

### January 14, 2022 Volume 3, Nr. 2

# 2021 FTA Board Member Election Results! Elected Board Members

Dear FTA Members,

We want to thank everyone for their participation in this year's FTA Board Member Election, both as candidates and voters.

There were many qualified candidates nominated for the 2021 calendar year, and we appreciate your continued commitment to the FTA. The FTA Board of Directors is responsible for managing and ensuring the future success of the Foreign Trade Association. Board responsibilities include the oversight and management of policies, communication strategies, and financial matters. Please join us in welcoming the 8 candidates selected to serve on the Board of Directors for the term of 2022-2023.

Jay Acayan
Baldo Alcantar
Marisela Caraballo
Mark Hirzel
Patricie Lafayatte
Adonna Martin
Joe Perler
Cathy Thrasher

#### **INCOMING PRESIDENT'S MESSAGE**

A couple of years ago the Foreign Trade Association celebrated 100 years.

When it was established in 1919 as the World Traders Club and even when it was changed to the Foreign Trade Association of Southern California in 1926, things were a lot different than they are today.

It wasn't until 1935 that Pan American Airlines launched its first transpacific flight; today you can recline in your first-class pod, while you sip champagne, watch hundreds of videos, or make last minute adjustments to your schedule while using the onboard highspeed internet access.

Domestic airmail (only initially between New York and Washington, DC started just one year prior in 1918) and there was a 50% chance of engine failure on any flight; today its estimated that over 306 billion emails are sent daily. Sent and received

successfully in the blink of an eye.

The 19<sup>th</sup> Amendment wasn't ratified until the following year in 1920.

Those who established the Foreign Trade Association were explorers. They traveled to and worked with places that most people would only read about. Establishing business with people with whom they had little cultural or linguistic commonality. Working with people and places who were "foreign", hence the name the Foreign Trade Association.

This newly established association was different from the others around them as the Foreign Trade Association traded not in the normal way as did most in 1919; but with the strange and unfamiliar.

But as the clock ticks and the pages of the calendar turn; things change. The strange becomes familiar and normal and the men and women of the Foreign Trade Association were an essential catalyst in shaping this new normal.

The Foreign Trade Association was one of the first of its day to include women into its membership and onto its Board of Directors in 1956 with Marjorie Shostak. We were so far out ahead of the pack in gender equality I'll bet there are more than a few female members of our association born before 1970 who regularly received business correspondence to Mr. when it should have been a Ms.

Members of the Foreign Trade Association are sensitive to cultural diversity as daily we our self are the odd-man, or odd-woman out as we adapt ourselves to learn the language and culture of others, to adapt as we establish business relationships with others around the globe. There is no better way to appreciate and empathize with those who are victims of prejudice, then to insert oneself into a situation where you are the foreigner.

World Traders and Foreign Traders are always out front when it comes to adopting innovations in communication. How does one concisely express a complex thought with clarity? Many today will point to twitter. However, many of us 'old school' foreign traders will point to the telex machine where each character held a cost.

Foreign Traders are always innovating, finding a better, faster, more efficient way to get a product or a service to new clients and customers. That same attitude of experimentation, review and improvement runs deep in our veins.

Call it out if you know the answer to this joke. What do they call French Toast in France? 'Toast'

The same concept of this 'Dad joke' applies to our business environment today.

So, what do you call Foreign Trade in the commerce of today? "Trade"

You, the women, and men of the Foreign Trade Association have done your jobs so well, that the term "Foreign" in the term "Foreign Trade" is nearly redundant.

The work that you do every day has connected the world, so efficiently, so silently that it is nearly seamless for both consumers and producers. In many ways the logistical challenges of port congestion we face today is of our own making. The funny thing is, the harder we work to mitigate the impacts of any congestion, the less those who depend on the international supply chains notice and respect the work you do.

As was started in 1919, foreign traders today, and in this room now, work to connect the world to each other and as each day passes the less foreign the world becomes. The more we trade, the more we travel and the more we understand others, as we interact; the more we respect each other.

2020 and 2021 have brought the Foreign Trade Association enormous challenges. I don't have to list them because each of you have lived them. But even more importantly you have adapted and learned how to survive and thrive in that adaptation. You've adopted remote work, video conferencing, e-commerce, cargo

congestion, and what ever else is needed to get the job done.

Yes 2022 is going to be challenging, and I don't know what curveballs are going to be thrown at us. What I do know is that you, the foreign traders in this room and us as an Association have the experience, wisdom, grit, and innovation to conquer these challenges. But we will need all hands-on-deck.

