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**Law Offices of Countryman & McDaniel**

**THE CARGO LETTER [474]**

Air & Ocean Logistics - Customs Broker News

25 February 2011

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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.**"

This month the **Countryman & McDaniel** law firm achieved an historic victory for international air freight forwarders.

Read the details in our **Section 7: New U.S. Transport Related Legal Cases.**

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.....[cargolaw.com](http://cargolaw.com)

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

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

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

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

**\*\*\*That Cheap Purse Is Hurting All of Us ....** as the International Chamber of Commerce released a report at the 6th Global Congress on Combating Counterfeiting and Piracy this month which reported the global economic & social impacts of counterfeiting and piracy will reach US\$1.7 trillion by 2015 and put 2.5 million legitimate jobs at risk each year. The report updates a 2008 Organization for Economic Cooperation and Development report that showed more than US\$250Bn in counterfeit and pirated goods moved through international trade alone. The new ICC study also examines additional impacts not quantified in the OECD report. These include the value of domestically produced & consumed counterfeit products, the value of digital piracy, and the negative impacts on society, governments and consumers. The report shows that based on 2008 data, the total global economic and social impacts of counterfeit and pirated products are as much as US\$775Bn every year. This includes impacts of lost tax revenue and higher government spending on law enforcement and health care. The figure is estimated to more than double to

US\$1.7 trillion by 2015, due in part to rapid increases in physical counterfeiting and piracy as measured by reported customs seizures, and greater worldwide access to high speed Internet and mobile technologies, the report noted. The report also indicates international trade in fake goods accounts for more than half of counterfeiting and piracy, and could grow to as much as US\$960Bn by 2015. Domestic production & consumption will account for between US\$370 Bn and US\$570Bn, and digitally pirated music, movies & software for as much as US\$240Bn in 2015. Read the report:

[www.iccwbo.org/bascap/index.html?id=40991](http://www.iccwbo.org/bascap/index.html?id=40991)

**\*\*\*A Further Wake Up Call For America's Growing Debt ....** as Japan lost its 42-year ranking as the world's 2nd-biggest economy to China in 2010, with data showing a contraction in the last quarter due to weak consumer spending and a strong yen. While Japan was expected to fall behind a surging China in the year, the data underlined the weak state of a Japanese economy burdened by deflation, soft domestic demand and pressured by the industrialized world's biggest debt. Predictions vary as to **when China may overtake the United States as number one economy**, but it should happen by 2025, according to estimates by the World Bank, Goldman Sachs & others. Worse, Japan's debt rating was downgraded this week which raises its repayment interest rate. Tick, tick, tick.....

**\*\*\*U.S. Import Cargo Up ....** as volume at major U.S. retail container ports is expected to rise 11% in Feb. over the same month last year and the first half 2011 volume should increase 6% over the same period in 2010, according to the monthly Global Port Tracker report released today by the National Retail Federation and Hackett Associates.

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

**\*\*\*Both Exports & Trade Deficit Grow ....** as the U.S. Commerce Dept.'s December 2010 U.S. International Trade in Goods & Services report, released Feb. 11, showed that U.S. exports in Dec. increased 1.8% from Nov. to US\$163Bn. U.S. imports of goods & services increased 2.6% to US\$203.5Bn, with the overall trade deficit growing by 5.9% in Dec. to US\$40.6Bn. After dropping 14.6% in 2009, exports grew 16.6% in 2010, compared with an average annual rise of 11.2% during 2002-2008. Exports of goods & services in 2010 reached US\$1.83 trillion, the second-highest annual total on record and the largest year-to-year percent change in more than 20 years. In 2010, exports contributed to nearly half of the 2.9% growth in real GDP, the Commerce Dept. noted. "The U.S. is the largest exporter of services in the world, and services exports reached a record surplus last year," said Commerce Secretary Gary Locke, in a statement. "Exports are leading the U.S. economic recovery and helping to create high-quality jobs for the American people."

**\*\*\*On A Roll ....** as the value of Singapore's trade amounted to S\$902Bn (US\$708.28Bn) in 2010, an increase of 21% after a 19% contraction in 2009 when the total trade value stood at S\$747Bn. A government statement attributed the expansion in external trade to a rise in both exports & imports. Exports were up 22% while imports grew 19% in 2010.

**\*\*\*There's The Beef .....** as the value of U.S. beef exports rose 19% or nearly US\$1Bn in 2010, helping the beef export industry to its best year ever, according to statistics from the U.S. Dept. of Agriculture and compiled by the U.S. Meat Export Federation (USMEF). A total of US\$4.1Bn in beef exports broke the high from 2003 of US\$3.9Bn by more than 5%. That record was set prior to the U.S. incident of bovine spongiform encephalopathy in Dec. 2003. Total volume for 2010 was 1.1 million metric tons.

**\*\*\*Creative Logistics Promotes The Trade ~ Building From Within ....** as UPS Capital, the financial services arm of UPS, has expanded its Latin American presence by opening new offices in Bogota, Colombia, and Lima, Peru. By using in-country representatives to staff the offices, UPS Capital said it will be able to offer specific kinds of loans to qualified businesses in Colombia & Peru to finance the import of capital goods and inventory components. The new offices expand UPS Capital's Latin American locations, which include existing representative offices in

Argentina, Brazil, Chile & Mexico. UPS Capital's offerings include global trade finance, trade protection services, credit cards and related services and payment-acceleration services. UPS Capital companies deliver financing solutions that include loans backed by the U.S. Export-Import Bank.

<http://capital.ups.com/>

**\*\*\*Next U.S. Customs Broker Exam is Monday, April 4, 2011**

[www.cbp.gov/xp/cgov/trade/trade\\_programs/broker/broker\\_exam/notice\\_of\\_exam.xml](http://www.cbp.gov/xp/cgov/trade/trade_programs/broker/broker_exam/notice_of_exam.xml)

**\*\*\*U.S. Intermodal Up** ... as total volume rose 14.7% in 2010, though growth slowed in the 4th quarter, according to the latest statistics released by the Intermodal Association of North America (IANA). Volume in 2010 reached 13.3 million units, while 4th quarter volume rose 12.8% to 3.5 million units. For the year, int'l volume grew 18.5% to 7.2 million containers, while domestic container volume grew 13.3% to 4.5 million. Fourth quarter int'l volume grew 16.9%.

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

**\*\*\*Border Snapshot** ..... as China's western border town of Alashankou Pass, on the Sino-Kazakhstani border, handled 25.2 million tons of cargo last year, an increase of 8.6% compared to 2009. The customs collected US\$1.6Bn in tax last year up 49.8%. The Northeastern Sino-Russian border customs station Manzhouli handled 26.1 million tons of cargo last year, an increase of 8.1% compared to 2009.

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

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

**\*\*\*Recognizing Drivers World~Wide As A Key Organizational Move** .... as **UPS** has announced the induction of 1,122 drivers into its elite "Circle of Honor," raising to 5,248 the number of active drivers who have steered clear of accidents for 25 years or more. "Our training and our drivers' attention to details such as avoiding distractions while driving, all play a part in their remarkable record." The number of new inductees is the largest for any single year in the company's history -- up 21% from last year -- and includes the first three from Puerto Rico. UPS began service in that U.S. territory in 1985. In addition, 11 inductees from Germany and 7 from Canada make this year's int'l class the largest to date. Collectively, the 5,248 drivers have logged more than 5 billion miles and more than 147,244 years of safe driving through their careers. That's enough miles to circle the earth 188,000 times. Of the Circle of Honor members, 283 have been accident-free for 35 or more years, with 27 of those having driven more than 40 years without an accident. UPS's top safe driver in 2010 is Ohio Valley District tractor-trailer driver Ron "Big Dog" Sowder, who has achieved 49 years and 4 million miles of driving without an accident.

