



## January 21, 2022 Volume 3, Nr. 3

We're just a few short weeks away from Lunar New Year celebrations and the start of the Winter Olympics. Pre-Omicron, the hope was that this pause would give the Supply Chain a chance to "catch up", but given the number of ships at anchor, China's zero-COVID policy that is pinching port operations, and the decision by Hong Kong to close its airport to transit passengers from 150 countries; hope is fading fast.

### Number of the Day:

# 32%

Annual increase in average revenue per loaded mile, a measure including pricing strength and length of haul, excluding fuel surcharges at the truckload division of J.B. Hunt Transport Services in the fourth quarter.



**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.**

## OSRA 21 Coalition Update

The Advocacy Committee of the FTA has been working in collaboration with the other national and local trade associations seeking passage of the Ocean Shipping Reform Act of 2021. On Dec. 8, 2021, under [House of Representatives Suspension Rules](#), (which allow non-controversial bills to be voted on quickly), the House passed [HR 4996](#) by a vote of 364 to 60. Now the Senate is working on a companion bill and despite the momentum gained,

adoption in the Senate will be a challenge. As a Senate bill is introduced we will provide the details.

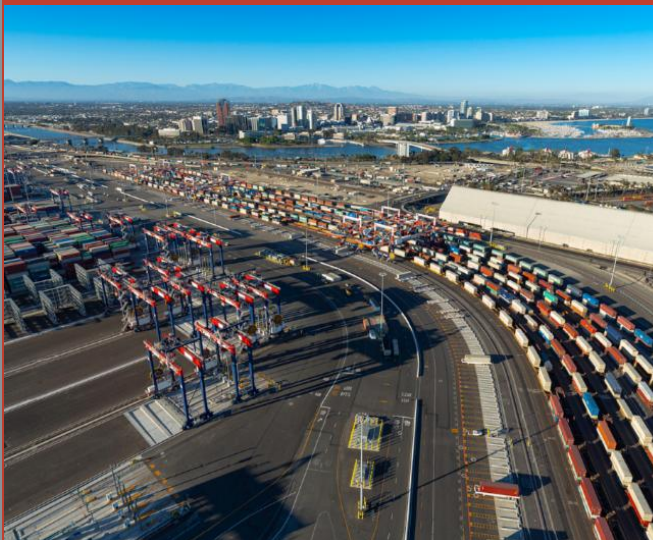
## SoCal Infrastructure Coalition: WE WANT TO HEAR FROM YOU

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](mailto: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 February 3, 2022 from 4:00 PM - 5:00 PM PT - Meeting link: <https://zoom.us/j/93386806211>**



## 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

### **WEF Special: Digital Currencies Could Change Global Trade**

Digital currencies are growing: the market is valued at more than \$2 trillion and involves more than 15,000 varieties. In 2021, El Salvador even adopted Bitcoin as its legal currency. While private digital currencies are blooming, central banks are catching up. In October 2021, Nigeria joined the Bahamas, the

Eastern Caribbean States and Cambodia as one of the first jurisdictions to officially launch central bank digital currencies (CBDCs).

### **Mexico, the United States, and Canada Joint Statement on the First USMCA Deputies Meeting**

The meeting provided the Deputies the opportunity to review progress on the implementation of the Agreement since the inaugural meeting of the USMCA Free Trade Commission (FTC), convened by Ministers in May 2021. The Parties reaffirmed their commitment to making North America a resilient, inclusive, and competitive economic region with trade policies that foster equitable growth, promote innovation, help protect our shared environment, and benefit our societies.

### **U.S. Trade Chief says Will Engage on UK Steel Talks When 'Time is Right'**

Tai, speaking to an online event hosted by the Institute of International and European Affairs, an Irish think tank, said the Biden administration will closely track developments between Britain and the European Union on Northern Ireland border issues. She added that she and President Joe Biden "care deeply about supporting the Good Friday Agreement" that maintains open borders.

### **China Freight Train Trade With North Korea Resumes After Two Years**

China said Monday that its border with North Korea has reopened for freight train trade, some two years after it was shuttered by Pyongyang because of the coronavirus pandemic. A freight train from North Korea arrived at the Chinese border city of Dandong for the first time since early 2020 on Sunday, Japanese and South Korean media reported earlier.

### **A New US Foreign Policy Mantra: 'Don't Just Do Something, Stand There!'**

In Kazakhstan, another potentially pro-democratic resistance appears to have been quelled. It seems, at least for now, to be another victory for the world's autocrats. As such, many commentators have called on the Biden administration to act, if not to altogether deny a victory for Russian President Vladimir Putin and Kazakh President Kassym-Jomart Tokayev, then to at least spoil it.

