



January 15, 2021 Volume 2, Nr. 2

The ports of Los Angeles and Long Beach reported their full-year results this week, and while there weren't any surprises in how the year went from lows to still-crushing highs, the numbers and comparisons from earlier periods both in this year and year-on-year comparisons are nonetheless staggering. For instance, Long Beach [moved a record 8.1 million TEU's](#) last year.

While the ports are certainly pleased with their good fortune in terms of millions of TEUs moving through them, it is tempered with the knowledge that the current congestion, service, and demurrage and detention conditions are untenable and it will take vaccinations, a leveling-off or nominal decline in volumes and intermodal performance improvements to clear these crippling backlogs.

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:

USCG Recovers Stolen Floating Tiki Hut From "Intoxicated" Operator

Gilligan to the Skipper: "You might hear rumors that I did 'a thing'..."

Government Actions and Trade

CBP Finds Robotic Workstations, Not Conveyors, Determine Classification for Engine Assembly System

A multi-station conveyor system used for assembling internal combustion engines should be classified based on the workstations and not the conveyors, CBP said in an Oct 2. ruling.

Commerce Finds End Use Removes Exercise Equipment Part From Stainless Steel Sheet Duties

End uses and channels of trade matter for determining whether processing removes a product from the scope of antidumping and countervailing duties on stainless steel sheet and strip from China.

A New Year, A New Deal: The UK's Future Relationship with California

Following are observations on future United Kingdom-California relations by Joe White, Tech Envoy to the United States and British Consul General San Francisco; and Emily Cloke, British Consul General Los Angeles.

Politics Seen as Preventing Biden From Reversing Section 301 Tariffs

National Foreign Trade Council panelists addressing the future of U.S.-China relations agreed that the political climate won't allow President Joe Biden to reverse the Section 301 tariffs on China, even though they think those tariffs haven't been effective in achieving their goal of changing the competitive playing field with Chinese firms.

U.S. Trade Representative Emphasizes Protecting Workers in Future Trade Policy

In a Jan. 12 speech to the National Foreign Trade Council, a business group that promotes free trade, President-elect Joe Biden's choice for U.S. trade representative said "U.S. trade policy must benefit regular Americans, communities and workers." Katherine Tai added that it "starts with recognizing that people are not just consumers. They are also workers."

New ITC Investigation Notices for Jan. 12

Passenger Vehicle and Light Truck Tires From China; Scheduling of Expedited Five-Year Reviews.

DHS Calls for Legislation to Allow Injunctions, Increased Penalties for Importers of Illegal Goods

"Due to the high volume of shipments, the lengthy penalty process, a penalty structure based solely on value, and the reliance on private entities to enforce parts of the enforcement structure, many counterfeiters willingly incur the cost of a seized shipment or paying a penalty when the U.S. Government interdicts a shipment," DHS said.

Notorious Markets Continue to Thrive Worldwide, U.S. TR Says

The Office of the U.S. Trade Representative's 2020 Notorious Markets List focused heavily on websites and apps where you can download or stream pirated movies, shows, music and video games, but did continue to express concern about how easy it is to buy something online based on a picture of a legitimate product and then receive a counterfeit good.

U.S. Declassifies Secret Document on Indo-Pacific Defense Strategy

The document articulates the fundamentals of what in Congress has become a bipartisan position on contesting China's geopolitical powerplays, supporting allies and partners, and protecting American interests across domains ranging from military and technology to geoeconomics and information and influence.



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FTA NEWS



FTA
Foreign Trade Association

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.

NEI
NCBFAA
INTERNATIONAL

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

REGISTER NOW

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.

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

Meet your 2021 FTA Board of

Directors!

We are kicking off the 2021 year with this great opportunity to connect with your trade association's Board Members and discuss industry trends. Come and enjoy this casual discussion that is complete with special prize winnings.

January 20, 1:00 - 2:00 PM PT

FREE EVENT!

Sponsorship Available: \$200

REGISTER TODAY



Meet your 2021 FTA Board of Directors!

Date: January 20, 2021
Time: 1:00 p.m. - 2:00 p.m. PST
Location: Zoom Webinar

\$200 Sponsorships Available

Free Registration

FREE EVENT

You are invited to join the Foreign Trade Association for this special

"Meet Your FTA 2021 Board"

Networking Event!

We are kicking off the 2021 year with this great opportunity to connect with your trade association's Board Members and discuss industry trends. Come and enjoy this casual discussion that is complete with special prize winnings.

