

# AllCovered NEWS

The news YOU need to grow your business and stay ahead of your competition

A weekly service for clients and friends of Allcovered.net and the Allen Insurance Group

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Monday, 20 June 2005 -- Edition #441

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## AllCovered-NEWS

Monday, 20 June 2005

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**LOGISTICS FOCUS – RFID TO THE RESCUE?**

-- SEE ALSO – “National Tracking” in Trucking Section and “DHL to Use RFID” In Security Section ---

If ever there was an industry that has boomed thanks to globalization, it's shipping, logistics, and transportation.

Overseas shipping now accounts for more than 90% of worldwide trade, with 95% of all US cargo passing through the nation's 361 ports, according to a new report from A.T. Kearney.

"It is a tangle of containers, ports, carriers, customs, and security checkpoints that confounds the goals of simplicity and visibility, not to mention security, in the supply chain," writes Omar Hijazi, a principal at the consulting firm and the report's author.

Hijazi's report, based on interviews with senior-level supply-chain and logistics executives at most of the top 100 importing and top 100 exporting companies, postulates that if companies are to deal effectively with this challenge, it'll be with radio-frequency identification (RFID) tags.

The following are excerpts from a Question and Answer session between Howard Baldwin of Information Week and Hijazi. A link to the full story is at the end.

<b>QUESTION:</b>	What was the biggest surprise you had in compiling this report?
<b>ANSWER:</b>	<p>A lot of the executives seem to have neglected the international side of supply-chain operations. Over the last few years, security has escalated everyone's focus, at the same time that people are sourcing more overseas than ever before. We got the feeling that... homeland-security legislation and mandates don't seem to have caught up with corporate America yet. It would be a big deal for a prominent consumer company to be involved in a terrorist disaster, so we were surprised that they hadn't worked through how to tackle security issues.</p> <p>People haven't implemented plans to mitigate risk, and that surprised us. We approached it from a supply-chain perspective, and then looked at effectiveness and efficiency. The message came back: <u>Unless they can do both security and efficiency, nobody's interested</u> in doing anything. Now technologies are starting to show up to alleviate this pain.</p>
<b>QUESTION:</b>	What's the next step?
<b>ANSWER:</b>	<p>It's a matter of having a good business case to change practices. It's not just security for security's sake; it's also risk management. From the supply-chain operations standpoint, you need solutions for both security and operations, and they haven't been available. But now both the solutions industry and vendors are catching up to what corporate America needs.</p>
<b>QUESTION:</b>	You're speaking of RFID. Are costs coming down?
<b>ANSWER:</b>	<p>They are. The issue is that the scale hasn't yet met expectations. There are two worlds in RFID: passive and active.</p> <p>(Active RFID tags can transmit specific data or instructions to a reader; a passive tag must be read.)</p> <p>The <b>passive tags</b> are the ones that Wal-Mart is asking suppliers to use. They're still about 25 cents each. They used to be \$2 apiece, but everyone hopes they'll get down to a couple of cents. There are still a lot of technical issues with passive tags... for instance, they can't quickly read through liquids and metals.</p> <p>The application speed hasn't caught up to the bar-code technology. A consumer packaged-goods company, such as Dole Foods or Pepsico, needs to process thousands of cans in seconds, and there's no technology that works as fast as bar codes today.</p> <p><b>Active tags</b>, the technology used for cargo containers, are being tested in the Middle East. The US Department of Defense had tremendous problems with logistics in the first Gulf War. Soldiers triple-ordered supplies in the hope that one of the shipments would arrive on time. They called it "just-in-case logistics" instead of "just-in-time."</p> <p>With active tags, they've reduced the number of shipments by 80% compared with the first Gulf War.</p> <p>The thing about the DOD, though, is that it's not cost-sensitive. So the technology has worked out, but now the onus is on solution providers to commercialize it for corporate America.</p>

