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Law Offices of Countryman & McDaniel
THE CARGO LETTER [457]
Air & Ocean Logistics - Customs Broker News
28 August 2009
Part 1 of 1
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Good Friday Morning from our Observation Deck.....overlooking the officially designated "**Cargo City**" area and..... Runway 25-Right, at **Los Angeles International Airport**, voted "**Best Cargo Airport in North America**." Here is what happened in our industry during August 2009.

We were honored to edit **Bow Wave** for our dear friend **Sam Ignarski** last month!

Welcome new **Bow Wave** readers!

Conditions have not improved to any degree in our industry. Improvements for some, yes -- but anecdotal data -- cannot be safely accepted as a predictor of future events. Our industry remains -- in trouble.

We look forward to seeing all of you at the **FIATA World Congress 2009** in Geneva, Switzerland, 21 to 25 Sept. 2009!

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To help you find what you need -- **FAST** -- there's now a transport search engine installed at our www.CargoLaw.com website!

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

Archive of **The Cargo Letter** www.cargolaw.com/cl-archives.php

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

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

1. Freight Forwarder Trade Briefs _____

*****U.S. Trade Deficit Narrows** ... as the U.S. trade deficit increased US\$1Bn in June from May as consumer spending on imports ticked up along with improvements in the economy, according to Commerce Dept. The trade deficit narrowed in June to US\$27Bn compared to US\$33.2Bn in June 2008. Exports of goods & services the U.S. were down US\$35.8Bn, or 22%, while imports fell US\$69Bn, or 31%, from a year ago as consumer spending shrank. In June exports increased US\$2.4Bn from the previous month to US\$125.8Bn and imports climbed US\$3.5Bn to US\$149.3Bn. Goods that experienced an increase in exports included industrial supplies, capital goods, food, feed & beverages. Services that helped boost export numbers included freight transportation & port activity.

*****Could Downturn Force Forwarder Consolidation?.....** as the current demand downturn could force consolidation within the freight forwarding industry, suggests a recent report by **Transport Intelligence**. "The freight forwarding sector is in the eye of a recessionary storm," said TI Chief Executive John Manners-Bell. "Since the middle of 2008 there has been a massive reduction in demand for all forwarding services. Indeed such has been the magnitude of the fall that it suggests the sector is undergoing a systemic change of considerable magnitude." That systemic change seems to indicate that consolidation will necessarily come, said the report, Global Freight Forwarding 2009. **Get the report:**
www.transportintelligence.com/market-reports/report-global-freight-forwarding-2009/244/

*****Is Trade Activity Up?** as trade information service Panjiva said there was a significant uptick in trade activity during July. The company, which tracks which companies are shipping goods to the U.S., said that from June to July, there was a 7% increase in the number of global manufacturers shipping to the U.S. market. It also said the number of companies shipping to the United States is about 10% down from this time last year.
<http://panjiva.com/>

*****U.S. Wins, But What China Will Do?** as the WTO has ruled in favor of the U.S. in a dispute against China over the importation & distribution of copyright-intensive products such as theatrical films, DVDs, music, books & journals. According to U.S. Trade Representative, the WTO found that the major Chinese restrictions are inconsistent with China's WTO obligations. The WTO dispute settlement panel called on China to come into compliance with its obligations to allow U.S. companies to import these products into China and to eliminate discriminatory requirements faced by imported products & their U.S. distributors in China. The U.S. initiated the WTO dispute process against China because of serious concerns about shortcomings in China's legal regime governing the importation & distribution of copyright-intensive products. After unsuccessful consultations, the U.S. moved to institute panel proceedings. The result of those proceedings, released in the WTO report, clearly addresses these shortcomings. In addition to addressing discriminatory requirements on American importers & distributors, the findings also call on China to allow U.S. companies to partner with Chinese enterprises in joint ventures to distribute sound recordings over the Internet. Well, a dummy U.S. DVD collection of current movies can still be found in every other Shanghai shop. This is a huge loss to the U.S., UK & Indian film industries & their trade.

Read the WTO report:
www.wto.org/english/news_e/news09_e/363r_e.htm

*****South Korea & India Unite** as they have signed a comprehensive free trade agreement this month, the so-called Comprehensive Economic Partnership Agreement (CEPA), to reduce or eliminate tariffs and boost trade. Under the CEPA, tariffs on 85% of South Korean products and 90% of Indian goods, in terms of value, will be cut or abolished. The two countries have agreed a 10-year period over which those reductions will be made after the agreement takes effect. Trade between South Korea & India rose 39% last year to US\$15.6Bn. South Korea exported US\$3.6Bn

of goods to India and imported US\$1.6Bn for the past 6 months of this year.

*****DHL Slapped Down For Goods To Suspected Terrorists**as it has agreed to pay US\$9.4M to settle allegations it violated U.S. export controls for shipments to Iran, Sudan & Syria, the government said Aug. 6. Export regulators alleged the express carrier violated Office of Foreign Asset Controls regulations between Aug. 2002 & March 2007, making more than 300 shipments to Iran & Sudan. Regulations bar shipments for most goods under Iran transaction and Sudan sanction regulations. DHL further violated regulations by failing to maintain records on other shipments to Iran, government officials said. Waybills allegedly lacked required descriptions of the goods. In addition to the settlement, DHL agreed to improve its compliance program and hire an outside auditor to monitor compliance.

*****At Last -- An Explanation of ISF For The Little Guy** as U.S. Customs & Border Protection has published a brochure to inform anybody who imports goods about the new security requirements for electronically filing advance import data. Large companies & frequent shippers are mostly aware of the "Importer Security Filing" that went into effect in Jan. and will be enforced beginning Jan. 26, 2010. The brochure is targeted at small importers who may not be aware of the rule & often walk into customs houses in port cities to manually file paper customs entries. The brochure explains the "ISF", who is required to file the document, what data elements must be filed for normal and special shipments and enforcement procedures. **Get the brochure:**
www.cbp.gov/linkhandler/cgov/newsroom/publications/trade/import_sf_carry.ctt/import_sf_carry.pdf

*****Panalpina Takes Over Japan** ... as the global logistics company will take over air & ocean freight operations in Japan from a subsidiary of the NYK Group, starting in Jan. 2010. Since Feb. 2007, Panalpina has had an arrangement with Yusen Air & Sea Service, where Yusen has served as Panalpina's freight forwarding agent for air and ocean freight shipments in Japan while Panalpina in turn represented Yusen in several foreign markets. That arrangement will now change, starting in Jan. 2010 with Panalpina taking control of shipments within Japan. But Panalpina will continue to serve as an agent for Yusen in 23 countries in Latin America, Africa, Europe & the Middle East.

