

#### September 24, 2021 Volume 2, Nr. 38

It's not too late to register for the Pacific Coast Council's annual WESCCON onsite conference October 14-17! Proof of vaccination must be uploaded before your registration will be confirmed. Don't miss your chance to get back together with friends and catch up on what has been happening up and down the West Coast!

#### **Quote of the Day:**

# "The time to replenish stocks for the winter is running out."

RBN Energy analyst Lindsay Schneider, on natural gas stockpiles (but he could easily be talking retailers and shelves of merchandise for the holidays)







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## **Customs and Border Protection's Newest Modernization Efforts - WE NEED YOUR INPUT!**

The Foreign Trade Association is part of a private sector national coalition working to advise Customs and Border Protection ("CBP") regarding CBP's 21CCF efforts. The coalition is identifying topics of interest to the trade community so that when

CBP finishes its drafting efforts, we are ready to engage with a clear picture of trade community priorities.

21CCF is the acronym for 21st Century Customs Framework and is the vehicle CBP is using to modernize the laws which govern how the agency operates. Full details about what has been publicly released by CBP can be found here - <a href="https://www.cbp.gov/trade/21CCF">https://www.cbp.gov/trade/21CCF</a>. CBP is working with its own private sector advisory group formulating what it will propose for discussion with the trade community, called the 21CCF Task Force. The Task Force's efforts are on-going. The goal is for CBP to develop with private sector support a legislative package for enactment by Congress. Representing the FTA on both the CBP Task Force and in the private sector coalition is Advocacy Chair Susan Kohn Ross of Mitchell Silberberg & Knupp LLP.

In the modernization context, one of the points CBP has repeatedly made is that it wants more data earlier in the process and is willing to receive that data from sources other than the importer. CBP states its goal is to know more about a given shipment sooner, so that it can be released more quickly. CBP has also stated it will not rely on data from sources other than the importer, such as the supplier, subcontractor, etc., unless the importer or its broker validates that data to CBP.

So that FTA may robustly represent the interests of its members, we are asking for your input by 5:00 p.m. on Friday, October 1, 2021. CBP has proposed we provide our suggestions addressing the following questions:

- 1) What current things are broken and could/should be fixed?
- 2) What things are okay but could be better?
- 3) What's new under the sun (what new rules are needed that did not exist before, such as ecommerce)?
- 4) Where do we see things going in the future?

<u>Please send your thoughts/suggestions/recommendations to ac@tradeandcargoconsulting.com</u>



# Outside the Box

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#### **Government Actions and Trade**

#### <u>Biden Promises 'Relentless Diplomacy' to Skeptical Allies</u>

President Joe Biden summoned the world's nations to forcefully address the festering global issues of the COVID-19 pandemic, climate change and human rights abuses in his first address before the U.N. General Assembly on Tuesday.

CBP Allowing FTZ Storage of Some Goods Stopped Under WROs, Public Guidance Still in Development

CBP field officers were instructed to allow for foreign-trade zone storage of goods stopped under a withhold release order while an admissibility decision is made, said Jim Swanson, CBP director-cargo and conveyance security and controls, speaking at the National Association of Foreign-Trade Zones virtual conference Sept. 21.

### <u>Taiwan Announces its Application to Join Pacific Trade Pact CPTPP Days</u> <u>After Beijing's Request</u>

Taiwan has officially applied to join a Pacific trade pact, just days after Beijing made a similar request to become a member in a bid to increase its economic influence in the region.

### <u>APHIS to Require Import Permit Applications in New System Beginning Sept. 27</u>

On that date, importers must apply or reapply in eFile for Plant Protection and Quarantine (PPQ) import permits for plants for propagation, bonsai, obscured seed, small lots of seed, plants in growing media, preclearance bulbs and dormant perennials, and articles not for propagation or planting.

#### French Call to Delay U.S. Trade Meeting Gains Support Within EU

A growing number of member states have backed France's request to postpone the trade and technology council meeting scheduled for Sept. 29 in Pittsburgh, according to diplomats familiar with the planning.

