

### May 14, 2021 Volume 2, Nr. 19

Two big pieces of news here in the United States this week - the announcement yesterday by the CDC that vaccinated people can go maskless virtually everywhere indoors and outdoors. Now we all just need to get over that mask-fright and put our in-person smiles back on display. Not vaccinated yet? Plenty of opportunities here in California; <u>start here</u> to find a location near you.

The second major story is the fuel shortage caused by the cybersecurity event at Colonial Pipeline. They paid \$5 million in ransom and petroleum is once again flowing, but it has spiked gasoline prices and led to shortages as people took to hoarding. A word of advice from the FTA (and the CPSC - not kidding): Don't put gasoline in plastic bags.

# FTA's 95TH WORLD TRADE WEEK VIRTUAL EVENT

Registration Now Open!



#### 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!

#### SPEAKERS TO INCLUDE



Assistant Commissioner FDA - Import Operations, OEIO



ANNE HILSABECK Founder & President AMH CUSTOMS CONSULTANTS



JOHN P. LEONARD Acting Executive Assistant Commissioner CBP - Trade Office of the Commissioner



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**SABRINA KELLER** Deputy Director, Office of Import Surveillance, U.S. CPSC



**CARLOS C. MARTEL Director Field Operations** Los Angeles, CBP



**DONALD R. KUSSER** Port Director LA/LB Seaport, CBP



**ANGELA L. SUZUKI** Acting Assistant Port Director – Trade LAX, CBP



**YOLANDA BENITEZ** Assistant Director, CEE - Electronics, CBP



**JOHN MCLAURIN** President, Pacific Merchant **Shipping Association** 



MICHAEL ROLL Partner, Roll & Harris LLP



SUSAN K. ROSS Partner, Mitchell, Silberberg & Knupp LLP

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**Exploring the International Trade Landscape** 

# Mid-Year Update: Customs, PGAs, and Other Current Issues Affecting Trade

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Presentation of Marjorie M. Shostak Distinguished Service Award

Segment 1
U.S. Customs and Border Protection (USCBP)

Segment 2
Participating Government Agencies (PGA's)
U.S. Food and Drug Administration (FDA)
U.S. Consumer Products Safety Commission (CPSC)

Segment 3
Private Industry Experts

**Current Issues Affecting Trade – Insider Perspectives** 

### **EVENT SPONSORS**



























#### **Links and Stories of Interest:**

<u>They Hacked McDonald's Ice Cream Machines—and Started a</u>
Cold War

Secret codes. Legal threats. Betrayal. How one couple built a device to fix McDonald's notoriously broken soft-serve machines—and how the fast-food giant froze them out.

### **Government Actions and Trade**

Gasoline Prices Hit \$3 as Shortages Grow on U.S. Pipeline Outage U.S. average gasoline prices exceeded \$3 a gallon for the first time in more than six years amid growing shortages of fuel across the South and East while Colonial Pipeline remains out of action due to a cyberattack.

U.S. Coast Guard Ship Fires Warning Shots in Latest Encounter with Iranian Vessels

A U.S. Coast Guard ship fired about 30 warning shots after 13 vessels from Iran's Islamic Revolutionary Guard Corps Navy (IRGCN) came close to it and other American Navy vessels in the Strait of Hormuz, the Pentagon said on Monday.

## U.S. Seizes Huge Shipment of Weapons from Stateless Dhow in International Waters in Arabian Sea

A U.S. Navy guided-missile cruiser seized a large illicit shipment of weapons from a stateless dhow in international water of the North Arabian Sea, the U.S. 5th Fleet said over the weekend.

# U.S. Southeast Sees Gas Shortages Due to Colonial Pipeline Cyberattack

The effects of the Colonial Pipeline cyberattack are becoming more pronounced, according to energy market analysts. Gas stations in some markets in the U.S. Southeast are reporting shortages, and a demand spike caused by panic buying can be seen in all U.S. regions, according to fuel consultancy GasBuddy.

China Extends It's Domestic Navigation Laws Beyond Coastal Waters
Beijing has revised its domestic maritime navigation law to substitute
references to China's "coastal" waters with references to China's "maritime
jurisdiction." The change appears to remove a legal restriction on Chinese
maritime law enforcement in areas far from China's own shores.

# U.S. Business Lobby Calls on China to Play Fair, Warns of Consumer Boycott Danger

The relationship between the world's two biggest economies deteriorated rapidly over the past few years over issues ranging from trade to China's response to COVID-19.

### **CBP Denies Apparel Company Protest Over Goods Held Due to Possible Use of XPCC Cotton**

Efforts by Uniqlo to prove that no connection exists between a shipment of men's shirts and cotton from the Xinjiang Production and Construction Corps in China were insufficient, CBP said in a May 10 ruling.

### **Chinese Manufacturers Sidestep Trade Barriers by Buying Factories Overseas**

For decades, France's Valdunes SAS charged premium prices for the wheels it made for high-speed trains and other rail systems around the world. That strategy changed after a Chinese state-owned industrial conglomerate bought the company in 2014.

