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THE CARGO LETTER [480]
Air & Ocean Logistics - Customs Broker News
26 August 2011
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Good Friday Morning from our Observation Deck.....overlooking the officially designated "Cargo City" area and..... Runway 25-Right, at **Los Angeles International Airport**, voted "**Best Cargo Airport in North America.**"

The Cargo Letter is now perfectly designed to be enjoyed on your **iPad**. Access all our internet links directly from your device.

Here is what happened in our industry during the Month of August 2011.

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

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

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

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

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

1. **Freight Forwarder Trade Briefs** _____

*****U.S. Fights Back On Trade** as US\$316M worth of U.S. international

imports & exports were recorded in May 2011, just under the all-time high recorded in July 2008, while U.S. exports rose 16.7% to US\$1,837Bn last year, the 2nd highest level reported. However, U.S. import volume decreased 4.1% in July, according to figures from the trade intelligence company Zepol Corp. Import volume in July did increase 2.5% from June. Maersk Line was the leading carrier in terms of U.S. imports in July, with 114,888 TEUs, keeping the position its held throughout the year.

www.zepol.com

*****U.S. Exports Soar** as growth to China between 2000 & 2010 surpassed outbound trade with the rest of the world, quadrupling to US\$91.9Bn, according to a new report The report by the U.S.-China Business Council found U.S. exports to its 3rd-largest trade partner grew 468%, or nearly US\$76Bn, compared with 55% export growth with the rest of the world. Between 2000 & 2010, U.S. annual exports to its top trading partners Canada and Mexico grew US\$69.3Bn and US\$52Bn, respectively. Since 2000, the growth of U.S. exports to China has met or exceeded the 15% annual growth rate needed to reach President Obama's goal of doubling American exports by 2014, the report said. China is the only U.S. export market to have done so. Despite the ramp-up in U.S. exports to China, America's share of imports to China fell from 10% to 7% between 2000 and 2010.

*****NAFTA Trade Levels Rebound** as the value of trade carried by truck, rail and pipeline (surface transport) between the U.S., and its North American Free Trade Agreement (NAFTA) partners Canada & Mexico touched pre-recession levels at a monthly increase in value of 15.7%, a marked improvement on April's 12.1%. According to the latest figures provided by the U.S. Dept. of Transportation, the value of cross-border trade was a percentage point more than its record monthly value in March when it grew 15.6% to US\$80.8Bn.

*****China's Inflation Grows** as it rose to a 37-month high in July, adding to pressure on Chinese leaders to cool living costs while keeping economic growth on track as the U.S. and European outlook worsens. Consumer prices in the world's 2nd-largest economy rose 6.5% over a year earlier, up from June's 6.4%, data showed this month. That was driven by a 14.8% jump in food costs, up from June's 14.4% and leaving the inflation rate well above the government's 4% target for the year. The jump in prices came despite a slowdown in manufacturing and other economic activity in July following repeated interest rate hikes and other curbs imposed to cool an overheated economy. Beijing has to strike a difficult balance between stopping inflation and easing controls to support Chinese companies as U.S. and European demand weakens, said IHS Global Insight analyst Alistair Thornton.

www.ihsglobal.com/products/global-insight/

*****Japan Recovered** as it posted a 2nd consecutive monthly trade surplus in July as the country's exports recovered from the natural disasters in March,

according to preliminary government figures released Aug. 20. The July surplus of US\$941.6M was still down 90.8% from a year earlier. Japan is now the world's 3rd-largest economy, after the U.S. & China, and is heavily dependent on exports for growth. Japan's overall exports fell for the 5th successive month in July on a year-on-year basis, declining 3.3% to US\$75Bn. The pace of decline was much slower than 12.4% in April and 10.3% in May, although it quickened from 1.6% in June.

*****Germany's Economy Almost Stalled** as in the 2nd quarter, with growth of only 0.1 percent from the first quarter (2.7% growth year-on-year) as it felt the effects of the European debt crisis. Germany's growth fell short of economists' expectations and was much less than the 1.3% growth in the 1st quarter from the previous three-month period. France, last week, reported flat economic growth. Economic data shows that gross domestic product in the 17-nation euro zone rose 0.2% from the 1st quarter, the worst performance since the region emerged from recession in late 2009.

*****Blocking Syria** ... as on August 18, 2011 U.S. President Obama signed an Executive Order (E.O.) blocking the property of the Syrian government, banning U.S. persons from new investments in or exporting services to Syria, and banning U.S. imports of, and other transactions or dealings in, Syrian-origin petroleum or petroleum products. The sanctions apply to "All property and interests in property that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, including any overseas branch, of the Government of Syria".

www.whitehouse.gov/the-press-office/2011/08/18/blocking-property-government-syria-and-prohibiting-certain-transactions-

*****No More Liquidation Notice In Your Mail Box** as U.S. Customs and Border Protection will discontinue mailing paper courtesy notices of liquidations to importers who file entries through the Automated Broker Interface system, effective Sept. 30. CBP estimates this move will save it US\$3.8M annually by eliminating 90%, or about 6.5 million, of the paper courtesy notices sent to importers. If more than 90% are eliminated, savings could be higher, the agency said. Courtesy liquidation notices provide informal, advance notice of the liquidation date and aren't required by statute. For importers of record whose entry summaries are electronically filed in ABI, CBP provides an electronic courtesy notice to the ABI filer (importer of record or a broker that files as the agent of the importer of record) and a paper courtesy notice to the importer of record. Only those importers whose entries are not filed through ABI will continue to receive paper courtesy liquidation notices from the agency.

www.gpo.gov/fdsys/pkg/FR-2011-08-17/html/2011-20957.htm

*****Bona Fide Buying Agent Fees Exempt From Duty**....as difficult economic times burden importers, the attorneys at [Countryman & McDaniel](#) remind

importers that fees paid to bona fide buying agents are not included in transaction value as part of the price actually paid for imported merchandise. To learn whether your arrangements with buying agents may qualify for duty exemption, or whether such a business model makes sense for your company, contact the firm for more information.

info@CargoLaw.com

*****Agility Says Not Guilty** as the Kuwait-based global logistics provider, pled not guilty Aug. 16 to charges it ripped off the U.S. government on a huge contract to supply food to troops in Iraq & Kuwait. The Justice Dept. began investigating Agility in 2007 and subsequently indicted the company in 2009, but the case has been slowed by various filings and procedural issues. A U.S. Court of Appeals recently rejected Agility's claim the prosecution did not properly serve papers against parent company Public Warehousing Co., the official defendant, moving the case forward. Agility, which has been barred from bidding on any new government contracts until the case is resolved, has been unable to negotiate a settlement with the government. The lost business from the U.S. government has severely hurt the company, which reported 2nd quarter net profit fell 57% versus a year ago.

