OUTSOURCE

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THE SOURCE

UPS To Waive Money-Back Guarantees If Third Parties Use Tracking Data

Yahoo.com/Finance , FreightWaves, by Benzinga 11/18/19

In another salvo in the decade-long, low-level war between the two leading U.S. parcel carriers and a cluster of consultancies that work on behalf of carriers' customers to optimize their parcel shipping spend, UPS Inc. said it will waive its money-back guarantee on late or missed deliveries if customers use a third party to track UPS shipments. The language, which began appearing within the past 30 to 60 days in an undetermined number of contracts, is couched in broad terms. There are questions as to whether shippers could bargain that language out of their contracts or whether it would withstand a legal challenge. However, the directive's language reads that the use of a third party to track UPS shipments is "strictly prohibited" and constitutes a "breach" of its service guarantee.

Mike Erickson, president of parcel consultancy AFMS LLC, said that FedEx Corp., (NYSE: FDX), UPS' chief rival, has a similar policy and that the language is becoming more commonplace in both carriers' contracts. Tracking data is essential to verifying a carrier's on-time delivery performance. Erickson added that both are pushing shippers to agree to waive their rights to file for refunds on late deliveries no matter who requests them. Shippers that push back on that language can often get it removed, he said. Erickson has fought a nine-year legal battle with the carriers, charging they violated antitrust laws by excluding AFMS from contract negotiations and working directly with the shippers and AFMS clients. Erickson's argument has not passed muster, however, as courts have found AFMS has never been a parcel shipper and failed to demonstrate a "relevant market" where any discrimination may have occurred. UPS spokesman Steve Gaut said the company has long required specific contractual agreements involving third-party use of data shared by the company with its shippers. "We establish those agreements on an individual basis to ensure there is clarity on the permitted use of the data among everyone involved," Gaut said.

Katie Wassmer Johnson, a FedEx spokeswoman, said the company's service guarantee policies have not changed. She added that FedEx recently had updated language in its service guide to "better reflect alignment across operating companies." A review of those changes could not find language relating to a waiver of service guarantees for third-party use of FedEx data. Trevor Outman, co-founder of parcel consultancy Shipware, LLC, said the UPS edict "sounds like the typical carrier approach" to convince their customers to do what is in the carrier's best interest. "The carriers know full well that shippers don't have proprietary technology to audit invoices for accuracy and late packages," Outman said. "UPS is simply making an effort to get their customer to stand down on recovering this revenue."

For most of the parcel industry's modern history, UPS and FedEx tolerated the presence of consultants, virtually all of whom came from the industry and many being alumni from the two carriers themselves. In late 2009, however, the carriers began bypassing the parcel consultants to deal with the shippers. They also barred consultants from accompanying their shipper clients to the negotiating table.

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UPS says HECK NO to shippers getting HELP!!!

-OUTSOURCE-
THE FREIGHT MANAGEMENT COMPANY

UPS to Waive Money Back Guarantees, if shippers use 3rd parties

(Front page article continued)

The carriers said at the time of the ban that it would enable shippers to keep all of their cost savings gained through negotiations rather than share those savings with consultants. Since then, consultants can only access a shipper's contract and shipping data through a three-way nondisclosure agreement (NDA) signed by the shipper, carrier and consultant. Consultants maintain that although they can prep shippers for contract negotiations, it is not the same as having them across the table from skilled carrier executives, according to consultants. A consultant who requested anonymity said the NDAs are one-sided in favor of the carriers. For example, the carriers can impose financial penalties on a consultant if they believe the data is being used improperly, the consultant said. Carriers can seek injunctive relief, effectively shutting down the consultant's practice, the consultant said. In addition, the carrier can, upon request, obtain the consultant's work product, the consultant added. "Imagine coaching a client on how to negotiate with UPS, and UPS has access to that playbook?" the consultant said.

