

December 10, 2021 Volume 2, Nr. 48

You can see from the invitation below that we are extremely excited to be gathering again next week, this time to celebrate the holiday season. Yes, it's crazy busy. Yes, our time is in demand. But the most important thing is that we are grateful for everyone's time, participation and generosity this time of year. We'll see everyone next Tuesday.

FTA's 2021 HOLIDAY LUNCHEON Registration Now Open!



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2021 HOLIDAY LUNCHEON

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Number of the Day:

\$37.24 billion

Combined operating profit for container shipping lines worldwide in the third quarter, nearly equal to the entire combined operating earnings for carriers from 2010 through 2020.







FIRMs Code: W517

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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 <u>House of Representatives Suspension Rules</u>, (which allow non-controversial bills to be voted on quickly), the House passed <u>HR 4996</u> 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

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 January 6, 2022 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.



Government Actions and Trade

<u>Clothing Wholesaler Owner Sentenced to 12 Months in Prison for</u> <u>Customs Violations</u>

Sang Bum Noh, owner of Los Angeles-based garment wholesaler Ambiance Apparel, was sentenced to 12 months and one day in federal prison for conspiring to undervalue imported garments and skirting millions in import duties.

U.K. Seeks to Spur Trade With U.S. States, Minister Says

The U.K. is moving forward on trade engagement with individual American states, and stands ready to resume talks with Washington on a broader federal deal, Secretary of State for International Trade Anne-Marie Trevelyan said.

China Increasingly Obscures True State of Its Economy to Outsiders

A new data-security law has made it harder for foreign companies and investors to get information, including about supplies and financial statements. Several providers of ship locations in Chinese waters stopped sharing information outside the country, making it hard to understand port activity there.

U.S. Trade Deficit Sinks 18% in October as Exports Surge to Record High

The trade gap shrank to \$67.1 billion from a record \$81.4 billion in the prior month, the government said Tuesday. Economists polled by The Wall Street Journal had forecast a \$67 billion deficit.

Domestic Industry Trade Group Wants Opportunity to Rebut Section 301 Exclusion Requests

The Coalition for a Prosperous America asked the Office of the U.S. Trade Representative to allow domestic companies to rebut exclusion applications that claim that there are no affordable alternatives to Chinese products. "Unlike the prior tariff exclusion rounds, the Biden Administration has chosen not to afford any opportunity for domestic producers to rebut unsubstantiated and false claims in importers' requests," the Coalition wrote in a letter it made public on Dec. 6. It said that USTR needs to closely scrutinize the 2,024 exclusion requests.

Magnus Confirmed as CBP Commissioner

The Senate has confirmed Tucson Police Chief Chris Magnus as commissioner of U.S. Customs and Border Protection (CBP) on a 50-47 vote. Magnus has been a longtime member of the Law Enforcement Immigration Task Force.

China Nov. Export Growth Slows but Imports Accelerate on Restocking

Exports rose 22% year-on-year in November, customs data showed on Tuesday, slower than the 27.1% jump in the previous month but faster than the 19.0% expected in a Reuters poll.

Rubio Says Chamber and US Companies Lobby for China

Rubio argued that capitalism as practiced in America is corroding American society, as corporations chase lower priced manufacturing at the cost of Americans' jobs. He said it was a mistake to let China into the World Trade Organization.

<u>Text - H.R.4996 - 117th Congress (2021-2022): Ocean Shipping Reform</u> <u>Act of 2021 | Congress.gov | Library of Congress</u>

<u>CalChamber Joins Call for Congress to Pass Tariff Relief Bill by End of</u> <u>Year</u>

Passing a comprehensive MTB by the end of the year will support at a critical time the competitiveness and growth of manufacturers and other businesses in the United States and the millions of American workers they employ, the letter stated.

Secretary of Commerce Gina M. Raimondo Holds Introductory Call with the Taiwan Minister of Economic Affairs Mei-hua Wang

During the meeting, Secretary Raimondo underscored the United States' support for Taiwan and the importance of the U.S.-Taiwan commercial and investment relationship. She also expressed the United States' continued interest in working together with Taiwan on issues of common commercial concern, particularly in the area of semiconductor supply chains and related eco-systems.

USTR Commits to Implementing the U.S. Government's National Action Plan to Combat Human Trafficking

The National Action Plan is built on a whole-of-government, survivor-informed approach to combat human trafficking consisting of four pillars: (1) prevention of human trafficking; (2) identifying, assisting, and protecting the victims of human trafficking; (3) dismantling human trafficking networks and holding traffickers accountable; and (4) enabling prevention, protection, and prosecution through partnerships and collaboration.

