

June 2024 - Info Expeditor



CBFANC Social Media



- <u>P.A.E.I</u> Professional Association of Exporters and Importers
- <u>www.paei.org</u>.
- <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

A Word from CBFANC President

Sung Wook (John) Lee, CBFANC President



Sung Wook (John) Lee, CBFANC President

President's letter June 2024

We are now past graduation season, going full steam ahead into summer and thank goodness for that. Hope everyone will have an enjoyable summer, Independence Day on Fourth of July that falls on a Thursday which should mean you will have a nice uninterrupted long weekend for everyone except customs brokers because there will be that one air shipment that will come in over the weekend.

CBFANC had 2 social events in June. Both noteworthy because it gave us an opportunity to enjoy each others company without the education aspect of our jobs. The harbor tour at Port of Oakland and "Our Man in DC" event with Peter Friedman was both nice in person events and we hope to have more of these events for our members.

Seko got their filer code pulled: There was a lot of talk in Washington DC for last few years about Type 86 Entries and if there will be some tinkering of the rules from Congress about DeMinimis or E-Commerce. Customs brokers caught up in US crackdown on Chinese ecommerce traffic - The Loadstar Seko was a sensational example of a broker doing Type 86 entries and media coverage of the botched CBP effort to 'pull the filer code' of Seko, and the reinstatement and litigation thereafter. Still completely unknown about the investigation and where it's going is problematic because such a thing should not have been covered by the press and wondering out loud if such sensational enforcement will become more common in the future as political appointees within CBP get directives from WH. As licensed brokers we could become easy targets for enforcement as much as importers and exporters are with trade becoming more and more political and front page news. Time will tell how this enforcement will pan out, and certainly CBFANC will keep on top of it for our education purposes.

While most of fentanyl shipments come over the US-MX

- <u>Norcal W.T.C.</u> The Northern CaliforniaWorld Trade Center Check Website for updates
 <u>PTA.</u> - Pacific Transportation Association
- Check Website for updates

border via passenger cars or LTL/FTL cargo trucks, the word on the streets was that it was also coming through air shipments via Type 86 entries. Data seems to point out that is not the case, and as much as I would have like to believe and supported the argument, I have moved my position on this matter till we have more proof. I certainly would like to see clearly and is willing to change my assumptions if the data supports it.

To that end, for light summer reading I am including a link to NBER working paper titled 'The Value of De Minimis Imports' by Pablo D Fajgelbaum, Amit Khandelwal, June 2024. The Value of De Minimis Imports | NBER Abstract: Section 321 of the 1930 Trade Act allows up to \$800 in imports per person per day to enter the US duty-free and with minimal customs requirements. Fueled by rising direct-to-consumer trade, these "de minimis" shipments have exploded yet are not recorded in Census trade data. Who benefits from this type of trade, and what are the policy implications? We analyze international shipment data, including de minimis shipments, from three global carriers and US Customs and Border Protection. Lower-income zip codes are more likely to import de minimis shipments, particularly from China, suggesting that the tariff and administrative fee incidence in directtoconsumer trade is pro-poor. Theoretically, imposing tariffs above a threshold leads to terms-of trade gains through bunching, even in a setting with complete pass-through to linear tariffs. Empirically, bunching pins down the demand elasticity for direct shipments. Eliminating §321 would reduce aggregate welfare by \$11.8-\$14.3 billion and disproportionately hurt lower-income and minority consumers.

Within Biden WH, the Economic Council, Dept. Commerce, Congress is weighing the various US interests pro & con regarding DeMinimis shipments. One of the considerations is the collateral damage of federal trade policy, and this paper points out that lowering the threshold of DeMinimis amount from \$800 to something else or getting rid of the DeMiminis rule will disproportionately affect the poorest of our community the most. You have heard many times about this particular words 'disproportionately affect the poorest of our community the most' language in many different places but may have scratched your head as to why this is such an important criteria for our government to consider.