*****Project Professionals Group Expands Membership** as the freight forwarder network specializing in outsized & heavy-lift cargoes, has established new "project support" membership categories. The categories will include stevedores, owners of heavy haulage and multi-axle trailers, vessel and aircraft operators, air cargo handling specialists, crane companies, barge operators, port authorities, surveyors, insurance companies, export packers and other service providers to the heavy-lift forwarding industry. There will be one member per category in each major city or region and the service provider in the new membership category must not be in conflict with PPG's existing members or compete against them in project forwarding. This membership effort, successful or not, is called "enterprise" or "capitalism" -- the market will decide their success. Any failure will be destined, any success well deserved.
www.ppgprojects.com/

*****BDP Int'l Buys Dutch** as it has acquired U.K.-based Rostrum Forwarding Ltd. The company's name will be changed to BDP Int'l. In addition to the United Kingdom, BDP has offices & affiliates in 37 European countries.
www.bdpinternational.com/

*****C.H. Robinson Worldwide & EU Vegetables** as it has opened a European-based produce sourcing company, C.H. Robinson Sourcing SAS, in Avignon, France which will focus on global trading of fresh produce, sourcing primarily from France, Italy and Spain for North American, South American, European, Asian & the Middle East markets.
www.chrobinson.com/AboutUs/Newsroom/PressReleases/PressReleaseItem/?pressReleaseID=37

***** Agility Shown In Maylay Peninsula** as it has opened a 13,000-square-meter logistics hub between Kuala Lumpur & Klang, Malaysia's biggest port. The new facility increases the company's total warehousing capacity in Malaysia to more than 34,000 square meters. The hub is 45 minutes from the two main container terminals in Klang, as well as Kuala Lumpur Int'l Airport. **The Cargo Letter** has spent considerable time visiting this vital area in recent years -- just north of Singapore -- expect great things.
www.agilitylogistics.com/

***** American Rail Looks Up** as an Morgan Stanley investor briefing on Aug. 7 suggested that freight rail is due for a near-term recovery. The report pointed to a "clear uptick" in volume in July, led by derivatives used by auto manufacturers -- such as chemicals, metallic ores & metals - - as well as grain. Morgan Stanley said a projected surge in traffic from auto production isn't likely to materialize until late August. The report said rail earnings have hit their trough and that 2010 earnings projections are too low.

***** A Shipper Driven Trend?** as since 1945 U-Haul has been in the business of shared use of transport equipment. Now its new U Car Share division is expanding its growth as it partners with the Utah Transit Authority, the City of Salt Lake and the University of Utah by launching the alternative to vehicle ownership in Salt Lake City. U Car Share allows members access to cars 24/7, thus eliminating the need to own a car or bring one to campus during the school year. Members pay only for what they use, in one low hourly rate starting at US\$4.95 per hour (plus US\$0.59 per mile). U Car Share takes care of fuel, insurance & maintenance costs. Hourly rates that include 180 miles free per reservation range from US\$8.00-US\$12.00 per hour, depending on the vehicle. So --- what about trucks & shippers who learn how to book their port to door legs -- or their door to port legs? And the world turns.
www.uhaul.com/about/corporate_sustainability/shared_use_services/default.aspx

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2. The Cargo Letter Financial Page _____

**** Agility. UP** with a net profit of US\$253.8M for the first 6 months of 2009 -- up 3% over the same period last year.

**** Burlington Northern Santa Fe Corp. UP** with 2nd quarter net profit of US\$404M, 15% more than in the same 2008 period.

**** Cathay Pacific. UP** with 1st half profit of US\$104.7M after losses of US\$98.1M in same period in 2008 -- primarily a result of a US\$270.9M unrealized fuel hedging gain

**** CSAV** (Chilean ocean carrier). **DOWN** with losses of nearly US\$413M in 1st half of 2009.

**** Con-way Inc. DOWN** with 2nd quarter net profit of US\$33%, down 34% from the same 2008, a turnaround from a US\$154M loss in 1st quarter 2009.

**** Cosco Corp. DOWN** with 1st half net profit of US\$48.9M down 67% on the same period in the previous year.

**** Expeditors International of Washington Inc. DOWN** as 2nd quarter net profit fell 24% to US\$54.1M from \$71.2M in the same quarter of 2008.

**** Hapag-Lloyd. DOWN** with operating losses of US\$274.1M in 2nd quarter of 2009, compared with a US\$162M profit in corresponding period of 2008.

**** Hapag-Lloyd. DOWN** with loss of US\$618M in 1st half of 2009.

**** Maersk Line. DOWN** with a pre-tax of US\$829M in the 1st half of 2009.

**** OOCL. DOWN** with a US\$231M loss in 1st 6 months of 2009 as container liftings fell 17.2% & revenue per container slumped 24.1% -- compared with US\$159.9M net profit in 1st half 2008.

**** Pacer. DOWN** as net income declined in Q2 from US\$13.4M in the 2008 quarter to a net loss of US\$7.3M in the 2009 quarter.

**** Panalpina. DOWN** with 2nd quarter consolidated profit of US\$14.1M compared to US\$41.8M in 2nd quarter of 2008.

**** The Navigators Group, Inc. UP** with net income of US\$23.7M or US\$1.39 per share for the 2009 2nd quarter compared to net income of US\$17.4M or US\$1.03 per share for 2008 2nd quarter.

**** NOL. DOWN** with a loss of US\$391M in 1st half of 2009, a huge drop from the US\$196M profit

the company made in the corresponding period in 2008.

****Trailer Bridge Inc. UP** with 2nd quarter net income of US\$656,693, compared to a net loss of US\$329,261 in the same 2008 quarter.

****U.S. Postal Service (USPS). DOWN** with a drop of US\$1.6Bn in revenue & a net loss of US\$2.4Bn for its 3rd quarter ending June 30 -- agency says it might need another US\$700M in cash by Sept. 30. We remain very eager for this government to take over broader services for our daily lives, such as national health care.

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

3. Freight Forwarder World Air Briefs _____

*****Shame** as the Allied Pilots Assn. (APA), representing 11,500 pilots of American Airlines (NYSE: AMR), issued a statement regarding the Scottish government's decision to release convicted terrorist **Abdel Baset al-Megrahi** from prison. "On behalf of the pilots we represent and the passengers we are charged with protecting, we oppose in the strongest possible terms the release of convicted terrorist Abdel Baset al-Megrahi from prison," said APA President Captain Lloyd Hill. "Has anyone forgotten that this individual was found guilty of playing a hands-on role in the murders of 270 innocent people? APA is baffled & disgusted that any civilized country would grant a convicted mass murderer his freedom, much less give him a hero's welcome. As evidenced just a few scant years ago on Sept. 11, 2001 — a day when 33 American Airlines and United Airlines crewmembers were brutally murdered, along with thousands of other innocent people—terrorism remains the scourge of civilized society. Granting a mass murderer such as **Abdel Baset al-Megrahi** his freedom sends the exact wrong message to all other would-be terrorists." Bravo Zulu.

