



**January 22, 2021**  
**Volume 2, Nr. 3**

Wednesday brought with it the changeover in administrations and while the focus in the first few days has been on assessing where the nation stands on COVID, confirmation hearings are taking place in Senate committees for President Biden's nominees at Cabinet level agencies. These men and women during their testimony will shed light on Biden's vision - and theirs - for policies covering the environment, labor, transportation, and foreign relations. All of these topics impact the FTA membership and we'll continue to watch on our members' behalf.

## **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.*

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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](mailto: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](mailto: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:

Here is a tribute to seafarers and the maritime industry by BIMCO([video](#))

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**Government Actions  
and Trade**

## **Former Assistant USTR for China Thinks Phase 2 Negotiations Could Provide Section 301 Off-Ramp**

Even though the Biden administration will have a very different approach to trade than did the Trump administration, that will not mean a wholesale rejection of what its predecessors did, analysts said during a Center for Strategic and International Studies webinar Jan. 21.

## **Rule Freeze May Affect Forced Labor, de Minimis Carve-Out, FSMA Recordkeeping Requirements**

The White House is freezing rules that have been published, but have not taken effect, as well as proposed rulemaking and interim final rules, for 60 days from Jan. 20, so that the new administration can review the policies.

## **CBP CROSS Rulings System Updated Jan. 21**

## **Import Enforcement Efforts Likely Here to Stay Under Biden, Lawyer Says**

The multi-agency effort to crack down on import violations is expected to continue unencumbered and Murphy views these efforts as not administration-specific, particularly dealing with questions of forced labor, Section 301 tariff evasion and USMCA compliance.

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

In the next four years, issues related to climate change will pose the greatest challenges for the domestic maritime industry.

## **Trump Removes UAE From Section 232 Aluminum Tariff in One of Last Official Actions**

Ninety minutes before President Donald Trump left office, the White House announced that United Arab Emirates aluminum exports will no longer be subject to a 10% tariff.

## **China's Economy Ends 2020 Upbeat After COVID-19 Shock**

China's economy picked up speed in the fourth quarter, with growth beating expectations as it ended a rough coronavirus-stricken 2020 in remarkably good shape and remained poised to expand further this year even as the global pandemic rages unabated.

## **Singapore Seeks to Vaccinate 10,000 Maritime Workers in January**

The COVID-19 vaccination strategy is meant to protect frontline personnel and their family members, as well as residents living in Singapore, from the raging coronavirus pandemic.

## **China-Australia Dispute Leaves Coal Carriers Stranded**

Beijing is increasingly turning to Indonesia and other suppliers as a bar on Australia coal imports reshapes global trade in the commodity.

## **China Exports Boom to Record Year, While Covid-19 Ravages Global Economy**

For the full year, Chinese exports rose 3.6% from a year earlier to a record \$2.6 trillion, according to data from China's General Administration of Customs.

## Shippers Asked to Submit Complaints to FMC on Container Detention Issues

FMC Commissioner Rebecca Dye advised shippers and truckers to 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 the Shipping Act, 46 USC 41102(c), involving non-compliance with FMC's regulations on detention and demurrage of international ocean cargo.



# TRADE AND TRANSPORT ATTORNEYS



**ROBERTS & KEHAGIARAS LLP**  
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## FTA NEWS



**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](#)

## Forced Labor in Today's Global Trade Environment

This webinar will offer a unique




## 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.



[www.foreigntradeassociation.com](http://www.foreigntradeassociation.com) | 
 888-223-6459 | 
 [info@foreigntradeassociation.com](mailto:info@foreigntradeassociation.com)  
 8.66 x 12.09 in.

## Protecting Your Assets In The International Supply Chain

When was the last time you looked at your cargo exposures and reviewed your policy and procedures to make sure you have the coverage you need. We will be reviewing some of the issues in more detail.

February 17, 1:00 - 2:00 PM PT

Members: \$25.00  
 Non-members: \$45.00  
 Sponsorship Available: \$200

[REGISTER TODAY](#)

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Fires, Blank Sailings, Force Majeure, General Average Congested Ports, Mega Vessels..... are you sure your cargo is covered? It's a new world with new exposures. When was the last time you looked at your cargo exposures and reviewed your policy and procedures to make sure you have the coverage you need. We will be reviewing some of the issues in more detail. Please join us!

