

## October 15, 2021 Volume 2, Nr. 41

We've been telling people for eighteen months as an industry what's happening out there in supply chains with mixed success. Importers and exporters understand it to varying degrees, logistics companies have become subject matter experts on the most inane of things to keep cargo moving, and the public at large didn't put two and two together about empty store shelves.

That is, until President Biden's meetings and media coverage after a day of supply chain stories and coverage hit the mainstream news. Just like everybody became an arm-chair containership captain after the Ever Given, now will come the hot takes and panic. Some of the panic is deserved, but a lot of the hot takes will be glaringly wrong, and we as an industry just need to survive the news cycle to go back to trying to do the right thing and keep cargo flowing.

Number of the Day:

# 28,100

Combined jobs added by U.S. warehouse and storage companies and couriers and messengers in September, down from 38,700 jobs added in August, <u>according to the Bureau of Labor Statistics</u>



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# **SoCal Infrastructure Coalition**

## WE WANT TO HEAR FROM YOU

Infrastructure is one of the words on everyone's lips these days given the amount of money associated with the bills being discussed in Congress as we go to press. The FTA is part of a SoCal coalition that is discussing possible uses of the money once approved by Congress. Bearing in mind the pressing port congestion issue, one broad topic the coalition is trying to tackle is how possible infrastructure funding could be used to at least partially address the congestion challenges currently being faced. The goal of the coalition is to find a handful of priorities on which everyone can agree and raise those topics with Members and Senators as these bills work their way through the legislative process.

FTA wants to hear from its members about possible infrastructure projects in the SoCal area, whether designed to help impact port congestion or otherwise. Send your suggestion to ac@tradeandcargoconsulting.com



# Outside the Box

Innovation, sustainability and vision make Long Beach the Port of Choice.

Port of LONG BEACH THE PORT OF CHOICE

## **Government Actions and Trade**

### Challenging a Trade Remedies Decision

Decisions of the TRA are subject to a mandatory two-stage process: first, interested parties to an investigation must seek a reconsideration of the decision, performed internally by the TRA. Second, if they remain dissatisfied with the reconsidered decision, they can appeal to the Tax and Chancery Chamber of the Upper Tribunal.

### China-US Call Touches on Tariffs; USTR Official Says Liquidation Issues Prevented Broader Retroactivity

The U.S. summary of a weekend call between U.S. Trade Representative Katherine Tai and China's Vice Premier Liu He, the lead negotiator of the phase one agreement, did not use the word tariffs, though it said the two countries would "consult on certain outstanding issues."

# How CBP's Scientists are Stemming the Flow of Opioids and Other Dangerous Drugs at the Border

Timing is everything when it comes to stopping the flow of illicit drugs from entering the U.S. That is why U.S. Customs and Border Protection located agency laboratory scientists on-site at the U.S. ports three years ago when the

country was in the throes of the opioid crisis and more than 47,600 overdose deaths occurred in a single year.

### A New Maritime Strategy, Part 1 — THE Real Issues

In a July CIMSEC article Congresswoman Elaine Luria called for the development of a new maritime strategy. A key reason she wrote the article was frustration with the Navy's budget submission.

# USTR Asking Companies if Tariffs Have Hurt AG Manufactures During Exclusion Process

Alex Russo, Senior Advisor of Global Public Policy with the Association of Equipment Manufacturers says the administration is looking at extending exclusions for 549 products. "There are certain products on that are important for U.S. agriculture interests but more specifically it's the acknowledgment that the tariffs as a whole are not working and there needs to be a process involved for U.S. companies to petition the government to remove those tariffs on certain products."

# Biden Orders Companies to Ease Supply Chain Bottlenecks or He'll 'Call Them Out'

The US president, facing grim opinion polls and a stalling legislative agenda, is eager to avert fresh political damage from choked ports, highways and railways resulting in higher prices and empty shelves.