*****U.S. Importers Want Privacy**.....as trade "intelligence" services disclose and publish cargo declaration and vessel manifest details filed with U.S. Customs. The trend is growing for the explicit purpose of competitive advantage and identification of suppliers. For many importers, this is sensitive information. For further information and assistance in "opting out" and keeping your information private, contact the attorneys at [Countryman & McDaniel](#).

info@CargoLaw.com

*****FedEx Forwarding Expansion** as to grow its global freight-forwarding presence, FedEx Trade Networks has opened offices in Munich, Bucharest, Romania & Chengdu. This brings the total number of freight-forwarding facilities the FedEx subsidiary has launched outside of North America since 2008 to 41.

*****Private Sector Moves Government Mail** ... as worldwide express companies - FedEx, Polar Air Cargo & UPS - have received an indefinite-delivery/indefinite-quantity, fixed-price contracts with a total value of US\$853.3M to provide int'l commercial express package services for the U.S. Defense Dept. The 3 companies were chosen from 5 bids. The program has an overall 5-year maximum ceiling value of US\$853.3M. The contract, for int'l commercial express package service with shipments up to 300 pounds for the federal government, includes civilian agencies and organizations. Work will be performed internationally and the contract covers the period from Oct. 1 to Sept. 30, 2012, with 4 one-year option periods from Oct. 1, 2012 to Sept. 30, 2016.

*****Tales of The U.S. Postal Service - Time For The Private Secor?**..... as it

has announced closure of 3,700 U.S. post office locations. **And In other U.S. Postal (USPS) news**, facing a major restructuring and the closings of thousands of post offices, the U.S. Postal Service is ending its foray into less-than-truckload hauling on Sept. 19. The USPS said in a filing to the Postal Regulatory Commission on Friday, it intends to terminate its Collaborative Logistics market test. The program began in May 2009 and was set to expire May 6, but was extended another month. The USPS had even moved for an additional extension until it filed notice that Collaborative Logistics would be established as a permanent product. It did not work out. **And in other U.S. Postal news**, facing a projected loss of more than US\$8Bn for this fiscal year and a projected need to reduce its workforce by 220,000 employees by 2015, the U.S. Postal Service (USPS) has begun contract negotiations with the National Assn. of Letter Carriers, AFL-CIO (NALC) and on Aug. 30 with the National Postal Mail Handlers Union (NPMHU). The two unions represent 247,000 of the Postal Service's 560,000 career employees. Time to call UPS & FedEx.

*****APL Logistics Expands In India** as it has started operations at a new central distribution center for Kodak in Mumbai, India, including a new cold room facility for temperature-sensitive products. APL Logistics said it converted a bare room into the 38,000-square-foot facility to supply to the domestic Indian market. Products being stored and distributed from the facility include digital cameras, photographic papers, motion picture films, digital printing plates and plate setting equipment, as well as chemicals.

www.apl.com/

*****Damco Scores Huge Perishable Door To Door Deal** as the freight forwarding arm of the A.P. Moller - Maersk Group has tied up a deal with Sun America Imports Inc., a U.S.-based import wholesaler of fresh produce & perishables from Latin America to North America, Damco will handle end-to-end management of the company's entire supply chain from Latin America to North America, building on an already existing contract. That includes ocean transportation, provision for cargo insurance, landside services & supply chain visibility. The new deal represents an estimated yearly volume of more than 20,000 TEUs, Damco said, with opportunities for expansion into new markets, including Europe.

www.damco.com/

Damco iPhone App Tracks Freight

www.damco.com/mobility

*****U.S. Rail Labor Shift** as major freight railroads trimmed 424 jobs from mid-June to mid-July, the 2nd overall cutback in the Class I workforce this year. Combined mid-July payroll at the seven Class I railroads' U.S. operations declined 0.3% to 158,916 workers. Four railroads added workers in the period, but declines from the other three were enough to take down industry-wide employment. Those cutting workers from mid-June to mid-July were BNSF Railway, CSX Transportation and the U.S. operations of Canadian National

Railway. Those adding were Union Pacific Railroad and Norfolk Southern Railway, along with the U.S. operations of Kansas City Southern and Canadian Pacific Railway.

*****Irish In Cabotage Sting** as truckers have been hit with fines and had their vehicles impounded for ignoring EU cabotage rules by sending empty trailers across the Irish sea to west coast British ports to pick up loads. A practice of Irish drivers waiting on UK soil for empty trailers to collect loads in the UK poaches on the preserve of Welsh truckers, said the Vehicle and Operator Services Agency (VOSA), reports the North Wales Daily Post. The Irish Road Haulage Assn. (IRHA) is lobbying London & Dublin to classify UK ports as international rather than domestic.

*****Behold: The Smart Tire** as the days of manually adding air to under-inflated tires could be a distant memory thanks to a new innovation under development in laboratories at The Goodyear Tire & Rubber Co. Whether you drive a passenger vehicle or a commercial truck, underinflated tires result in between a 2.5% and 3.3 % decrease in fuel mileage, according to government and industry research. At today's prices, that translates to about 12 cents per gallon at the pump. Goodyear's Air Maintenance Technology (AMT) will enable tires to remain inflated at the optimum pressure without the need for any external pumps or electronics. All components of the AMT system, including the miniaturized pump, will be fully contained within the tire. Goodyear did not provide an estimate as to when this technology would be available at tire retailers, but said the timetable would be accelerated due to recent government research grants in United States and European Union.

*****The Driver Drain** ... as the shortage of available truck drivers is a real problem, say respondents to a recent survey of fleet managers. According to the a fleet sentiment report conducted by CK Commercial Vehicle Research, 40% of fleets are currently affected by a driver shortage, and another 25% believe the shortage will impact their ability to grow in the future. Of those reporting an immediate concern, three quarters need drivers to fill current vacant seats, 63% say it is limiting their ability to add capacity and 42% are changing the way they deploy their fleet, such as targeting more regional & local freight opportunities instead of long haul loads.

*****Old Dominion Freight Line Expands** as it has embarked on a US\$22M expansion of its regional hub in Indianapolis and will hire 183 additional employees by 2014. As part of the expansion, Old Dominion will increase its Indianapolis service center by more than 84,000 square feet, from 223 doors to 325 doors, making it one of the largest centers in the company's network. The trucking company operates 213 service centers nationwide and maintains several major regional hubs, including Indianapolis. The Thomasville, N.C.-based company in recent quarters has seen a dramatic growth in shipments, including a 14% increase in tonnage moved during the 2nd quarter of 2011.

