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Ocean Fast Facts

Which North American port handled 1.4 million TEUs inbound and outbound and acts as fresh water direct ocean port alternative to the ports of New York / New Jersey and Halifax, Nova Scotia?

[Click here to see the answer!](#)

Answer: **Montreal, Quebec Canada.** In 2008, the port of Montreal handled 1,473,914 TEUs.

The port of Montreal is one of North America's leading container ports and offers an alternative to the larger and occasionally more congested United States east coast ports such as New York/New Jersey. Several leading ocean carriers call on the port of Montreal and offer transportation into the United States interior midwest, Ohio Valley and eastern region cargo.

Source: http://www.port-montreal.com/ste/1_0/1_6_4.jsp?lang=en



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Reminder: U.S. exports remain steady - be prepared

In last month's AIT customer newsletter, it was reported that because of the decrease in import freight and inbound container equipment, the supply of export containers had dwindled in certain markets. This was especially the case in key intermodal markets within the US such as Chicago, Minneapolis, Kansas City and St. Louis. AIT also advised exporters to plan early for booking export shipments, and this remains especially critical when scheduling for multiple full container load (FCL) bookings within your supply chain.

Planning ahead ensures equipment availability in origin cities to satisfy the container size and type for your booking needs. Less than container load (LCL) booking availability remains wide open. Be mindful to plan early for standard dry equipment, but also plan carefully for special equipment such as refrigerated and flat rack/open top equipment. Please speak with your AIT representative to address your specific container needs.

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May Day! = May Holidays throughout the World

Throughout the globe, May is a month that is chock full of holidays. It is important to be aware of these holidays, as it may delay the delivery of freight. Key holidays in May are as follows. Office closures may be in effect in certain countries. Several bank holidays also exist in May, so please check with your AIT representative to ensure accurate information regarding closures:

May 1 - Labor Day (throughout the globe)

May 3 - Constitution Day (Japan)

May 4 - Labor Day (throughout the globe)



May 5 - Cinco de Mayo (Mexico)
May 8 - VE Day (France); Israel Independence Day (Israel)
May 11 - Victory Day (Russia)
May 17 - Constitution Day (Norway)
May 18 - Victoria Day (Canada)
May 25 - Memorial Day (USA)
May 28 - Dragon Boats and Dragon Festival (China and Taiwan)

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Maersk Line steps up Anti-Piracy Efforts

As a result of increased piracy activities off the coast of Somalia and the recent seizure and release of the Maersk Alabama, Maersk Line said it will step up measures to guard ships against pirates and called upon governments to cooperate in fighting piracy. While Maersk has said it will not arm container ship crews, it will keep ships running at full speed while moving through the Somalia coast and Gulf of Aden region. The company is also taking other security precautions as well but were not provided in detail. With the initiative, Maersk aims to make access to their vessels more difficult to seize. "We have expanded the area off the coast of Somalia where only vessels with a certain freeboard or capable of sailing certain speeds are allowed to enter," said Søren Skou, a partner in A. P. Møller - Maersk Group and Maersk Tankers CEO. "These are among the measures Maersk is taking to safeguard their ships and crews working the region.

The trend of piracy within the Somali coast and Gulf of Aden region has had minimal impact on cargo destined to or from the USA. The cargo mostly impacted is traveling on tradelanes such as Asia-Europe or Europe-South Africa.

Source: *Journal of Commerce, Online; April 29, 2009*

[>> Ocean Buzz Word: Freeboard](#)

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Trans Pacific Market Update - TSA Carriers plan for the 2009-2010 shipping season

The Transpacific Stabilization Agreement (TSA) member carriers are recommending an unprecedented schedule of minimum base freight rates from Asia to U.S. for their upcoming service contracts. The recommendations arrive as the TSA is making efforts to stabilize revenues and services based on the recent activity in rate reductions. Members of the TSA are proposing the establishment of floor rates to help ensure rate stability and keep freight rate levels profitable for the member carriers.

According to an April 9th announcement on the official TSA website, www.tsacarriers.org, the member lines have not been as successful as initially anticipated in balancing acceptable rate levels during the off-peak period, considering lower cargo demand and the resulting overcapacity.

The carriers are faced with two challenging choices: either set their pricing at minimally sustainable levels or experience significant losses in the 2009-2010 shipping season, which would have a significant impact on the stability within the trade.

It is anticipated that the TSA will attempt cost recovery indicated by the following proposed actions by the member lines:

- Current spot rates initially set to expire on June 30, 2009, should now be expired within 30 days' notice from the earliest day possible, and by no later than May 15.
- New minimum rates (per 40' container) should be applied in all contracts not yet concluded, as soon as possible but no later than July 1, as follows:
 - US \$1,350 to the west coast
 - US \$2,500 via east coast all-water service
- Guideline minimums have also been adopted for selected mini landbridge (MLB) and inland point destinations.
- Guideline minimum rates per high-cube 40-foot container have been recommended at levels \$100 above those for standard 40-foot units.
- All 2009-10 contracts should expire by no later than April 30, 2010, the traditional cycle in the Transpacific.
- All contract offers should be subject to full, floating bunker charges per TSA's revised formula, with quarterly adjustment and separate charges for west coast and east coast sailing.

The TSA member list of carriers includes the following carriers: APL, Ltd., China Shipping Container Lines, CMA-CGM, COSCO Container Lines, Ltd., Evergreen Line, Hanjin Shipping Co., Ltd., Hapag Lloyd AG, Hyundai Merchant Marine Co., Ltd., Kawasaki Kisen Kaisha, Ltd. (K Line), Mediterranean Shipping Co., Nippon Yusen Kaisha (N.Y.K. Line), Orient Overseas Container Line, Inc., Yangming Marine Transport Corp. and Zim Integrated Shipping Services.

Several AIT customers are already inquiring about the "new" post May 1 rate levels. As indicated in the highlights of the TSA's 2009-2010 contract negotiations plan, carriers are aggressively seeking cost recovery. As May unfolds, floor threshold levels being presented by the TSA carriers represent an increase over many of the current rate levels being offered in the current marketplace. The carriers will attempt to expire existing rates by mid-May rather than June 30th of this year in an effort to reset the market levels for the 2009 season.

For those customers seeking new rates, please bear in mind the shifting market conditions on the Transpacific tradelane and contact your AIT representative to clarify rate validity as needed.

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The "weight" is never over!

Often times, AIT customers ask questions about acceptable cargo weight before booking containers. In April, AIT received numerous inquiries from existing and potential clients about weight restrictions. There are different weights to consider: commodity as well as vehicle and chassis weight. While the maximum payload within containers may be over 50,000 pounds, containers moving within the United States are subject to local municipality, state and federal guidelines for acceptable gross weights of containers moving over the road and rails. This guideline is well below the 50,000 lbs. container payload. It is important to keep this in mind when planning your inbound and outbound container loads.

The chart below can be used as a reference; however, it is subject to local, municipality, state and federal guidelines. For example, over the road weight restrictions in the United States are governed by the Federal Bridge Law. Additionally, ocean carriers, railroads and overseas governments may also have additional weight restrictions, so please check with your AIT representative if you have questions.

Gross Maximum - Commodity Weight in Pounds (lbs)

20' with slider chassis:	38,000
20' with triaxle chassis:	45,000
40' with gooseneck chassis:	44,000
40' with ultra light chassis:	47,000

Weight Restrictions in Pounds (lbs)

	20' slider	40'	Triaxle
Steer Axle	12,000	12,000	7,000-8,000
Drive Axle	32,000	34,000	32,000
Trailer Axle	32,000	34,000	42,000
Gross Weight	80,000	80,000	80,000

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BUZZ WORD OF THE MONTH

Relay

Definition: A shipment that is transferred to its ultimate destination port after having been shipped to an intermediate point.

Source: *Directory of International Trade, 7th Edition; 2006 Edward G. Hinkelman.*

Relay or Transshipment? That is the question!

Most often, the "slower" mode of ocean transportation (when compared to air freight) moves on direct service. Direct ocean service is when a container is loaded to a single vessel from one port to another port directly by the given vessel on which that container is loaded. Occasionally, if a quick transit time is not required, customers may opt to send their cargo via "relay," "indirect," or "transshipment" service. Transshipment service is when a container is loaded at a

port on one vessel and transferred to another vessel for a second sailing leg of the ocean journey.

Transshipment generally involves the movement of cargo from origin to destination utilizing two or more vessels in addition to any other modes of transport such as truck or rail. One example of relay service would be the Port of Hong Kong to Port of Tampa via the Port of Kingston Jamaica. This indirect service may be compared to routing air or passenger cargo via an airport hub. Relay or transshipment may or may not provide a lower cost alternative to traditional direct sea freight modes, depending on the origin and destination combination. The transit times will be longer, but it may be worth the overall savings.

Please speak with your AIT representative to investigate whether or not "relay" or transshipment service would be a benefit to your supply chain.

