

# AllCovered NEWS

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

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Monday, 4 July 2005 -- Edition #443

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## AllCovered-NEWS

Monday, 4 July 2005

### -- CONTENTS THIS WEEK --

#### SMALL BUSINESS:

Consumer-Driven Health Care  
Cheap Ultra-Portable Notebook

#### TRUCKING:

Fuel Surcharge In Highway Bill  
Port Trucker Collective Bargaining  
Truck Tonnage But Not A Lot  
Moving Scam Website

#### SECURITY:

WCO Customs Standards  
SkyBox Secures Air Cargo

#### OCEAN & AIR FORWARDING:

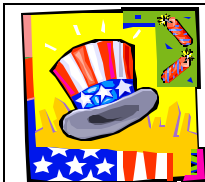
Vancouver Port Truck Strike – The Latest  
New Routes for Freight  
Baghdad Airport Open  
Air & Ocean Cargo Fuel Surcharges Up

#### JUST FOR FUN:

Life Explained

**NEXT WEEK: Insurance a Must for Home-Based Worker/Business**

**NOTE: At the end of most stories excerpted within is a link to the full story at its source.**



**ALLCOVERED US OFFICES CLOSED**  
**MONDAY, 4 JULY**

The US office will be closed today, Monday, 4 July for Independence Day celebrations. We are available by Email & Chat through the holiday weekend.

**FOCUS - SMALL BIZ – CONSUMER-DRIVEN HEALTH CARE**

**--- MAKE IT EASY TO UNDERSTAND AND USE ---**

**GOOD:** Tax-advantaged spending accounts offer opportunities for employers to create a health benefits menu that will slow premium rises and promote consumerism among workers.

**CHALLENGE:** But making FSAs, HRAs and HSAs appetizing to employees will require employers to hone their benefit strategies and communicate plan changes effectively, experts say.

Having an active benefits enrollment, communicating plan adjustments early and in stages, and providing education support and cost calculators that help employees understand the impact of plan changes on a personal level have been the keys to success for early adopters of HSA accounts, says Jon Kessler of WageWorks.

**EXPLAIN WHAT THEY ARE:**

For an employer here is a very basic description of these programs:

**HSA: Health Savings Account**

It usually begins with an employer-sponsored high-deductible medical plan.

The employer also contributes monthly to a Health Savings Account.

Employees use these funds for doctor's visits and minor ailments. Unused funds remain in the account and can be taken with employees if they leave.

The goal is to have employees realize what medical services actually cost since employees must use these HSA funds to pay for doctor visits... rather than the traditional health plans where the employee may have a \$25 Co-Pay... and not realize the actual cost of the doctor visit might be \$230.

**FSA: Flexible Spending Account**

This is a plan offered in addition to health insurance, but paid entirely by the employee.

The FSA is a plan whereby the employee can set aside (via payroll deduction) **pre-tax** money which can then be used to reimburse the employee for payments for uncovered medical expenses, such as deductibles, co-payments and dental or eye care expenses, or dependent care expenses.

When the employee signs up, generally through a regular payroll contribution, the boss puts the amount chosen into a personal account for the employee to use to pay for medical expenses or dependent care costs not covered by insurance.

Employers may offer a medical account, dependent care account or both. Each category is separate.

The employee can, and should, use the money to pay for doctor co-payments, medications or insurance deductibles that otherwise would come out of pocket. But employees also can spend it on many medical services that don't require prior physician approval, or that may not be covered by the company health plan.

With a dependent care account, pre-tax money can be used to help pay the costs of any caregiver providing services while the employee is at work. This includes the nursery school for kids or the home health aide looking after a disabled spouse.

**FRA: Flexible Reimbursement Account**

Like the FSA, the Flexible Reimbursement Account collects **pre-tax** contributions from the employee.

Flexible Reimbursement Accounts are sometimes also referred to as HCRA or Hecra. These allow deferrals from the employee's gross income before taxes into an account that can be used exclusively to pay for medical expenses not covered by the company insurance plan.

Through the account, the employee can be reimbursed for their own, their spouse's or children's health care expenses. Often these funds are used to pay for expenses not normally covered by traditional insurance, such as acupuncture, chiropractors, birth control, dental work, orthodontics, vision care, infertility, psychiatric care and even prescribed stop-smoking programs.

Good news! The IRS recently OK'd using account funds for over-the-counter medications.

FRA/HCRA's are popular among employees with children, whose needs are often predictable for things such as braces or glasses.

## **IMPLEMENTATION**

For most employers, HSAs with high-deductible health plans will be offered in conjunction with other options, not offered as the sole form of health coverage, says Marc Hallee of Fidelity Human Resources.

One of ways to promote consumerism is to make contributions to employee HSAs. "The level of funding is not as important as simply making some contribution to the account," Hallee advises.

It is important to note that no amount of incentives will draw employees into spending accounts if they are difficult to understand and use. "People aren't dumb. They will vote with their feet. If you really think about consumerism, the effort needs to be on the point of sale," says Jon Kessler of WageWorks.

