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Ocean Fast Facts

Which Taiwanese port handled a combined import / export total of 2,055,258 TEUs in 2008 and is the country's second largest port in terms of container volume?

- A. Taipei
- B. Keelung
- C. Kaohsiung
- D. Tianjin

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

The correct answer is **B - Keelung**.

The island nation of Taiwan produces a significant amount of freight feeding the global supply chain. Often times, other Asian nations such as China or Korea take the credit for being known as large trading partners in the global marketplace. Taiwan is well represented with ports. The main ports of Taiwan are Keelung, situated in the north and Kaohsiung situated in the south.

Ranked 45th in the world in 2007 in terms of container volume, Keelung is the second largest container port in Taiwan behind Kaohsiung which moved 10,257,000 TEU during 2008. In 2007, Kaohsiung was ranked as the 8th largest port in the world. In this month's edition of the AIT eNewsletter, there are a few market briefs highlighting current ocean industry events in Taiwan.

Source: <http://www.klhb.gov.tw/English/E02/E0201.aspx>

http://en.wikipedia.org/wiki/World%27s_busiest_container_port

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What to Expect for 2009 Contract Season?

It may be too early to tell

The Trans Pacific eastbound service contract season is rapidly approaching and contracts are again expected to be finalized in late June 2009. Up through 2007, ocean carrier contracts in the Trans Pacific eastbound trade to the United States were negotiated and finalized by May 1 of every calendar year. In 2008, most carriers extended contracts an additional two months and a similar scenario will most likely be the case in 2009.

Furthermore, the recent global market fluctuations and glut of container ships sitting idle have cast doubts on just how the market will adjust for the 2009 contract season; it's just too early to make a fair assessment of where the rates and fuel will land once all is said and done come July 1 when all contracts are scheduled to be finalized for the 2009 peak shipping season. The factors to watch this contract season are:

- Will carriers continue to offer floating BAF (bunker adjustment factor)? Most likely, the carriers will stick to this formula, especially considering the volatility of oil prices in the latter part of 2008.
- Will there be further consolidation of carriers in 2009? This nagging question has plagued the industry since 2005. 2009 will most likely be no different and there is concern with recent layoffs by carriers APL and Evergreen that further consolidation of the ocean lines will be necessary to help stabilize capacity and rates. Be on the lookout for mergers or acquisitions of ocean carriers throughout 2009 as carriers consider options to survive and flourish under the current challenging economic situation.
- Will the US dollar continue to strengthen against the EURO and other Asian currencies? The further strengthening of the dollar versus foreign currencies would most assuredly assist spur US export growth in 2009 but are overseas markets strong enough to purchase US goods to sustain and fill ships on the critically important export trade lanes to Europe and Asia? This will be a crucial factor to watch in the first two quarters of 2009.

2009 will remain a challenging year for the ocean carriers, but 2009 may be even more challenging for the customers (importers/exporters), NVOCC and freight forwarders. Ocean carriers still face high operating and infrastructure costs and will attempt to pass those along to customers in the form of rate increases. Ocean rates in 2009 may already be at their lowest levels and importers/exporters seeking competitive rates should seek to review their ocean rate levels early in the year, as rates may increase once contract season approaches.

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Clean Truck Fee: UPDATE!

Effective **February 18, 2009**, marine container terminals will begin electronic gate access at the Ports of Los Angeles and Long Beach. Electronic gate access will determine whether a truck entering the marine container terminal is operating under a valid port concession and allowed entry or if the truck is prohibited by the Clean Trucks Program's progressive truck ban. Trucks without a Radio Frequency Identification (RFID) tag, which identifies the vehicle as working under a valid port concessionaire, will not be allowed entry into the ports' container terminals.

Also beginning on February 18, 2009, the Ports of Long Beach and Los Angeles will require marine container terminal operators to collect the Clean Trucks Fee (CTF). The \$35/TEU fee will be assessed on every loaded container move performed by trucks that are not fully or partially exempt from the CTF. More information about the CTF and which trucks are exempt from the fee can be found at http://www.portoflosangeles.org/CAAP/CTP_Fact_Sheet.pdf (under "Cargo Fee Exemption") and <http://www.polb.com/civica/filebank/blobdload.asp?BlobID=5565>.

In order to enter the ports' marine container terminals on and after February 18th, all trucks operating for a Licensed Motor Carrier (LMC) with a valid port concession are required to be registered in the Drayage Truck Registry (DTR), have paid the \$100/truck DTR registration fee, and have obtained and mounted a working RFID tag. Trucks that do not meet these requirements will not be permitted into the ports' marine container terminals. The Licensed Motor Carrier is responsible for ensuring that the information on each truck is correct in the DTR. If you have recently replaced a defective RFID tag, please make sure that the new RFID number is recorded in the DTR.

For more information on the Clean Trucks Program, please visit the following websites: <http://www.portoflosangeles.org/cleantrucks> and/or <http://www.polb.com/cleantrucks>.

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The Port of Taipei plans expansion

The Journal of Commerce reported on January 16, 2009 that the Port of Taipei, Taiwan is planning a \$558-million expansion. The expansion will occur over a period of eight years, with the objective of creating an alternative to existing major ports since trade with China is expected to boom. The expansion is anticipated to increase the port's profile but will not result in growth that will surpass Taiwan's leading Port of Kaohsiung. As mentioned previously, the Port of Kaohsiung handles approximately 10 million TEUs per year, and second-ranked Keelung handles about 2 million TEUs. The three-phase expansion of the port involves a new 119 acre container terminal worth about \$60 billion US, a 304 acre offshore storage zone and a 304 acre \$340 million container terminal.

Part of the port expansion of Taipei is driven by trade with China and the project comes on the heels of recently reopened direct shipping links between China and Taiwan for the first time in six decades. Currently, the port sees about 10 million metric revenue tons of cargo per year. Port officials said they could not estimate the capacity after the expansion is complete. Finally, three of Taiwan's top shipping firms, Yang Ming Marine, Evergreen Marine and Wan Hai Lines, will open operations at the existing port of Taipei. Most lines currently operate regularly from the nearby port of Keelung.

To mark the historical significance of the Direct Shipping Links agreement recently signed between the authorities on both sides of the Taiwan Strait, Evergreen Marine has launched a new North China-Taiwan (HBT) service. This new HBT service links Kaohsiung with Xingang, Dalian and Qingdao. Evergreen advised the direct link will reduce time and costs for carriers and shippers.

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Port Congestion Watch - Dar es Salaam, Tanzania

Yet another sign that third world countries are emerging as important locations for international trade, congestion at Tanzania's port of Dar es Salaam has reached the stage where the country's President, Jakaya Kikwete, has issued an order that any containers not collected from Tanzania International Container Terminal Services (TICTS) within 21 days are to be auctioned off.