**PATRICE LAFAYETTE**  
 Director of Sales  
 Western Division  
 Roanoke Trade

**KEITH SANCHEZ**  
 Founding Partner  
 Avalon Risk Management, Inc.

[www.foreigntradeassociation.com](http://www.foreigntradeassociation.com) | 
 888-223-6459 | 
 [info@foreigntradeassociation.com](mailto:info@foreigntradeassociation.com)

## Environmental

### Cap-and-Trade Continues to Achieve Early Carbon Emissions Reductions While Generating Revenues for Climate and Air Quality Programs

The cap-and-trade expenditure plan proposes three categories of spending: 1) equity programs; 2) low carbon transportation and zero emission vehicle strategy; and 3) natural and working lands.

### First Tilting Rotor Sails Installed on SC Connector

The 35-meter-tall Rotor Sails will provide auxiliary wind propulsion leading to reduced fuel consumption, fuel costs and carbon emissions reductions of up to 25%. In favorable wind conditions, the vessel will be able to maintain its regular service speed by sail alone, according to Norsepower.



## **NAMEPA's Maritime Sustainability Passport Awarded to MSC-Mediterranean Shipping Company**

The MSP is awarded to companies, organizations and individuals who meet the requirements of the program which encompasses each of NAMEPA's six Transparency Pillars in its Corporate Social Responsibility/Environmental, Social and Governance metrics.



### **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.

**Ruth Amanuel, Long Beach City College  
Alisa Mammadova, Export Portal**

## **Maritime**

### **Los Angeles-Bound Maersk Essen Loses Some 750 Containers Overboard**

The incident occurred on January 16, 2021, and involved the 13,100 TEU

capacity Maersk Essen, according to a casualty report; the cargo loss is believed to be the result of severe weather.

### **Port of Long Beach Reports Busiest Year in 2020 Despite Headwinds**

The Port of Long Beach moved a record 8.1 million TEUs in 2020 despite facing headwinds from the COVID-19 pandemic and the ongoing trade war with China.

### **Port of Los Angeles Reports Fourth-Busiest Year on Record in 2020**

In 2020, the nation's busiest container port moved 9.2 million Twenty-Foot Equivalent Units (TEUs), Port of Los Angeles Executive Director Gene Seroka announced Thursday at the Pacific Merchant Shipping Association's sixth annual State of the Port of Los Angeles.

### **Container Market Wrestles with 'Very Different' Operational, Contractual Woes**

In the current heated environment in container shipping, one should be careful not to confuse the operational problem with the contractual problem.

### **Trafigura Wins Rare Bonded Bunker License in China's Marine Fuel Hub**

Taking advantage of the cleaner ship fuel rolled out globally since the start of 2020, China aims to build Zhoushan, an archipelago city in eastern China's Zhejiang province, into a regional ship fuel hub to rival Singapore as the world's largest shipping fuel center.

### **Late Vessel Arrivals Disrupt AG Exports at Port of Oakland**

While acknowledging the impact that late vessel arrivals are having on operational conditions in Oakland, shippers assess the situation as being more dire than do ocean carriers and the port authority. Peter Friedmann, executive director of the Agriculture Transportation Coalition, said agricultural shippers face logistical problems at a number of US ports, especially on the West Coast, but he claimed conditions in Oakland are getting worse.

## **Video of the Week**

### **Sheer Poetry**

The poem delivered at the Inauguration on Wednesday by 23-year old Amanda Gorman was stunning in its composition, delivery and message. Ms. Gorman - a Harvard '20 graduate, has a local connection as she was born in Los Angeles and attended primary school in Santa Monica. In 2017, she was named the first Youth Poet Laureate of the United States and her reading of "The Hill We Climb" will reverberate for years.



## Logistics and Trade

### **Intermodal Rate Hikes Necessary to Address Congestion: J.B. Hunt**

Congestion remains a major challenge out of Southern California, and while fluidity on the rail network may improve once volumes cool, shippers will see contract rates rise in part to offset the costs of higher container dwell times, the company said on its Q4 earnings call.

