

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

Here is the industry summary for April 2011.

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

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

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

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

**\*\*\*Danger Testing** .... as cargo from Japan is undergoing extensive checks for radiation in conjunction with the French government's determination to inspect 100% of Japanese shipments, the Port of Le Havre said. The danger of radioactive contamination from shipments originating in Japan is slight because most ports are located far south of the contaminated zone around the plant, the half-life of most of the radioactive elements is shorter than the 35- to 40-day ocean transit time to Europe and Japan has set up measures to ensure outbound goods are free of radiation, the port said. In the U.S., Customs and Border Protection is following normal procedures at all inbound ports to check for the presence of radiation. Those procedures are in place to

stop weapons of mass destruction and radiological dispersal bombs from being smuggled into the country. All containers & trucks pass through radiation portal monitors as part of standard operating procedures, and alarms are resolved by handheld radiation isotope identifiers and other methods. Inspectors also carry personal radiation detectors on their belts that alarm in the presence of radiation. Officials say the short half-life of the radiation means there is little danger and trace elements they detected early after the crisis last month are now rare. Japan radiation checks on ships & containers leaving 3 main international ports in and near Tokyo began April 28. The inspections at the ports of Tokyo, Yokohama & Kawasaki, which account for about 40% of foreign trade containers, will measure radiation levels in accordance with ministry guidelines, and the ministry will issue certificates of safety.

**\*\*\*U.S. Trade Falls ....** as the Commerce Dept. reported April 12 the nation's Feb. exports were down 1.4% to US\$165.1Bn, compared to the previous month. Similarly, U.S. imports of goods & services decreased 1.7% over the period to US\$210.9Bn, causing the U.S. trade deficit to decrease 2.6% since Jan. to reach US\$45.8Bn in Feb.

**\*\*\*China Trade In 7 Year Dip .....** as it posted its first quarterly trade deficit in 7 years driven by surging commodity prices and lower exports volumes over Chinese New Year period, reports the Wall Street Journal. China swung back to a small trade surplus of US\$139M and for the full year, economists expect exports to surpass imports. The gap between net exports and imports came to US\$1.02Bn between Jan. & March, largely due to a deficit of US\$7.3Bn in Feb. But China's annual surplus should narrow compared with the previous year, as gains in the value of the yuan and rising costs for labor and imported commodities increase the relative cost of exports in 2011.

**\*\*\*Japan's Exports Taken Down ....** as trade to the rest of the world fell 2.2% to US\$70.67Bn in March in the first year-over-year decline in 16 months, according to preliminary figures released by the Finance Ministry. Exports were rising before the earthquake & tsunami, the Finance Ministry said. But the twin natural disasters forced many factories in a wide range of industries to stop production due to a shortage of parts and power outages. They also directly affected many parts makers' plants, causing disruptions to supply chains, and they triggered the ongoing nuclear crisis at the Fukushima No.1 nuclear power plant. Japan's overall exports rose 14.8% between March 1 and March 10 -- the day before the earthquake. But they tumbled 5.9% between March 11 and March 20 and the year-on-year pace of decline accelerated to 13.1% between March 21 and March 31.

**\*\*\*But India Jumps ....** as it's exports surged 37.5% to US\$177Bn in the financial year ending March 31 to reach a record US\$260Bn compared to the previous year, according to the Ministry of Commerce. According to the ministry, export growth was led by engineering goods, petroleum products, cotton yarn, readymade garments and pharmaceuticals. Provisional government statistics showed that the U.S. container trade with India in March alone jumped 43.9% to US\$29.1Bn compared with the same month in the previous fiscal year. During the same period, imports totalled US\$34.7Bn, up 17.3% from a year earlier. Total imports during the year rose 21.5% to US\$350.3Bn on a year-on-year basis, creating a trade gap of \$104.4Bn.

**\*\*\*An Offer TNT Operators Could Not Refuse! .....** as Italy's Justice Ministry took over the operation of six TNT Global Express subcontractors that have been infiltrated by a mafia organization. The ministry said it will run the delivery companies in the

Lombardy region surrounding Milan for an initial six months as it attempts to dismantle the crime network within TNT. If the authorities are not satisfied they have rooted out the mob after six months, they will remain in charge of the subcontractors for a further six months. The Justice Ministry launched an investigation into TNT subcontractors after Italian and German police arrested 35 alleged member of the 'Ndrangheta, a crime syndicate based in southern Italy, in March. TNT believed the subcontractors were independent companies, but they were a cover for organized crime. The couriers wore TNT uniforms and drove TNT badged vehicles. The 'Ndrangheta, which is based in the province of Calabria, is estimated to have an income in excess of US\$50Bn and has spread into northern Italy in recent years. The syndicate controls Gioia Tauro, the southern Italian transshipment port that handles over 3.5 million containers a year, according to a parliamentary report in 2008.

<http://en.wikipedia.org/wiki/'Ndrangheta>

**\*\*\*Cartel Machine Guns Exempted** ..... as the Alliance for Secure Commerce is being developed by Mexican Customs in the mold of the U.S. Customs-Trade Partnership Against Terrorism and other authorized economic trader programs promoted by the World Customs Organization to reduce opportunities for criminal and terrorist infiltration of containers and truck trailers moving in international commerce. Authorized economic operator (AEO) programs provide trade facilitation benefits as an incentive to companies that demonstrate they and their overseas business partners have tight security measures for facilities, personnel, data sharing, transportation and container stuffing. Some programs, such as in the European Union, also offer reduced administrative requirements for companies that have high compliance rates with trade laws. C-TPAT is focused on U.S. importers while some foreign programs focus on exporters to help them avoid U.S. scrutiny and speed their goods to market. Mexican officials hope to open the Alliance for Secure Commerce for full business participation by the end of the year or early 2012.

[www.bufeteinternacional.com.mx/gbu/cursos/2010/curso-reglas/programaalianza.pdf](http://www.bufeteinternacional.com.mx/gbu/cursos/2010/curso-reglas/programaalianza.pdf)

**\*\*\*China Allows Inspection** .... as it's General Administration of Customs has agreed to allow U.S. Customs officers into the country this year to audit the supply chain security practices of 100 manufacturers or logistics providers involved in exporting goods to the U.S. Officials from the two border control organizations will sign an action plan May 9-10 in Washington to better align their trusted shipper programs, so participating companies face fewer hurdles moving cargo out of U.S. ports to their final destination, a Customs and Border Protection spokesman told delegates at the annual Trade Symposium in Washington. U.S. importers that join the Customs-Trade Partnership Against Terrorism are eligible for a significant reduction in potential security inspections by implementing a security plan that meets or exceeds minimum criteria, and demonstrating their cargo poses a low risk of being infiltrated by smugglers. Other transportation intermediaries also join the program to satisfy their customers' needs to ensure security from origin to destination. Other stated benefits of C-TPAT include access to the Free and Secure Trade (FAST) program for expedited cargo processing at land borders and potential preferred treatment when ports reopen in the wake of any crisis.