<b>QUESTION:</b>	What changes will RFID bring to the supply chain in terms of speed, information, and security?
<b>ANSWER:</b>	<p>I think the most important one is transparency, especially in the transoceanic supply chain.</p> <p>A hodgepodge of international companies makes up the supply chain: Shipping companies, ship owners, the carriers that move the cargo, port authorities, and land transporters are involved.</p> <p>A lot of them move cargo around at different levels of efficiency and service.</p> <p>It's difficult to track a container from its point of origin to its point of destination because so many authorities handle it between the time it leaves Guangdong (China) and the time it arrives in Long Beach (California). And if a shipment is misrouted, where's the assignment of liability?</p> <p>With RFID, the entire history of the container from the point of origin forward is captured on the container itself. You'll know how long it spent in Guangdong, how long it spent in Dubai, how long it spent in Antwerp.</p> <p>The manifest information is associated with the container.</p> <p>That's efficiency and transparency.</p> <p>Some companies are resisting because they fear the transparency would expose their inefficiencies. They can say there was a delay at the Dubai port authority, but you'll know the truth because the tag will tell you when the container left the ship and when it went through customs.</p>
<b>QUESTION:</b>	What changes will RFID bring in the future?
<b>ANSWER:</b>	<p>As the technology matures, the sensing technology will mature with it.</p> <p>The industry will combine active and passive tags for both kinds of visibility.</p> <p>Every container will have an RFID tag, as will the individual cases and pallets.</p> <p>All of a sudden, you can read and track everything.</p> <p>In five years, you'll be able to pass a container through a set of readers, whether it's in a port or on a freeway. You can track the truck, the shipment, and the cargo. The administrative burden of tracking things in the supply chain will become a moot point. It'll be basic technology. You'll know where cargo is and how long it will take to arrive at its destination. And unless there's a mechanical failure, the administrative overhead will be small.</p>
<b>MORE:</b>	<a href="http://www.informationweek.com/story/showArticle.jhtml?articleID=164301533&amp;tid=5978">http://www.informationweek.com/story/showArticle.jhtml?articleID=164301533&amp;tid=5978</a>

**MORE: RFID TAG PRICES TO DROP & DHL TO RFID ALL PACKAGES** – See “Security” Section

**PERSONAL BIZ – OVER 50? YOU CAN PUT \$14,000 IN YOUR IRA TAX-FREE THIS YEAR:** If you are 50 years of age or older, you can put up to \$14,000 in your 401(k) plan and not pay taxes on that money until you withdraw it. It's never too late to save more for retirement.

MORE: [http://www.aarp.org/money/financial\\_planning/retirement\\_income/late\\_retirement\\_savers\\_times\\_still\\_on\\_your\\_side.1.html](http://www.aarp.org/money/financial_planning/retirement_income/late_retirement_savers_times_still_on_your_side.1.html)

## PERSONAL BIZ – ROTH-401(K) FOR HIGH-INCOME EARNERS

You cannot now, but you may be able to next year.

Employees who are disappointed when they cannot contribute to a Roth IRA because their income is too high may be able to invest in a similar tax-friendly account next year through their employers.

Starting 1 January, companies can amend their 401(k) plan and add a special Roth feature that can be funded by payroll deduction. Some characteristics include:

- No personal income limits apply to Roth 401(k)s, unlike the individual Roth IRA.
- You can contribute up to \$15,000 (plus catch-up contributions if age 50 or older). That is nearly four times the normal Roth IRA limit.
- Roth 401(k) investors will need to open an account and allow a 5-year time frame before making withdrawals to avoid a tax penalty. This is in addition to the "qualified distribution" rules for 401(k) plans.
- Roth 401(k) accounts will face mandatory withdrawals starting at age 70, unlike with Roth IRA accounts.
- Roth 401(k) deferrals must be made with after-tax dollars and are not tax-deductible.
- Qualified withdrawals will typically be free of income tax.
- Traditional 401(k) contributions are contributed pre-tax and are tax-deductible.

MORE: [http://www.bizjournals.com/industries/health\\_care/health\\_insurance/2005/06/13/memphis\\_focus4.html?f=et162](http://www.bizjournals.com/industries/health_care/health_insurance/2005/06/13/memphis_focus4.html?f=et162)

## PERSONAL BIZ – STAND OUT LIKE A STAR

--- From Sales & Marketing Management ---

“Common wisdom has been that technology is the key factor in improving knowledge worker productivity,” says Susan Cantrell, a senior manager at the Accenture Institute for High Performance Business and coauthor of the report “Rising Above the Crowd: How Top-Performing Knowledge Workers Distinguish Themselves.” “Our research has shown that on the contrary, knowledge workers learn mainly through experience and from other people, not through e-learning programs.... Our results suggest a need to increase investment in practices that nurture social and human capital.”

**How do the best knowledge workers succeed?**

**ONE: A capacity to learn from experience.** Top performers make good decisions investing time and effort in developing new areas of expertise. They continually update their skills and social awareness as a natural part of their work. While others may compartmentalize learning, top performers make the most of all experiences and make everything an opportunity to learn.

**TWO: Large and diverse personal networks.** Top performers are experts in the art of networking. They maintain a diverse selection of contacts, they tend to have more new people in their network circles than most, and they are able to capitalize on these connections to solve problems at work. Rarely do top performers cite their networks as means to succeed in office politics.

**THREE: Top performers use technology, but don't rely upon it for their success.** Indeed, more top performers report the ability to mentally juggle tasks as more important than technology tools such as a PDA or software contacts system. Instead of becoming tied to technology, top performers leverage it to support existing skills.