According to local media reports, the Tanzania Revenue Authority (TRA) has been directed to extend its operational hours to 24/7 to speed up the documentation process. Furthermore, the TRA and the Tanzania Port Authority (TPA) have also been instructed that all containers offloaded from ships must now be transported directly to Inland Container Depots - the Kurasini Inland Terminal (1.6 km from TICTS) and the Ubungu Inland Container Depot (16 km away) - with the costs being treated as the cost of clearing cargo from the port.

Other efforts to clear the congestion include locating more space outside the port of Dar es Salaam to accommodate vehicles awaiting clearance, and the suggestion that TICTS speed up its services by buying more equipment for offloading containers.

The Port of Dar es Salaam also became a viable location for increasing regional transshipment volumes, which grew from 2,194 TEU in 1999 to 56,249 TEU in 2004 - an increase of more than 2,500%.

The surge of container cargo was attributed to Tanzania's GDP growth, which averaged at 5.8% per year, the high economic growth of neighboring landlocked countries and the resulting increased trade with Asia and the Middle East, and the improved efficiency of TICTS which attracted global shipping lines to increasingly use Dar es Salaam for transshipment traffic and as a gateway to markets in neighboring countries.

By 2004, TICTS had exceeded the designed terminal capacity of 250,000 TEU and started running out of container stacking space.

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Nordana Line expands service to Libya -- adds calls to the port of Misurata

Beginning with the MS Silkeborg, the port of Misurata will be called on all sailings to Libya with a frequency of seventeen - eighteen days. The Silkeborg will load in Houston on January 31st, Jacksonville on February 5th, Baltimore on February 8th, and is scheduled to arrive at Misurata on February 26th.

Nordana has operated regular ro/ro and breakbulk service from the US into North Africa for more than fifty years, and was the first carrier to return with regular direct service when trade relations reopened between the US and Libya in 2004 after a break of almost twenty years.

Nordana also serves the Libyan ports of Benghazi, Marsa El Brega and Tripoli.

In the US, Nordana transports ro/ro, breakbulk, heavylift and oversize cargo, as well as containers, from Houston, Jacksonville and Baltimore. Regular service is provided to Algeria, Egypt, Turkey, Spain and Italy before the vessels return to Houston via Venezuela, St Domingo, Guatemala and Mexico.

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Security Watch: Ships from Venezuela receiving additional attention from the U.S. Coast Guard

The Journal of Commerce reported on January 20 that effective January 23, 2009, the U.S. Coast Guard is imposing conditions of entry on vessels arriving from Venezuela. Under the Maritime Transportation Security Act of 2002, Homeland Security can impose conditions of entry for vessels arriving from ports that are not maintaining effective anti-terrorism measures. Ships that visited ports in Venezuela during their last five port calls must, among other actions, report security measures to the Coast Guard; post guards at vessel access points, and implement measures per the ship's security plan equivalent to Security Level 2. Vessels are also subject to inspection by the Coast Guard, which may require armed private security guards while the ship is in U.S. ports. This may impact shipments bound to and from Venezuela, so please plan accordingly for possible delays in the event you have inbound cargo from Venezuela.

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Rail strike could threaten German container traffic

Deutsche Bahn, Europe's biggest rail freight carrier, risks strikes over a new wage contract within weeks that would impact ocean container traffic at Hamburg and Bremerhaven, Germany's top box hubs.

Germany's largest ports of Hamburg and Bremerhaven are expected to be impacted by strike action because around 30 percent of cargo through their ports is moved via rail. The dispute involves two main unions representing 130,000 rail workers, Transnet and GDBA, which have called for a 10-

percent wage increase and limits on weekend and night shifts while Deutsche Bahn has reportedly offered around 3 percent. No official date of a strike has been announced, but the strike is expected to take hold around the 29th of January.

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[A Reminder and Update on 10+2](#)

As earlier reported, the United States Customs and Border Protection will published the Importer Security Filing rule in late November. The interim rule, known as 10+2, has taken effect on Jan. 26, 2009 with complete enforcement of the law on January 25, 2010. There is a detailed description of the ruling and its corresponding requirements in the [Compliance section](#) of this month's edition of the AIT Customer Newsletter.

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[February Holiday Reminder](#)

There are several international holidays in February to be aware of in order to ensure the smooth flow of your cargo.

OK, so offices in the following countries may not be closed during these holidays ... and freight may move without interruption....but here are a few fun holidays to keep in mind while your freight may be on the high seas

Feb. 3 - Got beans? Go to Japan on February 3rd. Setsubun is the Bean-throwing Festival in Japan, and marks one of the most interesting February holidays of Japan... perhaps this is also the most "magical and fruitful" holidays of the year in Japan?

Feb. 5 - Celebrate Mexico's Constitution Day.

Feb. 6 - New Zealand Day in New Zealand is a day in a day, dressed up as a day. Celebrate the New Zealand way during New Zealand Day, as this party is one of New Zealand's favorite amongst February holidays.

Feb. 11 - Japan celebrates National Foundation Day.

Feb. 14 - Valentines Day in America and Europe is shared and is a celebration of the heart, which leads us to the other American holiday on February 14th: National Organ Donor Day.

February (third Monday) - President's Day in America helps America celebrate past accomplishments within the Presidency.

Also, as a reminder, carnival Season will start in late February, with the commencement of Mardi Gras on Tuesday, the 24th of February. Often times, countries in Latin America such as Brazil close for significant periods of time. Please be advised ahead of time and plan accordingly in order to avoid all freight delays.

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BUZZ WORD OF THE MONTH

Temporary Importation under Bond (TIB)

TIB is a U.S. customs term describing the temporary admission into the United States under a conditional bond for articles not imported for sale or for sale on approval. Certain classes of goods may be admitted into the United States without the payment of duty, under bond, for their exportation within one year from the date of importation when they are not imported for sale or for sale on approval.

Source: International Directory of Trade, 7th ed. Edward G. Hinkelman, 2006.

To TIB or not TIB? That is the question.

One question to ask yourself as an importer is whether or not your goods may be imported under a TIB. A TIB may assist in limiting customs clearance and duty charges for cargo entering or exiting the United States when those goods are only expected to remain in the United States for a limited period of time. Much like the carnet is useful for importers/exporters of such commodities as commercial samples or exhibits for trade fairs, certain goods may be exempt from customs duties and tax and may qualify for importation under a TIB.

