



March 2021 - Info Expeditor

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### Suez Canal Events Highlight the "Big Ship Problem"

*Evey Hwang, CBFANC President*



Evey Hwang, CBFANC President, Alba Wheels Up

#### **Ensuing Ports Congestion and Container Shortages Are Feared After Ever Given Is Freed in the Suez Canal**

On March 23, 2021, mega-vessel Ever Given created a mega blockage at the Suez Canal. Alleging strong wind and poor visibility due to a dust storm, the Ever Given ran aground at a narrow stretch of the Suez Canal which serves 12% of global movement of goods. As of March 29<sup>th</sup>, the vessel was freed thanks to a full moon, high tide and mega efforts by the

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### CBFANC Social Media

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Twitter - [@cbfunc](#)

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### Events Around the Bay

- [P.A.E.I](#) - Professional Association of Exporters and Importers  
[www.paei.org](http://www.paei.org).
- [OWIT NC](#) - Organization of Women in International Trade Check website for updates
- [Monterey Bay International Trade Association \(MBITA\)](#) - Monterey Bay International Trade Association  
Check Website for updates
- [Norcal W.T.C.](#) - The Northern California World Trade Center  
Check Website for updates
- [PTA](#) - Pacific Transportation Association  
Check Website for updates

canal. The backlog from the traffic jam of two hundreds ships stuck on either side caused a global supply chain choke hold with repercussions even after the vessels started passing through the canal.

The mega-vessel Ever Given at 1212 feet in length has been compared to the height of the Empire State Building. While most of the world focused on estimated \$9 billions dollars of goods traveling from China to Europe, the shipping world view the 20,000+ TEUs and other containers stuck during the weeklong logjam as adding to the container shortage globally.

[Evey's Article Continues Here..](#)

### CBP Faces Pandemic, Immigration Crises

*Sandra Alvarez, Flexport LLC, CBFANC Legislative Committee*



CBP Deputy Commissioner Robert Perez

**Trade Facilitation Remains a Primary Goal.**  
**Notes/Comments from Deputy Commissioner Robert Perez:**

Although immigration is heavy at the moment, Trade is very critical and the deputy has been focused on making sure that Trade stays front and center. Moving goods safely and securely across the border remains a very big part of the mission set.

Still the current biggest impact to CBP/Trade is the pandemic - 8000 CBP employees impacted - 27 dead - 26 in the line of duty. Trade facilitation has been very important during the pandemic, especially as criminals work against CBP to take advantage of the circumstances. CBP has done an incredible job throughout.

CBP and the 21st Century Customs Framework: CBP thanks those who have provided thoughts and ideas to the office of Trade and to the groups who are working on the modernization of the Trade landscape. Legislative initiatives

expected to be embarked upon later this year on statutory landscape and more on modernization. CBP is pursuing ongoing efforts with all things E-Commerce. Pilots 321/Type 86 have garnered more than 2 million shipments. CBP has learned a lot but is seeking more visibility and trying to get to a place where all involved feel more confident with what is being pushed through these particular supply chains. CBP is learning lessons from these pilots and is putting those learnings into a more regulatory find. It's a good first step in a collaborative dialogue with the Trade community about leveraging tech, knowing when they can share info, and E-Commerce in general.

[Read here for additional details..](#)

### **CBFANC Customs Committee Meets With SF CBP Port Director**

*Lori Azzopardi, Customs Committee, EFI*



**Lori Azzopardi, Customs Committee, EFI Logistics**

On March 4, 2021, CBFANC Customs Committee met with Area Port Director Bruce Murley, Assistant Port Director Felicia Brown, and Center Director AFT Eric Batt.

The updated contact list for 2021 was provided and contains general information for Supervisors and Units. We also received copy of the information notice sent out by the AFT Center back in March 2020 outlining the Entry and Cashier hours of operation and drop off procedures. It also contains the contact information for AFT Center Entry Branch Chief

Rolando Jocson who is stationed in San Francisco and can answer local Entry and Cashier related inquiries.

NOTE: Broker Management Office is conducting Broker Performance Reviews via on line.

[Read here for additional details about the meeting](#)

## Port of Oakland's Future vs Oakland As Real Estate Development

*Evey Hwang, CBFANC President*



*How can this be compatible with Port of Oakland maritime operations??*

### **A Call to Action – Oakland As' continued threat on Port of Oakland's maritime future**

In spring 2019 when CBFANC joined the East Oakland Stadium Alliance, it was to oppose the "field of dreams" MLB ballpark at Howard Terminal. Since then, the real agenda of the Fisher family who owns the Oakland As has become clear. It's not just a "field of dreams" stadium; it's all about waterfront property, stupid. The land grab for developing 3000+ luxury condos, multi-use restaurants and retail space will re-designate the industrial zone of not just Howard Terminal but whole area.