**EASY TO UNDERSTAND:** Instead of putting spending account information on a pay stub that employees rarely view, Kessler suggests companies issue reports that resemble credit card statements. "Everyone checks their credit card statements or at least is familiar with them."

**TARGET "SAVERS" AND "SPENDERS":** FSAs have attracted little interest for savers because of the "use it or lose it" rule, but rollover accounts such as HRAs and HSAs give savers incentives for consumerism, he says, especially in the realm of retiree health benefits. HSAs are being marketed as a way to help employees save for retiree medical expenses too.

## **LEARN FROM OTHERS' MISTAKES**

After studying the experience of early adopters of health savings accounts, Fidelity Investments gathered five lessons from them:

**ONE - DEVELOP A STRATEGY:** Develop a strategy to determine how HSAs fit in your organization's long-term plans. While HSAs can be a part of a long-term benefits strategy, they may not be the right fit for your organization.

**TWO - MANAGEMENT SUPPORT:** Gain support from senior management and front line management. Early adopters found it critical to gain the support of not only senior management, but also line managers because they must explain and sell the benefits to employees.

**THREE - EMPLOYER CONTRIBUTION:** Provide some level of employer contribution. Employer contribution encourages enrollment rate. The level of funding is not as important as simply making some contribution to the account.

**FOUR - DESIGN IT FOR TYPES OF EMPLOYEES:** Model designs to determine impact on various groups of employees. Employers need to understand how plan designs could affect different groups of employees in their population in terms of health benefits costs and consumption.

**FIVE - WORK WITH INSURANCE CARRIER:** Work closely with your health plan carrier to understand administrative detail. Employers should know exactly what their health plan carrier is going to do in different claims situations and how they are going to do it.

MORE: <http://www.benefitnews.com/detail.cfm?id=7613&terms=tomlanderson>

## **TECH BIZ - CHEAP ULTRA-PORTABLE NOTEBOOK**

I've looked at Sony's stylish and expensive ultra-portables like the X505, but Sony's reputation for warranty and service on computers here in the US is not good among those I know who have had Sony computers. Most will not buy another Sony. I have looked at other brands as well.

I admit I am hooked on IBM (now Lenovo) notebooks. They are a bit more expensive than comparable laptops, but the service and support is excellent. If anything breaks I know Robin, our local tech, will be here the next day and make it right.

That said, carrying a 12-pound (5.5kg) desktop replacement notebook and AC adapter on trips along with everything else that must fit into a briefcase for a week on the road means a 25-pound (12kg) briefcase. That's hard on the shoulder and back. I envy those I see on trips using their small "ultra-portable" notebooks that weigh one-quarter what mine does. There may be hope for me yet.

The IBM Ultra-Portable is the X41, and tricked out it costs well over \$2,500, but is limited to a 40gb hard drive. I just cannot justify that kind of money when my desktop replacement works well.

Now Averatec offers the 1000 model weighing 3.4 pounds (1.5kg), an 80gb hard drive and built-in CD-RW/DVD drive. The price? Under \$1,300. Averatec notebooks are sold at Wal-Mart so in a month or so that price may come down even lower.

MORE: [http://reviews.cnet.com/Averatec\\_1000/4505-3121\\_7-31389995.html?tag=nl.e724](http://reviews.cnet.com/Averatec_1000/4505-3121_7-31389995.html?tag=nl.e724)

**TRAVEL TECH – CARRY YOUR OFFICE WITH YOU:** When you travel you need to be able to work in your hotel room. Here are three examples of gear depending on your needs... and if you scroll down the page you'll see high-rated options for a Conference Room, Home Office and more.  
MORE: [http://www.cnet.com/4520-9359\\_1-6242576-1.html?tag=lnav&tag=nl.e724](http://www.cnet.com/4520-9359_1-6242576-1.html?tag=lnav&tag=nl.e724)

**TECH BIZ – BEST WIRELESS NETWORK GEAR:** Choosing a wireless solution over a wired network is a no-brainer for convenience. What's not a no-brainer is selecting the best hardware for your wireless network.  
MORE: <http://ct.eneews.pcmag.com/rd/cts?d=184-1844-4-54-205416-205316-0-0-0-1>

**SMALL BIZ – DIGITAL GLOBAL SATELLITE SEARCH:** Need to “see” a satellite picture of a port? Need to find your way to a meeting? Getting directions will never be the same again. It once cost \$299 service... and was known as “keyhole.” Now Google has re-launched it. **There is a free version.** Here's a walk through the new service's various features... but I warn you... you could spend hours with this.  
MORE: <http://www.pcmag.com/article2/0,1759,1831878,00.asp>