A few examples of such articles eligible for importation under a TIB include: articles to be repaired; articles imported for illustrators and photographers; professional equipment or articles

intended for the use of testing, experimenting or review. Special procedural requirements apply when importing with a TIB. For more information on TIB, ask your AIT representative or visit: <http://cbp.gov/linkhandler/cgov/newsroom/publications/trade/temporaryimportationunderbond.ctt/temporaryimportationunderbond.doc>

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The Parting "Wave"

February is such a short month, yet the AIT Ocean Systems team has crammed this issue of the AIT eNewsletter with a bounty of news and information. Many accounts are actively requesting rates and planning for the 2009 peak season shipping season. Before you know it, March will be upon us!

As mentioned in an earlier newsletter, members from the AIT Ocean Systems team will be participating in the Trans-Pacific Maritime Meeting this forthcoming March in Los Angeles to experience a firsthand pulse on what is happening with inbound Asia trade. Hopefully, this year's conference will provide a positive outlook of the shipping season as peak approaches and 2010 forecasts appear on the horizon. Have a great February and thank you for your support of AIT!

Preview March 2009 AIT Ocean Newsletter:

The Springtime Shipping Season of 2009

If you have any questions or comments regarding the Ocean eNewsletter, please contact [Kevin Krause](#) from the AIT Ocean Department.

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AIR

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What do we do now?

An age-old axiom says, "No news is good news;" can it be argued, then, that, "The same news is no news?" Reviews of air industry periodicals, web sites and various other media outlets are on autopilot, covering the same basic themes as they have for months:

- IATA reports international cargo down (13.5% in November 2008) and they predict a 5% decline in 2009;
- Foreign flag carriers continue to lose money, especially Asian carriers;
- US carriers may see increased profits in 2009, mostly based on declining fuel costs;
- Hong Kong and other major airports report declining volumes;
- Singapore Airlines is reducing flights due to decreased demand;
- The list goes on!

Despite these dismal reports, there were some bright spots found in recent news: for example, British Airways and Swiss Cargo reported profits as opposed to losses, while awards for best carrier and customer service were distributed for 2008.

While perusing the pages of trade publications, it's also impossible not to notice that "conference season" is upon us; one can't open the Journal of Commerce or Traffic World without seeing full page advertisements for maritime, breakbulk and US exporters conferences, logistics and supply chain forums, and the "be all and end all" conference to take place in Bangkok (after all): the World Air Cargo Event. One might venture to guess that considering the expected revenue declines in 2009, attendance levels at some of these event venues may be reduced from previous years.

So what's the so-called "flight plan?" What are transportation service providers going to do in 2009 as we see customer supply chains slow down, decreased ocean traffic effecting related surface industries, air freight diversion to water and automotive plants on hiatus for weeks and months? If you look to the trade press with those questions, you won't receive any definitive answers. The Journal of Commerce weekly magazine dedicated a two-hundred page issue to these very concerns, asking shippers and industry leaders what they believed 2009 would bring. Other than settling on the Clinton mantra, "It's the economy, stupid," there were a lot of speculative guesses, but certainly no "crystal balls."

That is because no one does know, and how can we expect them to? The global economy is so intertwined that it seems industry experts and insiders are waiting to see who and what will go first. For example, in order for China to reach their reported 2006 and 2007 export levels, other economies are going to have to improve; to acquire the capital to buy those goods, jobs must be created to provide a source of disposable income. In order to create these jobs, companies must experience revenue increases fueled by increased demand. In the meantime, we're all stuck in neutral.

Examine enough opinion pieces, listen to enough executives and use history as a guide to determine that there are at least some proactive strategies we can take in 2009 while we wait:

- **Be Innovative** - How did we make money in the past? We came up with new ideas or dusted off some old ones. For example, an inventive new idea in 2008 was Shipco Transport's Air/Sea solution for the ever-congested inbound Australia lane; fly freight to Singapore using available capacity and finish the journey on the water. Admittedly, the idea came at a time when the economy slowed; however, it was still an idea that may yet one day become a solution.
- **Customer Service** - Don't take one account for granted, as there are thousands of forwarders out there with an insatiable appetite for new business. Service, service, service should be the mantra, making customers feel genuinely appreciated and valuable. After all, if we can't service the customer, rest assured that someone else will. We've given partnerships a lot of hype in the past - it's time we meant it.
- **Communicate and Collaborate** - Regardless of our self-important job titles, we're all in this

together; organizations must enforce communication integration in order to talk to carriers, vendors, and customers and work collaboratively in driving cost out of the operation while designing the best possible transportation plans for customers. Revenues are lean and mean - it's time for us to act that way.

- **Don't Overreach** - You know what you do best and how you made a steady stream of success for yourself - revisit those talents. The phrase "going back to basics" is a truism. Every Spring Training season, ball players go over (and over) the fundamentals. Look at your processes and procedures and take the time now to fix any glaring gaps.
- **Corporate Philosophy** - Take the time to remind yourself and your team of the core values, defining traditions and philosophies that serve as the mortar for your company. Ensure that your corporate culture continues fostering fairness, loyalty, honesty and integrity while enjoying what they do even during the tough, tumultuous times. (See this month's featured book)

While we collectively wait for whatever it is that will spark the global economy into action, we can at least get our house in order so that when we're at full speed in 2010 or 2011, we're prepared instead of frantically trying to fix the leaking roof once it begins to rain.

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Featured Web Site: www.cscmp.org



About CSCMP

Founded in 1963, the Council of Supply Chain Management Professionals (CSCMP) is the preeminent association for individuals involved in supply chain management. CSCMP provides global educational, career development, and networking opportunities to over 9,000 members.

Their goal is to:

- Provide opportunities for supply chain professionals to communicate in order to develop and improve their supply chain management skills
- Identify and conduct research which adds to the knowledge base of supply chain theory and practice
- Create awareness of the significance of supply chain to business and to the economy

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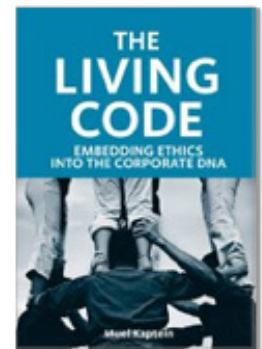
Book Review: [The Living Code - Embedding Ethics into the Corporate DNA](#)

By Muel Kaptein

Of the 200 largest organizations in the world, more than 80% currently have a corporate code of conduct. An ever larger number of smaller organizations also have a code or are in the process of developing one. While in the 1970s and 1980s, companies had to explain why they had a code; today, they are cross-examined if they don't have one. A company has to have very good arguments to convince stakeholders that they can do without a code.

A business code is a measure for success: success as manager, employee, team and for the organization as a whole. Unfortunately, many codes are underutilized. And many simply fail, with serious repercussions for the organization.