*****3PL Security Downfall** ... as there are serious security shortcomings in int'l air cargo transportation and the controls around it, according to a new report from the Int'l Transfer Center for Logistics and the Technical University of Berlin. The study, performed at the behest of the World Cargo Center in Frankfurt, surveyed 3rd-party distribution companies & freight handlers about their security controls and security risks. The report finds a lack of standardized regulations in air and freight security are the root of many of the problems. About 56% of companies surveyed said the lack of consistency in this area is their biggest security challenge. And 61% of freight handlers cited a lack of security awareness among their staff and the staff of their service providers as a problem. The report warns that "these weak spots increase the security risk of worldwide transport, which can result in the disruption of logistical processes with considerable economic losses."

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

*****EU Members Off The End** as the Assn. of European Airlines says its members freight ton-kilometers (FTKs) dropped 20.7 % in June over same month last year. "The airfreight market showed no signs of revival," the industry association said, with both major traffic flows posting even more severe losses. Europe-Asia traffic remained the weakest in June with an overall drop of 24.9%. The North Atlantic continued to slide with minus 21.8% compared to June of last year. The bright spots were a strong 40.9% jump in FTKs to Africa and a 5.1% rise on Mid-East routes. Year-to-date figures show an overall drop of 22.1% in FTKs for AEA members with Europe-Asia posting an overall decrease of minus 27.1% for the 1st 6 months. As in May, the only carriers to report gains in June over last year were Ukraine Int'l (40.9%) & Turkish Airlines (13.3%).

*****Japan Airlines & NYK To Unite On Cargo** as they have entered discussions to possibly merge JAL's cargo division with NYK's cargo airline subsidiary, Nippon Cargo Airlines. The proposed merger would couple Japan's 2 largest cargo airlines. Reports suggest NYK & JAL would each take a 45% stake in the merged cargo business, with outside NCA shareholders taking up the rest of the shareholdings. JAL estimates the restructuring could save more than US\$200M.

***** Air China Expands To Hong Kong** as it has purchased a 12.5% stake in Cathay Pacific, taking the state-owned Chinese airline's share of the privately owned Hong Kong airline to 29.9%, Cathay & Air China said in a statement. Swire Pacific, Cathay's largest shareholder, also purchased a further 2% share, taking its ownership to 41.9%. The Air China purchase is worth US\$817M, while Swire's purchase is worth US\$130M. CITIC previously owned 17.5% of Cathay, while Cathay owns an 18% stake in Beijing-based Air China. On the performance side, Cathay Pacific Airways said cargo volume fell 6.7% in July from the same month in 2008, an improvement over declines in previous months this year. Cathay and sister airline Dragonair handled 133,233 tons of cargo during the month, while capacity fell 12.6%. For the year, the airlines' volume is down 14.1%, compared to a capacity drop of 13.9%. Load factor fell 6.6% to 72.6%.

***** Air India Reacts To Dreamliner Delay** as it has canceled an order for 5 Boeing 777s after delivery delays of another sequence of Boeing jets, the 787 Dreamliner. The state-run national carrier, facing close to US\$1Bn in losses this year, said it is filing a claim for US\$710M against the plane manufacturer for the 787 delays. Air India ordered 27 of the new Boeing models, as well 23 777s and 18 737-800s in a massive order signed in 2006.

http://en.wikipedia.org/wiki/Boeing_787

*****United Cargo Is Cool** as it has launched a service designed to offer convenient shipping of healthcare & pharmaceutical products requiring temperature controls & monitoring. Known as Temp Control, the offering follows "a well-received pilot program" that the Chicago-based carrier conducted in select markets, said Kyle Betterton, VP of United Cargo. Medications, vaccines and similar pharmaceutical products often require transport under strict temperatures so United is offering different ranges to meet its customers' shipping needs: Freeze (-10°C to -20°C), Cool (+2°C to +8°C) & Ambient (+15°C to +25°C). United said its Temp Control customer service team would provide proactive shipment temperature notification 24 hours a day. Also, Envirotainer is assisting in providing the carrier temperature-controlled air cargo containers.

www.envirotainer.com/

*****AN225 Breaks Record** as Frankfurt-Hahn airport entered the **Guinness Book of World Records** this month when it handled a 189.9 ton generator aboard the world's only commercial AN225. Built by Alstom for a new thermal power plant in Yerevan, Armenia on behalf of the country's Ministry of Energy & Natural Resources, the 53ft x 14ft shipment was handled by General Transport AG and Pantos Logistics in conjunction with Ruslan Int'l. Before being loaded in Frankfurt-Hahn, the generator was moved by ship from Rotterdam to Longuich on the Moselle River and then trucked to the airport.

<http://video.google.com/videoplay?docid=-3507044473817755111>

http://en.wikipedia.org/wiki/Antonov_An-225

*****Green Gas** as the Air Transport Assn. of America (ATA) says 8 of its members will buy 1.5 million gallons a year of renewable synthetic diesel fuel from Rentech and Aircraft Service International Group (ASIG). Alaska, American, Continental, Delta, Southwest, United, UPS & US Airways will use Rentech's "RenDiesel" to power ground handling equipment at Los Angeles Int'l Airport starting in 2012. The renewable RenDiesel will be produced primarily from urban woody green waste such as yard clippings. Based in Los Angeles, CA Rentech develops and licenses energy technologies for clean synthetic fuels, chemicals & power production.

www.caafi.org/

*****Conquering The Frontier** as Republic Airways Holdings, Inc. has been declared the winning bidder in the auction to acquire Frontier Airlines. The auction was conducted under procedures established in Frontier's Chapter 11 bankruptcy cases. Republic submitted the highest bid, which included substantial improvements from its original investment proposal. Southwest Airlines also participated in the auction process.

www.frontierairlines.com/restructure/

*****For Want of A Horse, For Want of A Horseshoe, For Want of A Nail** as the discovery of faulty airspeed sensors on some Northwest Airlines jets suggests the equipment problems are more widespread than previously believed & could provide clues to the cause of the Air France crash that killed 228 people in June. Federal aviation officials say that on at least a dozen recent flights malfunctioning equipment made it impossible for the pilots to know how fast they were flying. The discovery gives new urgency to airlines already scrambling to replace air sensors & figure out how the errors went undetected despite safety systems. The equipment failures, all involving Northwest Airlines Airbus A330s, were brief & were noticed only after safety officials began investigating the Air France crash - on a Rio de Janeiro to Paris flight AF 447 of May 31, which killed 216 passengers & 12 crew - and 2 other recent in-flight malfunctions. The failures were described by people familiar with the investigation who spoke only on condition of anonymity because they were not authorized to comment publicly.
http://en.wikipedia.org/wiki/Air_France_Flight_447

*****Will Boeing Leave Starbucksland?** as for over 90 years, Boeing has been synonymous with the Seattle area for the production of aircraft. But continued labor strife could threaten that legacy, as the aerospace giant weighs where to locate the second production line for its 787 Dreamliner. Aerospace is one of the lifeblood industries of Washington, with nearly 600 companies employing over 86,000 workers. Though the Dreamliner hasn't even flown yet, there are already 850 orders for the plane, which is made of lightweight composite materials that Boeing says will make for a lighter, more fuel-efficient aircraft than any other on the market. Boeing recently unveiled the company logo on the side of its newly acquired fuselage-assembly facility in Charleston, S.C.