## YOU DESERVE GREAT PARTNERS

You work to give your clients the very best service. At Allcovered.net we do too.

With this weekly Allcovered News newsletter... with our [www.allcovered.net](http://www.allcovered.net) website and its thousands of tools... step-by-step help for common problems... ways to protect yourself that cost nothing... training videos... and our constant efforts to give you more...

We are available nights and weekends when you need us. An “Online Indicator” at [www.allcovered.net](http://www.allcovered.net) shows you when our UK or US offices are online.

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[www.allcovered.net](http://www.allcovered.net) ..... We have logistics Allcovered!

**PERSONAL BIZ – TRAVELING? ARE YOU INSURED?:** We all dream of lovely vacations at beautiful and peaceful places... but does your health insurance or life insurance cover you when you travel? Check before you travel.

MORE: [http://www.bizjournals.com/industries/health\\_care/health\\_insurance/2005/06/13/buffalo\\_focus4.html?f=et162](http://www.bizjournals.com/industries/health_care/health_insurance/2005/06/13/buffalo_focus4.html?f=et162)

**PERSONAL BIZ – US VISITORS HAVE MORE TIME ON PASSPORTS:** The United States is giving 27 mainly European states an extra year to put computer chips into their passports because many of the countries said they would miss an Oct. 26 deadline.

MORE: <http://ct.eneews.eweek.com/rd/cts?d=186-2161-10-80-54291-245532-0-0-0-1>

**TECH BIZ – MOVE YOUR DATA TO THE NEW COMPUTER:** Let's say you have four years worth of data, settings, browser Favorites, and more stored on your old computer. How do you get all that (and even your desktop) from the old to the new? Here are PC Magazine's step-by-step instructions to make a trouble-free transition.

MORE: <http://ct.eneews.pcmag.com/rd/cts?d=184-1841-16-61-140208-204860-0-0-0-1>

**US ECONOMY – WHOLESALE PRICES PLUNGE:** The Producer Price Index which measures inflation at the wholesale level fell 0.6% in May on large drops in energy and food prices. The so-called “core index” which removes the volatile energy and food sectors rose 0.1%.

MORE: [http://news.yahoo.com/s/ap/20050614/ap\\_on\\_bi\\_gd\\_ec\\_fi/economy:\\_ylt=AvHPUvzdajsAASfQ1dbke3uyBhIF:\\_ylu=X3oDMTBiMW04NW9mBHNIYwMIJVRPUcUj](http://news.yahoo.com/s/ap/20050614/ap_on_bi_gd_ec_fi/economy:_ylt=AvHPUvzdajsAASfQ1dbke3uyBhIF:_ylu=X3oDMTBiMW04NW9mBHNIYwMIJVRPUcUj)

## TRUCKING – GOT AN UGLY TRUCK? - WANT TO BE A TV STAR?

Varuna Films is looking for ugly trucks. If your truck is in rough shape or you know of a rig matching that description... apply for consideration for expert help on the new TV series "Trick My Truck."

The company needs to receive applications within the next two to three weeks to begin filming in August, according to Varuna producer Phil Ash. Country Music Television spokeswoman Lisa Chader said the series will premiere on CMT nationwide next year.

For details on who can enter and how, click the whole story.

MORE: <http://www.etrucker.com/apps/news/article.asp?id=47729>

## TRUCKING – NATIONAL TRACKING FOR TRUCKS-CONTAINERS

A small device the size of a TV remote control may become a key element in homeland security if an idea proposed by Georgia Southern University professor Bob Cook is accepted.

Homeland Security officials are looking for a system to keep track of the massive volume of truck traffic. Cook is proposing a system that would incorporate cutting-edge radio frequency identification (RFID) devices, truck weigh-stations and law enforcement vehicles into a system to gather information for a proposed national truck tracking center.

He wants to attach a small RFID unit with its own identification code to each truck and container. Every time a truck passes through a weigh-station, an electronic reader would sense the RFID devices and feed the truck and container's location into a national truck tracking computer system. Cook also proposes to equip law enforcement vehicles with RFID sensors. The sensors would then collect truck tracking information in the normal course of their patrols and transmit it back to a computer system.

The RFID devices measure only a few inches in size and cost less than \$15.

Cook assembled a prototype system and successfully tested it at a weigh-station on Interstate 16 near Savannah, Georgia. He worked with the Georgia Ports Authority, a trucking company and a major retail distributor. Cook believes the sensor could allow anyone involved in shipping, transporting or receiving cargo to track the delivery at each stage when the RFID sensors are read.