*****Fake Cisco** as the U.S. Justice Dept. said Aug. 18 that Donald H. Cone, 48, of Frederick, Md., was sentenced in Alexandria, Va., to 30 months in prison for his role in a conspiracy to import & sell counterfeit Cisco-branded computer networking equipment. Cone was also ordered to pay US\$143,300 in restitution and to serve 3 years of supervised release following his prison term. According to evidence introduced at trial, Zhao, Cone, and Zhao's family members in China operated a large-scale counterfeit computer networking equipment business under the names of JDC Networking Inc. and Han Tong Technology (Hong Kong) Ltd. JDC Networking, located in Virginia, altered Cisco products by using pirated software, and created labels & packaging in order to mislead consumers into believing the products it sold were genuine Cisco products. To evade detection, Zhao used various names & addresses in import documents, and hid millions of dollars of counterfeit proceeds through a web of bank accounts & real estate held in the names of family members in China.

*****He Got Us Going** as an invention that changed surface transportation so anyone could drive a motor vehicle was patented this month in 1915 — as Charles F. Kettering was awarded a patent for the self-starter. Before that, it took considerable muscle and knowledge of machinery to hand crank the engine of a car, especially in the winter. In his lifetime, Kettering was awarded more than 200 patents, including the electrical ignition system, the first practical generator and leaded gasoline. The impact of the self-starter was immediate. When Kettering came up with the idea, there were just under 2.5 million cars in the U.S. only 5 years later the number was over 8 million. Today, U.S. roads are clogged with more than 248 million motor vehicles.

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2. [The Cargo Letter](#) Financial Page _____

****Agility.** **DOWN** with a 57% year-on-year decline in second quarter net profit to US\$28.7M.

****Air Transport Services Group.** **UP** as profit in the 2nd quarter rose 24% to US\$12.3M.

****APL.** **DOWN** with US\$61M in operating losses in the first half of 2011, including US\$53M in the 2nd quarter.

****Atlas Air Worldwide Holdings.** **UP** with 2nd quarter profit of US\$23.8M, 27% down from the US\$32.7M earned during the same quarter last year.

****BNSF Railway.** **UP** as profit rose 14.4% in the second quarter from a year earlier to US\$690M, as traffic grew about three per cent as per unit receipts swelled 10.6%.

****Cargojet.** **DOWN** with a 10-fold 2nd-quarter profit loss to US\$1.4M year on year despite a 9% increase in revenues to US\$41.2M.

****CEVA Logistics.** **UP** 25% over last year to US\$116.8M in 2nd quarter operating profit.

****Express-1.** **DOWN** as 2nd quarter operating profit dropped 18.9% to US\$2M.

****Hanjin Shipping.** DOWn with a loss of US\$254M with container shipping losing US\$157M, against last year's profit of a US\$191M.

****Matson Navigation.** DOWn as 2nd quarter operating profit to fall 75% to US\$9.4M from US\$37M a year ago.

****Maersk Line.** DOWn as 1st half operating profit dropped 67% to UP\$438M.

****Neptune Orient Lines (NOL).** DOWn with a net loss of US\$57M in 2nd quarter compared with US\$100M net profit in same period in 2010, accumulating into a half year loss of US\$67M.

****Regional Container Lines.** DOWn in 2nd quarter with a loss of US\$16M.

****Singamas Container Holdings.** UP as profit surged about 900% to a record US\$101.9M for the first half of the year as revenues rose 109.7% to US\$1Bn.

****Tropical Shipping.** DOWn with a US\$300,000 operating loss in the 2nd quarter compared to a US\$4.2M operating profit in the same 2010 period.

****Virgin Atlantic Cargo.** UP as fiscal year revenue rose 39%, to US\$362M, on a 17% increase in volume.

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

3. Freight Forwarder World Air Briefs _____

*****Canadian Air Price Fixing Result** as Cargolux, Scandinavian Airlines System (SAS), Qantas & Singapore Airlines have settled class-action lawsuits in the Canadian court system regarding the price-fixing cartel that took place from 2000 to 2006. This news comes on the heels of Saudi Arabian Airlines' US\$14M settlement for similar charges. In exchange for having their names cleared of any wrongdoing, SAS, Qantas, Cargolux & Singapore Airlines agreed to pay the Canadian plaintiffs a combined total of CAD\$3.38 million. All 4 carriers deny any conspiracy to fix prices for airfreight services. Cargolux was slapped with the heftiest fee, consenting to pay CAD\$1.8 million to the plaintiffs. Singapore Airlines had the 2nd-largest settlement payment, agreeing to forfeit CAD\$1.05 million, CAD\$800,000 of which was directed toward a settlement fund and CAD\$250,000 which was retribution for administrative fees. Rounding out the settlement were SAS' & Qantas' payments of CAD\$300,000 & CAD\$237,000, respectfully.

*****Proposed Forwarder Security Fee** as air cargo forwarders who operate security screening facilities are questioning a proposed fee increase for government background checks of employees. The Transportation Security Administration on Aug. 18 issued a final rule governing the Certified Cargo Screening Program. The rule changes little from an interim measure published a year ago, except for a proposed hike in fees for "security threat assessments." The fee originally was set at US\$21 in 2006, but TSA is proposing a fee that's somewhere between US\$31 and US\$51 per assessment. TSA is seeking public comment on the fee until Sept. 19.

Final Rule

www.gpo.gov/fdsys/pkg/FR-2011-08-18/pdf/2011-20840.pdf

*****New Boeing Freighter Launch** as it reached a major milestone in its long-delayed program for its 747-8 freighter, winning certification in the U.S. & EU for the next-generation aircraft the manufacturer believes will be the anchor for future international cargo transport Boeing said it expects to deliver the first freighter in early Dec. to all-cargo carrier Cargolux. The aircraft logged more than 3,400 hours of flight to receive the certificates from the Federal Aviation Administration and European Aviation Safety Agency. The 747-8 freighter has 16% more capacity than its predecessor, the B747-400 freighter. Boeing expects the world fleet of freighters to double from 1,760 to 3,500 aircraft over the next 20 years.

www.newairplane.com/747/

*****Dream Now Awake** as Boeing reaffirmed that a Sept. delivery of its new 787 Dreamliner to Japanese airline ANA is on track, as testing of the new jet approaches the final stage. The 787 Dreamliner completed all flight tests required for certification of the plane using Rolls-Royce engines this month, Boeing said. The Chicago-based aerospace giant said flight testing is continuing for 787s with General Electric engines and "for Boeing test points not related to certification."

www.boeing.com/commercial/787family/

www.cartype.com/pages/215/787_dreamliner

*****New Life For The Giant** as Russia's Volga-Dnepr Group and Antonov Co. of the Ukraine have reached an agreement to upgrade the first of Volga-Dnepr's fleet of AN-124-100 freighters to a modernized AN-124-111VD variant. The technical specifications in the agreement envision the modernized AN-124-111VD will have a takeoff weight of 402 tons, a cargo lift capacity of 150 tons, a flight range of at least 5,000 kms with a 120-ton payload, and a minimum crew of three. Avionics & some of the plane's systems will be replaced with digital systems. Ultimately, the AN-124-111VD lifetime will be expanded up to 60,000 flying hours and 12,000 typical flights, giving it a service life of up to 50 years.

www.an124.com/

http://en.wikipedia.org/wiki/Antonov_An-124

*****Airbus Conversion A Go** as it is poised to launch a conversion program for A330 freighters, although it is not clear yet if the new offerings will include both the -200 & -300 variants of the aircraft. It was widely believed the new conversion program would be launched at last June's Paris Air Show. But sources have suggested Airbus may have wished to delay the announcement over concerns that sales of the new A330-200F would be impacted.