*****Flying The Unfriendly Skies** as National Air Cargo today announced that it will extend its weekly DC 8 cargo aircraft from its subsidiary company based in Ypsilanti, MI to Kandahar Air Base via Bagram Air Base in Afghanistan. The extended flight will assist ongoing efforts to provide materials & goods to the U.S. military in Afghanistan. National Air Cargo began the flight to Bagram in April 2009. Operated by National Airlines, the DC 8 flight will depart Ypsilanti every Friday on route to Bagram & Kandahar. The flight to Bagram & Kandahar will continue to be the fastest possible cargo transport from the U.S. to Afghanistan. Get faster, they're shooting!
www.nationalaircargo.com/Default.aspx?AspxAutoDetectCookieSupport=1

*****U.S. Air Force Becomes Savi** as it has approved Savi Technology's radio-frequency identification devices for asset tracking and security on board all sizes & classifications of aircraft. Savi's RFID tags can be affixed to supplies, Unit Load Devices, containers, pallets and other transport conveyances. Previously, Savi Technology became the first company to receive Supplemental Type Certification from the Federal Aviation Administration for use of one of its RFID tags on **commercial planes**.
www.savi.com/

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

4. FF World Ocean Briefs

*****Happy Birth Ditch!** as on Aug. 15, the Panama Canal celebrated 95 years of service as an engine of global trade & national growth. Since the steamship **SS Ancón**'s inaugural Canal passage Aug. 15, 1914, the waterway has offered safe, reliable & efficient service to more than 983,000 transits. The Canal will reach the significant mark of one million transits next year. On this anniversary, the Canal finds itself engaged in the largest project since its inauguration, the Expansion Program, which broke ground Sept. 2007. The expansion of the Canal will permit the transit of larger ships carrying more cargo, which will affect economies of scale and increase the usage of the Panamanian waterway.
www.pancanal.com/eng/expansion/index.html
http://en.wikipedia.org/wiki/Panama_Canal_expansion_project

*****But Suez Canal In A Slide** as for the older world canal -- opened Nov. 1869 -- transits & tonnage slumped severely in July amid reports that the canal has begun offering non-published discounts to ship owners in a bid to lure them through the key waterway linking Asia with Europe. Analysis of monthly statistics provided by the canal authority shows that transits fell 18% in July to 1,521 transits, compared to the same month in 2008, while tonnage also fell 18% to 64.8 million tons. Containership transits fell further, by 25.7% to 536 transits. Containership tonnage fell by a smaller margin, 15.6% to 35.8 million tons.

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

*****Next Wave of Pirate Killers** as NATO's contribution to int'l efforts to combat piracy off the Horn of Africa & in the Gulf of Aden entered a new phase on 17 Aug. after the North Atlantic Council (NAC) approved Operation Ocean Shield. This new mission builds on the experience gained during Operation Allied Protector, NATO's previous counter-piracy mission. While at-sea counter-piracy operations will continue to be the focus, a new element of regional state counter-piracy capacity building has been developed for Operation Ocean Shield. NATO's capacity building effort will aim to assist regional states, upon their request, in developing their own ability to combat piracy activities. Allied Joint Command Lisbon is in overall command of Operation Ocean Shield while Maritime Component Command Headquarters Northwood, UK, will execute day-to-day tactical control. Naval forces in support of the operation currently consist of units comprising the Standing NATO Maritime Group 2 (SNMG2), which include the United Kingdom frigate [HMS Cornwall](#) as flagship, the Italian frigate [ITS Libeccio](#), the Greek frigate [HS Navarion](#), the U.S. destroyer [USS Donald Cook](#) and the Turkish frigate [TCG Gediz](#).

*****The World-Wide Hunt For M/V Arctic Sea** as the story so far has resembled an over-egged John Le Carre plot, featuring everything from pirates & drug smuggling through to rumours of Russian Mafia feuds and secret plutonium shipments. The eight suspected hijackers of the Arctic Sea cargo ship that went missing in the Atlantic Ocean this month appeared in court in Moscow on Aug. 21, to be formally arrested for piracy & kidnap. "We were saving ourselves, we were drowning," said Igor Borisov, 45, after he was arrested. "We didn't hijack the ship." The prosecutor said the ship was carrying US\$2M worth of timber to Algeria, dismissing suggestions it was carrying illegal weapons. The Russian Navy tracked the ship into the Atlantic after Moscow said it had suffered an act of piracy and boarded it off the Cape Verde islands on Monday, freeing the 15 Russian crewmen. Russia released no detailed account of why pirates would target a ship carrying timber in some of the world's best policed seas and the mass of conflicting information in the saga has sparked speculation that it had a secret cargo of arms or even nuclear materials. The defendants face a maximum of 15 years in prison if found guilty of piracy & kidnap. However, an inspection on Aug. 25 revealed -- NOTHING. The mystery continues.

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

*****Sharp Penalties For Navigation Error** as the operator of the cargo ship [M/V COSCO Busan](#) that crashed into the San Francisco Bay Bridge in 2007, spilling oil that closed 50 beaches & killed thousands of birds including the federally endangered Brown Pelican, pleaded guilty on August 13, to violating environmental laws and falsifying documents to deceive federal investigators. Hong Kong-based [Fleet Management](#) has agreed to pay a US\$10M in fines as part of its plea agreement with the government. It admitted to violating the Oil Pollution Act of 1990, committing felony obstruction of justice & making false statements. On July 30, U.S. District Judge Susan Illston in San Francisco imposed the maximum jail term of 10 months in prison that veteran ship's pilot Capt. John Cota accepted in March when he admitted to two misdemeanor charges of polluting the waters & killing migratory seabirds by running the container ship into the Bay Bridge. Capt. Cota was navigating the 901-foot [M/V COSCO Busan](#) when it hit a tower of the bridge in thick morning fog, Nov. 7, 2007.