MORE: <http://www.thetrucker.com/showstory.aspx?id=9737>

**TRUCKING – CAPACITY CRUNCH IS HERE:** For years over-capacity kept a lid on truck freight rates. That is changing. Drivers are scarce. As manufacturing moves overseas what used to be a short haul from a regional factory to customers is now a long haul from an port... tying up more of remaining drivers. In addition, 21% of drivers are 55 or older.

MORE: <http://www.joc.com/lede/20050616/sections/logis/w35276.asp>

**TRUCKING – FMCSA MAY FUND "PARKING SEARCH":** High on the list of trucker complaints is a shortage of parking spaces along or near highways. The US Federal Motor Carrier Safety Administration is considering funding projects to provide real-time parking availability info to truck drivers on the road. FMCSA says it has \$2-million available for the project it calls "SmartPark."

MORE INFO: [www.fmcsa.dot.gov](http://www.fmcsa.dot.gov).

MORE: [http://www.truckinginfo.com/news/news-detail.asp?news\\_id=54971](http://www.truckinginfo.com/news/news-detail.asp?news_id=54971)

**TRUCKING – HAZMAT RULES COSTLY:** The cost and difficulty of getting drivers clearance to transport hazardous materials is forcing some trucking companies out of the business and will raise prices for others according to Bill Graves, chief executive of the American Trucking Associations. Graves says driver background checks and fingerprinting that went into effect this year for materials such as explosives, also affected more benign goods such as paint, nail polish and chewing gum extract.

MORE: <http://www.manufacturing.net/lm/index.asp?layout=articleXml&xmlId=285877233>

**TRUCKING – DIESEL UP 4.2 CENTS:** The US national average price of a gallon of diesel jumped another 4.2 cents for the week of June 13, to \$2.276.

MORE: <http://www.thetrucker.com/showstory.aspx?id=9758>

## SECURITY – SHIPPERS WANT BOX SEALS

Many in the international ocean cargo business are scratching their heads.

US government security officials are promoting X-Ray machines and radiation sensors and placing US inspectors in foreign ports as ways to heighten US security.

The US Department of Homeland Security has been testing high-tech container seals with electronic monitoring capabilities and developing "smart" shipping boxes that could detect dangerous materials and send radio alarm signals.

### --- CHEAPER SHORT-TERM SOLUTION ---

But with most of these high-tech solutions in the testing phase, debate continues over a long-promised federal requirement that all incoming containers be sealed at least by mechanical bolts that meet an international standard for strength.

As tens of thousands of shipping containers arrive each day from abroad, the government has yet to take one of the most basic security steps... requiring each cargo box to have its doors bolted by a simple metal seal that costs no more than \$1.

Government officials, shipping groups and security experts agree that's a logical starting point for safeguarding the shipping network.

### --- HOW IT WOULD WORK ---

The idea is to seal each container at the place where it is loaded ("stuffed" in shipping industry lingo) with goods, whether in Singapore, Malaysia, China or Europe. Each seal would have an ID number, allowing it to be verified when the container is off-loaded at a US dock.

Criminals or terrorists can remove door hinges or cut into a container without disturbing the seal, but it would make placing any terror weapon a bit harder.

### --- OVERCOMING POLITICS AND INERTIA ---

Steven Flynn, a retired Coast Guard officer and author of the book "American the Vulnerable," finds "...an incredible reluctance by the federal government" to set rules for global shipping, which involves a complex chain of foreign suppliers, transportation modes and contradictory national laws, not to mention companies that are looking to hold down costs.

Flynn favors a strategy that would push private companies to move from simple mechanical bolts toward seals with electronic capabilities, such as radio frequency identification that would broadcast a container's ID number, perhaps its contents and whether or not it had been tampered with.

### --- MAYBE NEXT MONTH ---

US Chamber of Commerce President and CEO Andrew Howell is hopeful "a clear strategy" would emerge in the next month when new Homeland Security Secretary Michael Chertoff unveils his comprehensive review of his department.

Customs head Robert Bonner would not set a date for a government mandate or ruling on seals, saying only, "I think we're getting fairly close."

MORE: <http://www.ajc.com/news/content/news/stories/0605/13cargo.html>

**SECURITY – RFID TAG PRICES TO FALL:** The cost of Radio Frequency ID tags should fall later this summer, creating new opportunities for retailers and their vendors to streamline their supply chains. Second-generation or "Gen 2" standards are expected to attract global tag makers to the market, resulting in increased competition and lower prices.

