



numbers are so encouraging. In fact, 2009 was the only negative growth year Armstrong & Associates measured since the firm started tracking the market in 1995. [www.3plogistics.com/shopsite/index.html](http://www.3plogistics.com/shopsite/index.html)

**\*\*\*LETs Give Back** ..... as UPS, TNT, Maersk and Agility have teamed up to support the work of the United Nations' World Food Program (WFP) in Japan by boosting warehousing, transport and logistics capacities to help the authorities deliver relief supplies to areas hardest-hit by the devastating earthquake and tsunami in March. This is part of an initiative involving the four companies that have formed logistics emergency teams (LETs) to provide support to humanitarian relief efforts in times of natural disasters worldwide. The teams work with the UN Global Logistics Cluster that is responsible for coordinating the logistical response of the entire humanitarian community. The logistics cluster is led by WFP. In Japan, TNT has to date delivered 50,000 blankets to Red Cross locations and shelters. TNT has deployed volunteer logisticians to assist WFP in supporting the local disaster response; UPS has assigned volunteers to provide communications and coordination support and Agility has a volunteer on standby should additional resources be required, it said. UPS is providing customs and brokerage services as well as warehousing and transportation services, to help deliver 200 tons of relief supplies for WFP as part of the company's pledge of US\$1M in cash and in-kind services to support the relief effort.

**\*\*\*U.S. Exports Up** ..... as the Commerce Dept. on May 11, reported the country's exports of goods and services in March increased 4.6% from Feb. 2011 to a record US\$172.7Bn. The monthly increase in the export value for goods and services from Feb. to March 2011 (US\$7.7Bn) was also the highest on record, as were March exports to Canada and South and Central America.

**\*\*\*NAFTA Surges** .... as the value of North American Free Trade Agreement (NAFTA) trade in Feb. carried by truck, rail and pipeline between the U.S., Canada & Mexico increased 11.8 % year on year to US\$66.5Bn. According to the latest figures provided by the U.S. Dept. of Transport's statistics bureau, the value of surface transportation cross-border trade was up 38.8% from US\$47.9M in Feb. 2009 when it hit the lowest level since February 2004 at US\$47.9M. Trade with Canada increased to US\$40Bn, a 10.1% increase and Mexico up to US\$26.6Bn, an increase of 14.5%. During this month trade moved by land with the countries combined was 86.4% of the total, 9.3% by sea and 4.3% by air.

**\*\*\*India Jumps** .... as exports surged nearly 35% year-over-year to US\$23.9Bn in April, the first month of fiscal 2011-2012, according to provisional trade figures released by the Commerce Ministry. Ministry officials said the growth was largely led by engineering goods, petroleum products, chemicals and electronics. Imports during April went up 14% to US\$32.8Bn year-over-year, creating a trade gap of US\$8.9Bn.

**\*\*\*Mexico To Join Carnet System** ..... as it will become the 71st country to accept ATA Carnets on May 16, making it easier and less expensive for business travelers to temporarily bring certain goods into the country, according to the U.S. Council for International Business. ATA Carnets allow shipments to be temporarily admitted into partner countries without formal customs entries, individual import bonds or the payment of import duties or taxes. (The acronym ATA is a combination of the French and English abbreviations for "temporary admission.") Those benefits apply as long as the goods are not sold and leave the country in the same condition in which they

arrived. Carnets simplify customs procedures because an exporter can use a single document for all transactions, make arrangements in advance and at a predetermined cost. The document, which eliminates the need to register the goods with U.S. Customs at time of departure, may be used for unlimited exits and entries in the U.S. and participating foreign countries.

[www.uscib.org/index.asp?documentID=1843](http://www.uscib.org/index.asp?documentID=1843)

**\*\*\*NICB Theft Report** ..... as the National Insurance Crime Bureau (NICB) recently released its 2010 National Cargo Theft report, which recognized that 747 cargo thefts occurred in the U.S. last year. Resulting in an annual loss of approximately US\$171M, these incidents can occur anytime freight is in transit, regardless of shipment mode, the NICB said. The NICB identified Memphis, Tenn.; Atlanta; Dallas; Los Angeles and Chicago as the cities with the highest number of cargo thefts. California ranked as the state with the most incidents, reporting 247 thefts in 2010; with 91 thefts, Texas was a very distant second. Twelve states reported no cargo thefts in 2010, the NICB said. Cargo thefts also result in a 20% merchandise markup for customers. **Read the Report:**

[www.nicb.org/File%20Library/Public%20Affairs/2010-NICB-Identified-Cargo-Thefts.pdf](http://www.nicb.org/File%20Library/Public%20Affairs/2010-NICB-Identified-Cargo-Thefts.pdf)

**\*\*\*Fewer Industry Mega Deals** ..... as major merger and acquisition activity in the transportation and logistics industry was flat in the first quarter, according to PwC's quarterly analysis of the market, Intersections. There were 37 deals of greater than US\$50M in the quarter, compared with 36 in the same period of 2010. While 2011 1st quarter deal value declined to US\$8.2Bn from US\$17.3Bn from the 1st quarter of 2010, primarily due to a lack of mega deals, 2011 is off to a similar pace to the robust year of 2010 in number of deals, according to PwC.

[www.pwc.com/us/industrialproducts](http://www.pwc.com/us/industrialproducts)

**\*\*\*U.S. Freight Tonnage Projected 10 Year Winner** .... as it will grow 24% through 2022, with trucking hauling 70% of all freight by that year, the American Trucking Assn. said. Trucking's total freight market share will climb three percentage points through 2022, while railroads will lose 0.7% of their share of overall tonnage, the ATA said. By 2022, the railroads will move 15.3% of total freight tonnage in the U.S., according to the ATA's U.S. Freight Transportation Forecast to 2022. "The trucking industry continues to dominate the freight transportation industry in terms of both tonnage and revenue," said ATA Chief Economist Bob Costello. Intermodal rail tonnage, however, will rise 6.6% a year between 2011 & 2016, and 5.5% a year through 2022, making it the fastest growing mode.

**\*\*\*U.S. Truck Recovery Currently "Fitful"** ....as the Ceridian-UCLA Pulse of Commerce Index fell 0.5% in April after rising 2.7 % in March, underscoring what the index sponsors called a "fitful" recovery. The index also showed shipping increased in the "heavily trucked" Midwest but declined elsewhere, particularly in the Mid-Atlantic and East North Central states. The Ceridian-UCLA index rose 3.6% year-over-year in March and 1.8% in February, and has been rising on an annualized basis since Dec. 2009. The index is based on trucker fuel purchases paid for using Ceridian's electronic card network. Ceridian and UCLA track the location and volume of fuel purchased.