*****Robot Freighter** as Lockheed Martin has signed a US\$47M deal with the U.S. Army to produce, demonstrate & deploy unmanned autonomous technologies for cargo delivery missions. Working in conjunction with Kaman Aerospace, Lockheed Martin will use Kaman's K-Max helicopter platform to

display such technologies. Cargo drones are of interest to the U.S. military — so much so, in fact, that the Army's Aviation Applied Technology Directorate is investing large sums of money in processes that will enhance the technology. Improving delivery precision & diminishing the workload of ground control station operators are 2 key goals of the initiative. The key strength of K-Max is its ability to fly at a higher altitude than any other drone. The 6,000-pound helicopter can also deliver more freight to more locations in one flight, thanks to its 4-hook carousel.

www.lockheedmartin.com/products/K-MAX/

*****No New Lithium Battery Rule For Now.....** as the U.S. Dept. of Transportation has confirmed they will not be publishing a final lithium battery air cargo rule in the near future. In a newly published rulemaking schedule, DOT notes they will issue a supplemental rule in December 2011. This rule is not final and not effective until the final rule is published. The final rule is now expected in 2012. In the listing, DOT notes a second "economically significant", "major" notice of proposed rulemaking that addresses the transportation of batteries. There is no firm date attached to this notice, nor is there language that clarifies the "transportation" component at this time. It is clear, based on docket numbers, this is the original rulemaking. The cause for delay is listed as "unanticipated issues requiring further analysis." This, coupled with the supplemental rule including several recommendations from NTSB, provide some hope DOT is amenable to review & consideration of the concerns raised by transportation experts & affected industries.

www.prba.org/

*****Ground Security Advance** as Singapore's Changi Airport Group (CAG) & ST Electronics (Satcom & Sensor Systems) are teaming up to implement a perimeter intrusion detection system (PIDS) based on fibre bragg grating (FBG) sensor 1 to strengthen security of the airport's perimeter fence & airfield. This is the 1st time that such technology is being used for perimeter security enhancement anywhere in the world, a statement from airport authorities said. Changi Airport's perimeter is covered by a double-layered fence and 24-hour security patrols. The installation of AgilFence PIDS is expected to improve detection of perimeter intrusion, as the sensors have been primarily used for structural safety monitoring most often applied to railways, bridges, tunnels & buildings.

www.changiairport.com/

*****G4S Guards Canada ...** as the Canadian Air Transport Security Authority (CATSA) has selected it as the Security Screening Contractor for the delivery of Airport Screening Services in the Pacific Region. G4S Secure Solutions (Canada) will provide services at 20 airports, including Vancouver Int'l Airport.

www.g4s.com/

*****Atlanta Cargo Tragedy** as a worker was killed after becoming trapped

for hours under a hydraulic lift in a cargo area. John Kennedy said late Aug. 2 the man's body has been removed from under the lift. Fulton County medical examiner's office investigator Laura Salm identified him as 29-year-old Eric Lee of Cartersville. Atlanta officials said rescuers worked for more than 2 hours to free him. He did not survive.

*****Midwest Tsunami?** as despite a battered economy & rampant fears of worse to come, Cincinnati, Ohio, is building up for what officials consider will be a "tsunami of freight" headed for the region, with air cargo playing a leading role in trade value. Air freight is expected to grow 177%, they say. That's due largely to DHL's return to CVG in 2009; air freight has already increased by 190% since then. More than 323 million tons of freight flow through Greater Cincinnati every year by air, road, river and rail - and that is expected to increase 56% to 487 million tons in 30 years, said the report.

*****Lost Dream?** as it has been more than a decade since America's Clark County aviation director Randy Walker first floated the idea of a new airport in Ivanpah Valley to take the load off McCarran Int'l Airport, which was fast approaching its 53 million passenger capacity. The new airport on 6,000 acres of desolate federal land would ensure long-term commercial air service for 35 million travelers per year - vital to Las Vegas' resort economy and a rapidly growing metropolitan area. At an estimated US\$7Bn, Ivanpah would follow Dallas-Fort Worth International and Denver Int'l as just the third major airport built in the U.S. in 50 years. Construction was to start this year, with the 1st flights landing in 2017. Revenues there & from McCarran would pay for it.

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

*****Volumes >>>** Combined tonnage at **Cathay Pacific & Dragonair** was down 5.2% in the first 7 months of the year against a 12.9% year-over-year gain in capacity. >>> Germany's **Frankfurt Airport** has reported July cargo volume edged up 1.4% to 218,647 tons and aircraft movements increased 6.5% to 84,867. >>> Throughput at **Hong Kong Int'l Airport's** last month totalled 341,000 tons, as imports dropped 9% and exports contracted 8%.

*****Discrimination?** as white flight engineers are suing Nippon Cargo Airlines (NCA) in a New York federal court alleging they were not offered jobs handling new equipment and younger Japanese employees were given these opportunities instead. The 4 former employees filed the case in a federal court which ruled they could pursue the employment discrimination claim in New York despite non-residential status of 3 of the plaintiffs. The court rejected Nippon claims that the flight engineers were flying 747-Cargo planes more than working on the ground at its JFK hub over their 7-year working life before their dismissals.

*****Date Rape Intercept** as 3 gallons of gamma-butyrolactone, an intoxicant used to make a "date rape" drug, with a street value of US\$1,414, were

discovered by U.S. Customs during an inspection at Los Angeles Int'l Airport (LAX). Customs officers examined a 3 gallon white plastic container arriving from China. Smugglers tried to disguise the shipment's content with a misleading invoice description of "propylene glycol." "This is a significant interception by our officers" said LAX Customs operations chief Todd Owen.

*****Peruvian Airlines Your Cargo Pick?** as Peruvian military plane has flown 75 tourists to Lima after they were stranded in the highland city of Cuzco by the grounding of a commercial airline over alleged safety lapses. State safety officials said the tourists were flown to Peru's capital Aug. 21, so they could make international flights. He said there are plans which ferried more tourists out of Cuzco, which is the gateway to the Inca citadel of Machu Picchu, on Aug. 22. Authorities suspended all Peruvian Airlines flights, citing maintenance shortcomings. The airline was Peru's No. 2 domestic carrier after LAN, with 16% of inland flights. Aero Peru went bankrupt in 1999.