**PERSONAL TECH – AUTOMATIC VACUUM ON A SCHEDULE:** iRobot's Roomba robot floor vac is a bona fide success -- especially in the consumer robot arena--but a long-standing complaint has been that it can't clean on its own. Now iRobot execs think they've solved the problem with a scheduling remote, a new Roomba, and even upgrade options for existing robot-vacuum owners.  
MORE: <http://ct.eneews.pcmag.com/rd/cts?d=184-1867-1-53-255970-208493-0-0-0-1>

**PERSONAL TECH – SLINGBOX:** Time- and place-shifting let you watch live or recorded TV coming from your house on your computer or laptop--anywhere in the world. It is truly fascinating technology, and Sling Media's Slingbox media hub does it exceptionally well.  
MORE: <http://ct.eneews.pcmag.com/rd/cts?d=184-1882-4-54-205416-210557-0-0-0-1>  
VIDEO REVIEW: <http://ct.eneews.pcmag.com/rd/cts?d=184-1882-4-54-205416-210560-0-0-0-1>

**US ECONOMY – FED HIKES RATE AGAIN:** The US Federal Reserve raised its “Fed Funds Rate,” the rate it charges banks for overnight loans, by one-quarter percent to 2.25%.  
MORE: [http://news.yahoo.com/s/ap/20050701/ap\\_on\\_bi\\_ge/fed\\_interest\\_rates:\\_ylt=Ar62dUlrktd\\_oEKY\\_PCPDWyBhIF:\\_ylu=X3oDMTBiMW04NW9mBHNIyWMIJVRPUcUI](http://news.yahoo.com/s/ap/20050701/ap_on_bi_ge/fed_interest_rates:_ylt=Ar62dUlrktd_oEKY_PCPDWyBhIF:_ylu=X3oDMTBiMW04NW9mBHNIyWMIJVRPUcUI)

>>>>>>> **TRUCKING SECTION** <<<<<<<<

**TRUCKING – FUEL SURCHARGE IN HIGHWAY BILL**

The fuel surcharge legislation now in Congress as part of the federal highway bill is being both hotly fought for and strongly opposed by different segments of the trucking industry.  
Section 4139, or the “Truckload Surcharge” section of H.R. 3, requires that the “payer of transportation charges pay a fuel surcharge ....”  
This includes “all motor carriers, brokers, or freight forwarders” involved in truckload freight movement. It means that they must institute fuel surcharges and must pass 100% of the surcharges on “to make sure the people who pay for the fuel receive the surcharge,” says the Owner-Operator Independent Drivers Association (OOIDA) on its Web site.  
OOIDA strongly favors the surcharge, while the American Trucking Associations vigorously opposes it.  
MORE: <http://www.thetrucker.com/showstory.aspx?id=9820>

**TRUCKING – DIESEL UP AGAIN:** The US national average retail price of a gallon of diesel rose 2.3 cents, to \$2.336, for the week ending June 27, a price increase of almost 64 cents from last year.  
MORE: <http://www.etrucker.com/apps/news/article.asp?id=47873>  
MORE: <http://www.thetrucker.com/showstory.aspx?id=9834>

## TRUCKING – PORT TRUCKER COLLECTIVE BARGAINING

Most drivers who move containers to and from ports are independents who own their trucks, and thus cannot unionize by law. California may change that.

A California bill that would allow port owner-operators the right to organize for collective bargaining purposes has passed its second Assembly reading.

The California Trucking Association opposes the bill. The California Labor Federation, AFL-CIO and the California Teamsters Public Affairs Council support the measure.

The bill defines those who would be affected by the bill as independent contractors who own or lease no more than one truck and are contracted to a port motor carrier. Those truckers perform drayage of intermodal cargo from a marine terminal, deliver empty containers or intermodal chassis to terminals or deliver loaded cargo containers to terminals for export.

CTA says the bill does not address highway and port congestion that it blames for fewer turnarounds and less income for port truckers.

Organized labor says the bill would give independent truckers the power to force terminal operators and ocean carriers to pay them a living wage.

### --- SO WHAT? ---

Changing laws to allow independent small businesses, which is what owner-operator truckers are, to collectively bargain with large companies is a basic change in US law.

What would it mean for trucking costs?

What would it mean for the larger issue of collective bargaining?

MORE: <http://www.etrucker.com/apps/news/article.asp?id=47871>

## TRUCKING – TONNAGE UP BUT NOT A LOT

The American Trucking Associations' primary industry indicator rose in May as tonnage volumes increased slightly because of modest economic growth.

ATA's advanced seasonally adjusted for-hire Truck Tonnage Index rose 0.7% in May to 115.1. The index is based on 100 in 2000, so that May's reading means tonnage is up 15.1% since 2000.

MORE: <http://www.etrucker.com/apps/news/article.asp?id=47872>

MORE: [http://www.truckinginfo.com/news/news-detail.asp?news\\_id=55015](http://www.truckinginfo.com/news/news-detail.asp?news_id=55015)

## TRUCKING – FMCSA WEB SITE FIGHTS MOVING SCAMS

The Federal Motor Carrier Safety Administration (FMCSA) has announced a new web site to protect homeowners from moving company scams at [www.protectyourmove.gov](http://www.protectyourmove.gov).

