

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

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 December 2012. Our November issue was preempted by your Editor's unexpected broken leg.

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

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

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

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

INDEX to The Cargo Letter:

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

- 1. **Freight Forwarder Trade Briefs** _____
- 2. **The Cargo Letter Financial Page** _____

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

- 3. **Freight Forwarder World Air Briefs** _____

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

- 4. **FF World Ocean Briefs** _____
- 5. **The Cargo Letter Cargo Damage Dispatches** _____

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

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

- 6. **The Cargo Letter "Cyber Ports of Call"** _____

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

- 7. **New U.S. Transport Related Legal Cases** _____

***Your Biggest Change For 2013: New Year, New DOT Regulations

=====

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

- 1. **Freight Forwarder Trade Briefs** _____

*****UPS Sets World Record** as the Atlanta-based global logistics and transportation leader said Thursday, Dec. 20, was its busiest day of the entire holiday season as it expects to handle more than 28 million deliveries in a week in which it delivered more than 135 million packages globally. Dec. 20 represents the busiest day

in the company's history. This is corroborated by data from the National Retail Federation, which states holiday shopping—for the months of Nov. & Dec.—is expected to increase by 4.4% to US\$586.1Bn in retail sales, up from US\$562Bn in 2011. UPS Airlines added more than 400 additional flights in the week to meet the demand from about 3 million express shipments, all processed within a 24-hour period at its Louisville, Kentucky-based UPS Worldport international air hub.

*****Customs Raises Informal Entry Threshold** as the system became less complicated this month for importers of low-value consignments when U.S. Customs issued a rulemaking increasing the threshold for informal entries to US\$2,500 from US\$2,000, effective Jan. 7. Informal entry expedites customs clearance because it requires a much simpler document, eliminates the need for a surety bond and reduces the US\$25 minimum merchandise processing fee to US\$2 (for entries filed electronically). Retail business groups have been pushing for the change which is seen to benefit not only Internet sellers, but also express delivery giants FedEx & UPS.

*****Modest U.S. Recovery** as factories rebounded in Nov. from Superstorm Sandy, boosting production of cars, equipment and appliances. But after factoring out the impact from the storm, the broader trend in manufacturing remained weak. The Federal Reserve said Dec. 14, that factory output increased 1.1% in Nov. from Oct. That offset a 1% decline in the previous, which was blamed on the storm. Auto production jumped 4.5% last month, the first increase since July. Production of primary metals, wood products, electrical equipment and appliances all showed gains. Total industrial output at factories, mines and utilities rose also rose 1.1% last month, after a 0.7% decline in Oct.

*****U.S. Exports Fall**as the Commerce Dept. has reported the country's exports in goods and services for Oct. were down 3.6% from the previous month to US\$180.5Bn. Similarly, U.S. imports during that month fell 2.1% to US\$222.8Bn. As a result, the Oct. int'l trade deficit increased.

*****China Rolls Forward** as the total value of all logistics operations in the country increased 9.6% year on year in the first 10 months of 2012 to US\$23.4 trillion, according to the China Federation of Logistics and Purchasing (CFLP). While total logistics value remains high, management efficiency has not improved, reports Xinhua, an attitude reflecting an official desire to upgrade the sector to meet world standards. In the first 9 months, key logistics enterprises' main business revenue increased 20.6% year on year, while business costs climbed 1.4% higher to 22%. The profit margin was 4.7%, while the port enterprises' profit margin was 3.6%, which were both lower than that in the first 8 months.

*****Backing Sandy Down** as U.S. Customs will allow duty drawback claims to be made on imported merchandise that was damaged or destroyed by Hurricane Sandy. Duty drawback is a cumbersome, time consuming process that requires proof that goods have been destroyed or exported in order to obtain a duty refund from customs.

*****Down On The Dumps** as the U.S. Commerce Dept. announced on Dec. 18 that it determined utility-scale wind turbine towers from China & Vietnam were both dumped on the U.S. market and received government subsidies during their manufacture. The U.S. imported US\$222M of wind towers from China last year and about US\$79M from Vietnam. The U.S. has imposed duties of 51.4% to 58.49% on

towers made in Vietnam. On Dec. 19, Commerce determined large residential washers from South Korea & Mexico were dumped on the U.S. market. Commerce determined that producers/exporters from South Korea & Mexico have sold large residential washers in the U.S. at dumping margins of 9.29% to 82.41%, and 36.52% to 72.41%, respectively. Dumping occurs when an overseas company sells a product in the U.S. at less than its fair value, while countervailable subsidies are financial assistance from foreign governments that benefit domestic production & exports.

*****That Ain't Hay** as the U.S. Dept. of Agriculture in its second Outlook for U.S. Agricultural Trade in fiscal year 2013 said the country's farm exports have climbed more than 50% in value, from US\$96.3Bn in 2009 to the most-recent forecast of US\$145Bn in 2013.

*****Forwarder Networks Become Elite** as Elite Assn. of Logistic Networks (ELITE) has been officially launched following the qualification of 9 major global logistics networks as founding members. The membership of ELITE-qualified networks comprises 3,550 freight forwarding companies worldwide, with annual revenues of US\$60Bn and 140,000 staff operating from 7,000 offices in 188 countries. ELITE will represent the independent forwarding community by engaging with and participating alongside major global industry associations, regulators and government agencies. "For the first time the independent sector has a powerful and unified voice to ensure the interests of SME freight forwarders are considered," said a statement from the new group. IATA's head of global cargo, Des Vertannes, has welcomed the formation of ELITE, saying that with the industry undergoing major changes it is essential that all sectors work together.

www.elitelogisticnetworks.com/home.asp

*****On Your Mark, Go!** as the U.S. Postal Service will start a same-day test pilot this month in San Francisco, allowing customers to purchase goods from online retailers and have them delivered hours later. The delivery program, called Metro Post, will offer a price similar to its competitors. If things run smoothly, the program will quickly expand next year to other big cities including Boston, Chicago and New York. It follows similar efforts by eBay, Amazon.com and most recently, Wal-Mart Stores Inc., which charges a US\$10 flat rate for same-day delivery. USPS is hoping the service can help offset steady declines in first-class and standard mail. Operating as a limited experiment for the next year, Metro Post is projected to generate between US\$10M and US\$50M in new revenue from deliveries in San Francisco alone, according to postal regulatory filings, or up to US\$500M, if expanded to 10 cities. The projected US\$500M in potential revenue, even if fully realized, would represent just fraction of the record US\$15.9Bn annual loss that the Postal Service reported last week.

