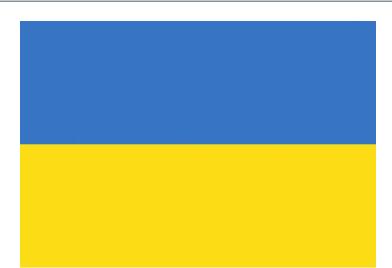


## March 11, 2022 Volume 3, Nr. 10

With two million refugees and counting having fled Ukraine, the country and its people are in need of help. <u>Here is a list of places</u> that you can donate in support of Ukraine in a variety of ways if you're so inclined.



Number of the Day:

## 102,892

Loaded container imports last year at California's Port of Hueneme, about 60 miles north of the Port of Los Angeles, a 108.8% increase from 2020, according to the Pacific Merchant Shipping Association.



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.

## FMC's Advanced Notice of Proposed Rulemaking

### FTA joined the coalition letter to FMC to request a 30 day extension of the ANPRM comment period

The Foreign Trade Association supports the work the Federal Maritime Commission has done on insuring that any demurrage and detention charges are invoiced in a fair and reasonable manner. We believe the request for additional time for comments on this Advance Notice of Proposed Rulemaking will allow for more parties to engage in this important issue. A copy of the coalition letter to FMC to request a 30 day extension of the ANPRM comment period, of which the Foreign Trade Association is a signatory, can be found <u>here</u>.

## FMC's Advanced Notice of Proposed Rulemaking

## WE WANT TO HEAR FROM YOU

The Federal Maritime Commission (FMC) has <u>announced</u> an <u>Advanced Notice</u> <u>of Proposed Rulemaking</u> seeking feedback on a potential regulation on detention and demurrage billing practices.

The FTA wants to hear from its members on this matter. Please submit your comments to <u>ac@tradeandcargoconsulting.com</u>.

## **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.

### 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 April 7, 2022 from 4:00 PM - 5:00 PM PT - Meeting link: <u>https://zoom.us/j/93386806211</u>



# Time to Transform

Meeting today's challenges, preparing for tomorrow.



## **Government Actions and Trade**

#### Biden, EU, to take steps to revoke Russia's Most Favored Nation Status

President Biden this morning is asking Congress to eliminate trade preferences for Russia, adding to the financial pressure on Russian President Vladimir Putin over his invasion of Ukraine. The European Union also will take the first step toward implementing similar measures, which would have a much more dramatic impact upon the Russian economy.

#### Cups and Conversations: How a Coffee Chat Built a Global Networking Powerhouse for Women in Trade

One of the keys to business success is a strong network. WELLTI connects women from around the world with one another, inspiring U.S.-based women entrepreneurs to explore trade opportunities in the Middle East and Africa. Helping women grow resilient businesses is vitally important to creating equitable economic opportunity; globally, women are more likely to face disadvantages starting businesses and are less likely to be entrepreneurs or corporate leaders.

#### FDA Urges Companies to be 'Recall Ready' to Protect Public Health as Part of Final Guidance for Voluntary Recalls

Today, the U.S. Food and Drug Administration finalized guidance to help companies prepare to quickly and effectively remove violative products from the market. The guidance describes steps companies should take, before a recall is necessary, to develop recall policies and procedures that include training, planning and record-keeping to reduce the time a recalled product is on the market and, thus, limit the public's exposure to risk.

#### Global Trade Is Already Suffering From War, Kiel Institute Says

Nearly all economies are already seeing a drop in international trade tied to disruptions triggered by Russia's war in Ukraine, according to the Kiel Institute for the World Economy. No large container ship has called at the country's most important port -- Odesa on the Black Sea, since the invasion began on Feb. 24.

#### Ambassador Tai Outlines USMCA Priorities in Brookings Essay

United States Trade Representative Katherine Tai outlined the Biden-Harris Administration's vision for the United States – Mexico – Canada Agreement

(USMCA) in a Brookings report examining key priorities to build a more competitive, inclusive, and sustainable North American economy. Ambassador Tai highlighted the landmark protections for workers and the environment, and emphasized the importance of using the Agreement's innovative tools to deliver inclusive economic growth and meet the challenges of the 21st century.

#### India, Canada Set for FTA Talks on Friday

While Canada is looking at an investment protection agreement as part of the comprehensive deal, India is keen to discuss market access for agriculture, textiles, pharmaceuticals, and easing of technical and sanitary and phytosanitary barriers to trade.

