportation Secretary Ray LaHood that the Obama administration would consider a vehicle mileage tax in lieu of the federal gasoline tax, the Washington Post reported.

*****We Hope It Warms Up In Pittsburg** as a law limiting the amount of time a truck can idle in Pennsylvania took effect Feb. 6. Under the law, no vehicle over 10,000 pounds can idle for more than 5 minutes in a 60-minute period.

*****Fewer Transportation Insurance Rate Decreases**as the NIP Group, Inc. has published the results of the Transportation Insurance Pricing Survey (TIPS™), an index designed to benchmark changes in the availability and rates in the transportation insurance marketplace. The survey was issued last month to the nation's leading transportation insurance brokers, wholesalers & underwriters representing thousands of account placements. The survey results indicate that rate decreases are beginning to show signs of slowing in the fourth quarter of 2008, with some early signs of the trend moving in the direction of modest rate increases. While the decline in prices has not been experienced across all account sizes, nearly all market segments & products have been affected by this trend. According to respondents, the number of new insurance carriers competing for premium in transportation market segments has abated in the 4th quarter. The slowing of rate decreases was most noticeable in small accounts (those with premiums of US\$75K or less), where the number of respondents who felt that rates were down by 10% or more fell by 25% since the 3rd quarter. In medium-sized accounts (those with premiums between US\$75K & US\$250K), the number of brokers who believed that rates were down by 10% or more fell just by 4%, however the number of brokers who believed that rates were flat or increasing rose by more than 50% for all accounts with premiums of less than US\$250K. For large accounts, (those with premiums of more than US\$250K), the rate decreases were consistent to those experienced in prior quarters. The slow-down in rate decreases was especially visible in the Motor Truck Cargo & Warehouseman's Legal lines of business. Read the survey:

www.nipgroup.com/SurveyResults.aspx

*****U.S. Infrastructure Creaky** as the American Society of Civil Engineers (ASCE) has issued a report giving the condition of U.S. infrastructure a collective grade of D. Solid waste got the highest grade of any system in the country with only a C. The organization of professional engineers estimated that the nation has a US\$2.2 trillion backlog of work, up from US\$1.6 trillion in 2005, just to repair and maintain deteriorating highways, bridges, dams, schools, transit & other infrastructure systems.

www.asce.org/reportcard/2009/index.html

*****UPS Follows Green Agenda** as it has put more than 300 compressed natural gas-powered delivery trucks into service in 7 cities across the country. Deployment of the trucks completes the purchase the Atlanta-based package delivery firm announced last May. The trucks

have been put on the road in Atlanta, Denver and Oklahoma City, as well as 4 cities in California: Los Angeles, Ontario, Sacramento & San Ramon

*****Schneider National Freezes**..... as the giant truckload carrier & 3rd-party logistics company said it is freezing its employees' pay this year. The Green Bay, Wis., company said the pay freeze is in response to one of the most difficult freight markets in decades. Schneider, which employs 21,400 people, will also defer funding for retirement plans and 401(k) matches.

*****Out On An OptiLedge?** as makers of the green shipping unit load shipping platform & pallet alternative estimates that per 100 imported 40-foot containers, use of the OptiLedge system will reduce carbon emissions by 13,330 pounds, save 175 trees, conserve 688 gallons of fuel and save US\$28,000. Made from copolymer polypropylene, the OptiLedge "weighs 18-times less than a comparable wooden shipping platform" and is said 100% recyclable.
www.optiledge.com/

*****UPS Moves Outdoors** as it has secured outdoor apparel and equipment retailer L.L. Bean as a customer, supplanting FedEx as its primary package delivery provider. The Atlanta-based carrier will provide air and ground service for L.L. Bean's online and catalog customers, beginning Feb. 23. "UPS is providing industry-leading technologies to support our tracking and visibility needs as well as options for facilitating returns that will improve our customer experience," L.L. Bean COO Bob Peixotto said in a statement.

*****The New UPS Consumer Hat Trick** as retail returns to be shipped by UPS may be placed in consumer's mailboxes for Postal Service pickup. The pilot project is geared to run for five months and includes pre-selected retailers, like L.L. Bean & Buy Seasons, Inc. Consumers that make online or mail order purchases, who will receive special UPS package labels that will permit them to return merchandise in their own mailboxes or other location for postal carrier pickup. They may also drop the package in a postal collection box or their local U.S. Post Office. The service, UPS Returns Flexible Access works in combination with the U.S. Postal Service's Parcel Return Service.

*****U.S. Mail Decline** as preliminary results for the U.S. Postal Service (USPS) indicate operating revenues of US\$19.1Bn for the quarter year-over-year, a decrease of US\$1.3Bn. There were 5.2 billion fewer pieces of mail handled. For example, First Class Mail volume was off by 1.8 billion pieces and Standard Mail by 3.0 billion pieces. With retail sales, employment and investment spending projected to continue their downward spiral, the USPS is projecting volumes to be down between 12-15 billion pieces for the year. Such a decline could mean a net loss greater than 2008's drop of US\$2.8Bn.

