



## January 8, 2021 Volume 2, Nr. 1

As we enter 2021, it has been an eventful week for our country. Closer to home, the congestion we are dealing with in Southern California shows no signs of abating and - as you'll read below - the news of the small number of CNY cancellations and strong retail numbers in 2020 in spite of the pandemic indicate that relief won't be arriving anytime soon.

### 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:**

**U.S.' Largest Trading Partners Perspective on Trump**

**World Leaders Condemn Pro-Trump Violence in D.C.: 'Disgraceful'**

**From China:**

**China is thriving in the chaos of the US presidential transition**

Chinese State Media Compares Pro-Trump Rioters to Hong Kong: 'Learning from You Guys'

**From Canada:**

'...It was incited by Donald Trump': PM Trudeau, Canada's federal leaders 'deeply disturbed' by riot at U.S. Capitol, point finger at president's hate speech

**From Mexico:**

### **Mexican President Hails Trump Comments on Peaceful Transition**

"I think this is good news," President Andres Manuel Lopez Obrador told a regular government news conference.

**From the UK:**

Capitol riot forces UK Tories to ditch Trump

### **On USMCA: Mexico Automakers Want More Time to Meet Requirement**

The implementation of new labor standards in Mexico under USMCA has seemingly been an issue of conflict, according to the deputy minister.

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## **Government Actions and Trade**

### **CBP Says Valuation Based on Sale to Importer's Customers, Not Price Paid to Related Factory**

CBP was correct when it found against an importer's use of price paid to a related factory in China, rather than the price paid by the importer's customers, the agency found in a Sept. 9 ruling.

### **FMC Commissioners Urge Ocean Carriers to Carry U.S. Exports**

The Shipping Act of 1984 and the Ocean Shipping Reform Act of 1998 clearly state one of the purposes of the law is to "promote the growth and development of United States exports."

### **Transpacific Eastbound Carriers File GRIs Effective January 15 and February 1, 2021**

Several leading carriers serving the Transpacific container trades have recently updated their respective tariffs to include new General Rate Increases (GRIs) effective January 15, 2021, including CMA CGM, Evergreen, Hapag Lloyd, HMM Company Limited, Ocean Network Express (ONE), Yang Ming, and ZIM.

### **Confusion Reigns on Fate of Section 301 Tariffs on French Goods**

On the day that additional 25% tariffs were scheduled to go into effect on French handbags and cosmetics, the Office of the U.S. Trade Representative and CBP made no public statement about the tariffs' fate, leaving importers in the dark...

### **CBP JFK Seized Swine Meat & Bird's Nest**

On January 4, a passenger declared meat to a CBP agriculture specialist but indicated no other food products. During the subsequent examination the meat was confirmed to be prohibited. In addition, 30 containers of a food product known as “bird’s nests” were discovered.

### **CBP Newark Kicks Off New Year Seizing Prohibited Bush Meat**

U.S. Customs and Border Protection (CBP) agriculture specialists at Newark Liberty International Airport seized nearly 9 lbs. of meat from a passenger arriving on a flight from Ghana.

### **Suspension of Tariff Action in France Digital Services Tax Investigation**

A suspension of the tariff action in the France DST investigation will promote a coordinated response in all of the ongoing DST investigations.

### **CBP Pushes Back Deployment Date for Changes to e214 FTZ Admission Process**

An update to the foreign-trade zone admission process will occur April 25, three months after the previously announced date, the agency said in a notice released Jan. 6. CBP said in September it would expand the zone identification number from seven to nine digits starting Jan. 25 (see 2009240036).

### **U.S. Trade Gap Widened to Second-Biggest on Record in November**

The gap in trade of goods and services expanded to \$68.1 billion in November from \$63.1 billion in October, according to Commerce Department data released Thursday.

### **U.S. Transportation Secretary Elaine Chao Resigns in Response to Capitol Mob**

Her resignation is effective Monday, January 11, 2021. The memo included a nod to a peaceful transition to Pete Buttigieg, who President-elect Joe Biden has named as his nominee to lead the Department.

### **U.S. Businesses in Vietnam Fear Tariffs Coming Before Jan. 20**

The head of the American Chamber of Commerce in Vietnam said businesses there don't know whether U.S. Trade Representative Robert Lighthizer will conclude that Vietnam has been a trade cheat through currency manipulation but not put a tariff number on it; put a tariff number but not start collecting; or implement tariffs before the new administration takes over Jan. 20.

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# TRADE AND TRANSPORT ATTORNEYS



**ROBERTS & KEHAGIARAS LLP**  
ATTORNEYS AND COUNSELORS AT LAW

**LEARN MORE**

## 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, Labowitz, 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**

## 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**



**Meet your 2021 FTA Board of Directors!**

\$200 Sponsorships Available

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

**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	Mark Hirzel	Patrice Lafayette
Pedro Villanueva	Baldo Alcantar	Ally Spinu
Adonna Felix	Crystal Adair	Sam Musa
Lisa Donabedian	Susan Ross	Norman Arikawa
Mechelle Smothers	Anne Hilsabeck	Michael Roll

**REGISTER TODAY**



**FTA**  
Foreign Trade Association

## 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



**OLIVIA ACUFF**  
KPMG, LLP, New York



**PIERFILIPPO NATTA**  
KPMG, LLP, San Diego

[www.foreigntradeassociation.com](http://www.foreigntradeassociation.com) 888-223-6459 [info@foreigntradeassociation.com](mailto:info@foreigntradeassociation.com)  
8:66 x 12:09 in

## Forced Labor in Today's Global Trade Environment

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.