[www.ceridianindex.com/about-the-index/](http://www.ceridianindex.com/about-the-index/)

**\*\*\*U.S. Motor Carrier Shrinkage** ..... as according to consultancy firm Ahern & Associates, over the past 2.5 years 260,000 trucks were taken out of the U.S. system

and almost 10,000 trucking companies went out of business.

[www.ahern-ltd.com](http://www.ahern-ltd.com)

**\*\*\*Border Warning** ..... as Teamsters President Jim Hoffa said the U.S. Dept. of Transportation should not open the border to Mexican trucks because of concerns about job loss, border security, highway safety and the legality of the program. He said DOT's proposal to open the border "fails to adequately protect our members, their families and the traveling public from the potential danger of unsafe Mexican trucks and drivers, who do not meet or will not adhere to all U.S. safety standards." Citing a travel warning issued by the U.S. State Dept. telling U.S. citizens to defer non-essential travel to portions of Mexico because of crime, Hoffa said it is "very clear that the safety of the U.S. drivers traveling into Mexico cannot be ensured, and therefore simultaneous and comparable authority is not made available to U.S. motor carriers under the pilot program." Hoffa also said the program threatens U.S. warehouse and truck driving jobs at a time of high unemployment.

**\*\*\*Fighting For The Independent Trucker** ..... as the American Trucking Associations (ATA) and the Port of Los Angeles will again enter a court battle on June 10 over the legality of the port's clean truck programme which bans independent owner operators from the trade. The U.S. Court of Appeals for the 9th Circuit, will hear the case in its L.A. area Pasadena courthouse. The ATA is appealing a Sept 2010 ruling of U.S. District Court Judge Christina Snyder, which upheld the ban on independent truckers to favor of employee drivers and the big companies that employ them. The ATA is challenging the District Court ruling on constitutional grounds that Supremacy Clause in the U.S. Constitution provides that only the federal government can regulate trucks engaged in interstate commerce.

**\*\*\*U.S. Intermodal Continues Climb** ..... as total intermodal rail shipments increased 9.6% in 1Q/2011, according to the Intermodal Assn. of North America this was the 5th consecutive quarter of increases in U.S. intermodal rail traffic, said Calverton (MD)-based IANA. Compared to 1Q/2010, trailer shipments were up by 7.5% to 412,221, domestic container traffic increased by 8.8% to 1.125M units, and marine container traffic shipments increased by 9.6% to 1.755M units.

**\*\*\*Uniting The States** ..... as this month is the anniversary of an event in 1869 at Promontory Summit, Utah that symbolized the linking of America's east & west. In the ceremony, a golden spike was driven to join tracks of the Union Pacific and the Central Pacific railways. Celebrated as completing the transcontinental railroad, the event actually joined rail lines from Omaha to Sacramento, but the occasion did usher in the golden age of the nation's railroads. Today, even with competition from cars, trucks, airlines and pipelines, U.S. railroads carry close to 29 million passengers a year and move more than 1.9 billion tons of freight.

**\*\*\*Return To Sender** ..... as the U.S. Postal Service is putting new urgency on its bid for financial relief from Congress, saying its operations will be hit if the USPS runs out of cash this fall as predicted. The USPS has struggled financially after losing huge volume to the greater use of e-mail and e-commerce. The Postal Service has a US\$15Bn line of credit with the U.S. Treasury. However, only US\$2.5Bn of that money remains. Meanwhile, FedEx & UPS stocks are up.

**\*\*\*RFID Ready Lane** ..... as U.S. Customs & Border Protection has opened a new Ready Lane at the Otay Mesa, Calif., port of entry for travelers who have a travel document enabled with radio frequency identification (RFID) technology. The Ready Lane is a lane for vehicle traffic that only accepts RFID-enabled cards. The new Ready Lane at the Otay Mesa border crossing is open Mon. through Fri. from 4 a.m. until 8 p.m. and Saturday and Sunday from 8 a.m. to 10 p.m. In order to use this dedicated lane, all adult passengers in the vehicle over the age of 16 must present an approved travel card. The U.S. Passport Card, SENTRI card, the new Legal Permanent Resident "green card" and the new Border Crossing Card are all RFID-enabled documents.

**\*\*\*2012 London Olympics Warning**..... as experts remind that there could be chaos in the capital next summer unless transport operators plan now. The three weeks of the Games will see another peak in demand similar to the traditional Christmas and Easter rush, and with tight restrictions on the roads around the Olympic venues, the unprepared could find themselves either facing hefty fines or simply unable to deliver. The key message from a series of recent seminars on the Olympics is: talk to your customers in the affected zones and come up with a workable plan – and do it now.

**\*\*\*Bad Guy App For That** ..... as police say an iPhone left in a stolen truck is how officers were able to capture a cargo burglar suspected of multiple auto break-ins. Police said 29-year-old Joshua Mitzelfelt allegedly stole a truck left unattended & running in a Colorado Springs driveway May 3 morning. The owner's iPhone was on the front seat. The truck's owner began tracking his vehicle's location through a website monitoring the phone's GPS application while updating sheriff dispatchers. Officers spotted the truck about 7 miles (11 kms) from the owner's residence and arrested the driver. Police were able to link items found in the vehicle to other burglaries in the area. Mitzelfelt has been charged with possession of a controlled substance, second degree aggravated motor vehicle theft and first degree burglary.

**\*\*\*Biggest, Boldest Baloney Bust** ..... as it wasn't drugs or human trafficking but illegal bologna that caught the attention of border agents at a New Mexico port of entry. U.S. Customs and Border Protection officers at Santa Teresa seized 385 pounds of the Mexican contraband meat from behind the seat of a pickup that stopped at the port on May 13. It's illegal to bring the bologna across the border because it's made of pork and has the potential to introduce foreign animal diseases into the U.S. pork industry. The 33-year-old Mexican man who was transporting the meat was assessed a US\$1,000 fine and released. Usually officers see 1 or 2 rolls of bologna - not 35 as in this case. Officials say it was the largest bologna bust ever recorded at the Santa Teresa crossing. Really? Guns, bad guys, drugs, and thousands of illegals stream across the border -- and we get baloney.