# USTR Says Administration Working to Stop 50% Tariffs From Europe and Supports Renewal of GSP

U.S. Trade Representative Katherine Tai, in her second day of testimony on Capitol Hill, heard again and again from members of Congress who are hearing from companies in their districts that they want Section 301 tariff exclusions back.



### **FTA NEWS**



### **Event Sponsors:**





# The West Coast's ONLY 2021 Maritime Trade & Compliance Seminar

Speakers will include Federal Maritime Commission's ("FMC") Chairman Daniel Maffei, and representatives from the FMC's Bureau of Trade Analysis, Bureau of Certification and Licensing, and the FMC's Los Angeles Area Representative to discuss ocean freight forwarder and non-vessel operating common carrier registration and licensing, tariff publication, CADRS, service contracts, NVOCC negotiated rate arrangements and NVOCC service arrangements and enforcement of the Shipping Act.

May 27, 10:00 AM - 3:15 PM PT

Free to Silver, Gold & Platinum

Members

Members: \$65.00 Non-members: \$85.00

Sponsorship Available: \$200.00

**REGISTER TODAY** 



### **Environmental**

#### **Shipping Rule Cleans the Air but Dirties the Water**

In an unwelcome twist, a global effort to curb pollution from the heavy fuel oil burned by most big ships appears to be encouraging water pollution instead.

# First Large-Scale Offshore Wind Farm in U.S. Waters Wins Federal Approval

The Biden Administration today announced the approval for the construction and operation of Vineyard Wind, the nation's first large-scale offshore wind farm.

### YARA and JERA to Work Together to Develop Ammonia Fuel Supply Chain

As a next step in the global efforts to build the business and supply of clean ammonia, Japan's largest power company JERA and Norway's ammonia fertilizer company Yara formed a partnership to collaborate on the development of commercial applications for ammonia as a fuel.

#### Plans for Sweden's First Commercial Scale eMethanol Plant

Liquid Wind, a developmental power-to-fuel company, is moving forward with an ambitious plan to commercialize eMethanol for the shipping and other industries.

Hurtigruten Launching Green Upgrades for Coastal Fleet with Kongsberg In what is described as one of the largest environmental upgrades in the history of European shipping, Hurtigruten announced plans for a fleet-wide upgrade to its Norwegian Coastal Express ships.

# Can Hydrogen Replace LNG? Race is On to Pioneer the Shipping of Hydrogen

Hydrogen is touted as an inevitable green fuel of the future. Tell that to the people who'll have to ship it across the globe at hyper-cold temperatures close to those in outer space.

## Chevron, Clean Energy Fuels Extend Adopt-a-Port Initiative to Reduce Emissions

Chevron's funding will allow truck operators to subsidize the cost of buying

new or converting to RNG powered trucks. Clean Energy, meanwhile, will manage the program, including offering fueling services for qualified truck operators.



#### 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.

Your name here!



### **Maritime**

Biden Administration Issues Jones Act Waiver for Foreign-Flag Tanker The U.S. Department of Homeland Security has issued a Jones Act waiver for one foreign-flagged tanker to transport fuel supplies to the U.S. East Coast, part of a large-scale effort to address shortages related to the Colonial Pipeline shutdown.

#### Eneti (Ex-Scorpio Bulkers) in Planning Stages for Jones Act-Complient Wind Turbine Installation Vessel

Eneti Inc. on Tuesday revealed plans it has entered into a binding agreement for the construction of one Wind Turbine Installation Vessel (WTIV), as well as "advanced discussions" with U.S. shipbuilders for the construction of a similar Jones Act-compliant vessel.

#### **Keppel Wins \$2.3 Billion FPSO Contract from Petrobras**

Keppel Offshore & Marine has been awarded a \$2.3 billion contract to build a Floating Production, Storage and Offloading (FPSO) vessel for Brazil's national oil company Petrobras.

Lessons From the Ship That Nearly Destroyed 12 Percent of World Trade One of the many questions asked following the event concerned the size of *Ever Given*. At 1,300 feet in length, 200 feet across, drawing nearly 48 feet of water, with a deadweight capacity of 200,000 tons, and capable of carrying 20,000 twenty-foot equivalent units (TEUs), she is one of the largest ships in the world.

# Packaged Goods Shippers Want Transport Regulators to Deal with Rising Costs

Trucking and maritime regulators should take immediate action to help ease cost burdens on packaged goods shippers concerned about potential shortages amid signs of inflation, according to a manufacturing lobby group.

Traditional Maritime Shipping Group Extends Air Freight Operations
French shipping and logistics group CMA CGM, is accelerating the
development of its air freight division CMA CGM AIR CARGO, by adding three
new destinations: Dubai, Beirut and Istanbul.







### Video of the Week

#### **USTR Tai testifies before Senate Finance**

USTR Katherine Tai provided testimony to the Senate Finance Committee earlier this week on the President's trade policy and agenda. The full testimony is on C-SPAN and runs a little over two hours and can be accessed by clicking the image below.



### **Logistics and Trade**

# U.S. Considering Temporary Jones Act Waiver If Needed to Alleviate Gas Shortages

The U.S. Department of Transportation says it is evaluating resources to help mitigate potential impacts of the ongoing Colonial Pipeline cyberattack on East Coast gas and fuel supplies, including use of a limited temporary waiver of the Jones Act.

