



~ **HIGHLIGHTS** ~ **NEWS** ~ **ARTICLES** ~ **DEPARTMENTS** ~



ACE must be used and ACS will no longer be available for filing of all electronic entries and associated entry summaries. In addition, electronic FDA, NHTSA, APHIS (Lacey) data must be filed in ACE and ACS will no longer be available.

COUNTDOWN TO ACE...

One Month! Where are YOU in the process?

- New Software Vendor?
- Already Filing ACE Entry Summaries?
- How About ACE Cargo Release?
- OMG... Let's not even talk about PGA's and ACE!

PLEASE SAVE THE DATE!!!

CBFANC is arranging an ACE ROUNDTABLE

February 17, 2016

Stay Tuned!!!

AND JUST IN CASE YOU HAVEN'T HEARD...

Dear Stakeholders,

Today, Outer Harbor Terminal (formerly known as Ports America Outer Harbor) announced they will cease marine terminal operations in Oakland. They have indicated vessel operations will cease in approximately 30 days. Although this announcement is disappointing, the Port of Oakland is working with our maritime stakeholders to minimize any impacts of this change.

As the maritime industry continues to evolve, change is expected. Prior to this announcement, the Port had already been in and continues discussions regarding reconfiguration of Oakland operations. At the same time, Oakland marine terminals continue to improve and update landside operations to handle more volume more efficiently. We expect vessels currently calling Outer harbor Terminal will shift their call to adjacent terminals – TraPac, Everport or Oakland International Container Terminal/SSA. We anticipate little-to-no loss of vessel calls or cargo volume at the Port of Oakland and view this change as an opportunity to utilize available capacity at other terminals, improve efficiency and attract new tenants.

We promise to keep you informed of developments as quickly as possible. Our team at the Port is ready to answer questions you may have, and our contact information is shown below. We will also be sharing new information through our daily operational e-mail messages. It is our objective to communicate with all of our stakeholders during this transition period.

Despite the departure of Ports America, we are confident in the future of our seaport. We have three strong terminal operators. Major projects underway at the Port to support our customer's business needs include the development of a 370,000 sq. ft. cold supply chain facility on 23 acres, expansion of grain transload capabilities, our new \$100 million rail storage and manifest tracks, and a partnership with CenterPoint Properties to build the Seaport Logistics Complex on the site of the former Oakland Army Base.

Thank you for your business. We will keep in close touch as this transition takes place.

Sincerely,

John Driscoll



John Driscoll

Maritime Director

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PRESS RELEASE

FOR IMMEDIATE RELEASE

Port of Oakland boss: 'We can handle the business' **Chris Lytle says plans coming together to migrate cargo as a terminal closes**

Oakland, Calif. – Jan. 21, 2016: Executive Director Chris Lytle said today that the Port of Oakland will maintain cargo volumes and improve performance as one of its marine terminals closes.

"This Port can handle the business," the veteran maritime executive told an audience of 230 at a State of the Port speech in Jack London Square. "We will do all in our power to prevent disruption to the movement of cargo."

The Executive Director drew repeated applause as he outlined plans to revamp maritime operations when Oakland's Outer Harbor Terminal shuts down March 31. The terminal's operator said earlier this week it will exit the Oakland port "for business reasons."

Mr. Lytle said ships and cargo now managed at the terminal will be redirected to neighboring Oakland terminals. "We've identified a new home for 90 percent of the cargo that must be relocated," he said. As for the remainder of the business: "there is a good solution for that cargo, and we'll get there," he said.

Mr. Lytle addressed a lunchtime audience that included Oakland City Council President Lynette McElhaney, Federal Maritime Commission Chairman Mario Cordero and varied maritime and supply chain representatives.

Waterfront labor leaders and Oakland terminal operators have committed to a smooth cargo transition when Outer Harbor closes, Mr. Lytle told his audience. Among steps to be implemented:

- Extended terminal gate hours including Saturdays and some weeknights;
- More labor to process cargo transactions; and
- A Central Valley depot to help agricultural exporters pick up and drop off containers

Mr. Lytle said he will ask the Port's Board of Commissioners for approval to help finance transition costs. The funding could be used to provide performance incentives during the initial period of cargo migration. He said cargo-handling efficiency must improve for the transition to succeed. "We can't keep doing the same old things," he said. "We must bring service levels up to meet the need."

According to Mr. Lytle, Oakland marine terminals have excess capacity. Closing a terminal and redistributing cargo will lead to more efficient use of Port property, he said. The Executive Director said the Port will explore future uses for Outer Harbor Terminal that may not include container operations. "There are too many acres devoted to container operations," he explained. "We now have a chance to reset."

Among the other topics addressed in the State of the Port speech:

Labor relations: The Executive Director expressed thanks for recent collaboration between the International Longshore and Warehouse Union and the Pacific Maritime Association, the waterfront employer group. "We've made significant progress recently," he said.