[www.c-tpat.com/](http://www.c-tpat.com/)

**\*\*\*U.S. Invasion** ..... as agriculture inspection officers have intercepted 44 Khapra beetles at U.S. ports so far this year, exceeding the total number of interceptions in

2010, according to U.S. Customs and Border Protection. The interceptions have been made in passenger terminals at airports and at seaports in cities such as San Francisco, New York, Houston & Chicago. Officials say they began an initiative to increase training for agriculture specialists after noticing an increased trend in detections of the destructive pest. The Khapra beetle (*Trogoderma granarium*), which originated in South Asia, is one of the world's most destructive pests of grain products and seeds. It is considered one of the 100 worst invasive species in the world. It is difficult to control once it is introduced into a region because it feeds on a variety of dried materials, is resistant to insecticides and can survive for longer periods without food. Infestations can result in up to 70% grain damage, making them unfit for human consumption. Agriculture specialists intercepted 3 to 6 of the pests per year in 2005 & 2006. The number began to increase in 2007 and averaged 15 per year through 2010.  
[http://en.wikipedia.org/wiki/Khapra\\_beetle](http://en.wikipedia.org/wiki/Khapra_beetle)

**\*\*\*U.S. Trucks Continue Climbing** ..... as over-the-road trucked shipments rose 2.7% in March, overall trucked shipments were up 3.6% since March 2010, marking the 16th consecutive month of year-over-year growth, according to the Ceridian-UCLA Pulse of Commerce Index. The American Trucking Assn's (ATA) seasonally adjusted cargo index dropped 2.9% in Feb. after reaching its highest level in two years in Jan. Winter storms are being blamed for February's decrease in truck tonnage.

**\*\*\*U.S. Railroads Continue Climbing** ... as bulk carload freight in March increased 3.4% over March 2010, and rose 2% from Feb. 2011. Carloads have experienced year-over-year gains for 13 straight months, according to the Assn. of American Railroads (AAR). AAR also reports that intermodal rail traffic in March 2011 was 8.5% higher than March 2010 and 0.5% higher than Feb. 2011 totals. Intermodal loadings have experienced year-over-year gains for 16 straight months.

**\*\*\*Take The Three Notch To Goshen** .... as the short line operator RailAmerica is buying the assets of 3 small freight railroads in Alabama for a total price of US\$12.7M in cash. The railroads are now owned by affiliates of Gulf & Ohio Railways. RailAmerica expects the purchase to close during the 2nd quarter, subject to regulatory approvals & other closing conditions. The 3 short lines in the deal are Three Notch Railroad, Wiregrass Central Railroad & Conecuh Valley Railroad. Three Notch has 35 miles of track connecting Georgiana & Andalusia, Ala. Wiregrass Central operates on 20 miles between the towns of Waterford and Enterprise. Conecuh Valley is a 15-mile railroad linking Troy & Goshen.  
[http://en.wikipedia.org/wiki/Three\\_Notch\\_Railroad](http://en.wikipedia.org/wiki/Three_Notch_Railroad)  
<http://www.railamerica.com/home.aspx>

**\*\*\*New NM Rail Hub** .... as New Mexico Governor Susana Martinez has signed into law a bill granting Union Pacific Railroad a locomotive fuel tax deduction. This legislation will allow Union Pacific to begin construction of an all new rail facility near Santa Teresa, N.M., in June 2011. Construction of the new facility will create 3,000 jobs during the build phase from 2011 to 2015. Union Pacific expects more than 600 jobs will be based at the facility once it reaches full capacity. The estimated overall economic impact of the project for New Mexico exceeds US\$500M. The facility will be located just west of the Santa Teresa Airport on 2,200 acres and will include an intermodal yard and an intermodal ramp with an annual lift capacity of up to 250,000 intermodal containers.

**\*\*\*U.S. Space Still Struggles** .... as on the warehousing & distribution front, the U.S. average industrial vacancy rate was 9.5% during Q1 2011. In Q1 2011, warehouse rental rates averaged US\$5.08 per sq. ft. and U.S. Census figures show total combined sales and manufacturing shipments totaled US\$1.17 trillion in Feb. 2011, up 0.2% from the previous month and up 10.9% from a year ago. Total value of inventory on hand was estimated at US\$1.46 trillion in Feb. 2011, up 0.5% from the previous month and up 9.1% from a year ago.

**\*\*\*U.S. Truck Driver Pay Heading Up** .... as there was a 2.2% increase in Feb. from Jan. and a 4.6% increase year-over-year, according to Longbow Research. The 4.6% year-over-year increase in average hourly earnings is the largest jump in driver pay since early 2003, as the economy emerged from a downturn. Trucking's payroll dropped 13.4% from 2006 through 2009 before rising 1.5% in 2010, according to the Bureau of Labor Statistics. The American Trucking Assns noted an uptick in payroll among truckload and less-than-truckload carriers in the last three months of 2010. Small truckload companies increased their driver payroll 0.8%, while large truckload carriers boosted employment 0.3%, according to the ATA. Driver pay is expected to increase this year as tighter federal safety regulations cut into the pool of available drivers just as freight demand becomes stronger. Many carriers are looking to add capacity without taking on additional capital costs by contracting with owner-operators who own their own Class 8 tractors. In March, truckload giant Schneider National increased its compensation for van owner-operators by 5 cents a mile, a significant pay hike in for-hire trucking. The 5-cent increase brings owner-operator pay to 95 cents a mile, or up to \$1.65 per mile with short-haul premiums.

**\*\*\*Tying Down Security** ..... as a new liquid-filled security cord which increases the security of cross border logistics has been introduced by Running Man Designs. The Liqi-Cord is a clear sheath filled with a pressurised fluorescent liquid and a plastic-coated steel cable. It has been designed to fit all curtain sided vehicles through the eyelets on the curtain clasps, making it easy to use whilst improving the security of the trailer and driver. When the cable is cut, the liquid sprays and leaks out making it visible to the driver, indicating a possible theft or clandestines on board. The bright liquid contaminates the newly cut ends, preventing them being re-glued.

[www.roadtransport.com/blogs/road-freight-industry-announcements/2011/04/liquid-security-for-cross-border-transit.html](http://www.roadtransport.com/blogs/road-freight-industry-announcements/2011/04/liquid-security-for-cross-border-transit.html)

**\*\*\*Partner In Slovakia**..... as freight forwarder "cargo-partner" will invest US\$31M in a new logistics facility in Dunajska Streda, Slovakia. The first phase of construction of the 30,000 sq. mt. warehouse will include 7,300 square meters, which will be finished by the 1st quarter of 2012.

[www.cargo-partner.com/?p=home](http://www.cargo-partner.com/?p=home)

**\*\*\*Hub Group Inc. Excels** .... as it has purchased Exel Transportation Services (ETS), a 3rd-party logistics provider, for \$83 million before post closing adjustments. ETS is now a wholly-owned subsidiary of Hub Group, operating independently under the name Mode Transportation. ETS was previously an affiliate of Exel Inc., which is a wholly-owned subsidiary of Deutsche Post DHL. Mode Transportation consists of about 300 independent business owners who sell and operate the business throughout North America. Mode Transportation's sales for the year ended Dec. 31, 2010 were approximately US\$717M. The largest components were: intermodal revenue of US\$294M, truck brokerage revenue of US\$279M and less-than-truckload (LTL) revenue

of US\$85M.