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

**\*\*Agility.** **DOWN** with Q1 profit of US\$28M compared to US\$64M in the first quarter of 2010.

**\*\*Air France-KLM.** **UP** with full-year pre-tax profit of EUR69 million (US\$98.6M), a EUR500 million increase -- attributed to belly volume on passenger & combi aircraft.

**\*\*Atlas Air Worldwide Holdings** (Atlas & Polar). **DOWN** with a 222% fall in first quarter net income to US\$10.5M, drawn on revenues of US\$297.6M, which was up 0.88.

**\*\*CEVA Logistics.** **UP** with a 36.5% increase in pre-tax profit to US\$102.14M year on

year.

**\*\*DEUTSCHE Deutsche Post DHL.** UP as first quarter net profit increased 27% to US\$461.78M.

**\*\*Emirates Group.** UP 68% with full year net profit increase for a record US\$1.6Bn.

**\*\*Expeditors Int'l of Washington Inc** UP with first quarter net profit of US\$91M, 49% more than the US\$61M in the same quarter of 2010.

**\*\*Fesco Line.** UP with a US\$456M net profit in 2010 from a year earlier net loss of US\$233M.

**\*\*Hanjin Shipping.** DOWN with a US\$28M first quarter operating loss, despite revenue increasing 19% to US\$1.6Bn.

**\*\*Japan Airlines.** UP with a record operating profit of US\$2.33Bn in the 2010 fiscal year ending March 31 compared with an operating loss of US\$1.65Bn a year earlier.

**\*\*Kintetsu World Express** (Japan's 2nd-largest int'l forwarder). UP as profit surged 72.4% in fiscal 2010, which ended on March 31, 2011 to US\$97.28M.

**\*\*Maersk Line.** UP with 1st quarter operating profit of US\$467M.

**\*\*Neptune Orient Lines.** DOWN with a 1st quarter 2011 net loss of US\$10M, greatly narrowing the US\$98M net loss made in same period last year.

**\*\*Panalpina.** UP as gross profit rose 14%, adjusted for currency valuations, the increase was 22% to US\$40.6M.

**\*\*Trailer Bridge.** DOWN with a first quarter net loss of US\$10.4M compared to a loss of US\$300,000 in the same 2010 period.

**\*\*Wilh. Wilhelmsen.** UP with a US\$22.3M net profit in 1st quarter, up from US\$8.8M last year, but the automobile & heavy shipment specialist warned lower auto exports from Japan will cut into short term shipping volume.

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

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

**\*\*\*Boeing Competition Charges Stick** ..... as the World Trade Organization's (WTO) Appellate Body has ruled that certain subsidies, or launch aid, provided to Airbus by European governments violate trade laws and endanger U.S. interests. Still, the WTO rejected a number of claims, including Boeing's previous assertion that it lost market share in Brazil, Mexico, Chinese Taipei & Singapore due to the aid. The expected results of the case have been known for months, but have only just now been made official.

**\*\*\*When Giants Roamed The Skies** ..... as air cargo alternative to fixed wing aircraft and revive an industry that collapsed after the 1937 Hindenburg disaster. Using structural design advancement, new materials and engine technology, developers say dirigibles will carry large loads of freight at a fraction of the cost and require much less fuel. The industry will first target northern Canada and China's western frontier where highways and airports don't exist before attempting to penetrate more saturated freight markets. Within two years, U.S.-based Lockheed Martin aims to introduce, for commercial use, its prototype [SkyTug](#), an airship with a 20-ton payload and a range of 1,000 nautical miles. Millennium Airship Inc, a Washington-based firm aims to launch a fleet of airships by 2020.

**See the amazing SkyFreighter:**

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

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

**\*\*\*DHL Express Renews The Fleet** ..... as it has announced that it is acquiring thirteen A300-600 passenger aircraft to be converted into freighters by EADS Elbe Flugzeugwerke in Dresden, Germany, as part of plans to modernise its European fleet. The company said in a statement that the new aircraft are expected to be fully integrated into the European fleet by early 2013 and will replace the older A300B4-200 model, which is reaching retirement age. The A300-600 offers 49 tons payload, up to 5 tons more than the A300-B4-200, while at the same time having a 900 kilometer longer range and with up to 20% less fuel consumption.

**\*\*\*Airline Fraud Decreases** ..... as survey findings released by CyberSource Corp. show that while airlines are gaining in their war against fraud, much work remains to be done. Airlines reported a loss of about US\$1.4Bn to online payment fraud in 2010.  
[www.cybersource.com/airlinefraudreport](http://www.cybersource.com/airlinefraudreport)

**\*\*\*Airline Cargo On Trial** ..... as the New Zealand Commerce Commission opened its case against several international airlines in connection with the Dec. 2008 price-fixing scandal at the High Court in Auckland on May 11. The first section of the trial concerns whether the commission has jurisdiction over airfreight inbound to New Zealand. Air New Zealand, Cathay Pacific, Emirates, Japan Airlines, Korean Air Lines, Malaysian Airlines, Singapore Airlines Cargo and Singapore Airlines & Thai Airways are charged with inflicting fuel surcharges on airfreight shipped in and out of New Zealand. The airfreight cartel allegedly went on for more than 7 years.

**\*\*\*Taiwan's Eva Airways Is Next** ..... as it has been fined US\$13.2M for air cargo price fixing for a period starting in January 2003 on flights to and from the United States, reported The Associated Press. So far in this process, the U.S. Justice Dept. has accused a total of 22 companies in the air cargo industry that have engaged in such illegal activity. Besides, a total of US\$1.8Bn fines have been imposed with 21 senior executives in the industry being charged.

**\*\*\*Black Boxes Tell Last Minutes of Flight 447** ..... as investigators trying to determine why an Air France plane crashed mysteriously 2 years ago have now recovered the complete contents of the flight data recorder and the last 2 hours of cockpit conversation, they announced May 16. All 228 people aboard Air France Flt. 447 were killed when the Airbus A330 crashed into the ocean June 1, 2009, in stormy weather. The cause of the crash is still not known. The pilots of Air France 447 lost contact with air traffic controllers on June 1, 2009, while flying across an area of the Atlantic known for severe turbulence, officials said. But exactly what caused the plane to plunge into the ocean remains a mystery. The plane slammed into the water while en route from Rio de Janeiro, Brazil, to Paris, falling so fast that air masks did not have time to deploy. The pilots apparently became distracted with faulty airspeed indicators and failed to properly deal with other vital systems, including adjusting engine thrust, according to people familiar with preliminary findings from the plane's recorders. The final moments inside the cockpit of the twin-engine Airbus A330, these people said, indicate the pilots seemingly were confused by alarms they received from various automated flight-control systems as the plane passed through some turbulence typical on the route.

