

### June 18, 2021 Volume 2, Nr. 24

By all accounts, the President's G7 and NATO trips and the associated media coverage should mean positive things for trade. The Biden Administration's engagement with allies prominently focused on offering alternatives to expanding Chinese influence around the world. G7 committed to a billion vaccine doses, and disputed large aircraft tariffs were tabled for five years.

### Number of the Day:

### \$16.19 BILLION

Combined operating earnings for 11 major container lines issuing financial reports for the first quarter, exceeding the total earnings before interest and taxes for major reporting shipping lines across all the first quarters from 2010 to 2020 combined, according to Bimco.



### **Government Actions and Trade**

# G-7 Countries Agree to Collectively Combat Forced Labor in Garment, Solar and Ag Sectors

The leaders of Japan, Germany, the United Kingdom, France, Canada, the U.S. and Italy agreed to work collectively toward eradicating the use of all forms of forced labor in global supply chains, and said they want concrete suggestions ready before the G-7 trade ministers' meeting in October.

Bipartisan SECRETS Act Would Ban Import of Goods Made With Stolen Trade Secrets

Under Section 337 of the Tariff Act of 1930, the International Trade Commission investigates, and an administrative law judge determines whether the imports in question infringe on a valid U.S. patent or trademark, or whether they involve other unfair methods of competition.

**U.S. Trade Policy Should Encourage "A Race to the Top" for Workers**Last Thursday, U.S. Trade Rep. Katherine Tai addressed the importance of worker-centered trade in a historic speech during a virtual town hall hosted by the AFL-CIO outlining the Biden Administration's 'worker-centered trade policy.'

### Trade War Costs Global Value Chains 3-5 Years of Growth, UN Says - Bloomberg

Trade shocks fueled by unilateral tariffs between the U.S. and China have undone three to five years worth of growth among global value chains in affected countries, according to a UN policy brief.

China to Release Metal Reserves in Effort to Tame Commodities Rally As the world's biggest buyer of a range of industrial commodities, China is using its market heft to try to quell the sharp rise in global metal prices over the past 12 months, including a 67% surge in copper, a bellwether for macroeconomic health.

# Treasury Dept. Regulatory Agenda Includes Details on USMCA Rule on Non-Preferential Origin Determinations

Under the proposed rule, CBP "will apply the part 102 rules of origin" for "all non-preferential purposes of the customs laws, to determine when a good imported from Canada or Mexico has been substantially transformed resulting in an article with a new name, character, or use," the agency said.

#### New and Revised FDA Import Alerts for June 11

On June 11 FDA posted new and revised versions of the following Import Alerts on the detention without physical examination of:

- 99-35: Fresh Produce that apears to have been Prepared, Packed or Held Under Insanitary Conditions (<u>here</u>)
- 99-29: All Vegetable Protein Products from China for Animal or Human Food Use due to the Presence of Melamine and/or Melamine Analogs (here)
- 23-14: Food Products due to the Presence of Aflatoxin <a href="here">here</a>).

# China's European investments in downward trend, 10-year low amid coronavirus pandemic, political tensions

China's European investments hit a 10-year low last year because of the pandemic and political tensions, and the trend is likely to persist in 2021, according to a report released on Wednesday.

#### **Section 301 Litigation Seen Taking 2-3 Years**

There is "consensus" in the trade law community that "we lay out a strong argument invalidating" the lists 3 and 4A tariffs because they run afoul of the 1974 Trade Act and 1946 Administrative Procedure Act, Cohen said.

### House GSP, MTB Bills Introduced; Future MTB Lists Will Remove Finished Goods

The Generalized System of Preferences benefits program renewal and Miscellaneous Tariff Bill, as revenue bills, must start in the House, and Ways

and Means Trade Subcommittee Chairman Earl Blumenauer, D-Ore., has a distinctly different take on the longstanding programs than the version that recently passed the Senate with 91 votes.

