



March 26, 2021
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The world's attention this week focused on the blockage of the Suez Canal by the Ever Given, pulling the logistics world's laser-like stare on Southern California's congestion problems to a new one half a world away. It is a fluid story and one that the trade community is watching closely to determine whether or not the Canal is impassable for (hopefully) only days as opposed to weeks if the ship requires unloading to float and dislodge.

AN IMPORTANT MESSAGE FROM THE FTA TO THE FEDERAL MARITIME COMMISSION

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

March 19, 2021

Dear FMC Commissioners,

The Foreign Trade Association (FTA) is the largest and oldest trade association in Southern California. The FTA was founded in 1919 to promote international commerce and economic growth in California and worldwide. The FTA offers robust educational programs, training opportunities and sponsors regular meetings with featured guest speakers to encourage networking and job opportunities within the trade industry. The membership is represented by a cross-section of major exporters, importers, manufacturers, customs brokers, freight forwarders, international bankers, attorneys and other prominent service industries.

As has been reported by many companies and trade associations, over the past several months the congestion at the Ports of Los Angeles and Long Beach (and elsewhere in the U.S.) has become critical. While it is true the volume of cargo resulting from the pandemic has exacerbated situation, the existing congestion challenges do not result from a single cause, the situation has been deteriorating over time, and now results in U.S. exporters being denied empty containers and space on vessels to ship goods their goods to overseas buyers.

As a result, our members are severely impacted.

Among the causes of the current headaches are the actions of the vessel operator alliances and the way they load and unload cargo, the lack of a meaningful appointment system which would allow the orderly pick up and return of containers, the lack of consistent availability of space to return empty containers when the relevant pier or terminal is too congested, the demand of the vessel operators that cargo owners pay significant sums for demurrage, detention and similar charges even when the vessel operator itself cannot release or receive containers, the ever dwindling number of truck drivers and equipment, the aging and productivity of the longshore workforce and other equally significant causes.

As the Commission is already aware, a coalition of Southern California based organizations joined forced to make specific practical recommendations to the vessel operators which service Los Angeles/Long Beach, not one of which to this point has been fully embraced:

- At least 48-hours advanced notification of empty receiving locations by the ocean carriers published and displayed in a centralized location that will be easy for the trucker and cargo owner to find.
- Establish a minimum threshold for dual-transactions of at least 50% at each marine terminal and facilitate a strategy to incentivize this benchmark.
- Work towards strategies and best practices that reduce costs to shippers, increase gate productivity, and reduce the carbon footprint of the maritime community through operational efficiencies and not onerous and expensive mandates.

The situation is so serious that it is no longer possible for industry alone to solve it. We are aware of the November 2020 expansion of Fact Finding No. 29. Where we stand now is none of the recommendations thoughtfully proposed by the Commission from its earlier investigation have been voluntarily adopted by any of the vessel operators. As such, we, too, request the Commission take prompt and expeditious action with its revived Fact Finding investigation. Make no mistake, this is a crisis situation. The lack of meaningful, timely and cost-efficient solutions can be expected to seriously undermine the economic recovery everyone hopes to see as circumstances with the pandemic start to ease.

The FTA will continue to work closely with the ports of Los Angeles and Long Beach and all stakeholders to advocate in favor of international trade and welcomes any collaboration with the FMC. Please do not hesitate to reach out if you have any questions.

Respectfully,



Cathy Thrasher
President
Foreign Trade Association

Links and stories of interest:

[Buttigieg vows to help US exporters resolve supply chain woes](#)

[Boeing planes to fly on 100% sustainable aviation fuels by 2030](#)

Government Actions and Trade

Mexican NGO Asks Government to Bring Labor Case Under USMCA

The Center for Migrant Rights announced the complaint March 23, which says that farms and other businesses prefer to recruit men, which is proven by the fact that 97% of H2A visas go to men, and 87% of H2B visas go to men. Even when women are hired, they are assigned to lower-paid positions, such as packing, rather than field work, the complaint said.

Protectionism or National Security? The Use and Abuse of Section 232

In his first trade action, President Biden reinstated tariffs on aluminum from the United Arab Emirates under Section 232 of the Trade Expansion Act of 1962, which authorizes the president to impose tariffs when a certain product is “being imported into the United States in such quantities or under such circumstances as to threaten to impair national security.”

Value of Broker Continuing Education to CBP Still Undetermined, Smith Says

CBP's consideration of the value that would be added with continuing education for customs brokers requirements remains a “work in progress,” said Brenda Smith, CBP executive assistant commissioner-trade, during a March 25 call with reporters.

USTR Holds Video Calls with Indian, Indonesian Counterparts

A readout of U.S. Trade Representative Katherine Tai's call with India's Commerce and Industry Minister Piyush Goyal made no mention of the Generalized System of Preferences benefits program, where India was the largest beneficiary before it was barred over U.S. medical device and dairy exporters' complaints.