MORE: <http://www.joc.com/20050614/sections/ecom/w31615.asp>

**SECURITY – DHL TO RFID EVERY PACKAGE BY 2015:** DHL International this month starts developing a global IT infrastructure that will let it affix a radio-frequency identification tag (RFID) on every package it ships by 2015. The goal: gain tighter control of shipments, cut costs, and improve operating performance by reducing paperwork and data collection... handling reporting and Customs requirements with information stored on the chips.

MORE: <http://www.informationweek.com/showArticle.jhtml?articleID=164302284>

## SECURITY – AG SUPPLY CHAIN CAREFUL

Agricultural & Food Transporters Conference (AFTC) executive director Fletcher Hall is leading a campaign to increase awareness among the industry and federal officials on guidelines that can be used to help prevent terrorist attacks on the nation's agricultural supply chain.

“After 9/11 we realized one of the most vulnerable parts of our economy is the food chain. There are so many points of entry in which terrorist activity could occur—from the field, the processing plant, the truck yard, to the point of delivery. We need to take a look at how to make the agricultural supply chain more secure, particularly against potential contamination. We've been getting more federal mandates. The Bio-terrorism Act being a big example; that hits a lot of people involved with moving food.”

AFTC has guidelines and tips on security improvement.

MORE: [http://fleetowner.com/news/topstory/agricultural\\_food\\_supply\\_chain\\_terror\\_security\\_061005/](http://fleetowner.com/news/topstory/agricultural_food_supply_chain_terror_security_061005/)

## SECURITY – CARGO THEFT INCREASING

If we cannot stop cargo thieves, how are we going to stop terrorists?

Despite increased law enforcement and stepped-up security at the ports of Los Angeles and Long Beach, cargo theft continues to rise.

LA County Sheriff's deputies investigated 284 thefts within their jurisdiction in 2004, a nearly 20% increase from 2003.

Law enforcement officials estimate more than \$600 million worth of shipped goods are stolen each year throughout the Southern California region, up from \$300 million in 1996. Nationally, \$10 billion to \$12 billion in merchandise is stolen annually.

MORE: <http://www.labusinessjournal.com/article.asp?aID=56278389.1587009.1155895.97353902.9132701.030&aID2=88906>

**SECURITY - TERROR CARGO FROM DUBAI CAUGHT AT DELHI AIRPORT:** A man was caught by Customs at the Indira Gandhi International Airport last week after dozens of mobile phones, wireless sets and satellite phones were found in his luggage. The police believe the gadgets were to be delivered to terrorist outfits active in Kashmir. Police say the man could not explain why he had the gear.

MORE: [http://www.hindustantimes.com/news/181\\_1400329,0008.htm](http://www.hindustantimes.com/news/181_1400329,0008.htm)

## TRAINING FROM ALLCOVERED

The stakes are a lot larger post-9/11. If you move freight, you have to wonder how can you protect yourself without spending a fortune.

**How about FREE ways to protect yourself?**

We now have a video to train you and your staff how to grow your business, protect your business, protect your shipper clients and tie clients closer to you.

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CLICK: “Training & Help” – then –

CLICK: “Video Training”

--- Video #3, “Profit, Protect & Grow” is designed to be viewed by you and your staff together to help you decide what steps you will take to protect and grow your business.

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## FOCUS – LOOKING AT “PEAK SEASON” 2005

At Allcovered we see one of our main missions as helping you spot trouble before it happens so you can avoid it.

Questions from a reporter this past week made me focus on the Peak Season for imports into the US. In Allcovered News, in person with friends and clients, at seminars we have given and in email we have mentioned quite often that you have a marketing opportunity if you become a partner in helping your Shippers/Consignees protect their business. You become more than just another freight space salesman.

Maybe we should be more blunt in what we are saying.

### **--- CAUTION ---**

I am not convinced, though many are, that the cargo space crunch in 2005 will not be severe... space tighter than forecast, delays longer than safe for many Shippers/Consignees.

At Allcovered we offer Training Videos...

(See VIDEO THREE: <http://www.allcovered.net/AC-OM-Training.html> )

... and other materials for our clients.

In one strategy paper we advised our forwarder clients to work with their Consignees to develop alternatives for deliveries for critical or Just-In-Time deliveries during this year's Peak Season.

### **--- IS THERE A FLOOD BEFORE US? ---**

Last year shipments into US West Coast ports were spread more through the early part of the year yet we still had a huge backlog and delays of three or more weeks during Peak Season. Yes, we have more dock labor now, but we still do not have more rail or highway capacity.

So far in 2005 imports have not grown as much as expected.

Could these deliveries have been delayed back into the traditional peak season of July through November?

If so... and given that imports are forecast to rise by 12% but Trans-Pacific capacity has risen only 9%, then we could see a crunch much worse than current estimates predict.