Freeboard

Free as a board! A bonus ocean "Buzz Word of the Month"

Freeboard: Distance between the level of water and the upper surface of the freeboard deck amidships at the side of a hull: regulated by the agencies of various countries according to the construction of the hull, type of cargo carried, area of the world in which it sails, type of water, and season of the year. Sometimes compared to load line.

Source: <http://dictionary.reference.com/browse/freeboard>

Last month, the world was alarmed when pirates off the coast of Somalia overtook the container vessel the Maersk Alabama. The pirates were able to board the container vessel with little assistance, endangering the lives of the crew as well as the safety of the ship and others around her.

The size and speed of the of the 1,092 TEU Maersk Alabama is quite small in comparison to one of Maersk's largest and more speedy ships, the Maersk Emma. At 11,000 TEU, the Maersk Emma can move along at sea at approximately 25.5 knots, which is the equivalent of 47.2 kilometers, or 29.3 miles per hour.

The Maersk Alabama maintains a speed of 18 knots, or the equivalent of 33 kilometers (20.68 miles) per hour. Quite a difference in speed between the small captured ship and the larger and faster vessels. Professional water skiers compete at speeds sometimes up to 36 miles per hour - and for a pirate to attempt boarding a 1,300 foot vessel moving at nearly 30 miles per hour takes some skill. In the case of the Maersk Alabama, the ship was slower and smaller. It also had a smaller "freeboard," which may have made it easier for the pirates to board.

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The Parting "Wave"

The AIT Ocean Systems team would like to thank you for your support during the month of April. As we enter May, we look forward to seeing where the markets unfold as Peak Season approaches. Will 2009 be a Peak Season? The month of May will hopefully unravel some of the clues to answer that question.

Preview June 2009 AIT Ocean eNewsletter:

An ocean "fast fact" from south of the equator!

If you have any questions or comments regarding the Ocean eNewsletter, please contact [Kevin Krause](#) from the AIT Ocean Department.

AIR

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Now What?

The most recent outbreak of swine flu prompts us to reflect on the various disasters and epidemics we've experienced in this century so far. When 9/11 occurred in 2001, planes were not only grounded for several days - people were generally afraid to fly during that catastrophic event in American history. In fact, the driving force behind the United Airlines marketing campaign that was incepted several years later - "It's time to fly" - was the inherent fear of flying caused by the events that transpired on 9/11.

SARS (severe acute respiratory syndrome) hit in early 2003, causing a dramatic downturn in global air traffic. People simply stopped flying to Asia or flying all together, resulting in a severe decline in revenue to passenger airlines. This epidemic had longer-range repercussions on air cargo, as buyers moved their purchases to India and the Middle East rather than flying to China and other Asia destinations, affecting the trans-Pacific balance of trade.

In 2005, it was bird flu that once again caused travelers to limit their business and pleasure travels in China, impacting the revenue of international carriers.

Now in 2009, the concern is swine flu, and although not Asia-based, the global carriers, especially North American based carriers, are being forced to brace for the impact.

Airlines can't catch a break; last year it was the price of fuel that negatively impacted their bottom lines. Those that hedged the price of fuel were heroes at first, and then as the market suddenly stabilized, they became the "goats." Later in 2008, the bottom dropped out of the global economy; passengers cut vacations, less cargo was flown as air freight, consumers purchased less and global trade stalled. Companies are using existing inventories or diverting less time-sensitive freight to ocean modes of transportation.

Two recent articles follow; the first from The Atlanta Journal on how Delta and other carriers are preparing for the current swine flu pandemic. The second from The Independent is titled, "Confusion over 'don't fly' advice."

As with the 9/11, SARS and bird flu calamities, it will take months to determine the full impact this latest health crisis will have on the airline industry.

Delta, other airlines plan for swine flu pandemic

Atlanta-based Delta Airlines and other major carriers have contingency plans for how to manage their operations in the outbreak of a pandemic, but industry observers are closely watching to see what impact swine flu could have on carriers' finances.

Before this week, Delta and other carriers had already seen a significant drop in international travel because of the recession.

Six years ago, the outbreak of SARS, or severe acute respiratory syndrome, contributed to an 18.5 percent drop in global passenger traffic in April 2003, along with declines in later months.

"What we saw in the SARS episode is it took several weeks of flying empty before airlines started to cancel [flights] in advance," said Port Washington, N.Y.-based airline consultant Robert Mann.

It's too early to tell what impact swine flu could have on the airline industry.

Investors reacted to news of the outbreak Monday, with Delta shares falling 14.3 percent and AirTran shares falling 6.6 percent. Standard & Poor's Ratings Services in a statement said the outbreak of swine flu raises the risk that airlines could suffer a steep drop in international traffic.

The U.S. Centers for Disease Control and Prevention in Atlanta on Monday recommended no nonessential travel to Mexico, while Delta, AirTran and other carriers have offered to waive fees for travelers who want to change their travel plans to Mexico.

Delta flies to Mexico City and other destinations in Mexico, though it is not one of the largest carriers to the country. AirTran Airways started flying to Cancun in February, and it said at this point it is continuing the flights. "We evaluate every market on a daily basis, and we have to make decisions that are best for the airline," said AirTran spokesman Christopher White.



If the situation worsens, airlines may waive broader flight cancellation fees, Mann said, which could have a more significant impact on airlines' finances.

A European Union health commissioner's comment urging Europeans to postpone nonessential travel to the United States and Mexico could have an effect on carriers, including Delta.

The International Air Transport Association, which developed guidelines for managing communicable diseases, has recommended that airlines review their preparedness plans.

Hartsfield-Jackson International Airport in 2006 ran through a drill on how to handle an avian flu outbreak. The airport has a special area for incoming flights that need to be handled away from the main terminal and a CDC quarantine facility on Concourse E.

"We feel that we are well-prepared at the airport, because we do have a comprehensive pandemic plan should we need it," said airport spokesman John Kennedy.

*By Kelly Yamanouchi
The Atlanta Journal-Constitution
Tuesday, April 28, 2009*

Confusion over 'don't fly' advice

Businesses and travel companies were facing the prospect of multimillion-pound losses yesterday following a surprise announcement by the European Union's health chief urging travelers to avoid non-essential trips to the USA and Mexico.

The news came on a turbulent day for the international stock markets which saw shares in major airline and travel companies plunge, while those in drug companies soared.

Speaking at a summit in Brussels, the European Commissioner for Health, Androulla Vassiliou, urged people "to avoid non-essential travel" to areas affected by the global flu pandemic. "They should avoid traveling to Mexico or the United States unless it's very urgent for them," she said. The advice - in stark contrast to that issued by the Foreign Commonwealth Office and World Health Organization - was particularly unnerving for the transatlantic business travel sector which, since 2007, must abide by the Corporate Manslaughter Act, legislation that was introduced in 2007 to bring companies to justice over the death of employees.

"Companies have to be mindful of any international travel because firms are all too aware that if one of its employees is taken ill during a business trip, it can be held liable," said Martin Ferguson, a journalist at Travel Trade Gazette.

Nigel Cooper, the managing director of Motivcom, an international business events group, added: "Statements like this can be cataclysmic. I am not underestimating the potential for a medical disaster, but such judgments should be left to health professionals."

The warning came on a day when shares in international airlines and travel companies tumbled. British Airways fell at one stage more than 9 percent, while Thomas Cook and TUI Travel were down 5 percent and 3 percent respectively.

North America Travel Service, one UK tour operator specializing only in travel to the US, called for things to be "kept in context."

"Although this directive refers to travel to the USA, we have to remember that the US is two-and-a-half times the size of Europe and the mild cases reported so far are in just five of the 50 states," said Karen Farrar, the firm's marketing manager.

*The Independent
By Kunal Dutta
Tuesday, 28 April 2009*

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AIT Introduces Ocean-Air Services

In January of this year, AIT Worldwide Logistics introduced a new international product named "Ocean-Air," which combines sea freight, air freight, and surface transportation throughout the United States into one seamless service for customers. "Sea-air" has been an industry staple for many years. In these times when customers seek alternatives to "all air" or "all ocean," something less expensive than air freight and faster than ocean freight, this hybrid gives the customer a price and service alternative.

Ocean-Air was created with Swift Freight, headquartered in Dubai, UAE, the leader in Sea-Air service from Asia to Africa. The following article appeared in the April 3, 2009 issue of Air Cargo Weekly, and explains in more detail the advantages of an "Ocean-Air" product:

Sea-air has a bright future, insist the new owners of Swift Freight and SAT

When Barloworld bought the Swift Group, owner of the Swift Freight brand, on April 1, 2008, one could have been forgiven for thinking Barlow-who?

The company has not, to date, had any pedigree in the airfreight business, but it is a famous name in its home country of South Africa. With the acquisition of the Dubai-based Swift Freight - and at the same time sea-air specialists SAT of Germany and Hong Kong forwarder Flynt International - it has now taken a major step into the air cargo arena.