*****Bracing For California** as the state's Air Resource Board's (CARB) Transport Refrigeration Unit (TRU1) Airborne Toxic Control Measure 2 (ATCM) regulation comes into effect on 1 Jan. 2013. The new rule concerns hiring & contracting TRU-carrier transport of perishable goods on California highways & railways. The link below contains a document which explains the requirements in the California Air Resources Board's regulation effecting brokers, freight forwarders, shippers, receivers, motor carriers and their drivers.

www.arb.ca.gov/diesel/tru/documents/guidance_broker-shipper-receiver.pdf

*****DHL Global Forwarding To Lybia** as the air and ocean freight unit within Deutsche Post DHL has opened an office in Tripoli, Libya, to target the oil & energy, construction, telecommunications and pharmaceuticals sectors.

*****Bag It & Tag It** as GAC Packaging Solutions has launched a new ecologically-friendly and cost-effective packaging solution for liquid & dry cargo transportation. The 'g-drum' is a reusable, collapsible 208 litre drum with a "bag-in-a-box" design that uses a product-specific flexible internal liner bag made from 3-ply food and pharma grade polyethylene film to store liquid cargo and dry flowing or high viscosity products. Developed and patented by Int'l Liquid Packaging Solutions (ILPS), g-drums deliver up to 10% savings in overall operational costs compared to traditional steel drums.
www.gac.com/gac/service.aspx?id=59293

*****Expecting Delay** as a new software called VisibilitySmart alerts shippers about cargo delays earlier than ever before, according to manufacturer CargoSmart, an IT company providing systems to keep cargo moving on time. Trials throughout Oct. & Nov. showed potential for collaboration between shippers, logistics service providers & ocean carriers, said CargoSmart. The new software monitors & analyses live vessel data through the automated identification system (AIS), sailing schedules, historical route patterns and shipment plans to anticipate delays. It offers extensive coverage of 21 carriers, 3,500 vessels and 800 ports. The new solution monitors 3 types of delays - skipped ports of call, missed transshipments and late arrivals.
<http://visibility.cargosmart.com/en/>

*****Fixing American Pot Holes** as 7 modern truck & auto expressways - totaling 6,000 kilometers - in central Henan province are scheduled to open this month, reports Xinhua News Agency.

*****Distrust Thy Neighbor's Rail**as after years of charged debate, Mongolia broke ground this spring for a railroad that will haul coal across the pebbled Gobi desert to China, but with one costly condition. Citing national security, the government ordered the rails be laid 1,520 millimeters apart, Mongolia's standard gauge inherited from the Soviets. The width ensures the rails cannot connect to China's, which are 85 millimeters (about 3 1/2 inches) closer together. So, at the border, either the train undercarriages will need to be changed or the coal transferred to trucks, adding costs in delivering the fuel to Mongolia's biggest customer. When it comes to China, Mongolia will only go so far and no further. In the world's rush to get rich off China, Mongolia works mightily to ensure Chinese investment does not become Chinese dominance. It's a balancing act shared by many countries, especially on China's periphery. Mongolia, though, stands out for its vulnerability and determined deflection of Beijing's embrace. Landlocked with 2.8 million people spread over an area twice the size of Texas, Mongolia is dwarfed by China, with its 1.3 billion people and the world's second-largest economy. Fully 90% of Mongolia's exports - coal, copper, cashmere & livestock - go to China, which in turn sends machinery, appliances and other consumer goods that account for a third of Mongolian imports. The rising trade with China now amounts to 75% of Mongolia's economy, one of the highest ratios in the world, according to an Associated Press analysis of IMF trade data.

*****What Happens On X Train** as after striking an agreement with Union Pacific Railroad last week, the Las Vegas Railway Express is one step closer to bringing to life

the X Train, a luxurious "party train" complete with big screen TVs, recliners and two ultra lounges. "The whole idea is when you get on a train, you feel like you're in Las Vegas," said Michael Barron, president and CEO of the US\$100M venture that hopes to launch its maiden voyage on New Year's Eve 2013. "It's essentially a nightclub on wheels." Tourists can't get from Southern California to Las Vegas by rail alone, and Barron's company isn't the first to try and fix that. The much-talked-about XpressWest project proposes a high-speed train connecting Sin City to the region from which it draws 25% of its tourists. The X Train proposal calls for an Amtrak crew aboard a 576-passenger train that runs at standard speeds on traditional tracks. It would start in Fullerton, Calif. - already home to an Amtrak station and part of Southern California's Metrolink commuter train network - and end in downtown Las Vegas. A conditional agreement with Union Pacific, approved Nov. 16, will allow the company to use a rail line that's currently limited to freight trains and hasn't served passengers since Amtrak discontinued its Desert Wind service in 1997 due to low ridership. Tickets for the adults-only train would cost \$99 each way and include a meal and beverage, with plenty more alcohol available for purchase. To keep ticket prices low, the company would try to make money booking Las Vegas hotels and entertainment for passengers.

www.xpresswest.com/

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

*****Libyan Security** as the U.S. State Dept. has provided funding to Customs and Border Protection to train 13 Libyan defense & customs officials on border security techniques. The money is from the State Dept.'s Export Control and Related Border Security Program, which aims to prevent proliferation of weapons of mass destruction by helping governments implement effective export control systems. The course began Dec. 10 in McAllen, Texas.

*****Time Cops**as the Import Specialist Enforcement Team, a division within U.S. Customs and Border Protection in Laredo, Texas, recently seized a shipment of 7,800 counterfeit Audemars Piguet watches with a retail value of US\$83M, the agency said. It is the 2nd significant seizure involving the same trademark in less than 6 months. Import specialists identified the shipment, which arrived by an express delivery truck, for a secondary examination at the port of entry. This was the largest seizure in the crossing's history.

www.audemarspiguet.com/en/

*****Hauling Humans** as raising your arm and yelling "taxi!" is the old-fashioned way to nab a New York City cab. Soon, all you'll need is a smartphone app. New York City's Taxi and Limousine Commission on Dec. 13 approved a pilot program allowing riders to "e-hail" yellow cabs, starting Feb. 15 on a test basis. Until now, the city has banned yellow taxis from prearranging rides. "We should not ignore technology that's out there. This is real," Commissioner David Yassky said. The commission issued a news release after the vote celebrating what it called "appy days ahead." The system will be tried out for one year. After the free apps start linking customers with drivers in mid-February, the commission will produce quarterly reports on the program's success, leading to a decision on whether to extend it. Here's how it works. A potential fare uses the app to request a ride. That request goes out to all participating cabbies within a certain distance, and the cabbie who uses his or her own cellphone to respond first will get the fare.

=====

2. **The Cargo Letter** Financial Page _____

****FedEx. DOWN** with 2nd quarter, ended Nov. 30, net income of US\$438M, down 12% from last year's US\$497M.

****Patriot Transportation. DOWN** as its net income for the quarter ended Sept. 30 was US\$1.4M, or 13 cents a share, down from US\$1.8M, or 18 cents, a year earlier.

