



September 4, 2020 Volume 1, Nr. 1

We wish all of our readers a happy and safe Labor Day weekend. We are pleased to share with you trending foreign trade stories you may have missed due to COVID-19 and election coverage.

[Visit our Website](#)

The USITC has released "The Year in Trade 2019"

The USITC's "The Year in Trade" is one of the government's most comprehensive reports available regarding activities related to U.S. trade policies, agreements and trade laws. This report is the 71st in a series of annual reports submitted to the U.S. Congress under Section 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation.

[Read it here.](#)



Links and stories of interest:

[U.S. Trade Representatives Statements on Conclusion of Steel Negotiations with Mexico and Brazil](#)

[U.S. Department of Commerce Issues Affirmative Preliminary Determination in the Countervailing Duty Investigation of Imports of Mattresses from China](#)

[The Commerce Department published a notice of an Initiation of Antidumping and Countervailing Duty Administrative Reviews](#)

Government Enforcement Actions and Trade Compliance

[Five Charged In Multi-Million Dollar International Customs Fraud Scheme - Dumping Used Tires In Asia to Submit Fraudulent Tariff "Drawback" Claims](#) - The indictment, filed

August 12, 2020, and unsealed on August 25th, alleges Liang, 34, of Daly City, Calif.; Behm, 75, of Shell Knob, Missouri.; Stanka, 41, of Katy, Texas; Clark, 38, of Fair Oaks Ranch, Texas; and Choy, 47, of Etobicoke, Ontario, Canada, conspired to defraud the United States of as much as \$40 million by submitting multiple claims for refunds to recover tariffs that were properly owed on imports.

Los Angeles Fashion District Outfit and Company Owner Agree to Plead Guilty to Customs Violations, Tax Offenses, and Pay \$118 Million - Federal prosecutors have filed charges and plea agreements against Ambiance Apparel and company owner Sang Bum “Ed” Noh. Noh agreed to plead guilty to felony offenses and pay a total of \$117,897,708, which includes \$36 million in cash seized from Ambiance and Noh in 2014. Over 4½ years, Ambiance undervalued imports by about \$82.6 million, avoiding more than \$17.1 million in tariffs.

U.S. Dishes Out First Sanctions in South China Sea Dispute - The U.S. Commerce Department announced sanctions against 24 Chinese blacklisted companies and targeted individuals it said were part of construction and military actions in the South China Sea. A spokesperson for China’s embassy in Washington condemned the U.S. sanctions as “completely unreasonable,” and urged the United States to reverse them.

Spike in Weapons & Ammo Seizures at Michigan Ports of Entry - From March 21, to August 21, 2020, CBP officers across all ports of entry under the purview of the Detroit Field Office have seized 81 firearms and over 4,000 rounds of ammunition. In comparison, during the entire fiscal year 2019, CBP officers seized 62 firearms. Department of State requires travelers to file Electronic Export Information for temporary export of personally owned firearms via the Automated Export System prior to departure from the United States.

Human Rights Groups Petition CBP to Stop Imports of Cotton Goods From Xinjiang Region of China - Human rights, labor, and investor organizations filed a formal petition with CBP, urging it to issue a regional withhold release order on all cotton-made goods linked to the Xinjiang region of China based on evidence of widespread forced labor.

Environmental

China fishing fleet raises fears for Galápagos sea life Chinese fishing vessels come every year to the seas around the Galápagos, but this year’s fleet of 248 is one of the largest seen in recent years, with 243 flagged to Chinese companies with suspected records of illegal, unreported and unregulated, or IUU, fishing, according to research by C4ADS, a data analysis NGO. The fleet includes fishing boats and refrigerated container ships to store enormous catches, despite the transferring of cargo between vessels being prohibited under international maritime law.

Tanker oil spill catastrophe in Mauritius The Japanese-owned ship M/V Wakashio, struck a coral reef at Pointe d’Esny near Mauritius in late July, breaking apart on August 6 and leaking more than 1,000 tons of oil cargo, creating an environmental catastrophe. Environmental groups have warned that the damage to the coral reefs could be irreversible. Greenpeace Africa said the damage could be irreversible for thousands of species around Blue Bay, Pointe d’Esny and Mahebourg well as the island’s economy, food, and security.

Oakland A’s file lawsuit over alleged pollution at a facility near Howard Terminal, proposed ballpark site - The Oakland A’s sued the California Department of Toxic Substances Control over alleged pollution at Schnitzer Steel’s metal shredding at Howard Terminal where the A’s propose to build a new stadium and luxury real estate development. President of the Oakland A’s, Dave Kaval, tweeted: “West Oakland has long dealt with unacceptably high levels of pollution, as well as elevated risks of health problems like asthma, heart disease, and COVID.”