The site was established to help people avoid getting caught scams that involve household goods being held hostage by a rogue mover. Rogue movers, many of whom advertise on the Internet, offer lowball estimates and then demand more money than originally agreed upon in violation of Federal regulation.

The new web site provides a list of properly registered and insured movers, brokers and freight forwarders, details about regulations governing professional moving companies, information about how to file a complaint in the event of a problem and moving tips.

MORE: [http://www.truckinginfo.com/news/news-detail.asp?news\\_id=55035](http://www.truckinginfo.com/news/news-detail.asp?news_id=55035)

**TRUCKING – TRUCKERS WORRIED ABOUT 'PARADE' ARTICLE:** The US Sunday newspaper supplement magazine "Parade" is working on a story about trucker fatigue as a cause of accidents.

MORE: <http://www.etrucker.com/apps/news/article.asp?id=47849>

**TRUCKING – PRICING POWER GAINS FOR TRUCKERS:** With costs increasing and demand for trucking capacity exceeding supply, motor carriers are once again calling the shots when it comes to pricing. "The days when you can dictate to the carrier the price you want to pay are over." That's what Ted Dixon of TBB Global Logistics told the American Institute for Shippers' Associations. Dixon cites trucking industry consolidation, a 30% rise in fuel costs in the last year and the need for more drivers as driving pricing for freight.

MORE: <http://www.joc.com/20050629/sections/logis/w31153.asp>

## SECURITY – WCO LAUNCHES CUSTOMS STANDARDS

The World Customs Organization (WCO) has recently adopted a new set of rules to secure and simultaneously facilitate international trade. The rules aim to secure the international trade supply chain in response to growing threats including international terrorism and organized criminal syndicates.

Entitled 'the Framework of Standards to Secure and Facilitate Global Trade', the rules are seen as a step towards the modernization of global customs system. About 100 WCO members have signed the framework, which will in principle require shippers to provide advance electronic data on all incoming and outgoing cargo, and to have the ability to inspect specific shipments with large x-ray machines.

MORE: <http://www.ctl.ca/article.asp?id=44870&issue=06292005>

MORE: <http://www.americanshipper.com/firm2001.asp?Target=NewsFrame.asp?news=21573>

**SECURITY – CSI IN SHENZHEN:** China's Port of Shenzhen will be the 37th operational port to join the Container Security Initiative (CSI), targeting and pre-screening maritime cargo containers destined for US ports. "The Container Security Initiative is the only formal program in operation today that is designed to detect and deter terrorists from exploiting the vulnerabilities of containerized maritime cargo. Due to the continued support of CSI by Minister Mu Xinsheng, US borders are more secure and more efficient," according to US Customs head Robert Bonner.

MORE: <http://www.joc.com/20050627/sections/ocean/w25288.asp>

**SECURITY – TWIC RULES:** The Transport Workers ID Card (TWIC) is coming. Controlling access to cargo areas at ports, airports and trucking firms remains a major vulnerable point in US security, but it may be another year before the government establishes standards for a biometric identification card that will plug the hole. That's what bureaucrats have told a US House inquiry.

MORE: <http://www.joc.com/lede/20050629/sections/ocean/w40940.asp>

**SECURITY - NAFTA NATIONAL TO HIKE SECURITY – CANADA UPSET:** The United States, Canada and Mexico have agreed to further boost security by creating common rules on issuing visas to outsiders and to cut red tape seen as hampering free trade. The proposals quickly hit trouble when an opposition party keeping Canada's minority Liberal government in power said Canadian sovereignty would be damaged as a result.

MORE: <http://www.alertnet.org/thenews/newsdesk/N27311062.htm>

## SECURITY – “SKYBOX” TO SHIP & SECURE AIR SHIPMENTS

The idea is to secure shipments and prevent air cargo crime - in particular the pilferage of valuable shipments like electronic items, computer peripherals and mobile telephones, which have been the growing targets of thefts due to their relatively high market value and small size.

Thefts of electronics are relatively easy, since conventional packaging for most electronic products - polythene shrink wrapping and carton packaging - do not offer much security against pilferage.

Transguard, a division of Emirates Group Security, and German firm bwh-Spezialkoffer have developed 'SkyBox' to secure the transportation of valuable air cargo.

SkyBox is adjustable in size. It can measure from a minimum of 70cm x 80cm x 130cm, up to a maximum of 130cm x 100cm x 130cm.