U.S. International Trade in Goods and Services, October 2021 | U.S. Bureau of Economic Analysis (BEA)

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis announced today that the goods and services deficit was \$67.1 billion in October, down \$14.3 billion from \$81.4 billion in September, revised.

What's Happening in the World Economy: A Rethinking of Chinese Trade

For China, its entry into the global trading tent was a huge success that helped raise millions of workers out of poverty and propelled its economy from the world's sixth to the second largest.

WTO Blogs | Trade Thoughts, from Geneva - A blog by DDG Anabel González

Omicron stopped trade ministers from meeting. It need not stop WTO members from delivering.

Biden Trade Strategy Must Unlock New Access for US Dairy

Engagement in the global market has long been recognized as key for the health and vitality of our industry and rural communities. According to the U.S. Department of Agriculture, each dollar of exports stimulates another \$1.14 in economic activity. In 2020, Wisconsin alone exported more than \$490 million worth of dairy products, contributing another \$560 million in economic activity across the U.S.



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

January 24, 2022 - April 4, 2022

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



Environmental

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EVs' Global Supply Chain Isn't So Pretty

www.RoanokeGroup.com

Electric vehicle production plans are taking shape around the world. But the industry still relies on some unsavory sourcing.

Sen. Peters Defends American-Only EV Incentive as Lobbying Continues Against It

Autos Drive America, which represents mostly foreign automakers with U.S. production, is lobbying hard against this provision. "Obviously, we are very appreciative and thankful for Senator Manchin expressing his concerns over the language. We share his concerns," CEO Jennifer Safavian said in a telephone interview with International Trade Today. "We haven't let up at all. Until I actually see new language where this is not in it, we need to continue."

5 Environmental Victories From 2021 That Offer Hope

It's important to note that even these promising developments involve pledges that may yet be watered down, misleading, or altogether unfulfilled. Still, there

are signs of success on this long, difficult road. Here are five reasons to be hopeful.

Lawsuit Says Army Corps Dams Driving Columbia River Pollution 'Crisis' Environmentalists on Wednesday accused the Army Corps of Engineers of contributing to the Columbia River's "pollution crisis" by illegally discharging lubricants and other toxic pollutants from three hydroelectric dams it operates.

Evaluating the Carbon Footprint of Various E-Commerce Shipping Options

The online shopping platforms provide numerous shipping options to their consumers. The faster delivery, most sought after by the consumers, however, might be detrimental to the environment.

United to Become First in Aviation History to Fly Aircraft Full of Passengers Using 100% Sustainable Fuel

United is the world leader in the usage and support for the development of SAF, an alternative fuel made with non-petroleum feedstocks, already having agreements to purchase nearly twice as much SAF as the known agreements of all other global airlines combined.



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

Fire Rages On Cargo Ship Carrying Timber Off Sweden

The ship's cargo, timber, had caught fire on Saturday, and while the ship itself was not burning, the fire was difficult to extinguish, MSB said in a statement. "The ship contains large amounts of fuel and MSB has started preparations to be able to support with resources in case of a potential leak," it said.

Ocean Shipping Lobby Grilled on Carrier Profits

After hearing testimony from fellow witnesses on how jammed supply chains and exorbitant shipping charges are hammering their businesses, World Shipping Council President and CEO John Butler was asked how some of his ocean carrier members can justify their best financial quarter in decades.

Fire Continues to Burn on Timber Ship Off Sweden

Although the fire continues to burn with "undiminished strength," the flames are

reported to be contained to the forward portion of the ship and limited to the timber cargo and not the ship itself.

New Counting Method Suggests U.S. Ship Logjam Is Longer Than Ever

The number of container ships headed for the busiest U.S. port complex has risen to close to 100 under a new counting method, underscoring the magnitude of the economy-restraining logjam that the Biden administration is trying to help alleviate.

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COSCO Ship Loses Containers During Pacific Crossing

The company sent a surveyor to assess the damage who reported back 59 containers impacted including 27 collapsed and 32 overboard. A spokesperson for the company noted that the accident was not as serious as initially thought.

Analysis: Fixing Port Congestion Takes Politics and Patience

A flurry of government activity to alleviate crippling port congestion and its economic ripple effects is more likely to have long-term value in structurally changing a broken system than quickly reducing the cargo crunch in time for Christmas.

Shipping Alliances Drop Hundreds of Asia-North Europe Port Calls Due to Congestion

Importers have found their containers off-loaded at ports not in the original shipping plan and subjected to lengthy and fragmented relay services, while exporters have seen their cargo stranded at ports for weeks awaiting the next available sailing.