#### Trade-Related Court Cases Filed Feb. 28 - March 6

PF America Inc., challenging CBP's denial of its protest claiming its flooring of Harmonized Tariff

Schedule subheading 3918.10.1000 qualifies for a granted exclusion from Section 301 tariffs under secondary subheading 9903.88.46. #22-00060. Filed March 1.

Corinth Pipeworks Pipe Industry S.A. and CPW America Co., challenging the Commerce Department's

final results of the administrative review of the antidumping duty order on large diameter welded

pipe from Greece, covering entries in 2019-2020. #22-00063. Filed March 4.

#### Joint Statement on the Republic of Korea's Partnership on Export Controls for Russia

The U.S. Department of Commerce, through its Bureau of Industry and Security (BIS), added the Republic of Korea to the list of countries to receive an exclusion from the license requirements required under the U.S. Russia/Belarus Sanctions rules, including the foreign direct product (FDP) rules for Russia/Belarus.

## Philadelphia CBP Officers, USFWS Inspectors Seize Six Shipments of Slimy, Slithering Bloodsuckers

Labels on each of the jars identified the slimy critters as Hirudo Orientalis. Instead, after CBP officers sent photos of the leeches to a U.S. Fish and Wildlife Service (USFWS) inspector, the inspector identified the species as Hirudo Medicinalis, a species of leech used in medical bloodletting treatments. In total, the jars contained about 300 leeches.

#### <u>Ukraine War Raises China's 'Imported Inflation' Concern as Oil, Nickel</u> <u>Prices Surge</u>

Wild swings in the prices of energy, metals and other raw materials triggered by Russia's invasion of Ukraine may start to weigh on China's economy as inflation concerns outweigh worries over production costs and supply chain disruptions, according to analysts.

## Higher Vehicle, Energy Imports Push January U.S. Trade Deficit to New Record

The rise in imports reflected strength in U.S. consumer demand, said Stephen Stanley, chief economist at Amherst Pierpont. He added that the Russia-Ukraine crisis and strengthening U.S. dollar could push import totals higher in the months ahead.

#### Congress Weighs WTO-legal Ways to Punish Russia

Congress wants to punish Russia for invading Ukraine. In the past week,

several bills have been introduced that would stop the U.S. from giving Russia the tariff rates it gets as a member of the World Trade Organization (WTO), and possibly even suspend or throw it out of the institution. To enhance the credibility of these bills, the U.S. should wean itself from imports of Russian oil and gas.

#### Singapore Wants US to Focus on Trade Rather Than China Rivalry

Minister for Foreign Affairs Vivian Balakrishnan said the distrust between the Washington and Beijing has intensified over the past few years to the point that the policies of President Joe Biden toward China "basically remain unchanged" from his predecessor and sanctions have become even tougher.

#### <u>The Abalone Trade is Rife with Violence and Corruption, Says the Global</u> <u>Initiative Against Transnational Organised Crime</u>

The GI-TOC said the illicit abalone economy has been flourishing in South Africa for more than 25 years. Demand for the sea-floor-growing molluscs (considered a high-status delicacy in East Asia, primarily in China) has driven a black market, which, in South Africa, is closely bound up with organised crime. The industry today is rife with violence and corruption, enmeshed in the drug trade and controlled by local gangs.

#### Biden Issues Executive Order Banning Russia Oil Imports

The order bans the import of oil, petroleum and petroleum products, liquefied natural gas, and coal and coal products. It also prohibits new investment in the Russia's energy sector. The Treasury Secretary, in consultation with the Secretary of State, is authorized by the order to take all necessary steps, including promulgating rules and regulations, to carry out the president's order.

#### US-China Trade: Washington's Review of US\$300 Billion in Tariffs Cannot be 'Half-hearted'

The evaluation under President Joe Biden, officially known as a "review of necessity", so far has attracted little attention. It relates to Section 301 of the Trade Act of 1974, the law that former president Donald Trump used to hit China with the tariffs starting in July 2018.





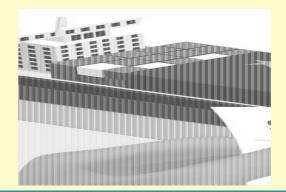
#### ADMITTED IN CALIFORNIA

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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!