****UTi. DOWN** as net income was just US\$10.5M in third quarter, down from US\$28.5M last year.

=====

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

3. **Freight Forwarder World Air Briefs** _____

*****New Lithium Rules** as small cells and batteries below a certain power or lithium content can currently be consolidated with other cargo or with other consignments of small lithium batteries and be loaded into a ULD by a freight forwarder. However, from 2013, these small lithium batteries will be subject to greater regulatory requirements and consequently must be presented separately to an airline so that the airline can conduct an acceptance check, as is done for other dangerous goods. This change means that lithium batteries will now have to be prepared in accordance with Section IB of packing instructions 965 and packing instruction 968. More, ICAO has proposed a recommendation which states that the aviation authorities provide a transition period until 31 Jan. 2013 to allow lithium battery packages prepared for transport in December in accordance with the 2012 provisions to conclude their journey. The link to this ICAO recommendation is below:

www.icao.int/safety/DangerousGoods/Working%20Group%20of%20the%20Whole%20on%20Lithium%20Batteries201/DGPWGLB.1.WP.015.en.pdf

www.icao.int/safety/DangerousGoods/Documents/Guidance%20Material/2013-2014LithiumBatteryTransition.pdf

*****UPS Guide for Shipping Ground and Air Hazardous Materials** as last Sept., UPS hosted a meeting of IATA's Dangerous Goods Board, which approved a proposal from the company that rigid outer packaging should be compulsory for lithium battery shipments. IATA is updating its lithium battery guidance accordingly.

www.ups.com/content/us/en/resources/ship/hazardous/index.html

*****Transport Canada's 100%**as "Security Measures Respecting Air Cargo" go into effect on Dec. 31 and will require 100% of cargo being transported on passenger flights out of airports under the Canadian Air Transport Security Authority (CATSA) have increased security procedures under the Air Cargo Security (ACS) Program. All cargo transported onboard a domestic, int'l or transborder passenger flight departing a CATSA-designated Canadian airport must be secured, and receive confirmation by the air carrier as having met specified security requirements. For domestic & int'l passenger flights, cargo must come from a Registered Shipper or be actively screened using approved methods by either an Approved Participant or the air carrier. Registered shipper cargo may pass directly to an air carrier or through an Approved Participant in the Air Cargo Security Program.

Canadian Air Cargo Security (ACS) Program

www.tc.gc.ca/eng/aviationsecurity/asc-41.htm

Canadian ACS Program FAQ

www.tc.gc.ca/eng/aviationsecurity/asc-62.htm#compliance

*****Good Growth Ahead** as air carriers are expected to experience the strongest growth in cargo volumes internationally in the next 4 years, according to the Int'l Air Transport Assn. (IATA). Five of the 10 fastest growing countries will be in the Middle East and North Africa, reflecting its growing importance in international air freight, said the latest IATA worldwide industry outlook. By 2016, the United Arab Emirates will become the sixth biggest freight market in the world with 2.5 million tons, behind the U.S., Germany, China, Hong Kong and Japan. Int'l freight demand in the Middle East will grow at 4.9%, the strongest growth among the regions, said IATA.

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

*****Cargo Pilots Excluded** as the FAA has published in the Federal Register a flight crewmember duty and rest requirements docket that continues to exclude cargo pilots from its more stringent crew rest rules imposed on pilots on airplanes carrying passengers. The FAA says in its original Regulatory Impact Analysis (RIA), the portion of scheduling costs related to cargo-only operations of air carriers that conduct both passenger and cargo-only operations (mixed operations carriers) were inadvertently excluded from the reported costs of extending the final rule to cargo-only operations. The agency says the Initial Supplemental RIA fixes that omission and that revision has significantly increased the estimates of the stated costs of extending the final rule to cargo-only operations. Due to inclusion of impacts on cargo-only operations, a few air carriers were reclassified for ease of explication. The FAA said in the filing that it assumed that benefits associated with averting a single catastrophic accident involving a cargo plane would range between US\$20.35M and US\$32.55M. The FAA will accept comments on the Initial Supplemental RIA through Feb. 11th.

*****More Fixing** as the Swiss Competition Commission has fined 4 int'l freight forwarders for price fixing as part of a cartel a total of US\$6.7M. The 4 are: Deutsche Bahn, Kuehne+Nagle, Panalpina Weltransport & Agility Logistics Int'l. The Commission said an amicable settlement had been reached with the companies. The inquiry was launched by the Competition Commission in Oct. 2007 and established that the 4 forwarders fixed certain int'l air cargo shipping fees & surcharges between 2003 & 2007.

*****Apple's Massive Airfreight Spend May Decline** as CEO Timothy Cook revealed on Dec. 6 that the company, which relies on factories in China to build its iconic products, will manufacture one of its existing lines of Macintosh computers in the U.S.. Cook did not mention where the Mac would be built.

*****Most Influential Carrier of 2013?** as Delta Air Lines will be in the spotlight due to its acquisition of a Pennsylvania oil refinery as a hedge against the widening spread between crude oil prices and jet fuel costs. Airlines will be watching to see if the move really does produce at least US\$300M in savings, as the carrier estimates. Delta is also at the forefront of the shake-up in the U.S. regional airline industry, with plans to remove at least 200 of the 325 50-seat aircraft in its network by 2015. Its plans for achieving these cuts should become clear by early next year. Delta drew even more attention this month when it agreed to purchase a 49% stake in Virgin Atlantic, boosting its access to London's Heathrow Airport.

*****WorldCargo Will Drop The Paper**as it claims to be the first carrier to sign up for the Proof of Concept for IATA's "Multilateral e-Air Waybill Agreement" in support of paperless cargo. The company said this marks a "significant milestone" in the e-commerce framework promoted by the Global Air Cargo Advisory Group (GACAG). This comes as the model agreement for electronic data interchange (EDI) as a substitute for the traditional paper air waybill is proposed to become multilateral. The objective is to have the bilateral EDI agreements between the forwarders and the carriers replaced by a single multilateral agreement. The concept is that forwarders entering into the agreement with IATA effectively enter into accords with all participating carriers who have appointed IATA as their agent to enter into the agreements with the forwarders on their behalf. A Proof of Concept has been launched by IATA with a group of freight forwarders and carriers to trial the draft agreement and provide recommendations on potential enhancements. The final version of the accord is expected to be adopted as an IATA resolution and declared effective by mid-2013.