On February 26<sup>th</sup> the City of Oakland produced their draft Environmental Impact Report (EIR). After two year of coalition members attending countless public meetings and citing multiple concerns, the EIR is recklessly incomplete. The message however is clear. The City of Oakland is more concerned about appeasing the Oakland As with a West Oakland waterfront property at the cost of abandoning East Oakland current stadium site (a land grab 60 years ago) and threaten the maritime future of the Port of Oakland which

provided base economy/revenue to the City of Oakland. And to the taxpayers of Oakland, endless debt, liability and environment concerns

[Read here for additional details about this crucial issue](#)

### **President Biden Appoints Daniel B. Maffei as New FMC Chair**

*Sun Wook (John) Lee, SW Logistics, CBFANC Ocean Committee*



#### **New FMC Chair Daniel B. Maffei**

Commissioner Daniel B. Maffei has been designated as the Chairman of the Federal Maritime Commission. The designation was made by President Joseph R. Biden, Jr. on March 29, 2021. Chairman Maffei is a sitting member of the FMC and replaces Michael A. Khouri in the role of Chairman." No other changes were made to the commission and all previous commissioners remain.

From Peter Friedmann, Pacific Coast Council counsel and Executive Director of AgTC: Commissioner Maffei "co-authored a compelling letter to ocean carriers warning them not to discriminate against US exporters, one of the clearest statements of FMC support for US domestic interests. He supported Commissioner Dye's investigation and Rule on

Detention and Demurrage.”



**Sun Wook (John) Lee, SW Logistics, CBFANC Ocean Committee**

### **CBFANC Legislative Committee Update**

*Sandra Alvarez, Flexport LLC, CBFANC Legislative Committee*



Sandra Alvarez, CBFANC Legislative Committee, Flexport LLC  
**China Tariffs, Myanmar Sanctions, Changes in CBP's Roles and Responsibilities Are of Concern.**

China Tariffs: There's been little discussion on China tariffs and no senators have pushed for the removal of 301 tariffs. There was a bit of push for an exclusion process, but no real pressure.

The only remaining exclusion is for PPE till 3-31-2021  
Commerce Secretary Gina Raimondo confirmed overwhelmingly.

GSP could be extended by the end of June. MTB as well.....still a bit unclear

Don't expect too much to change right away, after Kathryn Tai's US Trade Representative appointment on March 18, 2021. For the time being, human rights and forced labor will be focused on more than tariffs.

A concern for the foreseeable future - The independence of CBP has diminished year over year and has essentially come under the policies and procedures of DHS. The focus of CBP is now being shifted away from trade facilitation and more towards immigration. Other agenda items have also become the focal point; human rights, forced labor, environmental, etc. These pressures are coming from above CBP, possibly above DHS as well. It will be a challenge to ensure that CBP has the personnel and structure to facilitate trade. A big challenge!

[Read here for additional details..](#)

### **China Hits Back**

*Peter Friedmann, OurManInDC*





#### **Peter Friedmann, OurManInDC**

Over the past few weeks, we have spent considerable time during the Weekly PCC Zoom Calls, talking about customs brokers'/importers' compliance with CBP application of restrictions on imports of cotton from Xinjiang. Thus, the following is of interest – China retaliating against the brands that have been most public and aggressive critics of the human rights situation in that region.

My view: with relations between China and US are already extremely tense, this may be a harbinger of tensions/conflicts which reach far beyond human rights in Xinjiang.

Here, from Bloomberg:

**Cotton controversy.** The boycott of Western retailers in China is worsening as Beijing cracks down on criticism of its human-rights record in Xinjiang, a top cotton producer for the apparel industry.

- **H&M** stores in some parts of China were shut by landlords as the company face growing backlash in the country for expressing concern about reports of forced labor in Xinjiang.
- **Hugo Boss** is also under fire, with Chinese celebrities halting work with the firm. Nike and Uniqlo are among others that have been ensnared in the drama.
- **The path forward** is troubling. China slapped sanctions on U.S. and Canadian officials over the weekend, underscoring just how serious it is.

