



December 18, 2020 Volume 1, Nr. 15

What an absolutely wonderful end to the 2020 calendar and thanks to everyone who attended our Holiday Celebration and awards ceremony yesterday. We're eagerly looking forward to the time in 2021 when we can say that we'll see everyone in person once again, but for now, as Mark Hirzel says in his email signature - "Stay Positive - Test Negative".

A reminder that the FTA Weekly News will not be publishing the next two weeks and will be back on January 8th. From everyone at the FTA, we wish you very Happy Holidays.

AN IMPORTANT MESSAGE FROM THE FEDERAL MARITIME COMMISSION

Please see the note below from the Federal Maritime Commission regarding the efforts of the Foreign Trade Association on the issues of unreasonable demurrage and detention charged as a result of the congestion in the San Pedro Bay and all US ports.

If a member perceives a violation of 46 USC 41102(c):
41102(c) Practices in Handling Property.—A common carrier, marine terminal operator, or ocean transportation intermediary may not fail to establish, observe, and enforce just and reasonable regulations and practices relating to or connected with receiving, handling, storing, or delivering property.

And believes that a terminal or ocean carrier hasn't acted in a just and reasonable manner (specifically in the allocation of demurrage and detention) we encourage you to share these details and evidence to the Bureau of Enforcement by writing to BOE@fmc.gov.

We also include this to help our members anticipate congestion.

As expected both Long Beach and Los Angeles have separate reports and systems:

Port of Long Beach

Port of Los Angeles

Details below:

Fact Finding 29: Advice to the Trade

December 17, 2020

<https://www.fmc.gov/fact-finding-29-advice-to-the-trade/>

Commissioner Rebecca Dye is advising that shippers and truckers may contact the Federal Maritime Commission's Bureau of Enforcement (BoE) with allegations of ocean carriers and marine terminal operators employing practices or regulations in violation of 46 USC 41102(c) involving non-compliance with the Final Rule published earlier this year by the agency that addresses detention and demurrage.

Individuals with specific allegations of behavior that violates § 41102 (c) when considered in the context of guidance provided in the *Interpretive Rule on Demurrage and Detention Under the Shipping Act*, should submit their complaint and supporting evidence to the Bureau of Enforcement by writing:

BOE@FMC.Gov

In April of this year, the Commission published its interpretive rule providing guidance to industry on how the reasonableness of detention and demurrage regulations and procedures would be assessed. Since then, the agency has received feedback from shippers and other parties critical of the level of compliance carriers and MTOs have shown to the new rule.

Commissioner Dye issued today's advice to the trade as part of her ongoing work conducting Fact Finding 29, "International Ocean Transportation Supply Chain Engagement", which was launched in March 2020.

On November 19, 2020, the Commission voted unanimously to issue a Supplemental Order to Fact Finding 29, reinforcing the broad authority for Commissioner Dye's investigation. One of the three areas the Supplemental Order identifies for further examination is whether detention and demurrage practices of ocean carriers operating in an alliance and calling at the Port of Los Angeles, Port of Long Beach, or the Port of New York & New Jersey violate 46 USC 41102(c).

Links and stories of interest:

Amazon Lobbies for Its Workers to Receive Covid-19 Vaccine

In letter to CDC, e-commerce giant requested that its front-line employees get inoculated 'at earliest appropriate time'

Holiday Puzzle: Vaccine, Blizzard, e-Commerce Boom, Trade War

"There are a lot of 'Karens' out there pooh-poohing that all the Amazon packages they want for Christmas and Hanukkah are not going to arrive on time [because of vaccine delivery]," said CNBC senior editor Lori Ann LaRocco during the FreightWaves North American Supply Chain Summit on Tuesday.

Government Actions and Trade

United States and United Kingdom Conclude Customs Mutual Assistance Agreement

CMAAs are bilateral agreements between countries that are enforced by their respective customs administrations. The agreements provide the legal framework for the exchange of information and evidence to assist countries in the enforcement of customs laws, including duty evasion, trafficking, proliferation, money laundering and terrorism-related activities.

