



September 4, 2020 Volume 1, Nr. 2

On this solemn 19th anniversary of the attacks of September 11, 2001, we pause to look back and remember the day. We remember those who lost their lives that day and in the following days, months and still continue to do so at home and overseas.

US companies are sticking with China despite rising tensions and pressure from Trump.

Trade tension between Washington and Beijing has increased pessimism amongst American companies based in China, but 92% of respondents to an American Chamber of Commerce survey indicated commitment to remaining in the country.

[Read it here.](#)



Links and stories of interest:

[Autonomous Ship Market valued approximately USD 56 million in 2016 is anticipated to grow with a healthy growth rate of more than 12 % over the forecast period 2017-2025.](#)

[The Uncharted: Launch of the Mayflower Autonomous Ship - Coming Soon to an Ocean Near You](#) (video)

[Taiwan denounces large-scale Chinese drills near island](#) Taiwan reacts to a second day of Chinese fighter jets aggressively flying off its southwestern coast as a serious provocation and a threat to international air traffic. Taiwanese conducted live-fire weapons tests in response, while Taiwan President Tsai Ing-wen warned of a rising risk of accidental conflict, emphasizing that communication must be maintained to cut the risk of miscalculation.

[Biden Vs Trump On Trade](#) 2020's U.S Presidential election cycle is exacerbating the anxieties of trade policy forecasts and projections; here is an editorial of the candidates' comparison.

Government Actions and Trade Compliance

Federal Agencies Outline Plan to Help Farmers of Seasonal and Perishable Fruits and Vegetables The Office of the U.S. Trade Representative, the Department of Agriculture, and the Department of Commerce outlined the Trump Administration's plan addressing the threat posed by increased foreign imports to American seasonal agricultural producers.

China retaliates against U.S. diplomats, including in Hong Kong Beijing said it will take unspecified retaliatory measures against U.S. diplomats in China, including those working in Hong Kong, following earlier moves by the Trump administration to limit the ways Chinese diplomats can operate on U.S. soil.

Customs proposes Section 301 duties on shipments subject to de minimis. On September 2, 2020 Customs sought regulatory review from the Office of Management and Budget for a proposal entitled "Excepting Merchandise Subject to Section 301 Duties from the Customs De Minimis Exemption." This appears to be an effort to remove the de minimis exception from low-value entries.

Environmental

Panama says improper charts, course deviation, and poor seamanship led to Wakashio's grounding The captain's decision to deviate from the approved navigation plan, in part to seek a telephone or internet signal closer to shore, may have contributed to the Japanese bulker *Wakashio* running aground off Mauritius on July 25, resulting in a devastating environmental disaster.

Maritime

The Uncharted: Launch of the Mayflower Autonomous Ship - Coming Soon to an Ocean Near You (video)

Port of Los Angeles Introduces New Data Tool, 'The Signal' The Port of Los Angeles will begin distributing and publishing key dashboard data from Wabtec's Port Optimizer™, facilitating supply chain stakeholders' access with forward-looking data to better plan and prepare for inbound cargo.

Amateur Dive Team Discovers Rare 17th-Century Dutch Shipwreck A Finnish dive team identified a rare 17th century Dutch "fluyt" cargo shipwreck in the Baltic. The fluyt design maximized cargo capacity, with officers and crew sharing quarters and the same galley. This economical and practical vessel class saw considerable use in the Baltic and beyond in the 1600s and 1700s, but well-preserved examples are rarely found.

CMA CGM Sees Strong Rebound After COVID Storm Container shipping group CMA CGM reported higher second-quarter profits and expects improvement in the current quarter as the shipping sector rebounds from industry-wide COVID-19 disruptions.

Port CEO Randa Coniglio Announces Retirement Plans Port of San Diego President Randa Coniglio, the first female president in its 57-year history, announced that she will retire as the Port's chief executive officer. Coniglio joined the Port as a senior real estate asset manager in 2000, rising to become executive vice president for Port operations in 2011, then was elevated to president and chief executive officer in 2015.

New Heim Bridge comes online in Los Angeles, Long Beach port complex The U.S. Navy-built iconic vertical lift bridge in the Port of Los Angeles been replaced with a new, fixed-height, seven-lane bridge that meets current seismic and roadway standards, and

makes it possible for emergency crews to travel to and from Terminal Island.