*****Flying Turtles** ... as a Japanese man has pleaded guilty to smuggling 55 live turtles & tortoises from his country into the U.S. by hiding them in snack food boxes. Federal prosecutors said that 39-year-old Atsushi Yamagami pleaded guilty to one felony count of smuggling in a Los Angeles courtroom. Yamagami faces a maximum of 20 years in prison at his Oct. 31 sentencing. Another man in the operation, Norihide Ushirozako, pleaded guilty May 23 and were scheduled for sentencing Aug. 2. The men, both from Osaka, were arrested in January at Los Angeles Int'l Airport as part of an undercover investigation by U.S. federal agents called Operation Flying Turtle. The animals are protected by an int'l endangered species agreement and can only be imported with a permit.

*****Backyard Vodka Blimp** as a 94-year-old Ohio woman who woke up to discover a runaway blimp from a nearby airport had landed in her backyard said she heard a bang during stormy weather but didn't realize what happened until police knocked on her door about seven hours later. The 128-foot-long blimp broke free of its moorings at a Columbus airport during strong winds early Aug. 14, then drifted to the sky, headed eastward and landed in Lillian Bernhagen's backyard in Worthington, less than 2 miles from Ohio State University's Don Scott airfield. No one was aboard and no injuries were reported. The remnants of a battered blimp were draped over Bernhagen's picnic table and birdfeeders, covering half her backyard. The blimp advertises Hangar 1 Vodka and is on a tour of about 20 cities under the direction of an Orlando, Fla.-based airship advertiser called The Lightship Group, said Toby Page, the group's marketing director. The blimp won't make its next planned stop in Detroit. Asked whether she might try the vodka, Bernhagen joked that she might need a drink after such a ruckus.

<http://news.yahoo.com/ohioan-94-wakes-blimp-landed-yard-150759648.html>

www.wgrz.com/news/article/130942/1/Wind-Sets-Sail-Hangar-1-Vodka-Blimp-from-Moorings

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

4. FF World Ocean Briefs

*****West Africa Now Joins Pirate Territory ...** as GAC has issued a maritime security alert for waters off the coast of Benin following a spike in pirate activity over recent weeks. At least 15 attacks have been recorded in the 1st half of 2011, in line with an overall increase in West African piracy. In early Aug., the Beninese Navy interrupted a pirate attack on two tankers 15 kms off the Cotonou coast. Lloyds Market Assn. has designated the country's coast as a war-risk area, the same category as Somalia.

www.gac.com/

*****Pirate Insurance Decline When Armed** as costs can be cut 50% for ship operators that have armed guards aboard their vessels while traversing pirate infested waters off the Horn of Africa, according to insurance risk consultants Marsh Marine Practice. The Marsh report said cost reductions of 50% to "typically quoted war risk additional premium" for a ship at risk from Somali pirates can be had, provided it is separately covered by kidnap and ransom (K&R) cover with a limit of at least US\$5M. Pirate ransoms are averaging US\$4M. Said Marsh: "War risk insurers will often reduce rates for voyages through listed [as dangerous] areas if they are satisfied with the piracy prevention measures in place and/or if K&R [kidnap and ransom] cover is purchased." Typically, underwriters assess a ship's characteristics such as its speed, free board & whether it is laden or in ballast when adjusting costs. "If an underwriter considered that a ship's speed or freeboard might increase the risk of seizure, the additional premium might be loaded unless a separate marine K&R policy is purchased." For years [The Cargo Letter](#) stood alone on this issue, but the logic is clear and supported by history. No armed vessel has been taken in modern times.

<http://documents.marsh.com/documents/piracywhitepaper07-11-11.pdf>

*****Arrivals More Definite** as the latest measure of ocean container service reliability by Drewry's Schedule Reliability Insight shows a steady improvement, with the percentage of ships arriving on time at selected ports rising to 56% in the 2nd quarter of 2011, up from 51% in the 1st quarter. The overall figure for 2011 also compares well with the on-time reliability score of 52% in the same period of 2010. Drewry says despite continued freight rate erosion, shippers are getting better service on the East-West routes with reliability rising most in the Asia/Europe/Med trades, which increased by 13% against the previous period to 62% in 2011. Maersk Line regained its customary position as the most reliable of the Top 20 carriers (by vessel fleet size) across all the trades, closely followed by APL & CSAV.

www.drewry.co.uk/

*****The Company You Keep Creates Fines** as the U.S. Treasury Dept.'s Office of Foreign Asset Control said it has penalized container carrier CMA CGM & steamship agency Norton Lilly for "non-egregious" violations of regulations for doing business with "blacklisted" countries. CMA CGM (America), a Norfolk, Va.-based subsidiary of the French container carrier, has paid US\$374,400 to settle allegations of violations of the Cuban Assets Control Regulations, Iranian Transactions Regulations and the Sudanese Sanctions Regulations that occurred about Dec. 2004 to April 2008. OFAC alleged the U.S. subsidiary facilitated the export of goods from foreign ports to Sudan on at least 2 occasions and, in 28 separate transactions, accepted payments for shipping services provided by its foreign parent company, CMA CGM, or its foreign affiliates, in connection with shipments between 3rd countries & Cuba, Iran or Sudan.

*****China NVOCC Surety Bond Increase?** as the Chinese Ministry of Transport (MOT) is proposing to increase the amount of the optional rider that licensed NVOCCs in the U.S. must post when moving shipments to & from the People's Republic of China. The Federal Maritime Commission (FMC) regulations to allow NVOCCs in the United States to amend their US\$75,000 surety bond with a US\$21,000 rider to meet the current requirements & avoid depositing cash in a Chinese bank.

*****Location, Location** as even amid economic volatility, real estate in the markets surrounding the country's seaports is leading the U.S. industrial real estate recovery, according to Jones Lang LaSalle's third annual Port, Airport and Global Infrastructure (PAGI) report. Overall vacancy rates for seaports have dropped from last year by 1.4% to 8.5%, outperforming the 9.7% vacancy rates held by the general industrial real estate sector. Los Angeles continues to top the charts owing to its high container volumes, market share of trans-pacific cargo traffic, its stable real estate market and the US\$1Bn earmarked to capital improvements in the next 5 years. Other ports that registered score improvements were Houston, Baltimore, Virginia, Charleston, Miami & Jacksonville. The largest gains were seen in Baltimore, which jumped 8.7 points to reach 82.5, followed by Charleston at 80.8 rising by 7.8 points and Houston, which scored 89.5 up from 84.8 last year. "U.S. ports are mindful of the impending completion of Panama Canal expansion project and they have long been preparing to compete for the large 'post-panamax' ships," states the report. "But it will be the ports with an efficient and holistic approach to moving goods as quickly and as cost effectively as possible that will triumph."