# **CBP Field Operations at Pharr International Bridge Seizes \$6.5 Million in Hard Narcotics in Commercial Shipment**

On June 14, 2021, CBP officers assigned to the Pharr-Reynosa International Bridge cargo facility encountered a tractor/trailer hauling a commercial shipment of floor tile and a non-intrusive imaging (NII) inspection allowed the officers to discover packages of suspected narcotics hidden within the shipment.

### **CAFC Opinion on AFA Application to Cooperative Respondent Surfaces** in CIT Case

A recent U.S. Court of Appeals for the Federal Circuit decision finding that antidumping duty countrywide rates in non-market economies can still be based on adverse facts available even if no respondents were uncooperative in an administrative review (see <a href="2106100044">2106100044</a>) will be considered in a Court of International Trade case on the Commerce Department's AFA policy, according to a June 14 <a href="notice">notice</a> of supplemental authority from the Department of Justice.

# Overview of Regulations Governing High Interest Vessel (HIV) Selection and Boarding

The Ports and Waterways Safety Authority, 46 U.S.C. Chapter 700, as implemented in Title 33 CFR, Part 160, requires certain vessels to provide a Notice of Arrival (NOA) to the Coast Guard's National Vessel Movement Center (NVMC) prior to entering into the navigable waters of the United States, or to any port or place under the jurisdiction of the United States.

### Japan Launches Gripe in WTO Over Chinese Antidumping Duties on Stainless Steel Products

The Japanese government has requested consultations with the government of China at the World Trade Organization over Chinese antidumping duties on stainless steel billets, hot-rolled coils and hot-rolled plates from Japan, it said in a June 15 consultation request.

#### Fed Pencils In Earlier Interest-Rate Increase

Federal Reserve officials signaled they expect to raise interest rates by late 2023, sooner than they anticipated in March, as the economy recovers rapidly from the effects of the pandemic and inflation heats up.

### Rep. Katko Leads Push to Protect Local Dairy Farmers from Restrictive EU Trade Policies

Currently, the European Union (EU) is set to impose new entry certificate requirements for a wide range of food and agricultural products exported from the U.S., including dairy, on August 21st. These overly stringent requirements are duplicative and onerous for high-quality U.S. products, and have raised significant concerns for dairy farmers.

# Thai Pipe Exporter Decries 'Egregious' Commerce Practice in Motion for Judgment

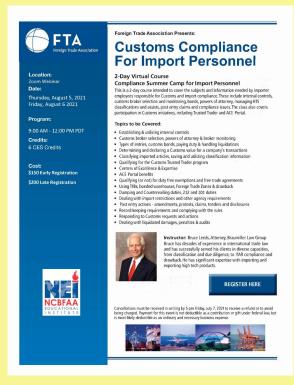
A Commerce Department determination to apply adverse facts available to Thai pipe exporter Saha Thai Steel Pipe Public Company in an antidumping administrative review and spurn the company's sales and cost databases based on a notice of investigation in an evasion case is "egregious," Saha Thai said in a June 15 motion for judgment in the Court of International Trade.

# **CBP Not Inclined to Release List of Suppliers Using Forced Labor Under Regional WROs**

CBP doesn't like the idea of publicly listing the foreign suppliers known to use forced labor as part of withhold release orders that don't target specific entities, said Therese Randazzo, director of the forced labor division in the trade remedy and law enforcement directorate at CBP.



#### **FTA NEWS**



# 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

**Pricing:** 

Member: \$445.00

Partner: \$500.00

Non-Member: \$550.00



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### **Environmental**

#### **Maritime Regulator Sets Carbon Measures Amid Dissent**

The environmental accord struck at an International Maritime Organization meeting in London late Monday includes steps aimed at pushing shipowners to cut the carbon footprint of some 30,000 ocean-going vessels by 40% by 2030, according to a spokesman for the United Nations regulator, and cut overall emissions by half in 2050, compared to 2008 levels.