Press Release:

www.justice.gov/opa/pr/2009/August/09-enrd-797.html

Path To The Allision:

www.boatingsf.com/busan.php

***** All Broke, But On Time**..... as a new report by Drewry Shipping Consultants suggests that container carriers are improving their on-time performance in terms of schedule reliability. The quarterly Drewry Container Shipper Insight covering April through June said that 1,700 vessels tracked were on time or a day early 69% of the time. It's the best performance for carriers since Drewry began its schedule reliability survey at the end of 2005. The London-based consultant said average on-time results have been steadily increasing since the Oct.-Dec. 2008 monitoring period. In the January-March 2009 window, on-time arrivals were measured at 60%.

www.drewry.co.uk/publications/view_publication.php?id=313

*****Too Many Big Guys -- Not Enough Little Helpers** as the liner carrier industry could be facing a shortage of feeder vessels in coming years, the maritime news service **Alphaliner** theorized in its latest newsletter Monday. While the concept might seem ridiculous, considering the severe overcapacity situation facing the industry, the reality is that too many vessels in the current order book are 4,000 TEUs or larger. Small vessels of 1,000 to 2,000 TEUs account for 10% of capacity on the order book as do vessels 10,000 TEUs or larger. "The raw fleet figures for small ships suggest that it could be time for owners to consider ordering vessels in this category, especially in the 1,000 to 1,250-TEU range," Alphaliner said. "However, owners need to be cautious not to be caught up in the 'me too' rush, which had led to the current oversupply of large containerships." In a related forecast, Alphaliner estimates containership scrapping could reach 350,000 TEUs this year, about 300% more than the 2008 level. Already about 250,000 TEUs have been scrapped in 2009. That has helped slightly slow the growth of the containership fleet in July when new deliveries of 73,600 TEUs were offset by 34 ships with 54,000 TEUs going to the breakers, **Alphaliner** reported.

www1.axsmarine.com/public/axs-alphaliner.php

*****Dubai World -- The Once Mighty** as the parent company of global terminal operator DP World, has mounting debts, some of which will come due at the end of the year, Reuters reported Aug. 20. The state-run conglomerate has US\$59Bn in liabilities & US\$3.5Bn due Dec. 14, which a restructuring of the loans likely in the event the company and its property development arm, Nakheel, can't meet the payment schedule. The US\$59Bn represents almost 75% of Dubai's US\$80Bn in debt. Dubai World is involved in much of the development of the Emirate, whose growth until this year was booming.

*****They Could Have Been Contenders** as the Waterfront Commission of New York Harbor, created decades ago in the "On the Waterfront" era to fight corruption, is itself corrupt and mired in illegal conduct, a scathing Inspector General's report said. "This was a total agency breakdown," state IG Joseph Fisch said in a shocking 67-page finding following a two-year investigation. "Instead of ridding the waterfront of corruption, this agency itself was corrupt." The report on the commission by New York and New Jersey, found that former New Jersey Commissioner Michael Madonna, former New York Commissioner Michael Axelrod and former Executive Director Thomas DeMaria failed to "adequately or responsibly oversee" the commission. Established in 1953 by the U.S. Congress to fight mob influence and criminal activity like that portrayed in the movie *On the Waterfront*, the commission today employs about 100 persons & operates on an annual budget of more than US\$11M. The 67-page report: <http://click.icptrack.com/icp/relay.php?r=10619093&msgid=113068&act=I27A&c=179114&admin=0&destination=http%3A%2F%2Fwww.ig.state.ny.us%2Fpdfs%2FInvestigation%2520of%2520the%2520Waterfront%2520Commission%2520of%2520New%2520York%2520Harbor.pdf>

*****Selling Baby While Throwing Out The Bath Water** as the Queensland Government will sell a variety of state-owned transport & infrastructure assets, most notably the port of Brisbane -- thought to be worth to be worth A\$3.5B including associated land -- in an effort to fill a A\$14Bn budgetary shortage brought about by the global financial crisis.

*****Hapag-Lloyd Injected** as shareholders of struggling German container line said Aug. 13 that they have agreed on a structure to inject capital into the carrier, a necessary step before the

line can apply for aid from the German government. TUI, the former owner of Hapag-Lloyd and current 43% shareholder, said that it expected an application for a US\$1.7Bn credit facility from the government would be filed soon. But the application would be contingent on shareholders agreeing to a financial aid package of their own, amounting to slightly more than US\$1Bn.

*****APL Rates Dive** as the container carrier continued to see sharply lower freight rates -- 20% less -- when compared to the same period their prior year, according to the monthly operational update provided by its parent, Neptune Orient Lines. NOL said that average revenue per 40-foot equivalent unit was US\$2,219 in the 4 week period ending July 24, 29% below the same 2008 period. The carrier said it carried 187,400 FEUs during the four weeks, 11% less than in the comparable 2008 period.

*****Container Rates will Begin To Rise** as here are samples of what shipper should expect this Sept. 2009 --

1. French CMA CGM is raising rates on U.S. exports on the transpacific & transatlantic lanes. From Sept. 1, rates will rise US\$150 per TEU & US\$300 per 40-foot equivalent unit for cargo departing terminals in Houston and Mobile on transpacific services. For all other U.S. ports, the rate hike is US\$25 per TEU & US\$50 per FEU. For cargo from inland point intermodal origins, the increase is US\$50 per TEU & US\$100 per FEU. On transatlantic services, the increase is US\$240 per TEU & US\$300 per FEU for all container yard-to-container yard & inland point intermodal cargo. **CMA CGM** is also increasing rates in both directions between Europe and Australia-New Zealand. Southbound, from Europe to Australia and New Zealand, rates will rise US\$300 per TEU, while northbound from Australia and New Zealand to Europe, rates will rise US\$200 per TEU.

2. - NYK Line will raise rates from the U.S. & Canada to Northern Europe beginning Sept. 14. The general rate increase, US\$250 per TEU and US\$500 per FEU, applies to all cargo under NYK Line independent tariffs and service contracts, including dry and reefer shipments.

3. - Hanjin Shipping is raising freight rates from Asia to Europe starting Sept. 1 --from the Far East and Southeast Asia to Northern Europe and the Mediterranean will increase by US\$300 per TEU & \$600 per FEU for all types of cargo, including dry and reefer containers -- from Japan to Northern Europe and the Mediterranean, Hanjin will also charge a US\$300 per TEU & US\$600 per FEU peak season surcharge -- from the Indian Subcontinent and Australia to Northern Europe and the Mediterranean will rise US\$150 per TEU & US\$300 per FEU.

4. - Israeli ocean carrier Zim is raising rates from Asia and the Indian Subcontinent to Europe. Starting Sept. 1, the general rate increase is \$200 per TEU and covers shipments to North Europe, western & eastern Mediterranean, Adriatic ports and the Black Sea. Otherwise, Zim is on the rocks financially.