**\*\*\*Panalpina Down Under** ... as the logistics provider has announced it will fully integrate its new acquisition, Apollo in Perth, Western Australia, in a way that complements the parent's existing office that focuses on industrial projects and the oil and gas business. After the acquisition of Apollo Forwarding in Adelaide last year, Panalpina will now incorporate another long-time partner company, Apollo in Perth. Although having traded under the same name, the two companies are not related. Panalpina Australia & Apollo Perth commenced their partnership in 1997, with Apollo Perth having acted as Panalpina's agent both locally & globally. Panalpina operates a network of 500 branches in 80 countries, and has agents in another 80 countries, employing a total of 15,000 worldwide.

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

**\*\*\*Toll Taking** .... as Australia-based logistics company Toll Group said it has acquired SAT Albatros (SAT), a Dubai-based provider of sea-air cargo services. SAT will be integrated in Toll Global Forwarding, adding to that division's purchase of Dubai-based Logistics Distribution System in 2009. Toll said SAT reported revenue in excess of US\$40M in 2010 and the company expects the acquisition to be "earnings per share positive" in its first year.

**\*\*\*The Great Race** .... as this month in 1908 the most ambitious automobile race in history --

around the world from New York to Paris was run. The U.S. entry, a Thomas Flyer, faced national entries from France, Italy & Germany. Much of the course was in bitter winter weather and over land that had no roads. Crossing Siberia, the winning U.S. driver, George Schuster, used a sextant and a compass to navigate. After 169 days, the triumphant Thomas Flyer entered Paris, having covered 22,000 miles. Today, the average car in the U.S. travels a little over 12,000 miles a year.

[www.thegreatautorace.com/race.htm](http://www.thegreatautorace.com/race.htm)

\*\*\***"Smuggle Truck" May Not Be A Hit** ... as a controversial iPod & iPad application that makes a game of the perils of sneaking across the U.S.-Mexico border has sparked controversy among activists for immigrant rights. In the game "Smuggle Truck," which is due for release next month, a truck bounces along a cartoon desert highway and sheds men, women & children as it hits bumps and hops over creeks and canyons. But some fail to see the app's funny side. Each year hundreds of thousands are arrested as they try to sneak across the rugged southwest border from Mexico, and hundreds perish making the trip, along with drugs & possible terrorists. Not really funny.

<http://smuggletruck.com/>

\*\*\***Ultra-Thin Trucker Bursts It's Mission** ..... as Malaysian police have arrested three suspects involved in the Feb. 17 heist of some 725,000 condoms, which have not yet been found. Mohamad Shukri Dahlan, the police chief of Malaysia's northern Perak state, says the heist was "an inside job." He said the suspects work for the firm responsible for transporting the condoms from the factory to the port, where they were to be shipped to Japan. Sagami Rubber Industries Co., one of Japan's biggest condom makers, said 85,000 boxes of ultra-thin condoms vanished last month in the heist. The merchandise was worth US\$1.5M. The suspects intended to sell the condoms in Malaysia, but Mohamad Shukri said they had probably not succeeded.

\*\*\***Snake On A Train** ..... as transit officials say a 3-foot-long boa constrictor that slithered away from its owner on a Boston subway car a month ago has been found in an adjoining car. A commuter spotted Penelope the snake on Feb. 4 and alerted a train attendant at a Red Line station. Transit authority officials took the train out of service to search it. Train attendant Sharon Lynch - a snake owner herself - caught it. Penelope's owner, 30-year-old Melissa Moorhouse of Allston, had traveled with the snake around her neck and lost it between two stations Jan. 6. She's thrilled to have her pet back and says she'll pay more attention the next time she takes Penelope out in public. Penelope now owes US\$650 in sanitation costs to City of Booston.

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

\*\***Air France-KLM's Cargo Unit.** UP with a US\$81.6M operating profit in the final three months of 2010 from a US\$39.5M loss a year ago, extending a year-long recovery that has been driven by sharply higher margins.

\*\***APL.** UP with US\$490M in operating profits in 2010, a year after it lost US\$698M.

\*\***C.H. Robinson.** UP with 4th quarter net profit of US\$103M, 17.6M more than in the same 2009 period.

\*\***Con-way Inc.** UP as it earned US\$2.4M in 4th quarter, or 4 cents a share, compared with a loss of UP\$1.9M, or 4 cents, a year ago.

\*\***Forward Air.** UP with a 4th quarter 2010 profit of US\$11.8M, representing an increase of 88% compared to the same quarter a year earlier.

\*\***Hapag-Lloyd.** UP with an operating profit of US\$132M in the quarter ending Dec. 31 compared to a loss of US\$28M in the same period in 2009.

\*\***Hyundai Merchant Marine.** UP with operating profit of US\$541M for 2010, after suffering an operating loss in 2009.

\*\***Kintetsu World Express.** UP as net profit surged 103.4% in the first 9 months of fiscal 2010, which started in April, from a year earlier to US\$79.6M.

\*\***Matson Line.** UP as operating profit was US\$99.4M for 2010, up 70%.

\*\***Pacer Int'l.** DOWN with a 4th quarter net loss of US\$1.1M, compared to a net profit of

US\$9.3M in the same 2009 period.

**\*\*Shipping Corporation of India (SCI). UP** as net profit increased 138% year on year to US\$125M in the 9 months ending Dec. 31

**\*\*UPS. UP** with profit of US\$1.1Bn in the 4th quarter, 48% more than in the same 2009 period.

**\*\*UPS Freight. UP** as the over-the-road heavy freight division of UPS, has full-year profit up 13.6% to US\$2.2Bn gained by higher rates on LTL shipments.

**\*\*U.S. Postal Service. DOWN** as it lost US\$329M in its last quarter and expects to run out of cash by the end of its fiscal year Sept. 30.

**\*\*Vitran. DOWN** as rising costs and a US\$39M tax bill led to a \$40.2 million loss for the less-than-truckload carrier in the 4th quarter and a US\$42.9M loss for the year.

**\*\*YRC Worldwide. DOWN** with 4th-quarter net income of US\$23.1M, or 49 cents per share, though it lost US\$322M, or \$8.13 per share, for the full year.

**\*\*\* An Industry Statement We Thought Might Never Be See Again - Is Quite Welcome ....** as on Valentines Day Delta Air Lines (NYSE: DAL) issued the following memo from CEO Richard Anderson to its more than 80,000 employees worldwide: "Congratulations and thank you! Today Delta is paying out US\$313M in profit sharing – a direct result of your hard work and dedication that enabled Delta to record a US\$1.4Bn profit for 2010. We continue to deliver on our commitment to share Delta's successes with those who make it possible."

**\*\*\*Riding Down.....** as Dutch delivery group TNT announced 4th quarter 2010 profit drop of US\$62M blamed on severe weather in Europe, strikes & integration costs. The closure of its hub in Liege, Belgium and a week of strikes during the final quarter hit its express division and mail division, in the process of being split into separate companies, in losses of US\$21M & US\$14M respectively. Despite further dents to its profit through its Brazil express unit integration costs of US\$27.6M, the Amsterdam-based company is optimistic it will reach its earnings forecast of US\$580M to US\$607M. Lay-offs have decreased by an original figure of 4,500 employees to 2,800 workers after union agreement, but there are further plans to axe 11,000 of its 38,000 mail jobs since volumes remain on the decline.

