

THE SOURCE

“Yes, Virginia, There is a Santa Claus”

Editorial in the New York Sun newspaper, 9/21/1897

Editor’s Note: With the Holiday Season upon us I thought that this article from 1897 would provide an uplifting spirit as all our December holidays do, each with their festivities. No matter the faith, or politics, the spirit of the response to a little girl’s letter is what we all strive for in our lives. This article was copied and presented just as it was printed in 1897, sentence structure et al, although change in format was necessary for this publication. Thanks to Newseum.org for providing the article as originally printed.

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“Yes, Virginia, There is a Santa Claus”

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Eight-year-old Virginia O’Hanlon wrote a letter to the editor of New York’s Sun, and the quick response was printed as an unsigned editorial Sept. 21, 1897. The work of veteran newsman Francis Pharcellus Church has since become history’s most reprinted newspaper editorial, appearing in part or whole in dozens of languages in books, movies, and other editorials, and on posters and stamps



The Editorial

DEAR EDITOR: I am 8 years old. Some of my little friends say there is no Santa Claus. Papa says, ‘If you see it in THE SUN it’s so.’ Please tell me the truth; is there a Santa Claus?
 VIRGINIA O’HANLON.
 115 WEST NINETY-FIFTH STREET.

VIRGINIA, your little friends are wrong. They have been affected by the skepticism of a skeptical age. They do not believe except they see. They think that nothing can be which is not comprehensible by their little minds. All minds, Virginia, whether they be men’s or children’s, are little. In this great universe of ours man is a mere insect, an ant, in his intellect, as compared with the boundless world about him, as measured by the intelligence capable of grasping the whole of truth and knowledge.

Yes, VIRGINIA, there is a Santa Claus. He exists as certainly as love and generosity and devotion exist, and you know that they abound and give to your life its highest beauty and joy. Alas! how dreary would be the world if there were no Santa Claus. It would be as dreary as if there were no VIRGINIAS. There would be no childlike faith then, no poetry, no romance to make tolerable this existence. We should have no enjoyment, except in sense and sight. The eternal light with which childhood fills the world would be extinguished.

Not believe in Santa Claus! You might as well not believe in fairies! You might get your papa to hire men to watch in all the chimneys on Christmas Eve to catch Santa Claus, but even if they did not see Santa Claus coming down, what would that prove? Nobody sees Santa Claus, but that is no sign that there is no Santa Claus. The most real things in the world are those that neither children nor men can see. Did you ever see fairies dancing on the lawn? Of course not, but that’s no proof that they are not there. Nobody can conceive or imagine all the wonders there are unseen and unseeable in the world.

Continued on Page 2



“Yes Virginia, There Is A Santa Claus (Front page article continued)

You may tear apart the baby’s rattle and see what makes the noise inside, but there is a veil covering the unseen world which not the strongest man, nor even the united strength of all the strongest men that ever lived, could tear apart. Only faith, fancy, poetry, love, romance, can push aside that curtain and view and picture the supernal beauty and glory beyond. Is it all real? Ah, VIRGINIA, in all this world there is nothing else real and abiding.

No Santa Claus! Thank God! he lives, and he lives forever. A thousand years from now, Virginia, nay, ten times ten thousand years from now, he will continue to make glad the heart of childhood.

FOR IMMEDIATE RELEASE

December 5, 2019

ATA Pleased by Appeals Court Victory in Its Challenge to RhodeWorks Tolls

Decision by First Circuit Paves Way for Trucking’s Suit to Move Forward

Arlington, Virginia — Today, the American Trucking Associations hailed a decision by the U.S. Court of Appeals for the First Circuit that held the trucking group’s lawsuit over Rhode Island’s predatory truck-only tolls could proceed in federal court. “We have long believed that Rhode Island’s RhodeWorks truck-only toll scheme was a violation of the Constitution and an attempt to use our industry as a piggy bank,” said **ATA President and CEO Chris Spear**. “Today’s decision by the First Circuit paves the way for us to make that argument in federal court and we look forward to the chance to vindicate our case on the merits.”