*****Great Lakes Traffic Plunges, But May Slow** as U.S.-flag vessels hauled 7.5 million net tons of dry bulk cargo in July, a 37% decrease compared to both a year ago and the month's 5-year average. While shipments of most commodities declined, there were perhaps some hints of recovery, said the Lake Carriers Assn.. Iron ore & limestone totals were the highest recorded for any month this year.

*****Iran Joins Ship Building Club** as it has completed construction of its 1st containership, Iranian press reports indicated. The Iran Shipbuilding and Offshore Industries Complex Co. built the US\$50M 2,200-TEU vessel, named [M/V Iran-Arak](#). Reports did not indicate who had bought or would operate the ship. The ship was due to undergo 24 hours of sea trials in the Persian Gulf.

*****China Invests In Brazil** as following a visit to China by Brazil's President Lula, the South American country is being targeted to receive billions of dollars of investment for its port sector. Beijing has already agreed to lend Petrobras, Brazil's state-controlled oil giant, US\$12Bn

so it can charter in and underwrite the construction of 100-plus offshore vessels. Most of the US\$4.5Bn now promised by Beijing seems to be heading for Santos, including US\$2Bn towards the US\$3Bn Barnabé Bagres project that will more than double the port's capacity to 220 Mtpa and 8-10M TEU, by 2015.

*****Maersk Sets New Reefer Standard** as a new 40ft x 8ft 6in high muffler grade stainless steel-clad reefer container has been developed by Maersk Container Industri (MCI) to meet the needs of shippers of bananas & other fruits who are looking to replace their ageing aluminium reefer fleets. As MCI points out, the de facto standard height for 40ft reefers today is 9ft 6in, but many fruit shippers do not need high cube units due to road weight & ship design limitations. In any case, bananas, in particular, tend to weigh out before they cube out in high cube units.
www.starcool.dk/Star+Cool+Integrated.212.aspx

*****But Int'l Container Market Collapses** as the global economic downturn has cut reefer container output by around 50% in 2009 & finished prices have plummeted to an all-time low. Although reefer demand has taken a significant knock in recent months, it has yet to suffer the same collapse as witnessed by the dry freight sector. Whilst production of standard boxes was effectively halted worldwide in Oct. 2008 and has yet to be restarted to any significant extent, reefer production has continued at roughly half its former level throughout the recession, allowing the four volume factories in China to maintain a single shift operation in many cases.

*****U.S. Navy Takes Sept. 11 Honors Back To Sea** as it officially accepted delivery of the future [USS New York](#) (LPD 21) from Northrop Grumman Shipbuilding (NGSB) during a ceremony Aug. 21 at the company's Avondale shipyard in New Orleans. New York is the first of three LPD 17-class ships built in honor of the victims of the Sept. 11 terrorist attacks. The ship's bow stem was constructed using 7.5 tons of steel salvaged from the World Trade Center. The Navy named the 8th & 9th ships of the class - [Arlington](#) & [Somerset](#) - in honor of the victims of the attacks on the Pentagon & United Flight 93 respectively. [Arlington](#) & [Somerset](#) are also incorporating materials salvaged from those sites. The principal mission of LPD 17-class amphibious transport dock ships is to transport & deploy the necessary combat & support elements of Marine expeditionary units & brigades. The ships will carry approximately 720 troops & have the capability of transporting & debarking air cushion (LCAC) or conventional landing craft & expeditionary fighting vehicles (EFV), augmented by helicopters or vertical take off & landing aircraft (MV 22). These ships will support amphibious assault, special operations & expeditionary warfare missions through the 1st half of the 21st century.
www.ussny.org/

*****The French Line Gets Giant Nod** as CMA CGM Group was recently honored with the 2008-2009 Ocean Carrier of the Year award by Walmart in recognition of its commitment to excellent service. According to Walmart, CMA CGM received the award based on its ability and willingness to provide efficient value added services and offer flexibility when needed. This award is recognized in the industry as the benchmark of superior performance with more than 19 service criteria assessed on a monthly basis, including delivery of superior customer service, documentation and data quality and timeliness, on time vessel performance & responsiveness & flexibility.
www.cma-cgm.com

*****Zim Line Is Infused** ... as shareholders approved a US\$100M capital injection from Israel Corp. into subsidiary Zim Line at a shareholder meeting last week, The company said more information about the funding would be forthcoming. The US\$100M is part of a total of US\$350M capital injection Israel Corp is making in the carrier.

*****Scatomancy** (Look It Up) **Forces Reshipment To Origin** as a ship laden with containers suspected of containing toxic waste illegally exported to Brazil arrived back in Britain on Aug. 21. Brazilian health authorities say the shipment, supposedly recyclable waste, was in fact full of condoms, syringes & human waste. The material was found by Brazilian officials in 3 of the

country's ports over the past few months. Britain's Environment Agency said 71 of the 89 containers have arrived at Felixstowe docks in Suffolk, with the rest expected shortly. The Agency said it might have to fumigate the containers over the coming week before it can fully investigate. Andrew Higham, head of the Agency's National Environment Crime Unit said Britain would not allow its waste to be dumped on developing countries. "The United Kingdom has taken a strong global lead to stamp out the illegal waste trade," he said. Three men have been arrested in the southwest town of Swindon in connection with the shipment.

*****Maritime New Zealand Has Watched Beverly Hills Drivers** as it has issued a safety bulletin cautioning mariners on the use of mobile phones. The bulletin stated that three people have been killed in recent collisions as a result of skippers being distracted by their use of mobile phones. A number of serious injuries have also occurred. It is important to note that mobile phones may serve a useful function as a backup means of emergency communication. However, it is clear that their use by skippers and masters to receive or make calls or text messages needs to be managed appropriately to the circumstances of each operation.

*****New China Hub** as a regional shipping hub will be built in Hefei, the capital of Anhui province located in central China, to connect Anhui's Chaohu Lake with the main ports along the Yangtze River, including Nanjing, Ningbo & Shanghai. This project & wharf expansion plan.