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

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

**\*\*\*Air Industry Increasing In Altitude ....** as freight volumes improved 20.6% for airlines in 2010, outstripping the 8.9% increase in cargo capacity, the Int'l Air Transport Assn. reported. The freight load factor increased 5.2% to 53.8%. Passenger traffic rebounded 8.2%. It was a good year compared to the multibillion-dollar losses of 2008 and 2009, but airline profit margins were only 2.7% and air freight sagged in the 2nd half of 2010. Air freight volume was 1% higher than the pre-recession levels of early 2008, but volumes fell 5% since the peak air shipping time when companies were actively engaged in restocking inventories. Freight demand varied wildly from 35.2% in May to a low of 5.8% in November. Overall the industry is trending towards a normal growth pattern in line with the historical growth rate of 5% to 6%, IATA said. Latin American carriers performed the best in terms of volume growth (29%), with the European region being the weakest at 10.8% growth. IATA predicts the airline industry would likely enjoy a 2nd straight year of profits, but those gains could be sliced by 40% to US\$9.1Bn due to the sharp rise in jet fuel prices.

**\*\*\*Wings Clipped For Kintetsu & Schenker ....** as the U.S. Transportation Security Administration has kicked two freight forwarders out of a voluntary industry security program designed to reduce the expense of screening for cargo on passenger airplanes, a Dept. of Homeland Security official with deep knowledge of the situation confirmed. Two other indirect air carriers were temporarily suspended from participating in the Certified Cargo Screening Program while TSA investigates potential compliance violations. Last August, TSA began full enforcement of a law passed by Congress requiring all cargo on passenger planes to be screened. Airlines have primary responsibility for security checks, which must be done at the piece level either by X-

ray, explosive trace detection machines or physical searches. The vast majority of cargo flying on widebody planes and in international trade is bundled in large pallets and air containers. Facilities operated by Japanese forwarder Kintetsu World Express and German forwarder Schenker had their screening certifications revoked, according to a list of locations approved to conduct the screening. TSA distributes the list each week through industry channels and posts to an internal program Web board. Warehouses operated by Panalpina and Concordia were issued "suspension orders," meaning they must stop screening until further notice while TSA investigates possible security breaches. All the enforcement actions took place in the Dallas-Fort Worth area within the past 3 weeks.

**\*\*\*The Next Price Fixing Domino Falls ...** as cargo unit of Singapore Airlines (SIA) will pay a US\$48.8M fine to the U.S. Justice Dept. for price-fixing, though it is still appealing similar European Union and Korean fines. In the U.S. case, SIA Cargo pleaded guilty to conspiring with other air cargo companies to fix rates on international shipments, reported Channel News Asia. Responding to MediaCorp questions, the company said it "will not be pleading guilty in other jurisdictions, which include Australia and New Zealand". The U.S. judge presiding over the case has said the offence involves "significant misconduct in the marketplace", adding the fine is "at the top of the guideline range". SIA Cargo's case is part of a broader investigation by the U.S. Justice Dept. into cargo price-fixing in which a total of 21 airlines and 19 executives have been charged and more than US\$1.7Bn in fines have been levied. Other airlines that have agreed to pay fines in the investigation are Polar Air Cargo, a unit of Atlas Air Worldwide; Air France-KLM; Cathay Pacific Airways; SAS Cargo Group and Martinair, a unit of KLM.

**\*\*\*FAA's Aerospace Forecast Fiscal Years 2011-2031 Is Rosy ...** as the report says air cargo revenue ton miles (RTM) (freight/express and mail) will climb by an average of 4.7% annually from 35.9 billion in 2010 to 93.2 billion in 2031, with domestic RTM rising 2.8% annually and international RTM increasing 5.5% a year. The dedicated freighter fleet is expected to expand from 806 aircraft in 2010 to 1,251 aircraft in 2031, representing an average increase of 2.1% annually, reports AvStop Aviation News. The commercial aviation fleet is expected to grow from 224,172 aircraft in 2010 to 270,920 in 2031, up by an average of 0.9% a year.  
[www.faa.gov/](http://www.faa.gov/)

**\*\*\*IATA Forecast Rosy ....** as the Int'l Air Transport Association (IATA) forecasts that by 2014 the world's airlines will handle 46% more cargo to 38 million tons, an increase of 12.5 million tons against the 26 million tons in 2009. "In five years we need to be able to handle 800 million more passengers and 12.5 million more tons of international cargo," said director general & CEO Giovanni Bisignani.

**\*\*\*Hong Kong Is The Hot Point .....** as it is expected to be the world's fastest-growing air cargo market, growing 12.2% annually over the next two years while China will be world's fastest-growing passenger market with a 10.8% annual increase, says the IATA. "Asia is the most profitable region in the world. Of the 800 million new passengers who will fly by 2014, 360 million will be in Asia-Pacific and 214 million of those in China," said IATA director general Giovanni Bisignani. IATA forecast the number of Chinese int'l passengers to rise to 82.1 million by 2014 from 49.2 million in 2009, making it the 8th largest market in the world, up from the ninth place in 2009.

**\*\*\*Asia Is The Hot Area .....** as cargo traffic for Asia-Pacific airlines grew 24.2% in 2010 in a strong rebound that pushed freight business to a new record far beyond the pre-recession levels, according to the Association of Asia-Pacific Airlines. The recovery came with a 15.5% gain in available freight capacity over 2009, also setting a new high for airlines as they pushed aircraft back into service to meet returning shipping demand. Asia air carriers in all totaled 64.6 billion freight metric-ton kilometers, by far the most the AAPA has measured in its annual totals.  
[www.aapairlines.org/](http://www.aapairlines.org/)

**\*\*\*But Airfreight Rates Not So Hot ...** as air freight prices out of Asia plunged 31.9% year-

over-year in Dec. to their lowest point in 15 months, according to the Drewry Shipping Consultants Air Freight Price Index. The index also was off 14.5% from Nov. to Dec., as the usual seasonal decline in demand coupled with returning airline cargo capacity drove rates down. The slide to 101.5 brought the Drewry index to its lowest point since September 2009, just before a rapid upturn in demand sent freight rates out of Asia soaring. Airlines that parked more than 200 freighters at the height of the downturn have been returning planes to service since early 2010, however. The Int'l Air Transport Assn. says global air freight capacity grew 8.9% in 2010, including a 14.3% increase in available freight space in Asia. December's reading of the Drewry Air Freight Price Index faced a tough comparison since Dec. 2009 marked a high point for the index.

[www.drewry.co.uk/](http://www.drewry.co.uk/)

**\*\*\*United States & Croatia Open Their Skies** ..... as on Feb. 3 signed an open skies agreement, which both sides anticipate will lead to direct flights between the countries. The signing comes almost two years after officials reached an agreement. The agreement is designed to eliminate government interference in commercial air carriers' decisions about routes, capacity, pricing and ultimately provide consumers with more choices. The U.S. has open skies agreements with 100 countries.

**\*\*\*IATA Demands British Fairness** ..... as the Int'l Air Transport Association (IATA) has challenged UK aviation policy and called on the British government to transform air transport competitiveness through tax cuts, regulatory reform and bring an end to crippling climate change taxes. IATA director general Giovanni Bisignani blasted Britain's "punitive policy" on climate change carbon emissions, particularly its Air Passenger Duty now weighing down the industry with US\$4.3Bn in taxes. "Any industry can only take so many knocks before the damage is permanent. The government's policy pillars of excessive taxes, inefficient airport regulation and limiting growth will destroy the UK's proud aviation legacy," he said.