French Shipping Company Selects Shipyard for Sail-Powered Cargo Ship Neoline was established in 2015 with the intention of the becoming the world's first shipowner specializing in modern roll-on/roll-off cargo ships that use sails for main propulsion. The company has plans for two ships that will operate between St-Nazaire, Halifax, Saint Pierre and Miquelon, and Baltimore on the

U.S. east coast.

#### NYK Reveals Plans for a Dozen LNG-Fueled Car Carriers

The company revealed Tuesday it has entered into a memorandum of understanding (MoU) Shin Kurushima Dockyard Co., Ltd. and Nihon Shipyard Co., Ltd for the consecutive building of the vessels split equally between the two shipyards.

# Commerce Finalizes Ruling That Unfinished Solar Cells From China Subject to AD/CV Duties

The agency's final scope ruling makes no changes to the positions it adopted in a preliminary scope ruling issued in March (see 2104070025), continuing to find that the country where the p/n junction is formed on the cells determines country of origin, which in the case of these cells is China.

#### Carbon Levy Talks Pushed Back Amid Division at IMO

Governments were strongly divided on whether to start working on market-based measures and to begin considering a \$100 CO2 levy on ships.

#### **Research into Microplastics in the Maritime Environment**

A new study commissioned by Seas At Risk, an association of environmental organizations from across Europe, shows that microplastics in the marine environment come from numerous sources and economic sectors, and have widespread environmental impacts, including climate implications.

# Crisis Averted: How The USCG Environmental Crimes Voluntary Disclosure Policy Can Shield Against Prosecution

Over 13 years since its inception, the U.S. Coast Guard (USCG) Environmental Crimes Voluntary Disclosure Policy (the Policy) remains a valuable mechanism in avoiding the risk of prosecution of environmental crimes by the U.S. Department of Justice (DOJ).

MEPC Environmental Regulatory Failures Will Put the Heat Under the IMO If ever the International Maritime Organization (IMO) needed regional regulation, it was at yesterday's Marine Environment Protection Committee (MEPC) meeting.

IMO MEPC Selects "Business-as-Usual" Carbon Targets for 2026 As trade volume is expected to grow, the industry's total CO2 emissions may still rise in about the same manner that they would without regulation, according to environmental watchdogs.



#### 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.

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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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#### **Maritime**

### Longer Vessels Now Allowed to Use Expanded Panama Canal (gcaptain.com)

After almost five years since the inauguration fo the Neopanamax locks, the Panama Canal Authority has announced increasing the maximum allowable length for vessels to more than 370 meters long, an increase of over 4 meters compared to the previous limit.

# 1 Million TEUs in 1 Month: Port of Los Angeles Sets New Western Hemisphere Cargo Record

Port of Los Angeles Executive Director Gene Seroka made the announcement Tuesday, announcing that the port processed 1,012,048 TEUs last month for a 74% jump compared to May 2020. The figure marked the 10th consecutive month of year-over-year increases and the first time a Western Hemisphere port has broken the 1 million TEU barrier.

### UK Marine Accident Investigation Branch: Too Early to Tell 'Common Themes' in North Pacific Container Losses

The MAIB highlighted recent cargo loss incidents along with other marine casualties involving UK vessels worldwide or foreign vessels in UK territorial waters in its annual marine casualty report for 2020, providing an overview of accident reports and recommendations the MAIB issued throughout the calendar year.

Nigeria Deploys Drones, Choppers to Combat Rampant Piracy at Sea Through a program known as Deep Blue, the government deployed two special-mission vessels, two aircraft, three helicopters, four drones, 16 armored vehicles and 17 interceptor boats.

#### **Trans-Pacific Carriers Pushing Rate Increases More Often**

Trans-Pacific carriers are expected to follow their June 1 general rate increase with another on June 15 as huge demand for space and increasing costs for equipment and trucking at Asian load ports continue unfettered.

Countering China's Maritime Insurgency With U.S. Coast Guard Forces As tensions continue to build between the United States and the People's Republic of China/Chinese Communist Party (PRC/CCP); the United States finds itself increasing blue water naval activities in the Taiwan Strait, South China Sea, and Indo-Pacific.