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

*****Disappearing Ocean Container?** as the latest attempt to develop a viable collapsible container design was unveiled at a demonstration at the Rotterdam Cruise Terminal at the end of last month. Cargoshell, the brainchild of Dutch entrepreneur René Giesbers, is a dry freight container built to standard ISO dimensions and manufactured almost entirely from composite materials. The unit can be collapsed into a quarter of its erected height by one man and a forklift truck in around 30 seconds and four collapsed units can be interlocked to form an 8ft 6in high module for empty repositioning purposes. The prototype 20ft x 8ft x 8ft 6in unit was built by Poly Products, a leading Dutch producer of customised, fibre-reinforced plastic products, at its production facility in Werkendam. Apart from some minor steel componentry in the roof section associated with the locking/unlocking mechanism, the only non-composite part of the unit is a bamboo plywood floor.

www.cargoshell.com/

*****Throughput >>>** Terminal operator COSCO Pacific volume in **Qingdao** was up 2.8% in July to 848,600 TEUs, and Tianjin improved 11% to 183,700 TEUs. **>>> Port of Hamburg** handled a total of 54.2 million metric tons of seagoing cargo in the 1st half of 2009, a drop of 23.7% in compared to same period in the previous year. **>>> Port of Marseilles** Fos rose 4% for the year through July, helped by a 21% gain at the port's Fos deep sea terminal. **>>> Port of Montreal** said in the 1st 6 months of the year it handled 619,721 TEUs of both full & empty containers, 14.6% fewer than during the same 2008 period. **>>> Port of New York & New Jersey** handled 1,714,107 loaded TEUs in the first 6 months of the year, 17.1% fewer than in the 1st half of 2008, while exports in the period amounted to 658,921 TEUs, down 21.2% from the same 2008 period. Imports were down 14.4% to 1,055,186 million TEUs. **>>> Port of Shanghai** container 1st half throughput was 15.5% down year-on-year, but an improved July, down just 200,000 teu year-on-year, at 2.15m TEU means the year to date is down 14.5%.

*****Throughput At China's Ports - Down**as the drop was 11% in the 1st half of 2009, according to a report by maritime consultant Dynamar. The report, which includes river port volume, said volume at the country's largest port, Shanghai, dropped 15.6% to 11.6 million TEUs, while the 2nd-biggest port, Shenzhen, saw a 21.1% decrease to 8 million TEUs. The figures do not include Hong Kong, where throughput has also slid significantly. Other major declines came at Guangzhou, 14.5%, to 5.1 million TEUs, which was passed by Qingdao for 3rd place; Ningbo, 11%, to 4.7 million TEUs. The only ports to survive the downturn are those in the Bohai Bay region of northeastern China. Qingdao volume rose 2% to 5.1 million TEUs, while Tianjin volume

rose 1.9% to 4.2 million TEUs. River port volume fell 13.9% to 5.4 million TEUs. Total throughput fell to just under 56 million TEUs.

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

- 1804 - American Squadron, including [USS Constitution](#), attacks Tripoli pirates.
- 1812 - Frigate President captures British schooner [L'Adeline](#) in North Atlantic.
- 1814 - British invasion of Maryland & Washington, D.C.; Washington Navy Yard and ships burned to prevent capture by the British.
- 1862 - [CSS Arkansas](#) destroyed by her commanding officer to prevent capture by [USS Essex](#).
- 1870 - Armed tug [Palos](#) becomes first U.S. Navy ship to transit Suez Canal.
- 1942 - Submarines [USS Nautilus](#) (SS 168) & [USS Argonaut](#) (SS 166) land 222 Marines on Makin Island, first amphibious attack made from submarines.
- 1944 - **Lt. Joseph P. Kennedy Jr., USNR**, the older brother of John F. Kennedy & Sen. Ted Kennedy, was killed with his co-pilot in a mid-air explosion after taking off from England in a PB-4Y from Special Attack Unit One (SAU-1). Following manual takeoff, they were supposed to parachute out over the English Channel while the radio-controlled explosive filled drone proceeded to attack a German V-2 missile-launching site. Possible causes include faulty wiring or FM signals from a nearby transmitter.
- 1945 - First surrender of Japanese garrison at end of World War II; [USS Levy](#) (DE 162) receives surrender of Mille Atoll in Marshall Islands.
- 1958 - [USS Nautilus](#) (SSN 571) is first ship to reach the geographic North Pole while submerged.
- 1959 - [USS Thetis Bay](#) (LPH 6) completes 6-day humanitarian operation after floods in Taiwan.
- 1974 - After flooding in Philippines, Navy helicopters begin six days of operations to rescue people and bring supplies (244 flights).
- 1980 - [USS Passumpsic](#) (AO 107) rescues 28 Vietnamese refugees.

*****Bite Me** as 74-year-old Washington state resident is being held by customs officials in Dubai for allegedly swearing at them while on shore leave from the container [M/V APL Truman](#) docked in the Middle East city. It is reported that Chuck Maringer was detained for failing to apologize to an official that he swore at. Maringer, in a story relayed to family, said he swore after he & two other sailors were detained for more than an hour at the customs house after shopping in Dubai. The Sailors Union of the Pacific is lobbying the U.S. government to intervene.

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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 by Christoph Whaner, Esq. of the Law Offices of Countryman & McDaniel.

www.cargolaw.com/presentations_casualties.html

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

www.cargolaw.com/gallery.html

See our new feature for Aug. 2009: "**Death of M/V Ioannis N.V.**" - singular photos!

www.cargolaw.com/2009nightmare_ioannis.html

See our newest photo feature "**Singles Only**" - Transportation Disasters Told In A Single Photo!
"**Pee Wee's Big Adventure**" - Oh Noooo, Mr. Autopilot!

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

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 Wahaner, Esq.** of **Countryman & McDaniel**.

www.cargolaw.com/presentations_casualties.php

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

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

6. The Cargo Letter "Cyber Ports Of Call"

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

Cargo & Trade>>>>>

African Growth & Opportunity Act's Duty-Free Provisions Have Generally Failed

<http://click.icptrack.com/icp/relay.php?r=10619093&msgid=113181&act=l27A&c=179114&admin=0&destination=http%3A%2F%2Fwww.gao.gov%2Fnew.items%2Fd09916.pdf>

Commercial Aviation Alternative Fuels Initiative

www.caafi.org/

Global Food Markets: Int'l Consumer & Retail Trends

www.ers.usda.gov/Briefing/GlobalFoodMarkets/consumer.htm

Mallows Bay Near Washington D.C -- The Wooden Ghost Fleet zoom in the see the fleet

<http://tinyurl.com/lqstyx>

Mallow Bay Ghost Fleet Story

www.dnr.state.md.us/naturalresource/winter2001/ghostship.html

<http://letsgo2sea.com/Paddle%20Graveyard%20of%20Ships%20May%202007/>

NAFTA at 15: Building on Free Trade

www.ers.usda.gov/Publications/wrs0903/

Port Manatee Launches Newly Redesigned Website

www.portmanatee.com

U.S. Coast Guard Civilian Careers

www.uscg.mil/civilian/

U.S. Customs Air & Marine Photography

www.cbp.gov/xp/cgov/newsroom/multimedia/photo_gallery/afc/cbp_air_marine/

U.S. Customs "Importer Security Filing and Additional Carrier Requirements" Brochure

www.cbp.gov/linkhandler/cgov/newsroom/publications/trade/import_sf_carry.ctt/import_sf_carry.pdf