*****Paperless Pilots** as Lufthansa Systems has announced its airline pilots will be using its Electronic Flight Bag (EFB) software, providing continual access to updated electronic navigation charts, technical log books and operating manuals. The EFB reduces paper on board and saves weight while also cutting printing and logistics costs. The nearly paperless cockpit is therefore an important step towards efficient, environmentally conscious flight operations, said the company.
http://en.wikipedia.org/wiki/Electronic_flight_bag

*****Connecting Brazil** as President Dilma Rousseff announced last week that her country would build at least 800 regional airports. "Figures in Brazil are big. We plan to build 800 regional airports or more" for cities of more than 100,000 people, she told a gathering of French business leaders. "Brazil is a continent-sized country. We need more than railways. Some people in Brazil can travel only by air. We want cities of more than 100,000 inhabitants to have an airport within 40 miles she added. Brazil, a country of 194 million people with a territory 17 times bigger than Spain, seeks to upgrade its creaking infrastructure and has privatized 3 airports, including Sao Paulo's Guarulhos, through concessions ahead of the 2014 World Cup. Air transport in Brazil grew more than 120% in the past decade as more than 30 million people were lifted out of poverty and began to travel by air for the first time.

*****Goodbye Lufthansa Cargo**as it has announced Lufthansa Cargo Charter will cease business starting April 1, 2013.
http://lufthansa-cargo.com/en_us/mainnav/company/lufthansa-cargo-group/lufthansa-cargo-charter-agency-gmbh/

*****Luxembourg Flies** as the government will acquire Qatar Airways' 35% holding in Cargolux on an interim basis while a viable long-term commercial solution is found for the troubled cargo airline, reports Atlanta-area Air Cargo World. The Luxembourg government remains in discussion with Hainan-based HNA Group, which owns Hong Kong Airlines. HNA made a fresh approach to Cargolux, after losing out to Qatar Airlines 18 months ago. Russia's Volga-Dnepr is also said to be interested. HNA, owner of 6 airlines in addition to interests in airport management, logistics, hotels and tourism, last year took a minority stake in Turkey's MyCargo Airlines and is keen to expand. Qatar attributed strategic differences for its withdrawal, and it is clear any new investor will face significant challenges. Cargolux, which operates 11 B747-400 freighters and six B747-8Fs, lost US\$18M in 2011.

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

*****FedEx Upgrades** as it has announced an order of four 767 Freighters from Boeing as part of its initiative to modernize its fleet. "These additional 767 orders will accelerate fleet modernisation as we replace aging MD-10 freighters," said FedEx Express vice president James Parker. "These new 767s will provide improved reliability and are more fuel-efficient than the aircraft they replace." The 767 Freighter is based on the 767-300ER (extended range) passenger plane. With a 58-ton payload, and an intercontinental range,

http://en.wikipedia.org/wiki/Boeing_767

http://en.wikipedia.org/wiki/McDonnell_Douglas_DC-10

*****FedEx Is SenseAware** with a near real-time shipment device in Australia & Singapore that provides data about customer shipments and the ability to share that information with business partners. The multi-sensor device developed by FedEx Innovation team is integrated with a web-based application to allow customers to access shipment statistics while still in transit, including precise temperature readings, exact location, and alerts for when the shipment has been opened or exposed to light. The customer can set up a geo-fence along the actual route for the shipment with alerts to notify of deviation from this re-established route, and altered arrivals at specified times along the route, also available on ground shipments. It also sets up permission-based access to share predetermined data with business partners and other interested parties. The system is available beyond the FedEx network with Delta; Southwest & United mainline jets.

www.senseaware.com/what-is-senseaware/

*****Rankings of The Largest U.S. Airlines For On-Time Arrivals In Oct:**

1. **Hawaiian Airlines**, 94.8%
2. **Alaska Airlines**, 86.8%
3. **AirTran Airways**, 86%
4. **Delta Air Lines**, 85.5%
5. **Mesa**, 84.3%
6. **US Airways**, 83.2%
7. **Southwest Airlines**, 82.4%
8. **Virgin America**, 81.5%
9. **American Eagle**, 81.2%
10. **SkyWest**, 80.8%
11. **Frontier Airlines**, 78%
12. **ExpressJet**, 76.9%
13. **United Airlines**, 76.7%
14. **JetBlue Airways**, 74%
15. **American Airlines**, 67.7%

Average of all airlines, 80.2%

Source: Dept. of Transportation's Bureau of Transportation Statistics

*****Shame For The Name** as the founder of Texas-based air cargo operator Pan American Airways, Robert Hedrick, 61, has been sentenced to 30 years imprisonment on federal charges of viewing child pornography and chatting online with a federal agent posing as a 14-year-old girl. Hedrick maintains his innocence, saying he was framed by relatives or former business partners. His defence attorneys said it was not Hedrick who had used his computers to conduct online chats. U.S. District Judge Andrew Hanen

ordered Hedrick to pay US\$5.4M in restitution and to register himself as a sex offender.

Pan American Airways offers flights between the U.S. & Latin America.

www.panamericanairways.net/

The Real Pan American World Airways

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

*****Air Smuggling** as a plot to illegally ship aircraft parts to Iran has led to guilty pleas by the two men charged in the scheme. The two were stopped before any parts were shipped in violation of the embargo and pled guilty to charges related to unlawful export of aircraft and aircraft parts from the U.S. to Iran. One of the defendants, Hamid Asefi, age 68, is a citizen and resident of the Republic of Iran. The other, Behzad Karimian, also known as "Tony" Karimian, age 53, is a United States citizen living in Louisville, Kentucky who holds a valid Iranian passport and is employed as a Mesaba Airlines Pilot. The guilty pleas were made Monday in Louisville before Magistrate Judge James D. Moyer. The two-count indictment was returned by a Federal Grand Jury in Louisville, Kentucky on Aug. 2, 2012, and was unsealed before the hearing. Hamid Asefi and Behzad Karimian were both charged with conspiracy to violate and violation of the Int'l Emergency Economic Powers Act for exporting, selling, or causing the export or sale of aircraft and aircraft parts without first having obtained the required license from the U.S. Dept. of Treasury. At sentencing, defendants Asefi & Karimian face a maximum sentence of 40 years in prison, a fine of US\$500,000, and a 3 year period of supervised release on each count.

*****The Terror of No Moonshine** as Canadian Eskimos are up in arms over new air security rules that have come into their lives on remove Baffin Island in the high Arctic where most everything depends on air freight except seal meat and fish. The news is that Iqaluit (pop: 6,799) is now covered by Canada's Air Cargo Security Program, which means non-registered shippers may see their cargo subjected to extra screening and searches, which entail extra costs. The airports at Yellowknife and Kuujuaq are also affected. If one is shipping cargo from an airport in the North in the New Year, and you're not a "registered shipper," expect longer waits and a more thorough search of your goods, said the report. That's because the federal program is kicking into gear in Jan. to "help our economy and position Canada as a strong partner in global efforts against terrorism," said Transport Canada's website. A local resident observed; "Don't kid yourself. Transport Canada and the feds covered themselves six ways from Sunday on this one under 'public safety'. They also count on small-minded people cheering the 'end to bootlegging to justify it! Even though it is supposed to be about terrorism!" In Iqaluit, known locally and traditionally as Frobisher Bay, one can buy and drink alcohol at licensed establishments. But in other communities there is no local purchasing of alcohol, unless it is for personal consumption with a permit from the local Alcohol Education Committee. All other areas are under a complete ban.