## USCIT Raises Concerns About "First Sale" Rules

*Steven W Baker, Law Offices of Steven W. Baker*



Steven W. Baker

### **USCIT Raises Concerns Regarding "First Sale" Customs Valuation from Non-Market Economies**

Many importers have recently sought to take advantage of "first sale" or "middleman" Customs valuation procedures to secure lower Customs values and reduce the impact of trade remedy duties under Section 232 (steel and aluminum) and Section 301 (China; EU aircraft). This procedure applies to "tiered" transactions and uses the price between a manufacturer and a "middleman", often a distributor, rather than the price from the middleman to the US importer, as the dutiable value when the original sale meets the requirements for a transaction value.

"First Sale" valuation was established by the courts as being applicable when two (or more) transaction values exist in a tiered sales arrangement, and certain requirements are met. These include (1) bona fide sales that are (2) clearly destined for the United States (3) transacted at arm's length and (4) are absent of any distortive nonmarket influences. U. S. Customs and Border Protection (CBP) does not like the procedure, and has tried to end its use, but has been required to follow the court requirements and congressional direction to continue to allow it. (The EU and most other countries no longer accept valuation under the procedure.)

[Read here for additional details about this crucial issue](#)

## USTR Reacts to Myanmar/Burma Military Coup

*Ray Bucheger, FBB Federal Relations***Ray Bucheger, FBB Federal Relations**

USTR announced today that it is terminating all U.S. engagement with Burma under the 2013 Trade and Investment Framework Agreement (TIFA) and will review whether Burma continues to meet the eligibility requirements for the Generalized System of Preferences (GSP) program. Here is the press release from USTR: <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/march/ustr-suspends-trade-engagement-burma-following-military-coup-and-violence-against-civilian>

As described in the press release, the Trade and Investment Framework Agreement, which was signed in 2013, serves as a platform for ongoing dialogue and cooperation on trade and investment issues between the US and Burma. The United States has TIFA forums with a number of countries to discuss bilateral economic issues.

[GSP affected, other details here...](#)

**SF CBP Announce New Temporary Hours at Custom House**



## U.S. Customs and Border Protection

Subject: Temporary Reduction in Entry Unit Operating Hours at the San Francisco Customhouse, Second Floor, and extended telework for Import and Entry Specialists.

**Background:** Due to the severity and unprecedented nature of Novel Coronavirus Disease (COVID-19), we continually evaluate procedures to help protect the health and safety of our employees. At this time, we are reducing on-site presence of Entry and Import specialist staff at the San Francisco Customhouse and have set up a drop box to help prevent community spread. Beginning April 1, 2020, the entry unit on the second floor will be open two days a week, Tuesdays and Thursdays. This means the Entry Unit will be closed Mondays, Wednesdays and Fridays. Import Specialists and Entry Specialists will not be on site, with the exception of Tuesdays and Thursdays, when one or two Entry Specialists will be working in the Entry Unit.

**Action:** A drop box and electronic date/time stamp machine are now located on the first floor of the Customhouse, to the right side of the elevators. Monday through Friday, the trade community is to submit documents, checks, and correspondence by using the date/time stamp and then placing the documents in the drop box. San Francisco Import and Entry Specialist staff will continue to respond to telephonic inquiries promptly.

Issued March 31, 2021 by:  
Alice J. Buchanan Assistant Center Director San Francisco

**KEEP CALM AND WEAR YOUR MASK AND GET  
VACCINATED**



### Watch and Share Howard Terminal Video

*East Oakland Stadium Alliance*



### Watch and Share New Howard Terminal Video

The A's often like to say that Howard Terminal is an underutilized piece of land on the working waterfront that could be better used for their stadium and luxury housing project. In an effort to help the public better understand the importance of Howard Terminal to the port and the West Oakland community, the EO SA has developed a video that shows Howard Terminal in action.

[Watch and share this video on your social media platforms!](#)

## New ILWU Contract Negotiations to Start in 2021

*David Onizuka, Port X Logistics*



### **Issues facing the negotiators: Labor Costs, Automation, Loss of Business to Other Ports, Increased Pay and Benefits for ILWU Members**

I received a request to write up a brief memo regarding the ILWU (International Labor and Warehouse Union) labor union contract with the PMA (Pacific Maritime Association). The current collective bargaining agreement in place expires on July 1, 2022, with discussions for the next contract likely to begin this year. Most of us are familiar with the ILWU; they represent the West Coast dockworkers. The PMA is an association made up of terminal operators and steam ship line companies that hire the ILWU to perform terminal operations on the West Coast terminals. The last union strike took place back in 2014-15, with negotiations taking longer than nine months to complete with intervention under President Obama needed to end the deadlock. In 2017, 67% of the ILWU agreed to extend that contract until 2022, with further guarantees in pay and benefits.

[David's article continues here...](#)