*****Texas Location, Location ...** as property taxes at the Port of Brownsville in Texas have decreased for the 18th consecutive year, according to the port authority. The Brownsville Navigation District's tax rate was set this month at 0.04683 per US\$100 of taxable valuation. The approximate 2.09% tax rate decrease will go into effect on Oct. 1. "Taxpayers will actually be paying less taxes today than they did in 1996 despite an increase in the value of property in the District of 125%," the port authority said.

*****Maersk Space Race** as it has sparked a "race for ultra-large containerships" in 2006 when it introduced its 15,550 TEU E-Class vessels, according to Paris-based maritime consultancy Alphaliner. The Danish shipping giant has maintained its lead, most recently ordering twenty 18,000 TEU or EEE-Class ships, due for delivery between 2013 and 2015, said Alphaliner, the Paris-based maritime consultant and information agency. In a further move to increase capacity, Maersk has now embarked on a "capacity boost" that will see a number of the line's 8,200-8,600 TEU S-Class ships upgraded to 9,600 TEU. Alphaliner said the upgrade involves the raising of the wheelhouse, so 2 extra tiers of containers can be stowed forward of the accommodation block. The enhancement of the 10 ships will add some 12,000 TEU to the Maersk's fleet which, according to Alphaliner figures, currently totals 2.44 million TEU.

*****How Many Overboard?** as the main industry group for the liner shipping industry said a study of containers lost at sea finds far fewer are lost than in some reports. The World Shipping Council (WSC) said this month that based on survey results it estimates "on average there are approximately 350 containers lost at sea each year, not counting catastrophic events." When one counts the catastrophic losses, an average total loss per year of approximately 675 containers was observed. "Total industry losses obviously vary from year to year, but these numbers are well below the 2,000 to 10,000 per year that regularly appear publicly, and represent a very small fraction of container loads shipped each year," WSC said, adding "the industry continues to pursue measures to reduce the number of containers lost overboard to zero." Still, carriers are motivated to mask this data.

*****Goodbye Westwood Shipping** as J-WesCo, a subsidiary of Sumitomo Warehouse in Japan, has confirmed it will buy Weyerhaeuser's Westwood Shipping Lines for US\$53M. Westwood operates 7 vessels between North America, Japan, Korea & China. The deal is expected to close next month. Negotiations began in May 2011. Westwood ships newsprint, lumber, pulp & agricultural products to Asia, and brings automotive parts & heavy cargo such as generators back to North America. The Washington state-based carrier calls the ports of Seattle, Everett & Longview, Washington; Portland, Oregon & Vancouver, British Columbia. Another U.S. carrier down.

*****Trailer Bridge Continues Struggle** as the U.S. carrier which operates a container liner service between the U.S. mainland & Puerto Rico & the Dominican Republic, has reported a US\$3.6M 2nd quarter net loss, compared to a profit of US\$897,462 in the same 2010 period. The company said efforts to refinance its debt are ongoing, but in the event it is not able to refinance US\$82.5M in public notes due in November, its "finances and ability to operate would be severely impaired and the company could be required to seek protection under federal bankruptcy laws." The company had revenue of US\$29M in the 2nd quarter versus US\$31.7M in the same 2010 period.

*****Building A Strong, Competitive America** as the new Int'l Longshoremen's Assn. (ILA) President Harold Daggett has vowed the ILA will prevent any more automated facilities from opening up on the U.S. East & Gulf coasts. In his acceptance speech following his recent election as president, Daggett said he learned from a visit to Rotterdam 20 years ago that "automation means to take away your jobs" and made it perfectly clear "we are against automation in the U.S. on the east & west coast" [the ranges covered by the ILA]. He was equally adamant that "half automated" facilities would not get ILA approval either, regardless of attempts by terminal operators to create new jobs. He referred to the agreement APM Terminals obtained for Portsmouth, where maintenance jobs went to the ILA in return for yard crane automation, as "bullshit." Quite shocking.

*****Throughput >>>** Spain's **Algeciras Bay** port throughput grew 3.9% to 1.5 million TEU in the first half year on year, due to a record June cargo surge. **>>> Port of Charleston** handled 1.38 million TEUs, 8.3% more than the prior fiscal year. **>>> German Port of Hamburg** has announced that in the 1st half of the year throughput increased 9.4% to 64.1 million tons and container throughput surged 17.4% to 4.3 million TEU. **>>> Port of Qinzhou**, in southwest China's Guangxi Autonomous Region, lifted 161,000 TEU during the first 6 months of this year, marking a robust increase of 47.7% year on year. **>>> Port of Rotterdam** cargo in the 1st half of the year increased 1% year-over-year to 215 million metric tons, as a 9.7% increase in container handling helped offset a decline in oil products shipments. **>>> Port of Savannah**, which accounted for 8.6% of the U.S. container cargo, posted an 11% year-on-year increase in volume to 2,927,338 TEU for its fiscal year ending June 30, announced the Georgia Ports Authority (GPA). **>>> Container traffic at the Port of Singapore** rose 4.7% in July to 2.6 million TEU from last year, giving the port its busiest month in at least 19 months. **>>> Container traffic at New Zealand's Port of Tauranga** rose 15.5% year-over-year to 590,506 TEU in fiscal year 2011 ending June 30, as its transshipment volume jumped 52% within the same period. **>>> Container throughput at the Port of Wilmington, N.C.**, increased 14% in June over the same month a year ago to 23,598 TEU.

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

1812 - [USS Constitution](#) recaptures American merchant brig [Adeline](#).
1838 - Exploring Expedition under Lt. Charles Wilkes embarks on world cruise.
1842 - Signing of Webster-Ashburton Treaty under which United States & Great Britain agreed to cooperate in suppressing the slave trade.
1954 - Beginning of Operation Passage to Freedom, the transport of refugees from Haiphong to Saigon, Vietnam.
1965 - First major amphibious assault in Vietnam, Operation Starlight captures 2,000 Viet Cong.
1966 - First ship-to-shore satellite radio message sent from [USS Annapolis](#) (AMGR 1) in South China Sea to Pacific Fleet Headquarters at Pearl

Harbor.

1974 - After flooding in Philippines, Navy helicopters begin six days of operations to rescue people and bring supplies (244 flights).

*****Ship Brings History Home.....** as huge pieces of what were once part of Adolf Hitler's defenses along Utah Beach in Normandy have arrived at the Port of New Orleans. The slabs of concrete will be installed at the National World War II Museum in the Warehouse District of New Orleans. The historic cargoes were unloaded from the 44,977-dead-weight-ton [M/V Bonn Express](#) at the Napoleon Avenue Container Terminal & loaded onto flat bed trucks for the 5-mile journey to the museum. The largest piece weighed 11.6 tons and the other 2 pieces weighed 6.61 & 2.65 tons each. The slabs were a thank-you gift from the Utah Beach Museum in Norway to the museum for its help with the French museum's recent D-Day tribute expansion.

www.nationalww2museum.org/learn/education/index.html?