ATA, along with Cumberland Farms Inc., M&M Transport Services Inc. and New England Motor Freight, sued Rhode Island, arguing that the RhodeWorks plan violates the Constitution’s Commerce Clause by discriminating against out-of-state economic interests in order to favor in-state interests, and by designing the tolls in a way that does not fairly approximate motorists’ use of the roads.

The First Circuit ruled today that despite the state’s assertion, ATA’s lawsuit was not barred by the federal Tax Injunction Act, which generally prohibits federal courts from hearing challenges to state taxes. Today, the First Circuit held that the RhodeWorks tolls are not a “tax,” and thus not immune from challenge in federal court.

“Today’s ruling is just another step in getting these extortionary tolls torn down and we would urge the governor and her allies to do the right thing and put an end to this unfair and unconstitutional toll scheme so we can get serious about working together on how to equitably and effectively rebuild our infrastructure,” said Rhode Island Trucking Association President Chris Maxwell. “With this ruling in hand, we are confident we will prevail in this suit once it is decided on the merits.”

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JAXPORT receives international port productivity recognition By: AJOT | Dec 12 2019

Jacksonville, FL - The Journal of Commerce (JOC) has named the Jacksonville Port Authority (JAXPORT) the second most improved container port in North America for overall productivity. The Most Improved Ports award is among a series of port productivity recognitions presented this week during the JOC’s annual Port Performance North America Conference in Newark, NJ. The award is based on the publication’s independent analysis of productivity among all North American ports between 2017 and 2018. JOC defines port productivity as total container moves per hour while a ship is at berth. “The hard work and dedication of our port partners, operations teams and stevedores makes this recognition possible,” said CEO JAXPORT Eric Green. “As we continue to invest in our port facilities and equipment, the efficiencies of shipping through Jacksonville continue to grow.”

JAXPORT’s container operations are handled by several ocean carriers and stevedores, including: Crowley Maritime Corp. at the Talleyrand Marine Terminal; TraPac Jacksonville at the Dames Point Marine Terminal; and SSA Atlantic, Trailer Bridge, TOTE Maritime Puerto Rico, and Portus-Jacksonville at the Blount Island Marine Terminal. JAXPORT is Florida’s No. 1 container port by volume. Over its last fiscal year, JAXPORT moved more than 1.338 million twenty-foot equivalent units (or TEUs, the industry standard for measuring containers), a 5 percent increase over 2018, which was also a record year in container volumes for the port. JAXPORT has set container volume records for four consecutive years.

TRIVIA QUESTIONS

- 1) Which President banned Christmas Trees from the White House?
 A. James McKinley B. Dwight D. Eisenhower C. John Tyler D. Theodore Roosevelt
- 2) The Red & White costume of Father Christmas was allegedly 1st introduced by which drink company?
 A. Dr. Pepper B. Coca Cola C. Anheuser Busch D. Heineken
- 3) Which is not a major holiday in December from around the world?
 A. Family Day B. Festivus C. Chanukah D. National Sock Day
- 4) What does Chanukuh mean?
 A. Candles of Light B. Potato Pancakes C. Dedication D. Triumph
- 5) What year was Kwanza recognized and begun?
 A. 1966 B. 1983 C. 1960 D. 1862
- 6) In which country did Boxing day begin?
 A. Italy B. France C. Switzerland D. United Kingdom

Answers Later In The Newsletter

FUEL REPORT

U.S. On-Highway Diesel Fuel Prices* (dollars per gallon) <http://www.eia.gov/petroleum/gasdiesel/>

	11/25/19	12/2/19	12/9/19	Change from	
				week ago	year ago
U.S. National Average	\$3.066	\$3.070	\$3.049	↓-0.021	↓-0.112

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Biofuels may provide a good start for shipping in its quest to cut emissions By Gavin van Marle 11/12/2019

Following the recent completion of trial shipments on containerships powered by biofuels, a new report from the Copenhagen-based Sustainable Shipping Initiative (SSI) suggests this fuel type may be of short-term help in shipping's quest to reduce its carbon emissions. The current International Maritime Organization (IMO) goal is for shipping's greenhouse gas emissions (GHGs) to be cut by 50% by 2050 at a minimum – although environmental lobbyists and even many shipping figures believe this goal to be woefully unambitious.

