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Ocean Fast Facts

Which port is the second largest container terminal in the Southern Hemisphere as of 2007 and handled 2.5 million TEUs of cargo during the same year?

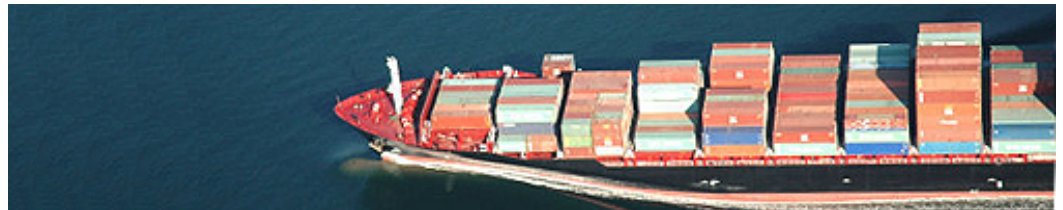
- A. Port of Capetown
- B. Port of Johannesburg
- C. Port of Walvis
- D. Port of Durban

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

Correct Answer: D. Port of Durban

The port of Durban, South Africa remains one of the largest ports in the Southern Hemisphere, ranked in 2007 as the 43rd largest port and is only behind the port of Santos, Brazil in terms of TEUs handled per year.

Sources: http://en.wikipedia.org/wiki/Port_of_Durban
<http://www.transnetportterminals.net>
http://www.transnet.co.za/AR_2008/pdf/port_terminals.pdf



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Kevin Krause attends 10th annual Trans-Pacific Maritime Conference



- by Christine Nicholson, corporate public relations coordinator

On March 1-2, 2010, Kevin Krause, director of ocean services for AIT, attended the 10th annual Trans-Pacific Maritime Conference hosted by the Journal of Commerce at the Long Beach Convention Center.

Launched in 2001, the event is the most important annual gathering for senior executives from shippers, carriers, 3PLs, terminals, railroads, industrial real estate and other players in the trans-Pacific container market.

Held each year in early March as annual contract negotiations and peak season planning get under way, the event agenda is carefully planned to include the most knowledgeable and experienced speakers addressing the key challenges the industry will face in the coming year.

With more than 1,300 participants, attendance at this year's conference was more than double from last year's event. Krause attributes the spike in involvement to concerns over tightening capacity and significant rate increases imposed by the carriers since fall of 2009. Essentially, attendees were hoping to discover what's in store for the container industry after historic rate declines and financial losses in 2009.

Sessions at this year's conference addressed the market outlook for the trans-Pacific trade, how the

recession and slower consumer demand has altered shippers' supply chains and suggested strategies for approaching a still very uncertain 2010.

With a panel of presenters led by opening keynote speaker Eivind Kolding, CEO of Maersk, the conference aimed to provide candid, well-honed observations to pressing industry questions in a setting promoting intensive dialogue, networking and business opportunities.

According to Krause, panelists addressed the market outlook for trans-Pacific trade much differently from last year's industry observations.

"Most felt in 2009 that the economy hadn't reached 'rock bottom' - there were a few optimists among the presenters in 2009," explained Krause. "In 2010, the outlook is still cautious, yet the discussions between the importer and shipper community were very heated. Importers and NVOCCs are pressing the carriers for answers as to why they fought back so quickly with very large increases and capacity and service reductions - not just in vessel service, but customer and operations services that are so vital to this industry."

Of the many topics and industry forecasts presented at the conference, Krause could relate most to the challenges posed by the importer/shipper community in terms of skyrocketing rates and poor service.

"I was intrigued that many carriers blame the shipper/importer community for pushing the low rates, while importers and shippers blame the lines for losses of buying market share," he said. "As an NVOCC, it is AIT's job to fight for the best balance for our customer; good service at a competitive price as well as service contract protection."

Krause reports that the ocean cargo community is now challenging the steamship lines through Congress and the Federal Maritime Commission in an effort to ensure there is no price gouging in order to protect the flow of U.S. goods and services along the various supply chain seaways.

Overall, Krause came away from this year's TPMC with a renewed industry outlook for 2010.

"I believe that carriers are on the trend to get their rates in check, but they should be held accountable for maintaining service that corresponds with the revenue recovery," he said. "I am optimistic that both capacity and service integrity will be back on track by late 2010 during peak season, and hopeful that we saw our 'rock bottom' late last year."

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BUZZ WORD

Spring has sprung and in this month's AIT Newsletter, we're blossoming with double your "buzz" word pleasure:

Standard form contract, or boilerplate

Standard form contract (sometimes referred to as an **adhesion contract** or **boilerplate contract**) is a contract between two parties that does not allow for negotiation, i.e., take it or leave it. It is often a contract that is entered into between unequal bargaining partners, such as when an individual is given a contract by the salesperson of a multinational corporation. The customer in no position to negotiate the standard terms of such contracts and the company's representative often does not have the autonomy to do so. While adhesion contracts, in and of themselves, are not illegal per se, there exists a very real possibility for unconscionability.

