



July 9, 2021  
Volume 2, Nr. 27

The biggest news of the day - and one that may take some time to unpack, is the [Executive Order on the issue of competition](#). The EO is supposed to be targeted at, among others, steamship lines and railroads in the wake of soaring prices and falling service levels. Will this translate into immediate relief for shippers or the unsticking of bottlenecks or rates returning to earth? Highly unlikely; but maybe the meteoric rise in freight rates will slow somewhat as the official peak season arrives.

Number of the Day:

2.33 million

Container imports into major U.S. ports in May, measured in 20-foot equivalent units, 8.6% more than in April and the [highest monthly total in Global Port Tracker records](#) dating to 2002.



FIRMs Code: W517

## Government Actions and Trade

### **Biden to Target Railroads, Ocean Shipping in Executive Order**

The administration says the relatively small number of major players in the ocean-shipping trade and in the U.S. freight rail business has enabled companies to charge unreasonable fees.

### **ITC Issues Semi-Annual Revision to 2021 HTS; Changes Effective as of July 1**

The semiannual update to the HTS removes General Note 12 for NAFTA from the tariff schedule, and adds new tariff numbers for a variety of products, including frozen warm water shrimp, tomatoes, organic berries and high-

strength steel. All changes take effect July 1, unless otherwise specified.

### **CULines Expanding into the Transpacific Container Trade**

In the latest move by CULines seeing it shift being a regional and feeder player into the longhaul markets, the company plans to open up a new service Transpacific Express (TPX) on 18 July, connecting Shanghai and Los Angeles directly.

### **Esquel Group Sues U.S. Over Unit's Inclusion on 'Entity List' as Company's Chief Says it Faces 'Devastating Harm'**

Amid a push to punish companies over alleged human rights abuses in China's Xinjiang Uygur autonomous region [XUAR], the US Commerce Department in July 2020 put Changji Esquel, which is based in Xinjiang, on an "entity list", prohibiting it from buying supplies from U.S. businesses.

### **CIT Grants Preliminary Injunction in Section 301 Litigation**

Granting a preliminary injunction, Judges Claire Kelly and Jennifer Choe-Groves held that questions over limitations on CIT's ability to reliquidate the entries or grant a monetary judgment mean the Section 301 plaintiffs risk irreparable harm in the absence of one.

### **Biden's Global Minimum Tax: A Cartel to Raise Taxes and End Competition**

The plan would effectively eliminate tax competition and create a government taxation cartel — companies could no longer vote with their feet and move to more tax-advantageous countries to grow their businesses.

### **CBP AD and CV Messages as of July 2**

A listing of recent Commerce Department antidumping and countervailing duty messages posted to CBP's website July 2, along with the case number(s) and CBP message number, is provided below.

### **China Reveals Secret Programme of Unmanned Drone Submarines Dating Back to 1990s**

The secret project, funded by the military, was partially declassified last week with the publication of a paper that gave a rare glimpse into a field test of the unmanned underwater vehicle (UUV), seemingly in the Taiwan Strait, more than a decade ago.

### **China Trying to 'Cut Australia Out of the Herd' with Diplomatic Freeze, US Warns**

One of Joe Biden's most senior advisers says China is trying to "cut Australia out of the herd" but the diplomatic freeze and targeting of Australian exporters is only driving Canberra to deepen its ties with Washington.

### **Taiwan Asserts Island's Sovereignty After U.S. Restates Opposition to Independence**

Taiwan's foreign ministry stated on Wednesday that the self-ruled island is a sovereign state which seeks to maintain a stable relationship with mainland China and wants to safeguard its free and democratic system.

# TRADE AND TRANSPORT ATTORNEYS



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

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## FTA NEWS



**Location:**  
Zoom Webinar  
**Date:**  
Thursday, August 5, 2021  
Friday, August 6, 2021

**Program:**  
9:00 AM - 12:00 PM PDT  
**Credits:**  
6 CES Credits

**Cost:**  
\$150 Early Registration  
\$200 Late Registration



Foreign Trade Association Presents:

### Customs Compliance For Import Personnel

#### 2-Day Virtual Course

##### Compliance Summer Camp for Import Personnel

This is a 2-day course intended to cover the subjects and information needed by importer employees responsible for Customs and import compliance. These include internal controls, customs broker selection and monitoring, bonds, powers of attorney, managing HTS classifications and audits, post entry claims and compliance issues. The class also covers participation in Customs initiatives, including Trusted Trader and ACE Portal.