Even so, if this figure is to be achieved, the industry needs "zero-carbon fuels to be commercially available and produced from either renewable electricity, biomass or natural gas with carbon, capture and storage", SSI said. However, it added that it currently remained unclear to the industry "which of the potential zero-carbon alternatives to fossil fuels has the winning combination of availability, sustainability and competitiveness".

Research by SSI shows that, in the short-term, biofuels derived from biomass – commonly derived from organic feedstock including purpose-grown energy crops, residues from agriculture and forestry and municipal waste – could provide a short-term route for shipping to begin its decarbonization process. "The data suggest that the sustainable biofuels currently available are underutilized and could potentially meet shipping's energy needs of today. However, this supply may be limited in the medium and longer term – particularly given the ratcheting-up of climate ambition, and thus potential demand pressure across all sectors," SSI said today. Respondents to the SSI report believed that between 10-30% of the industry's energy needs would be met by biofuels between 2030 and 2050, thus giving shipping "a potential window of opportunity to use sustainable biofuels whilst sustainable bio-feedstocks are underutilized".

Simon Bennett, general manager of sustainable development at The China Navigation Company said: "The shipping sector must act now, without waiting to be bound by legislation, as by then it will be too late to meet necessary targets; but we cannot act alone. "We need to coalesce and align on sustainable solutions for radical decarbonisation, taking action to mitigate the climate crisis we find ourselves in, in the short-, medium- and longer-term – and the energy transition in between. Finding solutions needs businesses both within and upstream of the sector, together with policy makers, to work together in transition planning, recognizing the potential opportunities as well as the risks posed by the various potential substitute fuels and technologies. While biofuels represent one of the solutions today, we need to continue innovating, investing in and scaling up other potential options to carry us through and beyond 2050," he said. In just the past fortnight, both CMA CGM and MSC have completed trial shipments with vessels using biofuels.



Container lines increase detention/demurrage penalties By Ari Ashe, Associate Editor, JOC,

Four ocean carriers have informed customers in recent weeks of an increase in detention and demurrage penalties for 2020 amid a larger Federal Maritime Commission (FMC) investigation into the practice, including whether the charges are reasonable. The increases run from \$10 per day to nearly \$100 per day, including a new \$75-per-container fee for a customs inspection. The size of the fees and what expenses they're intended to cover are a sensitive subject to beneficial cargo owners (BCOs). A group representing BCOs petitioned the FMC to intervene because they believe carriers unfairly use detention and demurrage as revenue generators. Carriers and terminal operators counter that the fees cover storage costs and lost business opportunities when containers are not turned over quickly. The FMC is reviewing a proposed rule that would establish a platform for BCOs to file complaints about fees and provide a framework to determine their reasonableness on a case-by-case basis. The agency is reviewing comments received in September and October before making a final decision.

Hapag-Lloyd changes effective Jan. 7, 2020 Hapag-Lloyd will be hiking some of its detention and demurrage fees next month. Demurrage on temperature-controlled containers will rise \$50 to \$350 per day after two working days on the West Coast, and by \$25 to \$375 per day after two working days in Savannah, Georgia, and Houston. Demurrage on dry boxes will not change at the ports but will go up \$10 to \$130 per day after two working days for inland ports and inland rail yards. Detention fees will not rise on imports or exports, but a new level of penalties has been introduced if a shipper is more than 14 days late on returning equipment. The carrier confirmed the changes but did not provide any context behind the decision.

