

April 2023 - Info Expeditor

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Ocean Shipping Antitrust Enforcement Act Seeks to Amend OSRA-22

Sung Wook (John) Lee, CBFANC President



Sung Wook (John) Lee, CBFANC President, SW Logistics

The proposed **Ocean Shipping Antitrust Enforcement Act** targets ocean carriers and their alliances. During our PCC-Mission to Washington DC, **Evey Hwang** and I met with **Congressman Garamendi** and he gave us a heads up on this new legislation to reign in foreign flag carriers calling US PORTS.

As the title of the bill suggests, the bill will go after the antitrust immunity for ocean carriers calling US PORTS. It will also prioritize US FLAG ships at US PORTS. What does that look in practice? If a port as 10-50 vessels at anchor to discharge at a congested port, US FLAG ocean carrier will get first priority. Other is the monopoly power enjoyed by carriers that call US PORTS in setting alliances and vessel schedules. Will see how it will be interpreted by the FMC but this is what FMC asked for more authority to implement Pres. Bidens trade policy.

If you listened to Pres. Biden's STOU State of the Union speech, I was tickled pink to hear our president talk about our industry and the congestion issued that plagued us last year.

CBFANC Social Media

Please connect with us!

Twitter - @cbfanc

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Events Around the Bay

- <u>P.A.E.I</u> Professional Association of Exporters and Importers
- www.paei.org.
- <u>OWIT NC</u> 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 CaliforniaWorld Trade Center Check Website for updates
- <u>PTA.</u> Pacific Transportation Association Check Website for updates

AgTC 35th Annual Meeting

AgTC 35th Annual Meeting June 13-16, 2023 Tacoma WA See story for details

WESCCON OCTOBER 26 - 29, 2023 RANCHO LAS PALMAS, Rancho Mirage, CA

WESCCON | pacificcoastcouncil



The story continues here and Pres Biden comments

Oakland A's Leave Oakland and Howard Terminal for Las Vegas

EOSA



Above, East Oakland Stadium Alliance Members

Editor's note: Over the last couple of years, CBFANC monitored and reported to you about the continuing saga of the Oakland A's stadium and real estate development plans for Howard Terminal. CBFANC's Evey Hwang and SW Lee attended and spoke at numerous meetings to support EOSA's opposition to the stadium project (including city council meetings that went late into the evening, and a meeting that was quickly adjourned due to a gun fire battle that erupted across the street) Below is the EOSA statement regarding the apparent withdrawal of the Oakland A's stadium/real estate project:

This morning, the Oakland A's announced that they have signed a binding agreement to purchase land for a future ballpark in Las Vegas. We were as surprised as everyone by the A's sudden announcement after months of silence. This is a sad day for Oakland, which for the last 50 years has enjoyed a professional sports facility in East Oakland, and a working international trade gateway in West Oakland. The East Oakland Stadium Alliance continues to call for the A's to build a new ballpark at the Coliseum, which is their rightful home and has a bright future as the epicenter of Bay Area sports. Howard Terminal was never the right place for this mega development, and the seaport community will continue to work with the city, the port and stakeholders to ensure that Howard Terminal and the working waterfront continue to be the vibrant hub of the region's economy. (underline added by editor).

As always, thank you for your continued support. We will

continue monitoring the situation and provide updates as more information becomes available.





Oakland A's toss their hat toward Las Vegas!

Is DeMinimis Sec 321 a Facilitator of Fentanyl Imports and "a one way free trade agreement with China?"

Sung Wook (John) Lee, CBFANC President



Sung Wook (John) Lee, CBFANC President, SW Logistics

It's interesting to see de minimis and Section 321, type 86 entries come into the news recently. It read as 'San Jose Police Union Exec charges with attempt to import, sell fentanyl'. San Jose Police Officers' Association exec Joanne Segovia charged with attempt to import valeryl fentanyl in US, officials say - ABC7 San Francisco (abc7news.com)

Morbid curiosity I did get the better of me and I did a little digging and found out that indeed these shipments were shipped through express courier service and delivered to various recipients across US. As you well know, these type 86 entries are designed to go through the import process quickly and many of the reporting requirements were waived to accommodate requests from on-line retailers and fast delivery trend.