### **Outlook 2021: Latest U.S. Driver Shortage Requires Long-term Solutions**

The COVID-19 pandemic has thrown the century-old problem of finding, hiring, and keeping truck drivers into sharp relief, reinvigorating debates over driver pay, working hours, and detention by shippers and receivers amid a year-over-year shortage of trucking employees. There's a growing consensus that yesterday's solutions won't prevent tomorrow's shortage.

### **Heartland Express Raises Revenue, Driver Pay**

US truckload carrier Heartland Express improved revenue and profit in the most recent quarter and is raising driver pay, investing in new equipment, and focusing on improved utilization in 2021.

### **Demand Pressure Drives Up Cargo Rolling at Asian Hubs**

The never-ending peak season demand on major trades out of Asia has placed unseasonal demands on carriers and container terminals in the region, with increasing numbers of containers being rolled at the regional hubs.

### **Logistics Startup Fabric Has Raised \$136 million to Build Shipping Warehouses in Unused Retail Stores and Gyms**

Retail stores close as consumers flock to e-commerce during the pandemic. Logistics startups then use vacant retail space as micro-warehouses to fulfill e-



commerce orders. Our Correspondent Madeline Stone wrote about Fabric, a big player in this particular retail life cycle story.

## New President's Message

*This week's message comes to us from newly elected President Cathy Thrasher:*

Here we are, in 2021! It is truly my honor to serve as the 2021 FTA President. I have been a member for the past seven years and am very proud of this organization. I want to thank all the members and partners for their valuable contributions as we move forward.

The beginning of each new year is a time to reflect on the past year and make plans for the future. Although it was a difficult and challenging year in 2020, it was also a period of learning to navigate our personal and professional lives with commitment, creativity and thankfully, technology. And, I suppose a sense of humor, now and then, didn't hurt.

It remains the focus of the FTA to serve our trade community with experience, knowledge, community, resources, and partnerships as we have for over a hundred years. I would like to acknowledge the success of our past initiatives and our future directives due to the collective efforts and dedication of our members.

As your 2021 president, my goal is to provide value driven trade resources and education, engage expert speakers, networking opportunities with industry colleagues, and challenge our members to become more involved to mentor the new incoming professionals to further the growth and development of trade.

I am blessed and thankful to be surrounded by committed, experienced, and of course, fun group of people. With your help and participation, the FTA will continue to be one of the oldest and strongest organizations within the trade community.

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### 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 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 begin 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](#)**

**January 28 – FREE Virtual Event - L.A. Chamber – Inaugural Awards Program - 4:00 - 5:00 PM PST** - This year's theme *Together for Tomorrow* underscores the importance of partnership and collaboration in fueling our region's recovery. The program is free, however **registration is required by Tuesday, January 26th – Register [here](#).**

**February 4- Virtual Event – Port of Long Beach - State of the Port to Recap a Historic 2020 – 9:00 AM PST** - This virtual address will feature Long Beach Mayor Robert Garcia, Port of Long Beach Executive Director Mario Cordero and Long Beach Harbor Commission President Frank Colonna – **Register [here](#)**

**February 17- WEBINAR – L.A. Chamber - Navigating a Changing Global Trade Landscape : What Lies Ahead in 2021 – 9:30 AM PST** - The Global Initiatives Council is pleased to present an expert in-depth panel discussion to explore the potential strategies and shifts in transatlantic trade relations, US-China trade relations, and WTO reform and the implications on our region – **Register [here](#)**

**February 17- WEBINAR – Protecting Your Assets In The International Supply Chain - 1:00 - 2:00 PM PST** - When was the last time you looked at your cargo exposures and reviewed your policy and procedures to make sure you have the coverage you need. We will be reviewing some of the issues in more detail. - **Register [here](#)**

**February 25- March 3 - TPM Annual Conference and Trans-Pacific Container Shipping and Logistics Long Beach** – TPM is the must attend conference for the Trans-Pacific and global container shipping and logistics community - **Register [here](#)**