ZIM raises demurrage fees Zim Integrated Shipping Services has raised demurrage fees at the Port of New York and New Jersey; Baltimore, Maryland; Jacksonville, Florida; and Mobile, Alabama. The first level of demurrage penalties has risen \$50 to \$285 per day. The second-tier penalty, if a BCO still doesn't retrieve a container, has gone up \$90 to \$380 per day. Zim also announced the terminal will invoice BCOs for demurrage rather than the carrier. Avner Shats, a spokesperson for Zim, said the changes will standardize demurrage billing practices that previously differed by port.

"In the majority of ports to which we provide service, terminal storage fees and carrier demurrage charges were published as a unified 'demurrage' charge, while in a number of other ports, those charges were published as separate charges and subject to separate invoice and collection procedures," Shats told JOC.com. "In order to provide a consistent and more simplified billing process for our customers, we approached the relevant terminal operators seeking to combine the charges."

He added that while the fees are higher in Baltimore, Jacksonville, and Mobile, they do not represent "a substantial increase in costs for the merchant."

CMA CGM will institute a \$10 increase on the first level of demurrage for all dry containers starting Jan. 5. In New York and New Jersey, the new base penalty will be \$280 per day after four working days, and \$245 at all other US ports. Demurrage will also go up \$10 to \$595 per day on refrigerated containers in New York and New Jersey after two working days.

Gradually higher penalties kick in on days eight and 13 for dry containers and days six and 10 for temperature-controlled containers. Those escalators will also go up.

APL will charge for customs holds on Jan. 1, 2020 APL on Jan. 1 will assess cargo owners a new \$75-per-container fee when a container is held for customs inspection, the first known US example of a "customs clearance administrative charge." It will apply for any inspection by US Customs Service, US Department of Agriculture, Environmental Protection Agency, US Coast Guard, or any agency working on behalf of the US government. An APL spokesperson confirmed notice of the fee was sent to customers earlier this month but declined to identify what expenses it's attempting to recover through the charge. It would hurt meat importers in particular because all products are subject to a full USDA inspection. Stephen Sothmann, associate director of the Meat Import Council of America, said the association is looking into APL's announcement.

Port Houston sets new records at container terminals

By: AJOT | Dec 11 2019 at 07:53 AM | Ports & Terminals

Houston, TX – Port Houston's Barbours Cut and Bayport Terminals continue to grow, and gate transactions – which track the number of containers delivered or picked up at the terminals - recently reached new heights. Bayport Terminal completed a record 1,076 gate transactions in a single hour on November 11, 2019 and Barbours Cut Terminal achieved a new milestone in September, with 3,839 gate transactions in a single day. Another record: on August 28, the terminals reported a combined 11,081 completed gate transactions, the most ever in a single day for Port Houston. Port Houston's efficiency continues at a high pace as well, as these terminals have established and maintained an average truck turn time of 39 minutes this year.

"Port Houston's container business has experienced double digit growth every year since 2015, and that is made possible through the extraordinary efforts of our people," said Jeff Davis, chief port operations officer. "These gate transactions represent one portion of a complex and efficient process to move containers through our terminals. Because of our incredible teams at those two terminals, we are able to continue to provide quality and dependable service while keeping up with the growth in business."

Port Houston recently invested in state-of-the-art technology and equipment at its container facilities, including truck gate interchange technology updates. "Port Houston's resources allow us to provide daily, consistent service – people, technology, and equipment to serve our users," said Ryan Mariacher, director of container terminals for Port Houston. Port Houston is ranked 6th in the U.S. for loaded containers, and is the fastest growing of the top 10 container ports in the U.S..



Air cargo slowdown enters peak season

By Greg Knowler, Senior Europe Editor, JOC, Dec 04, 2019

Global air cargo has already had a year to forget, with October marking its 12th consecutive month of declining year-over-year volume as the industry staggers into what is traditionally the start of its peak season. Data from the International Air Transport Association (IATA) shows that demand, measured in freight tonne kilometers (FTKs), decreased 3.5 percent in October compared with the same period in 2018.