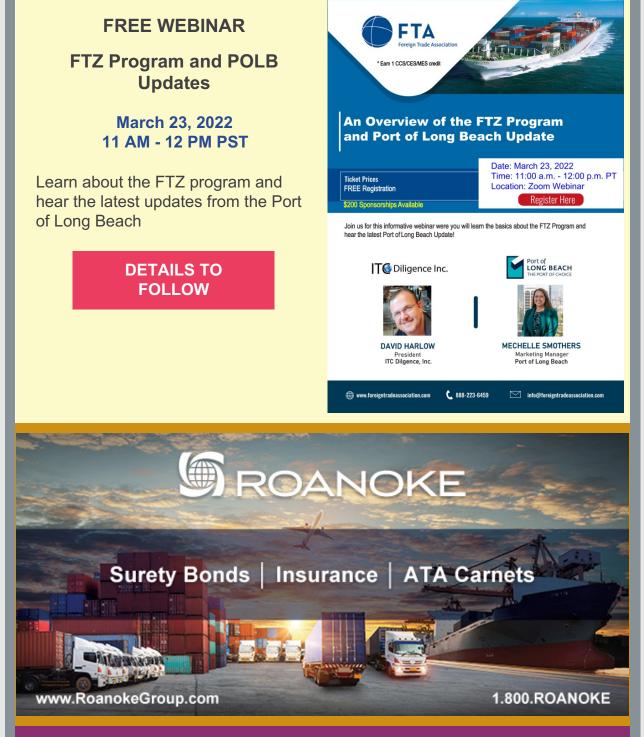
## **FTA Events/Courses**





WORLD TRADE WEEK 2022 May 12, 2022

**SAVE THE DATE!** 



## Environmental

#### <u>Genetically Engineered Mosquito Imminent Mass Release Ignores</u> <u>Science, Public Health and Environmental Risks</u>

In defiance of science and public health concerns, today the Environmental Protection Agency (EPA) approved the mass release of billions of experimental genetically engineered (GE) mosquitoes into the United States' most populous and agriculturally significant states.

#### CARB Boss: California, Feds Could Align on Truck Pollution Rules

"I think we are interested in the federal government being as aggressive as possible," Liane Randolph, chair of the California Air Resources Board (CARB), told FreightWaves after an address to the Green Truck Summit at NTEA Work Truck Show on Tuesday. "We are advocating as much ambition from the federal government as possible."

#### <u>Overnight Energy & Environment — EPA Green-lights California Car</u> <u>Standards</u>

The EPA's action allowed California to once again set its own limits on how much planet-warming gases cars can emit and mandate a certain amount of electric vehicle sales. "Today we proudly reaffirm California's longstanding authority to lead in addressing pollution from cars and trucks," EPA Administrator Michael Regan said in a statement.

#### Auto Sector's Transition to EVs Needs Safeguards for Workers, Environment Panel

Auto industry companies need to take into account their communities and workers through greater environmental protections and higher pay in the transition to electric vehicles, a panel of investors, labor officials and human rights activists said on Wednesday.

#### <u>45M Americans Breathing Dirty Air Due to Redlining, Outlawed 50 Years</u> <u>Ago: Research</u>

Nearly 50 million Americans are exposed to higher levels of air pollution as a result of discriminatory "redlining" policies decades after the practice was officially outlawed, according to research published in the journal Environmental Science and Technology Letters.

#### <u>Overnight Energy & Environment — Biden Takes Aim at Russian Oil, Gas</u> and Coal

The White House had been reticent to ban the imports as gas prices have soared, but there have been growing calls from members of both parties to ban Russian oil as punishment for Moscow's invasion of Ukraine.

#### U.S. Eyes Strict Emissions Rules for Heavy-Duty Trucks

Heavy-duty trucks account for a disproportionate share of pollution from nitrogen oxide, a poisonous gas that contributes to smog. The trucks, which the U.S. government estimates represent 5% of registered vehicles and 9% of miles traveled, account for 37% of total nitrogen oxide emissions emitted by vehicles traveling at highway speeds, according to the International Council on Clean Transportation.



#### 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





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

#### 'Every Ship is Full': Ocean Issues Expected to Continue Through 2023

Shippers should expect no relief for the rest of 2022 as many structural issues in ocean transportation have yet to be solved, experts at the TPM22 and TPMTech Conference, produced by The Journal of Commerce in Long Beach, California.