# New CBP Bill Form Coming This Month to Allow for Electronic Viewing in ACE Reports

CBP plans to deploy a new bill form that will allow for the option to "electronically view certain bills, specifically supplemental bills, certain reimbursable bills, and non-reimbursable/miscellaneous bills," the agency said in an Oct. 13 notice.

### The Fed Prepared to Slow Support for the Economy and Worried About Supply Chain Disruption at its Last Meeting.

The Fed has been buying \$120 billion in bonds each month and holding the federal funds rate near zero to make borrowing cheap and keep money flowing through the economy, stoking demand and speeding up the recovery.

### FACT SHEET: Biden Administration Efforts to Address Bottlenecks at Ports of Los Angeles and Long Beach, Moving Goods from Ship to Shelf | The White House

President Biden knew that there would be massive economic challenges emerging from the pandemic. The Biden Administration acted quickly to get the economy moving again – passing and implementing the American Rescue Plan to get checks in bank accounts and get Americans vaccinated.

### Don't Cancel Entries Due to Changing Section 301 Tariff Rates, CBP Says

Importers shouldn't cancel entries to "take advantage of pending or potential decreases in Section 301 duties and/or approval/extension of exclusions in violation of the applicable regulations," CBP said in a CSMS message. Cancellation requests are allowed in some instances but must comply with the appropriate regulations, it said.

# TRADE AND TRANSPORT ATTORNEYS

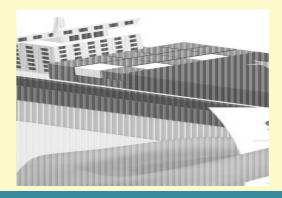
ROBERTS & KEHAGIARAS LLP ATTORNEYS AND COUNSELORS AT LAW

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LEARN MORE

# **FTA NEWS**

## FTA AND UPCOMING SECTION 301 PROGRAM



The Foreign Trade Association is closely monitoring the Section 301 Action filed with the Court of International Trade and Section 301 updates provided by the USTR. We are pleased to announce that we will be preparing a program that will shed light on the recent changes. Details on this program are soon to follow!

## **FTA Webinar**



#### Financial resources for building your export markets



eigntradeassociation.com

🕻 888-223-6459 info@foreig

### **November 3, 2021**

## Financial Resources for Building Your Export Markets

Join the FTA to learn from EMIN bank, GBC International Bank and LA SBDC Global on how to grow your export business using EXIM export finance tools.

Time: 11:00 AM - 12:00 PM PT

Pricing: \$25 - Members \$45 - Non-Members \$200 - Sponsorships

### **REGISTER HERE!**



## Environmental

#### How Will Los Angeles' 2028 Olympics Impact the Environment?

Mayor Eric Garcetti has said the games — with an estimated \$7 billion price tag — will have "no impact" on L.A., neither damaging the environment nor adding debt. Part of the way he plans to accomplish this is a no-build policy that would repurpose existing structures rather than creating new stadiums.

### **Energy Crunch Stokes Inflation, Economic Recovery Concerns**

Authorities from Beijing to Delhi scrambled to fill a yawning power supply gap on Tuesday, triggering global stock and bond market wobbles on worries that rising energy costs will stoke inflation and curtail an economic recovery.

Research Shows How Plastics Threaten Biodiversity of Marine Life

New research at Queen's University highlights the impact that microplastics are having on hermit crabs, which play an important role in balancing the marine ecosystem.

# NCCOS Awards \$1.7M to Support Habitat Connectivity Research in National Marine Sanctuaries

Marine protected areas (MPAs), such as national marine sanctuaries, are designated to protect significant natural and cultural resources within the marine environment for the benefit of present and future generations.

**Orange 'Drift Cards' Track How Our Trash Travels in the Ocean** On a sunny Tuesday morning, about a mile off the coast of Fort Lauderdale, two women scatter hundreds of orange cards right into the ocean. But this isn't trash. It's research.



