

# OCEAN

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## Strikes in France create transportation delays

The recent series of strikes involving unions and laborers in France against a government proposal to raise the normal retirement age for public pensions has caused significant transportation delays, both in and out of the country.

The Mediterranean ports of Marseilles, home of ocean carrier CMA-CGM and Fos Sur Mer, experienced many vessel delays and port call omissions due to the strikes.

The delays on France's North Atlantic primary port of Le Havre were much less impacted than the ports in the Mediterranean. As of press time, the strikes in several key areas have begun to subside as French President Nicolas Sarkozy expects to have the new retirement age law passed by mid-November.

Refineries throughout the country, however, remained on strike, which may continue to cause delays on port terminals and in metropolitan areas where container traffic is heaviest.

If you have recently routed shipments to or from France or have booked cargo transshipments at a French port, check with your AIT representative to determine revised estimated arrival and sailing information.



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## Trans Pacific Imports: What happened to peak season?

Ocean ports throughout Asia have not witnessed the anticipated "crush" or peak of peak that typically happens during the early portion of October. At the end of October, several carriers in the TSA, which is a consortium of carriers operating on the Trans Pacific import trade lane, announced the "expiry" of Peak Season Surcharges.

While some carriers have proposed reinstating the PSS in December, none of them have officially stated that they will begin charging them again. December typically marks the start of "slack" season, described as such because of the low demand of containers and vessel availability historically experienced during this month.

As of now, vessel capacity and available equipment remain consistent with no reports of shortages in North and South China. However, customers should be aware that PSS charges vary by origin port and origin country as well as destination location. Therefore, each carrier may assess different levels.

PSS levels are also dependent on carrier allotments of vessel and equipment supply versus the existing market demand. Currently, supply and demand are roughly in balance. Because most cargo destined to North America for the holidays would need to be shipped by late October, there are also no anticipated "spikes" in late peak season volume.

October seemed to reflect the positive trend we've continued to observe in recent months: stability is returning to our trade.

Should you have any questions, please contact your AIT representative.

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## The Parting Wave

October was quite an active month for AIT. Exports remain strong, particularly to Brazil, where capacity remains tight and early bookings are strongly recommended. Asia and Europe have also been "hot" export areas from the USA. It also seems that equipment availability and capacity is becoming more available compared to those reported in previous editions of the AIT eNewsletter.

The market has survived another "peak" season from Asia - and the peak itself sort of fizzled with the

anticipation earlier this year that vessel and equipment capacity would be strained. Those fears never materialized, yet ships from Asia remain relatively full and equipment is much better utilized than it was a year ago when the market was in disarray.

All signs indicate that 2010 will end on a positive shipping note. With that in mind, the AIT Ocean team would like to thank our customers for a very "positive" October; you have certainly kept our booking desks busy! Have a great November, and let's all be thankful that the ocean market in 2010 has not been a repeat of the market in 2009.

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# AIR

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## [First cargo flight re-enacted](#)

*A re-enactment of the first ever cargo flight in the US, 100 years ago, took place between Dayton and Columbus, Ohio, on October 2.*

The National Aviation Heritage Alliance successfully completed the 68-mile commemorative flight of its Wright B. Flyer aircraft replica from Wright Patterson Air Force Base, which takes in the Huffman Prairie Flying Field where the Wright Brothers' original flight began, to Rickenbacker Airport.



In 1910, aviation pioneers Orville and Wilbur Wright accepted an order from an Ohio businessman to fly 80 kilos of silk cloth along the route. They charged him \$5,000; that's an enviable rate today, but the equivalent now would be \$120,000.

The replica airplane has a 40 horsepower engine, an improved version of the one that powered the Model A Ford.

*Source: Air Cargo News, October 2010*

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## [Boeing delivers 124 planes in third quarter](#)

Boeing delivered 124 commercial planes in the third quarter, up from 113 in the third quarter a year earlier, reported Reuters.

The company said 100 of those deliveries were of its 737 Next Generation, compared with 90 a year earlier. The deliveries bring the 2010 total so far to 346 planes for Boeing Commercial Airplanes, which competes with Airbus.

Boeing said last month it would boost production of its narrow-body 737 plane to 38 per month in 2013 to meet expected long-term demand in that market.

Boeing's commercial airplane division is recovering from a relatively weak 2009 when it received 142 orders, down 61 percent from the previous year, as airlines struggled with weaker travel demand during the economic recession.

The company said it took 104 new orders during the week of October 5.

Boeing, which gets paid for its planes at delivery, has a net total of 392 orders on its books for 2010 so far, up from 263 for all of 2009.

