

November 19, 2021 Volume 2, Nr. 46

The FTA will not be publishing our weekly newsletter next week in observance of the Thanksgiving holiday. Let's face it - you might be looking for a reason to hide from family who've invaded your home, your refrigerator, your wine cellar and commandeered the television remote, but it doesn't mean that we'll give you the convenient excuse of "I have to read the FTA's weekly newsletter", as a crutch.

We wish everyone a happy and safe Thanksgiving whether you're at home or on the road. The FTA newsletter will return with our next edition on December 2nd.

FTA's 2021 HOLIDAY LUNCHEON Registration Now Open!



DECEMBER 14, 2021

11:30 am - 2:30 pm



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Number of the Day:

902,644

The number of Twenty-Foot Equivalent Units processed by the Port of Los Angeles in October, a decrease of 8% compared to last year, which was the busiest October on record. Year to date, overall cargo volume has increased 22% compared to 2020.







FIRMs Code: W517

DISCLAIMER: The weekly FTA Newsletter includes content from

recognized and respected national and worldwide sources. Some of these sources may link a paywall, requiring a subscription.

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: https://us02web.zoom.us/j/86986932640



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

<u>Three Amigos Summit: Awkward Conversations for U.S. with its Neighbours</u>

If Joe Biden was looking for respite from the tricky global challenges he has faced in recent months, he may not find harmony closer to home. The leaders of US, Canada and Mexico meet on Thursday in Washington, with plenty

differences to resolve.

Biden and China's Xi Hold 'Expansive and Substantive' Virtual Meeting

The two leaders balanced predictable disagreements over Taiwan and human rights with "respectful, straightforward and open" discussion aimed to pave the way to future talks, according to a senior administration official.

<u>Customs Modernization Bill Would Benefit From More Trade Facilitation</u> <u>Provisions, Lawyer Says</u>

The Customs Modernization Act draft bill in the Senate is largely a customs enforcement bill, not a customs modernization bill, Sidley Austin attorney Barbara Broussard said in an interview, but she's hopeful that some carrots can be added to the sticks in the current approach.

Remove Trade War Tariffs Ahead of Joe Biden-Xi Jinping Meeting, US Business Groups Urge

Two dozen American business associations sent a letter to senior US trade officials on Friday, urging the White House to reduce tariffs on Chinese goods and broaden the scope of import duty exemptions to restore the competitiveness of US businesses.

Trade Barely Mentioned in DHS Oversight Hearing

Questions on irregular migration and the vetting of Afghan refugees dominated the Senate Judiciary Committee hearing hosting Department of Homeland Security Secretary Alejandro Mayorkas. Mayorkas also did not mention trade in his opening remarks.

Executive Order on Implementation of the Infrastructure Investment and Jobs Act

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to effectively implement the historic infrastructure investments in the Infrastructure Investment and Jobs Act (the Act), it is hereby ordered as follows:

What's in the \$550 Billion Bipartisan Infrastructure Law

The panel to oversee the law, established by an executive order Biden signed earlier Monday, will be directed to disperse the money in alignment with administration priorities, according to the White House. That means projects at the front of the line will need to use U.S. suppliers, offer union jobs and be designed to withstand the impacts of climate change.

Trade-Related Court Cases Filed Nov. 8-14

Wind Tower Trade Coalition, challenging the Commerce Department's final determination in the antidumping duty investigation of utility scale wind towers from Malaysia. #21-00578. Filed Nov. 11.

U.S. Statement on Working with Japan to Address Global Steel and Aluminum Excess Capacity

Secretary Raimondo and Ambassador Tai reiterated concerns about the impact on U.S. industries stemming from global non-market excess capacity driven largely by China. The distortions that result from this excess capacity pose a serious threat to the market-oriented U.S. steel and aluminum industries and the workers in those industries.

U.K. 'on Track' to Join CPTPP by 2022, Trade Official Says

The U.K. made headway on e-commerce and procurement discussions with members of an 11-country Pacific trade bloc, putting it "on track" to reach a post-Brexit dream of joining the CPTPP next year, a top U.K. trade official told Nikkei Asia.

Israel, UAE Launch Free Trade Agreement Talks as Bilateral Trade Rises Israel and the UAE normalized relations last year and bilateral trade in goods alone reached nearly \$500 million so far in 2021 - up from \$125 million in 2020 - and is expected to continue growing rapidly.

<u>U.S. Trade: UK Seeks Deals with Individual US States in the Absence of a Free Trade Agreement</u>

With no sign of a US trade deal soon, the UK will prioritize trade deals with individual US states like California and New York, says trade minister Penny Mordaunt.