*****Well Busted** as Spanish authorities say they have arrested a Panamanian woman arriving at Barcelona airport with 1.38 kilos of cocaine concealed in breast implants. The Interior Ministry said Dec. 12 that border police noticed fresh scars and blood-stained gauze on her chest as well as pale patches beneath her skin. The woman said she had recently had breast implant surgery. The statement said police were suspicious and sent her to a local hospital where the implants were removed and found to contain cocaine. The woman arrived in Spain from Bogota, Colombia.

*****Volumes >>>** Cathay Pacific Airways & Dragonair posted a 6.3% year-on-year

increase in cargo and mail to 140,824 tons, marking the 3rd consecutive monthly increase. >>> **Fuzhou Airport** posted a 1.8% increase to 87,300 tons in Nov. 2012. >>> **Hong Kong International Airport** (HKIA) posted a monthly record high for cargo traffic in Nov., handling 374,000 tons with a 9.3% growth year-on-year.

=====

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

4. FF World Ocean Briefs

*****Back From The Brink** as the Int'l Longshoremen's Assn. and East and Gulf coast port operators came to an agreement Dec. 28, to extend contract negotiations for another 30 days, according to federal mediators. The contract expiration has been extended to Jan. 28 from Dec. 29. This is the second extension of the contract that originally was to run out on Sept. 30. The Federal Mediation and Conciliation Service said the parties reached agreement on container royalty payments, saying that the "agreement on this important subject represents a major positive step toward achieving an overall collective bargaining agreement."

More than 100 American trade associations had signed a plea to President Barack Obama to use his powers to prevent a strike at 14 East and Gulf coast ports by the ILA as the union made public its plans for gradual, limited strike starting Dec. 30. ILA President Harold Daggett said ILA workers would continue to handle perishables with a limited shelf life, military materiel, passenger ships, non-container cargo as well as vehicles, reported American Shipper. But dry goods containers, even military household items, or frozen food, would be boycotted. The National Retail Federation and National Industrial Transportation League have written their own letters to the White House, but there has been no reply. The New York Shipping Assn., representing terminal operators, were in discussions with the Port of New York and New Jersey on what to do. Trade group signatories include the Alliance of Automobile Manufacturers, American Apparel & Footwear Assn., American Farm Bureau Federation, National Assn. of Manufacturers, American Chemistry Council, Toy Industry Assn. and the U.S. Chamber of Commerce.

The ILA has posted an Internet document explaining a container "royalty", the issue that originally caused the breakdown in the contract talks, is a US\$4.85 payment by the management to the union for each ton of container cargo handled (around US\$80 per container) and is distributed to ILA members as bonus with a portion going to the dockers' health care fund. The union statement said: "When containerization began, the ILA was faced with a huge displacement of workers whose jobs were eliminated by the ominous steel boxes. The ILA agreed to allow containerization but negotiated a fee, based on the weight of each loaded container for annual payments. This is compensation for the job opportunities lost by permitting containerization." Management has offered to keep the royalty system in place for 25 years for all but new hires, but the union wants the royalties kept in perpetuity. Should there also be a new tax on gasoline engine production to benefit horse farms, or a levy upon light bulb producers to support the candle industry?

Union

www.ilaunion.org/

Management

www.usmx.com/html/about/USMX/Usmx.htm

*****In The Pacific Wake** as soon after federal mediators were brought in to help reach an agreement between teams representing employers at the ports of Los Angeles (POLA) and Long Beach (POLB) and the Int'l Longshore & Warehouse Union Local 63 Office Clerical Unit ("OCU"), the 8-day strike, which saw activity at POLA and POLB essentially come to a halt in the form of a tentative agreement. The Los Angeles Times reported the strike commenced on Nov. 27, when the 80-member OCU expressed frustration regarding shipping line employers outsourcing jobs. The OCU, said the report, had the support of 10,000 regional ILWU members, whom in turn honored the picket line and did not work. The report added that it centered on the claim by the union that employers have steadily outsourced jobs through attrition, while the union said the employers have transferred work from higher-paid union members to lower-paid employees in other states and countries. The impact of the labor stoppage was significant, with roughly 20 container vessels idled as a result, which were unable to unload or load cargo, and more than 20 vessels either anchored at POLA and POLB or diverted since the beginning of the strike to Oakland, Panama, and Ensenada, Mexico. Along with the idled or diverted vessels, each port had several container operations that were not in operation during the duration of the labor stoppage. What's more, the OCU had picket lines at 10 of the 14 terminals at POLA and POLB. Had the strike continued, many industry experts said it was reasonable to assume it could have cost the U.S. economy roughly US\$1Bn per day, as was the case with the ten-day West Coast port strike in 2002. According to industry estimates, POLA and POLB cumulatively handle more than 40% of U.S. import cargo per day, which represents about **US\$1Bn on a daily basis.**

www.ilwu.org/

*****No Pirate Holiday** as NATO is calling on the merchant shipping community not to lower their guard over Christmas as the pirates operating in the Indian Ocean and surrounding waters will not be taking a holiday. This warning comes after pirates attacked on December 16 the Danish 105,002-dwt tanker [M/T Torm Kristina](#), which NATO said proves they are still on the lookout for targets. Vice Admiral Christian Canova, deputy commander at NATO's maritime headquarters in Northwood said: "Piracy in the Gulf of Aden and Indian Ocean is at its lowest point since 2008 and this is good news, however we cannot be complacent."

*****U.S. Containerized Import Slump** as in Nov. the volume was 1.2 million TEU, down 15.2 % compared to same month 2011, a fall blamed on Hurricane Sandy in the east coast and longshore strikes on the west coast. According to the trade intelligence company Zepol, Nov.'s data reflected a significant drop in month average volumes of 1.4 million TEU in the last 2 years with a drop of 12.8% from Oct. to Nov. in inbound volume, the lowest since Feb. 2012. Europe increased its maritime unitised exports to the U.S. overall by 4.5% with Germany up 4.8% and Italy at a healthy 13% during Nov., Belgium & Spain showed like-for-like increases also. The UK slumped by nearly 6.6% month on month, according to bills of lading data declared to U.S. Customs. From Oct. to Nov., the top 20 ocean carriers suffered declines with APL recording a deep slide of 14%, MSC at 10.3% and Danish giant Maersk Line down 6.6%. Los Angeles & Long Beach ports suffered declines due to labour strikes at both Pacific ports and a general downturn with the east coast port of New York recording the sole uplift of 1.9% during Oct.