Many shippers feel that they, not the carriers, own the shipping data and contract information and that shippers have the right to share that intelligence with any outside parties, consultants have said. The consulting sector has argued that most parcel shippers, many of whom are not transport specialists, are at a distinct disadvantage going head-to-head with the carriers in complex contract negotiations. Most don't know what can be done to save serious budget money without compromising service levels, according to consultants. The proliferation of often-bewildering accessorial charges, carrier-imposed fees for services unrelated to the line-haul, can put shippers behind the eight ball, consultants said. In addition, many shippers fail to catch the contract "gotchas" that the carriers insert in contracts that could cost their customers money or rob them of refunds they are entitled to, consultants contend. Consultants contend that, in aggregate, they have saved shippers hundreds of millions of dollars or more over the decades, which is why the carriers don't want them around.

The demands of e-commerce customers for free shipping, combined with UPS and FedEx raising rates and accessorial charges every year, have made consultants even more important to pressured shippers, consultants have said.

FedEx blasts New York Times tax cut article, challenges publisher to debate

Published Mon, Nov 18 2019 by Ganesh Setty

The CEO of FedEx challenged the publisher of The New York Times to a public debate on tax policy after an article in the paper detailed how the shipping giant effectively owed no taxes in fiscal 2018. The windfall came as a result of the Trump Administration's tax overhaul. The Times story also noted that FedEx did not increase capital spending in fiscal 2018, after company chief Frederick Smith claimed that the corporate tax cut would spark additional investment. The Times report spotlights FedEx as a case study of the effects of President Donald Trump's $1.5 trillion tax cut in 2018, the first year that the law took effect. FedEx's financial filings show that the law has so far saved it at least $1.6 billion, the Times article states.

Promises from President Donald Trump and corporate chieftains that the cut would lead to more capital investment and greater economic growth have largely fallen flat, the article argues. In a statement posted on the FedEx website, Smith fumed that the Times article was a "factually incorrect story," and an "outrageous distortion of the truth" without pointing to specific inaccuracies. Smith also took the Times to task for its own federal income tax payments, saying that that "unlike FedEx, the New York Times paid zero federal income tax in 2017 on earnings of $111 million, and only $30 million in 2018 — 18% of their pretax book income. Also in 2018 the New York Times cut their capital investments nearly in half to $57 million, which equates to a rounding error when compared to the $6 billion of capital that FedEx invested in the U.S. economy during that same year," Smith added.

Smith then threw down a gauntlet. "I hereby challenge A.G. Sulzberger, publisher of the New York Times and the business section editor to a public debate in Washington, DC with me and the FedEx corporate vice president of tax," Smith said. "The focus of the debate should be federal tax policy and the relative societal benefits of business investments and the enormous intended benefits to the United States economy, especially lower and middle class wage earners." A Times spokeswoman told CNBC, "FedEx's invitation is clearly a stunt." She also called it "an effort to distract from the findings of our story."

Smith had repeatedly claimed that the tax cut would lead to "a renaissance of capital investment" right after the cut took effect. But The Times' analysis concluded that after getting roughly $1.6 billion in accumulated tax savings, FedEx used most of that cash for stock buybacks and dividend increases. FedEx reportedly spent more than $2 billion in buybacks and dividend hikes in fiscal year 2019. That was more than double the amount the company spent on buybacks and dividends in fiscal year 2017. Meanwhile, FedEx's capital investments have declined over the past two fiscal years. This year, the company also cut employee bonuses. FedEx is not unique in how it used the tax cut windfall. Across corporate America, stock buybacks hit a record $806 billion in 2018. Buybacks this year are trending not far behind that tally. Economic growth, however, rose at a slightly reduced rate of 1.9% last quarter.

TRIVIA QUESTIONS

1) **Which was the first department store to hold a Thanksgiving Day Parade?**
   A. J.C. Penney **B.** Macy's **C.** Montgomery Ward **D.** Gimbel's

2) **Which President declared Thanksgiving as a national holiday held on the 4th Thursday of November?**
   A. Abraham Lincoln **B.** Franklin Roosevelt **C.** Thomas Jefferson **D.** James Madison

3) **Why is a male turkey referred to as a "Tom Turkey"?**
   A. Politically Correct **B.** After Tom Jefferson **C.** An 18th century cartoon **D.** Indians used Tom Toms

4) **How many pilgrim women survived to celebrate the first Thanksgiving in 1621?**
   A. 12 **B.** 7 **C.** 4 **D.** 10

5) **Prior to harvest, a cranberry must bounce how many inches high to show they are not too ripe?**
   A. 4 **B.** 3 **C.** 2 **D.** 1