Video of the week

Catholic University's The Busch School of Business hosted a lecture with [U.S. Trade Representative Robert Lighthizer](#). Free trade has its limits according to Lighthizer, who questioned utilitarian comparative advantage, i.e., lower labor costs countries should provide low-skilled manufacturing, and that countries with advanced higher skilled human capital should design and engineer advanced technology. "Is it my comparative advantage that I can pollute?" Lighthizer asked. "Of course it is, economically, but nonetheless it's not what we're looking for. The ultimate comparative advantage would be to have slave labor because you could really make things cheaper. No one would want that." Not all economic advantages are "legitimate," according to Lighthizer.



Logistics

[Trade Battered in 2020 Still Poses Five Big Risks to Global Economy](#) Five key events in global trade as the world continues to grapple with the unprecedented turmoil of 2020

[Top 10 Fastest, Biggest, Most In U.S. Trade \(Without A Peep About China\)](#)

Despite the bleakness of Covid-19, there are some highlights derived from two decades of analyzing trade data analyzing the United States' trade with the world. Here is a summarized Top 10!

[Container shortages in Asia expected to intensify](#) Equipment shortages in Asia are worsening as importers in the United States and Europe struggle to return empty containers to China and other Asian manufacturing hubs, casting doubt as to whether the international supply chain will be ready for the upcoming peak shipping season.

[Mexico once again No. 1 US trade partner](#) Resurgence of Mexico's cross-border automotive industry in July helped the country get back on top.

STB and FRA echo rail worker concerns about U.S. rail service On August 24th, the heads of the Surface Transportation Board (STB) and the Federal Railway Administration (FRA) sent identical letters to the heads of the leading U.S. railroads, including the Union Pacific (UP) and the Burlington Northern Santa Fe (BNSF) expressing concerns about the quality of the U.S. railroad infrastructure and disruptions in rail service.

Airlines Are Removing Seats to Make Space for Gadgets and Seafood The grounding of passenger planes at a time of increased demand for everything from medical supplies to iPhones has boosted freight rates. With much of the world's population house-bound and shopping online instead of hitting the malls, analysts see no let up in demand, particularly as the peak year-end holiday season approaches.

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.

ABANDONED CARGO CAUSED BEIRUT'S 8/11 by Cameron Roberts, Partner, Roberts & Kehagiaras LLP, past FTA President and Chairman of the Board.

The cost of abandoned ocean cargo is high. Daily demurrage rates often exceed \$300. Merchants are transactional, and when the cost of demurrage exceeds the expected profit the cargo is often abandoned, sitting at the terminal for months, if not years, while the parties blame the delay and expense on one another.

Despite decades of litigation, investigations and hearings, merchants, steamship lines, terminals, and government regulators, including the Federal Maritime Commission, have not solved the problem.

*The cost of failing to solve the problem of abandoned freight was laid bare last month on August 11th when 2,750 **tons** of ammonium nitrate, stored for six years in the Port of Beirut's Hangar 12, exploded.*

The blast killed more than 190 people, injured 6,000 and caused billions of dollars in damage. The mushroom shaped explosion shattered buildings for miles around, destroying homes, gutting skyscrapers and scattering streets with the debris. A month later, on our 9/11, a fire tragically rages in the Beirut "pile" billowing toxic smoke.

ANYONE shipping hazardous materials should watch the New York Times' detailed and chilling presentation on How a Massive Bomb Came Together in Beirut's Port before they consider abandonment. Abandoning 2,750 tons of ammonium nitrate started chain of events that caused Beirut's 8/11.

*We can and **must** do better.*

Upcoming FTA Events

FTA Webinar: CTPAT Security Criteria and CTPAT Portal Updates

Join us on September 21st from 1:00 - 2:30 PM PT for a webinar panel discussion moderated by Michael Roll, Partner in the



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 about to) start getting alerted to updates. Don't worry, there are security criteria. 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 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: Updates in the CTPAT Portal

Target Audience: CBP for membership/MSI for non members

ESW Sponsorship req.:

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

[Register Here](#)



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 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