This short and accessible book presents a model to create, develop and embed business codes. The validated model enables managers and organizations to better manage their codes as well as their performance. The author articulates why a code of conduct is necessary, what it should cover, as well as demonstrating through practical tips and examples how to make full use of it. What is required to breathe life into a code and keep it that way? How can you live your code?



Illustrated with results from an empirical study of the Fortune Global 200, the ideas developed are based on the worldwide experience of the consultancy firm KPMG. The author works in the field of developing, implementing and monitoring of codes, as well as conducting intensive academic research in the last 15 years in his capacity as (associate) professor of business ethics.

The Living Code is a unique book and will be essential reading for those who want to make a success of their code or are considering developing one. Readers will learn just how rich and threatening a code is and what it could mean for their organization, their team and themselves.

Review taken from: www.greenleaf-publishing.com

The Living Code mentioned in *Air Cargo World Online*, January 2009

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A Move Toward Veggie Power Aloft



WASHINGTON - Burned by the cost of jet fuel, the aviation industry is trying everything from algae to camelina and jatropha as alternatives, but specialists say that some of the new fuels, which include coal, might simply trade one set of problems for another.

Continental Airlines recently tested a fuel made from algae and jatropha, a tropical shrub with an oil-bearing seed, in a Boeing 737 jetliner, in a two-hour flight beginning and ending in Houston.

The flight was the first airline trial of algae, and, perhaps more important, the first use of biofuels in a twin-engine jet. (Air New Zealand flew a four-engine Boeing 747 last week with one engine on a 50 percent biofuel mix, and Japan Airlines will do the same in a few weeks as part of a series of tests including the flight on Wednesday.)

If the new fuel caused an engine to fail, that would be a bigger challenge in a plane with two engines than in one with four.

Continental plans to have the crew turn off and restart the right engine, the one running on the 50-percent blend of ordinary jet fuel and plant-based fuel. The crew will simulate breaking off an approach and going around, which demands high power from the engines, among other maneuvers. On board will be two pilots, a flight engineer and, because this is an experiment, 157 empty passenger seats.

Although jet fuel prices have dropped with crude oil, industry executives say they are determined to become less dependent on a single source of fuel in case prices rise again.

"It's hard to plan a business, and buy expensive pieces of equipment that last for 20 or 30 years, when you have total uncertainty about the cost of your biggest expense," said John P. Heimlich, chief economist of the Air Transport Association, the trade group of the major airlines.

At Pratt & Whitney, the engine manufacturer, Alan H. Epstein, vice president for technology and environment, said, "It's the first time in the history of jet aviation that the world is seriously considering going to a totally new fuel."

Mr. Epstein made the comment when oil cost more than \$100 a barrel and repeated it Tuesday, when oil was back in the \$50 range. Pratt, a unit of United Technologies, which has tested alternate fuels in its engines and others in the aviation industry, asserts that they will pursue alternatives even in a period of low prices.

The three test flights involved several airlines; the Boeing Company; three engine makers, Pratt & Whitney, Rolls Royce and General Electric; and the fuel maker, UOP, a subsidiary of Honeywell. The companies will use the data to try to get the fuel certified as a drop-in replacement, meaning no changes would be needed to engines or other plane parts, or to the fueling infrastructure at the airports.

The International Air Transport Association has a goal of 10 percent alternative fuels by 2017. The Federal Aviation Administration is also encouraging the new fuels.

But the impact on price is uncertain. At Continental, David Messing, a spokesman, acknowledged that the price of the replacement fuel and of the fuel to be phased out were in flux.

"Until you have a full-scale producer and consumer market for biofuel, I don't think you know the price," he said. And economists say that biofuel added to the jet fuel supply, like ethanol added to the gasoline supply, will rise and fall in price with the value of the conventional fuel it displaces, at least until it is available in very large volumes.

So far, the volumes are small. Continental's algae comes from a Hawaiian company called Cyanotech, which raises it as a nutritional supplement.

One oil substitute is already used in large volumes. Sasol, the South African coal company, for years produced semi-synthetic jet fuel, half from petroleum and half from coal, and pumped it into airliners leaving Johannesburg. In April 2008, the British Ministry of Defense approved the use of 100 percent synfuel, clearing the way for many airlines to use it.

The fuel has some advantages over traditional jet fuel, including extremely low sulfur levels, but when production is considered, jet fuel from coal produces substantially more carbon dioxide than jet fuel from oil.

Using a process similar to Sasol's, a refinery in Qatar, in the Persian Gulf, is making a jet fuel substitute from natural gas. The process makes economic sense because the oil that is saved has more value than the coal or natural gas that is used.

Proponents say that because natural gas has relatively little carbon compared with its hydrogen content, its greenhouse gas production is not as bad as that of ordinary jet fuel. But environmentalists say that it substitutes one disappearing resource, natural gas, for another, oil.

At UOP, Jennifer S. Holmgren, director of renewable energy and chemicals, said fuel made from jatropha had only about half as much carbon dioxide effect as fuel from petroleum. This is significant because the European Union is trying to bring the airlines, including American airlines that fly trans-Atlantic, into a carbon dioxide reduction system. The American airlines are resisting, asserting that aviation rules must be made on a multinational basis, but they are seeking low-carbon fuels they can use.

Environmental advocates strongly favor low-carbon fuels, but only if they do not compete with food production.

And that turns into a trick question. Jatropha, for example, grows wild in tropical regions, on land not suitable for crops, and has a seed from which oil can be extracted. But the airlines and the F.A.A., in trying to make sure their efforts are an environmental improvement, hired a Yale researcher to see where the plant grows. His initial conclusion was that while jatropha could be grown on marginal land, it produces a lot more oil on cropland. That suggests that if it becomes popular, airlines will have to be careful to not squeeze out crops.

Another possibility is camelina, which produces a tiny, mustard like seed from which oil can be extracted. It does not require extensive fertilization. Palm oil has also been tested.

The New York Times
January 7, 2009

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Japan Airlines to fly with camelina

Japan Airlines says it will be the first Asian carrier to fly using a sustainable biofuel refined from the energy crop camelina. This month, it will use a blend of 50 percent biofuel and 50 percent traditional Jet-A jet fuel on a B747-300 aircraft. The biofuel component will be a mixture of three second-generation biofuel feedstock's: camelina, jatropha and algae.

Camelina, also known as gold-of-pleasure or false flax, is an energy crop, given its high oil content and ability to grow in rotation with wheat and other cereal crops.

"Our feedstock selection was based on firm sustainability criteria designed to avoid the mistakes of preceding biofuel generations," said Boeing Biofuels Program Manager, Tim Rahmes. "Working together with Japan Airlines and our other industry partners, we've successfully partnered to create a next-generation, plant-derived jet fuel blend that has replacement fuel qualities that meet or exceed all of the current jet fuel specification properties."