*****Catching "Mr. License"** as Irish police have solved the mystery of a Polish recidivist who clocked up 50 traffic offenses on different addresses & who was never caught, after one officer noticed his name meant "driving license" in Polish. An internal police memo cited by Irish papers said officers taking details of Polish traffic offenders had been mistakenly using "Prawo Jazdy," printed in the top right corner of the driving license, as the holder's name. "Prawo Jazdy is actually Polish for "driving license" and not the first and surname on the license," the police memo dated June 2007 said. "It is quite embarrassing to see the system has created Prawo Jazdy as a person with over 50 identities." A police spokesman declined to comment on the reports. About 200,000 Polish people flocked to Ireland during the boom years of its "Celtic Tiger" economy but a poll in Nov. indicated a third of them planned to leave due to recession.

*****Pigeons Or Just Happy To See Them?** as an Australian man was caught with 2 live pigeons stuffed in his trousers as he got off a flight from the Middle East on Feb. 3. Customs officers body-searched the 23-year-old after he was allegedly found with 2 bird eggs in a vitamin container in his pocket during baggage checks at Melbourne Airport. "The man was taken to a private interview room and Customs and border protection officers found he was wearing tights with a live pigeon concealed in each leg," Customs said. The man, who had come off a 10-hour

flight from Dubai, was also allegedly carrying plant seeds in a money belt & eggplant samples in his bag."Wildlife smuggling is not only cruel to the animals involved, it poses a severe risk to the Australian environment and the health of the Australian community," said Customs wildlife spokesman Richard Janeczko. The offences carry a maximum penalty of 10 years in jail and a US\$70,000 fine.

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2. The Cargo Letter Financial Page _____

****Atlas Air Worldwide Holdings, Inc.** UP with posted net income of US\$63.7M, or US\$2.97 per diluted share.

****COSCO Line.** DOWN as net profits for last year were US\$302.6M, 10% lower than for 2007.

****Expeditors International of Washington.** UP as 4th-quarter net income rose 11% to US\$77.7M, or 36 cents a share, from US\$70.1M, or 32 cents, a year ago.

****Forward Air Corp.** DOWN as 4th-quarter earnings fell 33% to US\$8.3M, or 29 cents a share, from US\$12.4M, or 43 cents, a year ago.

****FreightCar America, Inc.** UP with 4th quarter net income of US\$8.3M, or \$0.70 per diluted share. Total backlog of unfilled orders was 2,620 units at the end of 2008, compared with 4,401 units at Sept. 30, 2008 & 5,399 units at Dec. 31, 2007.

****Hanjin Shipping.** UP with net profit of 321.4 billion Korean won (US\$231.4M) in 2008 compared to 144.3 billion won in 2007, a 123% increase.

****Hub Group Inc.** DOWN as 4th-quarter net income fell 20% to US\$14.2M, or 38 cents a share, from US\$18M, or 47 cents, a year ago.

****Neptune Orient Lines** (parent of container carrier APL) DOWN with a 4th quarter loss of US\$149M compared to net profit of US\$196M in the same 2007 period.

****Old Dominion Trucking.** DOWN as revenues grew 9.7% year over year to US\$1.54Bn, although net income was down 4.4% to US\$68.7M.

****Pacer Int'l.** DOWN with a 4th-quarter loss of US\$65.1M, or US\$1.87 a share, compared with a profit of US\$20.6M, or 59 cents, a year earlier.

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

3. Freight Forwarder World Air Briefs _____

*****A Grounding of Eagles** as the impact of the global economic downturn continues to be felt by the aviation industry, as new figures reveal that a record total of almost 2,300 jet airliners are now parked. 1,167 aircraft were grounded last year, making 2008 the worst year for cutbacks since 2001. According to data from Ascend, a consultancy to the global aerospace industry, more than 11% of the global aircraft fleet of 20,293 is now in storage. Taking into account future decommissioning, that figure may even rise to match the 13% reached at the end of 2001, following the 9/11 terrorist attacks on the U.S. Then, the global fleet comprised only 15,950 planes, so a similar share in 2009 could mean a total of some 3,000 idle airliners. One benefactor of increased plane groundings is set to be the aviation storage business, based primarily in the Arizona & Californian deserts of America. Aircraft boneyards are a good barometer of the state of the airline industry. Generally speaking, the fuller the aircraft boneyards, the tougher the market conditions. Storage facilities are already filled with a surplus of older technology 727s, 737s and MD-80s, many of which will never fly again. However some younger aircraft & many of the 250 current generation aircraft will eventually be returned to service, once the industry recovers. To see a chart showing parked jet numbers by year since 1989:

www.ascendworldwide.com/content/AscendParkedCommercialFleet.gif

Chart showing the years in storage of the current parked fleet:

www.ascendworldwide.com/content/AscendCurrentParkedFleet.gif

*****Certified Cargo Screening Program Begins** as the Transportation Security Administration (TSA) has announced that, in accordance with the requirements of the Implementing Recommendations of the 9/11 Commission Act of 2007, it has "put in place procedures to meet the Congressionally-mandated requirement to screen 50% of all cargo on