**\*\*\*New Dangerous Goods Guide For Our Industry**..... as airlines, freight forwarders & shippers can now gain faster access to the latest regulations & information for the carriage of dangerous goods by air with the launch of "DG Online" by the Int'l Air Transport Assn. (IATA), the Int'l Civil Aviation Organisation (ICAO), and Official Airline Guide Cargo, a division of UBM Aviation (OAG Cargo). DG Online combines the industry's leading publications in an online format: The **IATA Dangerous Goods Regulations Manual** (DGR), the ICAO Technical Instructions (TI), and the ICAO Emergency Response Guidance manual (ERG)  
[www.dgonline.aero](http://www.dgonline.aero)

**\*\*\*LOL To Europe** ... as Lufthansa flew more than 1,200 tons of long stem roses to Frankfurt for the great Valentines day - that's 34 million flowers or 14 fully loaded MD-11 freighters. Among the major producers of fresh-cut flowers are suppliers in Kenya, Ecuador & Colombia. After a brief Frankfurt stopover, they were trucked or flown to consignees across Europe.

**\*\*\*DHL Comes Back To America** .... as after its less-than-successful run on FedEx & UPS. it will now invest US\$22.5M to expand its hub operation at the Cincinnati/Northern Kentucky airport. Starting in March, DHL will build on 19 acres of land leased from the CVG Airport authority to expand its aircraft parking apron and construct 9 new aircraft gates. The expansion will allow parking for nine additional widebody aircraft that will connect the United States to points in Asia, Europe and the Americas. Construction will continue through Sept. This is the 2nd phase of a two-year, US\$40M investment to enhance DHL operations at the Cincinnati hub, which includes equipment upgrades & various facility improvements.

**\*\*\*The New Giant Takes Air** ... as Boeing says it has successfully conducted the 1st flight of the fifth 747-8 Freighter earlier this month. This is the fifth 747-8 Freighter being used in the flight-test program. Boeing said each aircraft is used for a specific set of tests, with this particular plane focusing on functionality & reliability testing. It said Boeing found a buffet problem with the third test aircraft, involving turbulence coming off the landing gear doors interfering with the inboard

flaps. The fourth 747-8 Freighter was said to have been used to conduct non-instrumented, or minimally-instrumented, tests.

[http://en.wikipedia.org/wiki/Boeing\\_747-8](http://en.wikipedia.org/wiki/Boeing_747-8)  
<http://boeingblogs.com/randy/archives/2006/10/>

\*\*\***Volumes** >>> Cathay Pacific and sister airline **Dragonair** saw air freight volume rise 8.9% in January, though the airlines' cargo load factors were hit by increased capacity. as the lines carried 144,402 tons of cargo during the month, while its load factor declined 7.1% to 67.8%, mostly due to a 25.5% increase in capacity.>>> **Frankfurt** airport boosted cargo traffic 7.7% in Jan. from a year ago to an all time high for the month as freight outpaced passenger growth at Europe's largest air cargo hub to 169,808 metric tons of freight. >>> **Munich** airport reported its cargo traffic jumped 27.2% in 2010 from the previous year to a record 275,000 metric tons. >>> **Portland Int'l Airport Oregon Airport** cargo volume grew 6.4% t to 209,000 tons, marking the 1st time since 2005 that volumes haven't declined.

\*\*\***Close Cargo Call** ... as the U.S. National Transportation Safety Board is continuing investigations in what it said was an American Airlines jumbo jet that took off from Kennedy Int'l Airport en route to Brazil, coming within a mile of two Air Force C-17 cargo planes. The New York Times reported that the Boeing 777 was under the control of one Federal Aviation Administration air-traffic controller. The two military planes were under the jurisdiction of another, reported news portal [tothecenter.com](http://tothecenter.com) of the Jan. 20 incident. But all three planes were near a boundary that divided the two controllers' airspace. The New York Post said that at 10:35pm, 12 minutes into its flight, the B-777 slowed down and suddenly turned to the south. Many thought it was avoiding a collision. Within minutes of the incident, the jumbo jet resumed its course. No one was injured. The incident involving the 3 planes triggered automatic alerts to the FAA's New York Center.

\*\*\***Fast Cargo Loading** ... as authorities say a baggage handler became trapped in the cargo hold of a plane set to depart from Washington's Reagan National Airport and was only freed after screaming and pounding. The New York Times reports the worker had crawled into the space — just 37 inches high — to load baggage when another baggage handler apparently closed the cargo compartment door on Feb. 9. The Federal Aviation Administration said in a statement that the plane's co-pilot heard "yelling and pounding" from the cargo area. The FFA said the handler was also assigned to operate the tug that pushes the plane back from the gate, and workers waiting to move the plane noticed the tug driver was missing. The worker was freed unharmed and the flight left for Hartford, Conn.

\*\*\***Rodents Aloft** .... as Alaska Airlines had to delay a Feb. 10 flight about to leave Seattle-Tacoma Int'l Airport when a rat was seen scurrying in the cabin. The airline says the flight from Seattle to Denver had just pulled away from the gate when the little stowaway was spotted. The 737 jetliner returned to the terminal and passengers & crew boarded another plane about 90 minutes later. Airline spokeswoman Bobbie Egan says the plane won't be returned to service until maintenance workers make sure the rat didn't damage equipment or chew any wires - and an exterminator certifies the plane is rodent-free. Alaska says in cold weather, "sometimes rodents can seek shelter in strange places." Well, we know these rats didn't come aboard for the food.

\*\*\***Bad Genes** .... as 21 Feb. marked the 80th anniversary of the first recorded hijacking and the birth of aviation security, reports Aviation Security Int'l. On the that day in 1931, Capt. Byron Rickards flew his Ford Tri-Motor aircraft from Lima to Arequipa in Peru to be greeted on landing by armed revolutionaries needing the plane to distribute leaflets. Capt. Rickards refused to fly anywhere, was held captive for 10 days and only released when he agreed to fly one of the revolutionaries back to Lima. He also had the misfortune to be the first captain to be hijacked twice - on Aug. 3, 1961, when as part of a father and son team he entered the cockpit of his Continental Airlines flight preparing to depart from El Paso and was told by hijackers to fly to Cuba. The FBI shot out the aircraft's tires and the hijackers surrendered. Geez, don't fly with these guys!

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

#### 4. FF World Ocean Briefs

**\*\*\*Murder, Torture And Keelhauling As Pirates Become More Vicious** ..... as 3 sailors were tortured by Somali pirates and one seafarer was executed in retaliation of a pirate killed in a rescue operation by the Seychelles Coastguard. The 9,775-ton [M/V Beluga Nomination](#), a geared mixed cargo ship, was attacked and hijacked by pirates on Jan. 22 in the Indian Ocean, 700 kilometers north of the Seychelles. Major General 'Buster' Howes, Royal Marines commandant and current commander of the European Union Naval Force [EU NAVFOR], told The Associated Press pirates have recently "tied hostages upside down and dragged them into the sea; locked them in freezers; beaten them and used plastic ties around their genitals". General Howes said the pirates were previously more respectful of their captives but they are now showing a willingness to use violence to achieve their ever increasing ransom demands. One case involved a lateral keelhauling a captive, dragging him under the hull from one side of the ship to the other. General Howes also said the use of "citadels" or panic rooms were inducing pirates to fire rocket propelled grenades, or use plastic explosives and/or smoking out the crew inside. According to a recent report entitled "The Economic Cost of Piracy", the worldwide losses caused by piracy are estimated to range from US\$7Bn to US\$12Bn a year. Geez, keelhauling makes water boarding look like a debutante dance. There are very serious bad guys out there. The politically correct approach must be refined.