“Air cargo’s peak season is off to a disappointing start,” was the understatement from Alexandre de Juniac, IATA’s director general and CEO, who warned that the disappointment would extend to the full year. “Demand is set to decline in 2019 overall, the weakest annual outcome since the global financial crisis,” he said. “It has been a very tough year for the air cargo industry.” Air cargo analyst WorldACD said its data showed worldwide air cargo volumes dropped 5 percent in October compared with the year-ago period. Yield decreased 11 percent in US dollars, and revenues from air cargo were down 16 percent year over year.

Evidence of the poor peak period can be seen in a market update from Freight Investor Services (FIS), which said rates on the China-United States trade have continued to decline in December. The investor said air cargo carriers and forwarders alike were reeling from a substantial decline in freight volume. FIS said there was little certainty at the moment in what was a crucial preparatory stage for shipper tenders and blocked space agreement negotiations between airlines and forwarders. “A large number of air freight businesses judge that in the second half of 2020, ‘something’, will happen. Perhaps this is wishful thinking for a market that will see air freight businesses and airlines disappear should 2019 conditions persist through to the end of 2020,” noted FIS.

Over the past year, air cargo has suffered from the effects of the trade war between the US and China, the deterioration in global trade, and a broad-based slowing in economic growth. The declining volume is hitting air cargo yields, with October’s capacity growth the 18th consecutive month it has outstripped demand, according to IATA. Steven Polmans, chairman of The International Air Cargo Association (TIACA), said the industry will not see a peak season this year on any of the major trades, and predicted the weak market will extend to the second half of 2020. “The first six months of 2020 will be difficult before we see an improvement in demand in the second six months,” he said. “There is still the question of what happens after Brexit, what will happen with the trade wars, the Middle East, and the oil price.” Polmans said his lack of optimism going into 2020 stemmed from the lack of a balanced global environment that would enable international trade to grow again. “This is the biggest challenge that air cargo is facing,” he said. “The most important factor is that we are an industry that needs a certain growth percentage or air cargo cannot blossom. International trade needs a level of calmness to perform.”

Answers to Trivia

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Port of Los Angeles moves 728,918 TEUs in November

By: AJOT | Dec 11 2019

After 11 months, port on pace with 2018's record year

San Pedro, CA – The Port of Los Angeles moved 728,918 Twenty-Foot Equivalent Units (TEUs) in November, a 12.4% decrease compared to last year. After 11 months of 2019, total volumes have increased .4% compared to 2018, which was the busiest year on record.

“As we expected, 2019 winds down with volumes weakening, due largely to the U.S.-China trade war which continues to negatively impact American consumers, manufacturers and U.S. supply chain jobs,” said Port of Los Angeles Executive Director Gene Seroka. “Although we anticipate tariffs will linger well into 2020, we will continue to aggressively invest in our physical and digital infrastructure through this economic cycle.”

November imports decreased 12.2% to 371,350 TEUs compared to the previous year. Exports declined 9.2% to 138,545 TEUs, the 13th consecutive monthly decline of exports. Empty containers also declined 14.8% to 219,024 TEUs. Combined, November volumes were 728,918 TEUs.



Peter Friedmann’s View from Washington DC -- December 2019

- China – Human Rights Will Determine Outcome of the Trade War
- Mexico – USMCA Getting Close

If there has been bipartisanship on the Hill on anything, it’s on the current US-China Tariff War, and now, in more recent weeks, on addressing China’s human rights practices. In fact, the US response to China’s human rights practices may determine the outcome of the tariff war. It is already impacting negotiations.