Biden Picks Longtime China Critic Katherine Tai as Top U.S. Trade Official

Though Tai may favor greater cooperation with allies, her leadership as USTR wouldn't necessarily signal a change to the tougher stance toward China.

China Lags as Thailand Tops Ranking of Emerging-Market Prospects

China scores fairly poorly given that high expectations are already baked in, while Brazil is a laggard due to a mounting fiscal deficit and debt concerns.

Outlook Seems Poor for Timely MTB, GSP Renewal

Senate Finance Committee Chairman Chuck Grassley, R-Iowa, accused Democrats of holding up renewal of the Generalized System of Preferences benefits program and said it's unjustified, "because it's always been very bipartisan, and for the most part, almost unanimous."

CBP Issues 'Blanket' Authorization for Immediate Delivery, Updates DIS Guidance

CBP is issuing a "blanket" authorization to allow the release of most types of merchandise on or after Dec. 16 through Dec. 31 under Immediate Delivery (ID) procedures.

The Old Bag of Tricks Is No Complement to Free Trade

By supporting a higher minimum wage, Mr. Biden would increase, not decrease, protectionism.

Nation's Busiest Port, Buried in Imports, Plucks Out Toys to Load Santa's Sleigh

"We've never had this much cargo," Gene Seroka, executive director of the Port of Los Angeles, said on Tuesday, when the port announced that imports spiked 25% during the month of November.

Two Shipments, \$9.6 Million Worth of Fake Jewelry, Watches Seized in Cincinnati

“These large seizures illustrate the work our officers do every day to protect our country, its citizens, and the economy,” said Cincinnati Port Director Richard Gillespie. “Our officers are dedicated to preventing counterfeiters from defrauding consumers and legitimate businesses.”

UK signs post-Brexit free trade deal with Singapore

The agreement came as British and European Union officials make a final push to break a deadlock over the U.K.’s future trade relationship with the bloc.

U.S. Secretary of Commerce Wilbur Ross and Singapore Minister for Trade and Industry Chan Chun Sing Sign Memorandum of Understanding on Trade Financing and Investment Cooperation

The renewable, two-year MOU will be overseen by the U.S. Department of Commerce and Singapore’s Ministry of Trade and Industry.

India in Talks with Australia for Free Trade Pact-Foreign Minister

Fifteen Asia-Pacific economies signed the RCEP last month, forming the world's largest free trade bloc that excludes the United States.

With Americans Stuck at Home, Trade With China Roars Back

Reducing trade with China was supposed to happen in 2020. But demand for Chinese goods has soared amid pandemic lockdowns.

US-China Trade War: Biden Hints He Will Keep Pressure on Beijing with Pledge to Fight ‘Unfair Trade Practices’

President-elect nominated Katherine Tai to post of US trade representative by touting her experience of taking on Beijing; trade policy will be a ‘critical pillar’ of his administration’s foreign policy.

China Races Toward Plan to Blacklist, Redlist Firms for Behavior

China is making swift advances with a system for measuring the social creditworthiness of companies.

Australia Accuses China of Breaching Free Trade Deal by Restricting Imports

Trade minister Simon Birmingham says ‘targeted nature’ of China’s measures raise concern about its adherence to trade deal and WTO obligations.

TRADE AND TRANSPORT ATTORNEYS



ROBERTS & KEHAGIARAS LLP
ATTORNEYS AND COUNSELORS AT LAW

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FTA NEWS

2021 FTA Board Member Election Results! Elected Board Members

Dear FTA Members,

We want to thank everyone for their participation in this year's FTA Board Member Election, both as candidates and voters.

There were many qualified candidates nominated for the 2021 calendar year, and we appreciate your continued commitment to the FTA. The FTA Board of Directors is responsible for managing and ensuring the future success of the Foreign Trade Association. Board responsibilities include the oversight and management of policies, communication strategies, and financial matters. Please join us in welcoming the 7 candidates selected to serve on the Board of Directors for the term of 2021-2022.