U.S. Customs - Frequently Asked Questions (FAQ) for the Automated Export System (AES)

www.cbp.gov/linkhandler/cgov/trade/automated/aes/cbp_ftr_faq.ctt/cbp_ftr_faq.doc

U.S. Customs Posts Comparison of Duty Preference Programs

www.cbp.gov/linkhandler/cgov/trade/trade_programs/international_agreements/fta_comparison.ctt/fta_comparison.pdf

PRODUCTS>>>>>>>>>>

Flatbed Cargo Securement

www.jjkeller.com/promotions/cargosecurement/new-items.html

Radar Speed Signs

www.trafficlogix.com/radar-speed-signs.asp

EVENTS>>>>>>>>>>

Transport Events

www.transportevents.com/

Trade Shows, Exhibitions, Conferences & Business Events Worldwide

www.eventseye.com/

World Trade Organization Events

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

3rd Sustainable Supply Chain Summit Oct. 15+16, 2009, San Francisco

<https://secure.firstconf.com/transport/SSC/register.htm>

4th Annual Canada Maritime Conference Sept. 23 - 24, 2009, Vancouver, British Columbia, Canada

<http://joc.com/cm>

6th Annual Port & Maritime Security 2009 Summit14-15 Sept. 2009, RACV Club, Melbourne Australia

www.portmaritimesecurity.com.au/

8th Annual Maritime Security Expo 20-21 Oct. 2009, Long Beach

www.maritimesecurityexpo.com/

20th Breakbulk Transportation Conference & Exhibition 13 - 15 Oct., New Orleans

<http://joc.com/bb>

2009 East Coast Maritime (ECM) Conference Oct. 5 & 6, 2009, Jersey City, New Jersey

<http://guest.cvent.com/i.aspx?5S,M3,3799e6dd-3528-4420-a7f1-434d7836d925>

Air Cargo Americas Nov. 4-6, Miami, Fla.

www.aircargoamericas.com/

Air Freight Asia 2009..... 8-10 Sept. 2009, Singapore

www.airfreightasia.com/

Council of Supply Chain Management Professional's 2009 Annual Global Conference Sept. 20-23, Chicago

<http://cscmp.org/>

CSCMP Annual Global ConferenceSept. 20-23, Chicago

<http://cscmpconference.org/>

e-Navigation Conference 2009 Nov. 17-18, Bell Harbor, Seattle, WA
www.enavigation.org/

Expo Logistica Panama14 & 15 Oct. 2009, Panama
www.expologistica.org/

FIATA World Congress 200921 - 25 Sept. 2009 in Geneva, Switzerland -- **We'll See You There!**
www.fiata2009.com/

Global Maritime Information Sharing Symposium (GMISS) Sept. 15-17, National Defense University, Washington, D.C.
www.regonline.com/Checkin.asp?EventId=750800

IANA'S Intermodal Expo Nov. 15 - 17, 2009, Anaheim, CA
www.intermodal.org/events_files/expo_files/index.html

Int'l Freight Week 18-20 Oct. 2009, Abu Dhabi National Exhibition Center
www.internationalfreightweek.com/

Intermodal 2009 3-5 Nov. 2009, Feria Valencia Spain
www.intermodal-events.com/

MARAD Approved Maritime Security Awareness Classes
<http://71.14.2.130/moodle/>

MarineLog Global GreenShip Sept. 17-18, 2009, Washington Marriott Hotel, Washington, D.C.
www.marinelog.com/DOCS/MSECMMV/globgreenreg2009.html

National Maritime Salvage Conference & Expo Oct. 6-8, 2009, Arlington Virginia
www.marinelog.com/DOCS/Conf.html#salvageanchor

Port of New York-New Jersey's 9th Annual Port Industry Day Conference Oct. 26, **USS Intrepid** at Pier 86, Manhattan, NY
www.nymar.org/calendar.html

SNAME 2009 Annual Meeting & ExpoOct. 21-23, 2009, Providence, Rhode Island
www.snameexpo.com

U.S. Customs "10 + 2" Outreach Events Scheduled in 2009
http://cbp.gov/xp/cgov/trade/trade_outreach/09_outreach_schl.xml

U.S. Customs Broker Exam Mon., Oct. 5, 2009
www.cbp.gov/xp/cgov/trade/trade_programs/broker/broker_exam/notice_of_exam.xml

Virtual Trade Show -- Environmental Initiatives For A Sustainable Trade & Transportation
..... 15 & 16 Sept., 2009
<https://vts.inxpo.com/scripts/InXpo.nxp?LASCmd=AI:4;F:QS!10100&ShowKey=1650&AffiliateKey=7496&AffiliateData=Micro>
Demo:
<https://presentations.inxpo.com/Shows/InXpo/Tour/Exhibitor/player.html>

Washington Union Station's Centennial Celebration
<http://newsroom.dc.gov/show.aspx/agency/ddot/section/2/release/15040>

Geoffrey W. Gill, Esq is a graduate of Fordham University School of Law, United States Merchant Marine Academy, and United States Naval War College. He is a licensed Master & practices maritime hull & yacht litigation in California, Florida & New York at the Law Offices of Countryman & McDaniel.

Polar Tankers, Inc. v. City of Valdez, Alaska

United States Supreme Court
15 June 2009, 129 S.Ct. 2277 (2009)

The Tonnage Clause of the U.S. Constitution prohibits the states from laying any duty of tonnage without Congressional consent. Through over a century of Tonnage Clause jurisprudence, mostly from the 1800s, the prohibition against tonnage duties has been expanded to comprise a prohibition of "all taxes and duties regardless of their name or form, and even though not measured by the tonnage of the vessel, which operate to impose a charge for the privilege of entering, trading in, or lying in a port."

Here, the city's ad valorem property tax applied to large vessels docking at city ports & taking on more than one million dollars in cargo or otherwise transacting business in that amount in city ports. The Court ruled the tax violated the Tonnage Clause, reasoning it was effectively a charge for the privilege of entering, trading in, or lying in a port. In practice, the tax applied to 28 vessels, of which 24 were oil tankers. It applied to no other form of personal property other than large vessels & exempted small vessels under 95 feet in length. The tax was designed for raising revenue for general municipal services and was not related to services provided to the vessel. Reported by Christoph Whaner, Esq. of the Law Offices of Countryman & McDaniel

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

The Cargo Letter Correspondents:

Michael S. **McDaniel** Esq, Editor (Countryman & McDaniel)
Christoph Wahner, Esq. (Countryman & McDaniel) **Daily Vessel Casualties**
Maria Payne(Countryman & McDaniel)

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The Cargo Letter
(since 1978)

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Michael S. **McDaniel**, Editor.

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Mail Address: **The Cargo Letter**
% Countryman & McDaniel
11th Floor LAX Airport Center
5933 West Century Boulevard
Los Angeles, CA 90045 USA

Telephone: (310) 342-6500
Telefax : (310) 342-6505

Cable : McLawman LSA
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