passenger planes by Feb. 3, 2009." Screening will be mandatory for 100% of cargo by Aug. 3, 2010. The TSA introduced the Certified Cargo Screening Program (CCSP) as part of these procedures and explains that "certified CCSP facilities must successfully apply, participate and adhere to strict security standards, including physical access controls, personnel security, and screening of prospective employees and contractors to TSA standards. A secure chain of custody must also be established from the screening facility to the side of the aircraft." To prevent delays, cargo can be screened by a Certified Cargo Screening Facility (CCSF) prior to arriving at the airport and still meet the regulatory requirement. Businesses that transport cargo directly to a freight forwarder or air carrier can apply to become a CCSF. Types of businesses that may qualify include: manufacturers, warehouses, distribution centers, third party logistics providers, indirect air carriers, airport cargo handlers and independent cargo screening facilities. The action of screening cargo by a CCSF is considered a service, which allows the CCSF to qualify for protection as part of the Safety Act. The Safety Act provides important legal liability protections for providers of Qualified Anti-Terrorism Technologies – whether they are products or services. The goal of the Safety Act is to encourage the development and deployment of new and innovative anti-terrorism products and services by providing liability protections. Be sure your freight forwarder has Certified Cargo Screening Program facilities in operation.

[www.tsa.gov/what we do/layers/aircargo/milestone.shtm](http://www.tsa.gov/what_we_do/layers/aircargo/milestone.shtm)

A Certified Cargo Screening Facility may apply for liability protection:

www.safetyact.gov/

*****New Club Member** as Turkish Airlines has become the 28th airline to join Cargo 2000, an Int'l Air Transport Assn.-sponsored standardized management system.

www.iata.org/whatwedo/cargo/cargo2000/index.htm

*****Scandinavian Airlines Tries To Saty Ahead of The Curve** as it saw its revenues rise by 5.1% year over year in 2008, but it experienced an overall decline of US\$789M that it attributed to high fuel prices and the poor world economy, among other reasons. Its new strategy, called Core SAS, not only calls for the reduction in cargo operations, but divesting itself of non-core companies & 3,000 employee layoffs, as well as a reduction of 5,600 workers due to divesting itself of businesses and outsourcing some operations. SAS will divest itself of Spanair and airBaltic, as well as Spirit, Air Greenland, BMI, Estonian Air, Skyways, Cubic & Trust. It will further streamline operations by reducing 10% of its short-haul and 18% of its long-haul fleet. The goal of the restructuring is to save SAS US\$338M over 2 years.

www.flysas.com

*****FedEx Express Asia Hub Opens** as it has begun operations at its new Asia Pacific hub in Guangzhou, China, the company's largest hub outside of the U.S. The US\$150M hub is located at Baiyun Int'l Airport in the heart of Guangzhou's Pearl River Delta, a major int'l center of production & trade in the region.

*****Illinois Political Scandal? Who Knew?** as issues continue to surround the O'Hare Modernization Program (OMP). A federal investigation is under way into how 5 construction companies whose owners are friends or associates of Mayor Daley secured hundreds of millions of dollars in construction work at O'Hare, according to the Chicago Sun-Times. The probe came 2 days after Daley lobbied Congress to secure federal funding for OMP and is linked to a broader investigation of former Governor Rod Blagojevich. The O'Hare Modernization Project has also been denounced for fundamental design flaws, including planes having an additional 45 minute taxi time due to major airport choke points, long rides between terminals - often longer than the scheduled time of a flight & baggage transfer issues from one terminal to the next. A proposed new terminal at Hartsfield-Jackson Airport in Atlanta has an estimated cost of US\$500M, a fraction of the projected US\$20Bn OMP cost.

www.stop-omp.org/

*****Dime A Dance** as on Feb. 27, Ryanair's CEO said Europe's largest budget carrier might

start charging passengers for using the toilet while flying, but his spokesman cautioned Michael O'Leary often just made things up at will. "One thing we have looked at in the past and are looking at again is the possibility of maybe putting a coin slot on the toilet door so that people might actually have to spend a pound to spend a penny in future," O'Leary told BBC television. He said this would not inconvenience passengers traveling without cash. "I don't think there is anybody in history that has got on board a Ryanair aircraft with less than a pound." A spokesman said the airline had considered the fee as a possible source of extra revenue since passengers had the option of not using the toilet on board." O'Leary has a reputation as a cost-cutter, expanding Ryanair by offering low headline fares & charging extra for items such as additional luggage. Last week, Ryanair announced it was to shut all check-in desks at airports and have passengers check in online instead. "We're all about finding ways of raising discretionary revenue so we can keep lowering the cost of air travel," a spokesman said.