Air Cargo World Online
January 2009

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If you have any questions or comments regarding the Air eNewsletter, please contact [Joseph Hoban](#) from the AIT Air Department.

COMPLIANCE

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"Good Importer Practices" draft guidance document issued by Federal Agencies

A group of federal agencies consisting of the United States Department of Agriculture, Department of Commerce, Department of Health and Human Services (Food and Drug Administration), Department of Homeland Security, Department of Transportation, Consumer Product Safety Commission, Environmental Protection Agency, and the Office of United States Trade Representative has created a draft guidance document titled, "Good Importer Practices."

This guidance document is intended to provide general recommendations to importers on possible practices and procedures they may follow to increase the likelihood the products they import are in compliance with applicable U.S. safety and security requirements.

The draft guidance document is being distributed for comment purposes only, and it is requested that all written or electronic comments on the draft guidance are submitted by April 12, 2009 to ensure that the agencies consider the comment on this draft before work begins on the final version.

These "Good Importer Practices" are broadly organized under four guiding principles:

- Establishing a Product Safety Management Program;
- Knowing the Product and Applicable U.S. Requirements;
- Verifying Product and Firm Compliance with U.S. Requirements throughout the Supply Chain and Product Life Cycle; and
- Taking Corrective and Preventive Action When the Imported Product or Firm Is Not Compliant with U.S. Requirements.

This document provides principles and recommendations that may apply to imported products generally, and will help ensure that federal agencies and importers adopt a consistent approach. Individual agencies may issue more specific guidance directed at particular product categories to provide more targeted and detailed recommendations.

To read the full draft guidance document, please visit the following link:

<http://www.fda.gov/oc/guidance/goodimportpractice.html>

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ISF/10+2 Update

The ISF/10+2 rule is now operational with CBP sending electronic responses to the data transmitted. CBP stated early in the rulemaking process that they understood the impact this rule would have on international business and promised that the rule would have a phasing in period to lessen the shock of the changes.

As noted in previous AIT eNewsletter articles, although the system was live as of January 26, 2008, CBP will "show restraint in enforcing the rule" for at least twelve months from that date. This one-year grace period is due in part to CBP responding to comments from the trade community.

One of the concerns sent to CBP is that full compliance with the rule as it pertains to the international movement of ocean freight can require a restructuring of the flow of information and documentation from shipper to importer. Information that might not have been available to the importer (or their agent) until well after the shipment has left on the vessel from the port of exportation will now be required to have been received and transmitted to CBP no later than 24 hours prior to the freight being laden onto the vessel.

Other notable concerns involving 10+2 include the confidentiality/security of privileged information, the party responsible for filing, authorized agents and powers of attorney, Customs bonds, exemptions or special handling of various products and shipment/entry types, correcting, amending, or canceling filings, and penalties for non-compliance, to name a few.

It is in our best interest to use the period of delayed compliance to fine-tune all applicable processes

and make sure that we can be 100% compliant when full enforcement begins. The process of collecting the required information and transmitting it to CBP can involve a number of parties (the importer, the overseas vendor/seller, the shipper, the party who stuffs the container, etc), but ultimately it is the ISF importer who is the responsible party (according to CBP). While most of the parties in the supply chain are involved, it is the ISF importer whose freight will be delayed, and it is the ISF importer who would be responsible for fines if the transmission is late or inaccurate.

In dealing with ISF/10+2, the main objective is to make sure that all the involved parties are aware of the new requirements and they work together to make sure that accurate information is available for timely transmission to CBP. The ISF importer and their ISF filing agent must be aware of all pending orders/shipments so that no shipment arrives at the dock to be loaded onto a vessel without ISF/10+2 having been transmitted. After full enforcement begins, that shipment would have "do not load" status from CBP, would be refused loading privileges by the vessel carrier, and would sit accruing storage/demurrage on the dock or nearby warehouse until the a valid ISF/10+2 transmission has been received by CBP.

To comply with the requirements of this rule requires teamwork between all involved parties. AIT has purchased the software necessary to transmit the ISF data elements to CBP and that ability is integrated into our customs brokerage system. We have contacted all of our overseas agents and advised them of the requirements of the ISF/10+2 rule. AIT is positioned to assist with compliance to the requirements of this new rule.

Since ISF/10+2 is an "interim final rule," CBP has not finalized all parts of the rule. As the 12 months of deferred enforcement progress, we will be sure to report all updates regarding any amendments or changes to the rule and processes involved with it.

Please refer to the following "crash course" for some "basic" ISF/10+2 information:

There are 3 definitions:

1. 10+2 is the Importer Security Filing (ISF) and Additional Carrier Requirements.
2. ISF is called "10+2" because those are the number of data elements that the importer (10) and ocean carrier (2) must transmit to CBP (Customs).
3. The ISF importer is defined as "the party causing the goods to enter the limits of a port in the United States."
 - The most important fact to remember is that "10 +2" is required only for freight that will be laden onto an ocean vessel that will then be arriving at a US ocean port.
 - There are 10 data elements that are the responsibility of the ISF importer and 8 of them must be received by Customs at least 24 hours prior to the freight being laden onboard the vessel that will bring it to the US port.
 - The data elements can be sent to Customs by the ISF importer or their authorized agent, but a filer must be capable of transmitting the data to Customs via an approved electronic interface. All updates must be filed by the same party who initially transmitted the 10 ISF elements.
 - An agent filing on behalf of an ISF importer must possess a valid POA "in English" from the ISF importer.
 - AIT CHB has the capability to transmit ISF data to Customs. We purchased the applicable module from our CHB software vendor to make this possible.
 - There must be a continuous Customs bond associated with the data transmissions. It can be held by either the ISF Importer or their agent. "If the ISF importer does not have one of the designated bonds, the party must obtain a bond or designate a bonded agent to file under the agent's bond if the agent agrees in writing." The ISF importer is ultimately responsible for the timely accurate submission of ISF data elements, and any liquidated damages will be guaranteed by the bond that was associated with the data transmission.