Source: http://en.wikipedia.org/wiki/Boilerplate_contract

It's Contract Season = Boilerplates and You!

It is appropriate to include some "legal jargon" in this month's AIT customer newsletter as the end of April concludes the start of the May 1, 2010 ocean contracting season. As clients such as direct importers, beneficial cargo owners BCOs and NVOCCs work with the steamship lines to establish base line ocean rates, it's "high" season for contract boilerplate review.

During this time, contract boilerplates are reviewed in addition to rates for minimum volume commitments, termination clauses and other factors such as liability limitations are reviewed. Boilerplates remain important for NVOCCs like AIT and our client base to help ensure proper MQC and equipment availability, space availability on vessels and a rate to ensure your cargo moves in line with the service level provided and committed to by the carrier.

Bonus Word: Jettison

To unload or throw overboard at sea a part of a ship's paraphernalia or cargo to lighten the ship in time of an emergency.



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



Jettisoning cargo: Believe it or not, it happens!

Since spring has "sprung," AIT thought it would be appropriate to provide a bonus "buzz" word for the month of April. Literally, jettisoning a container can be assimilated with "springing" or launching a cargo overboard to protect the safety of vessel crew, by-standing humans and overall safety of the vessel in an emergency.

While there is no "button to push" in order to jettison cargo or containers off vessels, this is manually done by ship crew. In high seas, Mother Nature has been known to take it upon herself to "jettison" containers. This can happen when ships pitch and roll in high seas and the momentum of the ship itself jettisons containers.

If you want a little dose of inspiration and you're a kid at heart, read the book "10 Little Rubber Ducks" by Eric Carle. This story demonstrates just what can happen to cargo when it is "jettisoned" at sea...whether by Mother Nature or deck hands.

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General Market Conditions: Imports from Asia

As contract season in the Asia trade rapidly approaches May 1, there are several observations to report.

The lines have consistently been pushing for a May 1 GRI of \$800 per 40' container, other sizes per formula for west coast and IPI routings. The level via the east coast is proposed at \$1000 per 40' and other sizes per formula. Additional capacity is coming on board but will most likely match the forthcoming peak volumes so there is not a large anticipation that the additional capacity will not offset the proposed GRI.

It is hopeful that this additional capacity will help stabilize rate increases. Capacity will remain tight; especially out of North China with the approaching Shanghai World Expo and restricted, yet additional capacity. Carriers are careful to release "too much, too soon," so any reduction in rates in the near term from Asia is not probable.

The lines are proposing Peak Season to begin later this year on August 1st. The proposed level is \$400 per 40', other sizes per formula. Carriers propose a quarterly GRI plan after May 1; however, it has yet to be seen if this will be effective based on additional capacity and when importer demand will fall off based on higher rates.

Finally, there seems to be growing interest by the U.S. Congress and the FMC regarding review of carrier operations and pricing. This development comes on the heels of importers and exporters in the U.S. wanting to ensure the proper flow of goods. This most likely will result in more news over the coming weeks and months and hopefully assist our customers from a rate and service standpoint depending on the findings.

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Carriers Assess Document Amendment Fees - make sure your documents are accurate!

In an ongoing effort to cover administrative costs for document corrections after ocean carrier master bills have been issued to customers, AIT would like to remind customers that several ocean lines such as Maersk are charging Document Amendment Fees, or Transport Document Amendment Fees (AMF).

Essentially, the fee is assessed by the carrier for the transport document amendment at the request of the shipper, consignee or their designated agent after the first verify copy has been issued by the carrier. Multiple changes are allowed within a single amendment request per transport document. The fee generally does not apply if the carrier makes an error and runs in the area of \$25 to \$50 per bill of lading (depending on the carrier).

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Finland Strikes Back = Finland Strike Surcharge

Certain carriers have begun charging a Finland Strike surcharge effective April 21, 2010, for cargo ex the USA to Finland. The charge is approximately 60 Euro per 20 and 130 Euro per 40, depending on the carrier.

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Shanghai Expo Resulting in Hazardous Cargo Restrictions



The 2010 World Expo being held in China will force restrictions on the movement of hazardous cargo to and from Shanghai between April 15th and October 31, 2010. The restriction of hazardous material during this time applies to nearly ALL hazardous classes.

Speak with your AIT representative if you have questions above the movement of hazardous materials to and from Shanghai now through October.

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REMINDER: AIT's Automated Ocean Rate Request Feature!