6) **Wild turkeys are everywhere these days. How fast can they run / fly for short distances?**
   A. 25 / 45 MPH **B.** 12 / 50 MPH **C.** 15 / 30 MPH **D.** 25 / 55 MPH

Answers Later In The Newsletter

FUEL REPORT

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

	11/4/19	**11/11/19**	**11/18/19**	**Change from week ago**	**Change from year ago**
U.S. National Average	$2.605	$2.615	$2.592	-0.009	-0.203

US Energy Information Administration Short Term Fuel Outlook 11/13/2019

U.S. regular gasoline retail prices averaged $2.63 per gallon (gal) in October, up 3 cents/gal from September and 11 cents/gal higher than forecast in last month's STEO. Average U.S. regular gasoline retail prices were higher than expected, in large part, because of ongoing issues from refinery outages in California. EIA forecasts that regular gasoline prices on the West Coast (PADD 5), a region that includes California, will fall as the issues begin to resolve. EIA expects that prices in the region will average $3.44/gal in November and $3.12/gal in December. For the U.S. national average, EIA expects regular gasoline retail prices to average $2.65/gal in November and fall to $2.50/gal in December. EIA forecasts that the annual average price in 2020 will be $2.62/gal.

SC Ports continues to see strong volumes

By: AJOT | Nov 12 2019 | Ports & Terminals

South Carolina Ports Authority has seen strong volumes in the first four months of fiscal year 2020 with growth in both containerized and vehicle cargo. S.C. Ports moved 217,360 twenty-foot equivalent container units (TEUs) across the Wando Welch and North Charleston container terminals in October. SCPA has moved 855,959 TEUs since July, a 7% increase year-over-year. As measured by the total number of boxes handled, SCPA moved 122,591 pier containers in October for a total of 484,549 pier containers in fiscal 2020, up nearly 7% from a year ago. S.C. Ports handled 20,986 vehicles at Columbus Street Terminal in October. SCPA has seen a 36% uptick in vehicles coming through the Port with 79,238 vehicles moved thus far in fiscal year 2020.

Breakbulk cargo was also strong in October with 61,305 pier tons handled; breakbulk cargo is up 43% for the fiscal year with 247,111 pier tons handled since July. "We have seen strong volumes in early fiscal year 2020 with growth across multiple business segments," S.C. Ports Authority President and CEO Jim Newsome said. "While we face some uncertainty in the global market, we are working to further grow and diversify our cargo base to ensure continued success."

S.C. Ports's two inland ports consistently attract more cargo and report record growth. Inland Port Greer, located in the Upstate of South Carolina along Interstate 85, had 11,849 rail moves in October for a total of 54,514 rail moves thus far in fiscal year 2020, up 30% year-over-year. Inland Port Dillon, which opened last year in the Pee Dee region of South Carolina along Interstate 95, handled 2,484 rail moves in October for a total of 11,151 rail moves since July. "Southeast ports continue to outperform other U.S. ports, which is a trend we anticipate continuing as S.C. Ports offers customers reliability, efficiently run terminals and the best workforce in the business," Newsome said. "Our ongoing infrastructure projects, such as the opening of the Hugh K. Leatherman Sr. Terminal in North Charleston in 2021, will ensure we have ample capacity to meet our customers' future needs as well."

Cargo Shipments Increase on Northern Sea Route

By The Maritime Executive 2019-11-16

So far this year, over 26 million tons of cargo has been transported on the Northern Sea Route, up from 15.9 million tons last year. According to the Directorate of the Northern Sea Route (NSR) of Rosatom, the main increase in cargo flow resulted from the Yamal LNG project. There was also an increase in the amount of oil shipped from the Yamal Peninsula oil terminal at Novoportovskoye. In 2016, the volume of cargo transportation via the NSR reached 7.5 million tons.

Rosatom is responsible for commercial functions associated with meeting Russia's goal to increase NSR cargo flow to 80 million tons by 2024. The organization believes that this figure could reach 92.6 million tons by that time, including 41 million tons of LNG from the Yamal LNG and Arctic LNG 2 projects. Additionally, plans are underway to ship Russian coking coal to India via the Northern Sea Route after a series of meetings in Vladivostok last month. In September, Rosatom Director General Alexey Likhachev, said: "Within the framework of the federal project "Northern Sea Route" the appropriate set of measures has been taken to achieve the annual target cargo flow of 80 million tons by 2024. We have no doubt that we will cope with this task and create infrastructure that will include the Arctic icebreaker fleet, satellite communications, emergency means of rescue, port fleet and digital shipping services."