*****Pilot Was Fully Fueled For Flight.....** as "The Russian airline Aeroflot has apologized to passengers on a transatlantic flight after one of its pilots made such a slurred preflight announcement it created panic on the plane that he was drunk." That's from a story in London Guardian newspaper, one of several to report on the details of a Dec. 28 flight that have recently become public. London's Daily Mail writes "Capt. Alexander Cheplevsky sparked panic as Aeroflot flight 315 from Moscow to New York was about to take off. He started his pre-flight 'welcome aboard' message in Russian that was barely intelligible, then switched to English that was even worse." The Moscow Times adds that "as passengers, including a Moscow Times reporter, related their concerns to the flight crew, they were told to 'stop making trouble' or get off the Boeing 767 jet. A passenger who called Aeroflot's head office received a similar rebuff." But passengers apparently weren't going to take "no" for an answer, according to the Times of London. The paper writes "as the rebellion spread, Aeroflot representatives boarded the aircraft to try to calm down the 300 passengers. One sought to reassure them by announcing that it was 'not such a big deal' if the pilot was drunk because the aircraft practically flew itself." The pilot refused to leave the cockpit for about half an hour, before finally emerging, according to the reports. That did little to dissuade passengers' fears that he was drunk, according to the Moscow Times. The paper writes customers on the flight described him as "red-faced with bloodshot eyes and unsteady on his feet." Katya Kushner, another passenger on the flight, tells the Moscow Times: "I don't think there's anyone in Russia who doesn't know what a drunk person looks like. At first, he was looking at us like we were crazy. Then, when we wouldn't back down, he said, 'I'll sit here quietly in a corner. We have 3 more pilots. I won't even touch the controls, I promise.' "

*****Aviation History You Must See** as a Chinese woman who freaked out at Hong Kong's int'l airport after missing her flight has hit the big time on YouTube after her hysterics were filmed & uploaded to world fame. The middle-aged woman was seen charging at a security guard at the departure gate, before screaming "aiyyahhhhh," at the top of her lungs in a rant that lasts 3 minutes. The woman, sprawled on the ground, was seen wailing. An elderly man traveling with her tried to pull her to her feet, but she shouted in Cantonese: "I want to go, I want to go." Cathay Pacific said it had already closed the aircraft's doors & had offloaded the woman's baggage, and so was unable to allow her to board the flight to San Francisco. Cathay Pacific said it put her & her 2 travel companions on a later flight to Los Angeles, at no extra cost. Must see.

www.youtube.com/watch?v=xbVw7entkxg

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

4. FF World Ocean Briefs

*****Countryman & McDaniel Attorney To Lead Maritime Safety Conference** as a result of his extensive research into human and organisational factors contributing to maritime casualties, Geoffrey W. Gill, Esq. has been selected to serve as a Director of the Nov. 2009 e-Navigation conference to be held in Seattle, WA. e-Navigation is the harmonized collection, integration, exchange, presentation and analysis of maritime information ashore and onboard by electronic means in order to enhance maritime safety and environmental protection. This

conference, int'l in scope, is the most significant multi-party U.S. conference to address e-Navigation issues, especially so this year as in Dec. 2008 IMO's Maritime Safety Committee approved an e-Navigation strategy and set a 4 year program to develop implementation. The conference is sponsored by [Pacific Maritime Magazine](#).

www.enavigation.org/

*****Grim Piracy News** as the Int'l Maritime Bureau (IMB) Piracy Reporting Center said its annual piracy report released last month shows an unprecedented rise in maritime hijacking in 2008. The 2008 figures surpass all figures recorded by the PRC since it began its worldwide reporting function in 1991. In 2008, 49 vessels were hijacked, more than triple the 18 vessels in 2007. Also in 2008, 889 crew were taken hostage & a further 46 vessels were reported being fired upon. Thirty-two crew were injured, 11 killed & 21 missing, presumed dead. Guns were used in 139 incidents, up from 72 in 2007. In 2008 there was a worldwide total of 293 incidents of piracy against ships, which is up more than 11% from 2007 when there were 263 incidents reported. The increase is attributed to the number of attacks in the Gulf of Aden with 111 incidents reported on the East Coast of Somalia & the Gulf of Aden. The rise peaked in Sept. with 19 attacks. In Oct. & Nov. there were 15 and 16 vessels attacked respectively. This also nearly tripled from 2007. Nigeria ranked 2nd in the report with 40 reported incidents including 27 vessels boarded, 5 hijackings & 39 crew kidnapped. The PRC is also aware of about 100 further unconfirmed incidents that have occurred in Nigeria.

www.CargoLaw.com/2008nightmare_mv.faina.html

*****Too Many Ship, Too Few Officers** as despite the economic downturn, finding sufficient numbers of seafarers will remain a major challenge for the shipping industry, said a just-released report prepared by Drewry Shipping Consultants. "Newbuilds may be cancelled, the order book may not be delivered and older vessels may be scrapped reducing the overall fleet, but the scale of officer shortfall will still be considerable," the report claims. It said there is still a shortage of as many as 33,000 officers for 2009, which would rise to 42,700 by 2013, even after adjustment for newbuilding cancellations & scrapping.