Barloworld's history goes back to 1902 and for a time it was the 49th largest company in the world. That was in the apartheid era when it was prevented from investing outside South Africa and so turned instead to owning as much as possible inside it. Warren Erfmann, chief executive officer of Barloworld Logistics, Middle East and Asia, says the company basically became a brand manager, and - much slimmed down - that is what it remains to this day. For example: it is the world's second largest Caterpillar dealer, owns the Avis franchise in South Africa, plus various car dealerships, and is the world's largest dealer in Hyster forklifts.

Logistics has been a fourth pillar of the business ever since 2001 when the company set out to diversify a trucking business it owned in South Africa away from asset-intensive work and into supply chain management. "We were a trucking company with a big dream of not owning trucks in the future," is how Erfmann puts it.

Internationally, that led it to logistics operations in Spain and a software business in the UK and US, which provides network modeling, forecasting and planning software. Swift, SAT and Flynt took that strategy to a new level, however, and have given the company a global forwarding and logistics structure.

Swift Freight in particular was attractive because of its strengths in markets such as the Middle East, India and Africa. As Erfmann puts it: "Why should we compete for peanuts on the major trade lanes, when there are better opportunities in niche markets?"

In particular, along with SAT, Swift Freight gave Barloworld a commanding position in sea-air traffic out of Dubai - some three quarters of the market to Europe, Erfmann reckons. This might seem to be an unhappy choice of niche just at present, when rock bottom sea freight and airfreight rates must surely be eroding demand for this hybrid form of transport, but Erfmann insists that such conditions cannot last.

"There has been a knee-jerk reaction from airlines because their planes are empty and they want to fill them, but they will get wise soon and bring rates back to a level that makes sense," he says.

Meanwhile, he believes that sea-air remains a highly marketable product, one that many customers are still not aware of. "A lot of customers simply don't understand what sea-air is and how it can benefit them," he says. "Once they do understand, they are attracted to the product. Even before the downturn started, we had embarked on a sales campaign to bring sea-air to the market's attention in a way that had not been done before, and that initiative is starting to bear fruit."

Traditional cargo for sea air has been garments, but Erfmann says that IT products and white goods also move well by this method. Forwarders have traditionally been reluctant to use it, he says, because they worried about what might happen during the transfer between air and sea.

"But now we can offer them a good partner in Dubai, that specializes in fast transit between ship and air. We can achieve six to seven hours from ship to plane, which is quite incredible. When customers see that they can half the transit time and half the cost, it is a very attractive option."

Connection times between sea and air should get even faster once the Al Maktoum International Airport opens next to the Jebel Ali Freezone in Dubai. Swift Freight was one of the first companies in to sign up for a facility in the adjacent Dubai Logistics City (DLC), and it also has an airside facility reserved at the airport itself.

Erfmann confirms that the idea is to control the whole process from port-to-tarmac, which he hopes will drastically speed up connection times. "Once everything is up and running, it will be 20 to 30 minutes from port-to-airport," he says. "When we control our own destiny with our own handling, there will be no stopping us."

Having said that, the vision looks set to stay on hold for the immediate future, as plans to open the new airport have recently become fluid. Erfmann sympathizes with competitors whose facilities in the DLC are already complete but cannot be used. Swift Freight has been more cautious and has not yet started construction in either location. "We still believe in it all, but it is a matter of timing," he says. "Perhaps in a downturn, a delay is not such a bad thing."

While traditional sea-air took cargo from the Far East or India, sailed it to Dubai and then flew it to Europe, Swift Freight has also been a pioneer of a whole new market for the concept since 2006 - from Asia via Dubai into Africa. The forwarder charters freighters to fly on a scheduled basis to such places as Kinshasa, Brazzaville, Lagos, Accra, Kigale, Lomé and Bujumbura. It also works in partnership with Ethiopian Airways to cover other destinations on the continent.

Traffic from China and other parts of Asia into Africa is a mainstay of this business southbound, which has so far remained robust in the downturn, according to Erfmann. "Ocean freight rates to Africa are very high, and direct airfreight from the Far East to Africa is almost non-existent," he points out. "Meanwhile, you can get ridiculously low rates for sea freight from China into Dubai at present."

There is also the fact that sea freight can only deliver to ports, and that road and rail infrastructure to carry cargo onwards inland is a major problem in Africa. "The ideal solution is one that gets the

product as close to the market as possible, and that usually means flying it into an airport," Erfmann points out.

Add in Barloworld's South African links as well and the result is a market with a lot of growth potential. "It is a sleeping giant, not just in geographical size, but in opportunities, and there are not many people taking advantage of it." Chinese investment in the continent - for example, in areas such as mining - also seems to be continuing despite the global economic slowdown.

Northbound, Swift Freight charters are filled with perishables, and again this ties into one of its key specializations. The company has its own perishables arm - Swift Perishable Logistics - which operates out of the Dubai Flower Centre.

Erfmann says the company has also just opened a perishables operation in Ethiopia. "This business works very nicely for us - we go direct to buyers, which has brought us a lot of success," he says. "This is another thing that attracted us to Swift Freight, because it is a market leader in this area." Key destinations for the perishables include Dubai, the Commonwealth of Independent States and also Europe, though markets further afield, such as in Australia, are also developing. Erfmann says there is no sign yet of the flower business slowing down, even though it might seem to be a luxury in times of economic woe. "Funnily enough, we had a very good Valentines Day (14 February) this year," he says.

Barloworld will be keeping the Swift Freight brand name. "There is a lot of brand equity in the Swift name. It has been around for over 20 years," says Erfmann. Swift Freight's founder and head, Issa Baluch, also remains actively involved with the firm. "You don't lose experience like that. He is very much part of our plans," comments Erfmann.

However, he says that there is already co-branding and he hints that eventually the Swift Freight name might disappear. "As we go along, we will see what brand fits the business. But we are already marketing Barloworld and ultimately, yes, it will probably be that all around the world."

As to what the Barloworld Group can add to Swift Freight's business model, Erfmann sees some openings on what he calls "the intellectual side of things" - that is the sort of planning and modeling that is offered by Barloworld's software in the UK and US.

"We can't teach Swift Freight much about forwarding and logistics, but they may not in the past have had the capacity to come up with the kind of complex supply chain solutions we market in South Africa," he says.

One definite forum for this will be the Gulf Cooperation Council countries, where reduced customs barriers have led to a growth of trucking and logistics in recent years. This is one of the plans for Swift Freight's future Dubai Logistics City facility, and it is a market where Erfmann predicts growth in the coming year or two.

"Without a doubt, companies in the region are starting to see the benefits of outsourcing their logistics business. In a downturn, customers need smart supply chain solutions more than ever, and in that side of the business we have seen something of an upside."

However, he also expects it to become very competitive. "There are a lot of forwarders who have built their business on traffic from Europe or Asia and are now going to be looking at regional markets instead," he predicts. He is convinced that with operations in Africa, Europe, the Middle East, China and India, Barloworld Logistics is well placed to be one of the winners in the downturn, however.

"It is a bloodbath out there and only the strong will survive. There will be a lot of consolidating and a lot of casualties, and companies who have not built a sustainable business will suffer. But we were strong before and we will come out of the downturn stronger."

The Peter Conway Interview

Air Cargo News

April 3, 2009

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AirTran No. 2 in airline rankings; Delta No. 12

WASHINGTON - Airlines with large operations in Atlanta ranked second-best and worst, according to the 2009 Airline Quality Rating study released Monday.

AirTran Airways ranked No. 2 behind Hawaiian Airlines in the study that measures on-time performance, baggage handling, customer complaints and denied boardings. At the other end of the spectrum, Atlantic Southeast Airlines ranked last, according to the study by Wichita State University and Saint Louis University.

Delta ranked No. 12 on the list, down from No. 10 a year ago. Delta, the biggest carrier at Hartsfield-Jackson International Airport, fell in part because of a significant spike in customer complaints, perhaps related to its ongoing merger with Northwest Airlines.

"I'm speculating, but if (customers) don't know who's flying what, what routes are left, that could be part of the problem," said Dean Headley, a Wichita State University marketing professor and co-author of the report said in an interview here.

The nation's airlines all improved their performance records for the first time in five years in 2008 - and they might get even better in 2009, the study said.

Headley attributed the overall improvement by all airlines last year in part to the fact that airlines were beginning reduce capacity and routes and focus more on customer service because of the recession. Since most airlines also started charging for baggage, they also probably felt more compelled to improve baggage handling, he said.

As fewer people fly for both business and for leisure because of the poor economy, Headley predicted that airlines' quality could improve even more this year.

That's the good news. The bad news is airlines will likely fly fewer routes and prices will likely rise as demand for flights decreases, he said.

"You're going to see a lot of full airplanes, a little higher price and fewer flights," Headley said. But "that helps change the congestion problem, which makes the system work better."

*By BOB KEEFE
The Atlanta Journal-Constitution
Monday, April 06, 2009*

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Emirates SkyCargo welcomes Boeing's new-generation freighter

Emirates SkyCargo's first Boeing 777 Freighter has arrived in Dubai after completing its inaugural commercial flight from Hong Kong.