MORE: <http://www.ameinfo.com/63348.html>



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## >>>>> AIR & OCEAN SECTION <<<<<<

**TRADE – VANCOUVER TRUCK STRIKE TALKS POSSIBLE:** There are hints that truck drivers, trucking companies and the Port of Vancouver may be trying to hold talks to end a truckers' strike that began Monday, 27 June. Containers are piling up at the port. Trucks handle 40% of inbound containers. Rail handles 60%. Representatives for the truckers and the British Columbia Federation of Labour indicate formal talks may start soon, perhaps with the aid of provincial government mediation.  
MORE: <http://www.joc.com/lede/20050630/sections/logis/w69965.asp>

**TRADE – TRUCKERS STRIKE CRIPPLES VANCOUVER:**  
MORE: <http://www.joc.com/20050627/sections/logis/w90906.asp>

**TRADE – SHOOTING AT VANCOUVER TRUCK STRIKE:**  
MORE: <http://www.joc.com/lede/20050629/sections/logis/w84951.asp>

**TRADE – VANCOUVER PORT STRIKE COSTS \$30-MILLION A DAY:** 1,000 striking truckers put the brakes on more than \$30 million worth of container business at Greater Vancouver ports, warning they're going to stay parked regardless of mounting economic damage to the provincial economy.  
MORE: [http://www.canada.com/vancouver/vancouver\\_sun/news/story.html?id=01555374-17c0-4ee6-a5e5-bb61aa839fb7](http://www.canada.com/vancouver/vancouver_sun/news/story.html?id=01555374-17c0-4ee6-a5e5-bb61aa839fb7)

**TRADE – VANCOUVER STRIKE THREATENS RETAILERS:** The strike by truckers serving the Port of Vancouver that has halted much of container freight moving through the port is a threat to the entire retail sector, warns the Retail Council of Canada. "This is a serious disruption to the Canadian supply chain and there's no question both retailers and consumers are getting hit," says Kevin Evans, the organization's western vice-president.  
MORE: <http://www.canada.com/national/nationalpost/financialpost/story.html?id=86d1e6f7-8304-4d3b-8b13-4b00542984de>

**TRADE – PORT TRUCKER COLLECTIVE BARGAINING:** See "Trucking" section

**TRADE – STRIKE HITS MUMBAI PORT:** Over 1,500 Mumbai port workers are on strike. The work with transport contractors handling container and other cargoes at the port began their strike on June 23 morning to protest against a move by the port to invite tenders for handling freight containers from pre-stack to vessel and vice-versa.  
MORE: <http://www.thehindubusinessline.com/2005/06/28/stories/2005062801441700.htm>

**TRADE – KOREAN PILOTS THREATEN STRIKE:** Unionized pilots at South Korean carriers Korean Air and Asiana threatened on Wednesday to stage a strike after July 4 if demands for better working conditions were not accepted. Demands include allowing pilots 30 hours of rest between flights and limiting flight time for Asiana pilots to less than 1,000 hours a year.  
MORE: <http://news.airwise.com/story/view/1120049682.html>

**TRADE – WAR RISK REMOVED FROM SRI LANKA:** The War Risks Rating Committee at Lloyd's has removed the war risk premium added to Sri Lankan shipments in 2001.  
MORE: <http://www.sundayobserver.lk/2005/07/03/new16.html>

**TRADE - FMCSA WEB SITE FIGHTS MOVING SCAMS:** For freight forwarders handling Household Goods and Personal Effects, the Federal Motor Vehicle Safety Administration has launched a website designed to help consumers avoid moving scams. The site lists honest and approved household goods movers. See "Trucking" section.

**TRADE – RECORD LOGISTICS SPENDING:** The total cost of business logistics in the United States increased to \$1.015 trillion in 2004, up from \$944 billion in 2003, but logistics spending as a percentage of the Gross Domestic Product remained at 8.6%, according to the 16th Annual State of Logistics Report by the Council of Supply Chain Management Professionals.  
MORE: <http://www.joc.com/lede/20050627/sections/ecom/w52052.asp>

## TRADE – NEW ROUTES FOR FREIGHT

As the sun rises over the Port of Tampa's deserted wharves, Second Mate Rusty Smith maneuvered his 278-foot ship into a berth. With a pop and hiss from the ship's bow thrusters, the Sea Trader glided smoothly to the dock. Longshoremen pounce on the ship, making short work of 800 tons of cargo the Sea Trader brought from Houston.

The ship left Houston on a Friday afternoon and arrived in Tampa Monday morning, taking only a bit longer than a truck would have to cover the 635 miles.

"It's much less [expensive] than trucking. About 30 percent less."

"We'll be gone by nine o'clock," says Smith. "Just enough time to get a newspaper."

### --- SHORT SEA SHIPPING ---

The ship is one of few container carriers running port-to-port ocean routes in the United States.

The ship's route was designed to circumvent the country's increasingly congested highways, rails and Pacific ports.

Domestic manufacturers also rely on the Sea Trader's regular departures from Houston to Tampa and New Orleans to avoid rail and road hassles.

Highway congestion in the nation's largest cities increased 17% over the last decade, and shippers were roiled last year as labor shortages kept some cargo waiting for a week or more off the ports of Los Angeles and Long Beach.

### --- ASIA TO US VIA EUROPE ---

Transportation firms and governments in Europe and Asia has been working for a decade to create a rail network that will haul products from China to a port in Norway.

