

### March 12, 2021 Volume 2, Nr. 10

Yesterday, the President signed the American Rescue Plan into law and relief could start reaching Americans as soon as this weekend. With this first major legislative accomplishment in their rearview mirror, many are wondering what comes next. A likely candidate is a major infrastructure spending package, which the business community will be most interested to see take shape.

## 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, <u>observe</u>, and enforce just and reasonable regulations and <u>practices relating to or connected with</u> receiving, <u>handling</u>, 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 <u>BOE@fmc.gov</u>.

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

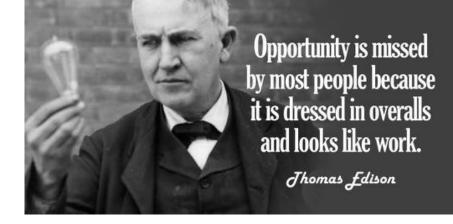
In April of this year, the Commission published its interpretive rule providing guidance to industry on how the reasonableness of detention and demurrage regulations and procedures would be assessed. Since then, the agency has received feedback from shippers and other parties critical of the level of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

Capitol Watch: Could Infrastructure be Next on the Policy Agenda?

Costco is running out of some cheese. The reason why is complicated.



## **Government Actions and Trade**

## China ratifies RCEP Trade Deal Three Months Ahead of Schedule, Urges Other Members to Follow Suit

The 15-member trade deal was signed in mid-November, and China is already accelerating the technical preparations to implement the treaty and ensure processes around tariff reductions and certificates of origin for trade goods are "quite smooth".

#### U.K. Revives Thatcher-Era Freeports in Bid to Stimulate Trade

Nothing saps British trade experts' enthusiasm like freeports. In a rabbit-out-ofhis-hat moment in his first post-Brexit budget last week, U.K. Chancellor of the Exchequer **Rishi Sunak** revealed the eight English ports that will become lowtariff zones.

#### **Exporters Take Unusual Steps to Ease Container Shortage**

Some of the world's biggest exporters in Asia are intervening to alleviate a shipping container shortage that jeopardizes their overseas trading.

#### Brexit Border Friction Rises With More Cargoes to U.K. Rejected

Friction at the U.K. border is rising again followingBrexit as shipping companies rejected more cargoes due to cross the English Channel from France.

## **Biden Administration Extends U.S. Tariff Exclusion on Chinese Medical Goods**

The Biden administration is extending tariff exclusions on about 99 categories of medical products from China until Sept. 30, 2021 to aid the fight against COVID-19, the U.S. Trade Representative's office said in a Federal Register notice here on Wednesday.

#### Three Quarters of UK Manufacturers Hit by Brexit Delays

Three out of every four British manufacturers have experienced Brexit-related delays during the past three months and the government must sort out problems that are still affecting ports, industry group Make UK said on Thursday.

# TRADE AND TRANSPORT ATTORNEYS ROBERTS & KEHAGIARAS LLP

AND COUNSELORS AT LAW

## **FTA NEWS**

#### FDA 2021 and Beyond, It's Not Just About PPE

Hear FDA leadership share updates on food imports, the food safety modernization program, increased enforcement on shrimp and seafood and related challenges facing food importers and exporters. Please join us!

March 17th, 10:00 - 11:00 AM PT

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





## 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



## Environmental

**REGISTER TODAY** 

#### India to Tax Solar Equipment Imports to Help Local Companies

India will levy a 40% customs tax on imports of solar modules from April next year to cut dependence on foreign supplies and boost domestic manufacturing of the equipment, the renewable energy ministry said.

#### China's Top Leaders Leave Tough Climate Decisions to Bureaucrats

The nation's five-year plan did little to bring it closer to President Xi Jinping's goal of reaching net zero by 2060.

#### **Copenhagen's New Artificial Island Hits Rough Seas**

Swedish officials have joined Danish critics in registering concerns that an island-building plan — a signature test of Copenhagen's development model — could have environmental risks.