First, the US -China trade relationship, specifically, the US imposition of increased tariffs on imports from China (and China’s retaliatory tariffs): Both D’s and R’s tell Trump to stay tough. Better come up with something good – get China to change its bad trade practices; we (the US trade community) need to get something for the pain caused by the tariffs. Let’s remember, no trade deal has ever been popular on Capitol Hill. If they pass, they do so just barely, with vigorous and bitter opposition. Such was the case with NAFTA 30 years ago, and with allowing China into the World Trade Organization. The Trans Pacific Partnership was opposed by both the R and D Presidential candidates, and defeated in a test vote in the House. So whatever deal we get on NAFTA’s replacement, the US-Mexico-Canada Agreement (USMCA) or with China on tariffs, half of Congress will oppose it – most for political reasons, some for substantive reasons. Nothing new.

Will USMCA pass? Yes. Senate is committed to pass it, the President wants it done. Labor unions are saying Mexico’s commitment to increase wages and working standards are not good enough. Nonetheless, we sense Speaker of the House Pelosi is setting the stage for House passage in the next few months.

Back to China: Congress has already sent a veto-proof bill to the President addressing China’s brutal repression of civil liberties in Hong Kong. This put the President in a tough position – sign the bill and anger China in the midst of trade negotiations; or don’t sign it, and look weak on defending liberties of Hong Kong residents, He signed it. What this does to China’s willingness to make the trade commitments we seek, remains to be seen. Now Congress is passing another bill that will anger China equally – sanctioning China for its repression of the Uyghur ethnic minorities in eastern China. The House passed a version by 407-1. Bipartisan condemnation. Soon a version of this bill will put the President in the same situation as the Hong Kong bill – should he sign it, standing up for human rights even though it will anger China and jeopardize the trade negotiations? My bet is he will do as he did with the Hong Kong bill – sign it.

Clearly, human rights has bumped trade from the limelight. Congress has not passed a bill on the ongoing the US-China trade dispute, but it is on the verge of passing the second bill sanctioning China for its human rights practices (the Hong Kong and Uyghur bills) . China has already retaliated, restricting US naval access to Hong Kong, etc. In this environment, it difficult to expect much progress on the trade front. It is quite possible that the US tariffs on China’s exports, and China’s retaliatory tariffs on our exports, could remain in place for another year – at least until the November, 2020 Presidential and Congressional elections.

Peter Friedmann is Managing Partner of the Washington DC office of the Portland, OR based law firm Lindsay Hart Neil & Weigler LLP www.federalrelations.com

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UPS Workers Arrested in Drug Shipping Bust

By Micah Maidenberg and Paul Ziobro, Nov. 27, 2019

Four United Parcel Service Inc. workers have been arrested as part of a long-running investigation into how criminal organizations use the shipping giant to move narcotics into the U.S. The UPS drivers and supervisors were among 11 people arrested in the Tucson, Ariz., area, over approximately the past two weeks, law-enforcement officials said. The individuals face a range of state charges, including drug smuggling and money laundering. The investigation began two years ago after the Department of Homeland Security and the Tucson Police Department said they found evidence that drug-trafficking groups were using UPS workers. The operation moved bulk amounts of drugs to the eastern part of the country and large amounts of currency back to the Tucson area, officials said. A UPS spokesman said the company is aware of the arrests and is cooperating with law enforcement but declined to comment further. “We are not at liberty to discuss the details of the arrests as this is an ongoing investigation,” the spokesman said.

Police said the UPS drivers and supervisors were allegedly using their knowledge of the company’s methods to defeat internal measures and law enforcement efforts to intercept parcels containing contraband. In recent raids, the task force said it seized about 50,000 counterfeit THC vape pens along with narcotics and equipment used to manufacture illicit drugs. (Tetrahydrocannabinol is the psychoactive ingredient in marijuana.) The task force thanked UPS’s security services for its assistance in the continuing investigation. The Washington Post, which earlier reported on the arrests, said the operation moved thousands of pounds of marijuana and narcotics each week, using standard boxes that were routed through the UPS system.