Pedro Villanueva
Susan K. Ross
Crystal Adair
Michael Roll
Lisa Donabedian
Sam Musa
Ally Spinu

We would also like to welcome our newly elected Directors At Large!

Erik Smithweiss
Keith Sanchez
Bruce Leeds

Anne Hilsabeck Presented with the Marjorie M. Shostak Distinguished Service Award

At the Foreign Trade Association's virtual holiday gathering on December 17, 2020, the FTA announced that Anne Hilsabeck, Founder & President of AMH CUSTOMS CONSULTANTS, headquartered in Newport Beach, CA has been chosen as this year's recipient for the association's prestigious Marjorie M. Shostak Distinguished Service Award. This award is



bestowed upon an individual who the FTA Board of Directors feels has distinguished himself or herself through outstanding service and contributions to Southern California's international trade community.

Originally conceptualized in 1996 as the FTA's "Distinguished Service Award" the board honored its first recipient, Marjorie M. Shostak with this recognition during a World Trade Week Event in May 1996. In respect of Marjorie Shostak's 70 years of servicing the Los Angeles international trade community in many different capacities, including

being the first woman to serve as an Officer and Director of The Foreign Trade Association of Southern California from 1956-1962 and General Chairman of the 1972 World Trade Week, the FTA renamed the award to The Marjorie M. Shostak Distinguished Service Award.

Anne Hilsabeck has been a leader in the import and export trade compliance and duty drawback consulting field for more than 35 years. She has served as a member of the FTA's Board of Directors and Directors-at-Large for the past 20 years and supported many of its committees. She has given back to the community in many ways for many years. Congratulations Anne!

OUTGOING PRESIDENT'S MESSAGE:

The following is from outgoing FTA President Pedro Villanueva:

This year was a very difficult for everyone and even though there were many challenges that the FTA had to face, we were able to achieve several milestones.

To mention a few, we had to adapt very quickly to the virtual environment and were able to organize well attended and informative webinars, we transitioned to a new Administrator that is already providing more agile and effective services, an improved Newsletter was introduced that I hope you are enjoying every Friday and we approved the development of a new website where early next year we will be able to provide more content to the benefit of our FTA members.

To make all of this happen, the FTA Board of Directors and the FTA Executive Committee had to work very hard and therefore I want to thank all of them for their commitment and dedication to the FTA.

I also want to congratulate Anne Hilsabeck for her well-deserved Marjorie Shostak Award. Anne is a very accomplished trade professional and over the past ten years has worked tirelessly on the Board and organizing very successful events and seminars for the FTA.

Congratulations also to incoming President Cathy Thrasher and to the new Board of Directors and Directors at Large. They will be introduced at an event later next year so you can get them to know them better. They are a very talented and motivated team of individuals that will do an excellent job and take the FTA to the next level.

Finally, on behalf of the Foreign Trade Association our best wishes to all of you for a Happy Holiday Season and New Year 2021!



FOREIGN TRADE ASSOCIATION PRESENTS
Customs Brokers License Examination Course

This comprehensive course to prepare for the upcoming Customs Broker License Exam provides detailed review in areas such as:

- Customs Broker Regulations
- Entry Requirements
- Valuation of Imports
- Harmonized Tariff Classification
- Free Trade Agreements and Other Duty-Free Exemptions
- Fines and Penalties
- Various other topics typically covered on the exam
- Exam-taking Techniques

In addition to being well-prepared for the exam, the course will also assist in developing a better understanding of critical areas of Customs Compliance even for people not planning on taking the brokers exam. The knowledge you receive will assist in enhancing skills for career advancement. If you already possess a broker's license, this is an excellent review course. Certified Customs Specialists completing the course will receive 20 CCS credits from the NCBFAA.

The course is recommended for individuals with some experience in customs brokerage or import operations. If in doubt about your level of experience, please call the instructor, Erik Smithweiss, at 213-624-1970.