The full 10 elements that apply to "shipments intended to be entered into the U.S. and shipments intended to be delivered to a FTZ (foreign trade zone)" are as follows:

1. Seller
2. Buyer
3. Importer of Record Number (IRS/EIN)
4. Consignee Number (IRS/EIN)
5. Manufacturer or Supplier
6. Ship to Party
7. Country of Origin (manufacture)
8. HTSUS (at least 6 digits)
9. Container Stuffing Location

10. Consolidator (container stuffer)

- Elements 1-8 must be filed 24 hours prior to being laden onboard the vessel; elements 9-10 must be filed 24 hours before arrival at the US port of unloading.
- Information in elements 1-4 must be updated if changes occur or more accurate information is available prior to arrival at a US port.
- Information in elements 5-8 can be initially filed based on the best available information. The information in these elements must be updated as soon as more accurate information is available, in no event later than 24 hours prior to arrival at a US port.
- The ISF data will be linked to Customs manifest data via the "11th element," the BL, and ISF's must be filed at the lowest BL level. Only a straight BL or HBL will be accepted; a sub-HBL will not be accepted by CBP.
- The data elements can be filed any time prior to the deadline as long as all of the required data elements are available. This would usually be after the BL has been created. Customs entry can be pre-filed at the same time as ISF, but there will be no special provisions for pre-filing a Customs entry if the shipment is moving on an IT to an inland port. If Customs entry is pre-filed with ISF, then the filing agent must be a licensed Customs broker. The filing of ISF alone does not constitute "customs business."
- CBP will transmit an electronic acknowledgement only to the filer when the ISF is received. This acknowledgement will include a unique identification number. Any updates must reference the ID number.
- Per CBP, "the status of a shipment as 'perishable' or 'non-perishable' does not necessarily indicate increased or decreased security risk." There will be no special procedures for agricultural (or any other "perishable") products.
- Personal Effects, Carnet, TIB shipments, samples, and trade show displays are not inherently less of a risk than other shipments and will not be exempt from these regulations. Since returned/refused cargo has been out of the control of the exporter and CBP, it will not be exempt from these regulations.

U.S. companies that are "drop" shipping to a location in a third country may need to be aware of the following:

Since security issues apply to all freight that has been laden onto ocean vessels that enter US ports, there are separate requirements consisting of only 5 required elements for shipments that are not intended to be imported into the US. This is for Freight Remaining On Board the ocean vessel (FROB) or IE / T&E shipments intended only for export. Transmission of these elements would be the responsibility of the carrier for FROB freight and the party filing the inbond documentation for IE / T&E freight.

The 5 elements are:

1. Booking Agent
2. Foreign Port of Unlading
3. Place of Delivery
4. Ship to Party
5. HTSUS (6 digits)

These elements are required any time prior to lading onboard the vessel at the foreign port.

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

PARTNER NEWS

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AIT Celebrates Opening of AIT Worldwide Logistics - Hong Kong

by Christine Nicholson, corporate public relations coordinator

Recognizing the ever-growing demand-driven needs of our global customer base, AIT is proud to announce the January 8 grand opening of its flagship office in Asia: AIT-Worldwide Logistics - Hong Kong.

"While we have conducted business with the Asia forwarding community for years, the opening of AIT-Hong Kong is a groundbreaking global footprint symbolizing our commitment to customers in providing them with exceptional overseas logistics solutions," said Dave Buss, vice president of global operations. "This marks only the beginning of a very successful international presence in Asia for AIT."

Located on the 10th floor of the Hong Kong International Trade Center (HITEC) in the Kowloon Bay area, the AIT-HKG office will continue AIT's commitments to worldwide coverage and dedicated customer service while providing multi-modal import and export solutions for all commodities and special project cargo in the Pacific Rim marketplace.

The AIT-HKG team, composed of industry veterans Melody Lee, general manager, Linda Leung, ocean operations supervisor, and Hercules Lau, air operations coordinator, hosted a variety of industry insiders, including ocean carriers, airlines, and co-loaders, at the open house event.

"We received a warm welcoming, both from the AIT network and my own business contacts and vendors in Asia," said Melody Lee. "AIT is an organization characterized by mutual trust, patience, confidence, teamwork, support and honesty, and I am grateful and proud to be joining the AIT family."

Kevin Krause, director of ocean services, and Ryan Lanterman, international accounting manager, traveled to Hong Kong to join the celebration and assist the AIT-HKG team in rolling out the "welcome mat" to local industry-leading agents, vendors, and primary air and ocean carriers.

According to Krause, recent announcements of a massive economic redevelopment plan in the areas surrounding the HITEC building will undoubtedly present further business opportunities for the AIT-HKG station.

"These developments will make AIT's first overseas location ideal for existing and emerging businesses located in the Kai Tak and Kowloon Bay marketplace," Krause explains.

Vaughn Moore, vice president of sales and marketing, points out that despite difficult global economic conditions currently being faced by the transportation and logistics industry, he feels both optimistic and humbled by AIT's position of growth.

"The fact that AIT is in a position of expansion while others are cutting back on their sales and operations efforts is a true testament to our continued financial stability and vision for future overseas opportunities," said Moore.



From left to right: Kevin Krause, Joe Kayser (*VP of Finance*), Steve Leturno (*Co-founder*), Vaughn Moore, Melody Lee, Bill Reichman (*VP of Information Systems*), Dan Lisowski (*Co-founder*), and Dave Buss



From left to right: Hercules Lau, Melody Lee, and Linda Leung



Kevin Krause and Melody Lee at the Grand Opening Celebration

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If you have any questions or comments regarding the Partner News eNewsletter, please contact [Larry Georgen](#), Manager Global Network.

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GOING GREEN

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AIT Continues E-Waste Efforts

As outlined in the January edition of the AIT eNewsletter, AIT Worldwide Logistics has recently partnered with a company called COM2 to properly, safely and legally recycle employee's excess and surplus computers, computer scrap, and electronic equipment.

AIT's corporate headquarters location in Itasca, Illinois, is now equipped with large bins encouraging employees to dispose of their consumer and/or industrial e-waste items, many of which may contain toxic substances including lead, mercury and cadmium.

On January 15, 2009, COM2 made their second pick-up of AIT's e-waste. COM2 conducts pick-ups of this equipment on an as-needed basis as dictated by the AIT information technology team.

"We appreciate AIT's business at COM2 Recycling Solutions, and we are looking forward to working with them in the future," said Donna Vojensky, director of marketing and sales for COM2.

COM2 recycles e-waste items including:

- Computers and monitors
- Televisions
- Printers, copiers, and fax machines
- Phones and cell phones
- Microwaves
- Batteries (Consumer and Commercial)
- Light bulbs
- Data storage media
- Coax and other cable/wires
- Stereos, VCRs, DVD players, etc.
- Batteries and battery-operated items
- Household entertainment centers
- Excess plastic and metal parts

Alarmed by the toxicity and carcinogenicity of many substances contained in "e-waste," AIT is only one of thousands of other companies who have chosen to take action in properly processing and recycling their employee's unwanted or obsolete electronics.