Drug dealers and criminal gangs have used the express delivery networks run by UPS and FedEx Corp. for years, though the companies say such illicit shipments are limited. The companies say they cooperate with law enforcement probes. UPS says it has layers of security but declines to discuss details. FedEx says it ships millions of packages a day and cannot police every one. A spokeswoman for the Arizona Attorney General’s office didn’t immediately respond to a request for comment.

Rolls-Royce pitches nuclear reactors as key to clean jet fuel

By: Christopher Jasper | Dec 06 2019

Rolls-Royce Holdings Plc is touting nuclear reactors as the most effective way of powering the production of carbon-neutral synthetic aviation fuel without draining global electricity grids. Drawing on technology developed for nuclear-powered submarines, the small modular reactors or SMRs could be located at individual plants to generate the large amounts of electricity needed to secure the hydrogen used in the process, according to Chief Executive Officer Warren East. Synthetics and biofuels are likely to become the mainstay of aviation in coming decades, East said, providing liquid propellants for the next generation of aero-engines before the advent of all-electric alternatives. Reactors that could power the hydrogen extraction are small enough to be transported by truck and would occupy a building one-10th the size of a nuclear power station. An SMR attached to a synthetic fuel plant would “provide a very competitive solution,” East said in a briefing at the Aviation Club in London. Electricity costs would be 30% lower than for a large nuclear facility, matching wind power, with the modular approach allowing parts to be made on a factory production line.

So-called electrofuels are synthesized using carbon dioxide or carbon monoxide captured from sources such as cement production, together with hydrogen derived from water via electrolysis, itself powered by sustainable electricity sources such as wind, solar or nuclear. In the future, direct carbon capture from the atmosphere could sever any link with fossil sources. London-based Rolls-Royce, Europe’s biggest maker of jetliner engines, would partner with a petrochemical specialist or alternative-energy startup to develop the technology, East said. The proposals face significant obstacles, including widespread public concern about radiation leaks and the safe disposal of nuclear waste, as well as question marks over U.K. plans to revive the sector after Hitachi Ltd. and Toshiba Corp. withdrew from major projects.

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A self-driving truck delivered butter from California to Pennsylvania in three days

Cupertino-based Plus.ai announces what’s believed to be an industry first

A Silicon Valley startup has completed what appears to be the first commercial freight cross-country trip by an autonomous truck, which finished a 2,800-mile-run from Tulare, California to Quakertown, Pennsylvania for Land O’Lakes in under three days. The trip was smooth like butter, 40,000 pounds of it. Plus.ai, a 3-year-old company in Cupertino, announced the milestone Tuesday. A safety driver was aboard the autonomous semi, ready to take the wheel if needed, along with a safety engineer who observed how things were going. “We wanted to demonstrate the safety, reliability and maturity of our overall system,” said Shawn Kerrigan, co-founder and chief operating officer of the company, in an interview Monday. The company’s system uses cameras, radar and lidar — laser-based technology to help vehicles determine distance — and handled the different terrains and weather conditions such as rain and low visibility well, he said.

The truck, which traveled on interstates 15 and 70 right before Thanksgiving, had to take scheduled breaks but drove mostly autonomously. There were zero “disengagements,” or times the self-driving system had to be suspended because of a problem, Kerrigan said. Plus.ai has been running freight every week for about a year, its COO said, but this is the first cross-country trip and partnership it has talked about publicly. End of year is peak butter time, according to Land O’Lakes. “To be able to address this peak demand with a fuel- and cost-effective freight transport solution will be tremendously valuable to our business,” said Yone Dewberry, the butter maker’s chief supply officer, in a statement.