### **Statement by Press Secretary Jen Psaki on President Biden's Virtual Meeting with Prime Minister Kishida of Japan**

President Joseph R. Biden, Jr. will meet virtually with Prime Minister Kishida Fumio of Japan on Friday, January 21 to further deepen ties between our governments, economies, and our people. The meeting will highlight the strength of the U.S.-Japan Alliance, which is the cornerstone of peace, security, and stability in the Indo-Pacific and around the world.

### **Republicans Concerned About Proposed de Minimis Carve-Out**

Rep. Kevin Brady, R-Texas, the ranking member on the House Ways and Means Committee, said he knows that Rep. Earl Blumenauer, D-Ore., is sincere in his concern that the more generous de Minimis threshold since 2016 has had unintended consequences.

# TRADE AND TRANSPORT ATTORNEYS

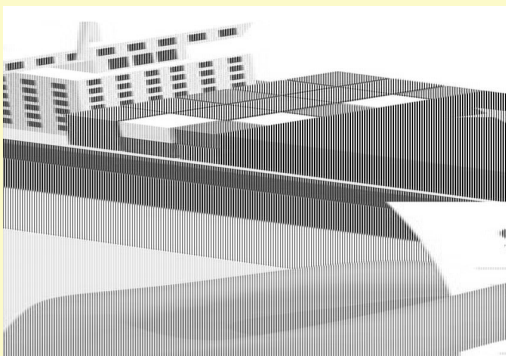


ROBERTS & KEHAGIARAS LLP  
ATTORNEYS AND COUNSELORS AT LAW

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## 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 Webinars/Courses



**FOREIGN TRADE ASSOCIATION PRESENTS**  
**Customs Brokers License Examination 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

In addition to being well-prepared for the exam, the course will also assist in developing a better understanding of critical areas of Customs Compliance even for people not planning on taking the brokers exam. The knowledge you receive will assist in enhancing skills for career advancement. If you already possess a broker's license, this is an excellent review course. Certified Customs Specialists completing the course will receive 20 CCS credits from the NCBFAA.

The course is recommended for individuals with some experience in customs brokerage or import operations. If in doubt about your level of experience, please call the instructor, Erik Smithweiss, at 213-624-1970.

**INSTRUCTORS:**  
**Erik Smithweiss & Tony Piscitelli**

**Erik Smithweiss** is a partner with Grunfeld, Desiderio, Lebowitz, Silverman & Klestadt. Erik has over 20 years experience in the field of customs law and procedure and has taught customs broker exam preparation courses for over ten years.

**Tony Piscitelli** is the owner of TP CBP Importing Compliance, which offers consulting and training services. Tony was a Compliance Specialist with Expeditors International for 11 years as well as a 32-year career with U.S. Customs and Border Protection in NY and Los Angeles. Tony has taught customs broker exam preparation courses for over 6 years.

**Course Material**

CBP has yet to announce the next exam date in April 2022.

Reference materials and an amended flyer will be issued when CBP publishes the exam notice listing the required HTS and 19 CFR, which the students will be required to purchase.

**11 WEEK EXAM PREP COURSE**  
Monday evenings 6:00 PM - 9:00 PM  
Starts: Jan. 24, 2021  
Ends: Apr. 4, 2021

**Credits:**  
20 CCS provided by NCBFAA

**Cost:**  
Member Price \$445  
Non Member Price: \$550  
Partner Price: \$500

**Note:** Note: Course materials are not included in the registration fee.

**Location:** Virtual classes will be held for now.

  
100 W. Broadway, Suite 600  
Long Beach, CA 90802  
P. 888-223-6456

January 24, 2022 - April 4, 2022

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Time: Mondays, 6:00 PM - 9:00 PM PT

REGISTER NOW



Pricing:  
\$445 - Members  
\$500 - Partner  
\$550 - Non-members

REGISTER  
HERE



## Environmental

### **Shipping and Renewable Lobby Groups Join Forces to Advance Global Green Fuel Transition**

The two organizations signed the partnership agreement at the twelfth session of the IRENA Assembly 2022. Over the next two years, the partnership will provide a framework to assist with the the sector's decarbonization effort and the use of renewable technologies. It will also enable the industry to work closer with IRENA's global membership of more than 160 countries and territories on issues related to the increasing role of renewable energy in decarbonizing shipping.

### **Coming to an Ocean Near You: Ships Dragged Along by Giant Kites**

The kite is called Seawing. Its developer, Airseas, estimates that an even larger 1,000 square-meter parafoil, flying at an altitude of 300 meters, will cut fuel consumption and emissions from vessels by about 20%.