From there, container ships would ferry cargo to New York and other Atlantic ports.

MORE: <http://www.chicagotribune.com/business/chi-0506270128jun27.1,1570270.story?coll=chi-business-hed&ctrack=1&cset=true>

## TRADE FOCUS – SUPPLY CHAIN YEAR IN REVIEW

As we approach the traditional Peak Season for cargo shipments, we mark the traditional end of the cargo year. Every industry has its ups and downs, but the supply chain business twisted and turned in some particularly contradictory ways in 2004.

Products got simpler, while customer and regulatory demands grew tougher. Big companies merged, but the overall SCM/L (supply chain management/logistics) market stayed fragmented. Many feared an outbreak of terrorism on the supply chain, yet workable standards for package tracking and security were still emerging.

MORE: <http://www.eweek.com/article2/0,1895,1731151,00.asp>

**TRADE – AUSSIE FUEL HIKES MEAN HIGHER FREIGHT RATES:** The Queensland Trucking Association says freight users will have to get used to paying a permanent levy for fuel, with escalating fuel prices. The association's Peter Garske says fuel costs make up a third of a trucking companies' expenses and a 20% increase in prices in recent months is hurting the industry.

MORE: <http://www.abc.net.au/news/newsitems/200506/s1402123.htm>

**TRADE – US MILITARY AWARDS TO PWC:** The US Military has awarded Kuwait City-based PWC Logistics a heavy-lift transportation contract, with a total value of the contract, commencing July 15, of up to US\$1.5 billion with an initial 12-month commitment followed by four one-year extension options. PWC Logistics has acquired Kenner, Louisiana-based project cargo specialist Transoceanic Shipping and Singapore-based logistics services provider Trans-Link Group.

MORE: <http://www.americanshipper.com/firm2.asp?Target=NewsFrame.asp?news=21514>

**AIR – BAGHDAD AIRPORT REOPENS:** Security operations at Baghdad airport resumed last week after a two-day shutdown that grounded travelers and revealed some of the difficulties international businesses can face in postwar Iraq. Global Risk Strategies, headquartered in London, said its 550 staff would resume guard duties at Baghdad airport despite the fact the company has not been paid for several months of work under its agreement with the Iraqi government. The company's two-day work suspension caused all civil aviation at the airport, which normally handles some 50 mostly cargo flights a day, to be cancelled. US forces were brought in to secure the complex for military use only.

MORE: [http://www.thepeninsulagatar.com/Display\\_news.asp?section=Business\\_News&subsection=market+news&month=June2005&file=Business\\_News2005062722848.xml](http://www.thepeninsulagatar.com/Display_news.asp?section=Business_News&subsection=market+news&month=June2005&file=Business_News2005062722848.xml)

**AIR – INTERNATIONAL CARGO TRAFFIC DOWN:** International air cargo traffic dropped 1.6% in May over the same month last year in a sign of the mounting effect of high oil prices on the world economy. IATA reports, "May cargo growth slipped into negative territory in Asia, North America, Latin America and Europe, following a sluggish performance since the beginning of 2005." Nearly 50% of traded goods by value are carried by air, and trade analysts say the May drop in cargo volume -- leaving overall growth for the first five months at only 3.1% -- suggested that overall global trade is slowing.

MORE: <http://news.airwise.com/story/view/1120050533.html>

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21608>

MORE: <http://www.atwonline.com/news/story.html?storyID=1571>

**AIR – LH-CARGO HIKES SURCHARGE:** Lufthansa AG's cargo unit says it will hike its fuel surcharge to 0.45 eur (\$).57 per kilogram of weight from currently 0.40 eur.

MORE: <http://www.iii.co.uk/news/?type=afxnews&articleid=5334101&action=article>

**AIR – BA WORLD CARGO HIKES FUEL SURCHARGE:** British Airways World Cargo is increasing its fuel surcharge from GBP0.26 (US\$ 0.46) per kilogram to GBP 0.30 (\$0.53) per kilogram, effective 14 July.

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21642>

**AIR – CARGOLUX ADDS DOHA & HIKES SURCHARGE:** Luxembourg-based all-cargo airline Cargolux is starting weekly flights between Luxembourg and Doha in Qatar, commencing today. Cargolux hikes its fuel surcharge to 0.45 eur effective Friday, 8 July.

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21576>

**AIR – AMERICAN HIKES FUEL SURCHARGE:** American Airlines Cargo is raising its fuel surcharge from 40 cents to 45 cents per kilogram for most US-origin international shipments, and from 16 cents to 18 cents per pound for US domestic shipments, effective July 12.

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21622>

**AIR - KAL BUSIEST CARGO CARRIER:** Korean Air has become the world's busiest air cargo transporter thanks to soaring exports of electronics and IT products. IATA reports KAL moved 8.164 Billion "tonne-kilometers" of freight last year, up 20.1% from 2003. Lufthansa is number two, Singapore Airlines number three and Cathay Pacific number four.