#### <u>The Deep Dive Podcast: Why US West Coast Dockworker Negotiations</u> <u>Could Rock Container Shipping</u>

Negotiations over a new labour contract with the International Longshore and Warehouse Union (ILWU) poses a threat to port productivity on the US West Coast where terminals, including those located at Long Beach and Los Angeles, are already bedevilled by port congestion and long vessel delays.

## Russia Ukraine: Dock Workers and Shipping Lines Widen Boycott of Russian Trade

Longshoreman unions from Canada, the U.S. and Australia are taken the steps on their own or are asking their governments to refuse entry to Russian merchant ships, following the U.K.'s decision to do so as part of a growing array of sanctions against Vladimir Putin's regime.

## Shipping Firm to Move Operations from Backlogged California to Florida's Open Ports

While many businesses continue to leave California for Texas and elsewhere, international shipping companies have been increasing their operations in Florida, with one launching a new service on the East Coast, and its first port in Florida, bypassing the West Coast and California ports.

#### Shipping Mints Even More Money as Supply Chain Squeeze Drags On

Port congestion ties up fleet capacity, but it's still a net positive for carriers because the negative effect on volume is more than offset by the positive effect on freight rates. Port congestion is a double negative for cargo shippers: It hikes costs and increases transit time.

#### Fighting Inflation - Brazil To Lower Port Taxes To Cheapen Imports

Brazil's government is planning to allow port costs to be excluded from tax calculations to lower the cost of imports, three Economy Ministry sources told Reuters, in a measure backed by the country's industry lobby.

#### The Maritime Blockade Of Ukraine Is Working

To win a war you need massive logistics. You need a constant flow of heavy supplies like food, ammunition, and fuel. To move large amounts of heavy material you need ships. You need the fourth arm of defense. You need sealift.

#### BIFA Gathering Evidence on Container Shipping Market

The evidence gathering comes after BIFA called earlier this year for an investigation into container line "blatant profiteering" as the deep sea container market has consolidated and COVID impacts brought record container line profits while service levels fell.

#### Supply Chain Latest: Cargo Ships Roiled by Russia's Invasion of Ukraine

The Joseph Schulte, capable of carrying 9,400 20-foot containers, was still moored in the historic port city of Odesa as of early Monday, according to ship-

tracking data compiled by Bloomberg. It has been there since Feb. 23 after entering the Black Sea on Feb. 20, with a stop at a Romanian port in between, the data showed.

#### Ernest Shackleton's Ship Endurance Found 107 Years After Sinking Off Antarctica

The wreck of Sir Ernest Shackleton's ship Endurance has been found 107 years after it became trapped in sea ice and sank off the coast of Antarctica. The wooden ship had not been seen since it went down in the Weddell Sea in 1915, and in February the Endurance22 Expedition set off from Cape Town, South Africa, a month after the 100th anniversary of Sir Ernest's death on a mission to locate it.

#### Weber: Ocean Shipping Rates 'Four Times Historical Averages'

Ocean rates remained stable, but extremely elevated during the fourth week of February, according to a Freightos update. The rate to transport containers from Asia to the U.S. West Coast was 179% higher than the same time last year.

## Container Ship the Size of Two Football Fields Adrift Off N.L., Says Coast Guard

The Canadian Coast Guard says a container ship the length of two football fields is adrift off the west coast of Newfoundland. The agency said in an email Wednesday the 265-metre-long MSC Kim reported engine problems and the vessel was approximately 92 kilometres from Port au Port, N.L.

#### Ukraine Invasion: Russian Aggression Snarls Global Shipping Routes, with Container Pile-ups and Higher Freight Costs Likely

Christian Roeloffs, co-founder and CEO of Container xChange, an online platform for leasing and trading shipping containers, said central and northern Europe are already congested and further disruptions to cargo flow "will only worsen the state of container pile-ups".



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

## Video of the Week

#### Shackleton's Endurance: Found

From PBS NewsHour: "Scientists have found the wreckage of Sir Ernest Shackleton's ship — Endurance — 107 years after it sank, the Falklands Maritime Heritage Trust announced Wednesday. The expedition team found it in the Weddell Sea, off the coast of Antarctica at a depth of 10,000 feet. Even

though the ship was crushed by ice in 1915, it is in remarkable condition, according to Mensun Bound, director of exploration for the Endurance22 expedition. Expedition leader John Shears said the team made "polar history with the discovery of Endurance, and successfully completed the world's most challenging shipwreck search." The Endurance will remain undisturbed in its resting place, thanks to the Antarctic Treaty which protects historic sites in the region."