#### Topics to be Covered:

- Establishing & utilizing internal controls
- Customs broker selection, powers of attorney & broker monitoring
- Types of entries, customs bonds, paying duty & handling liquidations
- Determining and declaring a Customs value for a company's transactions
- Classifying imported articles, saving and utilizing classification information
- Qualifying for the Customs Trusted Trader program
- Centers of Excellence & Expertise
- ACE Portal benefits
- Qualifying (or not) for duty free exemptions and free trade agreements
- Using TIBs, bonded warehouses, Foreign Trade Zones & drawback
- Dumping and Countervailing duties, 232 and 301 duties
- Dealing with import restrictions and other agency requirements
- Post entry actions - amendments, protests, claims, tenders and disclosures
- Record keeping requirements and complying with the rules
- Responding to Customs requests and actions
- Dealing with liquidated damages, penalties & audits



**Instructor:** Bruce Leeds, Attorney, Braumiller Law Group  
Bruce has decades of experience in international trade law and has successfully served his clients in diverse capacities, from classification and due diligence, to IAR compliance and drawback. He has significant expertise with importing and exporting high tech products.

**REGISTER HERE**

Cancellations must be received in writing by 5 pm Friday, July 7, 2021 to receive a refund or to avoid being charged. Payment for this event is not deductible as a contribution or gift under federal law, but is most likely deductible as an ordinary and necessary business expense.



## 2-Day Virtual Course - Customs Compliance for Import Personnel

This is a 2-day course intended to cover the subjects and information needed by importer employees responsible for Customs and import compliance.

### Pricing:

**\$150 - Early Bird Registration**

**\$200 - Late Registration**

**REGISTER HERE**

## FTA's Fall 2021 Customs Broker License Exam 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



### 11 WEEK EXAM PREP COURSE

Monday evenings 6:00 PM - 9:00 PM

Starts: Jul. 19, 2021

Ends: Sep. 27, 2021

\*No class on Monday, Sep. 6, 2021. Class will take place on Tuesday, Sep. 7, 2021.

#### 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.



5216 E. Pacific Coast Hwy #407  
Long Beach, CA 90803  
P. 888-223-6459

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 has announced the next exam date of October 21, 2021 and has published the exam notice listing the required HTS and 19 CFR, which the students will be required to purchase.

#### Reference Materials:

Harmonized Tariff Schedule (HTS), Basic Edition 2020  
Title 19 Code of Federal Regulations (19 CFR), April 1, 2020, Parts 1 - 199.  
7501 Instructions, December 2019  
ACE Entry Summary, Version 10.00, Sections 1 - 12 only, March 2020  
Right To Make Entry Directive 3530-002A

**REGISTER NOW**

**Pricing:**

**Member: \$445.00**

**Partner: \$500.00**

**Non-Member: \$550.00**

**REGISTER  
HERE**



## Environmental

### **Almonds Swept California Farms. Then the Water Ran Out.**

For years the nuts have been one of California's star crops, exported in bulk and used in food products throughout the supermarket. Now, farmers in parched parts of the state are bulldozing thousands of acres' worth of almond orchards that cannot be irrigated and dropping plans to plant more as they confront what farmers say could be a hotter, drier future.

### **Environmentally Friendly Courier Deliveries Will Require Alignment Among Partners on Use of Low-Emission Fuel, says DHL Executive**

A scarcity of low-emission synthetic aviation fuel is one technical issue that needs to be tackled, besides setting up a distribution network to make it available for planes at airports, said Tim Scharwath, CEO of DHL's global forwarding and freight units.

### **Coal Shows Its Staying Power as Economies Bounce Back**

The leading reason for the uptick—which has pushed coal prices to multiyear highs—is rising power demand as economies reopen rapidly from pandemic hibernation.

### **British Columbia Wildfires Impacting Canadian Exports and Imports**

Hundreds of rail cars have been halted by wildfires that damaged tracks in western Canada during the region's severe heat wave, creating a bottleneck of exports and delaying imports.

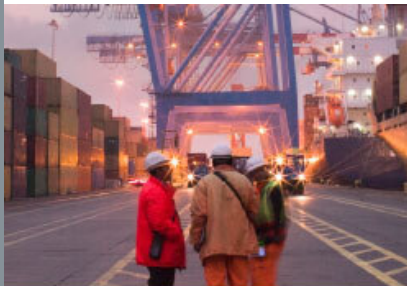




## Got a story idea?

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**



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## 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!**

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New York | Portland | San Francisco | Seattle

## Maritime

### **Ocean Carriers Underway to Making \$100 Billion Annual Profit in 2021**

Even with the flood of orders for newbuild containerships stemmed for delivery in 2023 likely to break all-time records for an injection of liner capacity – and potentially tip the supply-demand scales back in favor of shippers – carrier profits in the interim will see them “set up for years to come” says a maritime consultant.