### **--- ALL WATER CAN HELP ---**

We believe an all-water route to the US Gulf or East Coasts is an alternative to be strongly considered. The costs are a bit higher than imports through the US west coast with landbridge to central or eastern locales, but logistics planners/forwarders and Consignees must weigh that small added cost against the potential for empty shelves or missed orders or a stoppage of assembly lines if West Coast ports get backlogged.

### **--- MARKET YOUR TALENTS ---**

Consultations like this between forwarders and their Shippers/Consignees are one sure way a forwarder can become a partner helping to protect the client's business, and not just another forwarder offering to do more for less.

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**OCEAN – LA SAYS 2005 NO 2004:** Shippers should anticipate peak-season delays moving cargo through Los Angeles-Long Beach but nothing like the delays last summer. That is the song marine terminals, ocean carriers, rail and trucking spokesmen are singing. A shortage of harbor trucking capacity persists. The number of drivers in LA-Long Beach has declined 20% from a peak of 32,000 in 2001, while cargo volume has increased 30% in that time.

MORE: <http://www.joc.com/lede/20050614/sections/ocean/w69160.asp>

**OCEAN – LONG BEACH VOLUME UP:** Port of Long Beach container traffic volumes jumped 20.7% in May, as the total number of loaded and empty boxes that crossed the port's docks increased to 564,886 TEUs.

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21440>

## TRADE – BROKEN LINKS PERIL TO SUPPLY CHAINS

Companies that suffer unexpected blockages in their flow of products to consumers face a long road to recovery, according to a new study by Vinod Singhal, professor of operations management at the Georgia Tech College of Management in Atlanta. The study is entitled "An Empirical Analysis of the Effect of Supply-Chain Disruptions on Long-Run Stock Price Performance and Risk of the Firm."

"Disruptions in the supply chain devastate corporate performance," Singhal says in a statement. The problem is growing worse because of an increasing reliance on overseas suppliers for components, he added. Sony, Boeing, Hershey, Nike and Cisco, among large companies, as being hurt by supply chain disruptions in recent years.

MORE INFO: email: [vinod.singhal@mgt.gatech.edu](mailto:vinod.singhal@mgt.gatech.edu).

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21448>

**OCEAN – US AG EXPORTS FACING RATE HIKES:** Westbound ocean freight volumes are expected to grow 6% to 7% this year on the strength in Asian demand for US wastepaper, metal, plastic scrap, cotton, building materials and specialty agricultural commodities, according to Albert Pierce, executive director of the Westbound Transpacific Stabilization Agreement. Rates are expected to rise between \$5- and \$200 per FEU (40-foot Equivalent Unit).

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21423>

MORE: <http://www.joc.com/20050613/sections/ocean/w4221.asp>

**OCEAN – TACA EXTENDS SURCHARGE:** The Trans-Atlantic Conference Agreement says its Bunker Adjustment Factor (BAF) will continue unchanged from July 16 through August 15. The charges for traffic to/from and via Atlantic/Gulf Coast ports is \$304 per 20-foot and \$608 per 40-/45-foot container. For traffic to/from and via Pacific Coast ports, the charges are \$456 per 20-foot and \$912 per 40-/45-foot container.

MORE: <http://www.joc.com/lede/20050613/sections/ocean/w60595.asp>

## OCEAN – BULK FREIGHT RATES FALL!

Ocean-freight rates for bulk cargo have fallen nearly 25% in the past six weeks, reflecting a global slowdown in the movement of iron ore, grain, coal and other commodities according to a report in the Asian Wall Street Journal.

Rates are down 50% from last fall's peak.

A drop in demand from China for raw materials is said to be the leading cause.

That means lower transportation costs for a multitude of industries, such as appliance makers, chemical producers and even bakeries, which use such materials in production processes.

MORE: [http://www.forbes.com/home\\_asia/feeds/afx/2005/06/12/afx2088610.html](http://www.forbes.com/home_asia/feeds/afx/2005/06/12/afx2088610.html)

MORE: [http://www.theaustralian.news.com.au/common/story\\_page/0,5744,15592379%255E643.00.html](http://www.theaustralian.news.com.au/common/story_page/0,5744,15592379%255E643.00.html)

MORE: <http://www.thehindubusinessline.com/2005/06/13/stories/2005061300460600.htm>

**OCEAN – EC DEALS BLOW TO CARRIER IMMUNITY:** A report on the expected impact of ending European conferences' immunity has found that such a regulatory change would have a limited effect on competition and market structure in liner shipping, and that any change would likely be felt mainly in the smaller European trades. Consultants ICF say in a report prepared for the European Commission's transport and energy directorate that there was "...widespread, but not total, theoretical and practical agreement" that the abolition of the block exemption for liner conferences would not have a significant overall impact on capacity and market structure.