### **Logistics and Trade**

#### The Impact of the Russia-Ukraine Conflict on Trade

In 2020, Ukraine imported \$54bn worth of goods and exported \$49bn. The Russian invasion will not only affect Ukraine's trade flows but also global flows as sanctions are placed on Russia.

#### **Shipping Expert Optimistic About Midwest Container Availability**

Getting shipping containers into the heartland to help move U.S. agricultural exports has been a two-year challenge, but one logistics expert sees improvement coming soon.

#### Buckle Down: No Relief from Supply Chain Woes Anytime Soon

Concerns of the moment center on rising inflation, caused in large part by rising energy and transport costs. In the case of the latter, surging demand for consumer goods, coupled with shortages of labor, have resulted in severe delays at major ports, terminals and distribution centers.

#### <u>Cargoes Pile Up Across Europe on Day 14 of the Russian Invasion of</u> <u>Ukraine</u>

"We're banning all imports of Russian oil and gas and energy," president Joe Biden said in remarks from the White House. "That means Russian oil will no longer be acceptable at US ports and the American people will deal another powerful blow to Putin's war machine."

#### War Will Cause Upheaval in Global and North American Supply Chains

In particular, the Russia-Ukraine conflict and Russia's subsequent isolation from global trade under a severely restrictive sanctions regime may have some positive consequences for the U.S. economy. Like Russia, the U.S. is a major food and energy exporter. Rising prices in those commodities should stimulate domestic production and transportation as America backfills Russian supply and serves new markets.

## Stakeholders Say Real-Time Data Needed to Solve Supply Chain Inefficiencies

The goal of the FMC initiative is to establish data standards and best practices for data access and transmission, which is essential not only for reliable and stable ocean transportation systems, but for the global supply chain.

#### Supply Chain Latest: War's Effects Already Hurting Supply, Logistics

Adding fuel to the fire are the skyrocketing global prices of oil, natural gas, metals and grains — which may further accelerate if the U.S. and Europe move to sanction Russia's energy exports in the coming days. What does this all mean for businesses and consumers?

#### War in Ukraine Triggers Global Food Emergency

Together, Russia and Ukraine account for a whopping portion of the world's agricultural supplies, exporting so much wheat, corn, sunflower oil and other foods that it adds up to more than a tenth of all calories traded globally. Now, shipments from both countries have virtually dried up.

#### Fixing The Broken Supply Chain Requires a Paradigm Shift

Most supply chain professionals agree that geo-political, natural disaster and regulatory issues will continue to be hot topics in the new norm. Some experts predict the volatility may become worse, pointing to rising shipping prices, spikes in fuel costs, and secondary forms of shipping, like air cargo, are now becoming backlogged, too, as more and more manufactures try to forge new strategies for obtaining raw resources.

## **Upcoming Events**

<u>March 15 - 18 - Complying with US Export Controls Online Seminar</u>-Interactive online conference presented by the U.S. Department of Commerce - Register **here** 

March 23 - FTA FREE WEBINAR -FTZ Program and Port of Long Beach Update - 11-00 AM - 12-00 PM PT - Learn about the FTZ program and hear the latest updates from the Port of Long Beach - Details soon to follow!

<u>April 25 - LATC Spring 2022 Scholarship & Fund Raiser Golf Tournament</u> <u>- 10:00 AM - 3:00 PM PT</u> - Industry Hills Golf Club at Pacific Palms Resort -Register <u>here</u>

May 1 - May 4 - NCBFFA Annual Conference - 9:00 AM - 5:00 PM PT Fort Lauderdale, FL - Register here May 20 - HTA's Tech Conference - DRAYTECH - 9:00 AM - 5:00 PM PT-Hotel Maya, Long Beach, CA - Register <u>here</u>

May 24 - CITT Town Hall - 7:30 AM - 10:00 AM PT- Hyatt Regency Long Beach - Register here

<u>May 25 - May 27 - 2022 I-NUF 9th METRANS International Urban Freight</u> <u>Conference</u> - 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 <u>here</u>

July 19 - 20 - CBP 2022 Trade Symposium - Hilton Anaheim, Anaheim, CA - Register here

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