MORE: <http://english.chosun.com/w21data/html/news/200506/200506300028.html>

**AIR – “SKYBOX” NEW TOOL TO SHIP & SECURE AIR SHIPMENTS:** See “Security” section.

**AIR – ANALYSTS SAY DELTA & NWA VULNERABLE TO HIGH FUEL COSTS:** Analysts say that among major US airlines Delta and Northwest seem the most vulnerable to high oil prices.

MORE: <http://news.airwise.com/story/view/1119915098.html>

**AIR – US-AIR FILES BANKRUPTCY REORGANIZATION PLAN:**

MORE: <http://news.airwise.com/story/view/1120172738.html>

**AIR – VOLGA-DNEPR SIGNS FOR NEW IL-96:** Volga-Dnepr Group will become launch customer for the IL-96-400T with an order for two of the freighters. The first is due to be delivered in late 2006. The IL-96-400T will have a cargo capacity of 92 tonnes and a range of 5,000 km.

**OCEAN – FEFC PEAK SURCHARGE:** The Far Eastern Freight Conference (FEFC), which includes most of the Asia/Europe container shipping lines, will initiate a peak season surcharge for the first time, this summer and fall. The \$110-per-TEU charge, equivalent to \$220 per 40-foot equivalent unit (FEU), will apply to "all westbound shipments from Asia (presently excluding Japan)" shipped from 1 August to 31 October.

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21648>

**OCEAN – USSEC EXTENDS BAF CHARGES:** The US South Europe Conference (USSEC) of ocean carriers has extended its current bunker charges and reduced by 9% its tariff currency adjustment factor, from 1 August through 31 August. USSEC bunker tariffs remain at \$260 per 20-foot container and \$520 per 40-foot container.

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21577>

**OCEAN – CROWLEY HIKES US-PR BUNKER & SURCHARGE:** Crowley Liner Services has followed Horizon Lines and Trailer Bridge by increasing its vessel bunker surcharges and intermodal surcharges for the US/Puerto Rico trades. Crowley's bunker surcharge will rise from \$310 to \$340, effective July 10. The intermodal surcharge will increase at the same time by roughly 10% per Zone.

MORE: <http://www.americanshipper.com/frm2001.asp?Target=NewsFrame.asp?news=21610>

**OCEAN – NOL VOLUME UP 16%:** Neptune Orient Lines says its freight volumes in the four weeks between May 7 and June 3 rose 16% year-on-year to 151,900 FEUs. The average freight rate during the period rose 6% year-on-year to \$2,789 per FEU.

MORE: <http://www.joc.com/20050627/sections/ocean/w79277.asp>

## OCEAN – TIGHTER SPACE THAN THOUGHT

Two shipping consultants recently adjusted their estimates on global container shipping demand for this year and 2006, indicating that oversupply may not be as problematic for the industry as widely expected.

The growth in global container shipping demand for 2005 is expected to outstrip growth in supply by 2.9%, Drewery Shipping Consultants says in its quarterly review on the container shipping market issued this month.

For 2006, Drewery is expecting growth in container shipping supply to outstrip demand growth by 4.1%, lower than the 5.9% it previously forecast.

MORE: <http://business-times.asia1.com.sg/sub/shippingtimes/story/0,4574,160411,00.html>

## OCEAN – SO-CAL “PIERPASS” DEADLINE NEAR

PierPASS is "strongly urging" all shippers and other parties in the logistics chain who use the ports of Los Angeles and Long Beach to immediately register for the "OffPeak" cargo program and set up their payment methods.

Beginning on July 23, most cargo will not be allowed to exit cargo terminals in the two ports by road during peak hours unless the Traffic Mitigation Fee has been paid.

Peak hours are defined as Monday through Friday, 3:00 am to 6:00 pm.

The fee has been set at \$40 per TEU (20-foot equivalent unit), or \$80 for all containers larger than a 20-foot unit.

"The cargo owner [the consignee or shipper] is responsible for payment of the fee, not the trucking company or other carrier. In order to pay the fee, a cargo owner must be registered with PierPASS."

The fee will help fund five new OffPeak shifts per week (Monday through Thursday from 6:00 p.m. to 3:00 a.m. and Saturday from 8:00 a.m. to 6:00 p.m.)

MORE: <http://www.caltraderreport.com/eWebPages/front-page-1120157786.html>

**OCEAN – ILA TO FACE RICO SUIT?:** The New York Times reports that Federal prosecutors in Brooklyn are almost ready to file a long-threatened civil racketeering lawsuit that would seek to take over the International Longshoremen's Association and several union benefit plans. ILA members handle most cargo at ports along the US East Coast and Gulf.

MORE: <http://www.joc.com/20050630/sections/ocean/w52450.asp>

**OCEAN – ILA ATTACKS “LEAK”:** The International Longshoremen's Association, reacting to reports that federal prosecutors intend to file a long-threatened racketeering lawsuit to take over the ILA, accused the Justice Department of a "shameful" leak of information to the press while government and union lawyers were negotiating a settlement.