\*\*\***Brown More Green** ..... as UPS says it has launched its first Asian hybrid-electric vehicle (HEV) in Hong Kong in a bid to protect the environment by reducing carbon dioxide emissions. By the end of the year, Hong Kong will roll out another two HEVs, bringing the total to three. They will join the group's global green fleet of over 1,900 vehicles. The HEV was first introduced to the fleet in 1998 and since then the HEVs have shown a 35% improvement in fuel economy over conventional vehicles.

\*\*\***Wood Weight Burns Fuel** .... as Chicago-based Pallets Int'l has developed what it said is a lightweight, wood-corrugated composite "pi" pallet to compete with traditional wood pallets. "In this economy, we can't expect CEOs to choose the environment over cost control," said the pallet's developer, in a statement. "The pi pallet will help shippers go green while also cutting their costs." He added, "to replace wood, I had to be sure my pallet could transport & rack a full load. It does." The pi pallet claims to be lighter than wood (16 pounds versus 45 or more), yet able to haul & rack similar loads. Fuel-related savings for air freight and LTL shippers exceed the pi pallet's cost on the first use, the company said. The pallet is also reusable & recyclable.

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

\*\*\***Eating Smuggled Lizards** ..... as customs authorities in Thailand have seized 1,800 monitor lizards being smuggled on pickup trucks to the capital. Customs officials say the Bengal monitor lizards were hidden in mesh bags and stashed in open containers behind boxes of fruit in pickup trucks. They were seized April 7, at a checkpoint in southern Thailand. The Customs Dept. said April 9, it suspects the lizards were destined to be eaten. Their meat sells for US\$7.50-US\$15 per pound (US\$16-US\$33 per kilogram) in China, making them worth more than US\$60,000. Int'l trade in the reptiles is banned. In Thailand, illegal sale of wildlife carries a penalty of up to 4 years in prison and a fine of US\$1,300.

\*\*\***Trans-Con Taxi** ..... as a New York City cab driver has racked up the fare of a lifetime. Mohammed Alam is being paid US\$5,000 to drive a pair of friends to Los Angeles. The trio left April 16 night and had reached Las Vegas by April 21. Investment banker John Belitsky, of Leonia, New Jersey, tells the New York Post the idea was hatched during a birthday celebration for Dan Wuebben of New York. Belitsky said they wanted to do something "magical." When they decided on a cab ride to California, they found Alam at LaGuardia Airport and brokered the deal. The two friends haven't decided how they'll get back yet. As for the cab driver, he says a friend will meet him in Los Angeles and help him make the drive home.

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

\*\***American Airlines**. **DOWN** as it lost US\$436M in the 1st quarter, blaming a US\$1.8Bn fuel burn, an increase of US\$366M, or 25%, over fuel expenditure in last year's first 3 months.

\*\***CSX**. **UP** with a record 1st quarter net profit of US\$395M, 30% more than in the same 2010 period.

\*\***Expeditors Int'l**. **UP** with 4th-quarter profit of US\$96.5M on revenue that increased 27% to US\$1.58Bn.

\*\***Forward Air Corp**. **UP** as 1st quarter net income during the period increased to US\$7.9M from US\$3.4M in the prior-year quarter.

**\*\*Hub Group.** UP with 1st quarter net profit of US\$10.4M, 21% more than in the same 2010%.

**\*\*Kuehne + Nagel Group.** UP with a 1st quarter 2011 net profit of US\$171.4M, a 17.6% year-on-year increase, with the company claiming share gain from all units.

**\*\*Rickmers Maritime Trust.** UP as 1st quarter net income increased 72% from a year ago to US\$9.3M

**\*\*Southwest Airlines.** UP with 1st quarter 2011 net income of US\$5M, or US\$.01 per diluted share, compared to net income of US\$11M, or US\$.01 per diluted share, for 1st quarter 2010.

**\*\*Union Pacific Railroad.** UP as profit rose 24% from a year earlier to US\$639M in the 2011 first quarter.

**\*\*USA Truck.** DOWN with a loss of US\$2.7M in 1st quarter despite a 17.4% surge in overall revenue to US\$124M higher fuel costs hit.

**\*\*Werner Enterprises.** UP as profit surged 50.3% in the 1st quarter over same quarter 2010 to US\$16.3M as freight demand picked up momentum in the Midwest amid tight truck capacity.

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

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

**\*\*\*Global Air Freight Up** ..... as in Feb. it was up 2.3% from a year ago. North American air freight increased 11.8% in Feb., year-over-year. In Feb. int'l air cargo prices fell 7.1% from Jan. to 3.96 per kg, down 16.4% year over year, according to the Journal of Commerce. As of April 1, 2011, the global average jet fuel price was US\$136.40 per barrel—up 2.3% from March, and 45.2% higher year-over-year, according to the ATA.

**\*\*\*Asia Rates Down** ... as airfreight rates out of Asia declined to a 17-month low in Feb., after falling 14.1% compared to the same month last year, according to the Drewry Air Freight Price Index that measures freight rates from Shanghai. Compared to the month before, air freight volumes fell 14.5%, which was attributed to the Chinese New Year holidays in early Feb. halting factory production.  
[www.drewry.co.uk/publications/view\\_publication.php?id=319](http://www.drewry.co.uk/publications/view_publication.php?id=319)

**\*\*\*First Flight In** .... as an AN-124-100 operated by Volga-Dnepr Airlines touched down at Sendai Airport in Japan, on April 14, in what was the first non-military, int'l flight to the airport since the earthquake & tsunami hit Japan on March 11.  
[www.volga-dnepr.com/eng/charter/fleet/an124/specific/](http://www.volga-dnepr.com/eng/charter/fleet/an124/specific/)

**\*\*\*JAL Next In Price Fixing** ..... as Australia's Federal Court has fined Japan Airlines Co Ltd US\$5.8M for its role in an air cargo cartel, making it the 7th airline penalised by authorities in the probe. According to a statement by the Australian Competition and Consumer Commission, the Federal Court in Melbourne ordered the fine based on Japan Airlines' admission of its role in breaching the price fixing provisions of the Trade Practices Act 1974. The Australian Competition and Consumer Commission (ACCC) said this represents the 7th int'l airline to settle the ACCC's air cargo proceedings.

**\*\*\*DHL Express Tactical Withdrawl Pays Off** .... as focus on int'l shipments in the U.S. rather than domestic deliveries has paid off, with volume reaching 15,000 packages a day helped by key Dell Inc computer and Amazon book deliveries.