**\*\*\*Cargoitalia Set Back** .... as weaker-than-expected demand has forced the cargo carrier to suspend additional services from its Milan hub to Shanghai and Hong Kong. Cargoitalia also dropped its service to Atlanta, introduced as an extension of the

established Milan-Chicago route, after only three months. Leases on Cargoitalia's three MD-11s expire in 2013 & 2014. Terms of an MoU with Airbus were renegotiated in April, and Cargoitalia will decide, by the end of this year, whether to go ahead with an order for five A330s.

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

**\*\*\*Piece of The Lux** ..... as state-owned Qatar Airways has unveiled plans to acquire a 33% stake in Cargolux, the Luxembourg all-cargo airline.

**\*\*\*New FedEx Asia Hub** ..... as it is building a new regional hub for handling expedited delivery packages at Singapore's Changi Airport. The facility is expected to boost the company's connections with global markets and support the Lion City's aim of becoming a leading air freight hub in southeast Asia. The 282,700-square-foot center will be the company's 2nd largest operations facility in the Asia Pacific region, following its base at Guangzhou in South China. Slated for completion in the second half of 2012, the Singapore facility will provide delivery, pick-up and air freight services.

**\*\*\*Gold Heist Spurs Security** ..... as Gujarat State Export Corp. (GSEC), which manages operations for the customs department at Ahmedabad airport's cargo facility, plans to introduce biometric security checks for visitors & those working at the complex, to double the number of security guards, and equip the campus with an additional five CCTV cameras. The tightening of security comes in response to a US\$450,000 gold theft at the airport's air freight facility earlier this month, reports the Times of India, which said the incident has shocked security agencies after exposing weaknesses in the current level of security at the air cargo facility. The report said a 10 kilo gold parcel went missing from a consignment of 200 kilos of gold stored at the air cargo complex. MMTC Limited had imported the gold parcels from Singapore. The gold is believed to have been stolen minutes after the customs duty was paid and the consignment was ready for delivery.

**\*\*\*Goodyear's New Airships** ..... as it has built and operated more than 300 airships – including two large rigid airships the [U.S.S. Macon](#) and [U.S.S. Akron](#). Now the new Zeppelin LZ N07 – 101 model airships will be built with Zeppelin and Goodyear airship teams at Goodyear's Wingfoot Lake Airship Hangar near Akron, Ohio. Construction on the first airship is scheduled to start in 2013 and begin operating in 2014. The new Goodyear-Zeppelin airships will be slightly larger than the airships in Goodyear's current fleet, fly faster, carry more passengers and include state-of-the art avionics and flight control systems. ZLT Zeppelin Luftschifftechnik said the airships and technical support cost about US\$21M each.

[www.goodyearblimp.com/cfmx/web/blimp/](http://www.goodyearblimp.com/cfmx/web/blimp/)

**\*\*\*Volumes >>>** International cargo volume jumped 10% to 43,975 tons in March at **All Nippon Airways**. >>> **Cathay Pacific Airways** & sister airline **Dragonair** saw air freight volume drop 8.4% in April to 139,944 tons of cargo during the month, while their air freight load factor was down 11% to 68.3%. >>> **Frankfurt Airport** boosted cargo traffic 12.8% in April from a year ago to an all time high for the month of 191,087 metric tons., taking traffic for the first 4 months of the year to 744,483 tons, up 5.6% on the same period in 2010. >>> **Lufthansa Cargo**, Europe's largest all-cargo airline, boosted freight traffic by 24.8% to 161,000 metric tons in April from a year ago, driven by surging volumes across its Americas network.

**\*\*\*The New, Reconstituted "Pan American Airways" .....** as the cargo carrier has managed to break into a state tax break scheme after airing its proposal to create US\$25M gateway for Latin American cargo from its headquarters in Brownsville, Texas to link with Missouri's Lambert-St Louis Int'l Airport. The programme allows a company within the designated zone, an economically distressed area of the state, to apply for tax breaks and refunds on state sales on the back of capital investment and numbers of jobs generated. PAA hubs in Rio Grande Valley and St Louis for cargo between Latin America and China are at final negotiation stage, said Mr Hedrick of a plan that hopes to harness ground, rail and ocean-going transportation in addition to air cargo flights.  
[http://en.wikipedia.org/wiki/Pan\\_American\\_World\\_Airways](http://en.wikipedia.org/wiki/Pan_American_World_Airways)

**\*\*\*Pan Am -- The New 2012 T.V. Series**  
[www.youtube.com/watch?v=VMEske3ALcU&feature=youtube\\_gdata\\_player](http://www.youtube.com/watch?v=VMEske3ALcU&feature=youtube_gdata_player)

**\*\*\*The Airplane In Dan Reeves's Basement .....** as lots of houses have a two-car garage, but Dan Reeves' had a one-airplane basement. Until, that May 26 is, when the central Pennsylvania man knocked out a wall to get it out. Reeves spent the past 9 years building an RV-7A two-seat airplane in the basement of his Cumberland County home. The plane arrived in pieces via mail but eventually it became way too big to get up the steps. So Reeves dug a trench down to the foundation and took out a wall. Reeves pulled the plane out Wednesday using a truck, a chain and some neighbors. Onlookers were drawn to the spectacle by the "Airplane Removal Wednesday" put up on Reeves' porch. Reeves tells The Patriot-News of Harrisburg he spent \$40,000 on the plane and about \$5,000 on the excavation.

**The Video:**

<http://video-embed.pennlive.com/services/player/bcpid619299306001?bclid=0&bctid=959608621001>  
[www.pennlive.com/midstate/index.ssf/2011/05/lower\\_allen\\_township\\_mans\\_base.html](http://www.pennlive.com/midstate/index.ssf/2011/05/lower_allen_township_mans_base.html)  
[http://en.wikipedia.org/wiki/Van's\\_Aircraft\\_RV-7](http://en.wikipedia.org/wiki/Van's_Aircraft_RV-7)

**\*\*\*Pocket Zoo.....** as authorities at Bangkok's int'l airport arrested a first-class passenger May 13 whose suitcases were filled with baby leopards, panthers, a bear and monkeys. The animals had been drugged & were headed for Dubai. The man, a 36-year-old United Arab Emirates citizen, was waiting to check in for his flight at Suvarnabhumi Int'l Airport when he was apprehended by undercover anti-trafficking officers, who had been monitoring him since his black market purchase of the rare & endangered animals, according to the FREELAND Foundation, an anti-trafficking group based in Thailand. When authorities opened the suitcases, the animals yawned. There were two leopards, two panthers, an Asiatic black bear and two macaque monkeys - all about the size of puppies. Authorities believe the man was part of a trafficking network and were searching for suspected accomplices. Thailand is a hub for illegal wildlife trafficking, but authorities typically find rare turtles, tortoises, snakes & lizards that feed demand in China and Vietnam. Finding such an array of live mammals is unusual.