For example, a typical computer monitor may contain more than 6% lead by weight, much of which is in the lead glass of the CRT. Capacitors, transformers, PVC insulated wires, PVC coated components that were manufactured before 1977 often contain dangerous amounts of polychlorinated biphenyls. In fact, it's been estimated that up to thirty-eight separate chemical elements are incorporated into electronic waste items. *(Statistic Source: Wikipedia)*

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E-Waste Trends and Statistics

According to the Environmental Protection Agency, the use of electronic products has grown substantially over the past two decades, changing the ways and speeds in which we communicate and disseminate information and entertainment. Our growing reliance on electronics is illustrated by some remarkable figures. According to the Consumer Electronics Association (CEA), Americans own approximately 24 electronic products per household.

Although electronics comprise a small percentage of the total municipal solid waste stream, the quantity of electronic waste that we are generating is steadily increasing. In 1998, the National Safety Council Study estimated that about 20 million computers became obsolete in one year. Fast forward to 2007 - that number has more than doubled according to EPA's most recent estimates. EPA

conducted a closer analysis of the management of select electronic products:

- Televisions
- Computers (desktops, monitors, and notebooks)
- Computer mice and keyboards
- Hard copy peripherals (printers, scanners, and fax machines)
- Cell phones

EPA examined product sales, usage patterns, and end-of-life (EOL) management patterns. The key findings are summarized here. More detailed information on the analysis is provided below.

Key Findings on the Management of Select Electronic Products in the US in 2007

Storage

Of products sold between 1980 and 2007, approximately 235 million units had accumulated in storage as of 2007.

Estimated Number of Units in Storage as of 2007

<i>Product Type</i>	<i>Number (million units)</i>
Desktop computer	65.7
Computer monitors	42.4
Portable computers (notebooks)	2.1
Televisions	99.1
Hard copy peripherals	25.2
Total	234.6

* EPA does not have information to estimate the number of cell phones currently in storage.

Recycling vs. Disposal

Of the 2.25 million tons of TVs, cell phones and computer products ready for end-of-life (EOL) management, 18% (414,000 tons) was collected for recycling and 82% (1.84 million tons) was disposed of, primarily in landfills.

From 1999 through 2005, recycling rate was relatively constant at about 15%. During these years, the amount of electronics recycled increased but the percentage did not because the amount of electronics sent for end of life management increased each year as well.

For 2006-2007, the recycling rate increased to 18%, possibly because several states have started mandatory collection and recycling programs for electronics.

	<i>Generated (million of units)</i>	<i>Disposed (million of units)</i>	<i>Recycled (million of units)</i>	<i>Recycling Rate (by weight)</i>
Televisions	26.9	20.6	6.3	18%
Computer Products*	205.5	157.3	48.2	18%
Cell Phones	140.3	126.3	14.0	10%

* Computer products include CPUs, monitors, notebooks, keyboards, mice, and hard copy peripherals.

Source: The Environmental Protection Agency

<http://www.epa.gov/epawaste/conservematerials/recycling/manage.htm>

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If you have any questions or comments regarding the Going Green eNewsletter, please contact the [AIT Marketing Department](#).



TSA CARGO SECURITY CHANGES AND IMPACTS

Dear Valued Customers:

As an industry leader committed to protecting the security of cargo throughout the global logistics pipeline, AIT Worldwide Logistics continues to maintain strict compliance with the Transportation Security Administration (TSA) and its regulations for enforcing a more efficient and secure supply chain.

Effective February 1, 2009, the security program for Indirect Air Carriers (logistics providers such as AIT) and Direct Air Carriers (airlines) will experience new mandates related to screening cargo.

These screening implementations will have a significant impact on the logistics services, costs, and transit times provided by AIT.

Due to the highly confidential nature of supply chain security, screening procedures will not be made public.

Forthcoming on Sunday, February 1, customers can expect the following:

Shipment pre-alerts

According to the new regulations, it is no longer permissible for AIT to provide complete flight details prior to the shipment's departure. In addition, please note that flight details will not be communicated within our organization or with agents in the AIT network. Flight detail restrictions will not impact Customs Clearance or the delivery of your goods.

AIT can, however, continue providing the following information:

1. HAWB number
2. Anticipated departure and arrival times
3. Destination airport

Results of additional screening

As Indirect and Direct Air Carriers both react and adapt to cargo screening requirements, customers may experience increased wait times or stoppage.

In anticipation of screening delays, airline lockout times are adjusting while security costs are being reviewed by several air carriers.

As a result of this increased security burden, AIT will be both vigilant and proactive in taking the necessary steps to reduce any and all possible delays. However, we cannot guarantee that these security measures will not affect your commodities. Any additional fees levied by the carriers will be passed on, at cost, to customers. Unfortunately, AIT cannot mitigate them.

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630-766-8300 ■ 800-669-4248 ■ www.aitworldwide.com



Acceptance of unitized cargo

Strapping and shrink wrapping cargo will no longer exempt cargo from screening. Where possible, carriers will utilize alternate screening methods to ensure your cargo remains intact and unitized.

However, when these alternate methods do not allow for the complete inspection of your product, your cargo might be subject to physical inspection, potentially to the unit level.

As our commitment, AIT will closely monitor and work with identified air carriers to minimize physical inspection and utilize alternative screening methods.

To assist in this process, label each carton on your palletized cargo with full shipper and consignee information, along with any other unique identifiers.

Cargo originating from 3rd parties

For shipments originating from facilities other than your own, TSA regulations require that vendors present a government-issued photo ID to our drivers prior to taking cargo possession.

Failure to comply with presenting the proper form of identification will result in products not being recovered and available for transport.

It is imperative that you properly inform your 3rd party shipper sites immediately in order to make them aware of this important new security screening requirement.

AIT will **NOT** keep ID photocopies on file or use them for any other purpose other than confirming that the person tendering the goods matches the paperwork.

As further developments occur and additional rules or interpretations are made available, AIT will communicate accordingly.

Sandy Gregory, Director, Corporate Operations, is responsible for maintaining compliance at AIT and will continue to update the sales staff as further developments are identified. Sandy can be contacted at: sgregory@aitworldwide.com or 800-669-4AIT (4248) ext: 6315.

Should you require immediate assistance, please contact your local sales representative.

Thank you for your continued support and best regards,

Vaughn Moore
Vice President, Sales and Marketing

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Cities around the world

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Vienna, Austria

Vienna is the capital of Austria and is also one of the nine states of Austria. Vienna is Austria's primary city, with a population of about 1.7 million (2.3 million within the metropolitan area), it is by far the largest city in Austria, as well as its cultural, economic, and political centre. It is the 10th largest city by population in the European Union, and was listed by Mercer Human Resource Consulting as having the 2nd highest quality of living (as of 2008).

Vienna is host to many major international organizations such as the United Nations and OPEC. Vienna lies in the very east of Austria and is close to the Czech Republic, Slovakia and Hungary. In 2001, the city centre was designated a UNESCO World Heritage Site and in 2005 an Economist Intelligence Unit study of 127 world cities ranked it first equal with Vancouver for the quality of life.