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## [Air Charter Service Hong Kong flies whales to China](#)

Air Charter Service Hong Kong flew eight Beluga whales weighing a total of 32 tons from Vladivostok, Russia, into Guangzhou, China. The five female and three male white whales were being sent to a new zoo due to be opened in Zhuhai in early 2011.

The IL-76 aircraft had to fly at a low altitude and be temperature regulated because it had a non-pressurized cabin. Eleven cargo attendants were on board - one for each whale, a head veterinarian, a zoo representative and an ACS representative.

*Source: Air Cargo News, October 2010*

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**[PREPARING FOR TAKEOFF: A THOUGHT TO PONDER](#)**

*"Aeronautics was neither an industry nor a science. It was a miracle."*

- Igor Sikorsky

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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.

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# COMPLIANCE

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## Import safety initiatives

Leaders from the following 10 federal agencies met on Thursday, October 21 to discuss various ways to protect the health of American consumers and the environment from unsafe imports:

- Bureau of Alcohol, Tobacco, Firearms and Explosives
- Animal and Plant Health Inspection Service
- U.S. Consumer Product Safety Commission (USCPSC)
- Environmental Protection Agency
- Food and Drug Administration
- Food Safety and Inspection Service
- National Highway Traffic Safety Administration
- National Marine Fisheries Service
- U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement

Attendees agreed to six key principles of import safety:

1. The creation of an interagency forum of senior representatives dedicated to import safety cooperation;
2. Continued commitment to information sharing across federal agencies involved in import safety concerns;
3. Enhanced efforts to help the private sector comply with import safety requirements;
4. Development of common systems to exchange information;
5. Strong, consistent enforcement measures to deter imports of unsafe products;
6. Use of risk management strategies to streamline lawful trade.

Source: [http://www.cbp.gov/xp/cgov/newsroom/news\\_releases/national/10212010\\_2.xml](http://www.cbp.gov/xp/cgov/newsroom/news_releases/national/10212010_2.xml)

USCPSC Chairman Inez Tenenbaum's Keynote Remarks: <http://www.cpsc.gov/PR/tenenbaum10212010.html>

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## International Travel Links

With the holiday travel season almost upon us, the following sites serve as an excellent resource for your international travel itineraries.

**US Customs and Border Protection travel page:** <http://www.cbp.gov/xp/cgov/travel/>

- Site benefits: The "Know Before You Go" publication (highly recommended for all international travelers), helpful tips regarding food imports and the registration of items prior to US departure.

**Department of State travel page:** <http://www.state.gov/travel/>

- Site benefits: Passport information, an excellent "Resources" area (including travel warnings & tips).

**Centers for Disease Control and Prevention - Traveler's Health page:** <http://wwwnc.cdc.gov/travel/>

- Site benefits: Great "Health topics" information by country and disease, the online version of the CDC "2010 Yellow Book," current health warnings and news topics.

## **Preparing for the Customs Broker License Examination**

The next Customs Broker License Exam will be held in April 2011. Those interested should begin studying now. The two best resources are the past tests with answer keys (including archived tests back to 1997) as supplied by CBP in the [Exam and Key Downloads area](#) and the exam instructions which can be found [here](#).

Here is a link to CBP's Broker Compliance page: [http://www.cbp.gov/xp/cgov/trade/trade\\_programs/broker/](http://www.cbp.gov/xp/cgov/trade/trade_programs/broker/)

[Click here](#) to find the references area from the instructions with the applicable links included.

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

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## Reminder: The EU and upcoming "24-Hour" Rule

The EU countries have been appearing in industry headlines in the past 30 days for a new regulation that will be going into effect on December 31, 2010. The regulation, known as "European Union Regulation 1875/2006 - Advance Manifest" will affect all vessels bound for EU countries loading on or after December 31, 2010.



Essentially, the rule requires all ocean carriers to submit a list of legislation-defined data elements to EU Customs at a vessel's first EU port of call.

Ocean carriers will be responsible for the timely electronic submission of the Entry Summary Declaration (ENS):

- At least 24 hours prior to the start of the loading of vessels bound for an EU port (Deepsea)
- Latest 2 hours prior to vessels arrival at the first EU port (Shortsea).

The regulation is applicable to all import cargo to or via any EU port as well as FROB (Foreign Cargo Remaining on Board); cargo which is discharged in a port outside the EU after the vessel has called at an EU port.

To comply with this regulation, AIT requests our customers to provide complete and accurate shipping instructions before the closing time, which will be the same as currently applied for other countries that require Advance Manifest such as USA, Canada or Mexico. This information will be published on our websites as well as included in our Booking Acknowledgements/Confirmations.