Maritime

Dozens Missing After Cargo Ship Sinks in Typhoon Near Japan Japan's Coast Guard was searching in the East China Sea for the Gulf Livestock 1's 42 missing sailors a day after a cargo ship carrying cattle sank in a typhoon. Rescued crew member, 45-year-old Chief Officer Sareno Edvardo, told the coast guard engine stoppage made the ship difficult to control and capsized after being hit by a large wave.

Ports of Long Beach and Los Angeles Set Records for Container Movement –A new North American record was achieved for the highest volume of container movements during a single call. Seven ship-to-shore cranes handled at times more than 250 containers per hour, transferring 17,080 containers, the equivalent of 30,744 TEUs, during a call by the *MSC Sveva* to reach the record.

Logistics

Amazon's drone delivery fleet hits milestone with FAA clearance –Amazon Prime Air's nascent MK27 drone fleet joins Wing, the Alphabet Inc. subsidiary, and United Parcel Service Inc. to be certified by the FAA as a drone airline. The FAA is preparing to complete a set of regulations by the end of this year that will serve as a framework to expand drone flights over crowds, but routine deliveries are years off.

Port of Los Angeles Joins Blockchain Shipping Platform Tradelens - The Port of Los Angeles announced an agreement to join the blockchain-based digital shipping platform Tradelens. Tradelens, launched in 2018 to digitize manual and paper-based Supply Chain systems is a collaboration by IBM and Maersk.

Editorials - Opinions

Today, the FTA offers a new section. "EDITORIALS – OPINIONS." FTA editorials and opinions are intended as fact-based opinions. The authors do their own research on issues and then present an opinion that is consistent with the FTA's mission and objectives. Our goal is to provide FTA members with an informed point of view that will let them shape their own opinions on the issues of the day.

HIGH RISK IMPORTING by Cameron Roberts, Partner, Roberts & Kehagiaras LLP, past FTA President and Chairman of the Board.

International trade has inherent risk. Merchants in international trade are expected to be sophisticated and use reasonable care. Service providers are expected to be subject matter experts. But not all trade is free, fair, or legal. Many merchants and service providers are quick to "make a deal" and take representations made on the Internet, social media, and in the shipping documentation at face value. All FTA members should take notice of the recent Department of Justice press releases concerning fraudulent drawback claims and undervaluation schemes. These are cautionary tales that FTA members should consider, especially in today's chaotic climate. FTA members should carefully consider their business relationships and how to best manage the inherent risks of international trade using common sense, due diligence, contracts, and insurance.

Upcoming FTA Events

FTA Webinar: CTPAT Security
Criteria and CTPAT Portal Updates



Meeting the New CTPAT Security Criteria and Doing Updates in the CTPAT Portal at the 11th Hour

This 90 minute webinar will provide an overview of CBP's new minimum security criteria (MSC) that all CTPAT members are required to meet in 2020 and beyond. Since CBP only updated the CTPAT portal in June, existing CTPAT members are just now (or at least they aren't getting around to updating) their supply chain security profiles. While CBP has published the new criteria in the fall of 2018, most CTPAT members are dealing with the new criteria NOW, meaning if they did not previously start the hard to follow requirement the new criteria, or if already implemented, describe their implementation to CBP as part of the annual CTPAT certification review.

Aside from providing an overview of the new MSC, the webinar will discuss what to do when implementing the new criteria at the proverbial 11th hour.

Michael Roll,
Roll & Harris LLP
Moderator

Cindy Hazlett,
Belkin - BCO

Carlton A. Roe,
G4S Corporate Risk Services
CPAT Consultant

Date:
Monday September 21, 2020

Time:
1:00 pm - 2:00 PM PT

Location:
Webinar

Topic:
CPAT for membership/1st for non members
CPAT membership req.

FTA
4200 S. Pacific Coast Hwy.
Long Beach, CA 90803

[Register Here](#)

Sponsored by:



Join us on September 21st from 1:00 - 2:30 PM PT for a webinar panel discussion moderated by Michael Roll, Partner in the firm of Roll & Harris and featuring Cindy Hazlett of Belkin and Carlton Roe of G4S Corporate Risk Services.

Sponsored by [Yusen Logistics](#).

REGISTER TODAY

Other Upcoming Events

September 8th – 11th
Customs and Border Protection's Virtual Trade Week

September 10th
LACBFFA - Expedite Your Containers Using Real-Time Visibility Data

September 22nd
LA Chamber of Commerce's World Trade Week – Fueling Innovation and Economic Growth

October 22nd - 23rd
WESCCON – Looking into the Future of Trade in a Virtual World