

## November 12, 2021 Volume 2, Nr. 45

The "Excess Container Fee Structure" policy is taking shape here in Southern California and it is, understandably, obfuscating the inherent complexity of this dilemma and certainly not being wildly embraced by shippers. The White House continues focusing on Supply Chains; President Biden spoke at the Port of Baltimore on Wednesday targeting goals aimed at enhancing logistics fluidity.

## FTA's 2021 HOLIDAY LUNCHEON Registration Now Open!





## 2021 HOLIDAY LUNCHEON

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### Number of the Day:

# 2.19 million

Projected number of containers imported in October into major U.S. ports, in 20-foot equivalent units, down 1.2% from last year but a 2.3% gain from September, <u>according to the Global Port Tracker</u>







FIRMs Code: W517

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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

### FTA ADVOCACY MEETING

Do you have import, export and other trade related issues about which you are concerned? FTA's Advocacy Committee is the place to raise those issues. Our next meeting is December 2, 2021 from 4:00 PM - 5:00 PM PT - Meeting link: <u>https://us02web.zoom.us/j/86986932640</u>



## Outside the Box

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

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## **Government Actions and Trade**

### USFIA Washington Counsel Says Section 301 Exclusion Applications Likely to Reopen

David Spooner, Washington counsel for the U.S. Fashion Industry Association,

said that while the U.S. trade representative's China policy speech was underwhelming, he doesn't think the possibility of renewing 549 exclusions that expired at the end of last year will be the only olive branch to importers hurt by the China trade war. "Will we see other [expired] exclusions opens to renewal? A new window open for exclusions? I hear 'yes.' When that will happen, and what that will look like, remains unclear," Spooner said at a virtual USFIA conference Nov. 9.

### \$1.2 Trillion Infrastructure Bill Heads to Biden's Desk

The package also creates the Office of Multimodal Freight Infrastructure and Policy within the Department of Transportation. The new office, in addition to managing certain grant programs, will assist federal, state and local governments in creating freight policies that encourage supply chain efficiencies.

## Statement From Ambassador Katherine Tai on The Passage of the Infrastructure Investment and Jobs Act

"The Infrastructure Investment and Jobs Act will rebuild and repair our roads, deliver broadband to rural communities, and create reliable 21st century energy networks. It will help companies and entrepreneurs reach new customers and markets thousands of miles away. It is key to unlocking broadbased economic prosperity and helping the United States build back better."

### UK Cold-Rolled Steel: Final Results of AD Admin Review

The Commerce Department issued the final results of the antidumping duty administrative review on cold-rolled steel flat products from the United Kingdom (A-412-824). Commerce set an AD rate of 8.65% for Liberty Performance Steels Ltd., the only company under review.

## Biden Administration Outlines New Moves to Alleviate Supply-Chain Logjams at Ports

The moves come as supply-chain issues continue to mount, with significant container backups at ports leading to slower delivery times and product shortages. It has become both a logistical and political problem for the White House and has persisted despite months of attention to the issue.

### Feds Want Suit Over Cannabis Machinery Imports Snuffed Out

In a motion for judgment filed with the U.S. Court of International Trade on Friday, the federal government defended U.S. Customs and Border Protection's refusal to allow parts for a machine that separates the leaf from the flower of cannabis through a Washington port.

### Former Diplomat: China Feels They Outflanked Us in Trade

The former minister counselor for trade affairs in the U.S. Embassy in Beijing told an audience that in the last few years, Chinese government officials "feel like they've outflanked us on the trade front." James Green, who was speaking on a Flexport webinar on the future of U.S.-China trade policy, said that officials were pleasantly surprised that the tariffs on most exports to the U.S. did not hurt their economy more.

### CBP Recognized as a Top 10 Best Company for Veterans in 2021

"I am pleased to learn that CBP has once again been recognized as an employer of choice for our nation's veterans," says Andrea J. Bright, Assistant Commissioner of CBP's Office of Human Resources Management. "I have worked with many veterans across the federal government, and I truly value the wealth of experience they bring to the civilian workforce. We are ever grateful to those who choose to continue serving their nation as part of CBP and we're genuinely committed to supporting the unique needs of our veterans and their families."

### What To Watch As USTR Considers Chinese Tariff Exclusions

As part of the Biden administration's review of U.S. policy toward China, the Office of the U.S. Trade Representative recently requested public comments on whether it should reinstate certain product-specific exclusions from tariffs on imports from China that were imposed under Section 301 of the Trade Act of 1974.