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

#### 4. FF World Ocean Briefs

\*\*\***A Rather Elegant Solution**..... as on May 16, a U.S. Navy helicopter gunship shot dead four Somali pirates caught firing on a German-owned super tanker, marking a rising severity among naval forces towards pirates operating off Somalia and the Indian Ocean. The 306,500-ton [M/T Artemis Glory](#) was bound for China from the Juuaymah Terminal in Saudi Arabia when it was attacked in the Gulf of Oman, according to a statement from anti-piracy Combined Maritime Force. A British warship received a distress call from the tanker and confirmed the tanker was being pursued by a skiff with four men firing small arms at the vessel, reported American Shipper. The 9,200-ton destroyer [USS Bulkeley](#) dispatched a helicopter gunship, and on arrival fired on the skiff. All the pirates were believed killed, the U.S. Navy statement said. The tanker crew was not injured. Naval forces have shown a growing readiness to fire on pirates and it has been noted that the Indian Navy has been the most aggressive.

\*\*\***Now A Stinger In Her Tail** ..... as the U.S. flagged 1,092-TEU [M/V Maersk Alabama](#), captured by pirates off Somalia in 2009, then rescued when U.S. Navy snipers killed its captors, managed to escape another attack in the Gulf of Aden recently. On May 14, five pirates in a speedboat approached the American-crewed ship, often delivering U.S. aid in the region, fled when private security guards fired warning shots, reported the Danish newspaper Borsen. The attack occurred in the international transit corridor patrolled by international naval forces, according to the sources, who asked not to be named. The vessel was on its way from Salalah, Oman, to Jeddah, Saudi Arabia. Such pirate probes, to test the ability of ships to defend themselves or take evasive action, are common. No armed merchant ship has been taken by pirates in recent decades.

#### **Original Action**

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

\*\*\***UN's Int'l Maritime Organization Follows U.S. Lead -- Allows Arming** ..... as the IMO has approved the deployment of private armed guards aboard ships in pirate-infested waters off Somalia after a meeting at its London headquarters. "Placing armed guards on board should only be considered after a risk assessment has been carried out. It is also important to involve the master in the decision making," said the IMO statement. The newly formed Security Assn. for the Maritime Industry (SAMI), 10% to 12% of ships transiting pirate-infested waters employ armed guards for which SAMI is seeking to establish service standards. The naval contingent in the area, EU NAVFOR, said 23 ships and 518 seafarers hostages are still being held captive.

[www.marsecreview.com/sami/](http://www.marsecreview.com/sami/)

\*\*\***India Changes Course -- Will Arm Merchant Vessels** ..... as the government has agreed to permit armed security personnel on ships traversing pirate prone area. With the Int'l Maritime Organization (IMO) having approved the use of privately contracted armed security guards on board ships in the high risk piracy area, Dr. S. B. Agnihotri, Director General of Shipping, Government of India stated, "We have decided to allow armed guards on Indian flagged vessels also." However, he informed that the standard operating procedures for the recruitment of armed guards and use of firearms will be finalized soon.

**\*\*\*MOL Fines MOL For NVOCC Abuses** ..... as the U.S. Federal Maritime Commission said May 19 it has reached a compromise agreement under which Japanese liner company MOL has paid US\$1.2M in civil penalties. The FMC said the compromise agreement "resolved allegations that MOL violated numerous provisions of the Shipping Act" including:

- Misdescription of commodities.
- Unlawful equipment substitution.
- Providing transportation services to and entering into service contracts with unlicensed, untariffed and unbonded ocean transportation intermediaries.
- Permitting use of service contracts by persons who were not parties to those contracts.
- Providing transportation not in accordance with rates & charges set forth in MOL's published tariffs.

The FMC alleged the practices persisted over a period of several years and involved numerous service contracts. Peter J. King, director of the FMC's Bureau of Enforcement, said his office became convinced MOL knew about some of the abuses it uncovered by non-vessel-operating common carriers or shippers.

**\*\*\*Fighting For Independent Truckers** ..... as the National Retail Federation, the National Shippers Strategic Transportation Council and the American Assn. of Exporters & Importers have formed a coalition to oppose a California bill to rid the state of independent truckers by making them employees liable to unionization and greater taxation. "This bill reaches too far in eliminating a class of drivers and small businesses that represent the dominant model for the drayage industry. Elimination is a one-size-fits-all approach in a highly variable industry," said the shipper coalition statement. "To impose an employee driver mandate on the companies who arrange for drayage services is simply not consistent with reality of port activity and places California ports at another financial disadvantage to other North American ports," it said. They say Assembly Bill 950, introduced by Assemblymen John Perez & Sandre Swanson in February, "would eliminate the jobs and rights of owner-operators to conduct business at California's ports", reports American Shipper.

**\*\*\*The Coming Can Shortfall** ..... as shippers should expect a container shortage to affect peak season this year, according to a report released May 17, by the World Shipping Council. According to the report, Container Supply Review, a dearth of container manufacturing during the dark days of 2009 and early 2010 won't yet be overcome by increased production levels this year, as demand for containerized goods gradually improves. "The global cargo demand for 2011 is projected to be about 11% above the 2008 levels," the report said. "Container production forecasts for 2011 at 3.5 million TEUs represent 26% more than the 2008 production, which is a significant growth but not enough in TEU terms to replace the container production lost in 2009 and 2010."

[www.worldshipping.org/public-statements/2011\\_Container\\_Supply\\_Review\\_Final.pdf](http://www.worldshipping.org/public-statements/2011_Container_Supply_Review_Final.pdf)

**\*\*\*Raids Mark New Carrier Investigation** ..... as on May 17 European Union regulators raided offices of container-shipping lines, including Maersk Line, CMA CGM Group, and Hapag-Lloyd, as part of an investigation into possible anti-competitive behavior. Hong Kong's Overseas Orient Container Lines (OOCL) has confirmed that EU and British competition authorities have raided their offices near the Felixstowe

container port in search of evidence of collusion with other carriers to rig the shipping markets.