Because our industry is about facilitating trade, we want to have rules that benefit our industry but also benefit the US consumers as well as other stakeholders that care about tariffs and trade. And to that end, we should advocate for what is best for us but also consider the ramifications of our best intentions. This NBER paper suggests that \$11-\$14 billion dollars penalty for the poor people in our community will be affected by higher prices. To this consideration the powers that be will also have to consider the points we have made about the direct online reach of TEMU & Shien like companies that will have direct access to US consumers and their buying habits, online data captured through apps that capture US buyer preferences and habits.

So you can see even if CBP tries to shutdown a broker, there is due process to be followed, the needs of stakeholders of DeMinimis to be considered, all the lobbying done in Congress and WH to favor a particular stakeholder over another is real and has consequences for CBFANC and it's members.

Presidential Debate: Those of you that watched the presidential debates, no matter who you plan to vote for, please be mindful about the federal deficit spending and what/how the new administration policies may affect the federal agencies that we have to work with. After all we eat this stuff day in and day out and affect us directly on a daily basis.

In Port News

Evey Hwang, CBFANC Board Chair



Evey Hwang, CBFANC Ocean Committee

A home-run for our home-port!

After five long years, CBFANC and O-MAST can celebrate a decisive win...for our port! O-MAST is the acronym for Oakland Maritime Access. Sustainability, and Trade. A coalition incarnation of East Oakland Stadium Alliance (EOSA) which CBFANC joined in 2019 with other concerned maritime stakeholders to resist the Oakland As' waterfront ballpark at Howard Terminal. EOSA saw through the As organization's scheme to build not just a Major League Ball stadium but also 3000+ luxury condos as benefiting its billionaire owner John Fischer. EOSA saw through the As "Rooted in Oakland" as untrue to their East Oakland community where the stadium ought logically be rebuilt. EOSA saw through as equally unfaithful to their faithful fans with the As decision to unroot to Las Vegas. With Howard Terminal now restored to Port Priority Use, O-MAST carries forward the mission to hold the Port of Oakland, its Port Commissioners and the City of Oakland accountable to sustaining Port of Oakland's future.

On May 15, 2024 CBFANC and O-MAST coalition members had attended City of Oakland's Planning Commission to provide input to their Downtown Oakland Specific Plan (DOSP). Eight years in planning and in middle of which the contentious dispute over Howard Terminal, the DOSP is in final draft and pending Environmental Impact Report (EIR) stage. https://www.oaklandca.gov/topics/downtown-oaklandspecific-plan The plans "will guide downtown development to meet Oakland's projected housing and employment needs over the next 20 years, while preserving the enhancing the dynamic culture that Oaklanders treasure." As such, Port stakeholders include TFC all have a stake in informing Oakland on protecting and growing port and adjacent lands for maritime prior use. Of eye-raising concern, certain projects like bike lanes and other proposed in Green Loop are set in grants and will proceed.

On June 5, 2024 CBFANC and other O-MAST coalition members attended City of Oakland's Planning Commission to support coalition recommendations to Oakland's Downtown Oakland Specific Plan (DOSP). Committee planning staff outlined plan with 90% of O-MAST's recommendations. At session's end, the Planning Commission voted unanimously to forward their DOSP to City Council. (please see O-MAST email for details). To have DOSP include maritime services and land use being prioritized, it's a homerun for our coalition.

What's next? CBFANC and O-MAST coalition members will attend City of Oakland's meetings on their vote on the Downtown Oakland Specific Plan. If interested in joining our efforts, please see the O-MAST informative email for details



Oakland Maritime Access, Sustainability, and Trade

Dear O-MAST Member,

Thank you to all who attended yesterday's Oakland Planning Commission hearing and provided public testimony supporting maritime-compatible changes to the Downtown Oakland Specific Plan's (DOSP) Final Draft Zoning Amendments and Final EIR/Response to Comments, and to those who could not attend but whose concerted efforts have been crucial to advancing O-MAST's interests forward. Your commitment to ensuring that Howard Terminal and the working waterfront remain a vibrant hub of the Oakland and Greater Bay Area economies resulted in a big win for O-MAST.