The carrier took delivery of the new-generation freighter at Boeing's Everett, Washington facility this past weekend. From there it went directly to Hong Kong, one of the carrier's most robust routes, where it was loaded with cargo bound for Dubai and beyond.

The Boeing 777F, with its range and environmental advantages over other freighters in the market, will play an integral role in Emirates' freighter fleet. It boasts the longest-range capability of all twin-engine jets, able to fly non-stop between Dubai and major cargo centers such as Frankfurt and Hong Kong with a full 103-ton payload.

Renowned for its fuel efficiency - the Boeing 777F uses less fuel per ton of cargo than other freighters available, significantly reducing the fuel bill - it is also the quietest freighter flying today (QC2 compliant).

The new aircraft will complement Emirates existing fleet of Boeing 777 passenger aircraft. This year, the airline will become the largest Boeing 777 operator in the world, with more than 70 already in operation. Sixty five percent of all Emirates SkyCargo traffic travels in the belly of its wide-bodied passenger aircraft.

Ram Menen, Divisional Senior Vice President Cargo, said, "This freighter is part of our long-term investment for Emirates SkyCargo."

Menen acknowledged that while the air cargo industry was currently experiencing its toughest period since the beginning of the jet age, world air cargo traffic was still forecast to triple over the next 20 years, and said that Emirates needs to be prepared when these predicted growth levels return.

"In the last 15 years a tremendous amount of work has gone into developing the science of supply chain management. Inventory and logistics management are two of the most critical elements of the supply chain and with globalization of manufacturing and of the marketplace, reliability of transport plays a very important role. Just-in-time and vendor managed inventory is what creates a very cost efficient supply chain with time becoming a crucial factor.

"Emirates has opted for these brand new, super-efficient aircraft to ensure we are best placed to serve the industry's requirements in the long term. Freighters have a greater role in today's supply chain - transporting cargo directly from production to consumption."

Emirates SkyCargo will take delivery of another Boeing 777F later this year, with two additional aircraft on order.

*AJOT (American Journal of Transportation) On-Line
April 14, 2009*

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U.S. \$214 Million Fine for Price Fixing

Three international airlines have agreed to plead guilty and pay fines totaling \$214 million for conspiring to fix prices on air cargo shipments, the U.S. Department of Justice has announced.

Asiana Airlines Inc., Cargolux Airlines International S.A. and Nippon Cargo Airlines Co. Ltd. have agreed to cooperate with the Department of Justice's ongoing investigation into the air transportation industry, the agency said.

Under the plea agreements, which are subject to court approval, Luxembourg-based Cargolux will pay \$119 million. The agency said it engaged in a conspiracy in the US and elsewhere to eliminate competition by fixing cargo rates for international air shipments from September 2001 through February of 2006.

Japan-based NCA, which will pay a \$45 million fine, engaged in fixing cargo rates charged to customers in the US and elsewhere for international air shipments from April 2000 until at least early 2006.

South Korea-based Asiana will pay a \$50 million fine for fixing both cargo rates and passenger fares from at least as early as January 2000 until 2006.

Last week's announcement brings to 15 the number of companies that have pleaded or agreed to plead guilty in the Justice Department's investigation, the agency said.

British Airways Plc, Korean Airlines Ltd, Qantas Airways Limited, Japan Airlines International Co. Ltd., Martinair Holland N.V., Cathay Pacific Airways Limited, SAS Cargo Group A/S, Société Air France and KLM Royal Dutch Airlines, LAN Cargo S.A., Aerolinhas Brasileiras S.A., and El Al Israel Airlines Ltd. have also pleaded guilty.

Collectively, the companies have paid or agreed to pay fines totaling more than \$1.6 billion.

"Fifteen airlines and three executives have been prosecuted to date for their participation in price-fixing agreements that inflicted a heavy toll on American businesses and consumers as well as the global economy," said Scott D. Hammond, acting assistant attorney general in charge of the agency's antitrust division. "The Department will continue its investigation into this criminal conduct until all co-conspirators are brought to justice," he said.

Separately, Cargolux will begin a weekly B747-400 freighter service to Toronto's Pearson airport from Luxembourg this month with a return via Prestwick, Scotland. The airline already flies to Calgary twice a week.

Air Cargo World Online
April 14, 2009

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Forwarders mull more use of air freight as prices fall

Battered air freight operators are wondering if some moves back to the air may bloom into a proper trend that could alleviate the pain they are experiencing from the downturn.

Some shippers have apparently reversed the shift from air to ocean and are finding more reasons for sending goods by air, even as the economic slump reinforces the emphasis on cost savings. However, so far carriers have not seen any relief from the relentless downward pressure on yields that the downturn has sparked.

Onno Boots, regional managing director for Asia of TNT, has seen the phenomenon in recent months, most pronounced among clients from the high-tech sector. A large Asian manufacturer of laptop computers has re-emphasized its use of air freight, he pointed out.

"It is too early to call it a trend, but a number of customers in our portfolio are showing an interest in more use of air freight," he said.

Frank Allard, senior vice-president for air freight at Schenker in Canada, has observed similar developments. "We're seeing more interest in air freight," he said.

In his opinion, rate developments have played a major role in this change of strategy. The rate differential between air and ocean transportation has shrunk dramatically as fuel surcharges melted with the rapid decline in the price of oil.

"A year ago flying a ton of cargo from China cost you an arm and a leg. With fuel down so much, the picture is very different. Now, how much do you save if you put the cargo on the ocean for 30 days? It's a no-brainer. Fly it," he said.

The need to speed up cash flow is another major factor behind this, Boots reckoned. "In the market of today, cash is king," he said. "To reduce that cycle of cash to cash and reduce capital tied up in moving a couple of million kilos of laptops by sea, a lot of cash can be freed by moving the goods by air."

Another reason for the newfound interest in air freight is the ad hoc nature of much business at the moment, as forwarders and shippers find it difficult to plan for the longer term. For their part, importers have veered towards smaller orders for fear of being stuck with inventory. Smaller orders placed with relatively short lead times make air the most appropriate form of transportation, despite the higher cost compared to shipping by ocean vessel.

Martin Bittner, senior director of cargo sales for the Americas of Air Canada, has not come across any mode shifts back to air, but the nervous state of the market would favor air, he agreed. Nobody can plan any more, and that should translate into a need for air transportation," he said.

"We certainly see a lot of spot quotes. We don't see a lot of consistent business, consolidations that you could count on," he added.

"There's a lot of ad hoc business," Allard confirmed. The danger in this is that it threatens to undermine the market, as shippers are tempted to abandon long-term arrangements for the sake of ad hoc pricing. "It's creating an opportunistic market," he said.

Dave Brooks, president of cargo at American Airlines, agreed that carries have been bombarded with requests for steep rate reductions, pushing pricing to levels that are far from compensatory for the costs incurred by the airlines. This has been aggravated by some airlines going to ridiculous lengths to acquire market share, he added.

*By Ian Putzger Toronto
Cargo News Asia
April 24, 2009*

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Featured Airplane: Lockheed Constellation

Last month, we announced a new monthly feature for our e-Newsletter inspired by the article, "When Airplanes no longer fly." We marvel today at the newest aircraft design, the Boeing 777, made completely of man-made composite metals, the double deck Airbus 380-800, and the soon-to-be-released B747-800 Freighter. Long before these aviation marvels became a reality, many generations of commercial aircraft blazed a technological trail. The first of these pioneers that we feature is the Lockheed Constellation.

The **Lockheed Constellation**, affectionately known as the "Connie," was a four-engine propeller-driven airliner built by Lockheed between 1943 and 1958 at its Burbank, California, USA, facility. A total of 856 aircraft were produced in four models, all distinguished by a distinctive triple-tail design and graceful, dolphin-shaped fuselage. The Constellation was used as both a civilian airliner and U.S. military air transport plane, seeing service in the Berlin Airlift and as the presidential aircraft for U.S. President Dwight D. Eisenhower.



Lockheed C-121C Super Constellation

Initial design studies

Since 1937, Lockheed had been working on the L-044 Excalibur, a four-engine pressurized airliner. In 1939, Trans World Airlines, at the encouragement of major stockholder Howard Hughes, requested a 40-passenger transcontinental airliner with 3,500 mi (5,630 km) range - well beyond the capabilities of the limited Excalibur design. TWA's requirements led to the L-049 Constellation, designed by such Lockheed engineers as Kelly Johnson and Hall Hibbard. Willis Hawkins, another Lockheed engineer, maintains that the Excalibur program was purely a cover for the Constellation.

Development of the Constellation

The Constellation's wing was effectively the same as that of the P-38 Lightning, differing only in scale. The distinctive triple tail kept the aircraft's overall height low enough to fit in existing hangars, while new features included hydraulically-boosted controls and a thermal de-icing system used on wing and tail leading edges. The new plane could achieve a top speed of over 340 mph (547 km/h), a cruise speed of 300 mph (483 km/h), and a service ceiling of 24,000 ft (7,315 m).