REPORT: [http://europa.eu.int/comm/competition/antitrust/others/maritime/review/reviewofregulation4056\\_86.pdf](http://europa.eu.int/comm/competition/antitrust/others/maritime/review/reviewofregulation4056_86.pdf).

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21438>

**OCEAN – MAERSK'S P&O BID EFFECTIVE:** AP Moller-Maersk Monday formally launched its 2.3-billion-euro (\$2.8-billion) takeover bid for Royal P&O Nedlloyd.  
MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21425>

**TRADE – TRUCK CAPACITY CRUNCH IS HERE:** See "Trucking" Section

**TRADE – NATIONAL TRACKING FOR TRUCKS-CONTAINERS:** Follow your shipment as the truck passes through any weigh station or moves by any police cruiser. See "Trucking" Section.

**TRADE – CARGO THEFT INCREASING:** See "Security" section.

**TRADE – NITL OPPOSES CALIFORNIA BOX FEE:** The The National Industrial Transportation League is opposing a bill before the California State Senate that would impose \$30 fees per TEU (20-foot Equivalent Unit) on containers moving through the state's ports to finance security, infrastructure improvements and environmental mitigation programs.  
MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21424>

**TRADE – DHL TO RFID EVERY PACKAGE:** See "Security" Section

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**AIR – EU AIR CARGO DOWN:** Lufthansa Cargo and Air France-KLM, Europe's largest scheduled cargo carriers, said they carried less freight in May than a year earlier. They cite the strong euro for weakening European exports.  
MORE: [http://www.aircargoworld.com/break\\_news/06092005a.htm](http://www.aircargoworld.com/break_news/06092005a.htm)

**AIR – FREIGHTER MARKET TO DOUBLE:** The global market for freighter aircraft will more than double over the next 20 years, according to an improved forecast released by Boeing. The plane maker estimates 3,528 freighters in the world fleet by 2024, up from 1,757 in 2004.  
MORE: [http://www.aircargoworld.com/break\\_news/06092005b.htm](http://www.aircargoworld.com/break_news/06092005b.htm)

**AIR – HKG CARGO THROUGHPUT UP 9.4%:**  
MORE: <http://news.airwise.com/story/view/1118569676.html>

**AIR – BUYERS INTERESTED IN UNITED:** Creditors at UAL Corporation, parent of bankrupt United Airlines, have indicated that outside buyers have expressed interest in taking over the carrier as it emerges from Chapter 11 Bankruptcy. A news report Monday named Texas Pacific Group of Fort Worth, Texas, and investor groups headed by two former airline chiefs, United's Gerald Greenwald and Continental's Gordon Bethune as the interested buyers.  
MORE: <http://abcnews.go.com/Business/wireStory?id=845095>  
MORE: <http://news.airwise.com/story/view/1118704927.html>

**AIR – NWA MUST NEGOTIATE WITH UNIONS:** Northwest Airlines will have to continue to negotiate with its mechanics and related workers after the National Mediation Board rejected the carrier's request to declare the talks at an impasse. The two sides have been negotiating since October and a mediator became involved in February. The carrier is seeking \$176 million per year in savings from the workgroup. NWA says because it now has the highest labor costs in the industry, "it is imperative that we reach a concessionary labor agreement with AMFA as soon as possible."  
MORE: <http://www.atwonline.com/news/other.html?issueDate=6%2F13%2F2005>  
MORE: <http://news.airwise.com/story/view/1118446904.html>

**AIR – NWA STOCK FALLS ON BANKRUPTCY RUMORS:** Northwest Airlines stock prices fell on rumors the airline is preparing to file for Chapter 11 Bankruptcy protection. In addition, Standard & Poors lowered NWA's long-term debt rating to CCC+ from B and the short-term rating to C from B-3. "The downgrade was based on expected heavy losses and negative cash flow this year," said an S&P analyst.

**AIR – VOLGA-DNEPR REVENUE UP:** Volga-Dnepr Group reports revenue of more than \$300 million for 2004, the second-highest result in its 15-year history. The company said its An-124 fleet contributed \$225 million in revenue during the year and it controlled roughly 54% of the world's outsize and heavyweight air cargo transportation market.

MORE: <http://www.atwonline.com/news/story.html?storyID=1312>

**AIR – SIA BID TO FLY AUS-US DENIED:** Despite its extensive lobbying efforts, Singapore Airlines has been denied entry to the US-Australia corridor by the Australian government says a report by the Associated Press. SIA has been lobbying hard, with the support of tourism chiefs, to secure access to Qantas's most profitable route between Australia and the US.