MORE: <http://www.joc.com/lede/20050630/sections/ocean/w23615.asp>

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

## LIFE EXPLAINED

On the first day God created the dog. God said, "Sit all day by the door of your house and bark at anyone who comes in or walks past. I will give you a life span of twenty years." The dog said, "That's too long to be barking. Give me ten years and I'll give you back the other ten." So God agreed.

On the second day God created the monkey. God said, "Entertain people, do monkey tricks, make them laugh. I'll give you a twenty-year life span." The monkey said, "How boring, monkey tricks for twenty years? I don't think so. Dog gave you back ten, so that's what I'll do oookay?" And God agreed.

On the third day God created the cow. God said, "You must go to the field with the farmer all day long and suffer under the sun, have calves and give milk to support the farmer. I will give you a life span of sixty years." The cow said, "That's kind of a tough life you want me to live for sixty years. Let me have twenty and I'll give back the other forty." And God agreed again.

On the fourth day God created man. God said, "Eat, sleep, play, marry and enjoy your life. I'll give you twenty years." Man said, "What? Only twenty years! Tell you what, I'll take my twenty, and the forty the cow gave back and the ten the monkey gave back and the ten the dog gave back, that makes eighty, okay?"

"Okay," said God, "You've got a deal."

So that is why the first twenty years we eat, sleep, play, and enjoy ourselves; for the next forty years we slave in the sun to support our family; for the next ten years we do monkey tricks to entertain the grandchildren; and for the last ten years we sit on the front porch and bark at everyone.

Life has now been explained to you.

## MARBLES

Babs Miller was bagging some early potatoes for me. I noticed a small boy, delicate of bone and feature, ragged but clean, hungrily appraising a basket of freshly picked green peas. I paid for my potatoes but was also drawn to the display of fresh green peas. I am a pushover for creamed peas and new potatoes. Pondering the peas, I couldn't help overhearing the conversation between Mr. Miller and the ragged boy next to me.

Hello Barry, how are you today?"

H'lo, Mr. Miller. Fine, thank ya. Jus' admirin' them peas sure look good."

They are good, Barry. How's your Ma?"

"Fine. Gittin' stronger alla' time."

"Good. Anything I can help you with?"

"No, Sir. Jus' admirin' them peas."

"Would you like to take some home?"

"No, Sir. Got nuthin' to pay for 'em with."

"Well, what have you to trade me for some of those peas?"

"All I got's my prize marble here."

"Is that right? Let me see it."

"Here 'tis. She's a dandy."

"I can see that. Hmmmmm, only thing is this one is blue and I sort of go for red. Do you have a red one like this at home?"

"Not zackley . but almost."

"Tell you what. Take this sack of peas home with you and next trip this way let me look at that red marble."

"Sure will. Thanks Mr. Miller"

Mrs. Miller, who had been standing nearby, came over to help me. With a smile she said, "There are two other boys like him in our community, all three are in very poor circumstances. Jim just loves to bargain with them for peas, apples, tomatoes, or whatever. When they come back with their red marbles, and they always do, he decides he doesn't like red after all and he sends them home with a bag of produce for a green marble or an orange one, perhaps."

I left the stand smiling to myself, impressed with this man. A short time later I moved to Colorado but I never forgot the story of this man, the boys, and their bartering.

Several years went by, each more rapid than the previous one. Just recently I had occasion to visit some old friends in that Idaho community and while I was there learned that Mr. Miller had died. They were having his viewing that evening and knowing my friends wanted to go, I agreed to accompany them. Upon arrival at the mortuary we fell into line to meet the relatives of the deceased and to offer whatever words of comfort we could.

Ahead of us in line were three young men. One was in an army uniform and the other two wore nice haircuts, dark suits and white shirts .... all very professional looking.

They approached Mrs. Miller, standing composed and smiling by her husband's casket. Each of the young men hugged her, kissed her on the cheek, spoke briefly with her and moved on to the casket.

Her misty light blue eyes followed them as, one by one, each young man stopped briefly and placed his own warm hand over the cold pale hand in the casket. Each left the mortuary awkwardly, wiping his eyes.

Our turn came to meet Mrs. Miller. I told her who I was and mentioned the story she had told me about the marbles. With her eyes glistening, she took my hand and led me to the casket.

"Those three young men who just left were the boys I told you about. They just told me how they appreciated the things Jim "traded" them. Now, at last, when Jim could not change his mind about color or size, they came to pay their debt."

"We've never had a great deal of the wealth of this world," she confided, "but right now, Jim would consider himself the richest man in Idaho."

With loving gentleness she lifted the lifeless fingers of her deceased husband. Resting underneath were three exquisitely shined red marbles.

Moral: We will not be remembered by our words, but by our kind deeds.

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>  
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