



March 2025 - Info Expeditor

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- [LinkedIn - Customs Brokers and Forwarders Association of Northern California \(CBFANC\) | Groups | LinkedIn](#)
- [Facebook - CBFANC](#)

Events Around the Bay

- [P.A.E.I - Professional Association of Exporters and Importers](#)
- [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

CBFANC President's Letter

Sung Wook Lee, President



Sung Wook Lee, CBFANC President

Fellow customs brokers and OTIs. You have been busy of late due to trade policy of United States. Be it Section 301 or 232 on steel and aluminum products, our entries have become more complicated.

No doubt, many of you have gotten the CSMS messages on how to correctly file the additional tariffs, jumping on zoom calls with fellow brokers on how to best follow the new guidelines.

Best case scenario is that as a result of all the new trade policy, US will see a manufacturing boom but right now that seems like a far away place that will take time to realize. In the near term, we worry about retaliatory actions from our trade partners and additional costs for our clients and how that will move through the economy.

All these additional costs to the trade of goods and services of the United States, particularly to the automobile industry has been a surprise to say the least. The depths of tariffs imposed touches almost every aspect of the automobile industry as an example.

I think most of us as brokers, and our importer clients have come to the realization that tariffs are not going away. Our hopes that all this is some kind of a negotiation tool to get our trade partners to integrate closer to our economic goals have faded away and we are busy adjusting our business models to the new reality.

April 2, 2025 billed as Liberation Day by the Trump administration will be here before we know it.

Port News

Evey Hwang, CBFANC Ocean Committee

- [Norcal W.T.C.](#) - The Northern California World Trade Center
Check Website for updates
- [PTA](#) - Pacific Transportation Association
Check Website for updates

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Evey Hwang, CBFANC Ocean Committee

Tariffs Scores: If the additional 20% China 301 Tariff, the 25% all countries (232) Steel/Aluminum Tariffs, the 25% foreign autos tariff and proposed Reciprocal Tariffs due April 2nd aren't enough, there is the U.S. Trade Representative China Ships penalties. Based on a 301 petition filed by five labor unions in March 2024, USTR investigation alleges China shipbuilding dominance threatens US commerce and "undermines US supply chain resilience". The problem? Exposing China's dominance in shipbuilding and exacting penalties on stakeholders without realizing means to non-China built or owned ships. According to World Shipping Council, the threat affects 98% of ships calling on US ports. The calculated response by ocean carriers to minimize the potential \$1.5 million per port call is to minimize their port calls. Report from Trans-Pacific Maritime conference with the head of MSC cited eliminating Port of Oakland to schedule larger solo port call to LA or Long Beach. The requirement for imports and exports on non-existent US built ships devastate entire eco-port communities and decimate exports across all commodities but especially agriculture which depends on near-ports.

Below is from Peter Friedmann, Executive Director of Agriculture Transportation Coalition, who was quoted in Wall Street Journal, as part of his testimony for and submitted to USTR hearing on March 24, 2025.

"It also appears that no analysis was done as to the fungible nature of the global agriculture trade. US agriculture exports are already being substituted by agriculture from other countries. US agriculture is already hard-pressed to retain foreign customers, in the midst of imposition of retaliatory tariffs. As can be said: "the hogs in China could give a damn if he soybeans come from the US or Brazil.""

Additional testimony resumed March 26, 2025 and with emphasis on the vulnerability of agricultural commodities, port stakeholders providing example after example of damage to market access and sustainable trade. CBFANC joined our Pacific Coast Council associations as part of 327-association coalition with the National Retail Federation in opposition. <https://agtrans.org/wp-content/uploads/2025/03/USTR-2025-0002-00111875-CAT-6313-Public-Document.pdf>

Additional references:

<https://www.cnbc.com/2025/01/17/ustr-finds-chinas-shipbuilding-dominance-hurts-us-is-actionable.html>
<https://www.cnbc.com/2025/03/24/us-not-prepared-to-win-economic-war-against-china-built-containerships.html>
https://agtrans.org/wp-content/uploads/2025/03/AgTC_Outline-of-Testimony_USTR-Section-301-China-Shipping-Remedies_3-21.pdf
<https://logistics.createsend1.com/t/d-e-siikln-dyykhtpdy-r/>
<https://mailchi.mp/6e237e49c52a/downtown-oakland-specific-plan-coalition-letter-5851276?e=7a911e5fe3>

O-MAST news: The Oakland Maritime Access, Sustainability and Trade coalition continues advocacy for maritime with

Oakland Mayoral and District 2 Candidates Forum February 25th. It was great to hear from candidates on their views and proposals regarding Port (and City). On April 3rd, O-MAST members will meet with Port of Oakland's new Executive Director Kristi McKenney. Great opportunity to hear on Port priorities/updates and Turning Basin project. Please contact O-MAST NGorovitz@bergdavis.com for more information or to join this in-person meeting.