The military's C-69 prototype

Occasionally rumors surface that Hughes himself was not at all influential in the design of the Constellation, but according to Anthony Sampson in his seminal 1985 book, *Empires of the Sky*, the intricate design may have been undertaken by Lockheed, but the concept, shape, capabilities, appearance and ethos of the Constellation were entirely driven by Hughes' continual intercession during the design process.

Operational history - World War II

With the onset of World War II, the TWA aircraft entering production were converted to an order for C-69 Constellation military transport aircraft, with 202 aircraft intended for the United States Army Air Forces (USAAF). The first prototype (civil registration NX25600) flew on January 9, 1943, a simple ferry hop from Burbank to Muroc Field for testing. Eddie Allen, on loan from Boeing, flew left seat, with Lockheed's own Milo Burcham as copilot. Rudy Thoren and Kelly Johnson were also on board.

Lockheed also proposed its model L-249 which was to be a long range bomber. It received the military designation XB-30 but the aircraft was never developed or built. A plan for a very long-range troop transport, the C-69B, was cancelled. A single C-69C, a 43-seat VIP transport, was built in 1945 at the Lockheed-Burbank plant.

The C-69 was largely used as a high-speed, long-distance troop transport during the war. Only 22 C-69s were completed before the end of hostilities, and not all of those entered military service. The USAAF cancelled the remainder of the order in 1945.

Postwar Use

After World War II, the Constellation soon came into its own as a popular, fast, civilian airliner. Aircraft already in production for the USAAF as C-69 transports were finished as civilian airliners, with TWA receiving the first on October 1, 1945. The first transatlantic proving flight departed Washington, DC on December 3, 1945, arriving in Paris on 4 December, via Gander and Shannon.

Trans World Airlines opened post-war commercial intercontinental air service on February 6, 1946, with a New York-Paris flight in a Constellation. On June 17, 1947, Pan American World Airways opened the first ever regularly-scheduled around-the-world service with their L749 Clipper America. The famous flight Pan Am 101 operated for over 40 years.

As the first pressurized airliner in widespread use, the Constellation helped to usher in affordable and comfortable air travel for the masses. Some of the more famous operators of Constellations were TWA, Eastern Air Lines, Pan American World Airways, Air France, BOAC, KLM, Qantas, Lufthansa, Iberia Airlines, Panair do Brasil, TAP Portugal, Trans-Canada Airlines (later renamed Air Canada), Aer Lingus and VARIG.



TWA was one of the best-known operators

Specifications (L-1049G Super Constellation)

General characteristics		Performance	
Length:	116 ft 2 in	Max speed:	377 mph
Wingspan:	126 ft 2 in	Cruise speed:	340 mph at 22,600 ft
Height:	24 ft 9 in	Service ceiling:	24,000 ft
Wing area:	1,654 ft ²	Range:	5,400 mi
Empty weight:	79,700 lb	Rate of climb:	1,620 ft/min
Useful load:	65,300 lb	Wing loading:	87.7 lb/ft ²
Takeoff weight:	max 137,500 lb	Power/mass:	0.094 hp/lb
Crew:	5 flight crew, varying cabin crew	Powerplant:	4× Wright R-3350-DA3 Turbo Compound 18-cylinder supercharged radial engines, 3,250 hp each
Capacity:	62-95 passengers, max. 109		

Data from *Great Aircraft of the World and Quest for Performance*

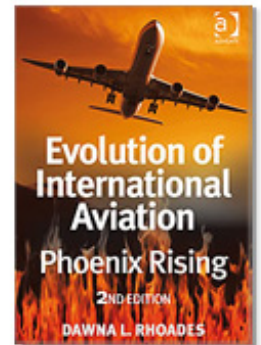
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Book Review: *Evolution of International Aviation: Phoenix Rising*

Second Edition

Dawna L. Rhoades, Embry-Riddle Aeronautical University, USA

The purpose of this book is twofold. First, it lays out the forces that shaped the international aviation industry and that changed all the rules in the drive for liberalization. Second, it looks at the many interesting and difficult choices ahead that the airline industry in general and the international aviation industry in particular face. These choices include many dichotomies: pulling back from the trend toward liberalization or embracing the liberalization trend, merging in search of profitability or fragmenting the industry in search of economies. These possible futures are explored including the pros and cons of each future from a national, consumer, employer, and employee perspective.



Evolution of International Aviation is organized into three parts: Part One reviews the early development of the international aviation system. It examines the 1944 Chicago Conference, and the resulting structure and role of ICAO; the development of the International Air Transport Association, and its role in shaping the international aviation system; US domestic deregulation and European efforts to create a free market system of aviation; deregulation in Asia. Part Two examines the alliance movement among international air carriers, the growth, opportunities, and challenges of alliances. Part Three considers the future of international aviation in light of changes to the landscape, reviewing relevant events from an aviation system perspective. It explores the challenges facing the industry in the current era and discusses some of the brave new possibilities for international aviation.

This second edition of the book is thoroughly revised and updated from the 2003 original, in light of many significant developments in (and affecting) the industry, such as the mixed ability of sectors to

recover from 9/11, the establishment of the low cost carrier, the consequences of rising fuel costs (now the single greatest expense to airlines) and growing concern with the environmental impacts of air transport. The book also features all-new chapters on the key topics of manufacturing, the environment and air cargo. Overall the second edition's perspective has expanded from a focus on airlines to consider the broader aviation industry.

Ashgate Publishing Company

www.ashgate.com

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Korean Air helps L.A. mayor's trees to blossom downtown

Downtown Los Angeles is much greener thanks to Korean Air.

Korean Air, the largest airline to Asia out of LAX, recently had dozens of employees lead hundreds of children in planting 50 ten-foot trees at and near John H. Liechty Middle School, 650 S. Union Ave, as part of the Korean flag carrier's worldwide 40th birthday celebration and partnership with Million Trees Los Angeles (MTLA). Through the partnership, more trees will be planted and nurtured in different areas around Los Angeles.

In honor of its fourth decade, the airline is donating \$40,000 a year for four years to MTLA, Los Angeles' urban tree planting program. The school was chosen because of need for greenery and shade, and its proximity to Korean Air's Americas headquarters on Wilshire. Approximately 400 students took part in today's event.

Korean Air is LAX's first international airline to participate in the Mayor's tree planting program and in remarks today, Korean Air's Chairman Y.H. Cho called for other LAX airlines to help "green up" Los Angeles.

"All of LAX's international airlines are involved with the community in one way or another. But greening up Los Angeles is critical to the success of this market. And since so much of all our livelihoods are based upon this region, I'm calling for all LAX airlines to help out with this program," Chairman Cho challenged.

"For MTLA to be successful, we need to engage public/private partnerships," said Los Angeles Mayor Antonio Villaraigosa. "We are honored that Korean Air has joined our environmental family. Korean Air's ongoing commitment and support of MTLA will help us to ensure a thriving urban forest in Los Angeles."

MTLA was established by the Mayor in 2006 and actively engages the community, educating and nurturing young environmental leaders to ensure healthy and sustainable urban forests.

Korean Air has planted thousands of trees on the planet, primarily in Asia. It started its tree-planting program five years ago in Mongolia, where the desertification of the forests is causing polluting yellow dust to spread across Asia. The airline takes new employees to plant trees there as part of its orientation and has planted literally thousands of trees in what is now called the Korean Air Forest. Los Angeles is the second step of the airline's international environmental outreach and the first outside Asia.

"Los Angeles always has been a vital market for Korean Air," Chairman Cho said. "The Korean community here is the largest in the world outside of Seoul, and Korean Air has enjoyed a significant place in that growth. We feel it's our civic duty to help sustain Los Angeles' environment."

AJOT (American Journal of Transportation) On-Line

April 14, 2009

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If you have any questions or comments regarding the Air eNewsletter,
please contact [Joseph Hoban](#) from the AIT Air Department.

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COMPLIANCE

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Federal Information on Swine Flu

Currently, swine flu is an emerging health issue that is making headlines across the world. Depending on how it develops, information could be subject to rapid changes.

The CDC website will be the best source for updates:

<http://www.cdc.gov/swineflu/>

<http://www.cdc.gov/travel/>

Additional information about flu-related travel issues can be found on the State Department website: <http://www.travel.state.gov/>

At all times, the CDC and State Department sites are excellent resources for health and travel information.



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Strengthening the Security of Containerized Cargo

Jayson P. Ahern, Acting Commissioner, U.S. Customs and Border Protection, testified on April 1 before the Committee on Appropriations and Subcommittee on Homeland Security on strengthening the security of containerized cargo.

He discussed how CBP continues to refine its risk-based and layered approach in building more secure and efficient borders that facilitate legitimate trade and travel.