New Coalition Calls for Permanent Cease Fire for Alcohol Tariff Retaliation

Alcohol trade groups and the retailers and restaurants that sell alcoholic beverages are asking for the tariffs on distilled spirits in connection with the Section 232 tariffs to be lifted and the pause in tariffs on wines and spirits in the aircraft subsidy case to be made permanent. Calling themselves the Toasts Not Tariffs Coalition, the 47-member coalition made the call March 23. They noted that European countries continue to tax bourbon and whiskey at 25%, and that that rate is set to double on June 1, because of U.S. tariffs on British and European Union-made steel.

Commerce Dept. Antidumping/Countervailing Duty Notices for March 25

The Commerce Department published notices in the Federal Register March 25 on the following AD/CV duty proceedings.

Bipartisan Bill Introduced to Require Platforms to Authenticate Identity of Some Sellers

The Integrity, Notification, and Fairness in Online Retail Marketplaces (INFORM) for Consumers Act, introduced March 23, would require online marketplaces to authenticate the identity of high-volume, third-party sellers.

APHIS to Allow Imports of Peppers From Colombia

Conditions for importation include packing requirements, phytosanitary certificates from the Colombian government, registration of production locations, and port of entry inspections, among other things, the notice said. Peppers from Colombia may be authorized for importation upon publication of the notice in the Federal Register March 25.

China Forged Steel Fittings: Prelim Results of AD Admin Review

The Commerce Department on March 25 released the preliminary results of its antidumping duty administrative review on forged steel fittings from China (A-570-067). In the final results of this review, Commerce will set assessment rates for subject merchandise from the 26 companies under review entered May 17, 2018, through Oct. 31, 2019.

2021 Trade Policy Agenda and 2020 Annual Report

THE PRESIDENT OF THE UNITED STATES ON THE TRADE AGREEMENTS PROGRAM

A Year Like No Other: Overview of U.S. Trade in 2020

Overshadowed by a global pandemic, 2020 was a challenging year for U.S. trade as unprecedented social restrictions, changing work patterns, and supply-chain disruptions caused a worldwide recession and hampered trade flows. U.S. exports of goods and services fell 15.9 percent to \$2.1 trillion and imports declined 9.5 percent to \$2.8 trillion in 2020.

EU, China Impose Tit-for-Tat sanctions over Xinjiang Abuses

The European Union imposed sanctions on Monday on four Chinese officials, including a top security director, for human rights abuses in Xinjiang, to which Beijing responded with its own sanctions on Europeans.



TRADE AND TRANSPORT ATTORNEYS

ROBERTS & KEHAGIARAS LLP
ATTORNEYS AND COUNSELORS AT LAW

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Charting A Course for Trade and Digital Ledger Technology

Ticket Prices
 \$25 for members
 \$45 for non-members
 \$200 Sponsorships Available

Date: April 7, 2021
Time: 9:00 a.m. PST/ 12 p.m. ET
Location: Zoom Webinar
[Register Here](#)

From earliest days information sent bi-laterally, frequently hampered by missing or delayed documents & certifications, leading to significant barriers, fragmented processes, alongside overlooked regulatory requirements - has anything changed?

CBP addressed knowledge gap in information sharing models and has advocated a "transformative approach for the future of trade", yet we may be left wondering: what are some actual programs we can engage near term?

Come and see!



CHRIS FLOERSCH
 Consultant
 TRADE CUSTOMS
 LOGISTICS



JENS MUNCH
 Head of Global Trade
 & Supply Chains
 IOTA FOUNDATION

IOTA Foundation—a non-profit developing next generation protocols for the connected world. See interactive demo: Project Atlas Supply Chain DLT

Please join us in this valuable discussion regarding IOTA projects completed to date, current endeavors, and IOTA's approaches to DLT for Trade and Supply Chain. How does this stuff work? What problem does it solve? How can we learn more about it?

www.foreigntradeassociation.com 888-223-6459 info@foreigntradeassociation.com

Charting a Course for Trade and Digital Ledger Technology

CBP addressed knowledge gap in information sharing models and has advocated a "transformative approach for the future of trade", yet we may be left wondering: what are some actual programs we can engage near term? Come and see!

April 7, 9:00 - 10:00 AM PT

Members: \$25.00

Non-members: \$45.00

Sponsorship Available: \$200.00

REGISTER TODAY



95TH WORLD TRADE WEEK

VIRTUAL EVENT

SAVE THE DATE!

May 20, 2021
11a.m. - 1:30 p.m PT

CELEBRATING WORLD TRADE IN MAY!

World trade significantly contributes to the nation's economy and has developed a vast new horizon for America's businesses. World Trade Week (WTW) celebrates the industry and dedicates itself to informing the public on the benefits and importance of global trade on the overall economy through a series of events and educational programs. Please join us for our 95th Annual World Trade Week event!