In other O-MAST news

<https://www.mercurynews.com/2025/03/23/kurtenbach-the-oakland-roots-cracked-the-code-bet-on-the-town-itll-pay-off-big/>

CBP-Port news: CBFANC and port stakeholders at annual State of Port dinner event (February 4, 2025) had the pleasure of hearing from CBP SF Port Acting Port Director J. Ryan Hutton and Robert Wilkins with Seafarers Ministry. In early March, we noted and welcome the new CBP SF Port Acting Port Director Jason Adams. Additionally CBP San Francisco Information Notices 728-25-02 (March 10, 2025) directs Type 86 Air shipments targeted for exam to be transferred to Container Exam Site PCC Logistics. And Info Notice 728-25-03 (March 24, 2025) provides the Summary of Proposed Fee Schedule from CES Operator PCC Logistics. CBFANC looks forward to working with CBP and CES operator PCC Logistics CBFANC on concerns voiced regarding new exam procedures for e-Commerce Type 86 Air shipments and possible impacts on Ocean CES exams

[file:///C:/Users/EveyH/Downloads/PORT%20OF%20SAN%20FRANCISCO%20Info%20Notice%20728-25-02%20\(1\).pdf](file:///C:/Users/EveyH/Downloads/PORT%20OF%20SAN%20FRANCISCO%20Info%20Notice%20728-25-02%20(1).pdf)
[file:///C:/Users/EveyH/Downloads/Info%20Notice%20Fee%20Schedule%20032425%20\(1\).pdf](file:///C:/Users/EveyH/Downloads/Info%20Notice%20Fee%20Schedule%20032425%20(1).pdf)

[California's Advance Clean Fleet](#)

Webinar: Trade Under Pressure: Responding to 232 and Reciprocal Tariff Changes



CBFANC Presents

Webinar: **Trade Under Pressure:** Responding to
232
and Reciprocal Tariff Changes

Please join CBFANC and LACBFFA in welcoming

Erik Smithweiss, Partner at Grunfeld Desiderio
Lebowitz (GDLSK)

Join us for an essential Trade Webinar where we will review the practical applications for the 232 Tariffs. We will also delve into the Reciprocal Tariffs and their potential impact on various commodities and countries. Don't miss the opportunity to gain valuable insight and clarity on these topics.

LAST DAY TO REGISTER - APRIL 1ST

Thursday, April 3, 2025
10:00-11:30 am

\$35.00 CBFANC and LACBFFA members
\$60.00 Non-members

For LACBFFA members when registering, please use code "LACBFFA"

**1.5 points education credentials for
CCS/CES/LCB
\$15.00 Additional charge at registration**

**The meeting link will be provided tomorrow
(day before webinar)**

**Education code will be provided after webinar
and once attendance is confirmed (by end of
week)**

Here Come More Tariffs - This Time on Automobiles and Parts!

Susan Kohn Ross, Mitchell Silberberg & Knupp LLP



Susan Kohn Ross, MS&K LLP

On March 26, 2025, President Trump issued an Executive Order (EO) imposing 25% tariffs on automobiles and auto parts. The reference is to those autos and parts which appear on Annex 1. As is typically the case, there is no Annex 1 included with the EO. It will no doubt be part of the Federal Register notice which follows. At this time, the text of the EO has not been submitted to or been published in the Federal Register.

The 25% on the vehicles is effective on April 3, 2025. The tariff on auto parts is delayed to no later than May 3, 2025, but may come earlier. The exact effective date all depends on when the Federal Register notice is published. The EO makes clear this 25% is in addition to all the other tariffs. However, autos and parts eligible under the USMCA are sort of exempt. In other words, the U.S. content may be deducted from the full value of the imported product and the 25% is due on the remaining value.

There is a provision in the EO making clear that CBP is to determine the accuracy of the U.S. content stated. If it turns out to be wrong, the remedy provided is limited to those where there is an overstatement. If the U.S. content value is wrong, then the 25% tariff applies to the full value of each auto retroactively to April 3, 2025 and prospectively from the date the value was overstated until that declaration is corrected. Importers can expect interest to also be assessed. The EO makes clear other penalties may also be applied and, in the current environment, importers should expect additional enforcement.

When it comes to the parts, it is left to the Secretary of Commerce to work with CBP to develop a process to apply the tariffs to the remaining value of the parts, meaning minus the U.S. content. Auto knock-down kits or parts compilations are specifically excluded from the tariff.

Secretary Lutnick is given 90 days to establish a process by which to add other auto parts on his own initiative, as well as at the request of domestic interests. However, he is also told to expedite the decision-making process. A final determination is to be made within 60 days of receipt of a request. The tariffs take effect the day after they are published in the Federal Register and that Federal Register notice shall be published quickly, but no more than 14 days after the determination is made.

As before, the use of foreign trade zones is limited to "privileged foreign status" and drawback is again barred.

Sadly, once more, the trade is left with a lot of questions. For example,

1. There is no definition provided for a "parts compilation;"
2. The method to determine the value of the U.S. content is not properly defined;
3. Where is the list of vehicles impacted? and
4. Where is the list of auto parts covered by this tariff?