*****Minor Buckaneer** as a lawyer for a Massachusetts man accused of trying to rob a sailboat with the help of a motor boat flying a skull-and-crossbones pirate flag says his client thought he was going to a party. The Salem News reports attorney Paul Moraski argued in a court hearing Aug. 9 that 30-year-old Gloucester (GLAH'-stur) resident Scott Stanton denies boarding the sailboat. Moraski says 37-year-old co-defendant and Ipswich resident Stephen Jette is the one who boarded. Gloucester police say the pair boarded the sailboat at a transient mooring last week and woke the sailboat owner. The owner later told police the men's boat was flying the pirates' black-and-white flag. Both men have pleaded not guilty to breaking & entering, threatening to commit a crime and witness intimidation.

*****Time For Plank Walking** as a California man has pleaded guilty to dropping an anchor on a Tampa-bound cruise ship. Federal prosecutors in Tampa said Aug. 19 that 45-year-old Rick Ehlert pleaded guilty to one count of attempting to damage a maritime facility. He faces up to 20 years in prison. Authorities say the [M/V Ryndam](#) was traveling from Costa Maya, Mexico, to Tampa on Nov. 27, 2010. A surveillance video shows Ehlert entering a restricted area and dropping the 18-ton stern anchor. When confronted by authorities, Ehlert told them he was drunk at the time. He also said the cruise ship's anchor system was similar to the system on his own 50-foot boat. Investigators say the Holland America ship avoided damage because the anchor didn't hit the sea floor.

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

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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

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

www.cargolaw.com/gallery.html

See our new feature for Aug. 2011: "A Mungo On The Rocks"

www.cargolaw.com/2000nightmare_singles.only.html#MV.Mungo

See our new feature for Aug. 2011: "Miracle At Guyana"

www.cargolaw.com/2000nightmare_singles.only.html#Carib.Crash

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

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

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>>>>>>

e-Allegations -- U.S. Customs and Border Protection Page To Report Trade Violations

<https://apps.cbp.gov/eallegations/>

Interesting Facts About Ship Broking
<http://frontshipbroker.com/shipbroking/>

Lufthansa - 50 Years
www.youtube.com/watch?v=rFjK6pREUuQ&feature=related

Mexico To Require Export Permits On Conventional Weapons & Related Goods
http://dof.gob.mx/nota_detalle.php?codigo=5196224&fecha=16/06/2011

Next U.S. Customs Broker Exam is Monday, Oct. 3, 2011
www.cbp.gov/xp/cgov/trade/trade_programs/broker/broker_exam/notice_of_exam.xml

Protect Against Disruptions in Your Supply Chain free whitepaper
<http://penton.ebookhost.net/iw/zurich/3/?linkcode=email081111>

U.S. Coast Guard Proposed Regulations For Inspection of Towing Vessels
www.gpo.gov/fdsys/pkg/FR-2011-08-11/pdf/2011-18989.pdf

U.S. Customs & Border Protection Fact Sheet detailing key considerations of the Simplified Entry, Summary & Financial Processes
www.aaei.org/LinkClick.aspx?fileticket=Su8M55XoYio%3D&tabid=36

U.S. Customs & Border Protection (CBP) Update Form 30multipurpose document used to issue Customs Bonds.
http://forms.cbp.gov/pdf/CBP_Form_301.pdf

PRODUCTS>>>>>>>>>

London Shipping Law Centre Internet Lectures
www.shippinglectures.com

EVENTS>>>>>>>>>

Transport Events
www.transportevents.com/

Trade Shows, Exhibitions, Conferences & Business Events Worldwide
www.eventseye.com/

World Trade Organization Events
www.wto.org/english/news_e/meets.pdf

3PL & Forwarder Logistics Policy Forum sponsored by AfA 7-8 Sept. 2011, Washington DC
www.eiseverywhere.com/ehome/index.php?eventid=24656&

6th Annual Canada Maritime Conference 20-21 Sept. 2011, Montreal
www.cvent.com/events/canada-maritime-conference/agenda-a0fbde0762924df1b09456dcf18a9c86.aspx

7th IATA Cargo Claims and Loss Prevention Conference!8 - 10 Nov. 2011,
Shanghai - P. R. China
<https://ems.resrunner.com/cclp>
www.iata.org/events/Documents/CCLP%202011%20Program.pdf

8th China Air Cargo Summit 2011 Oct.12-14, Shenzhen, PRC
www.aircargosummit.org/

Air Cargo & Seacargo Americas 2 - 4 Nov. 2011, Miami, FL
www.seacargoamericas.com/

Arctic Shipping North America Conference 12 – 13 Oct. 2011, Sheraton
Hotel Newfoundland, St John's
www.informaglobalevents.com/FKT2243MLEM08

Cargo Security Training August 29- September 02, CNS/IATA Training
Center, Miami, FL.
www.cnsc.net/services/training

Cool Logistics 201126-28 Sept. 2011, Crowne Plaza, Antwerp Belgium
www.coollogisticsconference.com/

FIATA World Congress 201116 to 21 Oct., 2011 in Cairo, Egypt
www.fiata2011.org/

Forwarder & 3PL Policy Forum7-8 Sept., 2011, Washington DC
www.eiseverywhere.com/ehome/caphill2011/36999/?&

Int'l Conference on Logistics and Multimodal Transport9-11 Oct. 2011, Las
Palmas, Canary Islands, Spain
www.immta.org/

TOC Americas 201115-17 Nov. 2011, El Panama Hotel, Panama City
Panama
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

Transport Security Expo 201113-14 Sept. 2011, Olympia, London UK
www.transec.com/

WMU's Piracy Conference 17-19 Oct 2001, Malmo, Sweden
<http://icopas2011.wmu.se/>

Free Webinars>>>>>>>>

2012 HS Reform: Screening Services That Keep Your Cross-Border Trade
Flowing Effectively Thu, Sep 29, 2011 11:00 AM - 12:00 PM EDT
www1.gotomeeting.com/register/620008128

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

CI Mobile use iPhone to classify imports, with duties/taxes for 152 countries,
including U.S. Rulings. Free. **Please give us feedback for this service**
Tutorial
<http://bit.ly/CIMobiledoc>

General Interest>>>>>>>>

360 Degree, Extreme High Res Photo of Next-Generation Boeing 737
http://flightaware.com/squawks/view/1/7_days/popular_new/21111/360_degree_extreme_high_res_photo_of_Next_Generation_Boeing_737