How long will it be before self-driving trucks are delivering goods regularly across the nation’s highways? Kerrigan thinks it’s “a few years out.” Dan Ives, managing director of equity research for Wedbush Securities, predicts there will be quite a few autonomous freight-delivery pilots in 2020 and 2021, with the beginning of a commercial rollout in 2022. Like other experts, he believes the trucking industry will be the first to adopt autonomous technology on a mass scale. The timeline will depend on regulations, which vary state to state, he said. About 10 to 15 companies nationwide are working on autonomous freight delivery, Ives said. That includes San Francisco-based self-driving truck startup Embark Trucks, which last year completed a five-day, 2,400-mile cross-country trip. But that truck carried no freight. “When the (freight) trucks can go long distance, that’s when there will be significant ROI” on the autonomous technology, Ives said.

Are carriers boosting low-sulphur fuel surcharges to make up for low rates?

By Mike Wackett 11/12/2019 The LoadStar

Low-sulphur surcharges announced by ocean carriers on 1 December show “significant variations”, even within alliances, according to Alphaliner analysis. As The Loadstar reported last Friday, carriers appear to have succeeded in passing on most of the perceived cost implications of IMO 2020 to the spot market and short-term shipper contracts, but the consultant questioned the lack of transparency in setting the surcharges. “The wide variations in the new fuel surcharge and lack of complete transparency on their calculations is bound to fuel shipper concerns of overcharging by carriers to compensate for lower freight rates,” it said.

Indeed, the Alphaliner analysis could find no evidence of a relationship between the surcharge and the relative efficiency of the carriers, based on the average size of vessels deployed. For example, the second-lowest low-sulphur surcharge of 10 carriers surveyed on the Asia-North Europe trade is \$92 per teu, by Japanese container line ONE, even though the carrier deploys the smallest ships on the route. Moreover, its OBS (ONE bunker surcharge) is significantly lower than THE Alliance partners Hapag-Lloyd, whose ITC (IMO 2020 transition charge) is \$135 per teu, and Yang Ming’s BK (new bunker charge) of \$125 per teu. Additionally, South Korea’s HMM, which is buying slots from THE Alliance from Asia to North Europe prior to joining on 1 April next year, has set its ECC (environmental compliance charge) at \$112 per teu, undercutting all its new partners except ONE. Within the Ocean Alliance, CMA CGM has the highest Asia-North Europe surcharge, its LSS20 (low-sulphur surcharge 2020) is \$120 per teu, while OOCL, with its LSA (low-sulphur adjustment), and Evergreen, with a ISOCC (IMO SOx compliance charge), are charging shippers \$106 per teu. Inexplicably, COSCO, OOCL’s parent, will charge \$105 per teu on the route via its FAF (fuel adjustment fee).

2M partner Maersk has set its Asia to North Europe EFF (environmental fuel fee) at \$116 per teu, while MSC has the lowest surcharge of all the carriers surveyed by Alphaliner its GFS (global fuel surcharge) being just \$71 per teu, 63% below its 2M partner. MSC could argue that its early pro-scrubber strategy, which will eventually see half its fleet with exhaust gas cleaning systems (EGCS) installed, enabling those ships to continue to consume the cheaper HFO (heavy fuel oil) after 1 January, will make its bunker bill cheaper than Maersk’s, which was late to the scrubber party and will only have between 10%-15% of its vessels fitted with EGCS. And shippers loading containers onto a 2M vessel, whether it is an MSC ship with scrubbers, or a Maersk vessel consuming LSFO, will find it more expensive to book with the Danish carrier. Furthermore, HMM which remains as a slot charterer on the 2M’s Asia-North Europe vessels until next April will also undercut Maersk, albeit that the carrier will no doubt recover its \$116 surcharge from HMM.

Quotable

“For this to be a Black Friday and it to be this calm in store, it says a lot about the role of technology today.”

— Daniel Murreld, a Target employee in Brooklyn, N.Y.

Number of the Day

12.2%

Annual decline in loaded container imports into the Port of Los Angeles in November.

Quotable

“We may see the reshoring of manufacturing into the U.S., particularly for those suppliers of components that are core parts.”

— Ann Wilson of the Motor and Equipment Manufacturers Association, on the modified North American trade agreement.

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