<u>US-China Commission Says Congress Should Direct CBP to Start</u> <u>Broader Xinjiang WRO</u>

The commission also recommended that Congress consider passing a law "to create the authority to screen the offshoring of critical supply chains and production capabilities" to China, with the justification that the decision to import these goods from China could hurt American national and economic security interests.

FMC to Engage Ocean Carriers and Terminal Operators on Container Returns

Six Supply Chain Innovation Teams will be convened by Commissioner Rebecca F. Dye, under her authority as the Fact-Finding Officer for Fact Finding 29, to be comprised of executives from ocean carriers operating in alliances and marine terminal operators that serve them.

Biden Has a Summit With Xi, but No Strategy for China

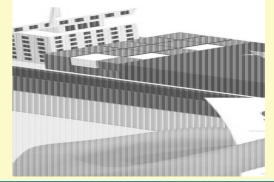
America has no China strategy 10 months after President Biden's inauguration. Monday's Zoom meeting between Mr. Biden and Xi Jinping only highlighted that void. Dulcet tones and torrents of presidential words are no substitute for clear policies.



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

\$45 - Non-Members

\$200 - Sponsorships

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Environmental

Storm of the Century Stalls Canada's Biggest Port

Traffic at Canada's largest port has been cut off by what local officials are calling the storm of the century, the latest snag to hit the North American supply chain.

<u>Tesla, Toyota Accuse Biden's EV Tax Credit of Putting Unions Over the Environment</u>

The proposal being negotiated by House and Senate Democrats gives consumers the full \$12,500 tax write-off only if they buy electric vehicles assembled by union workers using American-built batteries. Automobiles produced in nonunion factories would qualify for \$4,500 less.

Experts Weigh in on How to Save Hong Kong's Marine Life

Affected by overfishing, heavy boat traffic, various forms of pollution, and habitat loss caused by coastal development, a growing number of creatures that once boasted healthy populations are now classified as vulnerable or endangered, while others can no longer be found in the HKSAR at all.

FWS Lists Freshwater Mussel as Threatened

The Fish and Wildlife Service is issuing a final rule listing the Atlantic pigtoe, (Fusconaia masoni), a freshwater mussel species from Virginia and North Carolina, as threatened under the Endangered Species Act. Listing includes a 4(d) rule for this species that prohibits importation and exportation without a permit. New import and export restrictions set by the agency's final rule take effect Dec. 16.

<u>Chinese Solar Panel Maker LONGi Green says Detainment of its Products at US Border has had no Major Impact on Operations</u>

LONGi is the latest solar panel maker to have its imports seized by US border officials because they contain polysilicon made in China's Xinjiang region, where Washington believes human rights abuses are taking place.

<u>CIT Rules Against USTR's Bid to Withdraw Solar Panel Tariff Exclusion</u> <u>for Bifacial Panels</u>

President Donald Trump had originally imposed the safeguard measures against solar cells in 2018, and they were set to phase out in four years, in line with the statute. In June 2019, USTR granted an exclusion request for bifacial solar panels. Just four months later, however, USTR tried to revoke this exclusion.



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!



Atlanta | Chicago | Dallas | Houston | Los Angeles New York | Portland | San Francisco | Seattle

Maritime

New Supply Chain Initiatives Announced at FMC Meeting

Six Supply Chain Innovation Teams are being convened by Commissioner Rebecca F. Dye to identify and implement improvements to the process and timing of return and delivery of containers to marine terminals.

Flood Damage Cuts All Rail Access to Port of Vancouver, Canada's Largest Port

Two days of torrential rain in the Pacific province of British Columbia triggered major flooding and shut rail routes operated by Canadian Pacific Rail and Canadian National Railway, by far the country's two biggest rail companies.

<u>US Sees Near-Record Imports From Asia Despite Huge Volumes Stranded</u> at Sea

Although US imports from Asia were down 2.4 percent in October year over year, it was the third-busiest month ever for containerized imports from Asia.

California Ports Postpone New Surcharges by 1 Week

The ports said they've seen a 26% decline in "aging cargo" on their docks since they first announced the fee in October. "This encouraging momentum supports a delay in implementation of the fee," the ports said. Seroka said they will continue to "closely monitor the data as we approach November 22."