*****Goodbye Senator Lines** as the German ocean carrier will cease business at the end of the month. "As a result of the financial and economic crisis and -- as a consequence thereof -- reduced volumes together with overcapacity and an extreme unhealthy competition, especially on the east-west routes, the shareholders & board of Senator Lines have decided to cease business effective end of Feb. 2009," the company said in a statement from its headquarters in Bremen. Senator, which is 80% owned by the Korea's Hanjin Shipping, said, "There are no positive signals to be foreseen for 2009 and there are not even any freight rate improvements visible on the long term. All these facts have resulted in this painful decision." Together, Senator & Hanjin are the 10th-largest container shipping company in the world, controlling 378,282 TEUs, about 2.9% of the world's container capacity, according to the information service AXS Alphaliner. Senator was founded in 1987 by Karl-Heinz Sager, a former board member of Hapag-Lloyd, and offered a fortnightly round-the-world-service. Following German unification it merged in 1994 with the shipping line division of Deutsche Seereederei Rostock, an East German state-owned enterprise founded in 1952 and the Bremer Vulkan Verbund AG in Bremen. In 1997, Hanjin became the main shareholder of the company. It owned 80% of the company & 10% stakes had been held by Bremer Investitionsgesellschaft mbH big in Bremen & the shipping company F. Laeisz in Hamburg.

www.senatorlines.com/visitus/landing_page.htm

*****Please Stop Building!** as the glut of capacity in the liner carrier industry might only be helped if lines are able to convince shipyards to push back orders of ships to be delivered in coming years -- as the laid up fleet reached 750,000 TEUs, the most in more than 20 years. It's been reported in trade journals recently that carriers who have ships with capacity of 12,000 TEUs & higher are attempting to delay new deliveries or negotiate lower prices. But those requests have mostly been rejected.

*****Neptune Orient Lines Delays New Vessels** as the parent of container carrier APL, said it handled 218,100 40-foot equivalent units (FEUs) during the 6 weeks ending Dec. 26, 24% fewer containers than it did in the same 2007 period. But for the entire year, the company handled about 2.46 million FEUs, 5% more than 2007. Revenue for the entire year averaged US\$3,033 per FEU, about 11% more than in 2007. APL revealed it is pushing back commitments for owned & chartered new vessels over the next few years. In presenting its 2008 financial results, NOL in Singapore said it has delayed the delivery of all 8 of its 10,000 teu newbuildings, and some chartered-in tonnage, as part of plans to save at least US\$250M in 2009 as it sinks into the red. NOL is now committed to 28 vessels in 2009 through 2012. It has already taken delivery of one ship & will take 12 more in the current year, 5 in 2010, none in 2011 and 10 in 2012, including eight 10,000-plus-TEU ships.

*****Israel Cuts Back** as container carrier Zim Lines has laid up 16 ships whose capacity amounts to 20.5% of the total transportation capacity of Zim. The company is holding urgent discussions with banks over US\$1.4Bn of related credit lines. Israel Corp., which owns 99% of Zim Integrated Shipping Services Ltd., said in a statement to the Tel-Aviv Stock Exchange that various measures were being taken to adjust to deteriorating market conditions.

*****Warehouses With Engines** as state-of-the-art containerships have become mere storage facilities for empty ocean cargo containers, anchored in rows in the vicinity of Singapore, at Hong Kong's anchorages or other locations. Empties storage at sea allows carriers to save significant amounts of money, since the daily per-TEU storage fees charged by terminal and container depot operators -- though individually rather modest -- add up over time & with an ever-growing inventory of unwanted empties.

*****Great Lakes Sinks** as U.S.-flag cargo movement on the Great Lakes amounted to 918,981 tons in January compared to 3.8 million in Jan. 2007, according to the Lake Carriers Assn. which represents 16 carriers operating 63 vessels on the Great Lakes. The group said cargo volumes fell below 1 million net tons in Jan. for likely the 1st time since the recession of the mid-1980s. It noted that for the 1st time in several years, no iron ore will move in Feb. In recent years, the port of Escanaba, Mich., which is located below the Soo Locks, has shipped some cargo in Feb. The group said a 40% drop in cargo movement in Dec. wiped out earlier gains and produced a 3% decrease in U.S.-flag shipping on the Great Lakes in 2008. The 101 million net tons of dry-bulk cargo transported by U.S.-flag lakers in 2008 also represented a 4.5% decrease from the trade's 5-year average.

*****Kaohsiung Bypassed** as the Taiwanese port has been bumped from the list of the world's 10 busiest container ports by growing rival ports in mainland China, CargonewsAsia has reported. Citing statistics from Chinese new outlets, the report said Kaohsiung, the 7th-busiest port in 2007, has been passed by Guangzhou, Ningbo, Zhoushan & Qingdao after its container volume dropped 5.6 % in 2008. The port has increasingly struggled to stay relevant as a transshipment destination as more direct services called on growing Chinese ports. One of its biggest customers, Maersk Line, pulled volume from the port in 2008, exacerbating the situation. Many hope that recently improved trade & transportation links between Taiwan and the mainland will rejuvenate the fortunes of Kaohsiung, once one of the world's 3 busiest ports.

*****NYK Line To Scuttle The Car Fleet** as it will likely scrap 20 car carriers to better align its capacity with slumping demand, an official with the carrier told Bloomberg this month. NYK is forecasting a 38% drop in the number of cars it will transport this quarter, to 580,000 units. Volume for the year is expected to be down 20% to 30% compared to 2008. According to Bloomberg, NYK had 113 car carriers at the end of March 2008 and had 39 more scheduled for delivery by 2011. The line already had plans to scrap 20 car carriers by March 2010 before this latest announcement.