#### Peak Gas is Coming to the U.S. Sooner Than Anyone Expected

One of the largest utilities in the U.S. put \$8 billion into a bet that natural gas would dominate American electricity much like coal had before

#### Britain Announces Major Investment in New Offshore Wind Facilities

Britain will invest 95 million pounds (\$132 million) in the construction of two new facilities to service a big expansion in offshore wind farms, creating around 6,000 jobs in the north of England, the government said on Wednesday.

#### FedEx Commits to Carbon-Neutral Operations by 2040

Ambitious plan includes electrifying the global parcel pickup and delivery fleet and establishing the Yale Center for Natural Carbon Capture to advance sequestration solutions.

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.

> Brown, Kylea - Harris Bricken Lee, Adams - Harris Bricken Rocafort, Fred - Harris Bricken

### Maritime

#### Ship Waits 269 Days to Unload Australian Coal in China

A ship that waited nine months is among a handful of vessels that China has let unload their cargoes of Australian coal, a reprieve for some of the seafarers and vessels caught by a trade war that at one point stranded more than 70 carriers and 1,400 mariners.

## Despite Progress, Women Still Underrepresented in Maritime Search and Rescue-Survey

The International Maritime Rescue Federation (IMRF) has released the results of the first survey to examine the representation of women across the maritime search and rescue (SAR) sector.

## Busiest February on Record for Port of Long Beach as Import Boom Continues

The Port of Long Beach has reported its busiest February on record amid an unseasonable surge in imports amid the ongoing pandemic-fueled cargo boom.

#### 2M Snubs Congested West Coast Ports

To improve schedule reliability, 2M partners Maersk and MSC are to avoid congested US west coast ports with two transpacific pendulum services. From this week, the AE1/Shogun and AE6/Lion loops from Asia will turn in North Europe instead of going on to the U.S.

#### Maersk Essen Discharging Cargo in Los Angeles

Nearly two months after losing hundreds of containers overboard in the Pacific Ocean, the Maersk-operated containership Maersk Essen is finally discharging its cargo at its original destination at the Port of Los Angeles.

#### Supertankers Losing Almost \$7,000 a Day Amid OPEC Cuts

Times are getting tougher by the day for oil tanker owners. With too many vessels to haul fuel, losses for supertankers on a benchmark Middle East-to-China route deepened to \$6,779 a day on Tuesday. That's the weakest earnings since at least 2017 and effectively means vessel owners would be subsidizing the transport of oil on that route.

#### Has the Time Come to Rethink Shipping and Ship Design?

Almost every global supply chain has been affected during the Covid-19 pandemic with high demand for some products, delays caused by both truck and longshore labor shortages, and equipment shortages due to blank sailings last spring resulting in the bullwhip effect throughout the supply chain.

### Video of the Week

#### Katherine Tai Confirmation

In recognition and in honor of the USTR nominee unanimously reported out of the Senate Finance Committee and who will hopefully be confirmed in short order, the FTA honors and recognizes her for Women's History Month.



### **Logistics and Trade**

#### Nigeria Starts \$3 Billion Upgrade of Key Railway Line

The project marks the latest step in an ambitious plan to create a nationwide rail network intended to aid Nigeria's economic diversification away from crude oil.

#### Warehousing Hustlers for 'Hostlers' to Meet E-Commerce Demand

Greater use of drop trailer pools and e-commerce sales are generating demand for yard drivers — also referred to as hostlers — to handle trailers at warehouses and distribution centers, but those drivers are in short supply.

#### Air Cargo Rates Will Remain Elevated for Three Years: TIACA

Air cargo industry experts told the TPM21 conference the belly space that normally makes up more than half of all available freight capacity will likely remain sidelined as airlines continue to struggle with uncertain passenger demand.

#### **Record U.S. Warehousing Demand to Continue Through 2021**

Demand for warehouse and distribution space in the US continues to grow at record levels as e-commerce retailers and 3PLs seek larger facilities with more yard space to handle growing inventories.