SPONSORSHIP OPPORTUNITIES AVAILABLE



LEADERSHIP
 Hear from experts on trending topics, best practice and practical solutions



EDUCATION
 Access to tools, resources, and business development opportunities



NETWORKING
 Connect with industry stakeholders and get exposure

www.foreigntradeassociation.com 888-223-6459 info@foreigntradeassociation.com

FTA's 95th Annual World Trade Week Event

World Trade Week (WTW) celebrates the industry and dedicates itself to informing the public on the benefits and importance of global trade on the overall economy through a series of events and educational programs. Please join us for our 95th Annual World Trade Week event!

May 20, 11:00 A.M. - 1:30 PM PT

DETAILS SOON TO FOLLOW!



Environmental

Where Would a Major Tsunami Strike? Malibu, Venice, and Long Beach; Get Ready

A magnitude 9.3 underwater earthquake there could generate a wave that would hit Southern California several hours later and inundate portions of Malibu, Santa Monica, Venice, Marina del Rey, Long Beach and the two busiest ports in the nation.

Oil Lobby Backs Climate Action Plan

The oil industry's top lobbying group will push Congress for legislation to price carbon emissions across the economy, in a sharp policy turnabout a decade after the industry helped kill a similar effort to address climate change.

DSME Developing Rotor Sail System for Large Tankers and LNG Carriers

Rotor sails are a type of Flettner rotor, a spinning cylinder that uses the Magnus effect to harness wind power to propel a ship and thereby reducing fuel consumption and carbon emissions.

How an Offshore Oil Rig Becomes an Artificial Reef

In the U.S., it's the law: As an offshore oil well drips out its last barrels, producers must prepare to seal it and dismantle the rig and restore the ocean floor to its original condition. Left to stand, the rig may pose risks during hurricanes, prevent future oil exploration, or in some places stand in the way of wind-power development.



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.

Donald Hok - KPMG

Maritime

Federal Maritime Commission - Information Demand on Detention & Demurrage Practices to Be Issued

Commissioner Rebecca F. Dye will issue information demand orders to ocean carriers and marine terminal operators (MTOs) to determine if legal obligations related to detention and demurrage practices are being met.

Big Ships Snag Unusual Cargoes as Dry Bulk Market Tightens

Shipments of timber and grain are being loaded onto a class of ship normally reserved for other cargo as strong demand to move commodities causes dislocations to the supply of vessels.

Shipping Rates Surge With Africa Trip Only Option: Suez Update

The blocking of the waterway is creating another setback for global supply chains already strained by the e-commerce boom linked to the pandemic. About 12% of global trade goes through the canal that's so strategic world powers have fought over it.

Energy Industry Grapples With Fallout From Suez Canal Blockage

The fallout from the Suez Canal blockage rippled through the energy industry Thursday, with the cost of renting tankers rising and shippers starting to plot alternative routes for supplies of oil and gas.

How One of the World's Largest Container Ships Can Get Stuck in the Suez Canal

The area has cut outs in the banks that can affect a vessel's heading due to what is known as a "bank effect." That is when the rear of a ship can start to swing toward a nearby bank when operating in a narrow waterway, according

to Andrew Kinsey, a senior marine risk consultant at Allianz Global Corporate & Specialty, the commercial-insurance arm of German insurer Allianz SE.

Maersk Can't Get Enough Women to Chase Top Management Positions

After appointing a lone woman to its C-suite in 2020, Maersk is trying to tip the balance toward better gender diversity in an "industry that's been traditionally dominated by men," Snabe said in Copenhagen on Tuesday.

Unvaccinated Seafarers Put Shipping in 'Legal Minefield', Says ICS

The shipping trade group has warned that lack of access to vaccinations for the world's seafarers puts shipping in a 'legal minefield', while leaving global supply chains vulnerable.

Worker Strike Looms at Port of Montreal

Longshoremen at the Port of Montreal are demanding better schedules, and voted overwhelmingly against an offer from the Maritime Employers Association on March 21. While the union doesn't intend to strike for now, they still could, and the lack of an agreement threatens to upend port operations at a time when shipments are already hampered by a global container shortage.

Evergreen to Order Twenty 15,000 TEU Containerships

A handful of shipyards from China, Korea, and Japan have been shortlisted to receive the contracts, including Hudong-Zhonghua Shipbuilding, Jiangnan Shipyard, Imabari Shipbuilding, Samsung Heavy Industries, and Hyundai Heavy Industries.

Israeli-Owned Cargo Ship Hit by Missile in Arabian Sea

A cargo ship owned by an Israeli company was damaged by a missile in the Arabian Sea on Thursday in what was suspected to be an Iranian attack, an Israeli security official said.