**\*\*\*Libyan War Risk** ..... as Cosco Line has announced it would levy a US\$200 per TEU war risk surcharge on cargo to Libya when service resumes there. Cosco joins United Arab Shipping Company (UASC) and Hapag-Lloyd in levying a war risk surcharge because of the expenses dealing with the civil war there. More to come.

**\*\*\*East Coast Storm Warnings** ..... as the United States could get a major trade boost from the soon-to-be-finished expansion of the Panama Canal, but experts worry poor infrastructure means Uncle Sam will miss the boat. From 2014, some of the largest ships in the world will again fit through the 50-mile Panama Canal. Vessels carrying around 14,000 containers, rather than today's 5,000, will be able to cross the isthmus. Traffic is expected to double through the inter-oceanic waterway, which already handles around 5% of world trade. For people linked via the canal -- most notably consumers in the eastern United States and factory owners in China -- that could spell cheaper goods & lower costs. Like much of America's infrastructure, U.S. ports are creaking from years of underinvestment, and many even struggle to handle today's largest "panamax" ship sizes.

**\*\*\*Not All Pirates Are In Somalia?** ..... as the San Francisco Bar Pilots are a monopoly in which individual pilots receive almost US\$400,000 for six months of work, according to a Journal of Commerce report. In addition, newly retired pilots receive between US\$250,000 to US\$300,000 per year from a completely unfunded pension system, which the pilots don't contribute a dime of their own money. To put this in context, in 2002, average pilot incomes were about 6 times the average income of a Bay Area resident; by the end of 2010, average pilot incomes were about 9.5 times the Bay Area average. In a week in which the California State University system announced large increases in student fees and that they will turn away tens of thousands of students, when teachers held massive protests at the State Capitol and newspapers ran stories of public pension liability to taxpayers, the pilots have seen fit to argue that US\$400,000 isn't enough. They feel any increase can either be absorbed by the ocean carriers or simply passed onto cargo owners. Really? Harbor pilots we respect, but monopolies are the problem.

**\*\*\*New Panam Ports** ..... as the government of Panama has announced that it will shortly issue international tenders for the construction & management of two new large ports to cope with the expected increase in traffic resulting from the enlargement of Panama Canal in 2014. The ports in question will be built at Balboa and Rodman, both located on the Pacific side of the canal.

**\*\*\*Moving The Entire Port** ..... as the Argentine government has promised to relocate Santa Fe's port facilities. The government of Argentina has promised to make available US\$14M over the next 3 years to relocate the port terminal at the city of Santa Fe, according to the port authority (EPSF). The new port will have direct rail and motorway links, making use of an alignment that will link it to the projected new River Station in the city. A new 200m long mixed road and rail bridge over the Santa Fe River, which feeds into the Rio Paraná north of Rosario, will also be financed by the national government, along with several thousand metres of viaduct. The new terminal should commence operations in 2015.

**\*\*\*Brazil Ports Reach Capacity** ..... as in 2010, its ports handled 833.9 Mt. of cargo, according to information released by the National Waterways Transport Agency (Antaq). This represents a 13.8% increase compared to 2009 and is almost double the growth of GDP." This is the capacity limit of the ports and this year we are going to have to live with queues and delays," said Antaq's director Tiago Pereira. New investment is urgently needed, he added, but the government's General Concession Plan, which will list the most important infrastructure projects in the country, has yet to be "anything other than paper proposals."

**\*\*\*Lakers Fight Recession** ..... as the Lake Carriers' Assn. reported iron ore shipments on the Great Lakes totaled 5.7 million tons in April, a 6.4% increase compared to a year ago. Vessel loadings were also 13.8% ahead of the month's five-year average. Shipments from U.S. ports totaled 5.1 million tons, an increase of 9.2% compared to a year ago. However, loadings at Canadians dipped slightly.

**\*\*\*Yangtze River Closed** ..... as one of China's most vital waterways has been closed over 115-mile (185-km) stretches upstream from Wuhan, to prevent ships being grounded due to low water levels. Officials of the Yangtze River Waterway Bureau said they closed the section from the major inland port city of Wuhan to upstream Yueyang. It was unclear how many ships would be affected by the delays or how long they might last, reported China Daily. Much of central, northern and southwestern China has been parched by drought, ruining crops and causing severe water shortages for millions living in the region.

**\*\*\*TCC Shuts** ..... as The Containership Company (TCC) has halted its "no frills" Great Dragon transpacific service just a year after its launch amid mounting losses. Last month, TCC announced a loss of US\$7.4M on revenues of US\$83.3M which, it said, had been "below expectations". TCC said the company had decided to close its service before losses worsened as freight rates were under pressure, oil prices were rising and some shippers were not meeting minimum volume contract obligations.

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

**\*\*\*Horizon Lines Sells Off** ..... as it sold its Horizon Logistics business to Logistics Plus of Erie, Pa. Horizon indicated in February that it planned to exit the business, and a spokesman said the subsidiary had been unprofitable to Horizon. With about 250 employees in 18 countries, Logistics Plus' portfolio of services include international ocean transportation, air freight forwarding, intermodal transportation management, distribution, warehousing and fulfillment, trucking and expedited delivery. Despite the sale, troubled Horizon Lines has posted a quarterly US\$33.3M loss compounding last year's first quarter US\$11.7M loss. TCC sold its only containership, the 2,564-TEU [M/V Taicang Dragon](#), built in 2008, to clients of US-based Seachange Maritime for US\$32.2.