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

**\*\*\*Daily Vessel Casualties** ,,, as the 58-ft US-flagged [S/V Quest](#), from Marina del Rey, California, was hijacked off the coast of Oman in the Arabian Sea on Feb 18. The bodies of the four American citizens on board were found shot to death; their bodies were discovered by U.S. Navy forces who boarded the vessel on Feb 22. The incident took place as negotiations involving the FBI were underway for the hostages' release. Two pirates were found dead on board the yacht; U.S. forces killed two others, and 15 others were captured and detained. [From our Sr. Correspondent Tim Schwabedissen, 22-2-11] >> The foregoing is the bulletin added to our [Daily Vessel Casualties & Pirate Attacks](#) feature which [The Cargo Letter](#) posts for you every day of the year, along with all the world vessel casualty news of the day. Make this your **must read** every day with the morning coffee. Stay informed, without a pricey subscription fee.

[www.cargolaw.com/presentations\\_casualties.php](http://www.cargolaw.com/presentations_casualties.php)

**\*\*\*Not The American Welcome He Expected** ..... as the smiling Somali pirate - in the press - who was taken to New York by the U.S. Navy in April 2009 after hijacking the U.S.-flagged [M/V Maersk Alabama](#) and holding its captain hostage was sentenced last week to 33 years in prison in a New York court. Abdulwali Muse pleaded guilty to being part of a pirate crew that took over the 1,092-TEU [M/V Maersk Alabama](#) in the Indian Ocean and held Capt. Richard Phillips hostage for 5 days, reported American Shipper. U.S. Navy snipers shot dead the pirate guards who were holding Capt. Phillips during the course of the rescue from a life boat. Revisit this rather amazing historic event with the information **you didn't know**:

[www.cargolaw.com/2009nightmare\\_maersk.alaba.html](http://www.cargolaw.com/2009nightmare_maersk.alaba.html)

**\*\*\*U.S. Import Container Volume Up** ... as rose 17.6% in Jan. compared to the same month in 2010, according to statistics released by trade intelligence company Zepol Corp. Zepol noted that after a four-month slide month-to-month, January showed a significant increase from December, but that volumes are in line with November 2010. Maersk Line ranks as the top carrier in terms of U.S. inbound volume, while Mediterranean Shipping Co. & APL had the largest year-on-year growth in January, at 31.1% & 22.6%, respectively. This is a precursor to economy growth.

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

**\*\*\*Mediterranean Shipping Co. The New Boss** ..... as it has overtaken Maersk Line as the world's biggest single line as measured by fleet capacity, according to a report Wednesday by

Containerisation International. The report said MSC, a privately owned line based in Switzerland, now operates 1.84 million TEUs of capacity, compared to Maersk's 1.83 million TEUs. However, Maersk Line is still the world's largest when its subsidiary lines Safmarine and MCC Transport are taken into account. The maritime news service Alphaliner pegs the Maersk Group's current capacity at 2.16 million TEUs and MSC's at 1.92 million TEUs. CI is reporting the Maersk Group's fleet size is 9% larger than MSC's, while Alphaliner pegs it at 12.5%.

**\*\*\*On-Time Container Performance Drops ...** as following two consecutive increases in the 2nd & 3rd quarters of 2010, container service reliability disappointingly fell back in the 4th quarter, according to Drewry Maritime Research's latest Schedule Reliability Insight report. The proportion of the 3,027 vessel calls arriving on time at selected ports around the world during October-December decreased to 55%, down from 60% in the third quarter. The 4Q10 reliability performance was slightly better than the 53% on-time score recorded in the same period of 2009. The transpacific trade easily outperformed the other major East-West trades with an on-time percentage of 64%, an exact replica of the trade's results from 3Q10. In comparison, Asia/Europe/Med services slipped back by 16 points to 50% reliability, while transatlantic services continued their fall from the heady heights of 2Q10 by registering an on-time score of 55%, comparing unfavourably with the previous quarter's 66%. Drewry's report found that only eight of the top 20 container lines, as ranked by vessel TEU capacity, were able to improve on the 55% on-time industry average and the same 3 carriers from the previous quarter occupied the top positions in the latest report albeit in slightly different order: Maersk Line retained the number one slot with an on-time score of 70.2%; APL grabbed 2nd place with 67.7%, while Hyundai Merchant Marine was just edged out into the bronze position with 67.6%. Only 3 of the major carriers, MOL, "K" Line and CSAV, managed to improve their reliability percentages in 4Q10, with CSAV achieving the biggest rise of 9.9% from a low base of 35.6% in 3Q10.

[www.drewry.co.uk/](http://www.drewry.co.uk/)

**\*\*\*First Rotterdam Sign-On ....** as on January 19, 2011, Spain deposited its ratification of the Rotterdam Rules with the United Nations, becoming the first nation to ratify them. The Rotterdam Rules would go into force on the first day of the month following the expiration of one year after the deposit of the 20th instrument of ratification, acceptance, approval or accession. Now that the first nation has ratified the Rules, several other nations may follow suit. Still other nations are likely waiting for the United States to ratify the Rules. Those nations may realize that the world does not need another carriage of goods treaty to which the United States is not a party.

[http://en.wikipedia.org/wiki/Rotterdam\\_Rules](http://en.wikipedia.org/wiki/Rotterdam_Rules)

**\*\*\*Ice Decline ...** as on Sept. 19, Arctic sea ice reached its 2010 minimum, at 4.60 million square kilometers (1.78 million square miles). The National Snow & Ice Data Center (NSIDC) reported 2010 Arctic sea ice extent was the third-lowest on the satellite record. (The record low, set in 2007, was 4.13 million square kilometers, or 1.59 million square miles.) The 2010 minimum was part of a larger pattern of overall Arctic sea ice decline dating back to at least the early 1970s.

**\*\*\*Making A Container Date ....** as OOCL has started an empty container pickup appointment service in Hong Kong, where the company is based. "This service is the first of its kind in the shipping industry," OOCL said. "Customers can make appointments prior to empty container pickup by simply calling our hotline number. They can also amend or cancel their appointments and make changes on pickup time. EPA service ensures customers can pick up empty containers as per appointment at designated locations. This saves time for customers by avoiding unnecessary transit between depots." The program, launched in October, has been met with a favorable response from shippers and truckers, the line said. OOCL said it is considering extending the service to Shenzhen, with launch date and details to be announced.

**\*\*\*Got Your Chassis? .....** as Hapag`Lloyd has announced it will gradually phase out the provision of chassis for merchant haulage (MH), inland transports throughout the U.S., effective April 1. The company added that it will revise its "interchange agreement to reflect a lower per

diem for merchant haulage shipments." Hapag-Lloyd's policy change follows hot on the heels of similar decisions by Maersk Line, OOCL, NYK Line, Evergreen, Yang Ming, Hyundai Merchant Marine, CMA CGM & Atlantic Container Lines (ACL) to phase out the provision of their own chassis. Earlier this month another German shipping giant, Hamburg Sud, abandoned its Philadelphia chassis supply service, with a statement that shippers, agents and consignees now must procure equipment directly from the Metro Chassis Pool or other chassis providers of their own choosing.

**\*\*\*Great Lakes Come Back ...** as the Lake Carriers' Assn. reported U.S.-flag Great Lakes freighters carried 3.4 million tons of dry-bulk cargo in January, a 46% increase over a year ago. The Jan. float was also 18% better than the month's 5-year average. The main reason the fleet performed so strongly was demand for iron ore called for extending the shipping season through the locks at Sault Ste. Marie, Mich. by 3 days. The Jan. 18 closing allowed U.S.-flag lakers to carry an extra 380,000 tons of iron ore and 90,000 tons of coal, the association said.