### More Phases Planned as Lacey Act Declaration Requirements Take Effect for Pallets Oct. 1

As the sixth implementation phase of Lacey Act declaration requirements for plants and plant products approaches Oct. 1, officials with the Animal and Plant Health Inspection Service reminded importers and exporters that more phases are to come before the agency meets its statutorily required goal of subjecting all plants and plant products to Lacey Act enforcement.

#### Panelists Pessimistic That Section 301 Tariffs Will Change Much

Trade professionals and a trade scholar, talking on a panel that compared the Trump and Biden administrations' trade policies, said that not as much has changed on trade as might have been expected. Christine McDaniel, an economist at George Mason University, said she doesn't expect any of the Section 301 tariffs or the steel and aluminum tariffs to be lifted before the end of 2021.

#### Remarks by President Biden and Prime Minister Morrison of Australia Before Bilateral Meeting

"The United States has no closer or more reliable ally than Australia. Our nations have stood together for a long, long time. And you can — we can rely on one another, and that's really a reassuring thing."

#### China's Entry to CPTPP Trade Pact is Closer Than You Think

Despite concerns over its inward-looking "dual circulation" strategy, China has spent the past few months tearing down trade and investment barriers to make it easier to negotiate its entry to the 11-member trans-Pacific trade pact.

#### France, Australia Agree Submarine Row Won't Stop Trade Deal

France withdrew its ambassadors to the United States and Australia after U.S. President Joe Biden revealed last week a new tripartite alliance including Australia and Britain that would allow Australia to amass a fleet of at least eight

nuclear-powered submarines.

### <u>House Must Pass Uyghur Forced Labor Prevention Bill, Senate Co-Sponsor Says</u>

Sen. Jeff Merkley of Oregon, the co-chair of the Congressional Executive Commission on China, said that in order to transition as soon as possible to renewable energy without doing so "on the backs of slave labor," the House of Representatives "must pass and the president must sign into law the Uyghur Forced Labor Prevention Act."



#### **FTA NEWS**

#### FTA ONLINE COURSE



# September 30, 2021 1-Day Customs Valuation Course

This full day class is intended for compliance professionals with responsibility for U.S. and/or global customs compliance, and for management with finance responsibilities that impact the customs valuation of goods moving in cross-border transactions. The course will provide an in-depth review of the rules for customs valuation used in WTO member countries, with a particular emphasis on U.S. customs regulations and recent developments. It will also cover practical advice for managing compliance with customs valuation rules and for reporting value adjustments.

Time: 10:00 AM - 3:00 PM PT

#### Pricing:

\$175 - Member \$225 - Partner \$300 - Non-Member

REGISTER HERE!

#### 2021 FTA Outdoor Summer Mixer In Person Event!





#### 2021 FTA Summer Outdoor Mixer

Location: The Hubb, Long Beach, CA

Drinks & Food By: George's Greek Cafe

Date: October 7, 2021 Time: 5:30 p.m. - 8:00 p.m.

The FTA invites you to join us on this summer night and meet with industry peers and colleagues.

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## REGISTER HERE!

Thank You to our Event Sponsors!









**FTA Webinar** 



### 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**

#### <u>Air Pollution: Even Worse Than We Thought - WHO</u>

Air pollution is even more dangerous than previously thought, the World Health Organization (WHO) has warned, as it slashes maximum safe levels of key pollutants such nitrogen dioxide.

#### World Off Track to Meet Paris Climate Targets, U.N. Says

The Earth is expected to be around 2.7 degrees Celsius warmer by the end of this century than in the preindustrial era under emissions plans drafted for the Paris climate accord, the United Nations said Friday, putting the world far off track from the agreement's climate targets.

#### LNG Suppliers Focus on Spot Deals in Price Jump -Buyer

Spot LNG prices surged to a seasonal record as buyers in Asia and Europe scramble to secure supplies to avoid a looming winter supply crunch. By contrast, long-term supply accords, typically linked to oil prices and with contracted delivery volumes, are now less than half the rate in the spot

market.