Last month, AIT announced the new offering that allows AIT Ocean customers the ability to submit rate requests in an automated format using the CargoSphere online rate quote system. AIT customers can now request rates and receive automated rate quotations complete with quote numbers and quotation validity dates, making the quote process more timely and efficient.

To get started on CargoSphere, click on the following link and start automating your rate quotation process today to register!

<http://www.cargosphere.net/ait/ptrade/jsp/CustomAgentRateRequest.jsp>

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April Congestion Alert!

At press time, the following port locations were reporting congestion:

- China = Primarily Shanghai for the forthcoming World EXPO.
- Jamaica (Kingston) = for both transshipment/relay and direct cargo.
- Greece = National Strikes are in effect as of the end of February.
- Colombia (Buenaventura)
- North African Ports (Tripoli / Algiers)
- Venezuela Ports (Puerto Cabello/Guanta)
- West Africa (Luanda / Angola)
- Nigeria (Tincan/Apapa)
- Haiti (Port au Prince - Very limited port operations, relief goods remain a priority)

Please be advised that ocean carriers may temporarily enact "Port Congestion Surcharges" in times of peak volumes so speak with your AIT Representative in the event you have questions.

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The Parting "Wave"

March was an active month at AIT. Quoting remains strong, volumes were quite steady and U.S. exports really seem to be rearing up. The rest of April and May will focus on contract negotiation season. It promises to be an exciting year of contracting with capacity returning just in time to come on par with Peak Season volumes. Peak is just around the corner from Asia and carriers are talking of an August peak start date. More will follow in upcoming AIT eNewsletters.

ISF and 10+2 initiatives remain a priority at AIT. AIT has designated staff monitoring ISF filings and helping ensure importers are making timely and correct filings. This issue will remain a top priority for the AIT team as peak season approaches.

The AIT Ocean Systems team thanks you for your support during March and looks forward to a fantastic April.

Preview May 2010 AIT Ocean eNewsletter:
Shanghai!

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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From "Peak Season" to "Strike Season?"

You've certainly heard of the "peak season" and its impact on the air industry; however, judging from the look of things this past month, it now appears we have experienced a "strike" season.

First there was Greece, where the public services and transport employees called for a general strike which brought everything to a screeching halt in protest of the government's austerity measures. After several days and much negotiating, the Greek economy was saved by much-needed capital provided by the EU.

Airline-wise, there was the Lufthansa pilot's strike, which had little effect on the cargo side of their business.

Next there was British Airways' head-to-head dispute with its cabin crew, which threatens to ground half of its passenger services out of London Heathrow. Fortunately, the impact on cargo has been minimal so far.

The unions representing cabin crews of Air France-KLM threatened to strike to protest the company's reform plan for its medium-haul operations.

The unions also object to management's attempt to renegotiate a collective agreement that runs from 2008 to 2013.

Cathay Pacific flight attendants are considering a strike over Easter as a last resort to stop a change in roster policy that now allows some workers to rack up overtime while others work as few as 10 hours a month.

Reuters has reported that SAS struck a deal with pilots and cabin crew to freeze salaries and reduce pensions and allowances under a cost-cutting plan to return the Scandinavian airline to profit. SAS, collectively half-owned by Sweden, Norway and Denmark, said the new agreement would bring over US\$70 million in savings.

Last year was one of the worst ever for the aviation industry, but SAS has long been struggling with high costs. Unions have up to now resisted changes needed to compete with no-frills flyers such as Ryanair. The airline said cost cuts from all unions for 2009 and 2010 not totaled \$292 million. Overall savings under the Core SAS restructuring plan were \$1.08 billion.

Until recently, Japan Airlines' pilots had been spared any reduction in its workforce, unlike their ground staff, flight attendants, maintenance workers and other employees. Now, debt-ridden JAL Corporation will expand its voluntary retirement program to include pilots. JAL is offering early retirement to more than 1,500 captains, along with nearly 800 first officers aged 35 or older.

According to the Nikkei business daily report, the move is part of Management's efforts to reduce its workforce by 5% or 2,700 people.



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2010 Loss Forecast Cut in Half

Predicted losses for the aviation industry in 2010 have dropped to U.S.\$2.8 billion compared to the \$5.6 billion loss forecast in December last year. Loss estimates for 2009 have also dropped, to \$9.4 billion from the previously forecast \$11 billion.

IATA claims that the improvement is largely driven by a much stronger recovery in demand seen by year-end gains that continued into the first months of 2010. Relatively flat capacity translated into some yield improvement and stronger revenues. Improvements are being driven by economic recovery in the emerging markets of Asia-Pacific and Latin America.

IATA is also now predicting that cargo demand, which fell by 11 percent in 2009, is expected to grow by 12 percent in 2010, five percent more than the previously forecast seven percent. That would wipe out the effects of the crisis and still give the industry a one percent growth.

Seeing as most commentators are expecting a pre-crisis recovery not before 2013, suggesting it as

early as this year is optimistic.