#### **Twill, Freightos Launch Instant Container Quote Pilot**

Maersk's small shipper offering Twill and logistics software provider Freightos are testing a new workflow that will for the first time redirect shippers from the Freightos rate marketplace to a service provider's shipment management platform.

#### ShipBob Boosts UK, U.S. Ground Capacity for E-Commerce Shippers

ShipBob is adding capacity to its fulfillment network and boosting its delivery options by building out a last-mile delivery network for e-commerce customers.

#### Startup Grabs \$20 Million to Automate Reverse Logistics

ReverseLogix's cloud-based automation platform can help reduce the cost of merchandise returns by as much as 15 percent, according to founder and CEO Guarav Saran.

## California Proposes Points System to Hold Warehouses Accountable for Truck Emissions

Road transport has been at the forefront of Southern California's emissions crackdown.

### **Upcoming Events**

March 17 – WITOC – Global Thought Leader – 7:00 AM – 8:00 AM PST– This event hosts the three women diplomats serving at U.S. Missions in saudi Arabia, Kuwait and Qatar. Join us to hear about their experiences in these roles – Register <u>here</u>

March 17 - WEBINAR - FDA 2021 and Beyond, It's Not Just About PPE -10:00 - 11:00 AM PT - Hear FDA leadership share updates on food imports, the food safety modernization program, increased enforcement on shrimp and seafood and related challenges facing food importers and exporters. Please join us! - Register <u>here</u>

March 17 - WEBINAR – L.A. Chamber – Southern California & the Digital Economy – 9:30 – 10:45 AM PT - Join the Global Initiatives Council for an expert panel as they discuss how current digital trends and e-commerce will shape the future of the region's economy and implications for Southern California companies – Register <u>here</u>

March 23 – Avalon Knowledge Webinar: Cyber Hackers Are Working Hard! Is Your Policy Working for You? - 1:00 p.m.-2:00 p.m. CDT - Cyber Crimes are at an all time high. Make sure you understand what your cyber liability insurance covers - not all policies are the same! - Register <u>here</u>

March 23 - WEBINAR - CBFANC CBP/FDA Agency Initiatives - 1:30 PM -3:00 PM PT - FDA will update on remote inspections during COVID-19 restrictions, lab, and State Partnership Agreements. CBP and FDA will present on joint agency initiatives on One Refusal Initiative, Trusted Trader Program and more - Register <u>here</u>

March 24 – CBIFFAWS - NWSA/CBP Webinar – 9:00 AM – 10:00 PST- The Area Port of Seattle of U.S Customs and Border Protection and the Northwest Seaport Alliance invite you to an outreach event with local CBP leadership and officers who will provide updates and field your questions – Register <u>here</u>

March 24 – CalAsian Annual Legislative Summit – 9:00 AM – 1:00 PM PST - While we discussed the implications of the extreme pivots small businesses had to make last year, we will turn toward the future in this year's discussions – Register here

March 24 - LACBFFA APHIS CORE Webinar – 11:00 AM – 12:00 PM PT-This workshop provides an overview on how to prepare for the mandatory APHIS Core filing date – Register <u>here</u>

March 24 – LACBFFA How to Prepare for a RASA, a Focused Assessment & Other CBP Audits From the Perspective of a Former CBP Auditor & Audit Supervisor – 10:00 AM – 12:00 PM PST – Register <u>here</u>

March 25 – WITLA – Celebrating International Women's Day with Women in International Trade – 2:00 PM – 3:30 PM PST - WIT-LA is thrilled to present three successful business executives who will be sharing their experience and expertise in overcoming challenges as well as some useful tips for other business executives – Register <u>here</u>

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 <u>here</u>

**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 <u>here</u>

**April 13 - April 15 – ICPA 2021 ITAR CONFERENCE** – Springhill Suites by Mariott, Fort Worth, TX - Join us in Forth Worth, TX for our ITAR Conference – Register <u>here</u>

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

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 <u>here</u>

May 6 – Los Angeles Chamber of Commerce 95th Annual World Trade Week – 8:30 AM - 12:00 PM PST - 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 <u>here</u>

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 <u>here</u>