### China Hardwood Plywood: Final Results of AD Admin Review

The agency continued to find, as in its preliminary results, that 34 companies did not cooperate in the review, and assigned them to the China-wide entity with an AD rate of 183.36%. Importers of subject merchandise from these 34 companies entered between Jan. 1, 2019, and Dec. 31, 2019, will be assessed AD duties at that 183.36% rate.

### FCC Asked To Put China Telecom's US Removal On Hold

China Telecom Americas says that the Federal Communications Commission overstepped its bounds when it voted two weeks ago to boot the company off U.S. networks over concerns that it would be obligated to comply with surveillance requests from the Chinese government.

### **ILAB Director Says Forced Labor in Apparel and Footwear Is Ubiquitous**

Thea Lee, the long-time AFL-CIO trade policy director who is now leading the Labor Department's Bureau of International Labor Affairs (ILAB), acknowledged that apparel companies have challenges in avoiding child labor and forced labor because "it's so ubiquitous" in the sector. She said one way to try to avoid "reputational, legal and operational damage" is to identify the good players.

### Privacy in China

China drafted its new privacy legislation, in part, after the European GDPR, in order to better compete against American companies. Modeled primarily after the European Union's General Data Protection Regulation, the Personal Information Protection Law of the Peoples' Republic of China (PIPL) is China's first national data privacy statute, and it comes with accompanying regulations.

### Joint Statement On The Tenth Meeting Of The United States - Ukraine Trade And Investment Council

As part of the September meeting of President Biden and President Zelenskyy, the U.S. and Ukrainian governments pledged to work together to help Ukraine take steps to reform its economy and strengthen its investment environment to deliver benefits for both countries.

## FACT SHEET: Vice President Harris Announces Initiatives on Space and Cybersecurity

Following her meeting with President Emmanuel Macron of France, Vice President Kamala Harris is announcing a number of collaborative initiatives that the United States will undertake alongside France and other countries to address global issues and emerging threats.

#### China Posts Record Trade Surplus in October As Exports Surge

Exports rose 27.1% in dollar terms last month from a year earlier to \$300.2 billion, data from the General Administration of Customs showed Sunday. That was the 13th straight month of double-digit growth and exceeded economists' expectations of a 22.8% gain. Imports increased 20.6%, leaving a trade surplus of \$84.54 billion.



## **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**

### **December 8, 2021**

### The San Pedro Bay Cargo Flow Update

Please join the Los Angeles Customs Brokers and Freight Forwarders Association and Foreign Trade Association in this discussion with the ports on plans to improve cargo flow in the San Pedro Bay

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

Pricing: \$25 - Members



## Environmental

## <u>'I Love Rules' – Companies Consider Paths to Net Zero at COP26 Future of Shipping Event</u>

The most quotable quote, from an event where shipping's heavyweights were on full display (many in person, and some virtually) came from Svein Steimler, the President and CEO of the NYK Group- Europe, who proclaimed that: "I love rules," speaking about pending actions from the International Maritime Organization (IMO) at its meetings later this month, adding that: "The industry needs rules; come out with the rules and will comply."

<u>New Infrastructure Law: Biggest Investment in Climate Until Next Week</u> On Monday White House deputy press secretary Karine Jean-Pierre said that the trillion-dollar infrastructure bill awaiting the president's signature is a "oncein-a-generation bill" and "the largest-ever federal investment in public transit, clean energy transmission, and electric vehicle infrastructure, and clean drinking water."

#### **Climate and Clean Technology Solutions**

President Biden has committed to take ambitious action to tackle climate change and set the United States on the path to achieve net-zero emissions by 2050. Creating millions of well-paying jobs and empowering American businesses and workers to lead the low-carbon and clean technology transition are critical to this vision. International trade is a driver of U.S. jobs and innovation and will enable access to low-carbon technologies through the promotion of U.S. goods and services across the globe.

## Shipping Regulator Explores Levy to Help Shrink Industry's Carbon Footprint

The proposal calls for charging vessel operators \$100 for each metric ton of carbon dioxide emitted per trip. The shipping regulator said the levy could raise around \$1 trillion over the next three decades, according to a World Bank study submitted to the IMO in September.

### SoCal Ports Plan Clean Truck Fee as Environmental Focus Increases

With local environmentalists complaining about the emissions from the ships offshore and trucks at the port during the surge in shipping activity, the City of Los Angeles as well as the ports of Los Angeles and Long Breach are continuing to focus on the need to develop infrastructure to support the transition to zero-emission shipping and port infrastructure.