Source: *Air Cargo News* - March 11, 2010

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Air Export Demand Exceeds Supply

A notice from one of our airline partners recently served as a reminder that in recent months we have seen a constant increase in exports. Recently the demand has surpassed the supply. It has been recommended that customers weigh the option of moving time sensitive cargo on an express priority service to ensure cargo is airlifted.

Regardless of chosen carriers, passenger baggage, perishables and mail take priority, followed by general cargo; therefore, there is never a 100% guarantee cargo will ride as booked, particularly on a passenger flight. We all work as proactively as possible in the best interest of our customers during these times of tight space availability.

Space issues also exist all across Asia and now Europe; keeping this in mind, we all need to be alert to the ever-changing landscape when it comes to booking airfreight cargo.

Generally after Chinese New Year there can be a dip in traffic China/USA, but that does not appear to be occurring this year. The economies are gaining momentum, inventory levels are still low all over the world and very few, if any, parked aircrafts are being reintroduced to the market.

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NEW REGULATIONS

New German Aviation Security Regulations go into effect April 29, 2010

Beginning on April 29, 2010, exporters will be faced with considerable changes as the implementing provisions concerning Regulation (EC) No 300/2008 were passed on October 21, 2009. This new regulation replaces Regulation (EC) No 2320/2002. Regulation (EC) No 300/2008 shall apply in full from April 29, 2010.



So far, the regulated agent was able to approve a consignor as a known consignor so long as the consignor signed the "Security Declaration of the Known Consignor." In the future, known consignors will have to be approved by the Federal Office of Civil Aeronautics (in German, Luftfahrtbundesamt, LBA) through an official audit.

There are numerous security requirements to be met for approval: the shipping company must guarantee that the airfreight is packed tamper-proof and kept in a controlled area so it is protected from unauthorized tampering and interference. The staff handling the air cargo must be trained accordingly. The shipper has to implement an access control process so that the premises or the site are protected against unauthorized access.

The LBA is required to audit and approve all known consignors by April 29, 2013, and to register them as known consignors in the "EC database of regulated agents and known consignors."

For the period between April 29, 2010 and April 29, 2013, the following interim solution applies: the LBA gets a list of all known consignors from the regulated agents. Thus, the known consignors are listed for up to three years with the federal authority - which indicates that air cargo from those known consignors may continue to be regarded as "secured" and be exempt from ample security controls.

The existing Security Declarations signed by consignors will remain valid for the time being. So far, it has not yet been established whether they hold good for the whole three-year transition period or whether they will have to be renewed every year.

Future editions of the AIT eNewsletter will keep our readers informed as soon as the ministries and the Federal Office of Civil Aeronautics have laid down, in writing, the exact order of procedure.

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UP, UP, AND AWAY - AIRLINE UPDATES

The credit crisis hasn't hindered **Emirates Group Airlines** aircraft orders. Emirates Group is one of the fastest growing airlines with \$406 million net profit in 2008. It presently has 145 wide body aircraft, including seven freighters and eight A-380 super jumbo-jets. It has another 145 aircraft worth \$50,000 billion on order from Boeing and Airbus.

Emirates will add Amsterdam service beginning on May 1. Currently, the carrier ships 1,000 tons of flowers to the Aalsmeer flower auctions south of Schiphol, Amsterdam each month from Nairobi,

Kenya and Addis Ababa, Ethiopia.

Emirates freighters will help export the flowers as well as import them via their international hub in Dubai. Exports from the Netherlands cover more than 60% of the world's fresh-cut plants, flowers and bulbs. Amsterdam will be the airline's second new route this year after Tokyo, which launched March 28. Prague service is scheduled for July 1, Madrid for August and Dakar in September.

Source: Air Cargo World 3/19/10, American Shipper 4/10

The pilots strike didn't slow **Lufthansa Cargo's** operations in the air or its larger expansion strategy in international freight markets. Lufthansa, which wants to cut \$1.35 billion in costs by 2011, said it was merging its cargo operations with those of Austrian Air, effective July 1. This move will allow optimization of cargo flow through their Frankfurt, Munich and Vienna hubs. Austrian Cargo will effectively become a subsidiary of Lufthansa Cargo.

Source: JOC 3/1/10

UPS Airlines recently announced plans to furlough 300 pilots or 11% of its 2,800 member force, to bring costs more in line with demand. The package and freight delivery company is still working with the Independent Pilots Association to identify cost-cutting measures that could forestall or mitigate the action before it takes effect in May when the first 170 pilots are scheduled for furlough.

UPS Airlines President Bob Lekites said that even though the economy has begun to turn around, UPS anticipates a very gradual recovery and a continued need for belt-tightening. In January the company said it would eliminate 1,800 management and administrative positions to streamline its domestic U.S. small package business, which is just one of the steps UPS has taken during the past two years to eliminate \$1.4 billion in costs during turbulent economic times.