According to the International Air Transport Assn. (IATA), U.S. trade routes account for more cargo volume than pre-recession levels in bellyholds of passenger aircraft and is forecast to make US\$68Bn for fiscal 2011. DHL Express, a Deutsche Post unit, has turned around its ill-fated decision to enter the U.S. domestic express market and challenge UPS & FedEx, creating a rate war that led to restructuring in 2008 at a cost of US\$9.6Bn. Its acquisition of Seattle-based Airborne Inc to gain an established U.S. network and fleet was a "disaster", conceded Deutsche Post CEO Frank Appel, as the company failed to claw away market share from entrenched UPS & FedEx, which held at 82% against DHL's 5%. But its U.S. customer base for foreign shipments came to 40%, so its foothold is key to consolidation after it dropped from 1.2 million parcels a day, closing 75% of outlets & laying off 15,000 employees. Today, it handles US\$1Bn of Dell and Amazon sales alone.

**\*\*\*Kudos To Southwest Airlines Cargo** .... as it has been honored in Air Cargo World's annual air cargo excellence (ACE) survey by being named the winner in the up-to-199,999 tons category. In addition, the airline received the highest overall rating across all weight divisions and was the highest rated carrier in 3 of 4 performance categories, namely customer service, performance and value. The ACE rankings are based on a survey of more than 300 members of the airline and freight forwarding industries.

**\*\*\*Turkish Cargo Achieves Cargo 2000** ..... as it has achieved phase one certification for Cargo 2000's quality management system and operational standards, becoming the 17th carrier out of 29 airline members to achieve accreditation. The phase one accreditation is for Turkish Cargo's Istanbul, London & Amsterdam routes. The airline joined Cargo 2000 as an industry associate member in 2009 in response to requests from its major freight forwarder customers, and has since become a full global member.

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

**\*\*\*Lambert-St. Louis Int'l Airport Takes Big Hit** .... as it was closed for a day after severe storm damage on the evening of April 22. "We are working with all the airlines to assess damage, at this time we do not believe any aircraft was damaged" Initially, 4 people were transported to area hospitals with minor injuries. All inbound and outbound flights were cancelled at Lambert until further notice pending safety and operational assessments to determine the full extent of damage to the airport complex and the surrounding area. At this time, it appears Terminal 1 and Concourse C suffered the most damage from the storm with high winds that blew out up to 50% of windows and caused significant roof damage. Lambert is the 30th busiest airport in the U.S.

Video During The Hit:

[www.google.com/search?q=Lambert-St.+Louis+Int'l+Airport&hl=en&safe=off&client=safari&rls=en&tbn=nws&prmd=ivns&source=lnms&ei=4g25TfuODYPTiALQ39Ac&sa=X&oi=mode\\_link&ct=mode&cd=4&ved=0CDwQ\\_AUoAw](http://www.google.com/search?q=Lambert-St.+Louis+Int'l+Airport&hl=en&safe=off&client=safari&rls=en&tbn=nws&prmd=ivns&source=lnms&ei=4g25TfuODYPTiALQ39Ac&sa=X&oi=mode_link&ct=mode&cd=4&ved=0CDwQ_AUoAw)

**\*\*\*Two Lines - One Business** .... as BA World Cargo (BAWC) & Iberia Cargo will continue to operate as separate brands following the merger of parent airlines British Airways & Iberia. Still, the merger will create a single business unit to run the air cargo carriers with one sales force and revenue management system, which will report to International Airlines Group (IAG), the holding company to be created following the merger. The BA-Iberia merger is expected to generate savings from synergies of

US\$577M annually.

**\*\*\*UPS Gurantees More Doors ....** as it has expanded its Express Freight service into Israel & Slovakia, now guaranteeing 1 to 3 day, door-to-door service to the two destinations. Both locations are highly valuable targets for UPS. In Israel, the company expects to traffic mostly in high-tech goods, but also anticipates freight like auto and aviation parts, jewelery, and gemstones. UPS will deal primarily as a player Slovakia's automotive & industrial manufacturing sector.

**\*\*\*A Bad Month For U.S. Air Traffic Controllers ...** as they directed a plane carrying first lady Michelle Obama to abort a landing at Andrews Air Force Base because it was too close to a military C-17 cargo jet, officials said April 19, in yet another embarrassment for the FAA. While there apparently was little risk to Mrs. Obama, the episode puts the FAA back into the spotlight as officials struggle to calm public jitters about flying that have been raised by nine suspensions of air traffic controllers and supervisors around the country in recent weeks, including five for sleeping on the job. The first disclosed case of a controller falling asleep on duty occurred March 23 at Washington's Reagan National airport, not far from Andrews. The most recent was last week when a controller at a regional radar facility near Cleveland was suspended for watching a movie on a DVD player when he was supposed to be monitoring air traffic. The head of the U.S. air traffic system resigned in the wake of these events. This latest incident occurred at about 5 p.m. on April 18 when a Boeing 737 belonging to the Air National Guard, one of several guard planes used by the White House, came within about 3 miles of a massive C-17 as the planes were approaching Andrews to land, according to the FAA and a spokeswoman for Andrews. The FAA requires a minimum separation of 5 miles between 2 planes when the plane in the lead is as large as the 200-ton cargo jet, in order to avoid dangerous wake turbulence that can severely affect the trailing aircraft. In the 12 months ending on Sept. 30, 2010, there were 1,889 errors, according to the FAA. That was up from 947 such errors the year before and 1,008 the year before that. Before 2008 the FAA used a different counting method. Very few of the errors fall into the most serious category, which could result in pilots taking evasive action to prevent an accident, but those instances have also increased. In the year ending Sept. 30, there were 44 such events, 37 in the prior year and 28 in the year before that. FAA Administrator Randy Babbitt has said the higher number of known errors is due to better reporting and technology that can determine more precisely how close planes are in the air.

**\*\*\*No Happy Ending For "Slacking Air Traffic Controllers" .....** as we had no idea Michelle Obama is carried in an open top Boeing 737! It has been a bad month for U.S. air traffic controllers. See the animation:

[www.youtube.com/watch?v=1uftLDdqNPI](http://www.youtube.com/watch?v=1uftLDdqNPI)

**\*\*\*Grounded Zimbabwe .....** as failed management is blamed for the grounding of state-owned Air Zimbabwe's entire fleet, say pilots still striking over unpaid salaries. The airline's failure to launch a cargo business, despite demand, resulted in competitors like Martin Air & SAA Cargo cornering the market previously dominated by Air Zimbabwe. It could have profited by its favorable location and fully paid for fleet, said the airline's pilots' spokesman Charles Chikosi.

[http://en.wikipedia.org/wiki/Air\\_Zimbabwe](http://en.wikipedia.org/wiki/Air_Zimbabwe)

**\*\*\*Remembering Dubai .....** as UPS announced it will be equipping its aircraft with

the Emergency Vision Assurance System (EVAS), making it the first international airline to do so. A fire safety tool, the EVAS displaces smoke in the cockpit with a transparent Inflatable Vision Unit. This helps pilots maintain their field of vision in the case of such an adverse event.