The mandatory data elements for an Entry Summary Declaration, which must be included in your shipping instructions, are as follows:

- Full name and address (including postal code) of shipper and consignee
- Full name and address (including postal code) of notify party where goods are carried under a negotiable "to order" B/L
- Container number
- Acceptable goods description in line with the EU guidelines on acceptable and unacceptable terms for the description of goods for exit and entry summary declarations (not necessary if the 4 digits HS code is provided)
- Preferably the first four digits of the HS code for each goods item
- Number and type of packages
- Cargo gross weight
- UN dangerous goods code where applicable
- Seal number
- Method of payment for transport charges in case of prepaid (for example "cash payment," "check payment," "electronic credit transfer," etc.)

Ocean carriers will send the Entry Summary Declaration to Customs at the "first office of the entry" (first EU port of call) which will carry out a security risk assessment. In the situation where a so-called "Risk Type A = do not load" is identified, subsequent ports and port of loading will be informed.

For more information about the requirements of the regulation, please contact your local sales representative or visit the EU website:

[http://ec.europa.eu/ecip/security\\_amendment/procedures/index\\_en.htm](http://ec.europa.eu/ecip/security_amendment/procedures/index_en.htm)

For more information about countries within the European Union (EU) community, please visit: [http://europa.eu/abc/european\\_countries/index\\_en.htm](http://europa.eu/abc/european_countries/index_en.htm)

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## Ocean Capacity in Brazil

For the inter-American trades, especially the lane between the United States and Brazil, ocean capacity remains limited and carriers are proposing November and December GRIs for southbound cargo into Brazil.

For customers with regular shipments between the USA and Brazil, it is best to allow additional time in the area of 10 business days for bookings, especially for multiple container bookings or bookings requiring special equipment. AIT has a plethora of carrier choices to choose from in this trade, although please plan accordingly if you require a certain deadline or ETA into Brazil.

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## Port Congestion Alert

At press time, port areas subject to possible congestion include the following:



- Colombia (Buenaventura)
- France (Marseilles and Fos Sur Mer)
- India (Nhava Sheva)
- Nigeria (Tincan/Apapa)
- North African Ports (Tripoli/Algiers)
- South African Ports
- Venezuela Ports (Puerto Cabello/Guanta) - Venezuela shipments require prior approval.
- Vietnam (Haiphong)
- West Africa (Luanda/Angola)

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 of any questions or concerns.

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## UP, UP & AWAY: Airline Updates

### **Nippon Cargo raises freight rates**

Nippon Cargo Airlines has reached an agreement with domestic and foreign freight forwarders to increase its international air cargo rates from this month.

Air cargo rates for long distance routes between Japan and Europe and Japan and the US will be lifted by approximately 60-100 yen per kilogram, while rates for shorter distance Japan-Asia routes will be bumped up by some 20-60 yen.

The hikes effectively restore air cargo rates to Europe and the US to where they were when cargo volume peaked in the spring of 2007, before the global financial crisis. Since November 2009, air freight volumes have trended above year-earlier levels.

Meanwhile, Japan Airlines is pulling out of the air cargo courier business by month's end as part of

its restructuring; consequently, there will be about 10% less space available on planes for cargo to and from Japan.

This tightening supply-demand situation put Nippon Cargo in a position to push through the rate hike. Similarly, All Nippon Airways plans to raise its air cargo rates by 30%. The freight forwarders are expected to pass the higher costs on to their customers.

### **EVA back in black in nine months**

EVA Airways swung to a net profit in the January-September period from a net loss a year earlier, reported Dow Jones Newswires.

EVA, Taiwan's second largest airline by revenue (after China Airlines), saw net profit for the nine months ended September 30 total of \$361.05 million compared with a net loss of \$127.43 million in the same period of 2009.

Revenue rose 54% to \$2.57 billion from \$1.68 billion.

Source: *CargonewsAsia* - October 25, 2010



### **Three airlines venture to add four new transatlantic routes**

American Airlines, British Airways and Iberia kicked off their long-awaited transatlantic joint venture with the announcement of four new routes that the carriers will add to their combined operations in April, reported USA Today.

The four new transatlantic routes are: New York John F. Kennedy - Budapest Hungary, flown by American; Chicago-Helsinki, flown by American; San Diego - London Heathrow, flown by British Airways; and Los Angeles - Madrid, flown by Iberia. American also plans to launch an additional flight each day on its existing New York - Barcelona and Miami - Madrid routes.

Source: *CargonewsAsia* - October 8, 2010

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## **Airport Updates**

### **St. Louis works to expand Foreign Trade Zone**

City officials in St. Louis have taken the first steps to restructure the area's Foreign Trade Zone, a move that is meant to boost the region's air cargo industry and help create a Midwest-China hub at the Lambert-St. Louis International Airport.