U.S. Ship Logjam Stretching Far Into Pacific Is Longer Than Ever

The backup outside the adjacent ports of Los Angeles and Long Beach, California, involves 96 container carriers, up from 86 on Nov. 16, when a new queuing system took effect and dozens of arriving ships stayed outside the official area to be counted, according to the Marine Exchange of Southern California.

Maritime History: CV1 — USS Langley Was A Trailblazer

Most people think of USS Langley as America's first aircraft carrier — CV 1. While that's true, and being the first flattop in the fleet is an honorable distinction, Langley began life as a collier — USS Jupiter, which itself was a relatively new concept of delivering fuel to the afloat forces where they need it.



Video of the Week

KNOWLEDGE....

Prime ways to avoid congestion.

If you've got the resources the further we get into the pandemic, you're throwing them at creative solutions, additional labor being compensated at higher rates and renting land to play container depot operator. CNBC's fifteen or so minute video spoke with industry experts who've been following Amazon's activities in the market and how they've built containers, used less congested ports and acquired aircraft to keep warehouses full and customers satisfied through the pandemic and into the holiday shopping season.



Logistics and Trade

Amazon Packages Pile Up as AWS Outage Spawns Delivery Havoc An Amazon Web Services outage wreaked havoc on the e-commerce giant's delivery operation, preventing drivers from getting routes or packages and

shutting down communication between Amazon and the thousands of drivers it relies on, according to four people familiar with the situation.

7 Charts Show Southern California's Warehousing Crunch

As shipping containers clog the ports of Los Angeles and Long Beach, many importers are running into similar problems: There isn't enough warehouse space to store incoming freight.

White House Port Envoy Details Strategy for Supply Chain Fluidity

In a lengthy interview on the Bloomberg podcast "Odd Lots," the supply chain czar said the Biden administration is acting as an honest broker to get cooperation from industry and local jurisdictions that usually act in their own self-interest, using carrots and sticks to make small improvements while building toward more systemic improvements.

The Future of Freight Forwarding Report

Are freight forwarders holding small and midsize businesses back? Ship4wd, a new digital-first innovator in the freight forwarding market, surveyed hundreds of importers, exporters, and company stakeholders to get to the heart of today's SMB freight forwarding experience.

FMC Commissioner Bentzel's Grade on US Logistics System: D-plus

In an exclusive interview, Bentzel tells American Shipper that to resolve the current supply chain crisis, not only is new physical infrastructure needed but also 21st century data infrastructure to manage the nation's supply chain.

US and Taiwan Aim for New Trade Framework to Tackle Supply Chain and Semiconductor Issues

US Secretary of Commerce Gina Raimondo held a videoconference with Taiwanese Economics Minister Wang Mei-hua on Tuesday to discuss the importance of the US-Taiwan commercial and investment relationship, according to the American Institute in Taiwan, the United States' de facto embassy in Taipei.

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How Liteboxer Kept Moving Product With a Knocked-Out Supply Chain

Few product introductions were better timed to take advantage of the limitations imposed by COVID-19. So it should come as no surprise that the company sold thousands of units immediately following its debut in September of 2020. "We have a pretty good user base," boasts Jeff Morin, co-founder and chief executive officer.

Supply Chain Trends: What to Expect in 2022

Supply chains have been severely impacted by COVID-19. A recent Statista survey found nearly 72% of businesses suffering detrimental effects related to the pandemic. Now, even as disruptions persist, supply chains the world round have begun picking up the pieces and charting new territory to recover.

Upcoming Events

December 14 - FTA Holiday Luncheon - 11:30 PM - 1:30 PM PT - Parker's Lighthouse - Register here

December 14 -16 - 4-in-1 Help for Truckers Days - ONE-STOP PORT ACCESS EVENT FOR TRUCK DRIVERS - 8:30 AM - 4:30 PM PT at the Port of Long Beach Terminal Access Center, 1265 Harbor Ave., Long Beach-This three-day event in the Port of Long Beach will offer a convenient, one-stop way to enroll, register or sign up for your Port access needs - Register at <u>universalenroll.dhs.gov/programs/twic</u> and select "POP-UP: TWIC Port of Long Beach TAC 12/14-12/16"

January 24 - April 4 - FTA Customs Broker License Exam Preparation Course - 6:00 PM - 9:00 PM PT - *Details to follow soon!*

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

May 1 - May 4 - NCBFFA Annual Conference - 9:00 AM - 5:00 PM Fort Lauderdale, FL - Register here