**\*\*\*The Seabridge Collapses ...** as one of the most promising ventures in the infant marine highways industry went out of business in Jan. for lack of financing. Seabridge Freight was a pioneer operator that established service between Port Manatee, Fla., and Brownsville, Texas, in Dec. 2008, but ceased operations last Nov. Officials announced in Jan. they had been unable to raise enough capital to carry out the company's strategy, and now it is closed with no plans to reopen. A company official explained that an investor who had a 75% stake in the company dropped his support when other unrelated ventures went bad. Seabridge Freight operated a tug and barge on a four-day schedule between ports Manatee & Brownsville. A principal source of business was containers too heavy for highway transit. The company was doing well enough to be the beneficiary of a US\$3.34M marine highways grant that the Maritime Administration awarded to ports Manatee & Brownsville. The money, slated for disbursement in March, would have paid for two additional barges to increase service frequency.

[www.seabridgefreight.com/contact.html](http://www.seabridgefreight.com/contact.html)

**\*\*\*Slow Steaming Query .....** as the U.S. Federal Maritime Commission has issued a notice of inquiry, asking the public to comment on how slow steaming, the practice of operating ships at reduced speeds, has affected ocean liner carrier operations and shippers' international supply chains, ocean liner service costs, & greenhouse gas emissions.

[www.fmc.gov/assets/1/News/Slow Steaming NOI1.pdf](http://www.fmc.gov/assets/1/News/Slow_Steaming_NOI1.pdf)

**\*\*\*14,100 TEU Behemoth .....** as China Shipping Container Lines took delivery of the first of 8 new container ships whose capacities of 14,100 20-foot equivalent units are among the world's largest. *M/V CSCL Star* was delivered by Samsung Shipbuilding and Heavy Industries in Korea and dedicated in a maiden voyage ceremony at Shanghai. *M/V CSCL Star* has service speed of 26 knots, maximum draft of 49.5 feet, a beam of 169 feet and length overall of 1,208 feet. The ship can carry up to 10,500 containers averaging 14 tons each. Watch the ceremony:

[www.youtube.com/watch?v=K1IQVWomEtg&feature=player\\_embedded](http://www.youtube.com/watch?v=K1IQVWomEtg&feature=player_embedded)

**\*\*\*Maersk Line's Triple-E Ships .....** as they are scheduled for delivery between 2013 & 2014 will be the longest vessels of any kind in service. With a length of 400 meters or 1,312 feet. The US\$190M 'Triple-E' class behemoths will carry 18,000 TEU containers, 2500 more than the current largest, *M/V Emma Mærsk*. Superior economies of scale will enable the new monsters to surpass the industry record for both fuel efficiency and (20% better) CO2 emissions per container moved. In a move set to impact global shipping transport costs and efficiencies, ten Triple-E ships will go into service between 2013 & 2015, with a further 20 ships optioned. If the same number of containers were loaded on a train, it would be 110 km long.

<http://gcaptain.com/maersk-introduces-triple-e?22021>

**\*\*\*The United States: Only Nation With Two Territorial Seas....** as it has the traditional three nautical mile wide territorial sea that it inherited from Britain upon independence. Curiously, this traditional territorial sea has never been codified. It is utilized though, in numerous federal

regulations and provides the basis for thousands of court decisions. It is the default position, if you will. Things started to get confusing, though, in 1988 when President Reagan, in response to increasing threats posed by Soviet spy ships hovering off the U.S. coast, proclaimed a twelve nautical mile territorial sea. The proclamation specifically limited its application to international law and left undisturbed the narrower three mile territorial sea for domestic purposes, including law enforcement. Starting in 1990, Congress began enacting laws adopting the wider twelve mile territorial sea for specific purposes.

**\*\*\*Nothing Like An LA Bust** ..... as the Los Angeles Port Police recovered more than US\$10M in counterfeit electronics, stolen merchandise & bank receipts stemming from a cargo theft investigation that stretched to a downtown Los Angeles counterfeiting operation. The investigation has led to felony charges against two suspects, brothers Edward Zahab, 40, and Bahram Zahab, 45, both of Los Angeles. Port police seized counterfeit Apple iPhones and iPods as well as US\$2.5M in stolen electronics, toys and blankets taken from various spots in Southern California. According to the port, the counterfeit Apple products were shipped from Asia, then falsely labeled and packaged in Los Angeles. Port Police worked on the investigation as part of the Cargo Theft Interdiction Program (CTIP), a California Highway Patrol initiative that includes participation from Los Angeles Port Police and the City of Vernon Police Dept. The counterfeit investigation is being jointly conducted by Homeland Security Investigations & Port Police. The Border Enforcement Security Taskforce, comprising federal, state & local agencies, also played a role in the investigation. Bank account receipts of the smuggling operation indicate profits from the sale of counterfeit merchandise estimated to be more than US\$7M.

**\*\*\*Port of Seattle Joins The U.S. Five** .... as it has leapfrogged Oakland & Norfolk to join the top 5 U.S. ports in terms of containerized imports, according to a to-be-released report on the country's top 50 container ports by trade intelligence company Zepol Corp. The top four ports -- Los Angeles, Long Beach, New York-New Jersey & Savannah -- remained in the same order at the end of 2009, though Long Beach gained ground on Los Angeles by bettering its neighbor in growth rate (22.5% to 13%, respectively). Together, Long Beach and Los Angeles handled 7.2 million TEUs of import containers, a 16% increase over the import volume they jointly handled in 2009.

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

**\*\*\*Neptune Orient Lines Snap Shot** .... as it's container liner company APL moved 394,500 40-foot equivalent units in the six-week period ending Dec. 31, 26% more than in the same 2009 period. Average revenue per FEU was \$2,647 in the period, up 21% from the same 2009 period.

**\*\*\*Throughput >>>** Container volume at Mississippi's **Port of Gulfport** grew 4.8% in 2010, but the 208,486 TEU remained behind 2008 levels. >>> China's port of Haikou lifted 600,000 TEU in 2010, an increase of 30.4%, or 140,000 TEU more than the year before. >>> **Port of Hamburg** handled 121 million tons of seaborne cargo in 2010, about 10 % more than the prior year and container volumes rose 12.7% to 7.9 million TEUs. >>> **Port of Los Angeles** Jan. container volume increased 15.3% year on year to 660,517 TEU with imports rising 14.3% and exports up 12.6%. >>> **Port of Long Beach** volume rose 10.8% year on year to 474,960 TEU, and import was up 11.3 % and export up 12.7%, reported American Shipper. >>> **Port of Marseilles** handled 86 million tons of cargo in 2010, up 3% year on year, while for containers, it handled 953,435 TEU, up 9%.. >>> **Port of Mumbai** increased 31% in the 10 months from April to January to 61,848 TEU, up from 47,089 TEU in the same period in 2009 >>> **Port of Lianyungang**, Jiangsu, PRC recorded a container throughput of 3.9 million TEU in 2010. >>> **Saudi Arabia ports** posted 2010 container gains of 19.9% to 5.3 million TEU, up from 4.4 million TEU in 2009. >>> **Port of Savannah** handled 132,257 containers or 237,004 TEU in January 2011, which yielded a fiscal year-to-date increase of 14.3% & 13.3%, respectively. >>> **Port of Virginia** experienced an 8.6% increased in container volumes last year to 1.9 million TEUS, and overall tonnage grew 2.8% to 15.3 million short tons from the 2009 level.