When it comes to the value of the U.S. content, that most recently arose in the context of the steel and aluminum tariffs. The answer was figure it out the same way you figure out transaction value. Sadly, that is not a complete answer. For example, and bearing in mind that a lot of U.S. auto makers produce vehicles and parts on both sides of the U.S.-Mexico and U.S.-Canada border, is the value to be declared the transfer price going north or south? How does one value any U.S. components added to the vehicles in Mexico and purchased in Mexico. A similar dilemma exists with vehicles/parts acquired in Canada which are of U.S. origin. One presumes the answer is the cost to acquire plus the freight and insurance (as an assist is valued), but is that what is intended?

This Administration obviously feels that speed is important. Whether one agrees or not, the reality is that incomplete information is a hotbed for non-compliance. Similarly, the technology companies that support importers and exporters also need time to update and test before rolling out system updates. The delays inherent in reprogramming are also a significant source for non-compliance. Since most companies are focused on compliance (import and export) and certainty, industry is hopeful that CBP will take to heart the concept of informed compliance and not just enforce the changes when it is impossible to be compliant. By way of example, the NCBFAA has submitted about 50 questions requesting clarification regarding the steel and aluminum tariffs alone, and this does not include the countless emails which were sent to the CBP from the trade asking additional questions.

Liberation Day is said to be April 2, 2025. The two most reliable rumors circulating are that something will be said about reciprocal tariffs, and we will find out soon whether or not the 25% tariff suspended for USMCA eligible goods remains intact beyond April 2. It would seem from the language of the auto and parts tariff EO, the answer to the second question is yes, but we will not know for sure until the next announcement. Stay tuned for more changes!

PORT OF SAN FRANCISCO INFORMATION NOTICE

Jason C. Adams, CBP SFO (A) Port Director

PORT OF SAN FRANCISCO INFORMATION NOTICE

Distribution: Brokers, Warehouses, Trade Community

Number: 728-25-03

Issue Date: 3/24/2025

Contact Points:

Irene Nix, Watch Commander, at irene.nix@cbp.dhs.gov Ramon A. Spears, Chief, at ramon.a.spears@cbp.dhs.gov

Supersedes: N/A Expires: When Superseded

PURPOSE:

Notice of proposed additions to Pacific Coast Container (PCC)

Centralized Examination Station (CES) fee schedule. The additions cover air de minimis processing at the PCC CES as noted in Information Notice SF 728- 25-02. As set forth in the Title 19 Code of Federal Regulations (CFR) 118.2, the public is invited to submit any relevant written comments regarding the proposed additions; comments must be received within 30 calendar days from the date of this notice. After a review of the proposed fee schedule, any public comments thereon, and based on the principles of comparability set forth in 19 CFR 118.11 (c), the Port Director will decide whether to approve the additions on or after 90 calendar days from receipt of the written request.

BACKGROUND:

U.S. Customs and Border Protection regulations Title 19 CFR 118.5 provides the procedures for changes to the CES service fee schedule. As provided for in 19 CFR 118.5, the CES Operator shall remain bound by the existing fee schedule and not implement any changes to it prior to obtaining written approval from the Port Director.

SUMMARY OF PROPOSED FEE SCHEDULE ADDITIONS:

Additions proposed by the CES Operator for processing air de minimis shipments are as follows:

1. **Receiving**
 - \$15.00 per pallet in, minimum \$75.00
 - Receiving and unloading from air can: \$450.00 per air can
2. **Load Out**
 - Load out: \$15.00 per pallet out, minimum \$75.00
3. **Sorting**
 - \$0.55 per parcel piece, minimum \$150.00
4. **Free Time and Storage**

Free time is calculated by either 5 working days from the date of receiving or 2 working days after initial CBP exam release, whichever occurs first.

 - Storage after free time: \$15.00 per CBM for entire shipment. If there is a partial release, the parcels still held at our facility will be \$0.25 per day per parcel.
5. **Cartage Charges**

****FSC is subject to change monthly****

 - SFO/San Jose Airport Drayage: \$450.00 plus current FSC
 - Sacramento Airport Drayage: \$550.00 plus current FSC
 - Oakland Airport Drayage: \$350.00 plus current FSC
 - Bridge Toll (SFO/Sacramento): \$50.00
 - Driver Standby: first hour is free then it is \$95.00 per hour thereafter
6. **Additional Handling**
 - \$85.00 per man per hour (only if needed)

A copy of the proposed PCC CES fee schedule is attached to this Information Notice. All comments regarding the proposed additions should be submitted to:

**Area Port Director
U.S. Customs and Border Protection 555 Battery Street
San Francisco, CA 94111**

Technology and Social Media Committee

Chris Kammer, Tech & Social Media Committee



Chris Kammer, Technology & Social Media Chair

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and journalist, nerd or geek - we have a spot for you!

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Travel to Washington and lobby for causes important to our industry and the security of our country.

Dreaming of improving standards in our trade - join our Education team:

- Go to WESCCON - The premier international trade event in the country!
- Write that expose you always dreamed - join the Newsroom
- Always wanted to hob-knob with the who's who in the trade - join The Agency or Customs
- Are you a graphic designer at heart - come to the virtual side of things on our web committee

To learn more about our wonderful committees and find an area you would like to volunteer for, please click [here](#). As always, any questions at all, please reach out to us at info@cbfanc.org. Thank you!