### 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**



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

## TPM22 27 February - 2 March 2022 Early Bird Rates End Friday!

Every year there are plenty of conferences that address critical transportation, logistics and supply chain issues, but the TPM is truly an exceptional "MUST ATTEND" event. The exceptional speakers, diversity of topics that are covered, and the interaction with C-Level executives from the transportation companies make this an outstanding educational event. Invest a couple of days of your time and get information that will be extremely valuable throughout the year.

### Dear Port of Los Angeles, It's Time To Call The Marines

Gene Seroka, Executive Director of The Port Of Los Angeles, is fighting a war of attrition that history shows he will lose. Fortunately, there is a better way. The Marine Corps Way.

### Yet Another Worry: Price of Ship Fuel is Now Highest Since 2014

Commodity prices are surging around the globe, so it should come as no surprise: Marine fuel is getting a lot more expensive. That's bad news for ship operators on the cost side, and, in the container business, yet another headache for cargo shippers.

# Dry Bulk at Capital Link Shipping Forum: Higher Hires, The Market's On Fire!

Martyn Wade, the CEO of Grindrod Shipping- a specialist in small and medium bulkers shared his enthusiasm when noting that "We've not seen a market like this in 10 years. It's been the most perfect storm that we could have asked for." Mr. Wade, picking up Jorgen Lian's introduction was quick to mention the coal stockpiles truly on fire as part of this perfection.

### **Oakland Port Seeks to Recover Lost Shipping Services**

Carriers are restoring some capacity the California port lost this summer when container imports overwhelmed Oakland's terminals

### Shippers be Nimble, Shippers be Quick – to Survive

"COVID has massively disrupted supply chains and changed consumer behaviors," Kyle Jepson, Emerge Senior Vice President of Product said. "It has had a huge impact on the need for shippers to adjust to changes in the supply chain."

### Maersk Diverts Ships From Busy U.K. Ports Short on Truckers

The Copenhagen-based shipping line, the world's largest, has sent some bigger ships to other European ports and relied on smaller feeder vessels to bring containers through British export and import terminals, according to Lars Mikael Jensen, head of Maersk's global ocean network.

**Container Shipping's 'Hockey Stick': Liner Profits Just Keep on Climbing** Pandemic restrictions and fiscal stimulus created winners and losers. On the losing end: companies that depend on people congregating in close quarters for business or pleasure. Think Midtown Manhattan office building landlords and cruise lines. The winners: companies that facilitate the transport and sale of goods.

### Inflation Alert: Container Ship Owners See Boom Through 2022

Unprecedented demand for container ships will not end anytime soon, according to executives of companies that rent vessels to ocean carriers. Their overwhelming confidence is yet another ominous sign for beleaguered cargo shippers — and another signal that inflation could persist.

# September Cass Data Underscores Stalled Shipments; Expenditures Surge

"Freight volumes also remain capacity-constrained, as shown by the armada of containerships at anchor off North American ports," Tim Denoyer, senior analyst at ACT Research, commented. He believes a congested rail network is beginning to "unlimber a bit," which could help the nation's flow of freight.

# The Port of Los Angeles Will Double its Hours of Operation to Ease Supply-Chain Bottlenecks

The Biden administration announced a number of measures to address global supply-chain snarls that are clogging up US ports and sparking concern that retailers will not be able to fill holiday shopping orders on time.

# Live Updates: President Biden to Announce 24 Hour Operation at Port of LA

The supply chain disruptions, which the administration has attributed largely to the effects of the coronavirus pandemic, have also hit the ground freight industry. Ports in Los Angeles and Long Beach, California account for 40 percent of all shipping containers entering the United States.



## Video of the Week

## President Biden's Supply Chain Remarks

Following a day of meetings at the White House with in-person and virtual attendees, the President took to the podium to speak about supply chain issues and share what the private sector would do to help alleviate the backlogs and bottlenecks.



## **Logistics and Trade**

### Supply Chain is No Longer a Chain – It's a Network

In boardrooms, fulfillment has become a primary topic of concern. Even the White House has taken notice of the supply chain, with President Joe Biden announcing the formation of a task force to strategize about supply chain disruptions.