Battleship Cove world's largest naval ship museum
www.battleshipcove.org/

Canal du Midifirst surveyed by Leonardo da Vinci in 1516 to connect the
Mediterranean to the Bay of Biscay
www.maritimeprofessional.com/Blogs/Maritime-Musings/August-2011/Canal-du-Midi.aspx

Captain Morgan Flagship Wreckage Reportedly Found
www.marinelink.com/news/reportedly-flagship339820.aspx

CONCORDE Crash Tribute
www.youtube.com/watch?v=J0riceR2y5M&feature=youtube_gdata_player

Disappearing Car Door
www.flixxy.com/high-tech-car-door.htm

Japan Earthquake & Tsunami On Tape
www.koreus.com/video/tsunami-japon-interieur-voiture.html

Istanbul Isiklarius -- Traffic Light Reimagined (also history of traffic lights)
www.artlebedev.com/everything/isiklarius/

The Mighty Mac – Queen of the Lakes
[http://maritimeprofessional.net/Blogs/Maritime-Musings/August-2011/USCGC-Mackinaw-\(WAGB-83\).aspx](http://maritimeprofessional.net/Blogs/Maritime-Musings/August-2011/USCGC-Mackinaw-(WAGB-83).aspx)

Mount Everest -- Standing At The Summit a dazzling 360 degree marvel
www.panoramas.dk/fullscreen2/full22.html

The Return of S/S American Queen largest steamboat in the world with 222 staterooms & suites
www.greatamericansteamboatcompany.com/

A Robot Flies Like A Bird
www.youtube.com/watch?v=Fg_JcKSHUtQ

Secretary of The Navy Announcing The Next **USS John F. Kennedy CVN-79**
www.youtube.com/watch?v=Oj6VP8XGPe8&feature=youtube_gdata_player

The Themed YachtOMG!
www.yachtislanddesign.com/

U.S. Navy Boeing P-8 Poseidon Makes First Flight
<http://defense.aol.com/2011/07/22/p-8-sub-killer-plane-makes-first-flight/>

The Wings Club since 1942
www.wingsclub.org/

Wingstrike Pictures A320 Lufthansa In Hamburg
www.youtube.com/watch?NR=1&v=PWI0TygaeDw&feature=fwp

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

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

One Beacon v. Crowley Marine Services, Inc.

U.S. 5th Circuit Court of Appeals
No. 10-20417, 28 July 2011

Online Terms & Conditions enforced by reference....as the U.S. Fifth Circuit Court of Appeals recently enforced Terms & Conditions of a vessel operator which were only incorporated by reference on a Repair Service Order by way of a website URL address -- rather than being issued in full printed form to the customer. The attorneys at Countryman & McDaniel caution the industry this is not a guaranteed outcome and is subject to other considerations, including the parties' sophistication and course of dealing. Contact Countryman & McDaniel for more information on promoting enforceability of your company's Terms & Conditions.

Ginsberg v. Northwest, Inc.

U.S. 9th Circuit Court of Appeals

5 Aug. 2011, No. 09-56986

PREEMPTION: The Airline Deregulation Act ("ADA") does not preempt a claim for breach of the implied covenant of good faith and fair dealing, because state enforcement of the covenant does not "force the Airlines to adopt or change their prices, routes or services – the prerequisite for ADA preemption."

S. Binyomin Ginsberg brought suit against Northwest Airlines, Inc. ("Northwest"), after Northwest revoked Ginsberg's frequent flier membership. Ginsberg asserted breach of contract, breach of the implied covenant of good faith and fair dealing, negligent misrepresentation, and intentional misrepresentation. The district court dismissed Ginsberg's claims, concluding that the Airline Deregulation Act ("ADA") preempted all of Ginsberg's claims except for his breach of contract claim "because they relate to airline prices and services." Ginsberg appealed the dismissal of his claim for breach of the implied covenant of good faith and fair dealing. Based on case law precedent and the ADA's legislative history and language, the Ninth Circuit found that the district court erred in dismissing Ginsberg's claim on preemption grounds. By including a preemption clause in the ADA, Congress sought to prevent state laws that would adversely affect the deregulation of the airline industry. This, coupled with the inclusion of a savings clause preserving common-law remedies, evidences Congress's intent to preserve state contract law remedies that do not interfere with federal deregulation. The Court held that state enforcement of the covenant of good faith and fair dealing does not "'relate to' prices, routes, or services," the prerequisite to ADA preemption. Congress intended the preemption provision to apply only to state laws directly "regulating rates, routes, or services." Further, the covenant of good faith and fair dealing does not relate to "services" because it does not involve "schedules, origins, destinations, cargo, or mail." REVERSED and REMANDED.

www.ca9.uscourts.gov/datastore/opinions/2011/08/05/09-56986.pdf

NEW BOOK -

MARITIME ERROR MANAGEMENT ... a new book by an attorney of Countryman & McDaniel -- Geoff W Gill, Esq.

Concern by vessel owning, operating & chartering shoreside management is justified as a result of the increasing potential for being hauled up on criminal charges as a consequence of administrative procedures omitted or falsified and "simple" negligence committed on board.

Issues relevant to marine pollution more and more often are resulting indictment and conviction internationally. For example, in several United States cases conviction has resulted from failing to ensure the accuracy of on board oil record books. Though the Pollution and falsification occurred outside U.S. waters, false entries were brought into U.S. ports. Under this rationale, prosecution need not

be deferred to the frequently more lenient flag state. Other pollution situations increasingly inviting criminal prosecution include "magic pipes" circumventing pollution controls and inefficient management contributing to shipboard negligence resulting in pollution - such as the grounding of the tanker EXXON VALDEZ. International jurisprudence is following a similar trend in circumstances involving maritime pollution.

In a similar vein is the new-born enthusiasm of prosecutors to proceed under the United States mid-1800's but still on the books Seaman's Manslaughter Statute, 18 U.S.C. 1115, when a maritime casualty results in the death of a person. Not only may the "captain, engineer [and] pilot" and other shipboard employees be prosecuted but where the owner or charterer is a corporation so may "any executive officer of such corporation ... actually charged with the control and management of the operation, equipment, or navigation" of the vessel. A fine or up to 10 years imprisonment, or both, are authorized punishments. A relatively low order on board simple negligence, misconduct or inattention to duty is the statutory standard for conviction, as well as shoreside management's failure to ensure compliance with relevant rules, regulations, policies and procedures.

Of benefit to the maritime industry in avoiding these situations is the new book **MARITIME ERROR MANAGEMENT**, written by Countryman & McDaniel attorneys Geoff W Gill, Esq. and collaborator Christoph M. Wahner, Esq., scheduled for release this Fall by **Cornell Maritime Press**.

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

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

(since 1978)

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

Michael S. **McDaniel**, Editor.

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www.cargolaw.com/cameras.html

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>>>>>>www.cargolaw.com/cl-archives.php<<<<<<<

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