So far, NSR transit shipments remain low. According to the Independent Barents Observer, 205,000 tons were shipped, much of this by COSCO. In contrast, MSC, Hapag-Lloyd and CMA CGM have stated they will not use the route for environmental reasons. Last year, Maersk tested the route for a delivery voyage and said that it did not plan to follow with regular cargoes.

Virginia's calendar year-to-date cargo volume up nearly 5% despite flat October

By: AJOT | Nov 12 2019 | Ports & Terminals

The Port of Virginia's® calendar-year-to-date growth is nearly 5 percent ahead of the same period last year, an increase of more than 111,000 TEUs (twenty-foot equivalent units). The growth comes despite flat volumes in October, where cargo was down just more than 1 percent – 3,562 TEUs—when compared with October 2018. Still, the port in 2019 is on course to it fifth record-setting year for cargo growth, said John F. Reinhart, the CEO and executive director of the Virginia Port Authority. "We continue to see the impact of the tariffs on some of our agricultural exports that would normally be heading to China and this will continue until both sides reach a compromise on that issue," Reinhart said. "Additionally, export markets are feeling the effect of the strong dollar. The increased cost overseas of American-made goods creates a challenge for exporters. We see these as short-term issues, while our focus remains to provide our customers with best-in-class service. We are still processing significant amounts of cargo in less time than ever before. Our turn-times for motor carriers, dwell-time for rail cargo, and productivity at the berth are all trending in the right direction."

On a calendar year-to-date basis (Jan. – Oct.) overall TEU volume is up 4.7 percent; rail, up .9 percent; Virginia Inland Port, down 10 percent; barge moves, up 17 percent; Richmond Marine Terminal volume, up 17 percent; and truck moves, up 4.4 percent. Breakbulk tonnage and vehicle units were down 14 and 17 percent, respectively. "We are making significant progress on our overall expansion plan," Reinhart said. "Last week, we announced the start of construction to dredge the Norfolk Harbor and commercial channels to 55 feet and widen them in selected areas. This project holds long-term benefits for Virginia, for the port, for cargo owners, our customers and the ocean carriers. Safe, two-way movement of ultra-large container vessels, unrestricted by tide, is a significant competitive advantage for our port. This project and all other improvements we are making at the terminals tells the ocean carriers 'we are ready for your big ships.'"

The capacity expansion project at NIT continues its progress according to schedule. There are 18 new stacks served by 36 new RMGs already in service. Work on the next phase of stack-yard construction is underway with the next group of RMGs scheduled for delivery in January 2020. When the project is complete, the terminal's annual container capacity will have been expanded by 400,000 units, or 46 percent.

YRCW takes reorganization to a new level

William B. Cassidy, Senior Editor | Nov 13, 2019

Ten years after a near-fatal brush with bankruptcy, YRC Worldwide once again is resizing and reorganizing its less-than-truckload (LTL) network, in some cases bringing regional and national subsidiaries under the same roof. The company is seeking greater freight density, faster service from locations closer to shippers, and a more stable platform on which to build profits after racking up losses in much of 2019. This streamlining of the network and "co-habitation" of national and regional LTL brands within its terminals will bring the number of facilities operated by the LTL trucking holding company across its four subsidiaries down from a current 384 to 320 by the end of next year, Darren Hawkins, CEO, and T.J. O'Connor, president and COO, said in an interview with JOC.com. The consolidation is the third part of a five-step long-term strategic plan that builds on steps taken by Hawkins' predecessor, James Welch, who steered YRCW back to profitability after being named CEO in 2011. After network optimization, the next steps are customer growth initiatives to build volume and additional capital investment, Hawkins said.