*****Along The Sea Road** as car manufacturer Toyota has so many unsold cars it has had to charter a ship to store them all. Toyota said it had chartered a 2,500-capacity vessel which will

simply stand idle in port in Malmo, Sweden. The vessel, belonging to car-carrier specialist Wallenius Wilhelmsen, is necessary because there is simply no more room to store cars at the Toyota import site in Malmo, the company said. "We have space for 12,500 cars in Malmo, which acts as a distribution center for all the Nordic countries," said a Toyota spokesman. "But we have run out of space. We need the ship to store cars while they are waiting to be delivered." The Japanese giant, which reported its 1st ever loss this year, saw exports drop almost 60% in Jan.

*****MOL Reacts With Higher Rates** as it will implement a general rate restoration program on the Asia/Europe trade this year. Westbound rates will increase US\$900 per TEU in three stages during the course of the year and eastbound rates US\$400 per TEU in two stages, the Japanese ocean carrier said. Starting April 1 the company said all cargo moving under a MOL bill of lading eastbound on the Asia/Europe route will be subject to US\$300 per TEU increases at the beginning of April, June & Aug., while westbound it plans US\$200-per-TEU increases at the beginning of April & Sept.

*****Hapag-Lloyd Sale Approved** as the European Commission said Feb. 6, it has approved the proposed acquisition of Hapag-Lloyd from the tourism company TUI AG by an investor group based in Hamburg that includes Kühne Holding AG, and HGV, a holding company for business activities of the City of Hamburg. TUI has said it will buy back a one-third entrepreneurial stake in Hapag-Lloyd once the deal is completed.

www.hapag-lloyd.com/en/home.html

*****West Coast Truck Battle Continues** as on Feb. 11, 2009, the Federal Maritime Commission (FMC) met & discussed anticompetitive concerns associated with the implementation of the Port of Los Angeles & the Port of Long Beach's (Ports) Clean Truck Program ("CTP") under the Port Fee Services Agreement, FMC No. 201199. Agreement No. 201199, also known as the PortCheck Agreement, is an agreement among the Ports and private marine terminal operators which provides the means by which the Ports collect the Clean Truck Fee. The FMC is currently pursuing an injunction under section 6 of the Shipping Act against certain aspects of the Ports' joint CTP in the U.S. District Court for the District of Columbia, Docket No. 08-CV-1895. The PortCheck Agreement, as one part of a related web of agreements, implements the harmonized CTP which the FMC has already determined is likely, by a reduction in competition, to result in an unreasonable reduction in transportation services and an unreasonable increase in transportation cost. In light of the previously filed section 6(g) action targeting the most anticompetitive provisions of the CTP, the FMC determined that it is unnecessary to separately enjoin operation of the PortCheck Agreement. The CTP is a program intended to reduce air pollution in the area by banning old, polluting trucks from service within the port. As part of the program, a US\$35 per 20-foot-equivalent (TEU) cargo container fee is to be assessed on containers that do not meet 2007 Environmental Protection Agency (EPA) standards, and other requirements will also apply. The US\$35 fee will fund a one-time truck replacement financial assistance program that will help truck owners to quickly comply with the clean truck deadlines.

www.fmc.gov/speeches/newsrelease.asp?SPEECH_ID=271

*****Painting The Way Forward** as Hempel has developed new ship paint so efficient against fouling, that it gives the vessels fuel savings up to 8%. If the entire world fleet were painted with X3 hydrogel silicon, the new paint would make the CO2 discharge drop by 80 billion tons per year. A.P. Moller Maersk has according to V.P. Ivan Seistrup of the ship technical division in Maersk Line, been cooperating with Hempel in developing new paints including the new Hempasil X3. "Within 12 to 18 months the expenses are covered due to the fuel savings, & the paint lasts for 5 years", says Hempel.

www.hempel.us/

*****Canal Update** as currently slated for completion in 2014, the US\$5.25Bn Expansion Program will double Canal capacity by building a new lane of traffic. After expansion, a greater number of ships, including wider and larger vessels, will be able to transit the waterway, helping

to improve the flow of international commerce and facilitate the movement of goods through several important markets. March 3rd will mark an important date in the Panama Canal Expansion Program: The four prequalified consortia - containing more than 30 companies - will submit their proposals to design and build the new set of locks that will constitute the core of the Canal's new lane of traffic. On March 3, bid submissions will be separated into two submissions - price and technical proposals. The price proposals will be moved to an independent and secure environment and will not be reviewed until the technical proposals have been evaluated & points computed.

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

1945 - U.S. Marines and a Navy corpsman raise the American flag on Mt. Suribachi, Iwo Jima. The scene has been forever remembered on the U.S. Marine Corps War Memorial in Washington, D.C.

1991 - Battleship [USS Missouri](#) (BB 63) fires eight 2,000-pound shells from her 16-inch guns, destroying prefabricated enemy concrete command & control bunkers Iraq is moving into Kuwait.