### **EXIM Chair's Council on Climate Meets to Discuss Climate-Friendly Technologies**

The Advisory Committee is required to provide Congress with its views on the findings of EXIM's Annual Report to Congress on Global Export Credit Competition, and the Council's recommendations will help inform those views. The Council discussed recommendations members have offered to date relating to policies, financial tools and types of clean technologies with the goal of sharing ways EXIM can better support American-made exports in this space and become more competitive on a global scale.

### **How Can Zero-emissions Shipping be Commercially Viable?**

On its current path, projections estimate that shipping-related greenhouse gas

emissions will increase by 90% to 130% by 2050, compared to 2008-level emissions. The International Maritime Organization set a target to reduce emissions by at least 50% by 2050, and several shipping companies have set net-zero emissions targets for 2050 or sooner.

### **Forty Percent of all Shipping Cargo Consists of Fossil Fuels**

Cargo ships schlep thousands of millions of tons of cargo around the world every year, belching out 3% of the world's greenhouse gas emissions as they traverse the seas. But the real damage is done by the contents of their holds.

### **Biden Confident in Separate Climate Funds**

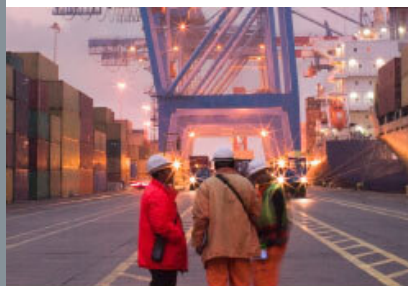
Today we're looking at President Biden's support on passing separate funding for climate action, earth's core potentially cooling ahead of schedule and Energy Department officials pouring cold water on the possibility of a gas export ban.



### **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!

SUPPORTING WORLD TRADE SINCE 1948



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

## Maritime

### **Port of Long Beach Smashes Annual Record Despite December 'Speed Bump'**

During 2021, the Southern California port handled 9,384,368 twenty-foot equivalent units, a 15.7% increase from the previous record of more than 8.11 million TEUs set just a year earlier. Imports increased 14.6% year-over-year to 4,581,846 TEUs, while exports declined 2.6% to 1,437,916 TEUs. Empty containers moved through the port jumped 27.5% to 3,364,606 TEUs.

### **Unattended Cargo Containers Are Easy Targets For Looters**

As many Americans worry about empty shelves and delayed packages, looters are taking advantage of the inflow of goods outside of the two southern California ports that are responsible for handling almost half of all U.S. imports.

### **Shipping News: Shipping companies had a \$150 billion year. Economists warn they're also stoking inflation**

The spot rate for a 40-foot container to the U.S. from Asia topped \$20,000 last year, including surcharges and premiums, up from less than \$2,000 a few years ago, and was recently hovering near \$14,000. What's more, tight container capacity and port congestion mean that longer-term rates set in contracts between carriers and shippers are running an estimated 200% higher than a year ago, signaling elevated prices for the foreseeable future.

### **South Korea Fines Shipping Firms \$81m for Price Fixing**

According to Ships and Ports, the Fair Trade Commission said it has imposed a fine of KRW 96.2 billion (about \$80.7m) on Korean and foreign carriers along with corrective orders. The companies were reportedly involved in collusive conduct over the past fifteen years, unlawfully fixing higher freight rates on Korean-Southeast Asian sea routes.

### **Suez Canal Expansion Plans Accelerated For Completion By July 2023**

The SCA announced accelerated plans to extend a second channel of the canal and to enlarge an existing channel after the Ever Given container ship ran aground and blocked the waterway for six days last year.

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### **Tanker, Bulker, LNG Rates Drop. Container Rates Hold Near Top**

It's a tale of two shipping markets. Spot rates remain near historic highs for container shipping; the boom shows no sign of ending. But over in commodity shipping — dry bulk, crude and product tankers, liquefied natural gas (LNG) carriers — spot rates have now sunk below five-year averages.

### **Freight Container Maker Singamas Set to Report 40-fold Profit Jump for 2021 after Covid-19 Grounded Aeroplanes**

The Hong Kong-listed company, a unit of Singapore's Pacific International Lines, said in a filing to the stock exchange on Monday morning that its annual profit in 2021 could top US\$180 million, compared to US\$4.58 million a year earlier.

### **MPC Container Ships Scores Strong Rates on Seven Long-term Charters**

The Oslo-listed boxship owner said the structure of the charter market has changed, moving from a spot market towards a forward market with longer fixtures. "Disruptions, port congestions and shortages are still driving the market and even increasing with the current Covid-19 infection and lockdown situation," the company stated, adding that "in a sold-out market, operators try to secure capacity in advance."





**KNOWLEDGE...  
EXPERIENCE...  
DEDICATION...**

## Video of the Week

### Secretary Pete at the Ports

The entire press conference following the Secretary's tour of the port complex is below and includes remarks from the heads of Los Angeles and Long Beach ports as well as local dignitaries. Total duration is 1:05:25 and the Secretary's remarks begin at 48:45.