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

Video

[www.youtube.com/watch?v=RT5rkEvj1G4](http://www.youtube.com/watch?v=RT5rkEvj1G4)

Remembering - Sept. 3 2010 - The Memorial

[www.cargolaw.com/2000nightmare\\_singleonly15.html#UPS-Dubai](http://www.cargolaw.com/2000nightmare_singleonly15.html#UPS-Dubai)

**\*\*\*Happy 85th United Airlines ...** as it has commemorated its anniversary by painting the carrier's "friend ship" livery - originally displayed in the 1970s - on an Airbus A320. The aircraft was unveiled at an employee celebration at Chicago O'Hare Int'l Airport. The design for the aircraft's livery was chosen last autumn by the carrier's employees and features stripes of deep red and sky blue, with a regal star pattern, taken from its historical liveries. Very cool, as seen here at LAX.

<http://nycaviation.com/2011/04/photos-united-airlines-reveals-retro-friend-ship-livery/>

[www.airlinereporter.com/2011/04/photos-united-airlines-retro-friend-ship-livery-unveiled/](http://www.airlinereporter.com/2011/04/photos-united-airlines-retro-friend-ship-livery-unveiled/)

**\*\*\*Delta Now Allows Bags To Be Tracked As Cargo .....** as it is about time travelers now at least get something for the US\$50 bag charge. You can now follow your checked bag on Delta, just like you follow a package on UPS. And that's only a part of what the airline is doing to make things move more smoothly. This is good stuff. Delta has also brought the claim form into the 21st century. Until recently, once you reported your bag lost, you had to fill out a paper claim form for reimbursement. But now, the process can be done online.

[www.delta.com/baggage/BaggageTrackStatus.action](http://www.delta.com/baggage/BaggageTrackStatus.action)

**\*\*\*Where Your Bags Go - Bulk Cargo ....** as along a country road next to a muffler shop and a cemetery is a 40,000-square-foot store filled with all the items that never made it home from vacation. Shoes, samurai swords, iPods, even lingerie, all available for 20% to 80% off. When airlines can't determine who owns a bag, they sell it for a few bucks to the Unclaimed Baggage Center, a warehouse-sized facility that would put your local PTA garage sale to shame. More than 2 million of the roughly 700 million suitcases checked on U.S. airlines last year didn't arrive with their owners. The vast majority were returned within 24 hours, typically on the next flight, but 68,000 never made it. After 90 days of unsuccessfully trying to reunite passenger and parcel, most airlines sell the bags here. Shoppers seem to have no qualms about buying what was once a child's favorite stuffed animal or a wedding dress that didn't get to the church on time. Each day, the store sets out 7,000 new items, including sweaters, jeans, golf clubs, books and noise-canceling headphones, and it's not just luggage. Plenty of belongings are left in seatback pockets. There have been some surprising discoveries over the years, including moose antlers, a parachute, a medieval suit of armor, even a shrunken head. Just don't come here expecting to find your lost luggage. Only a third of the items received make it to the racks. The rest are donated to charity or trashed. The store hopes to offer a small sliver of its ever-changing inventory online by the end of this year. The airlines don't like to discuss how their customers' belongings end up here. American, Delta & United refuse comment. US Airways, JetBlue & AirTran acknowledge they sell items in bulk - sight unseen - to the store but wouldn't say how much they are

paid, citing confidentiality clauses in their contracts. Other airlines - Alaska, Frontier, Hawaiian, Southwest, Spirit & Virgin America - donate luggage to charities such as the Salvation Army. Worldwide, almost 2.5 billion bags are checked each year, and 850,000 are never seen again by their owner.

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

**\*\*\*Volumes >>>** Japan's **All Nippon Airways** said its int'l cargo volume rose for the 18th consecutive month in February on a year-on-year basis, increasing 11.3% to 34,123 tons. >>> Singapore **Changi Airport** airfreight increased by 5.6% in March, reaching 166,100 tons. >>> **Mumbai Airport** has posted a 13% increase in cargo to 44 million tons from April 2010 to March 2011. >>> **Frankfurt Airport** took a 3.5% jump in 1st quarter volume to 540,000 metric tons of airfreight. >>> Hong Kong's Cathay Pacific and its unit Dragonair have posted a year-on-year 1.4% increase in cargo and mail carried in March to 161,461 tons. >>> **Lufthansa Cargo** boosted freight volume 17.8% in March from a year ago to 183,000 metric tons as sharply higher German exports and strong growth in the Americas extended the recovery at Europe's largest cargo airline. >>> Estonia's **Tallinn Airport** registered cargo turnover growth of 74.5% in March, ending a 13-month decline, at 1,062 tons, with air freight contributing 961 tons and mail 101 tons to the total. >>> Southeast China province of **Fujian** handled 52,300 tons of cargo in Jan. & Feb., up 8.5% year on year

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

**4. FF World Ocean Briefs** \_\_\_\_\_

**\*\*\*Maritime Piracy Expense** ..... as it costs the global shipping industry anywhere from US\$3.5BN to upwards of US\$8Bn a year, according to Ron Widdows, group president of Neptune Orient Lines and chairman of the World Shipping Council. Widdows gave his estimate during a conference on piracy in Dubai this month that opened just days after maritime watchdog the International Maritime Bureau said worldwide pirate attacks in the first 3 months of 2011 reached the highest quarterly number ever at 142. The sharp rise was driven by a surge in piracy off the coast of Somalia, where 97 attacks were recorded in the first quarter of 2011, up from 35 in the same period last year.

**\*\*\*Changing The Business Plan (Betrayal of Ransom Deal) May Finally Spark Next Level of Assault On Piracy** ..... as the pirates have been paid to release a merchant ship and its crew, but have failed to release all the crew, outraging the Int'l Chamber of Shipping, ITF, Indian National Shipowners' Assn., NUSI, MUI, IMEC, InterManager, Intertanko and BIMCO. The joint statement expressed "utmost concern" the hijacking by Somali pirates last September of the 3,884-ton **M/V Asphalt Venture**, an asphalt/bitumen tanker, has resulted in the vessel being released on April 15 after a ransom had been paid, but not all the crew. The pirates had agreed with the shipowners all 15 crew and vessel would be released upon payment of the ransom. However, the tanker's master has reported 6 officers and one rating were taken off the tanker and forced to accompany the pirates ashore, the statement said. It cited media reports as claiming the pirates in Harardhere have decided to prolong the hostage ordeal of the 7 seafarers in retaliation for the arrest of Somali pirates by the Indian Navy in recent weeks. The shipping organizations expressed their grave concern over this new development, adding that int'l governments are continuing to fail to "adequately respond to this 21st century example of organized and violent criminality that threatens the safe

passage of world trade through the region."