FIRMs Code: W517

Video of the Week

How did the Ever Given get stuck?

While still under investigation, the likely culprit was high winds that pushed the vessel sideways in a narrow section of the Canal where vessels travel north and southbound single file. Listen to [Captain's](#) founder, a ship's captain himself, explain it to his audience.



Logistics and Trade

The World Is Facing a Coffee Deficit in Supply Chain ‘Nightmare’

Coffee stockpiles have sunk to a six-year low in the U.S. even with Brazil’s record crop, and a large drop in output after a drought in the South American country is expected to shift the world balance to a deficit in coming months just as demand rebounds.

E-commerce, High-tech Demand Fuels Rise in Air Cargo Rates

Strong demand for e-commerce, high-tech products, automotive parts, and fashion on trades out of Asia continues to quickly fill all available capacity, propping up air cargo rates.

Supply Chain Woes Leave Retailers Struggling to Balance Inventories, Sales

With the global supply chain in knots, retailers are struggling to match inventory to customer demand, resulting in missed sales opportunities.

Lack of Supply Chain Visibility Particularly Acute in Project Logistics

Voyager and GSA create “line of sight” visibility tool for managing ocean transport for project cargo shippers.

Baton Gets VC funding to Link Truckload, Final-mile

San Francisco-based Baton, the developer of a software-based drop-zone model linking truckload with final-mile in Los Angeles, has landed a \$10.5 million funding round to expand the concept into other North American cities.

Upcoming Events

March 28 – March 31 - 2021 ICPA SPRING CONFERENCE Grand Hyatt, San Antonio, Texas - Join us in San Antonio, TX for the ICPA Spring Conference. If you are involved in Import/Export Compliance or Operations, Supply Chain Compliance or Security, Internal Controls or Government Relations this is the conference for you – Register [here](#)

April 7 – WEBINAR – FTA Charting a Course for Trade and Digital Ledger Technology – 9:00 AM – 10:00 AM PT - CBP addressed knowledge gap in information sharing models and has advocated a “transformative approach for the future of trade”, yet we may be left wondering: what are some actual programs we can engage near term? Come and see! - Register [here](#)

April 13 - April 15 – ICPA 2021 ITAR CONFERENCE– Springhill Suites by Marriott, Fort Worth, TX - Join us in Fort Worth, TX for our ITAR Conference – Register [here](#)

April 15 - WEBINAR - P.A.E.I. - Customs Valuation - 10:00 AM - 11:30 AM PT - Register [here](#)

April 15 – WEBINAR – LAACA - Cyber Crisis in the Logistics World – 11:50 AM – 1:30 PM PT - Who's in your computer – Register [here](#)

April 21 – WEBINAR - First Sale: It's still available to lower your duty exposure, but is the hurdle now higher from non-market economies - 1:00 PM – 2:00 PM PT – Discussion on First Sale Rule with Erik Smithweiss from Grunfeld, Desiderio, Lebowitz, Silverman & Klestadt LLP - ***Details soon to follow!***

May 2 - May 5 – 48th NCBFFA Annual Conference -Now in its 48th year, the NCBFAA Annual Conference brings together more than 600 of the international trade industry's top representatives from around the United States – Register [here](#)

May 6 – Los Angeles Chamber of Commerce 95th Annual World Trade Week – 8:30 AM - 12:00 PM PT - This years program will feature a panel on "The Future of Transportation and Supply Chains," addressing chain infrastructure, transportation challenges, and innovative solutions to increase the region's global competitiveness as we recover from the pandemic– Register [here](#)

May 11 - May 13 – Virtual Event - TIA 2021 Capital Ideas Conference - Meet virtually with top industry leaders and solutions providers and take advantage of over morning and afternoon live sessions with more than 12 hours sessions geared solely for 3PLs – Register [here](#)

May 20 – Virtual Event – FTA's 95th Annual World Trade Week Event - 11:00 AM - 1:30 PM PT - World Trade Week (WTW) celebrates the industry and dedicates itself to informing the public on the benefits and importance of global trade on the overall economy through a series of events and educational programs. Please join us for our 95th Annual World Trade Week event! – ***Details soon to follow!***

June 9 - WIT-OC – The Bureau of Industry and Security "Complying with US Export Control" - A live event with BIS specialists on a professionally designed platform - ***Details soon to follow!***

June 28-30 – AAEI – 100th Anniversary Conference & Expo –Save the Date – *Details soon to follow!*

July 20-22 – CBP Virtual Trade Week - U.S. Customs and Border Protection (CBP) will host its second Virtual Trade Week. Join CBP Executives and industry experts as they provide updates on CBP trade priorities and policies – Register [here](#)

October 14-17 – WESCCON 2021 – 9:00 AM – 5:00 PM PT- WESCCON offers one of the best opportunity to meet people in the global logistics industry – Register [here](#)