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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 & pirate news at our special Internet web feature which provides full details of each event -- our **Vessel Casualties & Pirate Activity Database**.

Bookmark the site & visit every day! Updated twice daily.

www.cargolaw.com/presentations_casualties.html

SPECIAL NOTE: Please view the dramatic new pictures at our special "**Gallery of Cargo Loss**" website feature.

www.cargolaw.com/gallery.html

See our continuing feature for Feb. 2009: "**THANKS, BUT NO TANKS**" biggest pirate story of the 21st Century -- [M/V Faina](#) is freed!

www.CargoLaw.com/2008nightmare_mv.faina.html

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

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

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>>>>>

7th eyefortransport 2009 North American 3PL Market Report 28 charts, 24 pages

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

DHS Efficiency Review Initiative streamlining processes & customer service

www.dhs.gov/ynews/releases/pr_1234889688937.shtm

Flying Cargo In Alaska With DC-6 Aircraft see the film
www.youtube.com/watch?v=v8Xhf-N-ny0

Green Sea 1st in the world, climate offsetting for shipping, with UN-certified emission reduction projects.
www.greensea.se/show.asp

How to Outsource Retail Logistics
www.inboundlogistics.com/how/how_bnsf_1107.shtml

How to Outsource Freight Bill Payment
www.inboundlogistics.com/how/how_cass_1106.shtml

Int'l Trade Commission links to resources & programs related to anti-dumping duty (ADD) & countervailing duty (CVD) issues for U.S. imports.
www.usitc.gov/trade_remedy/index.htm

Lloyd's Interactive Piracy Timeline
www.lloydslist.com/ll/media/presentation.htm

Mission Statement: Commercial Service Trade Mission to ColombiaMarch 8-13, 2009
<http://edocket.access.gpo.gov/2009/E9-2489.htm>

Policing UK Motor Truck Cargo Crime
www.truckpol.com/alerts.htm

Safety Role of the Naval Architect
www.marinetalk.com/articles-marine-companies/art/Safety-Role-of-the-Naval-Architect-ROY00674446IN.html

U.S. Customs Bond Pamphlet
www.cbp.gov/linkhandler/cgov/trade/priority_trade/revenue/bonds/qa_bonds.ctt/q_and_a_bonds.doc

U.S. Customs Broker License Exam April 6, 2009 at various U.S. locations
www.cbp.gov/xp/cgov/trade/trade_programs/broker/broker_exam/notice_of_exam.xml

U.S. Customs and Border Protection -- C-TPAT Year In Review
www.cbp.gov/xp/cgov/newsroom/news_releases/january_2009/01122009.xml

U.S. Dept. of Commerce's Interactive Tariff & Trade Dataweb int'l trade statistics & U.S. tariff data, free of charge -- includes "Future Tariff Rates."
<http://dataweb.usitc.gov>

World Shipping Council Testimony Before Congress On Piracy Issues, 4 Feb. 2009
[www.worldshipping.org/wsc_piracy_testimony_feb_2009_\(2\).pdf](http://www.worldshipping.org/wsc_piracy_testimony_feb_2009_(2).pdf)

PRODUCTS>>>>>>>>>>>>

Xoom convenient alternative to wire transfer
www.xoom.com

EVENTS>>>>>>>>>>>>

Transport Events

www.transporevents.com/

Trade Shows, Exhibitions, Conferences & Business Events Worldwide

www.eventseye.com/

World Trade Organization Events

www.wto.org/english/news_e/meets.pdf

7th 3PL Summit June 22-24, 2009, Atlanta

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

9th Annual Trans-Pacific Maritime Conference March 2 & 3, 2009, Los Angeles

www.mmsend3.com/ls.cfm?r=99570558&sid=5362846&m=618008&u=cbmedia&s=http://www.joc.com/conferences/tpm

10th Logistics Forum Duisburg March 4-5, 2009, Mercator Hall, Duisburg

www.bvl.de/5989_2

Air & Expedited Motor Carriers Assn..... 8-10 March, Las Vegas, Nev.

www.aemca.org/

American Apparel & Footwear Assn. Seminars On Product Safety & Quality Control March 26-27 in Dongguan & March 30-31 in Hangzhou

www.apparelandfootwear.org/

Annual IWLA Convention 8-10 March, St. Petersburg, Fla.

www.iwla.com/

e-Navigation Conference 2009 Nov. 17-18, Bell Harbor, Seattle, WA

www.enavigation.org/

International Freight Week 18-20 Oct. 2009, Abu Dhabi National Exhibition Centre

www.internationalfreightweek.com/

JAXPORT 2009 Logistics & Intermodal Conference March 17, 2009, Amelia Island Plantation, Florida.

www.jaxportconference.com

MARAD Approved Maritime Security Awareness Classes

<http://71.14.2.130/moodle/>

Tackling Piracy at Sea Conference 18-19 March 2009, London, UK

www.quaynote.com/ankiti/www/?code=Pirate&f=home&conf=6af2c967355d1052f9a9ce4964983e78