Source: American Shipper 3/10

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Although cargo load factors and volumes are back to pre-crisis levels at **Swiss International Airlines**, revenue and yields aren't faring as well. The carrier is not even halfway to recovering from the fall in rates during the downturn. The strength of the economic recovery in Europe, where companies are still shedding jobs and governments are bringing an end to their stimulus packages, is still a concern. Having no freighters to fill is presently an advantage to Swiss Air because it has managed to return to 80-85% load factors for belly cargo on its long-haul routes. In June, SR is due to start a six times a week A-340-300 service to San Francisco - its second US west coast destination and its seventh in North America.

Source: Air Cargo News 3/12/10

Eva Air Cargo has reintroduced freighter service between Taipei and Vienna. The carrier operates a 747 freighter every Thursday and Sunday. Compared to the current three passenger flights per week with a total of 24 to 36 ton freight capacity, these additional flights will provide additional air cargo capacity of 18 to 30 tons twice a week. According to K W Nieh, spokesman for Eva, the main reason to relaunch the freighter flights was the rising demand in cargo business beginning with the fourth quarter 2009 and the recovering worldwide economic situation. He commented further that demand from the CEE (Central and Eastern Europe) is particularly promising.

Source: Air Cargo News 3/24/10

Cargoitalia has increased its schedule by 50% in March. USA flights will rise to three per week operating Milan (Malpensa) - New York/Chicago on Wednesdays, Milan/Chicago on Saturdays and Milan/New York on Sunday. This increase is in a direct response to demand.

Cargoitalia is now the only carrier providing direct maindeck capacity from New York to Milan, according to Commercial Director Roberto Gilardoni.

Flights to Hong Kong will also increase to three times weekly. Tuesday services will route via a new destination, Sharjah and Thursday and Saturday services will continue to transit Dubai. All inbound flights will maintain their technical stop in Almaty.

Source: E-Cargonews Asia 3/24/10

Air India has around 15 Boeing 777s and has placed orders for 27 Boeing 787s. Boeing has delayed the delivery date. As a result, Air India is blaming Boeing for financial woes and has claimed \$710 million in compensation. Thus far, Boeing has agreed to pay \$145 million.

Boeing is also in the headlines as a result of **Air Berlin's** cancellation of a \$1.7 billion of firm orders for Boeing's 787 Dreamliner aircraft amid uncertainty over whether Air Berlin will increase long-haul flights - this according to Reuters. The order was placed in 2007 when Air Berlin had planned to buy charter airline Condor but backed out of the planned takeover a year later, citing soaring oil prices and worsening economic conditions. Air Berlin has cut its order to 15 planes from 25 and reduced possible future options on aircrafts from 10 to 5.

Source: Cargonews Asia 3/18/10

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Air Cargo World Announces 2010 Air Cargo Excellence Survey Winners

Air Cargo World, the global news authority on air logistics and freight transport, has unveiled the findings of its sixth annual Air Cargo Excellence (ACE) Survey, which measures carriers and airports on specific criteria and ranks them to identify above or below average performance.

The survey is determined by freight forwarders who rate airlines on Customer Service, Performance, Value and Information Technology; airports are rated by airlines on Performance, Value, Facilities and Regulatory Operations.

The top five airlines were honored with awards, ranging from Diamond to Bronze, at the March 9, Vancouver awards ceremony. Southwest Airlines garnered the highest overall airline score, led all airlines in the Performance and Value categories, and received the evening's highest honor, the Diamond Award. FedEx Express, which came in second in overall score, was the recipient of the Platinum Award; and Emirates Sky Cargo came in third and received the Gold Award. The Silver Award went to Virgin Atlantic and Bronze to Nippon Cargo Airlines.

Airports rated highest by airlines and forwarders included Memphis in North America, Amsterdam in Europe, and Seoul Incheon in Asia & Middle East, in the one-million-or-more tons category. In the half-a-million to million ton category, Dallas/Ft. Worth, Luxembourg and Tokyo Haneda took the lead in each of their regions. For the half-a-million and less category, Athens (Europe) advanced to the top spot from 11th in 2009, and Rockford (North America) moved into first place, up from seven last year. Nagoya rated highest overall in Asia & Middle East.

Significant improvements made by airlines from 2009 to 2010, include Southwest Airlines' jump to first place from 12th, FedEx Express to second from ninth, Nippon Cargo Airlines to the fifth position from 30th and Japan Airlines to sixth from 22nd place.

"The Air Cargo Excellence Awards ceremony gave us a great opportunity to honor the airlines and airports that strive to meet excellence and to exceed their past performances. The success of this inaugural event proves the importance and credibility of the Air Cargo Excellent survey, which has become an important benchmark of airline and airport performance," said Steve Prince, publisher of Air Cargo World.