I am honored to serve you as the President of the Foreign Trade Association of Southern California. I want to thank Cathy Thrasher and the Board of Directors who faithfully served in 2021. I want to publicly thank Cameron Roberts, Ana Cruz and the team at Trade and Cargo Consulting who provide cost effective day to day management of the Foreign Trade Association as we navigate these uncharted waters. I look forward to working along-side you in 2022 as together we transform; what others see as foreign; into normal and familiar.

Sincerely,

Mark Hirzel

Foreign Trade Association of Southern California

2022 President

#### Number of the Day:

### 2.23 million

Projected container imports into major U.S> ports, in 20-foot equivalent units, in January, up 2.3% from December and 8.6% over January, 2021 according to the Global Port Tracker report.







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 <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 February 3, 2022 from 4:00 PM - 5:00 PM PT - Meeting link: <a href="https://zoom.us/j/93386806211">https://zoom.us/j/93386806211</a>



# Outside the Box

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



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

#### It's Time to Amplify and Elevate Certainty on Trade Freedom

A recent report by the World Trade Organization revealed that "despite a slowdown in new trade restrictions unrelated to the pandemic, the stockpile of unrepealed restrictive measures that has accumulated since the monitoring exercise started in 2009 now affects traded merchandise worth an estimated USD 1.5 trillion, or nearly 9 percent of world imports."

#### The State of Asian Trade and Trade Agreements in 2022

Peter Petri, a professor at Brandeis International Business School and a nonresident senior fellow in the John L. Thornton China Center at Brookings, joins David Dollar to discuss recent developments in Asian trade agreements and to look at regional trade issues in 2022.

#### Japan Urges More Chip Tie-ups with Taiwan at Trade Talks

Although Chinese-claimed Taiwan and Japan do not have formal diplomatic ties, they have close unofficial relations. Both share concerns about China, especially its increased military activities near the two.

United States Prevails in USMCA Dispute on Canadian Dairy Restrictions

"Enforcing our trade agreements and making sure they benefit American workers and farmers is a top priority for the Biden-Harris Administration," said Ambassador Katherine Tai. "That is why this Administration filed the first-ever panel request under the USMCA. This historic win will help eliminate unjustified trade restrictions on American dairy products, and will ensure that the U.S. dairy industry and its workers get the full benefit of the USMCA to market and sell U.S. products to Canadian consumers."

#### **USMCA Trade Deal Must Be Enforced [Opinion]**

The following statement by U.S. Agriculture Secretary Tom Vilsack on the USMCA dairy panel ruling was released by USDA on Jan. 4. This ruling is a big step for the U.S. dairy sector toward realizing the full benefits of the USMCA and securing real access to the Canadian market for additional high-quality American dairy products such as milk, cheese and skim milk powder.

**Upcoming Changes to 2022 HTS: Part 1 (Animal and Vegetable Products)** 

The broadest set of changes to tariff classification in five years is set to take effect toward the end of January, as the latest set of amendments to the World Customs Organization's Harmonized System tariff nomenclature is implemented in the Harmonized Tariff Schedule of the U.S. Announced by a presidential proclamation published Dec. 28, the changes are slated to take effect 30 days after that, on Jan. 27.

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

Five best wishes for WTO members in 2022

Ambassador Katherine Tai and Secretary Tom Vilsack Announce New India Agreement to Allow U.S. Pork and Pork Products into India

"India's agreement to allow U.S. pork imports for the first time is great news for U.S. producers and for Indian consumers," said Ambassador Tai. "We will continue working to strengthen the U.S.-India trade relationship and I appreciate Minister Goyal's efforts to facilitate this important development."

#### How China's New Trade Deal Can Help the US at the WTO

The pact is a headache for Washington. It showcases China's leadership in the region and will cost the U.S. an estimated \$5 billion in lost exports to the Asia Pacific. But there is some good news. Not in Asia Pacific, mind you, but in Geneva, where the U.S. wants to reform so-called special and differential (S&D) treatment at the World Trade Organization (WTO).

## Brady Says US Must Enforce USMCA, Defends US Position on Auto Rules of Origin

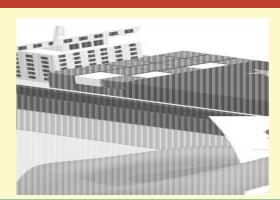
Brady Says US Must Enforce USMCA, Defends US Position on Auto Rules of Origin

Agricultural and energy market access in Mexico are of concern to Rep. Kevin Brady, R-Texas, as he talks about the need to enforce USMCA's provisions, but he dismissed Mexico's concern that the U.S. is not following the treaty's text as it lays out rules for imported automobiles and light trucks to enter the U.S. tariff-free.