## Logistics and Trade

### **XPO Logistics Port Truckers Seek to Unionize**

Up to 250 XPO Logistics Inc. truckers who haul goods at Southern California ports and railyards are petitioning to unionize, hoping to convince federal authorities they're really employees and not contractors as XPO claims.

### **Supply-chain Constraints Might Have Peaked, but Will Continue Damping**

### **Growth**

The combination of pandemic-related supply constraints and strong global demand for goods has led to bottlenecks and disrupted supply chains. Supply issues should continue to damp growth and boost inflation in the near term, Commerzbank says.

### **Three Myths and Three Must-Dos for Re-engaging Supply Chain Teams**

The Great Resignation is rearing its head across nearly all industries. Throughout the pandemic, employees advocated for reform in the workplace. They were motivated by rigid scheduling, income volatility and a lack of proper worker support—all red flags that were evident long before the current crisis hit targets.

### **Schneider Moving Western Intermodal Business to Union Pacific**

“Schneider’s intermodal business is a great fit for Union Pacific’s diverse network,” UP Chairman, President and CEO Lance Fritz said in a prepared statement released by the railroad. “We look forward to growing in the intermodal space together.”

### **Chevy Chip Shortage Nixes One Feature**

The computer chip shortage has really hit the automotive industry hard, particularly Ford and GM here in North America. Automakers last year were forced to shut down entire production lines and even whole factories for periods of time just to conserve the little microprocessors, helping to drive price inflation of both new and used vehicles

### **Rexford Industrial Buys South Bay Logistics Site for \$75M**

Rexford Industrial Realty Inc. bought 4240 W. 190th St. in Torrance from Z/A Torrance Associates as part of the \$1.9 billion that the Los Angeles firm invested in Southern California’s industrial infill market last year.

### **With U.S. Labor Scarce, Logistics Firms Turn to Remote Forklifts**

With labor shortages straining the supply chain, big U.S. logistics companies ArcBest and NFI Industries plan to deploy thousands of forklifts that can be operated remotely.

### **XPO Logistics Expands Network to Help Meet Supply Chain Challenges**

#### **Last year, the Greenwich, Connecticut-based company spun off GXO**

**Logistics** Post-separation, XPO is a top provider of freight transportation, primarily less-than-truckload (LTL) and non-asset truck brokerage.

### **U.S. Vaccine Mandate on Freight Drivers Coming from Canada May Exacerbate Auto Supply Chain Shortage**

The U.S. mandate, announced in October, requires all essential foreign travelers, including truck drivers, who cross U.S. land borders to be fully vaccinated. Essential nonresident travelers had been able to enter the U.S. during the pandemic regardless of their vaccination status, in part so as not to disrupt trade and to give them more time to get vaccinated.

## **Upcoming Events**

**January 24 - April 4 - FTA Customs Broker License Exam Preparation Course - 6:00 PM - 9:00 PM PT** - Join us for our virtual course - Register [here](#)

**January 25 - PAEI Webinar: Trade Compliance Assessment: An Executive Tool for 2022 - 12:00 PM - 1:30 PM PT**- Join us for this interactive “webinar” with our industry experts on an overview of the Trade Compliance Assessment program with a focus on the fine points of conducting an effective assessment - Register [here](#)

**February 24 - 25 - TPM Tech**- The Long Beach Convention Center, Long Beach - Register [here](#)

**February 27 - March 2 - TPM22**- The Long Beach Convention Center, Long Beach - The must-attend conference for the trans-Pacific and global container shipping and logistics community - Register [here](#)

**February 27 - March 2 - ICPA Annual Conference**- The Grand Hyatt, San Diego, CA - Register [here](#)

**May 1 - May 4 - NCBFFA Annual Conference - 9:00 AM - 5:00 PM PT**Fort Lauderdale, FL - Register [here](#)

**May 24 - CITT Town Hall - 7:30 AM - 10:00 AM PT**- Hyatt Regency Long Beach - Register [here](#)

**May 25 - May 27 - 2022 I-NUF 9th METRANS International Urban Freight Conference** - The conference brings together researchers and practitioners in urban freight, supply chains, and logistics from around the world. It is a showcase for cutting-edge research and dynamic information-sharing and provides a forum for researchers, policy makers, and practitioners to reimagine and guide the future of the industry - Register [here](#)

**July 19 - 20 - CBP 2022 Trade Symposium** - Hilton Anaheim, Anaheim, CA - Register [here](#)

**October 6 - 9 - WESCONN 2022**- Loews Coronado Bay Resort, San Diego, CA - Register [here](#)