#### **Pandemic Propels Makeover at Shipping Giant Maersk**

Maersk is accelerating its plan to transform itself from a container shipping giant into an integrated logistics company following its strong performance during the pandemic, Chief Executive Soren Skou said on Tuesday.

#### Another 'New Normal' as Container Rollover Rates Increase

The number of container rollovers at major box ports continued to climb last month, affecting some 39% of all shipments, according to new data from supply chain visibility provider Project44.

#### **Global Commodities Scramble Sends Shipping Prices Soaring**

The super-charged rally in commodity prices has made shipping more expensive than any time in the past decade, reviving the fortunes of an industry that was on its knees just a year ago.

#### **Colonial Pipeline CEO Privately Warns States of Fuel Shortages**

The leader of the company whose fuel pipeline was paralyzed by a cyber attack warned state officials in a private meeting Monday that supply shortages could occur even as it plans to reopen the line later this week, according to a person familiar with the discussion.

#### Parking Lot in the Pacific Persists As Imports Jam U.S. Ports

Ship congestion outside the busiest U.S. gateway for trade with Asia persisted over the past week amid a steady flow of imports at some of the highest ocean

freight rates on record.

Dryness Poses Underestimated Problem for South America Bulk Exports Argentine soy and corn harvesting is being driven by ideal weather conditions but the lack of rain that is helping farmers bring in crops is also contributing to the shallowness of the Parana River, which has begun to dent agricultural exports.

Containerships Increasing Speeds as Rates Continue to Climb
The maritime valuation and market intelligence service said average laden containership speeds had increased by 5.5% since last June to 14.76 knots, and by 8.5% in the larger sectors.

### **Upcoming Events**

- May 18 Combating Human Trafficking in the Trade Industry 12:00 Pm 1:00 PM PT Join us to learn how you can use your supply chain to effect change and help aid law enforcement in the discovery and disruption of human trafficking networks across North America Register <a href="https://example.com/here-networks
- May 20 What Strategies Should Exporters Pursue In 2021? 10:00 AM 12:30 PM PT An in-depth discussion on port congestion, equipment shortages and carrier concerns affecting exports for Northern California Register <a href="https://example.com/here-pursue In 2021?">here-pursue In 2021? 10:00 AM 12:30 PM PT An in-depth discussion on port congestion, equipment shortages and carrier concerns affecting exports for Northern California Register <a href="https://example.com/here-pursue In 2021?">here-pursue In 2021? 10:00 AM 12:30 PM PT An in-depth discussion on port congestion, equipment shortages and carrier concerns affecting exports for Northern California Register <a href="https://example.com/here-pursue In 2021?">here-pursue In 2021? 10:00 AM 12:30 PM PT An in-depth discussion on port congestion, equipment shortages and carrier concerns affecting exports for Northern California Register <a href="https://example.com/here-pursue In 2021?">here-pursue In 2021?</a> 10:00 AM 10:0
- 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! Register <a href="https://example.com/here">here</a>
- May 27 Webinar LACBFFAAddressing Cross Border E-Commerce Challenges with Emerging Technologies 11:00 AM -12:00 PM A summary of the efforts and findings that assesses options to address e-commerce data sharing challenges, how to leverage emerging technologies to augment and enhance data sharing, the economic costs and benefits from incorporating emerging technologies Register <a href="here">here</a>
- May 27 Virtual Event -The West Coast's ONLY 2021 Federal Maritime Commission Trade & Compliance Seminar 10:00 AM 1:15 PM PT Speakers will include Federal Maritime Commission's ("FMC") Chairman Daniel Maffei, and representatives from the FMC's Bureau of Trade Analysis, Bureau of Certification and Licensing, and the FMC's Los Angeles Area Representative Register <a href="here">here</a>
- 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 10 P.A.E.I. Virtual Networking Event 5:00 PM 6:00 PM-** Join us for a fun night of Trade Compliance Trivia & Networking Register <u>here</u>
- June 23 CBFANC Consumer Product Safety Commission (CPSC) -

11:00 AM - 12:30 PM - New Procedures & Updates from the CPSC - Register here

June 29- July 1 – 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** 

July 25-28 2021 ICPA Summer Conference - Walt Disney World Swan & Dolphin Resort - Join other international trade compliance professionals for the 2021 ICPA Annual Conference in Orlando, FL - Register <u>here</u>

**September 12-15 ICPA Fall Conference and Valuation Seminar** -Hilton DFW Lakes Executive Conference Center, Grapevine, TX - Register <u>here</u>

October 14-17 – WESSCON 2021 – 9:00 AM – 5:00 PM PT- WESSCON offers one of the best opportunity to meet people in the global logistics industry – Register <u>here</u>

December 31 - Webinar -LACBFFA APHIS CORE Webinar (Recording + Presentation Materials) - 9:00 AM - 5:00 PM PT - This workshop provides an overview on how to prepare for the mandatory APHIS Core filing date on 03/15/2021. Available resources and how to obtain admissibility guidance from USDA. Disclaimer tips and APHIS Core message set filing review - Register here