#### Solar Companies Urge Commerce to Reject Circumvention Requests on Malaysia, Thailand and Vietnam

More than 190 solar companies sent a letter Sept. 22 to Commerce Secretary Gina Raimondo urging the rejection of requests to begin anti-circumvention inquiries on solar cells and panels from Malaysia, Thailand and Vietnam. "Steep duties proposed by an anonymous group of petitioners would devastate thousands of U.S. solar companies and cause the industry to miss out on 18 gigawatts (GW) of solar deployment by 2023," the Solar Energy Industries Association said in a press release.

#### Ship Recycling Inclusive Approach at the Time of COP26

Early this year during the Union Budget, India has set an ambitious goal of doubling the ship recycling capacity by 2024 with the goal of generating 150000 Jobs and boosting the ship recycling share from 30% to 50%.

#### **Coral Reef Biodiversity Predicted to Shift as Climate Changes**

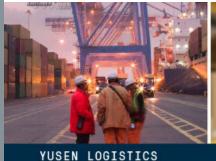
New research led by scientists at the University of Hawai'i at Mānoa reveals that the species which dominate experimental coral reef communities shift due to climate change, but the total biodiversity does not decline under future ocean conditions of warming and acidification predicted by the end of the century.



#### 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!**



#### **Maritime**

Why Container Ships Can't Sail Around the California Ports Bottleneck
The armada of vessels waiting offshore keeps growing, and experts say there
are few viable alternatives to the country's main gateway for Asian imports

Container Vessels Spend More and More Days Waiting Off Major Ports
There are no signs that the congestion issues affecting major container ports
near Los Angeles and Long Beach are on the verge of resolution. On a global
level, the time spent in port for vessels has increased by 11 percent in the last
six months, according to analyst firm.

<u>U.S. Energy Exports Show First Surplus Since at Least the 1970s</u>

Trade deficits have been a stubborn feature of the U.S. economy for decades now, but energy has started to buck that trend, helped by burgeoning shipments of liquefied natural gas.

#### LA's Seroka Expresses Support for Ag Exporters but Cites Challenges

Port of Los Angeles Executive Director Gene Seroka supports U.S. agricultural exporter efforts to increase export bookings on global ocean carriers, but cites challenges related to the recent import volume surge.

### <u>Top Regulators Find No Evidence of Price Collusion by Box Lines as Shippers Demand Answers</u>

The Washington agency responsible for regulating the US ocean shipping trades has told container lines to explain and justify their congestion surcharges as chairman Daniel Maffei says carriers may be following the letter of the law, but not necessarily the spirit of it, and are not always behaving like good corporate citizens.

### <u>Truckers, Longshore Workers to Clock More Hours as LA, Long Beach</u> <u>Ports Try to Reduce Cargo Backlog</u>

The plan, dubbed "Accelerate Cargo," was formulated with input from supply chain stakeholders and the U.S. Department of Transportation, along with both ports, which serve as a national gateway for incoming goods from Asia.

### US West Coast Export Drops to Lowest Level in Years While Bottlenecks Continue

The volume of goods shipped from major container ports along the US West Coast drops to the lowest level since 2010. Concurrently, the number of containers leaving the ports empty has been record-high, according to Bimco.



#### Video of the Week

### Tariff engineering isn't cheesy, but it made it to Cheddar.

Earlier this year, perhaps out of pandemic boredom and internet meme fascination, the perils of the Ever Given became widely known and fodder for comedians, late-night talk show hosts, "creators" (whatever they are nowadays) and anybody who can make a .gif. This week, though, as the world continues to stare at San Pedro Bay with the same fascination as passing a fatal wreck, Cheddar wanted to explain the concept of tariff engineering. It's approachable and if you're a logistics company trying to explain this to an importer, bookmark it.