Approximately 61 shipments were made and often times shipments were declared as 'wedding party favors' or 'chocolate and sweets'. A shipment that was declared as 'clock' actually had a clock but the tapes used in packaging was laced with fentanyl.

I had a discussion with Sen. Cassidy staffers during our 2023 PCC mission and the issue of Section 321 did come up. They called it a 'unauthorized one way free trade agreement in favor to China' and had bipartisan support to amend the de minimis rule sometime in the future.

Seeing FBI and DOJ work on these kind of arrests tells me that DOJ is gathering evidence of how widespread the misdeclared cargo problem is. It's one thing for corporations and customs brokers to review documents and file entries, and it's another thing for a individual not trained in trade and compliance to mis-declare and commit fraud in the process of importing contraband.

Will have to wait and see how this plays out.



Memorial Day, May 31, 2023



On Memorial Day we honor and remember those who served and continue to serve, and those who gave all to protect our nation and our freedoms.

CBP Provides Guidance on Cyber Security Best Practices

Chris Kammer, CBFANC Technology & Web Chair



Chris Kammer, CBFANC Board Member, Technology & Web Chairperson, Access Supply Chain Service



Several customs brokers were hit with Cyber attacks in 2022 with their businesses being held hostage with ransomware. CBP has responded with assistance in the form of guidelines containing the best practices for customs brokers on how to prepare for and respond to a cyber-attack.

The steps to avoid a cyber-attack start before the hack happens

- 1. Back up your data
- 2. Secure your devices and network
- 3. Encrypt important information
- 4. Ensure you use multi-factor authentication (MFA)
- 5. Manage passphrases
- 6. Monitor use of computer equipment and systems
- 7. Put policies in place to guide your staff
- 8. Train your staff to be safe online
- 9. Protect your customers
- 10. Consider cyber security insurance
- 11. Get updates on the latest risks
- 12. Get cyber security advice

Most importantly – get familiar with how CBP can help You can access the APRIL 2023 CBP guidance at https://www.cbp.gov/document/guidance/cyber-incident-guidance-customs-brokers

CBFANC Joins Industry Leaders in Efforts to Protect Howard Terminal As Maritime Facility

Jack Hubbard, CBFANC Newsletter Editor

Editor's note: CBFANC recently joined as signatory to a letter sent to the Oakland Port Commission which seeks to reinstate and protect the status of Howard Terminal exclusively for commercial maritime use. This letter was prompted by the recent decision by the Oakland A's to abandon their stadium/real estate development plans at the Howard Terminal location. The A's asked for and recieved entitlement and development rights for the Howard Terminal proposal. Now that the Oakland A's are heading to Las Vegas, it's time to rescind the entitlement and development rights, protect the

much needed turning basin improvement plan, and rededicate Howard Terminal as a vital part of the ocean shipping industry at the Port of Oakland. The letter is below:



April 26, 2023

Commissioner Barb Leslie, President Board of Port Commissioners Port of Oakland 530 Water St. Oakland, CA 94607

Re: Removal of Maritime Reservation Area from All Future Howard Terminal Uses,

Including Any Future Renewals of ENA/Term
Sheet with Oakland Athletics

Dear President Leslie and Port Commissioners:

With the looming expiration of the current Exclusive Negotiating Agreement and Term Sheet with the Oakland Athletics upcoming on May 13, 2023, the undersigned maritime stakeholders ask the Port of Oakland to commit to fully and completely removing the entire 10-acre Maritime Reservation Area from the Howard Terminal for all future potential uses, tenants, or redevelopment, including any potential renewals of the ENA/Term Sheet with the Oakland A's. It is imperative that the full 10-acre Maritime Reservation Area envelope, as described in the current Howard Terminal Environmental Impact Report, is preserved for the future viability of the Port of Oakland for decades to come.