"CBP uses a multi-layered approach to ensure the integrity of the supply chain from the point of stuffing through arrival at a U.S. port of entry. This multi-layered approach includes:

- Advanced information under the 24-Hour Rule and Trade Act of 2002 (supplemented now by our Importer Security Filing requirements)
- Screening the information through the Automated Targeting System (ATS) and National Targeting Center - Cargo (NTC-C)
- Partnerships with industry and the private sector such as the Customs Trade Partnership Against Terrorism (C-TPAT)
- Partnerships with foreign governments, such as the Container Security Initiative (CSI) and the Secure Freight Initiative (SFI)
- Use of Non-Intrusive Inspection (NII) technology and mandatory exams for all high risk shipments. The goal of this layered approach is to combine each of these systems to allow us to receive, process, and act upon commercial information in a timely manner so that we can target, in a very specific fashion, the suspect shipments without hindering the movement of commerce through our ports."

The full speech can be found by visiting the following link:

http://www.cbp.gov/xp/cgov/newsroom/congressional_test/strong_security.xml

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New Requirements for Imports of Food Products Containing Small Amounts of Meat or Poultry

On March 31, 2009, the U.S. Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS) issued an "Importer/Broker" letter to clarify the import permit process for USDA Food Safety Inspection Service (FSIS) - exempted food products containing small amounts (less than two percent) of meat and/or poultry ingredients. This letter can be found on the following APHIS webpage: <http://www.aphis.usda.gov/>



[import_export/animals/animal_import/animal_imports_anproducts.shtml](#)

Beginning on June 22, 2009, a USDA import permit will now be required for all FSIS-exempted food products containing small amounts of meat and/or poultry ingredients. Products such as bouillon cubes, extracts, and soup mixes, which have previously gained entry solely under a health certificate indicating product being concentrated by boiling, will now also require a USDA import permit.

Additional information may also be found at the following FSIS website:
http://www.fsis.usda.gov/Regulations_Policies/Imported_Food_Products/index.asp

The full article can be found on Customs website:
http://www.cbp.gov/xp/cgov/trade/trade_programs/agriculture/meat_poultry_regs.xml

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Toxic Substances Control Act information from EPA website

<http://www.epa.gov/oppt/import-export/>

"This Web site provides general information on requirements under the Toxic Substances Control Act (TSCA) for persons who import and/or export chemical substances into and out of the United States. Various legal requirements under TSCA and associated implementing regulations can apply to a wide range of chemical substances and can impact importers and exporters."



The site includes:

- Basic information
- TSCA Section 13 Import Certification Requirements
- TSCA Section 12(b) Export Notice Requirements
- TSCA Section 5-Related Import and Export Requirements
- Section 4 Testing and Section 8 Information Reporting
- PCBs, asbestos, lead and other specific chemicals
- Information on import and export requirements under EPA programs other than TSCA

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FDA Prior Notice

Enforcement of the amended "Prior Notice of Imported Food Under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002" as published in the Federal Register on Nov 7, 2007, is scheduled to commence on May 6.

Prior Notice information must be submitted and confirmed electronically as facially complete by the FDA for review no less than 8 hours (for food arriving by water), 4 hours (for food arriving by air or land/rail), and 2 hours (for food arriving by land/road) before the food arrives at the port of arrival. Food imported or offered for import without adequate prior notice is subject to refusal and, if refused, must be held.

FDA notes in its basic information that, "Anyone with knowledge of the required information may submit a Prior Notice through the FDA Prior Notice System Interface." If an importer sends the information to the FDA, it is imperative that the confirmation received back from the FDA is forwarded to Customs when information is filed in order to obtain Customs clearance of the shipment.

The link to a "[small entity compliance guide](#)" is included on the "prior notice" page on FDA's website:
<http://www.cfsan.fda.gov/~pn/pnoview.html>

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If you have any questions or comments regarding the Compliance eNewsletter, please contact [Paul Codere](#) from the Customs Brokerage Department.

PARTNER NEWS

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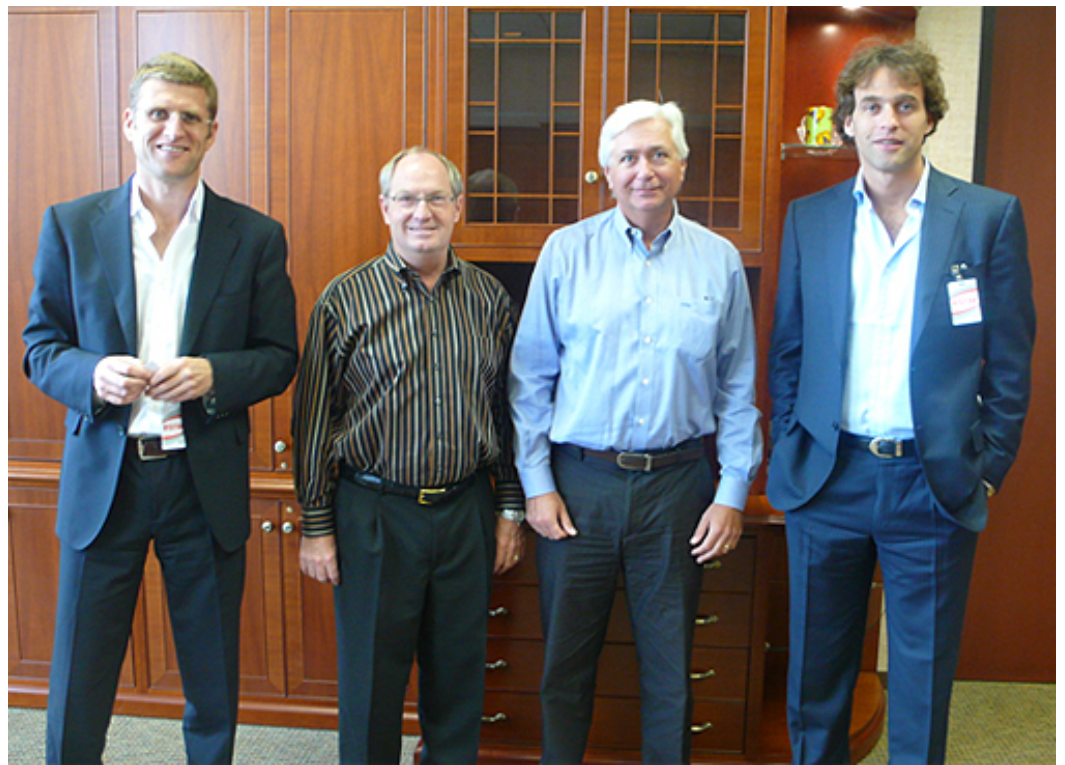
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Viva Italia!

Larry Georgen, director of AIT's global network, recently announced AIT's newest partnership agreement with the Stante Group in Italy.

"Since Italy is one of AIT's core markets in Europe, it is vital that we have the necessary resources to meet our customer's logistical needs in this region," said Georgen. "AIT and the Stante Group share many joint synergies, making this an ideal partnership: family-owned and operated businesses with an emphasis on technology and parallel ethical standards."



Pictured from left to right: Roberto Stante Jr., Director of Rome office; Steve Leturno and Dan Lisowski, AIT co-founders; Marco Stante, Director of the Milan office. This photo was taken at AIT's headquarters location in Itasca, Illinois.

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Who is Stante?



The Stante group was established by Roberto Stante in 1973 and its aim today is to be one of the most active players in the international forwarding and logistics market.

The individual companies that make up the group are run by second generation members of the original family: Marco Stante in Milan, Roberto Stante, Jr., in Rome and David Stante in Naples. Approximately 150 professional personnel are currently employed with the company in 6 offices

across Italy.

It has been the organization's belief over the whole of the last thirty years that the personnel, experience, intuition, ideas and skills of each of their staff are vital to the value system upon which the group's work is based.

At the core of the group and one of its highest priorities is their technological innovation. Their dynamic IT department is set up with latest generation models for the best use of bar-coding, tracking on web and EDI connections.

Stability and attentive administration underpins the company's financial business strength, ensuring customers can be fully confident in the handling of their goods and the quality of services they receive.

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Passport to Partnership: Q and A with Roberto Stante, Sr., CEO of Stante Group



Roberto Stante, Sr.

During a recent European business trip overseas, Georgen had the opportunity to sit down with the CEO of the Stante Group, Mr. Roberto Stante, to discuss the benefits of establishing substantial global partnerships.

Larry Georgen: In an important core market such as Italy, it's imperative for AIT to have a solid partnership. How do you measure the value of your global partnerships?

Roberto Stante: In business, you need to be represented everywhere, or as much as possible - not only with a representative official, but a real partnership.

Larry Georgen: I fully understood the importance of your message. Choosing a representative is easy - selecting the right partner is much more difficult.

Roberto Stante: If Stante Group wishes to remain strong in our own market, we need significant overseas partners that are talented and committed to our development. We will never grow without a strong partner in logistics.

Larry Georgen: How do you determine the attractiveness or appeal of a potential partner in an overseas market?