#### **Logistics and Trade**

### <u>Chinese Soybean Imports from Brazil Increased by 10.9% in August Compared to 2020 – poca Negócios</u>

China, the world's largest soy importer, took in 9.04 million tonnes of oilseeds from Brazil in August, compared to 8.15 million tonnes in 2020, according to data from the General Administration of Customs.

### <u>Supply Chain Shipping Hell: "Just Get Me A Box" Says Logistics Manager</u>

Two years ago, the cost for a 40-foot container to transport goods from Asia to the U.S was under \$2,000. Today it's as much as \$25,000.

Covid-19 Lockdowns in Asia Deepen Commodity Supply-Chain Pain
Restrictions in Malaysia, the world's second-largest producer of palm oil, have prevented migrant laborers from traveling to plantations, raising prices of the ubiquitous edible oil used to make candy bars, shampoo and biofuel.

#### How 26 Million Pounds of American Fish Got Stuck in Canada

A stone's throw across the U.S.-Canada border in New Brunswick, on Canada's Eastern coast, millions of pounds of wild Alaskan pollock sit in cold storage, effectively blocked from entering the U.S., according to American companies involved in shipping seafood.

#### <u>Big Lots Plans 'Bypass Network' to Mitigate Port Congestion During Peak</u> Season

Companies are taking varied approaches to ensure holiday goods arrive in store. To name a few examples, Lowe's is placing larger orders with suppliers, Tractor Supply Company is adding distribution centers, and Geodis, Home Depot and Walmart are chartering their own ships.

#### FedEx, UPS Rate Rises Are Making Online Shopping More Expensive

The move away from a 4.9% annual increase shows how the pricing power has shifted to carriers like FedEx, UPS and the U.S. Postal Service, which have seen demand for their shipping capacity and home delivery soar during the pandemic.

### <u>High-stakes Christmas Looms as Surging Toy Demand Meets Supply-chain Snarls</u>

With demand for toys at an all-time high, U.S. suppliers and retailers are racing to outrun severe air, sea and land shipping snarls so Santa has a mountain of dolls, scooters and video game consoles to deliver at Christmas.

### From Controlling Cost to Ensuring Supply: Inbound Supply Chain's Focus Shifts, says Research Report

Tightening supply and capacity constraints are rearranging companies' priorities for their inbound supply chain operations, according to a research report released today at the Council of Supply Chain Management Professionals (CSCMP) EDGE conference.

#### **Upcoming Events**

September 29 - FREE EVENT - CBP Review of New LAX CES Operation - 11:00 AM - 12:00 PM PT - Review of upcoming changes to exam procedures at LAX. Please join this opportunity to ask CBP your questions! - Register <a href="here">here</a>

**September 30 - 1-Day Virtual Customs Valuation Course - 9:00 AM- 3:00 PM PT -** The course will provide an in-depth review of the rules for customs valuation used in WTO member countries, with a particular emphasis on U.S. customs regulations and recent developments. It will also cover practical advice for managing compliance with customs valuation rules and for reporting value adjustments - Register <a href="here">here</a>

October 5 - 2021 CITT State of the Trade and Transportation Industry Town Hall Meeting "Chasing Supply Chain Sustainability: Balancing Economic Growth, Consumer Demand, and the Environment" - 7:30 to 10:00am PDT A free in-person breakfast Town Hall meeting and Miretti Award Presentation Hyatt Regency Long Beach, 200 S. Pine Ave., Long Beach, CA 90802 - Register <a href="https://example.com/here">here</a>

October 7 - FTA End of Summer Mixer - 5:30 PM PT - 8:00 PM PT The Hubb, Long Beach, CA - Register <u>here</u>

October 12 - EXIM 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 <a href="here">here</a>

October 13 - CalAsian's California Resiliency & Recovery Summit - 8:30 AM - 2:00 PM PT - Details soon to follow

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

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 <a href="here">here</a>

**December 9 - LACBFFA Holiday Party 2021 - 6:00 PM - 10:00 PM PT -**The Grand in Long Beach - 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