January 26, 1:00 - 2:00 PT

Members: \$25.00

Non-members: \$45.00

Sponsorship Available: \$200.00

**REGISTER TODAY**

## Environmental

### Crowley Launches Offshore Wind and LNG Division

U.S.-based Crowley announced the formation a new energy division that will focus on the emerging offshore wind and liquified natural gas sectors in the United States.

### Modernizing A Fishing Vessel For Optimal Performance

Prior to installation, noise on the trawl deck measured approximately 130 dB while the main, generator and hydraulic engines were operating. Following installation of silencers, the sound level dropped to 85 dB.

### The Cleanest Fossil Fuel Is Set for a Post-Pandemic Rebound

Liquefied natural gas traders anticipate a swift demand recovery in 2021 after a year in which the coronavirus pandemic prompted dramatic price swings.

### New Year's Eve Storm Breaks North Pacific Record

A Pacific storm of record proportions swept a remote stretch of Alaska's Aleutian Islands chain on New Year's Eve, battering a region used heavily by commercial shipping with hurricane-force winds and seas five stories high.

**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.

Min Cheng, Knights CHB  
Chinyen Cheng, TradeMoves LLC  
Colleen Cosey, TradeMoves LLC  
Lilia Figueroa, Sterling Transportation  
Shawn Jarosz, TradeMoves LLC  
Patricia Mura, Mitsubishi Electric US  
Jose Ruiz, Sterling Transportation  
Alessandra Vieira da Silva, Vieira  
Rachel Zhou, Trans Knights Inc.  
Alec Zhu, Knights CHB, Inc.

## Maritime

### Maersk Can't Yet See Freight Rate Peak With All Ships in Demand

A.P. Moller-Maersk A/S, the world's largest container carrier, is working at full capacity and can't yet see a peak in freight rates that have already been propelled to record highs by pandemic consumer spending.

### European Shippers Claim Carriers are Breaching Contracts to Demand

## Higher Rates

As Asia-Europe container spot rates continue to skyrocket, shippers and freight forwarders are accusing carriers of breaching short- and long-term contracts to “charge whatever they want”.

## Ocean Shipping Companies Lead the Fight Against the Empty Container Build-up

Empty container congestion has been a problem at major ports all round the world. This is a result of unprecedented consumer demand driven by a Covid-induced shift from spending on services to spending on goods.

## Largest Quay Cranes in U.S. West Coast Arrive at Oakland's OICT Terminal

SSA Marine's Oakland International Container Terminal (OICT) has received three quay cranes, the largest on the U.S. West Coast.

## Videos of the Week

### WSJ Video Editorial Calls for President's Resignation

The events of this week have been a number of things, no single word of which can possibly begin to encompass the thoughts of Americans and a global audience who observed what took place on Wednesday. The Wall Street Journal's editorial page, long a supporter, came out and said what many feel is the only remaining reasonable course of action.



## Logistics and Trade

### Tougher EU Rules Are Pushing Some Supply-Chain Debt Into Default

The banks that grease Europe's supply chains face a spike in bad loans as the region's top regulator introduces tougher standards.



## **Logistics, not Transport Problems, Slow Vaccine Distribution**

The distribution of COVID-19 vaccines in the U.S. is being slowed not by transportation issues, but by “last-mile” inefficiencies in many states, especially a lack of personnel, funding, and necessary planning.

## **Why Warehouses Are Becoming Spatially Intelligent**

Spatial intelligence solutions can help improve real-time operational visibility, enabling warehouse operators to increase worker productivity, asset utilization and safety.

## **Container Shortage and High Prices Hamstringing Supply Chains in Thailand**

The Thailand board of trade estimates the country had a shortage of 1.5m containers in 2020, according to the Bangkok Post, prompting the government to intervene by promising to subsidize import fees for empty boxes for up to six months.

## **Train Carrying Volkswagen Vehicles Sabotaged in Mexico**

A train carrying more than 160 Volkswagen cars was derailed in Mexico last Wednesday by armed thieves, according to Mexican authorities.

# **Editorial**

***This week's editorial comes to us from Scott Case of Position : Global***

## **Are 11 days too many to wait?**

The end of this administration seems destined for the way it began - chaos, anger, and defiance; but it doesn't have to. As of this afternoon, five people have died as a result of Wednesday's seditious, insurrectionist assault on the Capitol, including a Capitol police officer. The signs were there in the weeks leading up to the election and the weeks leading up to today. There is plenty of time for after-action reports and answering extremely difficult questions about why it was allowed to happen when it had been telegraphed so long in advance and why offers of help were rebuffed by the appropriate authorities. Were this to happen anywhere else in the world, secretaries of state and foreign ministers would be in front of cameras condemning what happened and the UN would be issuing resolutions calling for and reminding people about a peaceful and orderly transition of power.

But this isn't a far away country or a nascent democracy - it's here, the United States of America.

In the coming days, the pressure will be building on the Vice President to find two-thirds of the remaining Cabinet secretaries to invoke the 25th Amendment. The House is moving forward to bring Articles of Impeachment to the floor as quickly as possible.

Facebook, Instagram, and now Twitter have permanently banned the President and others who have pushed the stolen election theories. With a pandemic raging, Los Angeles without an ICU bed and more than 368,000 dead in America, the way to ensure calm for financial markets and assure America's

allies that nothing untoward will happen between now and noon ET on January 20th would be for the President to tender his resignation.

## Upcoming Events

**January 14 – FREE WEBINAR - 2021 State of the Port of Los Angeles** - 12:00 PM PST - Gene Seroka, Executive Director of the Port of Los Angeles will give the keynote address and discuss the events of 2020 and what we can expect in 2021- **Register [here](#)**

**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 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](#)**