*****The Extreme Danger of Human Shippers** as more than 21% of life-threatening incidents aboard containerships have been linked to misdeclared cargo, mostly involving dangerous goods, and bad packing, reports London's Containerization International. The Cargo Incident Notification System (CINS) formed by 10 ocean carriers - five in the top 20 and representing 52% of global cellular capacity, has done a study of 500 potentially life-threatening incidents based on insurance claims. Half of the incidents were found to result from container packing problems over which the carriers have no control, said the report. "There is now a strong case also to seek broader industry involvement to increase the awareness of areas of concern and trends in containerised shipping, and continue to improve safety in the supply chain," said the CINS statement.

www.containerownersassociation.org/resources/1cCINS2011Shanghai.pdf

*****Coming Squeeze** as container shipping companies potentially face a shortage of small-and medium-sized ships in future despite the glut of newbuild ordering in the mega-sized range, warns Clarksons in its latest Container Intelligence Monthly report. The buying frenzy of recent years has fizzled out and left a bad taste in the mouth as cargo volumes remain weak and the number of idle vessels remains high. New orders for smaller-sized vessels have dried up, and there are concerns the capacity squeeze will slow trade development in some parts of the world, unless ordering resumes. Clarksons highlights relatively few ships of 3,000 TEU or smaller have been built since 2009 and activity in the mid-range vessels of up to 7,999 TEU has also been light, with ordering constrained by lack of finance. A report by Irish Trucker News noted the looming capacity squeeze comes regardless of shipyards slashing the price of new containerships to near record lows. The report highlighted a 2,750-TEU gearless vessel would cost around US\$30.5M, down from US\$38M at the end of last year and US\$53M in 2007. A larger 4,300-TEU ship that would have cost US\$57N in late 2011 can now be ordered for US\$14M or less. Clarksons' newbuilding price index stands at 73, based on Dec. 1996 prices equalling 100, compared with 91 a year ago and almost 130 in mid-2008 before the banking crisis. The data also shows US\$32Bn has been invested in new box ships this year, against US\$27Bn in 2011 and US\$55Bn in 2007 before the market collapsed and orders shrank to US\$1.1 Bn in 2009.

www.clarksons.net/sin2010/

*****Striking At Grain?** as the Pacific Northwest Grain Handlers, a group of 4 firms running export grain terminals on the U.S. Pacific Northwest's Columbia River and Puget Sound recently said they cannot accept the offer from the Int'l Longshore & Warehouse Union (ILWU). ILWU negotiators have told members to vote against grain terminals' offer. The contract ended Sept. 29. Since then, ILWU members have been working without a contract. Terminals on the Columbia River or Puget Sound handle 25% of U.S. grain exports.

*****Canada Border Services Agency Wants The Code** as the CBSA is requiring ships calling at ports in Canada to use their own designated carrier code to send Advance Commercial Information (ACI) to the CBSA to report goods upon arrival. A point of the rule is the legal entity, to which the carrier code is assigned, is liable for the timeliness, completeness and accuracy of the ACI data regarding the conveyance and all of the cargo on board its conveyance under Section 13.2 of the Reporting of Imported Goods Regulations. Effective March 25, the CBSA will deploy new electronic systems that will introduce a Conveyance Arrival Certification messaging function for air

& marine carriers or their authorised service providers. Authorized service providers must transmit the arrival message using the carrier code of the conveyance operating carrier. This will allow clients to transmit an electronic arrival notice using an Electronic Data Interchange (EDI) method and within specific timeframes. The requirement for Conveyance Arrival Certification message replaces the current arrival process for air and sea transport that is based on the estimated time of arrival provided by clients. The CBSA requires the owner or person in charge of the vessel to apply for a carrier code in order to transmit ACI and to report upon arrival. Marine carriers are not obligated to transmit their own ACI data as they may continue to use the services of a marine agent or other third party for transmission purposes.

*****Projected Protection and Indemnity Pain** as P&I renewals are poised to be the most troubled in 10 years because of hard times for ship operators, poor underwriting results and some of the largest claims in history, according to the Willis Global Marine annual P&I Market Review. The report said the P&I market results last year (2011/12) showed a 13% increase in incurred claims, a 5.9% underwriting loss and only a 2.7% investment return. Total market free reserves increased marginally (4%), but tonnage increased by 9% over the same period. The market is therefore larger, but proportionately slightly weaker than the previous reporting period. "Against this backdrop, 2011/12 has the dubious honor of registering the highest level of net paid & net incurred claims ever reported by the P&I market (2% & 8% higher than the previous record level in 2009/10)," said the report.

*****TSA Rate Boost** as the Transpacific Stabilization Agreement (TSA) carriers have announced a US\$600 per FEU rate increase from Jan. 15 on cargo to U.S. west coast ports & inland destinations, and US\$800 per FEU to all other destinations. TSA members include APL, "K" Line, China Shipping Container Lines, CMA-CGM, Cosco, Evergreen, Hanjin, Hapag-Lloyd, Hyundai Merchant Marine, Maersk, MSC, NYK, OOCL, Yangming & Zim.

*****Matson Buys** as it has signed a definitive agreement to acquire the primary assets of Auckland-based Reef Group which went into receivership in Nov.. Reef had been providing container & bulk fuel services to a dozen Pacific countries. Matson, in a statement to the New York Stock Exchange, says assets acquired include 4 vessels and about 1,500 FEU. Matson began servicing Hawaii in 1882 and has had links in the wider Pacific since the 1920s.

www.matson.com/

*****CMA CGM Repositioning** as talks are said to continue this month for cash-strapped French shipping line, the world's 3rd-biggest container line, to sell 49% of its share in its port operating unit Terminal Link to Hong Kong terminal operator China Merchants Holdings, according to the London Shipping press. CMA CGM chairman Jacques Saade has said he hopes to raise US\$600M to US\$700M from the sale of non-core ports assets. The new revenue should help CMA CGM in its purchase of a stake in the port of Long Beach's 256-acre Pier J terminal, marking the 1st time the carrier has invested in a U.S. west coast port, ensuring its ships will call at Long Beach rather than LA. Pacific Container Terminal is based at Pier J, a mega ship-friendly dock with 15.2 meters alongside as well as 17 post-panamax gantry cranes. The arrangement is expected to bring an additional 2.6 million TEU and revenues of US\$70M over 5 years.

www.cma-cgm.com/

*****The Next Panama Canal** as the present expansion will not be its last, said Alberto Alemán Zubieta, immediate past commissioner of the Panama Canal Authority, this month. Aleman, a construction engineer who assumed the helm of the PCA in 1998, oversaw the design and present US\$5.25Bn expansion until his retirement in Sept. As the project continues, he noted, the increasing size of new vessels will mandate yet another expansion. The existing project will allow the canal to handle ships up to 13,000 TEU. More fuel-efficient ships and the increasing price of bunkers are bringing 18,000-TEU ships onto the seas "and we must have Panama Canal locks that can handle them. We must have one more expansion," he said.

