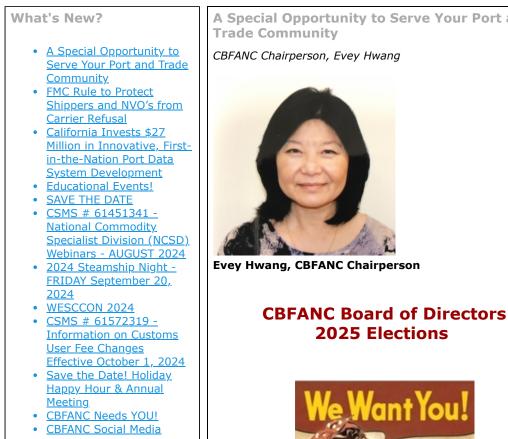


July 2024 - Info Expeditor



CBFANC Social Media

Please connect with us!

Twitter - @cbfanc

LinkedIn - CBFANC

Facebook - CBFANC

Events Around the Bay

- <u>P.A.E.I</u> Professional Association of Exporters and Importers
- www.paei.org.
- OWIT NC Organization of Women in International Trade Check website for updates

A Special Opportunity to Serve Your Port and



We are seeking member participation on the CBFANC **Board of Directors.**

If you are a professional member of CBFANC and are

interested in serving on the CBFANC Board of Directors,

please request another member to nominate you for the

If you know a fellow CBFANC professional member who you think would be a great addition to the Board of

- <u>Monterey Bay</u> <u>International Trade</u> <u>Association (MBITA)</u> -Monterey Bay International Trade Association Check Website for updates
 <u>Norcal W.T.C.</u> - The
- <u>Norcal W.I.C.</u> The Northern CaliforniaWorld Trade Center Check Website for updates
- <u>PTA.</u> Pacific Transportation Association Check Website for updates

Directors, contact the person and endorse with a nomination in their favor to info@CBFANC.org



Board terms are for three years. The board meets every month for dinner or online meetings.

This is your chance to be an industry leader, engage with agency partners and help shape the future of our trade. Nominations will be welcomed through October with elections held by <u>November 1, 2024.</u> The election results will be announced at our annual meeting/holiday gathering to be held on <u>December 5,</u> 2024.

FMC Rule to Protect Shippers and NVO's from Carrier Refusal

Peter Friedmann, OurManInDC



Peter Friedmann, PCC Counsel

During the COVID Crisis, carriers frequently sought to avoid certain bookings/loadings, such as US ag export, and low contract-rate cargo. Two common strategies:

- Refuse export cargo in order to hustle empty containers back to Asia to carry imports at exorbitant freight rates, or
- 2. Refuse contract-rate import cargo in order to take bookings at much higher spot rates.

This was a major impetus for Congress to enact Ocean Shipping Reform Act (OSRA).

Last week FMC issued Final Rule to address this behavior. The Rule covers:

- Prohibitive pricing to discourage export bookings
- Refusal to negotiate contracts
- Refusal to accept contracted shipments
- Discrimination versus certain cargoes
- Blank sailings without sufficient notice
- Proper role of 'sweepers'
- Carriers to be required to file an annual "documented export policy' outlining pricing strategies, routes, equipment
- Explanation of how the Commission will apply this Rule when shippers file complaints or when FMC conducts its own enforcement investigations

Practical Impact of this Rule Now:

Import container growth, particularly at POLA and POLB, has been dramatic – while export cargo volumes are stagnant or declining, which can create a challenging imbalance. Also, even some imports can be impacted, as carriers have declined bookings under contracts, in favor of higher spot rates. Neither Federal Maritime Commission nor Congress want exporters to be unable to gain bookings or timely loading, as occurred 3 years ago during COVID Crisis. So far, we are not hearing of consistent carrier refusal to take bookings, although equipment can be in short supply in some locations. Thus even if not immediately required to direct carrier behavior, this Rule serves as a timely warning, 'encouraging' carriers to make best efforts, together with terminals and shippers, to assure continued export fluidity.