INSTRUCTORS:
Erik Smithweiss & Tony Piscitelli

Erik Smithweiss is a partner with Grunfeld, Desiderio, Lebowitz, Silverman & Klestadt. Erik has over 20 years experience in the field of customs law and procedure and has taught customs broker exam preparation courses for over ten years.

Tony Piscitelli is the owner of TP CBP Importing Compliance, which offers consulting and training services. Tony was a Compliance Specialist with Expeditors International for 11 years as well as a 32-year career with U.S. Customs and Border Protection in NY and Los Angeles. Tony has taught customs broker exam preparation courses for over 6 years.

Course Material
CBP hasn't confirmed the reference materials and an amended flyer will be issued when CBP publishes the exam notice listing the required HTS and 19 CFR, which the students will be required to purchase.

11 WEEK EXAM PREP COURSE
Monday evenings 6:00 PM - 9:00 PM
Starts: Jan. 25, 2021
Ends: Apr. 12, 2021
*Schedule is based on tentative test date of April 28, 2021. Flyer will be updated once CBP confirms the exam date.

Credits:
20 CCS provided by NCBFAA

Cost:
Member Price: \$445
Non Member Price: \$550
Partner Price: \$500

Note: Note: Course materials are not included in the registration fee.

Location: Virtual classes will be held for now.



6216 E. Pacific Coast Hwy #407
Long Beach, CA 90803
P: 888-223-6459

REGISTER NOW

FTA Custom Brokers Exam Course

The course is recommended for individuals with some experience in customs brokerage or import operations. If in doubt about your level of experience, please call the instructor, Erik Smithweiss, at 213-624-1970. Note: Course materials are not included in the registration fee.

Members: \$445.00
Non-members: \$550.00
Partner Price: \$500.00

REGISTER TODAY

Environmental

Influencing Shipping Industry's Climate Performance by Scoring Lenders

The first of its kind report by the signatories of the Poseidon Principles shows that only three banks' ship finance portfolios are aligned with UN decarbonization targets while 12 banks' portfolios are not.

SEC Approves Scaled-Back Disclosure Rule for Energy, Mining Companies

Latest version of the rule attempts to ease compliance burden while implementing a Dodd-Frank provision that is supposed to combat corruption

Keel Laid for First Jones Act-Compliant Offshore Wind Installation Vessel

Earlier this week, the U.S. Government Accountability Office reported on the challenges of constructing and using Jones Act-compliant vessels for offshore wind installations, finding that there are currently no U.S.-built ships suited for installing wind turbines in the United States.

Got a story idea?

The FTA wants to hear from you! Is there a topic or industry that we're not covering that you'd like to see more of? Drop us an email by clicking the button below with your suggestions.



EMAIL YOUR STORY
IDEA



FTA New Member Thank You!

The FTA would like to acknowledge our new members each week in our newsletter. We sincerely appreciate their support and participation. Your FTA leadership continues to focus on delivering value during this time of social distancing and know that as we move into 2021 and back to in-person events that the opportunities will only continue to expand.

Kenji Go, ClearFreight, Inc.
David Habib, Law Office of David J. Habib
Khim Lim, ClearFreight, Inc.
Charlice Lin, ClearFreight, Inc.
Alessandra Vieira, Da Silva

Maritime

Liner Capacity Control and the Future of Container Shipping

If liners can indefinitely calibrate capacity to cargo demand, the future newbuilding orderbook should be far less of a threat to liner profits and far less of a savior for shippers.

NOVEMBER 2020 ACTIVITY REPORT

Statements and Announcements

FMC Receives Briefings at December Meeting

Commissioner Rebecca Dye provided an update on her work to date as Fact Finding Officer for “International Ocean Transportation Supply Chain Engagement” (Fact Finding 29).

Drone Footage Gives New View of ONE Apus Damage

ONE Apus has a capacity of a little more than 14,000 TEU, or twenty-foot equivalent units, so if 4,500 TEU were lost or damaged, it means that more than a third of the ship's entire cargo could be impacted by this incident.

COVID Restocking Surge Continues at Port of Los Angeles

Eighty-eight cargo vessels arrived in November, including nine extra loaders. There were no canceled sailings.