The Overland Park, Kansas-based company expects to complete 25 terminal consolidations this year and another 25 next year, they said. And when it comes to optimization, "we think we're just scratching the surface," Hawkins said. "We're doing this as opportunities present themselves and being very methodical, so there's not any adverse impact on the customer." In comparison, YRC Freight alone had 571 terminals after the 2009 merger of Yellow Transportation and Roadway Express. The current network optimization plan is the latest in a series of consolidations meant to increase freight density and improve customer service and profitability, including consolidation post-merger in 2012 and 2013, and changes in 2017.

The latest changes go beyond the consolidation of the physical plant to embrace sales, management, and back-office changes that will transform the way the company and its subsidiaries operate, enough so that its top executives hope the transformation will restart a recovery in profitability that seems to have stalled in the slow freight market of 2019. To read the rest of the article follow the link
https://www.joc.com/trucking-logistics/ltl-trucking-logistics/yrc-worldwide/yrcw-takes-reorganization-new-level_20191113.html?utm_source=Eloqua&utm_medium=email&utm_campaign=CL_JOC%20TRANSPORT%2011%2F14%2F19%20_PC9156_e-production_E-48977_TF_1114_1305

Answers to Trivia

Confusing Information from this month's Wall Street Journal in their daily "LOGISTICS REPORT" found within the Business Section. Does it mean rates are going down, up or staying the same?

Number of the Day
5.9%
Year over year decline in Cass Freight Index of U.S. shipments in October, the seventh straight monthly drop.

Number of the Day
7.3%
Annual increase in loads moving in truck vans on the U.S. truckload spot market in October, the most in a month since January 2015, according to DAT Solutions LLC.

Number of the Day
24.6%
Decline in loads available in the U.S. truckload spot market from September to October, according to DAT Solutions LLC.

US wielding budget ax sends shudders through world trade watchdog

By: Bryce Baschuk, Bloomberg, Nov 13 2019

While much of Wall Street was focused on President Donald Trump's trade speech Tuesday in New York, something happened across the Atlantic that might add to the angst about the world economy. In a closed-door meeting in Geneva, a Trump administration official floated the idea that the U.S. may block the adoption of the World Trade Organization's biennial budget, according to people in attendance. Because WTO decisions must be made by a consensus of all of the trade body's 164 members, such a maneuver could shut the WTO's doors as soon as Jan. 1, threatening the functioning of the organization responsible for enforcing the rules of global commerce. In a brief statement, the people said, the U.S. highlighted two concerns:

Though some meeting participants said they weren't entirely surprised by the U.S. move, they still described it as unprecedented and worrying. Of course, it's fair for the U.S. — which contributes more money than any other single country to the WTO's budget — to question the institution's spending habits.But this fight is about more than money. The WTO is central to Trump's overhaul of the global trading system because it settles disputes, and the U.S. is trying to push members to address the alleged pattern of judicial overreach.

The budget tactics reveal that the U.S. is willing to use any lever at its disposal to force the reform of the WTO appellate body and stop the EU, Canada and Norway from creating their own arbitration system. It's the kind of maximum leverage gambit that's favored by Trump's top trade official. U.S. Trade Representative Robert Lighthizer argues that WTO appellate body members have strayed from their original mandate and is slowly asphyxiating the dispute settlement system by blocking the appointment of new appellate members. The seven-person panel, already down to the minimum of three required to sign off on cases, will essentially become paralyzed after two more end their terms on Dec. 10.

So what happens next?

Ultimately, the U.S. may not follow through on this threat. Complete paralysis at the WTO would add a layer of uncertainty about a global economy that's already slowing. It's more likely to continue to block the budget process until the top delegates gather Dec. 9-11 for the final general council meeting of the year. Still, the Rubicon may have been crossed. A founding member of rules-based multilateral trading is so set on forcing change that it's sounding more willing to bring the whole system to its knees. The U.S. contributes more money than any other country to the WTO's annual budget — 22.7 million Swiss francs ($22.8 million) in 2019. The total budget for 2019 was 197.2 million francs, the same as a year earlier.