Resources

The FMC Final Rule <u>Definition of Unreasonable Refusal to</u> <u>Deal or Negotiate with Respect to Vessel Space</u> <u>Accommodations Provided by an Ocean Common</u> <u>Carrier. The Federal Register</u> will publish the Rule on July 23 and the Rule will take effect 60 days later (September 23, 2024).

FMC's Press Release July 22, 2024

JOC Article: Ocean carriers face new FMC rules on dealing with US exports July 2024

gCaptain Article: Federal Maritime Commission Finalizes Rule on Unreasonable Refusal to Deal July 2024

FreightWaves Article: FMC rejects claim it is using new container rule to regulate prices July 2024

California Invests \$27 Million in Innovative, First-in-the-Nation Port Data System Development

Chris Kammer – Technology & Social Media Chairperson



Chris Kammer – Technology & Social Media Chairperson

California's business and economic development office awarded \$27 million to enhance data systems and interoperability at five key container ports—Hueneme, Los Angeles, Long Beach, Oakland, and San Diego. These ports manage 40% of U.S. containerized imports and 30% of exports. The funds will develop advanced systems to enhance supply chain resilience, including a mobile app for data visibility, a Carbon Intensity Gateway, and an AI-integrated trucking appointment system at the Port of Los Angeles. Oakland will implement an integrated data environment and a Unified Terminal Appointment System. This initiative aims to streamline cargo movement, reduce emissions, and strengthen economic competitiveness.

https://business.ca.gov/california-invests-27-million-ininnovative-first-in-the-nation-port-data-system-development/

Educational Events!

Education Committee (Evey Hwang and Sarah Stroth)

The 2024 election year took a dramatic turn in July! Whatever results in November and affecting trade policies, global trade continues, logistics happens, and economies stats.

Keeping you updated and knowledgable, CBFANC is pleased to present and to invite you to our Education events

<u>"Step inside the World of Trade with CBFANC and our guest speaker Heather Litman of GDLSK"</u>

08/21/2024 08:00 AM - 12:00 PM P Burlingame Recreation Center 850 Burlingame Ave Burlingame, CA 94010

FDA Product Code Training - All Day Event, August 27th

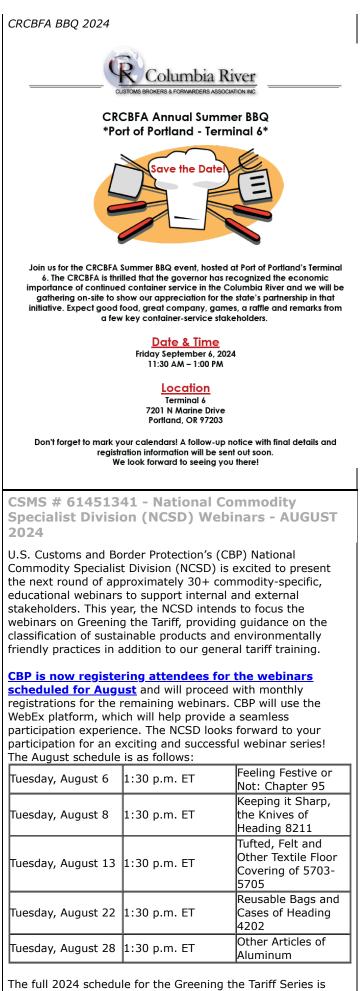
<u>2024</u>

08/27/2024 08:30 AM - 04:30 PM P San Mateo Library 55 West 3rd Ave San Mateo, CA 94402

FDA Food Safety Program

08/28/2024 08:00 AM - 11:30 AM P Burlingame Recreation Center 850 Burlingame Ave Burlingame, CA 94010

SAVE THE DATE



attached to this message.