Anchored Container Ships Weigh Down Port of LA's Volume Every part of the logistics supply chain at big ports around the world continues to be stretched.

There were 15 container ships at berth at the Port of LA on Tuesday, but 23 more anchored in San Pedro Bay. Of those, 14 were bound for LA and nine for the Port of Long Beach.

Shippers Facing 'Different Game' in 2021 as Freight Costs Rise

COVID-19 and the wave of imports reaching the US will keep pressure on transportation capacity and pricing, from ports to the last mile, shippers warned Tuesday.

FTA Membership Opportunity

Interested in Becoming a Member of the Foreign Trade Association?

The FTA is offering 50% off on Corporate and Individual memberships for new members from now until the end of December.

- Corporate = \$300 (Regularly \$600)
- Individual = \$150 (Regularly \$300)

To qualify as a new member, there must be at least an 18-month lapse from the previous membership. An individual who has left a company that was or is a member is also eligible for this promotion.

Other conditions and restrictions apply. Visit our website to learn more and join today!

JOIN TODAY

Videos of the Week

USTR Lighthizer On Deal with the UK

As Brexit negotiations work their way down to the wire with two weeks remaining until the end of the year, USTR Robert Lighthizer sat down with the BBC for an interview on the potential for a US / UK agreement of some kind before the current administration leaves office.



Logistics and Trade

Texas Logistics Firm Goes Belly-up

The Federal Motor Carrier Safety Administration revoked CHAI's broker authority in mid-July after its insurance policy was canceled earlier that month.

Forward Air likely hit in cyberattack, experts say

An "IT security incident" at Tennessee-based transportation and logistics firm Forward Air Corp. (NASDAQ:FWRD) likely resulted from a cyberattack, possibly one involving ransomware, experts told FreightWaves.

No Dry Ice Shortage, FedEx and UPS Say

Express delivery companies express confidence in production capacity to support ultra-cold COVID vaccine shipments

5 New Year's Resolutions to Reduce Your Fleet Risk in 2021

The COVID-19 pandemic saw the Federal Motor Carrier Safety Administration issue a series of rules exemptions in 2020, but at no point was the safe operation of commercial motor vehicles affected.

Port of LA Launches Return Signal for Trucking to Address Congestion

Earlier this week, a coalition led by the Harbor Trucking Association (HTA) called for the Federal Maritime Commission (FMC) to consider an immediate suspension of detention and demurrage charges at the ports of LA, Long Beach and New York/New Jersey due to congestion.

Editorial

This week's commentary comes from Adonna Felix, Vice President of Operations at Price Transfer

C.E.S. Challenges

This past year we have seen many challenges in regard to labor shortage, chassis shortages and long lines at the terminals. This has caused an increase in costs and a struggle to keep up with demand. As everyone is aware, our port has handled record volumes these past few months.

Central exam stations are an essential business and are also under a federal contract. Since the start of the COVID-19, our challenges have increased with our largest part being labor shortages.

We have three Labor Agencies that we use for CES personnel and even they are having a hard time with getting people to come in for work. The agencies are finding that potential employees are just not applying whether it is due to the increase in unemployment benefit payments, family daycare or the specific type of work openings they don't feel comfortable doing at this time. We used to have a pool of pre-approved temps, but now there is no pool due to very little applicants.

We are facing higher costs in order to get containers through the exam process. For instance, before COVID we had 4-6 employees working one container and now we have a maximum of 2 employees in order to keep required 6 feet social distance. With the increase in overall examinations coming in, especially labor intensive Amazon Examination loads, we are having to work longer hours to get the loads moving in a timely manner. We are doing everything we can to expedite the examination process, however, the COVID-19 pandemic is causing severe CES labor availability issues along with added health concerns.

Upcoming Events

January 26 - WEBINAR -Forced Labor in today's global trade environment - 1:00 - 2:00 PM PST This webinar will offer a unique perspective to importers looking to create or enhance their forced labor compliance programs. *[More details to follow!](#)*