November 8, 2019

China factory prices falter, while inflation soars to near eight-year high

By Yawen Chen, Huizhong Wu, Reuters

BEIJING (Reuters) - China's producer prices fell the most in more than three years in October, as the manufacturing sector weakened on declining demand and a knock from the Sino-U.S. tariff war, reinforcing the case for Beijing to keep the stimulus coming. The producer price index (PPI), seen as a key indicator of corporate profitability, fell 1.6% in October from a year earlier, marking the steepest decline since July 2016, National Bureau of Statistics (NBS) data showed on Saturday. Analysts had tipped a contraction of 1.5% for the PPI. In contrast, China's consumer prices rose at their fastest pace in almost eight years, driven mostly by a surge in pork prices as African swine fever ravaged the country's hog herds. Some analysts say the CPI rise could become a concern for policymakers looking to introduce measures to prop up demand. However, core inflation - which excludes food and energy prices - pressures remain modest. The factory deflation was punctuated by falling raw material prices, including in the oil and gas extraction and ferrous metal smelting industries. It aligns with other indicators showing shrinking manufacturing activity in October, with the official Purchasing Managers' Index (PMI) indicating contraction for a sixth straight month.

Zhao Wei, a macro analyst with Wuhan-based Changjiang Securities, said the drag from the real estate sector, which is suffering from a government crackdown on sales speculation and policy tightening on financing for developers, will also become more pronounced. "Looking ahead, while a low base from last year will provide some support in the next few months, PPI deflation is likely to continue as overall demand is still under pressure," said Zhao. "The PPI may continue to be within a negative growth range." While Washington and Beijing work on finalizing the first part of a phased trade agreement, many analysts are wary of the potential back and forth after the sudden collapse of earlier talks in May. Chinese manufacturers, meanwhile, are expected to face continued pressure from existing tariffs. More U.S. tariffs against China are set to take effect on Dec. 15, although officials from both China and the United States said this week they have agreed to roll back tariffs on each others' goods if a "phase one" trade deal is completed. On Friday, though, President Donald Trump said he has not agreed to the rollbacks sought by China. The more than year-long trade war has cost China $35 billion as the United States has cut down on Chinese imports, driving up prices for American consumers, according to a U.N. study published on Tuesday. To drive down funding costs and boost the economy, China for the first time since 2016 cut the interest rate in its one-year medium lending facility (MLF) loans. The Chinese authorities, though, have been relatively restrained in providing stimulus measures and the cut was by only 5 basis points.

But surging consumer inflation is adding to the headaches of policymakers who are racing the calendar to meet Beijing's annual growth target as the world's second largest economy slows to the lower end of a 6%-6.5% range for 2019. October's consumer price index (CPI) rose 3.8% year-on-year, the most since January 2012 and beating analysts' expectations for 3.3% rate. The rise was driven largely by a steep climb in pork prices and other meats after African swine fever killed a large portion of China's pigs. Pork prices more than doubled year-on-year in October, according to the stats bureau, accounting for over 60% of the CPI increase. Core CPI for October remained benign at 1.5%. For the full year of 2019, China is aiming for a CPI target of around 3%. It rose 2.6% in the January-October period. "Although we expect the People's Bank of China (PBOC) to maintain its easing policy stance, we believe there is elevated risk of a wage-price spiral amid surging pork prices and the spillover effects to other food prices," analysts at Nomura wrote in a note on Nov. 1. "Thus the PBOC could potentially become more reluctant to deliver high-profile policy stimulus in coming quarters to avoid fuelling inflation expectations," the analysts said.

Alphabet's self-driving car project Waymo is shuttering its Austin operations

Published Fri, Nov 8 2019 by William Feuer @FeuerWilliam and Jennifer Elias @jenn_elias

The Alphabet subsidiary is removing employees at the facility and says it will offer them relocation to the company's production center in Detroit, or to Phoenix, Arizona, where Waymo has a fleet of hundreds of self-driving cars. Those who do not wish to relocate will be offered a transition pay package. The move will affect fewer than 10 employees, but an undisclosed number of contractors also worked in the office. The relocations will not affect other Waymo employees around the country. Waymo has been facing challenges to commercialize self-driving cars. Morgan Stanley cut its valuation on Waymo by 40% last month from $175 billion to $105 billion, concluding that the industry is moving toward commercialization more slowly than expected, and noted that Waymo still relies on human safety drivers, which CNBC reported in August.