MORE: <http://www.atwonline.com/news/story.html?storyID=1376>

BACKGROUND: <http://www.atwonline.com/news/story.html?storyID=1326>

**AIR – NIPPON EXPRESS LAUNCHES AIR CARGO CHARTER:** By the end of the month Nippon Express says it will launch a service to charter cargo planes for corporate customers. Japan's top transport company will become the first firm to arrange so-called 'freight-forwarder charter' planes, after the Ministry of Transport in February lifted a ban on transporting cargo to overseas destinations, other than the US, via charter flights.

MORE: <http://www.forbes.com/home/feeds/afx/2005/06/12/afx2088400.html>

**AIR – JAPANESE & FRENCH EYE CONCORDE SUCCESSOR:** Japanese and French companies are studying the feasibility of creating a 300-seat replacement for the supersonic Concorde.

MORE: <http://www.bloomberg.com/apps/news?pid=10000080&sid=aXl9mdYv3geQ&refer=asia>

**AIR – SIA AND AIR-NZ FEUD OVER GROUND HANDLING:** A price wrangle has led to Singapore Airlines falling out with Star Alliance partner Air New Zealand over ground-handling at Auckland and Christchurch airports. From August 9, Singapore Airlines - one of the biggest carriers to fly to New Zealand after Air NZ and Qantas - will use the rival Menzies group to service its planes and look after its passengers on the ground. "Simply, the airlines were unable to reach agreement on price," said an Air NZ spokesman.

MORE: <http://www.stuff.co.nz/stuff/0,2106,3314667a13,00.html>

**AIR – CELLPHONE USAGE ON PLANES IN 2006:** Boeing says it thinks it will be selling Cellphone usage to flyers next year. The overwhelming majority of US flyers hate the idea.

MORE: [http://www.reuters.co.in/locales/c\\_newsArticle.jsp?type=technologyNews&localeKey=en\\_IN&storyD=8818001](http://www.reuters.co.in/locales/c_newsArticle.jsp?type=technologyNews&localeKey=en_IN&storyD=8818001)

# >>>>>>>>> JUST FOR FUN <<<<<<<<<<

(These are shared by readers – Please share yours. Thanks. Mike)

## YOU MIGHT BE A YANKEE IF...

Forget Rednecks...Here's what Jeff Foxworthy might have said about Yankees :

- ⇒ If you consider it a sport to gather your food by drilling through 36 inches of ice and sitting there all day hoping it will swim by, you might be a Yankee.
- ⇒ If you're proud that your region makes the national news 96 nights each year because Mt. Washington or International Falls is the coldest spot in the nation, and Boston gets more snow than any other major city in the US, you might be a Yankee.
- ⇒ If your local Dairy Queen is closed from September through May, you might be a Yankee.
- ⇒ If you instinctively walk like a penguin for six months out of the year, you might be a Yankee.
- ⇒ If you've worn shorts and a parka at the same time, you might be a Yankee.
- ⇒ If the word "Vacation" means going anywhere south of New York City for the weekend.
- ⇒ If you measure distance in hours, you might be a Yankee.
- ⇒ If you know several people who have hit a deer more than once, you might be a Yankee.
- ⇒ If you have switched from "heat" to "A/C" and back again in the same day...
- ⇒ If you can drive 65 mph through 2 feet of snow during a raging blizzard without flinching.
- ⇒ If you carry jumper cables in your car and your girlfriend/wife knows how to use them.
- ⇒ If you design your kid's Halloween costume to fit over a snowsuit, you might be a Yankee.
- ⇒ If driving is better in the winter because the potholes are filled with snow, you might be a Yankee.
- ⇒ If you know all 4 seasons: almost winter, winter, still winter, and road construction.
- ⇒ If your idea of creative landscaping is a statue of a deer next to your blue spruce, you might be a Yankee.
- ⇒ If "Down South" to you means Philadelphia or Chicago... you might be a Yankee.
- ⇒ If your neighbor throws a party to celebrate his new shed, you might be a Yankee.
- ⇒ If your Memorial Day picnic was moved indoors due to frost, you might be a Yankee.
- ⇒ If you have more miles on your snow blower than your car... you might be a Yankee.
- ⇒ If you find 40 degrees (4c) "a little chilly," you might be a Yankee.

If you have curious or interesting or funny or thoughtful items that might be good in "Just For Fun", Email them to [mike.miller@allcovered.net](mailto:mike.miller@allcovered.net) . Thanks.

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American Shipper = [www.americanshipper.com](http://www.americanshipper.com)  
Business Times of Asia = <http://business-times.asia1.com.sg/>  
The Economist = <http://www.economist.com>  
Financial Times of London = <http://www.ft.com>  
Journal of Commerce = <http://www.joc.com>  
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