**\*\*\*Throughput >>> Alashankou**, a Xinjiang city bordering Kazakhstan, handled 3.37 million tons of trade cargo from Jan. to March, up 5.6% year on year, Xinhua reported. **>>> Port of Hamburg** boosted first quarter container traffic 18.2% from a year ago to 2.1 million TEU. **>>> Compania Sud Americana de Vapores (CSAV)** cargo volume increased 48% in the first 4 months of the year to 1.16 million TEU, and in April the company shipped 284,000 TEU, a 37% year on year increase. **>>> Dubai-based terminal operator DP World** said it handled 6.8 million TEUs in the first quarter of 2011 at the 49 global terminals in which it operates, 8.5% growth year on year. **>>> Hong Kong Marine Dept.** figures show the port handled 2.02 million TEU in April, an increase

of 3.6% against the two million TEU handled in April of last year. >>> **Guangdong** province's ports handled 280 million tons of cargo from January through March this year, up 5.5% year on year, but the growth was 20.1% slower than in the same period in 2010 >>> **India's** major ports surged 9.5% to 7.54M TEU in the year ended March 2011. >>> Combined imports and exports at **Los Angeles & Long Beach**, the busiest U.S. container ports, rose 7.2% in April from a year earlier, led by a 7.8% gain in exports, as loaded import containers through **Los Angeles** rose 3.4% to 312,360TEU. Imports through **Long Beach** jumped 12% to 270,107 TEUs. >>> **South Carolina** ports posted volume increase of 11.6% from July 2010 until April 2011 to 1,033,062 TEU from 925,837 TEU in the same period last year with March volume alone rising 5.7% to 120,265 TEU. >>> **Port of Tacoma** saw April container volume rose 5.2% to 112,908 TEUs, and for the year, volume was up 7.9% to 465,100 TEUs.

**\*\*\*This Month In U.S. Navy History** ..... on this **U.S. Memorial Day**, thank you for your service.

1775 - Benedict Arnold captures British sloop and renames her **USS Enterprise**, first of many famous ships with that name.

1801 - Four warships sent to Mediterranean to protect American commerce.

1815 - Commodore Stephen Decatur (**Frigate Guerriere**) sails with 10 ships to suppress Mediterranean pirate raids on U.S. shipping.

1844 - **USS Constitution** sails from New York on 'round-the-world cruise.

1862 - **CSS Virginia** blown up by Confederates to prevent capture.

1960 - **USS Triton** (SSRN 586) completes submerged circumnavigation of world in 84 days following many of the routes taken by Magellan and cruising 46,000 miles.

**\*\*\*When My Gas Tanker Got Caught Japan's Tsunami** ..... report of Capt. Yadav [www.maritimeprofessional.com/Blogs/When-the-gas-tanker-got-caught-in-Japan's-Tsunami/May-2011/When-the-gas-tanker-got-caught-in-Japan's-Tsunami.aspx](http://www.maritimeprofessional.com/Blogs/When-the-gas-tanker-got-caught-in-Japan's-Tsunami/May-2011/When-the-gas-tanker-got-caught-in-Japan's-Tsunami.aspx)

**\*\*\*A Kinder - Gentler Capt. Kidd** ..... as any know the Scottish-born buccaneer who terrorized the Indian ocean, attacked Muslim pilgrims and was hanged as a pirate at London's Execution Dock. Fewer know of his services to the British crown, his royal seal of approval, and the powerful, well-connected noblemen who Kidd believes double-crossed him. A new exhibit at the Museum of London argues that Kidd's career wasn't as black-and-white as the skull-and-crossbones, and invites fans of the 17th-century adventurer to ask whether he was made a scapegoat for other men's schemes. The exhibit tells the story of Kidd, whose tale of hidden treasure turned him into an icon of the age of piracy.

See the film:

[www.museumoflondon.org.uk/Docklands/Whats-on/Exhibitions-Displays/Pirates.htm](http://www.museumoflondon.org.uk/Docklands/Whats-on/Exhibitions-Displays/Pirates.htm)

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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 May 2011: "Japan Tsunami: The Shore Ships of Sendai Part 2"  
[www.cargolaw.com/2003nightmare\\_la.blimp.html](http://www.cargolaw.com/2003nightmare_la.blimp.html)

See our newest photo feature "**Singles Only**" - Transportation Disasters Told In A Single Photo!  
[www.cargolaw.com/2011nightmare\\_sendai2\\_ship.html](http://www.cargolaw.com/2011nightmare_sendai2_ship.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**>>>>>

History of The "AirTextainer"

[www.logwin-logistics.com/news/press-releases/detail/logwins-textile-logistics-crease-free-to-their-destination.html](http://www.logwin-logistics.com/news/press-releases/detail/logwins-textile-logistics-crease-free-to-their-destination.html)

How to Avoid Moldy Pallets

<http://mhlnews.com/news/avoid-moldy-pallets-0512/>

Transportation Security Administration Indirect Air Carrier Management System (IACMS)

<https://extranet.tsa.dhs.gov/iac/>

TSA: Transportation Worker Identification Credential

[www.tsa.gov/what\\_we\\_do/layers/twic/twic\\_faqs.shtm](http://www.tsa.gov/what_we_do/layers/twic/twic_faqs.shtm)

U.S. Consumer Product Safety Commission Annual Report

[www.cpsc.gov/cpsc/pub/pubs/reports/2010rpt.pdf](http://www.cpsc.gov/cpsc/pub/pubs/reports/2010rpt.pdf)

U.S. Customs Detention Without Physical Examination of Products from Japan Due to

Radionuclide Contamination

[www.accessdata.fda.gov/cms\\_ia/importalert\\_621.html](http://www.accessdata.fda.gov/cms_ia/importalert_621.html)

U.S. Customs Trade Symposium 2011 Presentations ..... free

[www.cbp.gov/xp/cgov/trade/trade\\_outreach/2011\\_symposium/](http://www.cbp.gov/xp/cgov/trade/trade_outreach/2011_symposium/)

U.S. Food and Drug Administration Lowers Criteria Used to Order Detention of Food

[www.gpo.gov/fdsys/pkg/FR-2011-05-05/pdf/2011-10953.pdf](http://www.gpo.gov/fdsys/pkg/FR-2011-05-05/pdf/2011-10953.pdf)

## **PRODUCTS**>>>>>>>>>

### **Global Contract Logistics 2011**

[www.transportintelligence.com/market-reports/report-global-contract-logistics-2011/272/](http://www.transportintelligence.com/market-reports/report-global-contract-logistics-2011/272/)

Roadside Inspections: A Driver's Guide, Second Edition

<http://links.e.jjkeller.com/ctt?kn=38&m=36613485&r=ODI3NjQ3NjI1OQS2&b=0&j=MTAxMzQ0ODUyS0&mt=1&rt=0>

## **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)

American Assn. of Exporters & Importers 90th Annual Conference & Expo ..... 5-7 June 2011, New York

[www.aaei.org/Events/90thAnnualConferenceExpo/tabid/74/Default.aspx](http://www.aaei.org/Events/90thAnnualConferenceExpo/tabid/74/Default.aspx)