"Waymo is growing our investment and teams in both the Detroit and Phoenix areas, and we want to bring our operations teams together in these locations to best support our riders and our ride-hailing service," a Waymo spokesperson said in a statement sent Friday to CNBC. "As a result we've decided to relocate all Austin positions to Detroit and Phoenix. We are working closely with employees, offering them the opportunity to transfer, as well as with our staffing partners to ensure everyone receives transition pay and relocation assistance."

Austin is where the company says it conducted its first full-self driving route on public roads back in 2015. Most of the employees in Waymo's Austin office provided rider support and fleet assistance.

Editor's Note: The heading of this page is Innovative Thoughts and Methods In Transportation. The heading doesn't say it must be SMART!

Republican Leaders oppose DHS plans to shoot down drones near U.S. airports By: AJOT | Nov 18 2019

Washington, D.C. - The Republican leaders of the Committee on Transportation and Infrastructure and the Committee on Homeland Security today objected to the Department of Homeland Security's (DHS) irresponsible proposal to allow for the operation of counter-unmanned aircraft system (C-UAS) equipment near airports, including equipment that could be capable of shooting down drones. Transportation and Infrastructure Ranking Member Sam Graves (R-MO) and Homeland Security Ranking Member Mike Rogers (R-AL) wrote to DHS Acting Secretary Chad Wolf to emphasize that, under the FAA Reauthorization Act of 2018 (Public Law 115-254), Congress provided only limited authority to DHS to take action against drones in certain circumstances in highly secure or sensitive government-controlled areas – and the Department's proposed plan goes far beyond the authority it was given. "The National Airspace System hosts over 44,000 flights carrying 2.7 million passengers each day, with many of our airports in or near densely populated communities. The only federal agency that fully understands the incredible complexity of this system, in its totality, is the Federal Aviation Administration," said Graves and Rogers. "Nobody wants drones to cause disruptions at our airports, but to hastily hand over authority to shoot down drones to an agency that doesn't have the critical knowledge or experience of how our airspace system functions is irresponsible and dangerous."

Maersk Cuts Growth Outlook

By Dominic Chopping, WSJ, Nov. 15, 2019

Danish shipping giant A.P. Moeller-Maersk AS on Friday posted forecast-beating third-quarter net profit amid lower fuel costs, but warned that growth in the container market is slowing more than previously thought as global economies weaken and escalating trade restrictions weigh. Maersk reported a total quarterly net profit of $520 million from $396 million in the year-earlier period. A FactSet analyst poll had expected a net profit of $359 million. Net profit attributable to shareholders totaled $506 million. Maersk, which is considered a barometer of global trade, confirmed that revenue slipped 1% to $10.06 billion, as guided in a recent announcement.

The company's main shipping unit saw relatively flat revenue as a 2.1% rise in volumes was offset by a 3.6% drop in freight rates. Profitability in the unit jumped, as Maersk continued to cut its cost base at the unit while lower fuel prices also helped.

Global container trade softened to around 1.5% in the quarter from around 2.0% in the second quarter, reflecting a broad-based weakening of the economic environment in all the main economies and negative effects from escalating trade restrictions, it said.

As a result, Maersk cut its organic volume growth target for its main shipping unit. It now expects growth to be in line with or slightly lower than the average market growth, which is expected at 1%-2% for 2019.

Previously Maersk saw 2019 ocean unit organic volume growth in line with market guidance for growth of 1%-3%.
Globally, implemented trade restrictions have likely reduced container trade by 0.5%-1.0% in 2019, Maersk said. In 2020, the negative impact on container volumes from tariffs is expected to be around 1%.

Maersk last month raised its full-year guidance and Friday reiterated that it continues to expect 2019 earnings before interest, taxes, depreciation and amortization of between $5.4 billion and $5.8 billion.

Earnings before interest, taxes, depreciation and amortization was $1.66 billion in the third quarter, up 14% on the year.
"While the global container demand, as expected, was lower in 3Q due to weaker growth in the global economy, we continued to improve our operating results," said Chief Executive Soren Skou.

"We will continue our focus on profitability and free cash flow in 4Q and into 2020."

Quotable

"Industry planning is in a state of confusion with the on-again, off-again tariff increases and the widening of trade disputes."

Ben Hackett, principal at Hackett Associates.

Number of the Day

69%

Share of U.S. imports from China covered by tariffs as of September, up from 38% a month earlier, according to Panjiva.