**\*\*\*New Anti-Piracy Commander** .... as on April 14, in a ceremony held at the Commercial Port of Djibouti, Portuguese Commodore Alberto Correia took over the command of Task Force 465 (TF 465) as the new European Union Naval Force Headquarters – Operation ATALANTA Force Commander. Commodore Correia takes over the duty from his predecessor, Spanish Rear Admiral Juan Rodriguez. For the next four months, Commodore Correia will lead the Multinational Force Headquarters onboard the EUNAVFOR Portuguese warship NRP Vasco da Gama.  
[www.consilium.europa.eu/showpage.aspx?id=1518&lang=EN](http://www.consilium.europa.eu/showpage.aspx?id=1518&lang=EN)

**\*\*\*Global Volume Peaks** .... as ocean container traffic reached an all-time high of 560 million 20-foot equivalent units in 2010, driven by surging volume at Chinese ports, according to Alphaliner. This followed a record year-on-year increase of 14.5% over 2009, when the first annual drop in the history of containerization shrunk overall port traffic 8.9%, the Paris-based analyst said. China now accounts for nine of the world's top 20 container ports with most of its ports recording faster growth than ports in other regions.  
[www.axsmarine.com/public/axsalpha-news.php](http://www.axsmarine.com/public/axsalpha-news.php)

**\*\*\*2011 Carrier Outlook Grim** ..... as Drewry Shipping Consultants is forecasting many ocean carriers will struggle to break even this year because of plunging rates on east-west trades and escalating costs. In the latest issue of its quarterly Container Forecaster, Drewry predicts east-west freight rates, excluding fuel, will fall 13.2% in 2011. It said, unless the rate erosion that began in the 4th quarter of last year and continued in the first three months of this year is checked, "a number of lines" could suffer losses, at least in the short term. Drewry's latest forecast of short-term losses is a change from its Dec. forecast, when it predicted container shipping industry-wide profits will be reduced to US\$7Bn or US\$8Bn this year, down from the US\$19Bn bonanza of 2010. If carriers start to lose money this year, "it would mark possibly the shortest business cycle container shipping has ever seen," Drewry said. The Container Forecaster said freight rates on the core east-west headhaul trades have been in decline since hitting their highs in Aug. of last year. It attributed the decline in rates to the large amount of vessel capacity that is being delivered this year and the fact carriers have not suspended as many services during the winter months.  
[www.drewry.co.uk/](http://www.drewry.co.uk/)

**\*\*\*\*U.S. Import - Export** ..... as in February, U.S. ports imported more than US\$210.9Bn of cargo, a decrease of 1.7% over the previous month but up 14.4% year-over-year, according to the U.S. Census Bureau. In the same month, U.S. ports exported more than US\$165.1Bn of cargo, (the highest on record). Feb. U.S. exports have decreased 1.4% in terms of value over the previous month and grew 14.4% year-over-year. In Feb. U.S. ports exported more than US\$165.1Bn of cargo, the highest on record, the Census Bureau says. Feb. U.S. exports have decreased 1.4% in terms of value over the previous month and grew 14.2% year-over-year.

**\*\*\*Pacific Rate Increases** ..... as spot freight rates on the trans-Pacific broke a 16-week downturn, as the Drewry benchmark for shipping a 40-foot equivalent container from Hong Kong to Los Angeles increased 6% to US\$1,795 per FEU in the week ended April 11, marking the first time it has increased since the beginning of the year.  
[www.containerbenchmarks.com/benchmark/container.nsf/LoginForm?OpenForm](http://www.containerbenchmarks.com/benchmark/container.nsf/LoginForm?OpenForm)

**\*\*\*NVOCCs Charge Discrimination** ..... as freight forwarders outside the U.S. have expressed "deep disappointment" over the recent easing of Federal Maritime Commission rules. The FMC exempted U.S. non-vessel operating common carriers from the legal obligation of maintaining tariffs but stopped short of extending that freedom to foreign NVOs. "We have long protested the discrimination against NVOCCs in the USA, especially with respect to tariff publication and bond posting requirements. We also continue to be concerned over the issue of data confidentiality in dealings with the USA", said Jean-Claude Delen, president of the International Federation of Freight Forwarders Assn.s. The rule only applies to NVOs that are licensed & bonded by the FMC, roughly half of the carriers that operate in the U.S. When they adopted the rule in Feb., commissioners but voted to study for a year the market implications of exempting foreign companies. Christopher J. Gillespie, from Canada and chairman of FIATA's educational affiliate, said not exempting foreign NVOs puts them at a competitive disadvantage.

**\*\*\*Crowley Maritime Corp. Prepares For Volume** ..... as it's liner services group will add 500 new containers to its equipment fleet to better serve the growing needs of shippers in Puerto Rico, the Caribbean & Central America. Once received, the company's equipment fleet will include more than 46,000 units. This recent acquisition represents growth of nearly 4% in the company's fleet of 45-foot containers and nearly 5% of the 40-foot high-cube container fleet. The purchase comprises 250 45-foot containers and 250 40-foot high-cube boxes.

**\*\*\*China Shipping Happy At LAX** ... as it has celebrated the completion of a major phase of its terminal expansion project at the Port of Los Angeles, adding a new 925-foot section of wharf, 18 additional acres of backland and 4 state-of-the art container cranes that will increase cargo throughput, create jobs and reduce air emissions. When completed, China Shipping's expanded terminal operations will facilitate more than 8,400 direct permanent and indirect jobs, and it will increase container terminal capacity to accommodate an annual throughput of 1.5 million TEUs (twenty-foot equivalent units, or 20-foot containers). China Shipping plans to install two additional super Post-Panamax cranes after the final wharf expansion is completed, bringing the total crane count to 10.

**\*\*\*Container Shutdown** ..... as year old liner start-up, The Containership Company (TCC), initially operating a no-frills shuttle from the Port of Taicang upstream from Shanghai to Los Angeles, has decided to cease operations and go into "reconstruction". TCC said it lost US\$7.4M in its first 8 months of operation, including US\$2M in start-up costs.

[www.containership-company.com/](http://www.containership-company.com/)

**\*\*\*CaroTrans Spreads South** .....as the NVOCC has opened an office in Santiago, Chile to support its expansion in South America.

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

**\*\*\*Convicting The Other Pirates** ..... as a Russian court jailed six members of a gang from 7 to 12 years for hijacking the 4,700-ton cargo [M/V Arctic Sea](#) first taken off Sweden then rescued after a long voyage off the coast of Africa near Cape Verdi in 2009. Maltese-flagged [M/V Arctic Sea](#) left Finland in July 2009 heading for Algeria. Her disappearance after passing through the Channel sparked a global search. According to

local reports, the 6 convicted - a Russian, a Latvian, an Estonian & 3 others described as stateless, reported London's Int'l Freighting Weekly. The [Arctic Sea](#) was said to be shipping lumber but other reports said it was smuggling Russian missiles bound for Syria or Iran. Israel had warned Russia it was aware the ship was carrying S-300 surface-to-air missiles, said other reports. Three other men have already been jailed for the hijacking and Russian authorities say everyone involved has now been convicted.

**\*\*\*India On A Roll To The Future** ..... as the volume of containers handled by major ports in India surged 9.5% year-over-year in fiscal 2010-11, the Indian Ports Assn. said. Total container traffic through the 13 state-owned ports was estimated at 7.54 million 20-foot equivalent units, compared with 6.89 million TEUs the previous year. The tonnage of box volume climbed 12.6% to 114 million tons from 101 million tons.