Panorama, seen from Kahlenberg

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History

Founded around 500 BC, Vienna was originally a Celtic settlement. In 15 BC, Vienna became a Roman frontier city (Vindobona) guarding the Roman Empire against Germanic tribes to the north.

In the 13th century, Vienna came under threat from the Mongolian Empire. However, due to the death of its leader, Ogedei Khan, the Mongolian armies receded from the European frontier and were not to return.

During the Middle Ages, Vienna was home to the Babenberg Dynasty, and in 1440 AD, it became the resident city of the Habsburg Dynasties, then it eventually grew to become the capital of the Holy Roman Empire and a cultural centre for arts and science, music and fine cuisine. In the 16th and 17th centuries, the Ottoman armies were stopped twice outside Vienna.

In 1804, Vienna became capital of the Austrian Empire and continued to play a major role in European and world politics, including hosting the 1814 Congress of Vienna. After the Austro-Hungarian Compromise of 1867, Vienna remained the capital of what was then the Austro-Hungarian Empire. During the latter half of the 19th century, the city developed what had previously been the bastions and glacis into the Ringstraße, a major prestige project. Former suburbs were incorporated, and the city of Vienna grew dramatically.

In 1918, after World War I, Vienna became capital of the First Austrian Republic. During the 1920s and 1930s, it was a bastion of socialism in Austria, and was known as "Red Vienna." The city was stage to the Austrian Civil War of 1934, when Chancellor Engelbert Dollfuss sent the Austrian Army to shell civilian housing occupied by the socialist militia. In 1938, after a triumphant entry into Austria, Adolf Hitler famously spoke to the Austrian people from the balcony of the Neue Burg, a part of the Hofburg at the Heldenplatz. Between 1938 and the end of the Second World War, Vienna lost its status as a capital to Berlin.

In 1945, the Soviets successfully launched the Vienna Offensive against Germans who were holding Vienna. The city was besieged for about two weeks before it fell to the Soviets. After 1945, Vienna again became the capital of Austria, was initially divided into zones by the four powers (or the four prevailing nations), and was governed by the Allied Commission for Austria.

In the 1970s, Austrian Chancellor Bruno Kreisky inaugurated the Vienna International Centre, a new area of the city created to host international institutions. Vienna has regained a part of its former international relevance by hosting international organizations, such as the United Nations (UNIDO, UNOV, CTBTO and UNODC), the International Atomic Energy Agency, the Organization of Petroleum Exporting Countries (OPEC), and the Organization for Security and Cooperation in Europe.



Palace Schönbrunn

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Geography & climate

Vienna lies in eastern Austria, at the easternmost extension of the Alps in the Vienna Basin. The earliest settlement, at the location of today's inner city, were south of the meandering Danube while the city now spans both sides of the river. Elevation ranges from 151 to 542 m.

Vienna has a humid continental climate according to Köppens climate. The city has warm and pleasant summers with average high temperatures of 22 - 26°C (72 - 79°F) and lows of around 15°C (59°F). Temperatures could sometimes exceed 30°C (86°F). Winters are cold with temperatures of freezing point. Spring and autumn are cool to mild.

Precipitation is generally moderate throughout the year, but summers are slightly wetter than winters. Snowfall mainly occurs in December through March.

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Politics

Until 1918, Viennese politics were shaped by the Christian Social Party, in particular long-term mayor Karl Lueger. Vienna is today considered the centre of the Social Democratic Party of Austria. During the period of the First Republic (1918-1934), the Vienna Social Democrats undertook many overdue social reforms. At that time, Vienna's municipal policy was admired by Socialists throughout Europe, who therefore referred to the city as "Red Vienna" (Rotes Wien).

The current mayor of Vienna is Michael Häupl. The Social Democrats currently hold 55% of the seats with a 49% share of the vote. Many Austrian political experts believe that if not for the Social Democrats' nearly unbreakable hold on Vienna, the rival Austrian People's Party would dominate Austrian politics.

An example of the city's many social democratic policies is its low-cost residential estates called *Gemeindebauten*.

Ever since Vienna obtained federal state status of its own in 1921, the mayor has also had the role of the state governor. The Rathaus accommodates the offices of the mayor and the state government. The city is administered by a multitude of departments.

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Economy

Austria is one of the 10 richest countries in the world in terms of GDP (Gross domestic product) per capita, has a well-developed social market economy, and a high standard of living. Until the 1980s, many of Austria's largest industry firms were nationalised; in recent years, however, privatisation has reduced state holdings to a level comparable to other European economies. Labour movements are particularly strong in Austria and have large influence on labour politics. Next to a highly-developed industry, international tourism is the most important part of the national economy.

Germany has historically been the main trading partner of Austria, making it vulnerable to rapid changes in the German economy. However, since Austria became a member state of the European Union it has gained closer ties to other European Union economies, reducing its economic dependence on Germany. In addition, membership in the EU has drawn an influx of foreign investors attracted by Austria's access to the single European market and proximity to the aspiring economies of the European Union. Growth in GDP accelerated in recent years and reached 3.3% in 2006.

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The Vienna Rathaus

Transportation

Rail & Road

Vienna has an extensive train and bus network, the train network being third largest in the world. In the most populated areas of Vienna, public transport runs so frequently that any familiarity with departure timetables is virtually unnecessary. The convenience and flexibility of the public transport is in turn reflected by its popularity; 53% of Viennese workers travel to their workplace by public transport.



Modern Vienna

Four national autobahns leave Vienna in the westerly (A1), northwesterly (A22), southerly (A2), and easterly directions (A4). In addition, several spur and branch autobahns circle around the southern and eastern areas of the city. The protected Wienerwald forest area in the western and northern areas has been left mostly untouched.

Air

Vienna International Airport is located to the southeast of Vienna and often referred to as Schwechat, the name of the nearby town. The airport handled over 254,000 arrivals and departures in 2007 and was frequented by 18.77 million passengers.

Following lengthy negotiations with surrounding communities, the airport will be expanded to increase its capacity by adding a third runway. The airport is currently undergoing a major expansion, including a new terminal building and office park, to prepare for an expected increase in passengers.

Ocean

Vienna is connected to Rotterdam and German Industrial areas via the Rhine-Main-Danube Canal, and to Eastern European countries along the Danube to the Black Sea. In 2006, a total of 6.24 million tonnes was moved by 5,280 vessels in both directions of the Rhine-Main-Danube Canal.

The planned Danube-Oder-Canal remains unfinished. The waterway today is again part of plans for a European Danube-Oder-Elbe Canal project that would also connect the Elbe river, politically controversial due to its ecological impacts.

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