**\*\*\*50 Year-Old** ..... as the U.S. Maritime Administration said the steamship [S/S Solon Turman](#)

was towed from the Suisan Bay Reserve Fleet this month for scrapping. This will be the 17th ship to leave the National Defense Reserve Fleet in Suisun Bay, Calif., since Oct. 2009, when the Obama administration announced an effort to clean up the site and improve the surrounding environment. MarAd said the vessel's departure puts it "well ahead of schedule" in removing obsolete U.S. ships from the Bay area. The disposal schedule called for 20 ships to be removed from Suisan Bay by Sept. 30, 2011. [S/S Solon Turman](#)'s departure puts MarAd at 85% of its 2011 goal. The vessel was towed to the former Mare Island Naval Shipyard in Vallejo, Calif., for recycling by Allied Defense Recycling Co. [S/S Solon Turman](#) was a breakbulk cargo vessel built in 1961 by Bethlehem Steel in San Francisco. The vessel entered the reserve fleet at the end of its active service in 1988.

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

1779 - John Paul Jones takes command of the vessel [Bonhomme Richard](#).

1780 - A British army, with support from a powerful naval squadron, invades Charleston, S.C., in the American Revolution.

1799 - [USS Constellation](#), commanded by Capt. Thomas Truxtun, captures the French warship [l'Insurgente](#).

1800 - [USS Constellation](#), commanded by Capt. Thomas Truxtun, captures French vessel [la Vengeance](#).

1800 - [USS Essex](#) becomes the first U.S. Navy vessel to cross the equator.

1801 - The U.S. Senate approves a peace treaty with France, ending an undeclared naval war which began in 1798.

1971 - The United States and the Soviet Union sign a treaty prohibiting the deployment of nuclear weapons on the ocean floor.

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**5. [The Cargo Letter](#) Cargo Damage Dispatches**

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

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

But you can read all this month's disaster news at our special Internet web feature which provides full details of each event -- our **Vessel Casualties & Pirate Activity Database**. Bookmark the site and visit every day! Updated twice daily.

[www.cargolaw.com/presentations\\_casualties.html](http://www.cargolaw.com/presentations_casualties.html)

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

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

See our new feature for Feb. 2011: "**Gear To Rail Fail**" - [MV Beluga Endurance](#)

[www.cargolaw.com/2011nightmare\\_GE.Class70.html](http://www.cargolaw.com/2011nightmare_GE.Class70.html)

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

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

Daily Vessel Casualties ..... as we don't want you to miss the excitement of our 24 hour reports of the dramatic events at sea each day -- stories of casualties & pirates --- almost none of which are carried on your local news. Edited daily by **Christoph Wahner, Esq.** of **Countryman & McDaniel**.

[www.cargolaw.com/presentations\\_casualties.php](http://www.cargolaw.com/presentations_casualties.php)

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

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

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

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

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

Blizzard at Chicago O'Hare Int'l Airport Animation

[www.youtube.com/watch?v=4KP13RcZWqY;hd=1](http://www.youtube.com/watch?v=4KP13RcZWqY;hd=1)

The Coming Change in Asia and China's Seat at the Table

<http://cl.exct.net/?ju=fe1f16797c62077b761678&ls=fdef1c767165077872157773&m=fef6127475630c&l=fe5815757c6101797c15&s=fe231573746d0075731779&jb=ffcf14&t=>

How Cargo Flows Securely to the U.S.

[www.cbp.gov/linkhandler/cgov/trade/cargo\\_security/cargo\\_control/cargo\\_flow\\_map.ctt/cargo\\_flow\\_map.pdf](http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/cargo_control/cargo_flow_map.ctt/cargo_flow_map.pdf)

Int'l Carrier Bonds for Non-Vessel Operating Common Carriers (NVOCCs)

[www.cbp.gov/xp/cgov/trade/cargo\\_security/cargo\\_control/carrier\\_bonds.xml](http://www.cbp.gov/xp/cgov/trade/cargo_security/cargo_control/carrier_bonds.xml)

Julius Caesar And The Pirates

<http://maritimeprofessional.net/Blogs/Maritime-Musings/February-2011/Julius-Caesar-and-the-pirates.aspx>

The Looming Maritime Threat

[www.idga.org/maritime-security/articles/the-looming-maritime-threat/](http://www.idga.org/maritime-security/articles/the-looming-maritime-threat/)

Minimum Security Criteria for U.S. Customs Brokers

[www.cbp.gov/linkhandler/cgov/trade/cargo\\_security/ctpat/security\\_criteria/broker\\_criteria/broker\\_sec\\_criteria\\_final.ctt/broker\\_sec\\_criteria\\_final.doc](http://www.cbp.gov/linkhandler/cgov/trade/cargo_security/ctpat/security_criteria/broker_criteria/broker_sec_criteria_final.ctt/broker_sec_criteria_final.doc)

The 10 Greatest Supply Chain Influences of The Past 10 Years

[www.inboundlogistics.com/articles/trends/trends0111.shtml#stimuli](http://www.inboundlogistics.com/articles/trends/trends0111.shtml#stimuli)

Top 10 Supply Chain Predictions for 2011

<http://mhlnews.com/news/top-supply-chain-predictions-0202/>

U.S. Customs Quota Book Transmittals (QBTs) ...notices of quota opening & closing dates, lists quota levels assigned for given products & quota periods

[www.cbp.gov/xp/cgov/trade/trade\\_programs/textiles\\_and\\_quotas/qbts/qbt2011/](http://www.cbp.gov/xp/cgov/trade/trade_programs/textiles_and_quotas/qbts/qbt2011/)

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

ClearBook ..... free used car price analyzer claims 95% accurate

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

Maritime Fraud & Piracy, by Professor Paul Todd

[www.researchandmarkets.com/product/b308fc/maritime\\_fraud\\_piracy\\_2nd\\_edition](http://www.researchandmarkets.com/product/b308fc/maritime_fraud_piracy_2nd_edition)

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

Transport Events

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

Trade Shows, Exhibitions, Conferences & Business Events Worldwide  
[www.eventseye.com/](http://www.eventseye.com/)

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

6th Int'l Freight Forwarders Conference .....18-20 March 2011, Geneva  
[www.fnc-group.com/](http://www.fnc-group.com/)

11th Annual Trans-Pacific Maritime Conference ..... 7-8 March, Long Beach  
[www.cvent.com/EVENTS/Info/Summary.aspx?e=c74a155d-0134-41d2-8461-a8a1f473caba](http://www.cvent.com/EVENTS/Info/Summary.aspx?e=c74a155d-0134-41d2-8461-a8a1f473caba)

2011 African Logistics Summit .....March 10-12, Int'l Conference Centre in Abuja, Nigeria.  
[www.afcala.org/index1.html](http://www.afcala.org/index1.html)

2011 IATA World Cargo Symposium .....8-10 March, 2011 Istanbul, Turkey  
<https://ems.resrunner.com/cargo>

Air Cargo 2011 ..... 10-12 March, 2011, Hilton Bayfront. San Diego  
[www.expressassociation.org/userfiles/image/geninfobutton.jpg](http://www.expressassociation.org/userfiles/image/geninfobutton.jpg)

Aviation & Aerospace Supply Chain Summit ..... 9 March, Hong Kong  
[www.supplychains.com/en/cev/580](http://www.supplychains.com/en/cev/580)

Diploma in Marine Investigation From Lloyd's .....distance learning commences 21 March 2011  
[www.informaglobalevents.com/LP0062EB1A1](http://www.informaglobalevents.com/LP0062EB1A1)

Intermodal South America ..... 5-7 April, Sao Paulo, Brazil  
<http://intermodal.com.br/en/>

JAXPORT 2011 Logistics & Intermodal Conference ..... March 21-23, 2011, Sawgrass Marriott, Ponte Vedra Beach, Florida  
[www.cvent.com/EVENTS/Info/Summary.aspx?e=dcfd9743-4c55-4a31-a122-b4f64da97848](http://www.cvent.com/EVENTS/Info/Summary.aspx?e=dcfd9743-4c55-4a31-a122-b4f64da97848)