**\*\*\*Throughput >>>** Port of Antwerp's first quarter throughput increased 7.9% year on year to a record 2.17 million TEU against the 2.01 million TEU handled in the same quarter last year. >>> Port of Baltimore's public marine terminals set a record by handling 632,482 TEUs from April 2010 through March 2011, the best 12-month period for TEUs in the port's history. >>> **Port of Charleston's** March container volume was 120,265 TEUs, 5.7% ahead of March 2010, or in the past 9 months container volume was 1.03 million TEUs, 11.6% more than the prior fiscal year. >>> **Port of Los Angeles** saw growth of 9.2% in March, to 600,000 TEUs, while **Port of Long Beach's** volume fell 2.5%, to 412,000 TEUs. >>> India's **Port of Jawaharlal Nehru** reached an all-time high in fiscal 2010-11 ending March 31, buoyed by a strong turnaround in the country's foreign trade, as total volume handled by the west coast port's three terminals increased 5% to 4.27 million 20-foot equivalent units from 4.06 million TEUs the previous fiscal year. >>> **Port of New Orleans'** Napoleon Avenue container terminal handled 81,987 TEU in the first 2 months of the year, an increase of 22.8% compared to the same period the previous year, and the latest period for which figures are available. >>> East China's **Qingdao port** recorded a 13.2% increase in throughput to 96 million tons and moved 17.6% more containers to top 3.2 million TEU in the first quarter, reports Xinhua. >>> **Port of Savannah** container volume increased 4.5% in March to 238,030 TEU against the 227,860 TEU lifted in March 2010, with quarterly volumes rising 12.6% year on year. >>> **Port of Tacoma** container volumes rose 9% in the first quarter to 352,190 TEUs, but volume grew marginally in March, at 0.5% to 130,417 TEUs.

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

1778 - Capt. John Paul Jones of [Ranger](#) leads a landing party raid on Whitehaven, England.

1861 - [USS Saratoga](#) captures the slaver *Nightingale*.

1861 - President Lincoln orders the blockade of Southern ports from South Carolina to Texas.

1861 - Norfolk Navy Yard in Virginia is abandoned and burned by Union forces.

1898 - U.S. warships begin a blockade of Cuba.

1987 - The U.S. Navy is ordered to provide assistance to neutral vessels under Iranian attack outside the exclusion zone and that requested help.

**\*\*\*Deadly Call of Nature?** ..... as British Defence officials are investigating the cause of a deadly gun rampage on a nuclear submarine, with reports suggesting the shooting may have been caused by a dispute over shore leave or the use of a toilet. A British seaman shot dead an officer and seriously injured another with an automatic assault

rifle in the control room of the [HMS Astute](#), an advanced nuclear submarine, while civic dignitaries were visiting April 8. The Sun newspaper said the sailor, which it named as Ryan Donovan, may have snapped when desperate requests for shore leave were rejected by officers due to crew shortages. He was arrested on suspicion of murder. The 22-year-old rap music fan had been back in the port of Southampton for just two days following a 46-day exercise in the Irish Sea, and was distressed when told he could not take the 7 weeks of leave he was due and would instead spend another month at sea starting April 11. The Times, however, reported the shooting was triggered by a dispute over a lavatory. A defence ministry source told the newspaper, "With civic dignitaries on board, toilet arrangements were stretched to the absolute limit. I'm told ... he urgently needed to attend a call of nature only to be ordered to allow visitors first use of a toilet near the control room. It appears that matters suddenly got out of hand and shots were fired." Sources told Sky News an SA80 assault rifle was used in the attack. The US\$1.9Bn submarine is reportedly the most advanced vessel of its kind in the world.

[www.news.com.au/world/british-submarine-shooting-sparked-by-shore-leave-dispute/story-e6frfkyi-1226036607723#ixzz1J44mODcD](http://www.news.com.au/world/british-submarine-shooting-sparked-by-shore-leave-dispute/story-e6frfkyi-1226036607723#ixzz1J44mODcD)  
[http://en.wikipedia.org/wiki/HMS\\_Astute\\_\(S119\)](http://en.wikipedia.org/wiki/HMS_Astute_(S119))

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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 April 2011: "**Japan Tsunami: The Shore Ships of Sendai**"  
[www.cargolaw.com/2011nightmare\\_sendai\\_ships.html](http://www.cargolaw.com/2011nightmare_sendai_ships.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**>>>>>>

8 Tips to Beat the High Cost of Shipping

<http://mhlnews.com/news/tips-beat-high-cost-shipping-0414/>

BUD Cargo City

[www.bud.hu/english/bud\\_future/cargo\\_city](http://www.bud.hu/english/bud_future/cargo_city)

Cockpit Audio - United Airlines Flt. 497 Emergency Landing of April 5 2011

<http://media.brisbanetimes.com.au/flight-497---cockpit-audio-2288055.html>

Mexican Customs

[www.aduanas.sat.gob.mx/aduana\\_mexico/2011/home.asp](http://www.aduanas.sat.gob.mx/aduana_mexico/2011/home.asp)

Mexican Trucking Plan Released: Pilot Program On NAFTA Long-Haul Trucking Provisions

[www.regulations.gov/#!documentDetail;D=FMCSA-2011-0097-0001](http://www.regulations.gov/#!documentDetail;D=FMCSA-2011-0097-0001)

Preventing Cargo & Warehouse Theft

<http://mhlnews.com/news/preventing-cargo-warehouse-theft-0418/>

The Last Mile's Lasting Impact

[www.inboundlogistics.com/articles/features/0311\\_feature05.shtml](http://www.inboundlogistics.com/articles/features/0311_feature05.shtml)

The Pirate as Rational Actor

[www.idga.org/maritime-security/articles/the-pirate-as-rational-actor/&mac=IDGA\\_OI\\_Featured\\_2011&utm\\_source=idga.org&utm\\_medium=email&utm\\_campaign=IDGAOptIn&utm\\_content=4/19/11](http://www.idga.org/maritime-security/articles/the-pirate-as-rational-actor/&mac=IDGA_OI_Featured_2011&utm_source=idga.org&utm_medium=email&utm_campaign=IDGAOptIn&utm_content=4/19/11)

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

**ATA American Trucking Trends 2011**

[www.atabusinesssolutions.com/p-297-ata-american-trucking-trends-2011.aspx](http://www.atabusinesssolutions.com/p-297-ata-american-trucking-trends-2011.aspx)

Port San Antonio ..... a master-planned, 1,900 acre aerospace, industrial complex & int'l logistics platform

[www.portsanantonio.us/](http://www.portsanantonio.us/)

Third Edition EMO Trans Cookbook 2010 ..... US\$15.00 & all proceeds go to St. Jude's Children's Hospital.