Last-minute Reprieve: LA/LB Delays Pulling Trigger on Congestion Fee
The ports were scheduled to begin charging ocean carriers \$100 per import
container starting Monday for boxes moving by truck that dwelled for nine or
more days, and for boxes dwelling for six or more days that move by rail. The
charge was scheduled to escalate by \$100 a day until the container left the
property.

Container Usage Fees Soaring in 2021: Shippers

Detention and demurrage costs have soared in 2021, and shippers complain that many of these storage fees are mistaken and difficult to correct.

Recent Progress and Actions on Port Congestion

The Ports of Los Angeles and Long Beach—which handle 40 percent of the country's containerized imports—have moved 17 percent more containers between January and mid-October than they did in 2018, which held the previous record.

Not a Given Port Congestion Will Last Through 2022: Global Shippers

Forum

Rising inflation and interest rates could put the brakes on consumer demand and lead to a rapid slowdown in global demand for container shipping, despite carrier "hype" over lasting congestion levels, according to the Global Shippers' Forum.

Off The Grid: Chinese Data Law Adds to Global Shipping Disruption

Although there are no specific guidelines on shipping data in the regulations some domestic providers in China have stopped giving information to foreign companies as a direct consequence of the new rules, the sources told Reuters on Wednesday.

Empty Containers Become a Focal Point in Push to Ease Los Angeles Port Congestion

Shipping lines and marine terminal operators are being encouraged to receive as many empties as possible to make space for loaded cargo.

Zim Suspends One Asia-LA Loop Due to Port Congestion

Through the suspension of a trans-Pacific service to Southern California, Zim Integrated Shipping Services has become the latest carrier to shift vessels out of trade, blaming port congestion.



Video of the Week

It's the supply chain, stupid. Just ask 60 Minutes.

There are any number of media outlets that have tried to thoroughly cover what is happening with the supply chain, but lack the proper resources. 60 Minutes is not an understaffed nor underfunded outlet and Sunday night they devoted an entire section of their broadcast to do a deep dive on what got us here and what it will take to get us out.



Logistics and Trade

No More Wire Hangers? Supply Chain Crisis Now Impacting Businesses You Least Expect

The supply chain crisis is impacting local businesses that you may not have expected.

No more wire hangers?

Mammoth Freighters to convert first 777s for Cargojet

The agreement moves Cargojet (TSX: CJT) up a level in aircraft size. The 777s are large, heavy-lift aircraft that can carry about 103 tons of cargo and have significant volume for e-commerce parcels. Cargojet has 28 freighters in its fleet, most of them medium-size 767s that were converted after ending passenger service with other carriers.

<u>Vulnerabilities, Resilience in Global Trading System Examined in World Trade Report 2021</u>

The report conveys three main messages: first, today's hyper-connected global economy, characterized by deep trade links, has made the world more vulnerable to shocks, such as natural and man-made disasters, but also more resilient to them when they strike.

Tracking the Speed, Dwell and Cars of Class I Railroads

Three of the main key performance indicators that railroads use to communicate their performance are speed, dwell time and cars online, all of which can impact efficiency and service for a rail shipper.

<u>Truckers Steer Clear of 24-Hour Operations at Southern California Ports</u>
One terminal at the Port of Long Beach flung open its gates around the clock for truckers in mid-September, from Monday to Thursday. But no trucks

showed up, prompting the terminal to tighten the rules.

Just-in-Time and Safety Stock Require a Careful Balance

Over the course of the pandemic, inventory has gone up, but so have sales. Are companies rethinking lean or just trying to keep up with demand?

Why is Air Cargo Suddenly Affordable Relative to Ocean Shipping?

The cost to ship goods around the world by air is about 2.5 times more expensive than before the pandemic. On major trade lanes, where demand is especially high, such as China and Southeast Asia to the United States, rates are five or six times higher than normal for the peak shipping season.

Goods Barometer Points to Slowing Trade Growth Due to Disruptions in Critical Sectors

It now appears that demand for traded goods is also easing, as illustrated by falling export orders, which further weighed down the barometer. Cooling import demand could help ease port congestion, but backlogs and delays are unlikely to be eliminated as long as container throughput remains at or near record levels.

The Supply-Chain Crisis Is a Labor Crisis

The New York Times (Opinion)

End of Supply Chain Crisis Could Come Sooner than Expected: Analyst The current supply chain crisis will come to an end at some point, and that end could be sooner and sharper than we think, writes JOC analyst Larry Gross.

Upcoming Events

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 here

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 <a href="https://example.com/here/beauty-supply-chain-new-marked-new-marke

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 here

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 here**

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 **here**

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 - Register <u>here</u>

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