Rail improvements: The Port will complete construction of its new rail yard in the second quarter of 2016, he said. This will add 44,000 feet of new track. It will give shippers the ability to form complete trains at the Port for transport of containerized imports.

Cold storage: Construction should begin mid-year on a 370,000-square-foot Cool Port Logistics facility. It will be able to receive 36 rail cars per day laden with chilled beef, pork, poultry and other perishables from the U.S. interior. "This will cement Oakland as the premiere location for perishable distribution," Mr. Lytle said.

IN PORT NEWS

Happy New and 2016!?! While we look back on 2015's port disruptions, congestion, ocean carrier alliances and trucking upheavals, the road ahead for 2016 may be as full of twist and turns. For sure, one unclear signage is SOLAS for July 1, 2016. The Safety of Life at Sea amendment for container weight regulations made at the International Maritime Organization (IMO) July 2015 was agreed upon by 170 countries. The one page amendment for container weights to have verified gross mass (VGA) signed by responsible parties is short on guidance but long in implications. The following link to the World Shipping Council as reference. <http://www.worldshipping.org/industry-issues/safety/cargo-weight>

With the Transportation Bill passed by Congress in December, the provision for "Port Performance Freight Statistics Program" will mandate reporting on statistics on US port operations. So "port performance metrics" will be the measurement phrase for improvements mandated for all US ports to avoid the port disruptions of recent past. Ahead of this, the Port of Oakland actually had hosted a number of Task Force meetings since end of 2013. However all concluded with list of problems but no actionable solutions. Started in August 2015, the Port has refocused its efforts. With working groups comprised of stakeholders including labor, carriers, terminals as well as cargo owners, each group is tasked with finding solutions for key areas – Chassis, Performance Metrics, and Appointment System. CBFANC continues to be active participant in these Task Force meetings addressing port performance. Key dialogue on port efficiency has been on sustainable goal for wait times at terminals and implementation of Bluetooth technology to measure targets. Of interest, Oakland has high vessel performance constant but need measured improvements for yard performance. A decision was also made to establish benchmarks with other ports both for gauging performance as well as improvements.

August 2015 the Port also promoted OakPass to "improve the flow of cargo through the terminal gates, reduce congestion, and accommodate future volume growth". Extended gate service with a "pierpass" program?; Gray Chassis Pool?; Port truck parking concerns?; Megaships? CBFANC needs your voices and active engagement to further the healthy sustainability of our home port.

This March CBFANC is planning a program on **SOLAS**. Please check back on details for the seminar/workshop to learn on container weight requirements and implications. As well to stay for an informal **Town Hall** style dialogue on port issues like congestion, terminal and chassis issues, OakPass, etc.

Any suggestions or comments to Ocean Committee welcomed at info@cbfanc.org.



CMA CGM Benjamin Franklin – photo courtesy of Katharina Natividad

Legislative Committee

Chris Garcez

COME TO D.C. AND MAKE A DIFFERENCE AT THE PCC MISSION

CBFANC is again offering five \$2,000 stipends, first come first served, for professional members to attend this year's PCC Mission. All five broker/forwarder associations of the West Coast will assemble in Washington DC May 15-17 at the newly renovated Phoenix Park Hotel, steps away from the Capitol.

Our West Coast delegation will meet with CBP Headquarters and the FMC for updates on new plans and programs. ACE will most likely still be on people's minds. On Tuesday, we put on our walking shoes and head to the Senate and House office buildings to meet with our representatives in Congress to tell them how our industry is going.

Very soon CBFANC will blast out a notice that the stipends are available for sign up, first come first served, on our website. The first five professional members to sign up, will qualify for the stipends. A written report of your experience to the board or a newsletter article is required before reimbursement. All meetings must also be attending, including the Mission Wrap up on Tuesday evening.

We encourage all professional members to come. Please register on the Pacific Coast Council website: <http://www.pacificcoastcouncil.org> Most people attending the Mission will plan to travel on Saturday May 14 and return Wednesday May 18.

Customs Committee

Renata Pearson

Next Customs Broker License Exam to be Held April 4, 2016

U.S. Customs and Border Protection will conduct its next customs broker license examination April 4. Interested individuals may submit applications through this [website](#) until Mar 3, but are encouraged to complete their applications well before the deadline. A license exam fee of \$200 must be paid at the time of application. Applicants will be notified of specific exam locations approximately two weeks prior to the exam and may contact the relevant service port for additional information after March 15.

The broker license exam consists of 80 multiple-choice questions and a score of 75% is required to pass. Exam topics typically include entry, classification, country of origin, trade agreements, antidumping and countervailing duties, value, broker responsibilities, fines, penalties and forfeitures, protests, marking, prohibited and restricted merchandise, drawback, intellectual property rights and other subjects pertinent to a broker's duties.

If an applicant achieves a passing score and wishes to apply to become a licensed customs broker, an application for customs broker license (form 3124), fingerprints, a current credit report and a license application fee of \$200 will be required.