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Southwest Named Airline of the Year and Carrier of the Year

The Express Delivery (XLA) and Logistics Association has named Southwest its Airline of the Year for the sixth consecutive year and the Airforwarders Association also selected the airline as Carrier of the Year.

AFA members voted Southwest the best for on-time performance, customer service, problem resolution, claims handling, technology support, service options and overall value.

The XLA awards are based on an annual survey of association members who use the services of commercial passenger airlines for their express deliveries around the world. Southwest took top honors in 2002, 2003, and 2005 through 2009, and finished second in the rankings in 2001 and 2004.

Greener Planes Mean Bluer Skies for Continental Airlines

On March 8, 2010, Aircraft 516, which was the 737-800 Continental used for its biofuel demonstration flight last year, received a special paint treatment with the Eco-Skies logo and green winglets. Results from the biofuel demonstration flight and from similar demonstration flights will help biofuels become certified for commercial aviation use.



Scientists estimate that overall life cycle greenhouse gas emissions related to biofuels, like the blend made partially from algae and jatropha oils that Continental used, will be reduced by 60%-80% as compared to traditional jet fuel. The fuel Continental used on their demonstration flight was also about 1% more efficient than traditional jet fuel.

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AIRPORT UPDATES

Due to reconstruction of the main runway at **JFK Airport** by the Port Authority of New York, one third of the airport's traffic and half its departures are being diverted to three smaller runways. Waiting for take off and landing is now longer, which has had a rippling effect to other cities. During this construction period, which is expected to last for the next three months, several airlines have cut back on their schedules, which equates to fewer available flights on which to book cargo. The completed construction is expected to reduce delays by an estimated 10,500 hours per year. The renovation is expected to have a 40 year lifespan by paving with concrete instead of shorter-lasting asphalt.

Source: *American Shipper* 4/2010

Dubai Airport has announced double-digit growth in cargo traffic in February. According to Paul Griffiths, CEO, Dubai Airports were the fastest growing major international airport in 2009 and figures so far this year are very encouraging. For the first two months of 2010, cargo traffic has reached 343,160 tons compared to 265,870 tons for the same period in 2009.

Source: *E-Cargonews Asia* 3/22/10

In their annual report on airport performance, the ACCC (Australia Competition and Consumer Commission) have once again named **Sydney Airport** behind first-ranked Brisbane, Adelaide, Perth and Melbourne. Graeme Samuel, chairman ACCC, said the indications are that Sydney has increased profits by permitting service quality to fall below that which airlines reasonably expect. This is the fourth consecutive year Sydney has been awarded this dubious claim.

Source: *E-Cargonews Asia* 3/12/10

Airports of Thailand, the state-owned operator of the country's main airports, has approved an expansion of the **Suvarnabhumi Airport - Bangkok**.

The airport was opened in September 2006 with a capacity to handle 45 million passengers and three million tons of cargo a year. The venture, which will take place between 2010 and 2016, hopes to expand capacity to 80 million passengers, of which 60 million will be international and 20 million domestic. Freight is estimated to grow by an average of 4.6% a year in 2010-2014.

Source: *Aircargo Asia-Pacific* 2-3/10

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PREPARING FOR TAKEOFF: A THOUGHT TO PONDER

When once you have tasted flight, you will always walk the earth with your eyes turned skyward: for there you have been and there you will always be.

- Henry Van Dyke (1852-1933)

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

COMPLIANCE

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Country of Origin

For Customs purposes, "country of origin" is not defined as the country where a shipment originated. When there is only one country involved, the country of origin is the country where the materials originated and were processed.

When there is more than one country involved, the country of origin will be the last country where there was a "substantial change" to its name, characteristics, and/or how it is to be used.

When a shipment is subject to preferential treatment due to a trade agreement, the rules of origin will vary depending upon the agreement.

The CBP Informed Compliance Publication titled "U. S. Rules of Origin" covers this issue in detail and can be found by visiting the following link:

http://www.cbp.gov/linkhandler/cgov/trade/legal/informed_compliance_pubs/icp026.ctt/icp026.pdf

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Informed Compliance Publications

In addition to the previously mentioned "U. S. Rule of Origin" publication, US Customs and Border Protection (CBP) has a number of Informed Compliance publications (ICPs) in the "What Every Member of the Trade Community Should Know About: ..." series. CBP has made these ICPs available to importers and other members of the trade community to assist them by providing information and guidance on a variety of subjects. Customs is constantly updating the publications and adding new ones. The full list of available ICP publications can be found by visiting the following link:

http://www.cbp.gov/xp/cgov/trade/legal/informed_compliance_pubs/

The following is a list of ICPs that have been updated or added since the beginning of 2010:

[The Classification of Ball Bearings, Rolling Bearings and Part Thereof](#)

[Internal Combustion Piston Engines](#)

[Diodes Transistors & Similar Semiconductor Devices](#)

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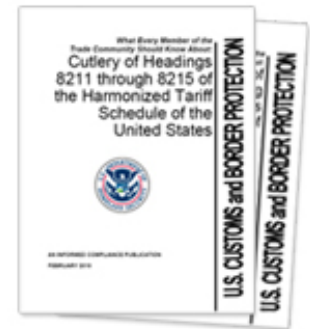
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Lacey Act Reminder

The Lacey Act (16 U.S.C. 3371 et seq., the Act) as amended makes it unlawful to import, export, transport, sell, receive, acquire, or purchase in interstate or foreign commerce any plant, with some limited exceptions, taken or traded in violation of the laws of the United States, a U.S. State or a foreign country

As discussed in the October 2009 edition of the AIT eNewsletter, effective April 1, 2010, phase four enforcement of the Lacey Act added merchandise classified in the following HTSUS headings: 4421 (other articles of wood), 6602 (walking sticks, whips, crops), 8201 (hand tools), 9201 (pianos), 9202 (other stringed instruments), 9302 (revolvers and pistols), 9305.10.20 (parts and accessories for revolvers and pistols), 9401.69 (seats with wood frames), 9504.20 (articles and accessories for billiards), and 9703 (sculptures).

Here is a link to the USDA Lacey Act page:

http://www.aphis.usda.gov/plant_health/lacey_act/index.shtml

Here is a link to CBP's page covering the Lacey Act:

http://www.cbp.gov/xp/cgov/trade/trade_programs/entry_summary/laws/food_energy/amended_lacey_act/

Toxic Substances Control Act (TSCA)

EPA Makes Chemical Information More Accessible to Public for the first time, TSCA chemical inventory free of charge online

EPA is providing web access to the Toxic Substances Control Act (TSCA) Chemical Substance Inventory. Previously, the consolidated public portion of the TSCA Inventory was only available by purchase from the National Technical Reports Library or other databases. By adding the consolidated TSCA Inventory to the Agency's website and to Data.Gov, this information is now readily available to the public at no cost. EPA's intention is to increase the transparency of chemical information while continuing to push for legislative reform of the 30 year old TSCA law.

"Increasing the public's access to information on chemicals is one of Administrator Jackson's top priorities," said Steve Owens, assistant administrator for EPA's Office of Prevention, Pesticides and Toxic Substances. "The American people are entitled to easily accessible information on chemicals, and today's action is part of a series of ongoing steps that EPA is taking to empower the public with this important information."

In the coming months, EPA will take further steps to increase transparency and make more information available to the public, including adding TSCA facility information and the list of chemicals manufactured to the Facility Registry System (FRS). FRS is an integrated database that provides the public with easier access to EPA's environmental information and better tools for cross-media environmental analysis. The addition of TSCA facility and chemical databases to FRS will provide the public with information on the facilities in their communities using industrial chemicals.

For information about EPA's increasing transparency on chemical risk information, see:

<http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceeac8525735900400c27/631cf22eb540c4db852576b2004eca47!OpenDocument>

For access to the entire TSCA Inventory, please visit:

<http://www.epa.gov/oppt/newchems/pubs/invntory.htm>

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

GOING GREEN

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10 Ways for the Freight Sector to Lessen its Environmental Impact

The future of transporting goods includes solar powered ships, GPS truck-tolling systems and advanced diesel-electric engines, according to "The Good Haul" report from the Environmental Defense Fund.

The freight sector represents about 25 percent of the U.S. transportation sector emissions, or about 8 percent of all U.S. emissions.

Since 1990, emissions attributed to freight have climbed 60 percent, compared to 27 percent for passenger travel, according to the report.

The report looks at 10 categories of projects that are helping improve freight transport while also reducing its environmental impact.



1. **Port and corridor cleanup plans**

The Chicago Region Environmental and Transportation Efficiency (CREATE) program is one example of a way to reduce emissions in a freight corridor. About one-fourth of U.S. rail freight goes through Chicago, and that is expected to grow. CREATE, while not specifically a cleanup plan, includes elements that will lead to reductions of about 1,800 tons of emissions.

2. **Shoreside power**

So-called "cold-ironing," or plugging a docked ship into a power transmission line, is seen as a major way to reduce emissions in port cities. Efforts to standardize connections are key for success.

3. **Ship cleanup**

Because most large ocean-going ships burn low-grade fuel, there are more associated pollutants. SkySails, a German company, has been putting large towing kites on ocean-going vessels as a way to lessen the need for fuel. In one test, using the towing kite helped reduce emissions up to 35 percent annually. The Beluga SkySails vessel was able to save \$1,000 in fuel a day. Solar vessels also are starting to gain acceptance, too, the report notes.