Carga Expo ..... 7 - 9 June 2011, Mexico City

[www.expo-carga.com/asistentes-registro.php?origen=CMINM11053](http://www.expo-carga.com/asistentes-registro.php?origen=CMINM11053)

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/)

FIATA World Congress 2011 .....16 to 21 Oct., 2011 in Cairo, Egypt  
[www.fiata2011.org/](http://www.fiata2011.org/)

JOC Container Shipping Conference .....21 & 22 June 2011, Shanghai  
<http://shanghai.joc.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)

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/)

"Wrecks of the World: Evaluating and Addressing Potential Underwater Threats"  
(WOW) II" ..... 6 June 2011, Washington, DC  
[www.namepa.net/2011/WrecksOfTheWorldRegistration.pdf](http://www.namepa.net/2011/WrecksOfTheWorldRegistration.pdf)

Free Webcasts>>>>>>>>>

U.S. Inland Transportation - Rates & Trends ..... June 2, 2011 | 2pm  
[www.ubm-inform.com/t.do?id=7992012:23804249](http://www.ubm-inform.com/t.do?id=7992012:23804249)

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

60 Minutes ..... the series & specials

**CountDowner** ..... as new events approach

**PrintCentral** ..... print from you device

General Interest>>>>>>>>>

**2011 BMW 5 Series commercial "REFUEL"**  
[www.youtube.com/watch?v=KF2-wy9ZE\\_M](http://www.youtube.com/watch?v=KF2-wy9ZE_M)

Achmed The Dead Terroris  
[www.youtube.com/watch?v=1uwOL4rB-go](http://www.youtube.com/watch?v=1uwOL4rB-go)

Car Show Game - 1950s  
[www.americantorque.com/game2/8/0/](http://www.americantorque.com/game2/8/0/)

Cross Florida Barge Canal

[www.maritimeprofessional.com/Blogs/Maritime-Musings/May-2011/Cross-Florida-Barge-Canal.aspx](http://www.maritimeprofessional.com/Blogs/Maritime-Musings/May-2011/Cross-Florida-Barge-Canal.aspx)

Driving With A Disappearing Car Door  
[www.flixxy.com/high-tech-car-door.htm](http://www.flixxy.com/high-tech-car-door.htm)

Flight of STS-131 - Amazing  
[www.youtube.com/watch\\_popup?v=KZrFC988Thc](http://www.youtube.com/watch_popup?v=KZrFC988Thc)

**Frigate 356 - Soviet Ghost Ship** ..... that's not a painting  
[www.flickr.com/photos/frigate356/4357856836/](http://www.flickr.com/photos/frigate356/4357856836/)

Glider Transfer - 2 Minutes, 49 Seconds  
[www.dailymail.co.uk/news/worldnews/article-1265891/Hold-think-youre-going-Skydiver-grabs-glidertail-fin-fly-2-100-metres-100mph.html](http://www.dailymail.co.uk/news/worldnews/article-1265891/Hold-think-youre-going-Skydiver-grabs-glidertail-fin-fly-2-100-metres-100mph.html)

Heavy Traffic At BOS  
[www.youtube.com/watch?v=3k-xG8XX1EM;hd=1](http://www.youtube.com/watch?v=3k-xG8XX1EM;hd=1)

Incredible Videos of Tu-154 With Control Stability Problems  
[www.flightglobal.com/articles/2011/05/01/356137/video-tu-154-struggles-against-in-flight-oscillation.html](http://www.flightglobal.com/articles/2011/05/01/356137/video-tu-154-struggles-against-in-flight-oscillation.html)

Martin Short's Tribute Song To Osama Bin Laden  
[www.businessinsider.com/letterman-osama-bin-laden-cbs-video-2011-5?utm\\_source=Triggermail&utm\\_medium=email&utm\\_term=Business%20Insider%20Select&utm\\_campaign=BI\\_Select\\_051811](http://www.businessinsider.com/letterman-osama-bin-laden-cbs-video-2011-5?utm_source=Triggermail&utm_medium=email&utm_term=Business%20Insider%20Select&utm_campaign=BI_Select_051811)

NASA Flight Opportunities Program  
<https://c3.ndc.nasa.gov/flightopportunities/>

Pan Am -- The New 2012 T.V. Series  
[www.youtube.com/watch?v=VMeske3ALcU&feature=youtube\\_gdata\\_player](http://www.youtube.com/watch?v=VMeske3ALcU&feature=youtube_gdata_player)

Whatever Happened To Those Old Westerns?  
<http://oldfortyfives.com/thoseoldwesterns.htm>

When Full Thrust Isn't Enough – A Sobering Look at Delta Flight 191  
[www.aviationchatter.com/2011/05/when-full-thrust-isnt-enough-a-sobering-look-at-delta-flight-191/](http://www.aviationchatter.com/2011/05/when-full-thrust-isnt-enough-a-sobering-look-at-delta-flight-191/)

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

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

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

U.S. 9th Circuit Court of Appeals  
Feb. 10 2011, Case No. 08-55281

On 11 May 2011, Qantas Airways, Ltd. ("Qantas") filed a Petition For Writ Of Certiorari with the U.S. Supreme Court in an effort to overturn a historic decision of the United

States Court of Appeals for the 9th Circuit enhancing the rights of air forwarders to seek indemnity against responsible air carriers. Our legal team, representing UPS-SCS, stands by the Ninth Circuit decision and is committed to see it stand.

Earlier this year, on 10 Feb. 2011, the 9th Circuit Court of Appeals issued a historic decision adopting the view of UPS Supply Chain Solutions, Inc. ("UPS-SCS") that when sued for cargo loss or damage, an int'l 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 Nov. 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 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 proud of this accomplishment for our industry.

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

\*\*\*\*\*

**The Cargo Letter Correspondents:**

Michael S. **McDaniel**, Esq. Editor (Countryman & McDaniel)

Christoph M. Wahner, Esq. (Countryman & McDaniel) **Daily Vessel Casualties**

Maria Payne (Countryman & McDaniel)

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**The Cargo Letter**  
(since 1978)

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

Michael S. **McDaniel**, Editor.

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Our Home Page Of Forwarder/Broker Services

**Cargo Law**  
[www.cargolaw.com](http://www.cargolaw.com)  
&  
**TRANS-CAMS**  
[www.cargolaw.com/cameras.html](http://www.cargolaw.com/cameras.html)

**The Cargo Letter** Home Page \_  
>>>>>>[www.cargolaw.com/cl-archives.php](http://www.cargolaw.com/cl-archives.php)<<<<<<<<

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