Terminal Operations Conference & Exhibition for AsiaMarch 3-5 2009, Shenzhen

www.tocevents-asia.com/

Transportation & Logistics Council 35th Annual Conference March 22-25, 2009, St. Louis, Missouri

www.tlcouncil.org/

U.S. Customs "10 + 2" Outreach Events Scheduled in 2009

http://cbp.gov/xp/cgov/trade/trade_outreach/09_outreach_schl.xml

Washington Union Station's Centennial Celebration

<http://newsroom.dc.gov/show.aspx/agency/ddot/section/2/release/15040>

World Airports Conference May 17-19, 2009, Ciudad Real, Spain
www.worldairportslawyers.org/CiudadReal2009/Portada.asp

Free Webcast>>>>>>>>>>

U.S. Importer Security Filing (10+2)presented by Avalon Risk Management
<https://yrcworldwide.webex.com/yrcworldwide/ldr.php?AT=pb&SP=MC&rID=10950487&rKey=07EB728B90F9CDE4>

Strategic Exit Interviewing: Cutting Edge PracticesMarch 5, 2009
www.workplacemagazine.com/Audio/hc/Audio506.asp?code=3HBBW9

Trade Management Systems Benchmark Study: Status Quo - At What Cost?
www.americanshipper.com/newweb/TMS/newregister.asp

General Interest>>>>>>>>>>

1965 U.S. Navy A-bomb Simulation
<http://tinyurl.com/3m2mqg>

Forklift Frenzy a game that lets you get the crates into the bays whilst avoiding the boss & falling foul of Health & Safety!
www.mousebreaker.com/games/forkliftfrenzy2

Geek Sneakers
www.geeksneakers.com/site-map

Hans Hedtoft Expedition
www.maritimedanmark.dk/?Id=3822

How AIG Lost Billions By Helping Short-Sellers
<http://clusterstock.alleyinsider.com/2009/2/how-aig-lost-billions-by-helping-short-sellers>

Hulu favorite TV shows on demand free
www.hulu.com/

List of Investors Bilked By Bernie Madoff 162 pages
<http://online.wsj.com/public/resources/documents/madoffclientlist020409.pdf>

No One Is As Irish As Barack O'Bama
www.oneeyedparrot.org/obama.html

NFL Pre-Game Flyovers
www.nfl.com/videos?videoid=09000d5d80924c91

Somali Pirates to Acquire Citigroup
<http://optionarmageddon.ml-implode.com/2008/12/02/somali-pirates-in-discussions-to-acquire-citigroup/>

WebWag
www.webwag.com

Welding Theater
www.weldingtheater.com/

What is Traffic Calming?

www.trafficlogix.com/what-is-traffic-calming.asp

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

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

Maersk Line, Limited v. United States

U.S. 4th Circuit Court of Appeals

513 F.3d 418, Jan 28, 2008

COGSA Limits Liability for Military Equipment -- The Military Surface Deployment & Distribution Command ("SDDC"), on behalf of the U.S., contracted with Maersk Line, Ltd. to transport seven K-Loaders from Charleston, South Carolina to Thumrait, Oman. A K-Loader is a large, wheeled vehicle weighing over 30,000 lbs. During the transport, one of the K-Loaders sustained damages totaling US\$31,280. When the SDDC contacted Maersk regarding these damages, Maersk responded that its total liability was limited to US\$500 by the Carriage of Goods by Sea Act ("COGSA"). SDDC brought suit for the full amount of damages in U.S. District Court, E.D. Va. The District Court granted summary judgment for Maersk, and the U.S. appealed. The Court of Appeals held that COGSA represents an effort by Congress to balance the interests of carriers and shippers, by limiting the amount of liability a carrier can contract away, and setting a default maximum of liability. COGSA applies "to all contracts for carriage of goods by sea to or from ports of the U.S. in foreign trade." 46 U.S.C. §30701(13). It limits the liability of both the carrier and the shipper to "US\$500 per package . . . or in case of goods not shipped in packages, per customary freight unit." 46 U.S.C. §30701(4). Maersk argued that each K-Loader came under the definition of "package," and thus its liability was limited to US\$500. SDDC contended instead that the K-loader more appropriately fell under the classification of "goods not shipped in packages," so that Maersk's liability was US\$500 per ton for 56.625 tons, or US\$26,359. The Court of Appeals recognized that neither the statute nor its legislative history interpreted the term "package." Because this was an issue of first impression for the 4th Circuit, it adopted the 2nd Circuit's interpretation: a "package" is "a class of cargo, irrespective of size, shape or weight, to which some packaging preparation for transportation has been made which facilitates handling, but which does not necessarily conceal or completely enclose the goods." The Court focused its inquiry on whether the parties actually intended that the K-Loader be considered a "package" or not. In answering in the affirmative, it found the language in the parties' contracts illustrative. One of these documents described the K-Loader "Type of Package: Vehicle." Another document contained a comment by SDDC that the K-Loader had been "packaged to prevent driving on-off vessel." The bill of lading also referred to the "packages." The Court of Appeals affirmed the lower court determination that Maersk's liability was limited to a total of US\$500.

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

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The Cargo Letter
(since 1978)

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

Michael S. **McDaniel**, Editor.

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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.

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