Turning Basin, yes! Baseball stadium, no!

The letter continues here...

Behind the Headlines and A's Homeplate

Evey Hwang, CBFANC Ocean Committee



Evey Hwang, CBFANC Board Chair, CBFANC Ocean Committee

April 20th Thursday morning arrived with news Oakland As' agreement to purchase 49 acres in Las Vegas for plans to move team by 2027. Reactions were immediate:

- Dismay and anger by As fans that their team is uprooting from Oakland
- Oakland Mayor Sheng Thao's gutsy response of "We're done talking" and in saying "we're not going to sell out the residents and the businesses in the city of Oakland and give all the money that we do not have to one Major League Baseball team."
- Building trade unions lamenting loss of construction jobs for a ballpark and multiplex.
- Refocus on re-development deals for Oakland Coliseum (the Oakland Roots, a minor league soccer team, and/or professional women's basketball team)
- Speculation on how then would the \$375 Million infrastructure funds secured by the City for improvement in/around Howard Terminal
- Maritime stakeholders are still mindful on the As land grab is still a concern. <u>A's waterfront ballpark wins key</u> state agency vote for Howard Terminal (msn.com)

CBFANC is a member of East Oakland Stadium Alliance. The coalition formed 2019 to keep Howard Terminal for maritime use and will continue to watch developments closely. Mayor Thao's comments hopefully shows her feet firmly planted on solid ground and not swayed by some flighty MLB ballpark complex dream. Even with the As' "viva Las Vegas" news, maritime stakeholders will need to continue reminding Oakland City Council (and their appointed Port Commissioners) of minding Oakland's homeport business.

Evey's article continues here..

CBFANC Airport Town Hall, June 21, 2023 SAVE THE DATE!

Evey Hwang, CBFANC Board Chair



CBFANC CBP Townhall – Airport DAU on Air Cargo Processing and CBP CEE on UFLPA (Uyghur Forced Labor Prevention Act) enforcement

Wednesday June 21, 2023 8:30 a.m. to 11:30 a.m.

In-person meeting Best Western Plus Grosvenor Hotel 380 South Airport Boulevard South San Francisco, CA 94080 Proposed Agenda:

8:00 - 8:30 a.m. Registration

 $8\!:\!30$ – $10\!:\!00$ a.m. CBP DAU and Agriculture Officers updates and Q&A

10:00 - 10:15 a.m. Break

10:15 – 11:30 a.m. CEE updates on enforcement/holds and Q&A

Join CBFANC with Customs Border Protection on airport cargo processing and exam process. CBP Officers from Airport Trade, CBP Agriculture and ATCET teams will be on hand to provide updates and answer questions. CBFANC has invited SFO airlines/handlers to participate. CBP has ask for your questions in advance.

Please send your questions to airport@cbfanc.org or Info@cbfanc.org . This is your opportunity to get updates, be informed and ask questions on cargo and exam process at SFO International

WESCCON 2023, Register Now!!!

PCC-Pacific Coast Council



WESCCON 2023 See the <u>WESCCON Website</u>.

October 26 - 29, 2023

Omni Rancho Las Palmas, Rancho Mirage, CA

Click Here to Register

After you register for WESCCON, you will receive the link to book your hotel room.

Hear how customs brokers, forwarders, NVO's engage with experts on:

- Supply Chain still not recovered how to cope
- What's CBP cooking up for customs brokers
- Protecting forwarders/brokers from Detention & Demurrage
- China-US Tariffs new challenges
- eCommerce deminimis -- keeping customs brokers relevant
- · Role of the Customs Broker in the 21st Century
- ACE migration the saga continues
- Customs Brokers, keeping Southern Border commerce flowing
- Ocean carriers competing with brokers and forwarders?
- Updates on trade negotiations,
- · CBP enforcement,
- And much more!