To take the broker's license exam, applicants must be a U.S. citizen and be at least 18 years old as of the date of the exam. To apply for a license once the exam is passed, applicants must be a U.S. citizen and be at least 21 as of the date the application is filed. In neither case may the applicant be an officer or employee of the U.S. government.

View from Washington, D.C.

Peter Friedmann

While most of the political attention of the nation during 2016 will be on events outside of Washington DC, this year could be exceptionally important on Capitol Hill and the Executive Branch agencies, leaving a legacy we will live with for a generation. The Presidential election, with primaries disbursed in states around the country, followed by the Conventions in Cleveland and Philadelphia, and of course the November elections, will grab the headlines all year. This will also be the year that Congress might pass more laws, the President might issue more Executive Orders, and the agencies might promulgate more regulations than at any time in the past 16 years. Why and what should we watch for? Why is this year so important?

It is the last year of President Obama's 8 years in the White House, which means it is his last chance to shape and leave his legacy. It is the last time he can get his agenda through Congress, or bypass Congress through Executive Order. And it is quite possibly the last year that Republicans will have majorities in both the House and Senate (due to the large number of Republican Senate seats that will be up for election in November, as compared to so many fewer open Democratic seats). So there is pressure on the President to advance his agenda and on the Republicans to advance theirs. What should we watch for?

Immigration – Several years ago, Congress considered immigration reform in earnest. Since then, the issue has become so intensely politicized that nothing was enacted. Now the Presidential race, particularly on the Republican side, has pushed it to the forefront again. The issues surrounding immigration policy, already complex due to the large numbers of children arriving from Central America and continuing (although slowing) Mexican immigration, has become even more complex due to the President's promise to offer Syrian refugees homes in the US, while many governors are opposing Syrian resettlement in their states. Recent terrorism in San Bernardino related to ISIS, by immigrants improperly vetted by the State Department have heightened public sensitivity and political heat on Capitol Hill.

Gun Control - This might be the most visible, contentious issue of 2016 in the Senate, Congressional, and the Presidential races. Republicans are unified in opposition to further limits on gun ownership, while Democrats are unified in favor of restrictions. It may be the most contentious as well on the issue of Executive Authority.

Executive Authority – With Congress unwilling to pass legislation enacting the President's agenda, he has used his Executive Authority and the Federal agency regulatory authority to advance his environmental, health policy and labor agenda. He has promised to continue to do so in this, his final year in office. He may do so to close Guantanamo Bay prison facility and to pursue gun control. Republicans have chafed and brought lawsuits, and the Supreme Court has been asked to rule on the Constitutionality of the President's actions. This will intensify during 2016.

Healthcare – ObamaCare remains the #1 target of the Republican Congress, but on this issue as well as others, while the Republican Majority can pass repeal legislation, they cannot muster the 2/3 majority they need to override the President's certain veto.

Foreign Policy – How to combat ISIS and who are our allies? Do we put American boots on the ground? This will be debated on the Hill, with the focus being the amount of funding for the Department of Defense.

Tax Policy - Reducing the current 35% US corporate tax rate (one of the highest in the world) in order to reduce the incentive of US companies, such as Burger King, etc. to flee the US and establish HQ abroad, such as in Canada, Ireland, etc. Further, for those corporations such as Google, Facebook which already have HQ overseas and billions of dollars of profits still overseas, Congress and the President are considering what kind of temporary tax reduction below the 35% corporate rate would be sufficient to encourage repatriation them to bring their accumulated foreign profits back to the US.

Trade – The TransPacific Partnership would create the world's largest free trade area. It would be a legacy of the Obama presidency. However, it is immensely unpopular with Democrats on Capitol Hill, and vigorously opposed by all Democratic and most Republican Presidential candidates. Can Obama convince Congressional Democrats to vote for it? Will this be possible during a 'lame duck' session (after the November elections), or must it wait till a new Administration and Congress is convened in 2017.

View From Washington, cont'd...

Criminal Justice Reform - Here is something that both parties on the Hill might agree upon. Putting young people in jail for long terms, for minor drug offenses, is popular with the private prison operators and prison guard unions, but no one else. We will see if Congress and the President can move forward to reform sentencing; at least on this issue, there is basis for hope that they can agree.

The Presidential campaigns will garner most of the limelight, but serious issues will be decided on the Hill and in the Executive Branch agencies throughout 2016.

Industry News & Port Happenings...

MORE COOL CMA CGM BENJAMIN FRANKLIN PICTURES

Courtesy: Katharina Natividad



2016 Educational & Program Events

(Working Calendar as of January 22, 2016)

February 17th

ACE Roundtable
Washington, DC

March 23rd

SOLAS – Safety of Life at Sea
Citi Garden Hotel, South San Francisco, CA

April 17th-20th

NCBFAA Annual Conference
JW Marriott Starr, Tuscon, AZ

May 15th-17th

PCC Mission to Washington
Washington, D.C.

October 13th-16th

WESCCON 2016
Loews Coronado Bay, San Diego, CA