#### **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**

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 Duty-Free Exemptions



- Fines and Penalties
- Various other topics typically covered on the exam
- Exam-Taking Techniques

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

Pricing:

\$445 - Members

\$500 - Partner

\$550 - Non-members

REGISTER HERE



#### **Environmental**

# <u>Maersk Exercises Options for Four More Methanol-Powered</u> <u>Containerships</u>

"Once fully phased in, the 12 vessels will generate total annual CO2 emissions savings of 1.5 million tons or 4.5% of total Maersk fleet emissions and offer Maersk customers truly carbon neutral transportation at scale on the high seas," the statement said.

### It Will Take a Lot of Investment and Focus to Bring EV Supply Chain to the U.S., says Redwood Materials CEO

JB Straubel, Redwood Materials CEO, joins 'TechCheck' to discuss Redwood's newest factory, which will support battery-run vehicles, and how Western countries can work to alleviate international supply chain reliance.

The Indo-Pacific Region, Maritime Focus, and Ocean Governance

A new thrust towards ocean governance was witnessed over the past year, as

the Indo-Pacific region emerged as a new theatre of power politics

#### <u>Princess Cruise Lines Pleads Guilty to Second Probation Violation</u> <u>Stemming from Historic 2017 Criminal Conviction</u>

Princess Cruise Lines has pleaded guilty to a second violation of its probation stemming from its 2017 criminal conviction for environmental crimes related to illegal oil dumping at sea and intentional acts to cover it up.

## White House Departures Send Tremors Through Environmental Community

The resignations of two high-profile White House environmental officials have rattled activists who fear President Joe Biden will fail to deliver on his promises to tackle the pollution plaguing minority and low-income communities.



#### 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



CONNECTING SOLUTIONS TO IMPROVE YOUR SUPPLY CHAIN

www.yusen-logistics.com

1.800.414.3895





#### **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**

### Buttigieg Touts Supply Achievements at Ports of Los Angeles, Long Beach

"As long as the pandemic persists, as long as we are making up for decades of past disinvestment, we are going to see impacts on shipping times and shipping cost," Buttigieg said during a press conference at the Port of Long Beach.

# <u>Southern California Ports Struggle to Trim Cargo Backlog as Omicron Surges - WSJ</u>

Covid-related absences sidelined about 800 dockworkers at the ports of Los Angeles and Long Beach this week

#### 'Insult to Injury': Record Rail Demurrage Adds to Shipper Costs

The seven Class I railroads that operate in the United States collected \$1.18

billion in revenues from demurrage fees during the first three quarters of 2021. That's the highest annual figure recorded since at least 2011, according to data reported to the Surface Transportation Board. And shippers often ended up on the receiving end of the bill.

#### Los Angeles and Long Beach Ports Delay Container Dwell Fee By Another Week

The ports are citing a combined decline of 45% in aging cargo on the docks since the program was announced on October 25, increasing from the 35% reduction reported on week ago. Year-end holidays slowed the progress compared to previous weeks.

#### Solving Maritime Challenges In 2022

Maritime stakeholders thought the myriad of challenges facing the port system will end by year 2021 and operators can heave a sigh of relief.

#### Shippers Seek Favourable Trade Policies in 2022

In a statement made available to Daily Sun, President of SAL Rev. Jonathan Nicole, attributed the quest for a conducive trade environment to the lingering effects of agitations, lawlessness and other negative consequences experienced in 2021.

#### Vaccine Mandate for Truckers Takes Effect Saturday

Some Maritime experts say COVID-19 vaccine mandate for truckers couldn't have come at a worse time

## How an Afghan Restaurant Owner says He Fed up to 3,000 Troops a Day on a Military Base by Using a Shipping Container as His Kitchen

The restaurant, originally named Kabob House, was founded by Helal Dur in 2008 when he was working on Kandahar as a civilian contractor. He told Insider he was assigned to one of the most elite teams, the US Navy SEALs.

#### Supply Chain Chaos Spurs New ETF to Ride Shipping Boom

If approved, the fund would join a slew of products riding logistical snafus in the pandemic that have sent the cost of transportation and goods soaring — an inflation-spurring trade many on Wall Street project still has legs.



### Video of the Week

#### It's Electric (trucks)!

The Port of Los Angeles took delivery of the first of one hundred batteryelectric vehicles, or BEV's. This is part of the Port's plan to have a zeroemissions fleet by 2035.