### 19 Countries Sign Declaration for 'Green Shipping Corridors'

In a Mission Statement the signatories said they aimed to support the setting up of at least six green shipping corridors by the middle of the decade.



### 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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## Maritime

### Maritime Cybersecurity: Prepare, Detect and Respond

According to Israeli cybersecurity specialist Naval Dome, since February 2020, there has been a 400% increase in attempted hacks on the maritime realm, coinciding with a period when the maritime industry turned to greater use of technology and working from home due to the Coronavirus pandemic.

### Iran Releases Vietnamese Tanker at Center of Incident with U.S.

Iranian officials confirmed reports that the Vietnamese tanker Sothys that they had been detaining was released. Associated Press first reported that the tanker's AIS data was showing it underway departing from the Iranian southern port of Bandar Abbas on November 9.

### **Clock Ticks Closer to Midnight for Overwhelmed California Ports**

The flood of import containers into Southern California continues unabated an all-time high 81 container ships were stuck offshore of Los Angeles and Long Beach on Tuesday. Waiting time at anchorage for Los Angeles is surging and is now more than double wait times in early September.

### FMC Commissioners Call for Review of Ports America Sale to Canada

The commissioners' letter points that Ports America is the largest terminal operator in North America with diverse operations in 70 locations in 33 ports "on each of this Nation's coasts." The company reports handling annual volumes of about 13.4 million TEUs, 10 million tons of general cargo, 2.5 million vehicles and 1.7 million cruise ship passengers, and provides services including terminal operations, stevedoring and cargo handling.

### Ports Will Receive \$17 Billion From Infrastructure Package

There is \$455 million per year for five years for the Transportation Department's Port Infrastructure Development Program, which can pay for intermodal connection improvements, other port infrastructure, or plans to reduce greenhouse gas emissions. The grants for reducing greenhouse gas emissions within the ports is separate from \$80 million a year available for the next five years in competitive grants for plans to reduce emissions caused by trucks idling.

### Port Investments Will Stabilize Supply Chains, Biden Says

"By investing in our roads, our bridges, our ports, this bill is going to make it easier for companies to get goods to market quickly ... and ensure our shelves are stocked with products. And the longer-term view is it means building greater resilience to withstand the shocks and disruptions we can anticipate," Biden said in a speech at the Seagirt Marine Terminal.

### White House Fact Sheet: Biden-?Harris Action Plan for America's Ports and Waterways

While American ports are a cornerstone of the U.S. economy, outdated infrastructure and the COVID-19 pandemic have strained their capacity and jeopardized global supply chains.



## Video of the Week

### Life Aboard a Containership.

We came across this video during the week and for anybody who's ever taken a cruise and knows the overall level of accommodation and circuses and entertainment, we thought it best to contrast this with life aboard a cargo vessel. Imagine now the mariners who had to spend months and months **and months** longer than planned aboard these ships because countries would neither let them disembark nor were there flights to get them home.



### Logistics and Trade

#### Shipping's Extreme Consolidation Could Prolong Supply Chain Pain

U.S. policymakers have never been more focused on global container shipping than they are today. Yet the "steel" of this industry — the ships and the containers — is outside of U.S. control, consolidated into the hands of an extremely small circle of non-U.S. companies that continue to bolster their market shares. The big keep getting bigger.

### Air Cargo Demand Rises, Rates Soar as Shippers Prepare for Peak

Air cargo demand in October rose 3% from pre-pandemic levels in 2019, according to Clive Data Services, as companies prepare for peak season and shift volume from ocean to air to combat supply chain disruptions.

#### **Russia Keeps Europe Guessing With Tight Gas Supplies**

Gas prices have soared in Europe in recent months due to low inventories and a recovery in demand as the economy rebounds from the pandemic. The price surge has taken a toll on energy-intensive industrial activity while consumers face a steep rise in energy bills as the winter heating season begins.

### Port Delays Across the US Double In-transit Inventory Times for Columbia Sportswear

Columbia has product encountering delays at the many different port cities it ships to, including Portland, Oregon, Savannah, Georgia, as well as Los Angeles, Long Beach and Seattle. The bulk of its fall merchandise (more than 90%) has been shipped, but just about 70% has been received, with some still on the water.

### Many Logistics Firms Are Avoiding Covid-19 Vaccine Requirements Amid

#### U.S. Mandate Debate

Large trucking groups are fighting the federal rule in court while freight transport and warehousing firms say they encourage vaccinations but won't demand them.