# Top Retailers Will Establish Robot Resource Departments as Demand Grows: Gartner

At least two of the top 10 global retailers will establish robot resource departments to manage nonhuman workers by 2024, a Gartner research report predicts, as companies' reliance on robotics grows to fulfill e-commerce orders and mitigate labor shortages.

#### The Global Supply Chain Nightmare is About to Get Worse

The supply chain nightmare is jacking up prices for consumers and slowing the global economic recovery. Unfortunately, Moody's Analytics warns supply chain disruptions "will get worse before they get better."

# L.O.L. Dolls Are Stuck in the Supply Chain. John Baker Must Free Them Before Christmas.

Mr. Baker is the logistics boss at MGA Entertainment Inc., the company behind L.O.L. Surprise dolls, Little Tikes cars and other popular toys. His job is simple only in description: Retrieve the items in time for the holidays by overcoming a jammed-up global supply chain that is holding them hostage.

# In Struggle to Fix Supply Chain, Small Businesses Fear Losing Out to Larger Companies with More Spending Power

"This supply chain crisis is hurting businesses and consumers alike, leading to

inflation and shortages of key supplies," said Suzanne Clark, president and CEO of the U.S. Chamber of Commerce, which participated in meetings today with the White House to address these issues.

# Full Container Load Freight Forwarding Market May Set New Growth Story (sbwire.com)

The latest launched report on Global Full Container Load Freight Forwarding Market delivers a transformation framework to understand how megatrends affect industry growth, taking into account the major disrupting forces creating uncertainties for every organization in the Full Container Load Freight Forwarding.

# Gartner Says Supply Chain Leaders Must Pursue Three Strategic Partnerships

"Organizations on an emissions reduction journey initially leverage optimization strategies. These strategies include modal shift, load optimization and network design all aimed at emissions reduction," said Sarah Watt, senior director analyst with the Gartner Supply Chain practice.

# **Upcoming Events**

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>

October 20 - LA CHAMBER - Impact of ESG Compliance on Supply Chains and Businesses in Southern California - 9:30 AM - 10:45 AM PT -Join the Global Initiatives Council for a discussion to take a closer look at ESG impacts on supply chains, noncompliance risks for companies and available resources - Register <u>here</u>

October 20-22 - Transportation Intermediaries Association 3PL Extend -Join us October 20-22, 2021 at the JW Marriott San Antonio Hill Country for TIA's 3PLXTEND Xperience! This is your opportunity to not only connect with industry-leading vendors but also connect with peers and discuss the latest in technology developments and needs for 3PLs of all sizes - Register here

October 21 - WITOC Fall Leadership Series: How to Lead Through Uncertainty - 12:00 PM - 1:00 PM PT - Learn to lead through uncertain times and consider equity through hybrid work - Register <u>here</u>

October 27 - FREE EVENT - LACBFFA Town Hall - Cargo Release Update vs. Replace and Cancellation - 3:00 PM - 4:00 PM PT - Town Hall to discuss best practices, tips, and challenges of Cargo Release Update vs. Replace and Cancellation. Understanding Trade vs CBP control status, Action ID's, Entry Summary under CBP Review, and Post Summary Corrections. Ways CBP / PGA communicate with the trade - Register <u>here</u>

November 3 - FTA WEBINAR - Financial Resources for Building Your Export Markets - 11:00 AM - 12:00 PM PT - Join the FTA to learn from EMIN bank, GBC International Bank and LA SBDC Global on how to grow your export business using EXIM export finance tools - Register <u>here</u> December 9 - LACBFFA Holiday Party 2021 - 6:00 PM - 10:00 PM PT -The Grand in Long Beach - Register <u>here</u>

December 14 - FTA Holiday Luncheon - 11:30 PM - 1:30 PM PT - Parker's Lighthouse - *Details soon to follow!* 

**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