FTA 2021 Board Members



Cathy Thrasher
Pedro Villanueva
Adonna Felix
Lisa Donabedian
Mechelle Smothers

Mark Hrzal
Baldo Alcantar
Crystal Adair
Susan Ross
Anne Hilsabeck

Patrice Lafayette
Ally Spina
Sam Musa
Norman Arikawa
Michael Roll

www.foreigntradeassociation.com

888-223-6459

info@foreigntradeassociation.com



Forced Labor in Today's Global Trade Environment

Ticket Prices
\$25 for membership and
\$45 for non-members
\$200 Sponsorship Available

Date: January 26, 2021
Time: 1:00 p.m. - 2:00 p.m. PST
Location: Zoom Webinar

Register Here

The 2021 year will be an important year for forced labor in the United States. Recent legislation and policies were proposed affirming the U.S.'s commitment to prohibiting goods produced with forced labor from entering U.S. commerce. As a result of the import detentions and civil penalties imposed, U.S. importers find themselves rethinking their global supply chain strategies and sustainable sourcing policies. This webinar will offer a unique perspective to importers looking to create or enhance their forced labor compliance programs.

Please join KPMG Trade & Customs professionals as they address global developments around forced labor and highlight solutions that companies should consider.



DONALD HOK
KPMG, LLP, Orange County



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Forced Labor in Today's Global Trade Environment

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January 26, 1:00 - 2:00 PT

Members: \$25.00

Non-members: \$45.00

Sponsorship Available: \$200.00

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Environmental

California Water Outlook Trending Dry; Supply Depends on Rainy Season Outcome

The U.S. Drought Monitor indicates 100% of California is experiencing some form of drought, ranging from abnormally dry to exceptional drought. Most of the state falls in the severe (40%) to extreme (32%) drought status, which indicates water supplies will be stressed if it continues to be dry.

Singapore's 2020 Maritime Performance Resilient Despite Global COVID-

19 Hurdles: Minister

The Port of Singapore has performed well despite the challenges posed by the global coronavirus pandemic and is on track to achieve its targets around maritime decarbonization while also promoting digitalization and enhancing inter-modal connectivity.

Predicting the Biden Administration's Impact on The U.S. Maritime Industry

Neither President-elect Biden nor his team have offered specifics on a maritime environmental agenda but given the expectation of a dramatic departure from the Trump Administration's approach, and the inclinations of a united Democratic Congress, this prediction is an easy one.



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 back to in-person events that the opportunities will only continue to expand.

Steven Lunn, Flexport
Amy Grat, EXP The Opportunity Engine
John Harris, EXP The Opportunity Engine
Maribel Alejandre, EXP The Opportunity Engine

Maritime

LNG Shipping Rates from U.S. Surge to Record on Asia Buying Boom, Panama Canal Delays

Freezing temperatures across Asia and Europe have pushed up LNG prices and lifted wider gas prices as buyers grapple with shrinking inventories and the shortage of tankers.

Freezing Weather Snarls Asian Port, Sending Energy Prices Soaring

At least one coal ship that's been idling off northern China had to relocate to avoid ice forming near the coast, according to vessel-tracking data compiled by Bloomberg.

Australia Has Unseaworthy Livestock Carrier Hauled Away Along with 2-Year Ban

After determining that the vessel posed a potential threat of pollution and safety to seafarers, the Australian Maritime Safety Authority (AMSA) issued an intervention order instructing the vessel to the nearest safe harbor at Geraldton, where it arrived safely.

Evergreen Ship Loses 36 Containers Off Japan

In a statement, Evergreen said the ship encountered strong winds about 20 nautical miles off Kyushu, Japan, causing 36 containers to fall overboard and another 21 to collapse on the deck of the ship.

Import Surge, Labor Shortages Worsen LA-LB Congestion

Truck turn times and container dwell times deteriorated further in Los Angeles-Long Beach in December, with even the best-performing terminals struggling to handle the volumes.

More U.S. Importers Signing trans-Pac Contracts Earlier

While signing so-called "early-bird" contracts is not a new phenomenon in the eastbound trans-Pacific, this year is different because the early signings are more frequent and driven more by space guarantees than freight rate considerations.

Cargo vessel captain may face arrest following Beirut explosion

In what looks, on the face of it, to be a classic case of the criminalization of seafarers, *Maritime Executive* reports that Interpol has issued an arrest warrant for the master of the *Rhosus*, the cargo ship that brought the lethal consignment of ammonium nitrate, the cause of last year's tragic explosion in the port of Beirut.