St. Louis County Executive Charlie Dooley and Mayor Francis Slay signed a letter addressed to the US Department of Commerce that asks to expand the city's trade zone under the Alternative Site Framework option, which streamlines the process. The trade zone currently encompasses the airport and a few industrial parks.

"It could be a game-changer for us, quite frankly," Dooley said during a press conference. "What the railroads did for Chicago, the Midwest-China hub can do the same for the St. Louis metropolitan area and the Midwest as a whole."

This is the latest step in creating a multi-state commercial outpost for China, a task that has been the work of the Midwest-China Hub Commission. Formed in January 2009, the commission was tasked with, among other things, increasing the volume of air cargo flown between the United States and China, and promoting Midwest-based businesses in Asia.

"We're looking for opportunities to sell United States goods abroad, and we're looking at ways to create jobs and investment," Slay said at the press conference. "If we engage in international trade and start doing more things with China, that helps us in terms of our international image, and I hope someday that will translate into some passenger flights to and from China and other places in the world."

Source: *Air Cargo News* - October 2010

### **Narita Airport Slot Expansion Gets Nod**

A committee of nine municipal governments surrounding the airport has agreed to expand the number of landings and takeoff slots at Narita International Airport near Tokyo, Jiji Press reported. Although previously wary about the plan to increase the number of slots to 300,000 from 220,000 due mainly to the noise factor, the committee reversed course out of concern that Narita, which has been a main gate to Japan, may be overshadowed by Tokyo International Airport at Haneda.

Haneda is expected to see passenger traffic grow for its convenient access to central Tokyo once its fourth runway opens shortly mainly to accommodate international flights.

The committee met and agreed to seek measures aimed at controlling noise, preventing airplanes

from veering off course and promoting local development. It also agreed to press for making the results of environmental assessments public.

Referring to the decision to accept the expansion plan, Narita Mayor Kazunari Koizumi, who heads the panel, told reporters after the meeting that the committee did not want to miss a chance. It was an inevitable decision for local residents, he said.

*Source: CargoNewsAsia - October 13, 2010*

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# Buzz Word

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## Detention and Demurrage

This month, AIT would like to "release" two ocean terms that have recently been creating a buzz among our customer base: detention and demurrage.

These terms typically go hand-in-hand. "**Detention**" generally refers to the time beyond the free-time allotment for loading or unloading containers, or for loaded containers sitting on a terminal beyond the terminal operator or carrier's free time. The term "**demurrage**" may also refer to the chargeable time that extends beyond the allotted free-time to load or unload a container at a shipper or consignee's facility.



Often times, the terms are used interchangeably. The only difference is that detention applies to equipment while demurrage applies to cargo.

**Demurrage:** (a) The detention of a freight car (container) or ship by the shipper beyond the time permitted (grace period or free-time) for loading or unloading. (b) The extra charges a shipper pays for detaining a freight car or ship beyond the time permitted for loading or unloading.

**Detention:** (a) Holding a carrier's driver and/or trailer beyond a certain stated period of "free time," often resulting in the assessment of detention charges. (b) The delay in clearing goods through Customs, resulting in storage and other charges.

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The Airports Council International recently released a list of the top 10 busiest airports for handling cargo traffic in 2009.

Which airport topped the list?

- A. Louisville International Airport, Louisville, KY
- B. Memphis International Airport, Memphis, TN
- C. O'Hare International Airport, Chicago, IL
- D. Dubai International Airport, Dubai, UAE
- E. Hong Kong International Airport, Chek Lap Kok, Hong Kong



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

**Correct Answer: B. Memphis International Airport** topped the 2009 list with 3,697,054 metric tons of cargo.

The full list is as follows:

1. Memphis Int'l Airport, Memphis, Tennessee, USA	3,697,054 metric tons
2. Hong Kong Int'l Airport, Chek Lap Kok, Hong Kong	3,385,313 metric tons
3. Shanghai Pudong Int'l Airport, Pudong, Shanghai, PRC	2,543,394 metric tons
4. Incheon Int'l Airport, Seoul National Capital Area, South Korea	2,313,001 metric tons
5. Paris-Charles De Gaulle Airport, Seine-et-Marne, France	2,054,515 metric tons
6. Ted Stevens Anchorage Int'l Airport, Anchorage, Alaska, USA	1,994,629 metric tons
7. Louisville Int'l Airport, Louisville, Kentucky, USA	1,949,528 metric tons
8. Dubai Int'l Airport, Dubai, UAE	1,927,520 metric tons
9. Frankfurt Airport, Frankfurt am Main, Hessen, Germany	1,887,686 metric tons
10. Narita Int'l Airport, Narita, Chiba, Kanto, Honshu, Japan	1,851,972 metric tons

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