4. **Coastal shipping**

In the U.S., coastal shipping is not widely used. But in Europe, the Marco Polo program aims to remove the equivalent of 700,000 truck trips per year between Paris and Berlin.

5. **Rail yard and port cargo handling equipment**

Retrofitting and replacing diesel cargo equipment with electricity and/or natural gas-powered equipment is gaining vogue.

For instance, the Green Goat at the Norfolk International Terminal in Virginia is a battery-dominant hybrid train engine that switches loads from yard-to-yard.

6. **Diesel engine emissions reductions and incentives**

Retrofitting old diesel engines with diesel particulate filters, oxidation catalysts and other devices is one way to reduce pollutants associated with emissions.

7. **Truck tolling**

Preventing congestion by putting tolls on a truck's tons of emissions, as well as miles driven, motivates truck companies to use cleaner fuel and smarter supply chain management. The PierPASS program in California is one example.

8. **Truck stop electrification**

Keeping trucks from idling during breaks at truck stops is seen as a major way to reduce emissions and fuel use. More and more truck stops, as well as state

governments such as Oregon, are adding electrical hookups for big rigs along major highways.

9. **Logistics**

Because the typical truck drives empty for up to 14,000 miles a year, wasting 2,400 gallons of fuel and producing 26.4 tons of emissions, using smart logistics to ensure there are fewer empty trucks is one way to save money and reduce emissions.

10. **On-the-horizon technologies for rail, port and maritime**

In the future, battery powered locomotives and electromagnetic cargo conveyors are seen as ways to help reduce emissions.

Source: *Environmental Leader*, <http://www.environmentalleader.com/2010/03/19/10-ways-for-the-freight-sector-to-lessen-its-environmental-impact/>

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10 Ways to Celebrate the 40th Anniversary of Earth Day



Forty years after the first Earth Day, the world is in greater peril than ever. While climate change is the greatest challenge of our time, it also presents an unprecedented opportunity to build a healthy, prosperous, clean energy economy now and for the future.

Earth Day 2010 can be a turning point to advance climate policy, energy efficiency, renewable energy and green jobs. Join the more than one billion people in 190 countries that are taking action for Earth Day.

Green at Home

1. **Play your part:** participate in Earth Day campaigns and events (earthday.org/take-action). Check out the Earth Day Network for ideas and activities, year round (earthday.net).
2. **Join a community garden** (communitygarden.org) and plant your own. Besides veggies, diverse native species are best for creating habitat and reducing chemical use (single-species gardens are vulnerable to insects and diseases, droughts and storms). Replace your lawn with native grasses, or use a push mower (cutting a lawn for an hour with a gas-powered mower creates as much air pollution as a 100-mile car ride (earthday.nature.org/garden)).
3. **Plant a tree:** help to reduce heat and absorb by planting trees on your property, and get involved in tree-planting in your town. Or, donate to the Nature Conservancy's "Plant a Billion Trees" project - it's only \$1 a tree (plantabillion.org).
4. **Pay attention to your food:** become a locavore (eatlocalchallenge.com). Eat organic, eat local, eat seasonally.
5. **Shop differently:** read labels, avoid over-packaging, buy sustainably-grown coffee, ask where your food comes from. Check out products on GoodGuide.com; use your iPhone to scan bar codes to get GoodGuide ratings.

Reach Out

6. **Volunteer:** help maintain parks and preserves in your area (nature.org/volunteer/?src=l6).
7. **Stay tuned:** subscribe to earthweek.com (A Diary of the Planet: News in Science, Health, Weather, Environment and Nature).
8. **Write your legislators:** ask your representatives to vote for cap-and-trade climate and energy legislation (usa.gov/Contact/Elected.shtml). Sign a clean energy petition (repoweramerica.org).
9. **Do one thing:** walk or bike to work or school. Switch from plastic grocery bags to reusables. Green up your office (greenofficeweek.eu). Turn off your computer when not in use. Lower your driving speed.
10. **Travel responsibly:** plan your vacations around the natural world (nature.org/aboutus/travel). Use video conferencing and web conferencing instead of traveling to business meetings. Coordinate your daytrips with the Seasonal Events Almanac, from wildflower blooms to bird, animal and whale migrations; seal haulouts, butterfly gatherings, fall leaf sighting, etc. (nature.org/aboutus/travel/).

[almanac/index.php](#)). Take an outdoor "staycation" around your region, or an adventure trip with an eco-friendly tour company (www.austinlehman.com). Read National Geographic's "Intelligent Travel" blog (blogs.nationalgeographic.com/blogs/intelligenttravel/).

Source: <http://environmental-activism.suite101.com/article.cfm/10-ways-to-celebrate-earth-day>

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

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