### Video of the Week

# Congressional Hearing on Ocean Freight Congestion, Equipment Shortages and Export Problems.

The hearing on Tuesday brought representatives of the World Shipping Council, the Federal Maritime Commission and other interested parties to the table to be grilled by lawmakers who wanted to know about supply chain blockages, soaring costs and what can be done to alleviate both. Here's the recording.



### **Logistics and Trade**

### E-commerce Growth Challenges Shipping Sustainability Goals: DHL

The e-commerce boom means more vehicles moving more goods, and potentially emitting more pollutants, but DHL also sees opportunities to advance sustainability goals on land, sea, and in the air as e-commerce expands.

#### Record U.S. Imports Through May Sound Peak Season Alarm

In what is usually the slowest period of the year, US imports from Asia in the first five months of the year hit a new high-water mark, signaling to ports that the congestion issues they have faced may get worse as the peak season approaches.

### **Chip Shortage Brings Frustration but More Business to Industry's Middlemen**

It is a painful truth for businesses world-wide: They need chips but can't find them. Making matters worse is that the typical problem solvers—chip brokers and middlemen find themselves in some cases just as perplexed and empty-handed. Yet they are busier and making more profits than ever.

# Alibaba's Jack Ma Still 'Lying Low', but Company has Put Last Year's Regulatory Storm Behind it, Executive Vice-Chairman Says

Chinese billionaire Jack Ma of Alibaba is keeping a low profile and has taken up painting as a hobby, while the tech giant he co-founded has put last year's regulatory troubles behind it, according to his close business partner Joseph Tsai.

#### 'Unceasing Congestion': China's Shipping Delays Snarl Trade

The delays at Yantian Port, one of China's busiest ports, are further snarling trade routes and lifting record freight prices even higher.

### Maersk and IBM's Tradelens Container Shipping Data Platform Expands in China

The blockchain-enabled digital shipping platform Tradelens is quickly adding new members in China, three years after it was jointly developed by Maersk Line and IBM Corp. as a way to improve data transparency across the global container logistics trade.

#### Not Being Amazon Is a Selling Point for These E-Commerce Players

The e-commerce pushback against Amazon is coming from small firms along with other tech giants—and their efforts have gained speed and urgency with the pandemic battering many traditional retailers.

### **Upcoming Events**

June 22 - Electronic Information Information (EEI) - 1:00 PM - 2:30 PM PT - Walk through the EEI filing requirements, including what information you need to gather, how to obtain it, and what you need to transmit to the Automated Export System - Register <a href="https://example.com/here">here</a>

June 23 - CBFANC - Consumer Product Safety Commission (CPSC) - 11:00 AM - 12:30 PM PT- New Procedures & Updates from the CPSC - Register <u>here</u>

June 24 - International Trade Update and Business Opportunities for U.S. with Europe, Africa, & Latin America - 10:00 AM - 11:30 AM PT -Join us for this timely webinar in this 2 part series where trade representatives from Consulates General in Los Angeles will join us from Europe, Africa and Latin

- America to provide a summary update on international trade relations with the U.S. and present their perspectives for opportunities for U.S. businesses Register <u>here</u>
- June 29 WEBINAR Demystifying Exporting to Asia & the Pacific Rim 3:00 PM PT- Register <u>here</u>
- June 29- July 1 AAEI 100th Anniversary Conference & Expo –Register here
- 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 <a href="here">here</a>
- July 20 PAEI Hot Topics To Start Off Your Trade Compliance Summer! 11:00 MA 12:30 PM PT Join us for this webinar that will recap recent trade compliance topics of interest to get your summer sizzling! Register <a href="here">here</a>
- **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 <a href="here">here</a>
- 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 <a href="here">here</a>
- 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 <a href="here">here</a>
- 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 <u>here</u>
- 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 <a href="here">here</a>
- **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