Questions? Contact Rachel Hunn at Rachel@FederalRelations.com or 202-783-3333

Happy Mothers Day, May 14, 2023



Labor Tensions Rise in Stalled West Coast Ports Contract Talks

Paul Berger, Wall Street Journal



Employers blame dockworkers for cargo delays at the Los Angeles and Long Beach ports as coastwide negotiations move into their 10th month. Cargo diversions due to labor uncertainty contribute to 38% drop in container volumes.

Tensions in long-running contract talks at West Coast ports are worsening, with employers accusing unionized dockworkers of slowing cargo handling at the ports of Los Angeles and Long Beach, the nation's busiest gateway for imported consumer goods.

The sharp rhetoric marks a shift from a longstanding agreement to maintain public silence on issues around the negotiations, which began last spring. The two sides appear to be no closer to bridging the gap on their disagreements, pointing to the possibility of deeper disruptions to U.S. trade flows.

The Pacific Maritime Association, which represents ocean carriers and port employers, said Monday that dockworkers at the ports of Los Angeles and Long Beach had stopped staggering work shifts during mealtimes starting last Wednesday. The PMA said that has forced terminals to shut down every day for an hour in the afternoon and another hour at night, interruptions that have triggered "significant delays" in cargo operations and long backups of trucks at terminal gates.

Willie Adams, the president of the International Longshore and Warehouse Union representing dockworkers, said his members are allowed "to take a lunch break just like everyone else."

The story continues here...

PCC (Including CBFANC) Urge President Biden to Break Impasse Between ILWU-PMA in Labor

Peter Friedmann, Our Man In DC



Peter Friedmann, Our Man In DC

PCC and all our local associations (including CBFANC) were among the 238 associations listed on Friday's letter to President Biden urging intervention in the ongoing PMA-ILWU West Coast longshore labor contract negotiations.

Click here to read the letter and list of signatories:

letter to President Biden

Peter

Peter Friedmann
Pacific Coast Council of Customs Brokers and Freight
Forwarders Assoc. – The PCC
Washington, D.C.

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Customs Business Fairness Act Pending in Congress

NCBFAA



H.R. 1453 specifically requests a technical change in the bankruptcy laws to protect customs brokers who have paid duties to CBP on behalf of importers that subsequently file for bankruptcy. NCBFAA seeks "subrogation" rights for customs brokers who have received money or paid duties to the U.S. government on behalf of a bankrupt importer. If a customs broker could be subrogated to the priority rights of CBP, any payments from the importer to CBP via the customs broker during the 90-day period would likewise no longer be subject to a preference payment recovery action.

CBFA was first included in the December 2020 stimulus package which gave customs brokers much needed relief from the 90-day claw back when an importer files bankruptcy. However, the legislation included a one-year sunset which occurred on Dec. 31, 2021. Legislation to make the tenets of CBFA permanent in the bankruptcy laws was introduced in early 2022 and had to be subsequently reintroduced with the start of the 118th Congress.

While your NCBFAA Legislative Committee Leadership and

Counsel continue making inroads for CBFA on Capitol Hill, NCBFAA members are urged to continue reaching out to their local congressional offices via email or even telephone. A list of U.S. Congressional Representatives, along with their office contact details, is available here.

AgTC 35th Annual Meeting June 13 - 16, Tacoma WA

Peter Friedmann, OurManInDC, AgTC Executive Director

AgTC

Agriculture Transportation Coalition

www.agtrans.org info@agtrans.org

AgTC 35th Annual Meeting June 13-16, 2023 Tacoma, WA

Ocean shipping and domestic transport challenges continue, constantly changing, the future uncertain. At the 35th Annual AgTC Meeting, we'll build relationships, pursue solutions. *In Person.*

Updated event outline below. <u>Click here</u> for full preliminary agenda.

KEEP CALM, GET VACCINATED





CBFANC Newsletter - April 2023 - Info Expeditor