

RELEASE IN PART
B5, B6

From: Sullivan, Jacob J <SullivanJJ@state.gov>
Sent: Thursday, February 23, 2012 6:09 AM
To: H
Subject: Fw: AfPak Border

Fyi

From: Wells, Alice G
Sent: Thursday, February 23, 2012 12:36 AM
To: Sullivan, Jacob J; Feldman, Daniel F
Subject: Fw: AfPak Border

Jake -- can you flag for S?

From: Kennedy, Patrick F
Sent: Wednesday, February 22, 2012 08:22 PM
To: Wells, Alice G
Cc: Grossman, Marc I
Subject: FW: AfPak Border

Alice

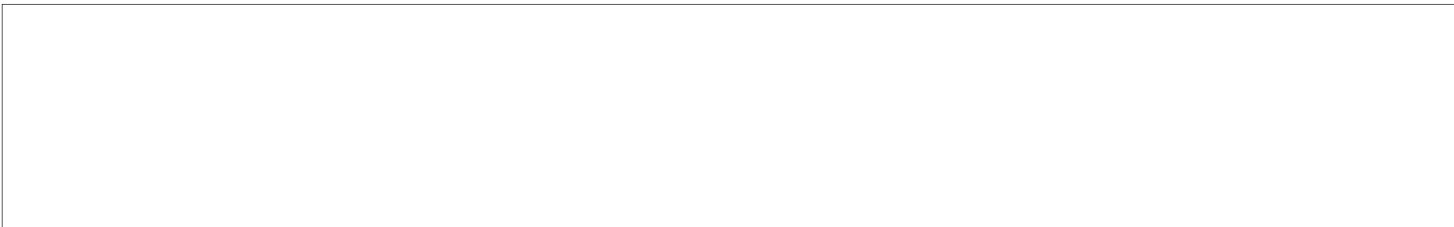


Regards

pat

From: Hoagland, Richard E
Sent: Thursday, February 16, 2012 08:30 PM
To: Ebert-Gray, Catherine I; Muench, Sandra M; Tabler-Stone, Melinda C
Cc: Andersen, Jared A; Pratt, Jonathan G; Kofmehl, Scott; McCormick, James P
Subject: RE: AfPak Border

Catherine:



Dick

Amb. Richard E. Hoagland

B5

B5

Deputy Chief of Mission
U.S. Embassy Islamabad
TEL: 92 51 208 2502
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B6

This email is UNCLASSIFIED.

From: Ebert-Gray, Catherine I
Sent: Friday, February 17, 2012 5:02 AM
To: Muench, Sandra M
Cc: Hoagland, Richard E; Andersen, Jared A
Subject: AfPak Border

Sandy,

How are you?

B5

Here are a few background points.

- About 9-10 containers are caught in Islamabad due to the border closure. Facility construction is affected in Kabul
- The annual container shipment volume is about 50-60 containers.
- Until the Pakistan border is reopened, Embassy Kabul has asked LM to ship via the northern route.
- Using the northern route costs the USG twice as much in trucking costs; and 60-70% more in travel days. "The primary disadvantage of the northern routing is that it costs \$12K (average) more per container and takes 40 (average) days longer than the Pakistan routing." Details are below.
- Switching to airfreight would increase costs six-fold – to over \$70,000 per container.
- Reverting to the Pakistan route, we would increase our investment in the Pakistani supply chain -- freight forwarders, goods, drivers, and fuel. This helps Pakistan communities.

FYI, LM staff is planning to discuss with Kabul and Islamabad this month whether some container content is needed in Islamabad and which are the highest priority needs in Kabul. We will then work with Kabul and the Bureau to reorder needs or redirect the containers back to ELSO for movement to Kabul by the Northern Route.

We would be most grateful for post's efforts. Please let me know if you require further information.

Many, many thanks, Cassy
Deputy Assistant Secretary
Logistics Management

This email is UNCLASSIFIED.

From: Hartman, Steven G
Sent: Friday, February 10, 2012 12:57 PM
To: Ebert-Gray, Catherine I

Cc: Read, Cathy J; Browning, Robert S; Brennan, Edward J; Gibson, Ann S; Carney, Michael A; Coker, Daniel J
Subject: Transportation Costs to Support Afghanistan

Cassy, below are the numbers you requested for comparing transportation costs between the northern and southern routes, and we included an estimated cost of air freight from NY and ELSO.

Based on consultations with Posts in Afghanistan and Pakistan, we have switched to the Northern Route. So far 15 40' sea containers have been successfully shipped from New York using that routing. The primary disadvantage of the northern routing is that it costs \$12K (average) more per container and takes 40 (average) days longer than the Pakistan routing.

Based on last year's numbers, we can expect to ship approximately 50 - 40' sea containers to Afghanistan in the next 12 months, with an estimated increased transportation cost of \$600,000 over what it would cost through Pakistan. Our projected number of containers excludes 29 containers that were used for furniture, which we believe to be a one-time requirement.

Air freight costs (for weight exceeding 1,000 pounds) to Kabul is estimated at \$1.35 per pound from New York, and \$1.52 per pound from ELSO. We realize the two rates are counter intuitive because the cost from Europe to Kabul is more expensive than the U.S. to Kabul, but that's the air industry for you. Also, please note this estimate is very conservative because most air freight is charged on the volume (cube) of the freight, which is very difficult to determine in advance.

A/LM has been discussing the northern route with our DOD colleagues for the last couple years, and both of our Operations are following similar routings, using similar carriers, with similar costs and transit times. We prefer shipping and tracking our own freight, because our volumes are relatively small, not highly visible, and do not need to get integrated into the enormous volumes shipped by DOD.

Please let me know if you need anything further. Thanks.

Data used to form the cost estimates for surface shipments:

15 containers via the northern route (Klaipeda, Tallinn, or Mersin)

Klaipeda transit days	from 49 to 89	average = 70	40 ft container cost = \$28,037.00	AVG
Tallinn transit days	73	average = 73	40 ft container cost = \$24,000.00	AVG
Mersin transit days	25	average = 25	40 ft container cost = \$27,385.00	
			AVG	= \$26,474.00

61 containers via the southern route (Karachi)

NY via Karachi	from 35 to 57	average = 43	40 ft container cost = \$13,983.00	AVG
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76 TTL

Average cost difference between Northern and Southern routes: \$12,491.00 cheaper via Pakistan

Steven G. Hartman
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