### **Logistics and Trade**

Biden Reviews Supply Chain Progress with Task Force - America Retail
Six months after the formation of the Supply Chain Disruptions Task Force, its
members and President Joe Biden convened for a final time in 2021, on Dec.
22. At the meeting, supply chain executives and cabinet members touted
progress in relieving port congestion, stocking store shelves and boosting the
workforce.

# Bed Bath & Beyond's Legacy Supply Chain Infrastructure Hampered Inventory Flow

Bed Bath & Beyond is grappling with the same transportation and supply challenges many other retailers are facing — all while transforming its own supply chain.

What The Global Supply Chain Crisis Needs Is Mobility with A Brain
Shipping experts believe the supply chain crisis could last well into 2023. Peter
Sand, chief shipping analyst at shipping trade group BIMCO said, "We are
basically seeing a global all-but-breakdown of the supply chains from end-toend."

# <u>Lumber Prices are 'Looking Like a Repeat of 2021' as Housing Demand Remains Red-hot and Supply Chain Disruptions Persist</u>

The price per thousand board feet of lumber jumped nearly 4% on Wednesday to \$1,284, and is up 12% year-to-date. The move higher comes as demand for new homes remains strong and supply chain disruptions persist

Smart Fleets, Driver Rewards: What's Coming for Trucking in 2022

In a year marked by growing concerns over global supply chain disruptions, the U.S. trucking industry ranked the driver shortage as its top critical issue once again, for the fifth year in a row, according to the American Transportation Research Institute (ATRI). Closely related, driver retention was ranked as the No. 2 industry issue, up four from its 2020 ranking.

#### Markets, 5G, And Supply Chain Bottlenecks - (Audio)

Dave Ellison, Portfolio Manager of the Hennessy Large and Small Cap Financial Funds, gives his 2022 economic outlook amid inflation. Alex Chaloff, co-Head of Investment Strategies at Bernstein Private Wealth Management, discusses markets, the Fed, and inflation. Diana Furchtgott-Roth, adjunct professor at George Washington University and former Deputy Assistant Secretary for Research and Technology at the US Department of Transportation, discusses the delayed 5G rollout and the FAA's concerns. Oscar De Bok, CEO of DHL, Supply Chain, gives his take on shipping and supply chain bottlenecks in 2022. Hosted by Paul Sweeney and Matt Miller.

### FourKites and Accenture Launch Global Supply Chain Research for Pharmaceutical Industry

While approximately half of pharmaceutical organizations have already deployed visibility technology to track raw materials and to better plan their manufacturing, many are dissatisfied with the capabilities of their current solutions. As a result, more than nine in 10 executives plan to implement a more robust digital supply chain visibility (SCV) solution over the next 12 months.

#### New Studies Find Unprecedented Impact from Supply-Chain Turmoil

The assessments from regional Fed banks mark new attempts by economic policy makers to measure disruptions driven by the pandemic and shipping strains

#### East Coast Snowstorms Jeopardized Suppliers, \$5B in Revenue

Severe weather — from ice storms to Hurricane Ida to flooding events — threw more wrenches into global supply chains already battered by a pandemic-induced bullwhip in orders, labor constraints and skyrocketing inflation last year.

#### Global Supply Chains Brace for Impact as Omicron Reaches China

In 2020 and 2021, China's 'Covid-zero' strategy meant factories could stay open throughout the pandemic to produce everything from health equipment to laptops that global consumers hoovered up at a record pace. But there's been confirmed cases of local infection everyday since mid-October and it's likely even tougher restrictions will be needed to curb omicron's spread, with knock-on consequences for ports and factories as more cities lock down.

#### Supply Chain Snarls Clog U.S. Online Holiday Sales Growth

U.S. consumer spending on online shopping during the holiday season was weaker than expected, Adobe Analytics data showed, as supply chain issues caused product shortages and delayed deliveries.

### **Upcoming Events**

<u>January 24 - April 4 - FTA Customs Broker License Exam Preparation</u>
<u>Course - 6:00 PM - 9:00 PM PT</u> - Join us for our virtual course - Register <u>here</u>

<u>January 25 - PAEI Webinar: Trade Compliance Assessment: An Executive Tool for 2022 - 12:00 PM - 1:30 PM PT</u>- 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 <u>here</u>

<u>February 24 - 25 - TPM Tech</u> - The Long Beach Convention Center, Long Beach - Register <u>here</u>

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

<u>July 19 - 20 - CBP 2022 Trade Symposium</u> - Hilton Anaheim, Anaheim, CA - Register <u>here</u>

October 6 - 9 - WESCONN 2022 - Loews Coronado Bay Resort, San Diego, CA - Register here