### **CAVOTEC Brings Product-as-a-Service to the Maritime Industry with State-of-the-Art Automated Mooring as a Subscription Offering**

This is one of the maritime industry’s first product-as-a-service offerings and trailblazes a new way for many more ports and terminals worldwide to increase productivity, reduce environmental impact, and improve safety.

### **Port of Long Beach: June Cargo Volumes Stay Strong Amid Signs of Leveling Off**

Dockworkers and terminal operators moved 724,297 twenty-foot equivalent units in June, up 20.3% from the same month last year. Imports rose 18.8% to 357,101 TEUs, while exports saw a relatively flat decrease of 0.5% to 116,947 TEUs. Empty containers moved through the Port jumped 36% to 250,249 TEUs.

### **Container Shipping Prices Skyrocket as Rush to Move Goods Picks Up**

The average price world-wide to ship a 40-foot container has more than quadrupled from a year ago, to \$8,399 as of July 1, according to a global pricing index by London-based Drewry Shipping Consultants Ltd. The measure has surged 53.5% since the first week of May.

### **Ever Given, the Ship that Blocked the Suez Canal, to be Released After Settlement Agreed**

The owners and insurers of the Ever Given container ship that blocked the Suez Canal in March have announced that a formal settlement had been agreed in a compensation dispute, and the canal authority said the vessel would be allowed to sail on 7 July.

### **The U.S. Has Vaccinated More Than 20,000 Seafarers**

The U.S. has thus far vaccinated 20,000 seafarers against coronavirus as part of its special vaccination program for international seafarers on board vessels

calling on U.S. ports, according to new data published by North American Maritime Ministry Association (NAMMA), several media report.

### **White House Order to Address Competition in Ocean and Rail Shipping**

President Joe Biden will soon order U.S. transportation agencies to crack down on anti-competitive conduct and unjust fees in the rail and sea shipping industries to try to lower costs to consumers, the White House said on Thursday.

### **Spanish Authorities Deploy EMSA's Remotely Piloted Aircraft to Enhance General Maritime Surveillance Off the Coast of Galicia**

Over the coming months, the Spanish ministry of transport's maritime safety and rescue body SASEMAR will be using EMSA's remotely piloted aircraft services from its MRCC base at Finisterre in the northwest of Spain to enhance general maritime surveillance for a range of different operational tasks including maritime traffic control and pollution prevention.

### **Frantic Spending Spree in Containership S&P Market**

According to Alphaliner, some 301 containerships representing just over 1m TEU, changed hands in the first six months of the year, as carriers and non-operating owners (NOOs) looked to beef up their fleets to take advantage of the disconnect between ship values and charter rates.



## **Video of the Week**

### **Final chapter of the Ever Given saga written as vessel finally leaves Egypt.**

"[Freedom](#)," sang Aretha Franklin famously in The Blues Brothers. For cargo interests, shipowners and the reinsurers who have been negotiating with the Egyptian government since the Ever Given was freed from her grounding in the Suez and forced to wait in Great Bitter Lake (irony never takes a holiday) the ship is finally allowed to resume her voyage to Europe after reaching a settlement, the terms of which were not revealed.

For those subscribers with access to Bloomberg's content, [we strongly recommend this 6,000 word piece](#) that provides a tick-tock of what happened leading up to the grounding and was revealed through court proceedings and interviews.



## Logistics and Trade

### **Biden to Issue Executive Order on Consolidation in Railroads, Ocean Shipping**

The order would ask the Surface Transportation Board to look into long-standing measures like so-called “competitive switching rules,” which require a monopoly railway to grant access to its railroad under certain conditions.

### **Your New Couch is Ready, but It Could Take Weeks to Arrive**

Logistics bottlenecks are adding to headaches for furniture makers as they scramble to catch up with pandemic-driven demand for home furnishings.

### **Toyota’s Chip Supply Helps It Beat General Motors for the First Time**

Toyota Motor Corp.’s decision to build a stockpile of chips for its cars paid off by lifting it above perennial top dog General Motors Co. in the U.S. for the first time.

### **Warehouse Demand Soaring as Take Up Levels Hit Record Levels**

Retailers and distribution companies collectively accounted for 76% of take-up so far this year, as they race to expand online and home delivery capacity in response to growing levels of e-commerce penetration.

### **Supermarkets Are Stockpiling Inventory as Food Costs Rise**

Supermarkets are stocking up on everything from sugar to frozen meat before they get more pricey, girding for what some executives anticipate will be some of the highest price increases in recent memory.