Roberto Stante: The most important factor in choosing a partner is recognizing the existence of trust and ethics in a potential overseas partner. If their ethics are in line with my ethics, we will do business. It's also important not to underestimate the importance of market presence. I aim to ask the following questions of potential partners: what kind of impact does the company have in their home market? Are they important to their own local market? If the answer is yes, then they would be considered an attractive candidate.

Larry Georgen: What is technology's role in supporting a global partnership?

Roberto Stante: An equally important factor when choosing an international partner in this ever-changing economic environment is the level of technology the company possesses. The purpose of technology is to save time and money - everyone says they have technology, but only a few really do.

To make a partnership really effective, a significant technology link must exist between the two companies.

For more information about the Stante Group, please visit their website: www.stante.it

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If you have any questions or comments regarding the Partner News eNewsletter, please contact [Larry Georgen](#), Manager Global Network.

GOING GREEN

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[AIT Worldwide Logistics makes energy-saving electrical enhancements](#)

In order to cut down on its electricity consumption, AIT Worldwide Logistics has made several cost and energy-saving electrical enhancements applying to both its corporate headquarters and perishable business locations in Itasca, Illinois.

Electric lighting accounts for approximately 25 percent of all the energy used in buildings in the U.S., and AIT has taken the following eco-friendly measures in order to cut down on its consumption:



- 1. Installed timed exhaust fans and motion detectors in bathrooms.** Combining significant cost and energy savings, AIT implemented timed exhaust fans and motion detectors approximately 2 months ago. Designed to monitor the areas for motion and instantly turning on as soon as activity is detected, the sensors stay on for 20 minutes before automatically shutting off.
- 2. Dock and office lighting reduced and broken down on separate switches to avoid 24/7 lighting in unused spaces.** AIT has reduced dock and warehouse lighting expenditure drastically.
 - a. Lighting has been installed on separate switches so that certain unused areas in the warehouse and office areas are only on when necessary.
 - b. Lighting has been limited to the perimeters of the building/warehouse for security precautions.
 - c. Employees recycle light bulbs through an internal electronics recycling program.
 - d. AIT has established business contracts with an electric reseller to drive down energy costs.
- 3. Energy-saving T8 lamps and balance lighting utilized throughout the building** - Lights have been limited to lower wattage bulbs, cutting down on cost and electrical consumption. Installing T8 bulbs usually results in a five-to-seven year payback period in a commercial setting.
- 4. CFL's (Compact Fluorescent Lights) implemented throughout the office areas to drive down energy costs.**
 - a. A compact fluorescent light bulb will save about \$30 over its lifetime and pay for itself in about 6 months. It uses 75 percent less energy and lasts about 10 times longer than an incandescent bulb.
- 5. Lights out program** - As part of AIT's internal going green recycling initiatives, employees are held responsible for turning off the lights and shutting down their work stations at the end of the day, resulting in significant reductions in electrical efficiencies and energy consumption.

- by Christine Nicholson, corporate public relations coordinator

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If you have any questions or comments regarding the Going Green eNewsletter, please contact the [AIT Marketing Department](#).



AIT Worldwide Logistics reacts to the recent outbreak of the influenza A (H1N1) infection by communicating the following public health guidelines to employees as outlined by the Centers for Disease Control and Prevention (CDC).

By closely monitoring all government-issued statements and news-breaking developments related to freight transportation, AIT Worldwide Logistics disseminates the following important message to our network of valued customers and partners:

Released on April 30, the International Air Transport Association (IATA) emphasized that airlines are prepared for the heightened level of alert following the World Health Organization's (WHO) decision to move to Phase 5 of its pandemic preparedness plan.

Braniff Transport Carga, SA de CV, AIT's partner in Mexico, reports that all customs and transportation activities have not suffered due to the swine flu epidemic. To date (April 30, 2009), all mode movement (air, ground, and ocean, including cross border shipments) has been virtually uninterrupted.

AIT Worldwide Logistics reports zero cases of the H1N1 infection and is operating at full global capacity.

Supporting America's Gold Medal Dreams

AIT Worldwide Logistics, Inc. ■ P.O. Box 66730 ■ Chicago, IL 60666-0730
630-766-8300 ■ 800-669-4248 ■ www.aitworldwide.com

Delivering data

How EDI fulfills tech-driven demands among today's logistics customers

As customer demand for real-time information continues to heighten in the ever more dynamic world of logistics, the need for tailored data synchronization through EDI implementation has become more apparent than ever before.

In its simplest terms, EDI, or electronic data interchange, is essentially defined as the structured transmission of electronic data from one trading partner to another. With its ability to automate and integrate processes including tracking and tracing, status messaging, reporting and invoicing, EDI gives logistics providers the flexibility to craft creative solutions for their customers.

"Contending with today's industry challenges warrants sales professionals to extend the depth of their knowledge base well beyond advising customers on how to schedule a pickup or track a shipment," says Ray Fennelly, director of business development for AIT Worldwide Logistics, Inc. "Customers now require a flexible technology infrastructure tailored to the data distribution of their supply chain, and sales representatives must be able to deliver more than just a canned IT solution to drive those demands."

Smart Business sat down with Fennelly to discuss how EDI has transformed sales and supply chain relationships.

What are the major benefits of EDI?

Humanizing our business in the age of gadgets and gizmos cannot be underestimated — after all, we are not just moving boxes from point A to point B. In addition to being logistics consultants to our customers, we must also serve as communications and IT consultants.

While it's imperative not to remove the personal aspect from the business, juggling various phone calls, faxes and e-mails can be extremely difficult to manage and lead to major miscommunications or disruptions in delivering information and product on time.

Furthermore, customer service representatives can't be held accountable for remembering every last nuance of each customer relationship; Web-based solutions facilitate this process.

Unfortunately, the industry is not infallible — delays do occur and mistakes will be made. However, a comprehensive tech-driven solution can dramatically reduce those setbacks by automating data



Ray Fennelly
Director of business development
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transmission, minimizing potential for human error, and providing increased work flow and communication efficiencies.

In essence, sharing data in an integrated environment allows customers to view their supply chain as a 'glass pipeline' of sorts: At any point along the life cycle of their shipments, they receive instant visibility to shipping activity, lane segments, trade profiles, on-time percentage and financial data.

Describe the potential pitfalls that can occur with EDI implementation.

Mutual commitment to resources required — particularly in terms of money, training, manpower and time — is, without a doubt, one of the largest concerns. Make no mistake; getting two IT platforms to speak to each other can be a time-consuming, costly, highly involved process. Can both organizations dedicate the proper internal resources until the information exchange environment has been successfully and accurately implemented?

EDI hinges on cooperation and collaboration. If set up properly, its short-term expense results in significant long-term savings for both parties. However, the

value of EDI's flexibility is lost if expectations between the two companies are not properly communicated, understood, mutually agreed upon or executed.

While it is important for you and your customer to engage in detailed discussions and plot project road maps and flow charts, it is ultimately your responsibility to generate results for your customer based on its prioritized business needs and efficiencies.

How do you determine whether or not it is a sound business strategy to apply EDI to a customer relationship?

Because of its perceived complexity, EDI can seem imposing and overwhelming to customers, especially those with whom you have been doing business for years or even decades. In encouraging them to move from paper to electronic processes, those concerns are certainly legitimate. From a cost-of-implementation and training standpoint, in today's economy, especially, you can't and most certainly shouldn't expect a customer to implement EDI unless it makes sense for the data flow of its supply chain.

It should never be the goal on a sales representative's first visit to set customers up with EDI; you can't automatically presume they need it. After all, their definition of the term might radically differ from yours. You must first become attuned to the customer's shipping trends and volumes to analyze the data flow of its supply chain.

Oftentimes, the need for EDI doesn't present itself until long after the maturation of your customer relationship, when trust has been ascribed and the foundation of the partnership has been established.

At the end of the day, it is incumbent upon logistics providers to take a consultative approach in sitting down with their customers, mutually deciding on the most beneficial Web-based solution for their business and delivering value to their supply chain based on those demands. <<

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Cities around the world

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Sacramento, California

Sacramento is the capital of the U.S. state of California, and the county seat of Sacramento County. Located along the Sacramento River and just south of the American River's confluence in California's expansive Central Valley, it is the seventh-largest city in California. With a 2007 estimated population of 460,242, it is also California's 2nd largest inland city. Sacramento's name is taken from the Spanish language, in which "Sacramento" is Spanish for "sacrament". Sacramento is the core cultural and economic center of its four-county metropolitan area (El Dorado, Placer, Sacramento, and Yolo counties) with a combined population of 2,136,604. The Sacramento Metropolitan Area is the largest in the Central Valley, and is the fourth-largest in California, behind the Greater Los Angeles Area, the San Francisco Bay Area, and the San Diego area. Greater Sacramento has been cited as one of the five "most livable" regions in America in 2004, and the city was cited by Time magazine as America's most integrated in 2002.