*****Fencing With Pirates** as Dubai-based GAC Maritime Security has joined Mobile Defense Systems LLC to provide PirateFence, an anti-grapple razor wire to prevent easy boarding by pirates. The non-lethal, multi-layered risk mitigation system is the latest product from the maritime security firm that fortifies a vessel against system failure and buys more time for the crew to counter a threat. PirateFence is a perimeter protection system with an innovative anti-climb & grapple-resistant component. The coil is applied in sections to avoid any attempts made by attackers to peel the system away in its entirety. The system uses Razor Ribbon, a razor wire with a galvanised steel core and sharp razor blade-like edges, but its easy-to-use "roll" design ensures that the risk of crew injury is virtually eliminated during installation or transport of the cylinder units.
www.cnss.com.cn/html/2012/companyPress_1127/86061.html

*****For The Greater Good** as DHL Global Forwarding has returned to the Antarctic three 120-year-old bottles of 1896 Mackinlay's Rare Old Highland Malt Whisky by air & road from Glasgow to New Zealand. British explorer Ernest Shackleton had taken several cases of the whisky on his expedition to Antarctica in 1907, then left them behind when his expedition failed to reach the South Pole. "We spent weeks planning this operation, investigating various different travel options and routes to get it from Scotland to New Zealand. Having been buried in the Antarctic ice for more than 100 years, the whisky is extremely precious and delicate," said Alan Davis, regional director, air freight Scotland. The whisky had to be specially packed for the entire journey. It then traveled in a secure container via Dubai on to Christchurch, New Zealand, where the logistics giant transported the whisky back to a secure facility in Christchurch before its return to Antarctica. In 2010 three cases were excavated by conservators working for the Antarctic Heritage Trust (New Zealand). Afterwards one crate of the whisky was flown to New Zealand and carefully thawed at Canterbury Museum. Three bottles of the historic whisky were then flown to Scotland where the distillery Whyte & Mackay, who now owns the Mackinlay brand, analysed it scientifically. Whyte & Mackay have since recreated the century-old whisky.
http://en.wikipedia.org/wiki/Ernest_Shackleton

*****Throughput >>>** Port of Charleston saw its container volumes rise 12% in Nov. after it handled 125,780 TEU, an 11.9% increase year on year. >>> **Hong Kong** has announced the port handled 1.9 million TEU in Nov., representing a year-on-year decline of 4.3% to more than two million TEU in Nov. last year. >>> The **Port of Prince Rupert**, British Columbia, has topped its initial design capacity of 500,000 TEU after its first 5 years in operation, the port authority announced. >>> **Qingdao** port lifted 373 million tons from Jan. to Nov., 8.7% more than in the same period in 2011. Its full year throughput is expected to top 400 million tons, including a container volume of 14.5 million TEU, figures that now rank Qingdao as 7th biggest port in the world. >>> **Singapore's Maritime and Port Authority** reported a 4.7% increase in

container movement in Nov., having handled 2.5 million TEU compared to 2.6 million TEU in Nov. last year. >>> The U.S. **Port of Virginia** says it has just experienced its 2nd best month on record for general cargo traffic, handling 198,720 TEU in Nov., an increase of 21.2% year on year, and year-to-date, the port handled 1,920,137 TEU, up 8.9%.

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

1902 - Admiral of the Navy George Dewey receives orders to send his battleship to Trinidad and then to Venezuela to make sure Great Britain and Germany's dispute with Venezuela was settled by peaceful arbitration not force.

1918 - President Woodrow Wilson sails in [USS George Washington](#) for Paris Peace Conference.

1944 - Adm. William Halsey's 3rd Fleet encounters a typhoon northeast of Samar. Destroyers [USS Hull](#) (DD 350), [USS Monaghan](#) (DD 354) and [USS Spence](#) (DD 512) sink, while 21 other ships are damaged.

1944 - [USS Flasher](#) (SS 249) sinks Japanese destroyer Kishinami and damages a merchant ship in the South China Sea. Flasher is only U.S. submarine to sink over 100,000 tons of enemy shipping in World War II.

1862 - Four nuns who were volunteer nurses aboard [Red Rover](#) were the first official female nurses on a U.S. Navy hospital ship.

1965 - Helicopters from Helicopter Squadron 11 on [USS Wasp](#) (CVS 18) pick up crew & capsule of Gemini 7 after picking up the crew & capsule of [Gemini 6](#) two days earlier.

=====

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 Dec. 2012: "**Very Loco Motive**" (30 Dec.)

www.cargolaw.com/2012nightmare_emd-loco.html

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.

=====

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>>>>>>

EU Action Plan On Intellectual Property Rights (IPR) For 2013-2017
http://europa.eu/rapid/press-release_MEMO-12-967_en.htm

Global Air Cargo Advisory Group Roadmap To Adoption of E-Cargo In 2013
www.tiaca.org/images/tiaca/GACAG/PressRelease/GACAG%20creates%20roadmap%20to%20accelerate%20adoption%20of%20e-cargo%20in%202013.pdf

IATA Videos: Benefits of Aviation
www.youtube.com/watch?v=PEqmHizTmeM&list=PLM2XOQXtRLMe24VqrVw_SpbbA6rOOZaez&index=3

Int'l Civil Aviation Organization (ICAO) Agreement On 15-year Air Navigation Strategy
www.icao.int/Newsroom/Pages/ICAO-forges-agreement-on-15-year-air-navigation-strategy.aspx

Ultimate China Sourcing Checklist - Beginner's Guide - From UPS
<https://rapidrequest.emediausa.com/4/?3565265.GDLSQKVL.138475>

UNCTAD Handbook of Statistics 2012 essential data for analysing and measuring world trade, investment, international financial flows and development.
<http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=381>

UNCTAD Review of Maritime Transport 2012 fostering transparency of maritime markets and analysing relevant developments.
<http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=380>

White House Report on Beyond the Border & Regulatory Cooperation Council with Canada
www.whitehouse.gov/the-press-office/2012/12/14/white-house-releases-report-beyond-border-and-regulatory-cooperation-cou

PRODUCTS>>>>>>>>

Track Truck ProgressRydeSmart 3.0 for iPhone and iPad devices to track vehicles & access real-time fleet.
www.rydesmart.com/landing/home.aspx

Walls When & Where You Want Them
www.zoneworks.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

4th Maritime Piracy & Security Summit 30 & 31 Jan. 2013, London
www.wplgroup.com/aci/conferences/eu-mps4.asp

6th World Routes Development Forum 10-12 Feb. 2012, Cartagena de Indias, Columbia
www.routesonline.com/

7th World Cargo Symposium 12-14 March 2013, Doha, Qatar
www.iata.org/events/wcs/Pages/index.aspx