Videos of the Week

Gene Seroka delivers remarks yesterday

The Port of Los Angeles delivered their year-end report online yesterday. There were no shortage of eye-popping stats, but the fact that the port's volume was up 94% year on year from the week before Christmas in 2019 versus 2020 stopped us in our tracks. For Gene's complete remarks, click below.



Logistics and Trade

Outlook 2021: Runaway Demand to Push US Intermodal Pricing Higher

Intermodal marketing company (IMC) executives expect US intermodal rates charged to shippers will rise between 3 and 10 percent in major lanes and between 3 and 5 percent in secondary lanes this year.

Outlook 2021: Forwarders Face Technology Investment Crossroads in 2021

Budget limitations are forcing forwarders to choose between investing in customer-facing tools that could help grow their market share or back-end automation that could help them extract more profit from existing business.

Outlook on the Maritime Satellite Communication Global Market to 2027 - Impact of COVID-19 on the Market

Satellite communication technologies help to track the ships and cargo through the globe. VSAT terminals are communication terminals that allow transmitting and receiving text, audio, and video data using satellite broadband Internet services.

Integration Solutions Increase the Efficiency of Ocean Logistics

Ocean shipping is the most popular method of delivering products overseas today. However, the efficiency of ocean logistics is way below its potential. In this article, we explain the reasons for that inefficiency and how modern integration solutions can overcome them.

Editorial

This week's editorial comes to us from Robert Spieler of Roberts & Kehagiaras LLP

Part of human nature, I suppose, is to embrace solace in the fantasy that what (we think) we know of the world i.e., how it functions, extrapolated on our limited anecdotal evidence, confirms confidence in our prescient acumen. The onslaught of hyper-selective information afforded by social media perpetuates and exacerbates insular reasoning. We seek tribal inclusion: sports, politics, the arts, et cetera.

As a geology student I was initially overwhelmed and humbled grappling with concepts of vast geologic time and processes. Our engineering professor would take us to Palos Verdes and identify the multiple ancient beachheads visible on the peninsula silhouette ascending 1100'. He would casually describe the formations as resulting from geologic uplift over "X" thousands or millions of years, and because I was grouped with other geology students, and because acceptance of the instructor's facts was expected, I quickly became comfortable if not mentally numb to questioning the true significance of what was being taught as truth.

One of my favorite books is ***Flatland: A Romance of Many Dimensions***, a satirical novella by the English schoolmaster Edwin A. Abbott (1884). The "correlation" if you will permit me some latitude, is that the King of Pointland character, monarch of a single plane of existence, could only conceive of his own genesis and perspective of reality. External stimulus e.g., during the interaction of a Sphere, was brutally reordered into a solitary dimensional perception that inherently could not be questioned, let alone compromised, without destroying the foundations of self-existence.

"You see," said my Teacher, "how little your words have done. So far as the Monarch understands them at all, he accepts them as his own – for he cannot conceive of any other except himself – and plumes himself upon the variety of Its Thought as an instance of creative Power. Let us leave this god of Pointland to the ignorant fruition of his omnipresence and omniscience: nothing that you or I can do can rescue him from his self-satisfaction."
— the Sphere (visitor from the 3rd Dimension)

If the tumultuous year 2020 has provided no other example than this, it is that, to quote Yogi Berra, "The future ain't what it used to be."

Proceed with honest introspection, an open mind, and a tender heart...

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.

Upcoming Events

January 20 – FREE WEBINAR – Meet Your 2021 FTA Board Members–
1:00 PM – 2:00 PM PST – We are kicking off the 2021 year with this great opportunity to connect with your trade association's Board Members and discuss industry trends. Come and enjoy this casual discussion that is complete with special prize winnings - **Register [here](#)**

January 21 – WEBINAR - LACBFFA Annual Election Featuring the States of the Ports 2021 – 10:00AM – 11:00 AM PST - Come join us to hear about the cargo volumes, what's new and upcoming in infrastructure, what our two ports are doing to stay ahead of other ports and how they ensure the operations would continue to run smoothly through the pandemic – **Register [here](#)**

January 25 - April 12 – WEBINAR - FTA's Customs Brokers Exam Prep Course – 6:00 PM – 9:00 PM, Monday Evenings – This is an eleven-week course that will begins on January 25, 2021 – **Register [here](#)**

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. **Register [here](#)**

February 9- WEBINAR -What you need to know about cargo insurance-
1:00 - 2:00 PM PST - **Details to soon to follow**