You can access all past webinar recordings on the Trade



October 17-20, 2024 | Coronado, CA *Loews Coronado Bay Resort* Click Here to Register The Largest Gathering of Customs Brokers and Freight Forwarders On the West Coast! Engage with customs brokers, forwarders and NVO's on topics including: China-US Tariffs • Update from West Coast CBP Port Directors Cyber Security and downtime Challenges faced by Logistics providers: warehouse, port, drayage, equipment, and more The Regulatory Environment and Compliance Challenges in the Air Freight Sector • Licensed Broker Continuing Education • Future technology in the supply chain CES Procedural challenges • 2024 Elections: What are the Trade Risks? • The current Green transition of the trucking Industry by California Transportation Department • And much more! Questions? Contact Info@PacificCoastCouncil.org or 202-783-3333 Sponsorships and Exhibit Booths Available Contact: Info@PacificCoastCouncil.org CSMS # 61572319 - Information on Customs User Fee Changes Effective October 1, 2024 Pursuant to the General Notice (89 FR 59126) published July 22, 2024, adjustments to certain customs user fees and corresponding limitations, as codified in 19 U.S.C. § 58c, will take effect on October 1, 2024. These adjustments are being made in accordance with the Fixing America's Surface Transportation Act of 2015 (FAST Act), Public Law 114-94. The General Notice may be accessed at: https://www.federalregister.gov/documents/2024/07/22/2024 -15990/customs-user-fees-to-be-adjusted-for-inflation-infiscal-year-2025 **Key Points** 1. The Merchandise Processing Fee (MPF) ad valorem rate of 0.3464% will NOT change. 2. The MPF minimum and maximum for formal entries (class code 499) will change. a. The minimum will change from \$31.67 to \$32.71; and b. The maximum will change from \$614.35 to \$634.62. **Other Changes** 1. The Surcharge for Manual, Formal Entry/Release (class code 500) will change to \$3.93. 2. The fee for Informal Entry/Release, automated and not prepared by CBP personnel (class code 311a), will change to

3. The Express Consignment Carrier/Centralized Hub Facility fee will change to \$1.31 per individual waybill/bill of lading.a. An individual air waybill is the bill at the lowest level, and is

\$2.62.

not a master bill or other consolidated document. See 82 FR 50523 (Nov. 1, 2017). 4. The Commercial Vessel (class code 485) or Commercial Aircraft (class code 495) Passenger Arrival customs fee will change to \$7.20 per passenger. 5. The Commercial Vessel Passenger Arrival from Exempt Areas (class code 484) customs fee will change to \$2.53 per passenger. 6. The Commercial Truck Arrival fee (class code 492) will change to \$7.20. a. The Commercial Truck Arrival Fee is the CBP fee only; it does not include the fiscal year 2025 United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) Agricultural and Quarantine Inspection (AQI) User Fee (\$12.40) that is collected by CBP on behalf of USDA to make a total Single Crossing Fee of \$19.60. See7 CFR 354.3(c) and 19 CFR 24.22(c)(1). b. Once eighteen Single Crossing Fees have been paid and used for a vehicle identification number (VIN)/vehicle in a Decal and Transponder Online Procurement System (DTOPS) account within a calendar year, the payment required for the nineteenth (and subsequent) single-crossing is only the \$12.40 AQI fee and no longer includes CBP's \$7.20 Commercial Truck Arrival fee (for the remainder of that calendar year). 7. The Dutiable Mail fee (class code 496) will change to \$7.20. Please see the General Notice for the full list of fees that are changing. Another CSMS message will be sent when the changes are in the ACE Certification environment for trade testing. Save the Date! Holiday Happy Hour & Annual Meeting

CBFANC Board



It's never too early to plan for a holiday celebration!

Mark your calendar - December 5th 2024

CBFANC Annual Meeting and Holiday Happy Hour!

CBFANC Needs YOU!

CBFANC COMMITTEE



CBFANC Newsletter - July 2024 - Info Expeditor