### **U.S. Apparel Imports Ballooned 141% in May**

The surge in U.S. apparel imports continued in May, as retailers and brands



restocked to meet a strong return of consumer demand, with every major and secondary producer nation taking part in the upswing.

### **Apparel Maker Global Brands Shares Stop Trading**

Global Brands has made no secret about its recent struggles. In the company's most recent financial report, from November, CEO Rick Darling said the company had faced challenges that were "unimaginable."

### **Knight-Swift Expands Trucking Reach With AAA Cooper Acquisition**

Trucker Knight-Swift Transportation Holdings Inc. is pushing into a critical transport sector that moves smaller shipments for retail and industrial customers, as red-hot freight demand strains U.S. trucking capacity.

### **Australian Lobsters 'Smuggled to China' Despite Trade Ban**

While authorities did not reveal the origin of the 569kg worth of live lobsters, valued at \$25,000, the creatures bore the red color and the forked antennae unique to Australian rock lobsters. The incident highlights how demand for the Australian crustaceans is being met by "grey channels" - or unauthorized trade routes.

### **The State of U.S. Logistics 2021: Building an Agile Supply Chain**

As rough as it was in managing the supply chain roiled by the Coronavirus pandemic in 2020, this year calls for even greater agility and creative collaboration, according to the annual State of Logistics (SOL) report.

## **Upcoming Events**

### **July 13 - Export Controls and How They Impact Freight Forwarders -**

**10:00 AM - 12:00 PM PT** - We will do a practical exercise utilizing sample commercial documents and SLIs and translate the information onto the AES filing screens. We will also review the various response messages that you will receive from the Automated Export System (AES) - Register [here](#)

### **July 20 - PAEI Hot Topics To Start Off Your Trade Compliance Summer! -**

**11:00 AM - 12:30 PM PT** - Join us for this webinar that will recap recent trade compliance topics of interest to get your summer sizzling! - Register [here](#)

**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 22 - L.A. Area Chamber & LACBFFA Present - The Path Ahead:**

**Protecting Intellectual Property Rights - 10:00 AM - 11:30 AM PT** - a webinar aimed to discuss IP rights enforcement as a crucial component of protecting the global competitiveness of our region's companies - 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 [here](#)

**July 26-27 2021 - Global Trade Education Conference (G TEC) - 9:00 AM - 5:00 PM PT** - The NCBFAA Educational Institute invites you to its 7th Annual Global Trade Educational Conference (G·TEC). This two-day event in Baltimore, MD will give customs brokers, freight forwarders, NVOCCs, OTI, service providers, importers, exporters and all global logistics professionals an opportunity to update themselves on industry developments - Register [here](#)

**July 29 - WITLA - International Trade Updates and Business Opportunities in the U.S. with Southeast Asia - 10:00 AM - 11:30 AM PT** - Trade representatives from Consulates General and Trade Offices in Los Angeles and San Francisco will join us to provide a summary update on international trade relations with the U.S. and present their perspectives for opportunities for U.S. businesses - Register [here](#)

**Aug 4 - LACBFFA HTS Classification Workshop 2021 - 10: 00 Am - 12:00 PM PT** - Learn or review how to use the USHTS as a tool for classification and duty estimation. We will cover the General Rules of Interpretation, General notes, Chapter notes and headings - Register [here](#)

**Aug 5- 6 - 2 Day Virtual Course - Customs Compliance For Import Personnel - 9:00 AM - 12: 00 PM PT** - This is a 2-day course intended to cover the subjects and information needed by importer employees responsible for Customs and import compliance - Register [here](#)

**Aug 10 - ACE Reports for Export - 10:00 AM - 11:30 AM PT** - We will look at ACE Reports and show how you can use them to monitor your AES filing and export compliance activities - Register [here](#)

**Aug 11-12- BIS Encryption Controls Virtual Seminar - 9:00 AM - 12:00 PM PT** - The Encryption Controls Virtual Seminar is an in-depth seminar that will focus on the unique provisions related to encryption under the Export Administration Regulations (EAR) - Register [here](#)

**September 12-15 ICPA Fall Conference and Valuation Seminar** -Hilton DFW Lakes Executive Conference Center, Grapevine, TX - Register [here](#)

**September 14 - PAEI Webinar: Overview of International Trade & Export Control Developments in Asia Pacific Region -6:00 PM - 7:30 PM PT** - Join us for this interactive “webinar” with our industry experts on an overview of international trade and export control developments in the Asia Pacific region and implications for global supply chains - Register [here](#)

**September 19-21 NCBFAA Government Affairs Conference - 8:00 AM - 5:00 PM PT** - Grand Hyatt, Washington, D.C. - Register [here](#)

**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 [here](#)

**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