Sacramento became a city due to the efforts of John Sutter, a Swiss immigrant, and James W. Marshall. Sacramento grew faster due to the protection of Sutter's Fort, which was established by Sutter in 1839. During the California Gold Rush, Sacramento was a major distribution point, a commercial and agricultural center, and a terminus for wagon trains, stagecoaches, riverboats, the telegraph, the Pony Express, and the First Transcontinental Railroad.



The Sacramento skyline

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History

Indigenous culture

Nisenan (Southern Maidu) and Plains Miwok Indians have lived in the area for perhaps thousands of years. Unlike the settlers who would eventually make Sacramento their home, these Indians left little evidence of their existence.

In either 1799 or 1808, the Spanish explorer Gabriel Moraga discovered and named the Sacramento Valley and the Sacramento River after the Spanish term for 'sacrament' specifically, after "the Most Holy Sacrament of the Body and Blood of Christ", referring to the Roman Catholic sacrament of the Eucharist.

From pioneers to gold fever

The pioneer John Sutter arrived from Liestal, Switzerland in the Sacramento area with other settlers in August 1839 and established the trading colony and stockade Sutter's Fort in 1840. Sutter's Fort was constructed using labor from local Native American tribes. Sutter received 2,000 fruit trees in 1847, which started the agriculture industry in the Sacramento Valley.

In 1848, when gold was discovered by James W. Marshall at Sutter's Mill in Coloma, a large number of gold-seekers came to the area, increasing the population. John Sutter, Jr. then planned the City of Sacramento, in association with



The Big Four Building in Old Sacramento

Sam Brannan against the wishes of his father, naming the city after the Sacramento River for commercial reasons. He hired topographical engineer William H. Warner to draft the official layout of the city, which included 26 lettered and 31 numbered streets.

The citizens of Sacramento adopted a city charter in 1849, which was recognized by the state legislature in 1850. Sacramento is the oldest incorporated city in California, incorporated on February 27, 1850. During the early 1850s the Sacramento valley was devastated by floods, fires and cholera epidemics. Despite this, because of its position just downstream from the Mother Lode in the Sierra Nevada, the newly founded city grew, quickly reaching a population of 10,000.

Capital city

The California State Legislature, with the support of Governor John Bigler, moved to Sacramento in 1854. The Capital of California before 1846 was located in Monterey. In 1849 the State Legislature voted to sit the State Capitol in San Jose. After 1850, when California was ratified as a state, the Capitol was also located in Vallejo, and Benicia before moving to Sacramento. In the 1879 Constitutional Convention, Sacramento was named to be the permanent State Capital.



California's State Capitol Building

Begun in 1860 to be reminiscent of the United States Capitol in Washington, DC, the Classical Revival style California State Capitol was completed in 1874. The legislative chambers were first occupied in 1869 while construction continued.

With its new status and strategic location, Sacramento quickly prospered and became the western end of the Pony Express, and later the First Transcontinental Railroad, which began construction in Sacramento in 1863 and was financed by "The Big Four" - Mark Hopkins, Charles Crocker, Collis P. Huntington, and Leland Stanford.

In 1850 and again in 1861, Sacramentans were faced with a completely flooded town. After the devastating 1850 flood, Sacramento experienced a cholera epidemic and a flu epidemic, which crippled the town for several years. In 1861, the legend has it that Governor Leland Stanford, who was inaugurated in early January 1861, had to attend his inauguration in a rowboat, which was not too far from his house in town on N street. The flood waters were so bad, the legend says, that when he returned to his house, he had to enter into it through the second floor window. In 1862 Sacramento raised the level of the city by landfill. Thus the previous first floors of buildings became the basements, which were later connected by tunnels under the streets of Old Sacramento. The tunnels became a network of opium dens, which were also mostly filled in. However, it is still possible to view portions of the "Sacramento Underground."

The same rivers that earlier brought death and destruction began to provide increasing levels of transportation and commerce. Both the American and especially Sacramento rivers would be key elements in the economic success of the city. In fact, Sacramento effectively controlled commerce on these rivers, and public works projects were funded through taxes levied on goods unloaded from boats and loaded onto rail cars in the historic Sacramento Rail Yards.

The modern era

The city's current charter was adopted by voters in 1920, establishing a city council-and-manager form of government, still used today. As a charter city, Sacramento is exempt from many laws and regulations passed by the state legislature. The city has expanded continuously over the years. The 1964 merger of the City of North Sacramento with Sacramento substantially increased its population, and large annexations of the Natomas area eventually led to significant population growth throughout the 1970s, 1980s, and 1990s.



The Tower Bridge, built in 1935

Sacramento County is served by a customer-owned electric utility, the Sacramento Municipal Utility District (SMUD). Sacramento voters approved the creation of SMUD in 1923. In April, 1946, after 12 years of litigation, a judge ordered Pacific Gas & Electric to transfer title of Sacramento's electric distribution system to SMUD. SMUD today is the sixth-largest public electric utility in the U.S., and has a worldwide reputation for innovative programs and services, including the development of clean fuel resources, such as solar power.

The Sacramento-Yolo Port District was created in 1947, and ground was broken on the Port of Sacramento in 1949. On June 29, 1963, with 5,000 spectators waiting to welcome her, the Motor Vessel Taipei Victory arrived. The port was open for business. The Nationalist Chinese flag ship, freshly painted for the historic event, was loaded with 5,000 tons of bagged rice for Mitsui Trading Co. bound for Okinawa and 1,000 tons of logs for Japan. She was the first ocean-going vessel in Sacramento since the steamship Harpoon in 1934. The Port of Sacramento has been plagued with

operating losses in recent years and faces bankruptcy. This severe loss in business is due to the heavy competition from the Port of Stockton, which has a larger facility and a deeper channel. As of 2006, the city of West Sacramento took responsibility for the Port of Sacramento.

In 1967, Ronald Reagan became the last Governor of California to live permanently in the city. A new executive mansion, constructed by private funds in a Sacramento suburb for Reagan, remained vacant for nearly forty years and was recently sold by the state.

The 1980s and 1990s saw the closure of several local military bases: McClellan Air Force Base, Mather Air Force Base, and Sacramento Army Depot. Sacramento is the capital of California and therefore the Government sector is the largest employer. As a result, the U.S. armed forces have little presence in the city except for recruiting offices. Also, in 1980, there was another flood. The flood's damage affected the Boat Section of Interstate 5. The culmination of a series of storms as well as a faulty valve are believed to have caused this damage.

In the early 1990s, Mayor Joe Serna attempted to lure the Los Angeles Raiders football team to Sacramento, selling \$50 million in bonds as earnest money. When the deal fell through, the bond proceeds were used to construct several large projects, including expanding the Convention Center and refurbishing of the Memorial Auditorium. Serna renamed a city park for controversial farm labor organizer Cesar Chavez. Through his effort, Sacramento became the first major city in the country to have a paid municipal holiday honoring Chavez.



The Ziggurat Building

In spite of major military base closures and the decline of agricultural food processing, Sacramento has continued to experience massive population growth in recent years. Primary sources of population growth are an influx of resident of the San Francisco Bay Area seeking lower housing costs, as well as immigration from Asia, Latin America, and former Soviet republics. From 1990 to 2000, the city's population grew by 14.7%. The Census Bureau estimates that from 2000 to 2007, the county's population increased by nearly 164,000 residents.

Despite a devolution of state government in recent years, the state of California remains by far Sacramento's largest employer. The City of Sacramento expends considerable effort to keep state agencies from moving outside the city limits. In addition, many federal agencies have offices in Sacramento.

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Geography & Climate

The city is located at the confluence of the Sacramento River and the American River, and has a deepwater port connected to the San Francisco Bay by a channel through the Sacramento River Delta. It is the shipping and rail center for the Sacramento Valley, fruit, vegetables, rice, wheat, dairy goods, and beef. Food processing is among the major industries in the area.

Sacramento has a Mediterranean climate that is characterized by cool, wet winters and hot, dry summers (Koppen climate classification Csa). The area usually has high humidity during winter but low during summer. The average temperature throughout the year is 61 °F (16 °C).

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Transportation

The Sacramento region is served by I-5, I-80, Business 80 (Capital City Freeway), Highway 50 (El Dorado Freeway), Highway 99, Highway 160 (Downtown Sacramento), and Highway 65. The freeways that serve Sacramento dominate life in the city.

Sacramento International Airport (SMF) is a public airport located 10 miles (16 km) northwest of the central business district of Sacramento. It is run by Sacramento County. Southwest Airlines currently accounts for about half of all airline passenger traffic.

The Port of Sacramento is an inland port located 79 nautical miles (146 km) northeast of San Francisco, and is centered in one of the richest agricultural regions in the world. Cargo ships access the Port of Sacramento through San Francisco Bay and passage up the Sacramento River and the Sacramento deep water channel. The ship channel is 43 miles (69 km) long and its project depth is 30 feet (9.1 m). The Port of Sacramento is used for the export of bagged and bulk rice. Construction materials



Port of Sacramento

such as cement, lumber and fertilizer make up a great deal of the Port's cargo volume. The Port is also used for the importation of large project cargo such as wind power generation equipment.

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