### Turbocharged U.S. Consumer Plays Key Role in Supply Chain Snarls

Households have amassed more than \$2 trillion in excess savings during the coronavirus crisis — thanks to the lockdowns during which spending was curtailed, the unprecedented stimulus money from the government and the boom in equities and housing values.

### Aluminum Makers Warn Power Cuts in China Could Cause Magnesium Shortages

China, which produces around 80% of the world's magnesium supply, is cracking down on magnesium producers and other energy-intensive industries as it tries to maintain strict emission reduction targets amid a rising demand for electricity.

### The Biggest Kink in America's Supply Chain: Not Enough Truckers

Long hours and uncomfortable working conditions are leading to a shortage of truck drivers, which has compounded shipping delays in the United States.

### **Gloomy Picture for Paint Highlights Depth of Supply Chain Crisis**

Paint is one of the most widely used industrial products with a complex supply chain, making it the ideal raw material to illustrate the depth of the crisis.

### Snarled Supply Chain Is Making US Warehouse Shortage Worse

It's all fallout from the global supply-chain crisis that's clogging U.S. ports, pushing warehouses to capacity and forcing logistics managers to scramble for space. And it's making already scarce warehouse space even more valuable.

### <u>Supply Chain Crisis is 'Pain of 20 Years of Not Investing in Our</u> <u>Infrastructure,' Flexport CEO Says</u>

Flexport CEO Ryan Petersen breaks down the congestion U.S. ports are experiencing due to the supply chain crisis, with billions of dollars of merchandise stuck from the poor infrastructure maintenance. (video transcript)

## Lawmaker proposes emergency port trucker bill for 18-to-20-year-old drivers

The Supplying America Needs Truckers Aged 18 Act — or Santa 18 Act – aims to maximize the labor force during the current peak shipping season, according to U.S. Rep. Brian Mast, R-Florida, the bill's sponsor. The bill, introduced Thursday, currently has 19 co-sponsors, all Republicans.

### Supply Chain Under Attack as 'Dark' Cyber Underground Peddles Sensitive Company Data

Key sectors in the supply chain are being targeted by cybercriminals, a new report says.

### More Trouble Ahead for Supply Chain as Hackers Descend

As the global supply chain struggles from the aftershocks of the pandemic, spreading the suffering to nearly every industry, cyber criminals vultures are descending on the vulnerabilities to create more dangerous disruption.

November 19 - EXP The Opportunity Engine Webinar -Scene from the Top: The Next Mountain - 10:30 AM - 12:00 PM PT - Join the crowd of entrepreneurs, business leaders, educators, and college students for an exclusive conversation about preparing for the next business challenge and future of work. Hear from a distinguished panel of speakers on today's hotbutton topics and trends in entrepreneurialism - Register <u>here</u>

November 23 - LACBFFA - CBP Webinar: Your IP Matters! How to Report Suspected Imports of Infringing Goods Through the e-Allegations Program - 10:00 AM - 11:30 AM PT - Register <u>here</u>

November 30 - LACBFFA -Track Your Supply Chain's FDA Compliance Status: Mitigating Recalls, Import Alerts and Refusals - 11:00 AM - 12:00 PM PT - We will be addressing the trends in FDA's FSVP Regulation and General Supply Chain Risk Mitigation - Register <u>here</u>

**December 1 - LACBFFA - FDA Webinar – Recurrent Product Code Review Processing Update and Requirements Affirmation of Compliance Overview - 9:00 AM - 3:00 PM PT** - The Division of West Coast Imports will conduct a one-day workshop for the purpose of training in the area of product code building and information requirements. - Register <u>here</u>

**December 8 - FTA Webinar - The San Pedro Bay Cargo Flow Update -11:00 AM - 12:00 PM PT -** Please join the Los Angeles Customs Brokers and Freight Forwarders Association and Foreign Trade Association in this discussion with the ports on plans to improve cargo flow in the San Pedro Bay - **Register** <u>here</u>

**December 8 - LACBFFA - Export Essentials: How Freight Forwarders Work with Federal Partners to Deliver Value to U.S. Exporters - 1:00 PM -2:00 PM PT -** Please join the Export-Import Bank of the United States (EXIM) and the U.S. Commercial Service in partnership with the Los Angeles Customs Brokers & Freight Forwarders Association (LACBFFA) to learn about government tools, resources, and services available to support U.S. small businesses in exporting their products - Register <u>here</u>

December 9 - LAACA Holiday Party - The Los Angeles Airport Marriott - 11:00 AM - 3:00 PM PT - 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!* 

**February 27 - March 2 - ICPA Annual Conference**- The Grand Hyatt, San Diego, CA - Register <u>here</u>