9th Int'l Freight Forwarders Conference 15-17 March 2013, Kuala Lumpur, Malaysia
<http://fnc-group.com/Fnc-Kul-Conference-Welcome>

2013 IATA Secure Freight Forum..... 6-7 Feb., Geneva, Switzerland
www.iata.org/events/Pages/secure-freight-forum.aspx

AirCargo 2013 10-13 March 2013, Red Rock Hotel & Casino, Las Vegas
[.www.aircargokonference.com/](http://www.aircargokonference.com/)

Air Cargo Africa 2013 20-23 Feb. 2013, Johannesburg, South Africa
www.statetimes.com/aca2013/

Air Cargo & Logistics Asia Conference and Exhibition 16-18 Oct. 2013, Singapore
<http://atwonline.com/events/air-cargo-logistics-asia-conference-exhibition-1212>

Asia Pacific Rail 2013 12-14 March Ritz Carlton, Kowloon, Hong Kong
www.terrapinn.com/template/live/documents.aspx?e=5452

Int'l Air Transport Assn. Legal Symposium 2013 17-19 Feb. 2013, Radisson Blu Hotel, Berlin, Germany
<https://ems.resrunner.com/IATALegalSymposium>

JAXPORT 2013 Logistics & Intermodal Conference 18-20 March 2013, Omni Amelia Island Plantation Resort, Amelia Island, Florida
www.jaxportconference.com/?6095b020

Maritime Piracy & Security Summit 30-31 Jan. 2013, London
<http://v11.vuturevx.com/exchange-sites/Whitmore%20Group/59/events-pdfs-eu/mps4-marketing-agenda.pdf>

World Cargo Symposium 201312-14 March 2013, Doha, Qatar
www.iata.org/events/wcs/pages/index.aspx

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

iPhone Asset Tracking
www.asapsystems.com/mobile_tracking.php

Lloyd's Register Pocket Checklists
www.ukpandi.com/knowledge-developments/article/mlc-pocket-checklist-and-smartphone-app-launched-by-lloyds-register-and-uk-p-i-club-5677/
http://www.lr.org/news_and_events/news/245422-mlc-pocket-checklist-smartphone-app-available-now.aspx

Sporty's Learn To Fly Course iPad/iPhone App
<https://itunes.apple.com/us/app/sportys-learn-to-fly-course/id502084699?mt=8>

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

Airline Food

www.huffingtonpost.com/2012/11/21/airplane-food-the-dirty-truth_n_2170098.html?ir=Weird+News

Danish Government Icebreakers For Sale
www.maritimedanmark.dk/?utm_source=uknyhedsbrev05-12-2012&utm_medium=email&utm_content=uknyhedsbrev2012&utm_campaign=uknyhedsbrev&Id=16383

Gadget That Changed The World
<http://navylive.dodlive.mil/2012/12/13/gadget-that-changed-the-world/>

Group Aerobatics of More Than 20 Combat Fighters
www.liveleak.com/view?i=f23_1355317472

Mid-Air Airplane Repair By Gladys Ingles (1924) this woman has more guts than a sausage factory
www.flixxy.com/mid-air-airplane-repair.htm#.UNdRmkbPQxA

Photos: First Flying A350 Prototype Rolls Off of Assembly Line
www.flightglobal.com/news/articles/pictures-first-flying-a350-prototype-rolls-out-of-assembly-line-379745/

Selling Larry Hagman's House
<http://carproperty.com/larry-hagman-s-heaven-house-car-property-ad3514787.htm>

The 19 Most Badass Spy Planes
<http://gizmodo.com/5960077/the-19-most-badass-spy-planes>

USS Enterprise, Past, Present & Future
<http://navylive.dodlive.mil/2012/12/01/uss-enterprise-past-present-and-future/>

U.S. Navy Operating Forward
<http://navylive.dodlive.mil/2012/12/17/your-navy-operating-forward-hawaii-arabian-sea-mediterranean-sea-atlantic-ocean/>

X-47B: The Future Is Here
<http://navylive.dodlive.mil/2012/11/27/x-47b-the-future-is-here/>

=====

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

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

*****Your Biggest Change For 2013: New Year, New DOT Regulations.....**as the 2012 Highway Re-Authorization Bill -- H.R. 4348 "Moving Ahead for Progress in the 21st Century Act" ("Map-21") -- will effect transportation intermediaries beginning 2013 in three notable ways.

1.) Likely effective October 2013, interstate motor freight brokers and forwarders will be required to post a US\$75,000 bond. The increase in security is largely in response to brokers absconding with freight charges collected from shippers but not paid carriers, leaving carriers unpaid and/or shipper's subject to potential liability for double payment. Customs brokers, NVOCCs and air freight forwarders are exempt from brokerage registration and licensing requirements when arranging transportation as part of a greater international move.

2.) Motor carriers may only interline with other carriers if they physically transport the load at some point themselves; motor carriers may not "re-broker" loads unless disclosed, and even then may only do so pursuant to separate property broker or forwarding authority with corresponding bond. Carriers "re-brokering" a load without authority -- and even the company principals -- face unlimited civil liability and regulatory penalties of up to US\$10,000 per violation.

3.) To avoid ambiguity of the capacity in which a logistics company with multiple DOT authorities is acting with respect to a specific transaction, the DOT will issue distinctive registration numbers for each authority. Please contact the attorneys at **C&McD** for additional information regarding these regulatory developments.

=====

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

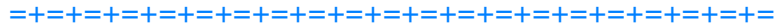
The Cargo Letter Correspondents:

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

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

Bruce A. Lindsay, Esq. (Countryman & McDaniel)

Maria Payne (Countryman & McDaniel)



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.

Subscriptions.....only by accepted application to:

To **The Cargo Letter**: CargoNews@aol.com

To Our Firm: info@cargolaw.com

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

Telephone: (310) 342-6500

Telefax : (310) 342-6505

Cable : McLawman LSA

News Fax: (818) 224-3058 [24 Hours and Weekends]

The Cargo Letter is published by **The Law Offices of Countryman & McDaniel**: Legal, Business, Marine Insurance and Claims representation of Air/Ocean Freight Forwarders, NVOCC's, Indirect Air Carriers, Shipper's Agents, Inland Carriers and Customs Brokers.....and Liability & Marine insurance Underwriters since 1978 in the United States & world-wide via **The Cargo Law Network**. Member, Maritime Law Association of the United States, **FIATA** and others.

Our Home Page Of Forwarder/Broker Services

Cargo Law
www.cargolaw.com
&
TRANS-CAMS
www.cargolaw.com/cameras.html

The Cargo Letter Home Page _
>>>>>>www.cargolaw.com/cl-archives.php<<<<<<<<

<<<<**The Cargo Letter**>>>>