Maritime Industry Congressional Sail-In ..... 4 May 2011, Washington, D.C.  
[www.maritimeindustrysailin.com/](http://www.maritimeindustrysailin.com/)

Maritime and Navigation Risk Conference ..... March 30-31, 2011, Montreal, Canada  
[www.passeportmaritime.com/en/events/mnrc2011](http://www.passeportmaritime.com/en/events/mnrc2011)

Mississippi Valley Trade & Transport Conference ..... 2-4 March, New Orleans  
[www.mvttc.com/conference.php](http://www.mvttc.com/conference.php)

National Work Truck Industry Show .....7-10 March, Indiana  
[www.ntea.com/worktruckshow/index.aspx?id=11272](http://www.ntea.com/worktruckshow/index.aspx?id=11272)

TOC Asia ..... 15-17 March, Tianjin, China  
[www.tocevents-asia.com/](http://www.tocevents-asia.com/)

TOC Middle East 2011 ..... Sept. 27-29, Dubai World Trade Centre  
[www.tocevents-me.com/page.cfm/EMSLinkClick=1869\\_693\\_442\\_0\\_0\\_6133](http://www.tocevents-me.com/page.cfm/EMSLinkClick=1869_693_442_0_0_6133)

The Freight Summit..... 17-20 May, Ningbo, PRC  
[www.freightsummitchina.com/](http://www.freightsummitchina.com/)

Transportation & Logistics Council and and Transportation Loss Prevention & Security Assn.  
..... 4-6 April 2011, Sheraton Westport Lakeside Chalet, St. Louis, Missouri.  
[www.tlcouncil.org/2011registration](http://www.tlcouncil.org/2011registration)

World Cargo Symposium 2011 ..... 8-10 March 2011, Istanbul, Turkey  
[www.iata.org/events/wcs2011/Pages/default.aspx](http://www.iata.org/events/wcs2011/Pages/default.aspx)

[Apps For That - iPhones](#)>>>>>>>>>

The Daily ..... a daily, multimedia news magazine

**Print Central** .... print from your device

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

**American Poll On Distracted Driving Causes**  
[www.insurancequotes.com/distracted-driving/](http://www.insurancequotes.com/distracted-driving/)

Charley's  
[www.prlog.org/11268390-finding-the-best-army-and-military-surplus.html](http://www.prlog.org/11268390-finding-the-best-army-and-military-surplus.html)

Did You Know? .....fantastic video on the progression of information technology  
[www.youtube.com/watch?v=cL9Wu2kWwSY](http://www.youtube.com/watch?v=cL9Wu2kWwSY)

Did you know ? Human Capital Edition - 2009  
[www.youtube.com/watch?v=kzCQ219bxI8&NR=1&feature=fvwp](http://www.youtube.com/watch?v=kzCQ219bxI8&NR=1&feature=fvwp)

Did You Know? ..... parody on the one above  
[www.youtube.com/watch?v=i2HWAZzk79c&NR=1&feature=fvwp](http://www.youtube.com/watch?v=i2HWAZzk79c&NR=1&feature=fvwp)

Epic Ride  
[www.kia.com/#/optima/explore/videos/](http://www.kia.com/#/optima/explore/videos/)

G4 Gulfstream....ground incident, Tahiti  
[www.youtube.com/watch?v=EnVRc1tdrZI](http://www.youtube.com/watch?v=EnVRc1tdrZI)

**Int'l Space Station Comes Together** ..... this will surprise you  
[http://i.usatoday.net/tech/graphics/iss\\_timeline/flash.htm](http://i.usatoday.net/tech/graphics/iss_timeline/flash.htm)

**Making of A Boeing Airpkane**  
[www.youtube.com/watch?v=-ovNi1cB7a4](http://www.youtube.com/watch?v=-ovNi1cB7a4)

Man and Goose: An L.A. Love Story  
[www.emailthis.clickability.com/et/emailThis?clickMap=viewThis&etMailToID=914414260](http://www.emailthis.clickability.com/et/emailThis?clickMap=viewThis&etMailToID=914414260)

NYC's Taxi of Tomorrow  
[www.unitedagainstnucleariran.com/sites/default/files/Ad%20Campaigns/UANI\\_Metro\\_Ad.pdf](http://www.unitedagainstnucleariran.com/sites/default/files/Ad%20Campaigns/UANI_Metro_Ad.pdf)

Sistine Chapel ...virtual tour  
[www.vatican.va/various/cappelle/sistina\\_vr/index.html](http://www.vatican.va/various/cappelle/sistina_vr/index.html)

Space Shuttle Launch ... the parts you never see -- amazing  
[www.youtube.com/watch\\_popup?v=KZrFC988Thc](http://www.youtube.com/watch_popup?v=KZrFC988Thc)

The Spider

[www.onemotion.com/flash/spider/](http://www.onemotion.com/flash/spider/)

Twilight Landing at LAX On 24 Right (Cockpit View)

[www.liveleak.com/view?i=0d6\\_1296477414](http://www.liveleak.com/view?i=0d6_1296477414)

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

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

**\*\*An Historic Victory For Air Forwarders\*\***

***UPS Supply Chain Solutions vs. Qanta Airways Ltd.***

U.S. 9th Circuit Court of Appeals

Feb. 10 2011, Case No. 08-55281

On 10 Feb. 2011, the United States Court of Appeals for the 9th Circuit issued a historic decision adopting the view of UPS Supply Chain Solutions, Inc. ("UPS-SCS") that when sued for cargo loss or damage, an international air forwarder shall be guaranteed a right of indemnity against the ultimately responsible custodial airline.

This matter arose from litigation brought against UPS-SCS by a subrogating insurance underwriter in November 2006, arising from damage to a turbine engine in the course of its international transportation by air. The suit was timely filed against UPS-SCS on the eve of the two year statute of limitation provided by Article 25 of the Montreal Convention (1999).

UPS-SCS contended that Qantas Airways, Ltd. ("Qantas"), as the custodial airline, was ultimately responsible for the cargo damage incurred. However, prior case law developed primarily under the predecessor Warsaw Convention (1929), precluded air forwarders from seeking recourse against the responsible custodial airline beyond the Convention's two year statute of limitation. Where – as in this case – the suit against the air forwarder was brought at the last minute, such case law in effect precluded the air forwarder from any remedy against the responsible airline. Just as other airlines have successfully argued in the past, Qantas advocated the progeny of Warsaw case law to be equally applicable under the Montreal Convention.

UPS-SCS and our firm's legal team undertook this litigation as an opportunity to test our belief of new features in the Montreal Convention (including Article 37 and Chapter 5) were specifically intended to reverse an injustice which had existed for over 70 years. Our belief proved to be correct.

For the first time in the history of our int'l industry, there is true equality of legal rights between airlines and air forwarders where the right to indemnity is concerned.

This opinion reverses what has been millions of dollars in air forwarder losses on account of prior judicial interpretations of the Montreal Convention. Those previous interpretations reasoned the treaty to contain a "Statute of Repose" working to deny indemnity rights after expiration of the two year statute of limitations under Article 35 – even where plaintiffs' underlying cargo action was timely filed. This injustice was unique to international carriage of air, with no analogous injustice in the legal regimes governing carriage of goods by sea or by surface transportation.

The **Countryman & McDaniel** law firm is quite proud of this accomplishment for our industry.

Read the Decision:

[www.fobnetworking.com/news%20story/27222.Historic%20Ruling%20in%20Air%20Forwarder%20Case?](http://www.fobnetworking.com/news%20story/27222.Historic%20Ruling%20in%20Air%20Forwarder%20Case?)

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

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