[laura.mills@emotrans.com](mailto:laura.mills@emotrans.com)

**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)

4th European Shortsea Congress .....29-30 June 2011, Hamburg, Germany

[www.navigateevents.com/events/4th-european-shortsea-congress.html](http://www.navigateevents.com/events/4th-european-shortsea-congress.html)

6th Annual Breakbulk Europe Transportation Conference & Exhibition ....17-19 May, 2011, Antwerp, Belgium

[http://breakbulkevents.com/index.php?section=cbreakbulk\\_europe2011\\_attendee\\_fees](http://breakbulkevents.com/index.php?section=cbreakbulk_europe2011_attendee_fees)

8th Shiparrested Annual Conference .....2-4 June 2011, Athens

[www.shiparrested.com/8th-shiparrested-com-conference-2-4-june-2011-athens-greece.html](http://www.shiparrested.com/8th-shiparrested-com-conference-2-4-june-2011-athens-greece.html)

2011 ACI-NA Air Cargo Conference ..... May 31 - June 2 2011, Arlington, VA,

[www.aci-na.org/2011/air-cargo/welcome.html](http://www.aci-na.org/2011/air-cargo/welcome.html)

Cool Logistics 2011 .....26-28 Sept. 2011, Crowne Plaza, Antwerp Belgium

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

EAA AirVenture Oshkosh 2011..... 25 - 31 July, Oshkosh

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

JOC Container Shipping Conference .....21 & 22 June 2011, Shanghai

<http://shanghai.joc.com/>

Maritime Industry Congressional Sail-In ..... 4 May 2011, Washington, D.C.

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

TOC Americas 2011 .....15-17 Nov. 2011, El Panama Hotel, Panama City Panama

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

Tour Boeing Philadelphia ..... May 24, 2011, Philadelphia, PA

[www.industryweek.com/excellenceinaction/](http://www.industryweek.com/excellenceinaction/)

Transport Security Expo 2011 .....13-14 Sept. 2011, Olympia, London UK

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

Virginia Maritime Int'l Trade Symposium & Banquet .....May 5, 2011, Norfolk Waterside

Marriott Hotel  
[www.vamaritime.com/symposium](http://www.vamaritime.com/symposium)

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

Boater's Pocket Reference

Marine U.S. .... navigation

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

**389 Years**

[www.youtube.com/embed/VtVbUmcQSuk](http://www.youtube.com/embed/VtVbUmcQSuk)

5th Generation Fighter Planes

<http://vimeo.com/3437045>

Airport Signs ..... hysterical

[www.clickorlando.com/slideshow/travelgetaways/25945125/detail.html](http://www.clickorlando.com/slideshow/travelgetaways/25945125/detail.html)

Are Warships With Waterjets The Way of The Future?

<http://articles.maritimepropulsion.com/article/Are-warships-with-waterjets-the-way-of-the-future-7263.aspx>

Breitling Photo Contest : Win A Pilot's License

[www.facebook.com/Breitling](http://www.facebook.com/Breitling)

Daily Show: An Energy-Independent Future ..... the last 8 presidents have gone on television & promised to move America towards an energy-independent future.

[www.thedailyshow.com/watch/wed-june-16-2010/an-energy-independent-future](http://www.thedailyshow.com/watch/wed-june-16-2010/an-energy-independent-future)

The Fish Whisperer

[www.youtube.com/watch\\_popup?v=WK2LpUoqX6A&vq=medium](http://www.youtube.com/watch_popup?v=WK2LpUoqX6A&vq=medium)

"Full Size" Boarding Pass

<http://bbryson.com/bill/2007/10/12/have-you-ever-printed-a-boarding-pass/>

Lockheed Martin's First Littoral Combat Ship Develops Cracks

[www.bloomberg.com/news/2011-03-18/lockheed-martin-s-first-littoral-combat-ship-develops-cracks-navy-says.html](http://www.bloomberg.com/news/2011-03-18/lockheed-martin-s-first-littoral-combat-ship-develops-cracks-navy-says.html)

Mannequin Head Drop Prank

[www.dump.com/2011/02/25/mannequin-head-drop-prank-video/](http://www.dump.com/2011/02/25/mannequin-head-drop-prank-video/)

Naval Weapons Station Seal Beach

[www.navy.mil/local/sealbeach/](http://www.navy.mil/local/sealbeach/)

NASA 2011 Future of Flight - The F177 Aerojet

[www.youtube.com/watch?v=ZOiUClyQvHU&NR=1](http://www.youtube.com/watch?v=ZOiUClyQvHU&NR=1)

The Power of Words

[www.youtube.com/watch?v=Hzgzim5m7oU](http://www.youtube.com/watch?v=Hzgzim5m7oU)

The 13 Ugliest Airplanes

[www.historynet.com/the-13-ugliest-airplanes.htm?pid=1110](http://www.historynet.com/the-13-ugliest-airplanes.htm?pid=1110)

Yes, The F-35 Ejection Seat Works

[www.youtube.com/watch?v=alz5z9VoLJU](http://www.youtube.com/watch?v=alz5z9VoLJU)

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

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

### *Sperl v. C.H. Robinson Worldwide, Inc.*

Appellate Court of Illinois, Third District.

March 30, 2011, No. 3-09-0830

An Illinois appellate court has upheld a lower court's ruling that freight forwarder C.H. Robinson Worldwide (CHR) is liable for damages in a case stemming from a fatal truck accident in 2004. The company contended its contract clearly defined its selected motor carrier as an independent contractor, and there were no claims its selection or retention of the motor carrier was negligent.

The case involves a load C.H. Robinson brokered to a now-defunct carrier, Dragonfly Express, which in turn assigned the load to owner-operator DeAn Henry. The driver and the carrier admitted liability in the 2009 trial in an Illinois court in Will County. A jury found that the carrier, the driver and C.H. Robinson were liable for US\$23.25M in damages.

In its decision, the appeals court agreed with the 2009 trial court's findings the driver "was an agent of [C.H. Robinson] at the time of the accident, making defendant vicariously liable for plaintiffs' injuries."

This decision represents a case in which a freight forwarder has been held vicariously liable for the damages caused by the admitted negligence of the motor carrier and its driver. The vicarious liability theory holds an operator liable for the acts of the third-party as if he were standing in its shoes. There need not be any direct relationship between the parties, and their mere involvement in certain, often hazardous, transactions render them liable.

As distinguished from other cases where CHR was not found liable, here the court found CHR owned the product being transported and the load was being delivered to a CHR warehouse. Moreover, CHR imposed fines on driver Henry to ensure she maintained CHR's schedule during the trip. CHR's special instructions included the potential for multiple fines and forced Henry to violate federal regulations in order to avoid them. These facts supported the inference CHR controlled the details of employment. The driver and the carrier admitted liability in the 2009 trial in an Illinois court in Will County. A jury found that the carrier, the driver and C.H. Robinson were liable for US\$23.25M in damages's operations, schedule and compensation.

Specifically, the court found CHR sent Dragonfly instructions confirming the shipment. At the top of the instructions, in bold-face type, it stated: "Driver must call Troy



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