Our coalition has been actively monitoring and commenting on the DOSP for many years, and our perseverance led to a unanimous vote from the Planning Commission in support of commonsense changes we proposed, including:

- Removing bicycle and pedestrian access from Howard Terminal via the Green Loop and removing the Green Loop Overlay from truck priority routes.
- Rerouting the proposed bike and pedestrian extensions in the Green Loop from MLK and Market Street to Clay Street to avoid conflict with established truck corridors, though there is still work to be done to ensure the Clay Street reroute occurs at 4th Street as opposed to 2nd Street.
- Preserving proposed active transportation corridors by moving them outside the small remaining DOSP industrial zone.
- Removing Washington Street as a proposed location for the Alameda estuary crossing, ensuring it's located further away from maritime traffic.

You can view staff's presentation summarizing the DOSP process, general plan and zoning amendments, and the environmental impact report <u>here</u>.

Another very promising outcome from the Planning Commission process was the alignment between O-MAST and the Port of Oakland, as our collective outreach and mutual interests helped move the needle on several Port-adjacent issues in the DOSP.

The updated DOSP draft incorporates about 90% of O-MAST's asks, **but the job is not done.** Namely, our coalition is intent on eliminating the pedestrian at-grade crossing on 2nd Street and rerouting the bicycle route from MLK & 2nd Streets to MLK & 4th Streets, and we need your help to get us over the finish line.

What's Next in the DOSP Process

Now, we're turning our attention to the next milestone: the Oakland City Council's review and approval of the Final DOSP. We must remain diligent to ensure that the Council retains the changes we advocated for and that the plan is consistent with existing truck, rail, and maritime operations.

Save the Dates

The following is the schedule of upcoming City Council meetings, which will provide opportunities to urge council members to adequately consider maritime and industrial needs as part of a thriving City of Oakland. The Council will accept public comments virtually on Zoom and in person at Oakland City Hall.

- Tuesday, June 25, 1:30 PM: Oakland Community & Economic Development (CED) Committee Meeting
- Tuesday, July 2, 3:30 PM (time subject to change): Oakland City Council Meeting (DOSP 1st Reading)
- Tuesday, July 16, 3:30 PM (time subject to change): Oakland City Council Meeting (DOSP 2nd Reading)

Thank you again for your ongoing support. We look forward to many more future successes.

GSP Renewal Letter sent with 300+ Signatures

CBFANC Board of Directors



We had the pleasure of hosting Peter Friedmann, our Man in from DC. We appreciate the attendees who joined us to hear on issues and for our nice mixer!

One immediate question from one attendee was status of GSP. Just the one question, we got the A-Z of trade shifts, anti-China (GSP could be a remedy policy) and the multiple points on routings touched. This election year has been exceptionally busy with trade policy - Peter Friedmann gave us reassuring(?) talk that trade policy between the two political parties are not that dissimilar! Thankfully, our constant is Peter Friedmann to tell us all about it!

On GSP, Our Man in DC shared the letter with 300+ signers delivered to Congress urging passage of GSP renewal with retro-activity. Including PCC and the 5 PCC local associations. All things on the Hill has its time and Peter will keep us updated on what it will take for Congress to actually, finally, enact GSP renewal, and the politics around it.

Click here to read the letter.

FMC audit program: May 2024

Sung Wook Lee, President



Sung Wook Lee, CBFANC President

FMC May 2024 meeting Federal Maritime Commission Meeting

- September 21, 2023 (youtube.com)

FMC is meeting regularly with 9 largest carriers, CMA, MAERSK, MSC, HAPAG, HMM, YM, EVER, COSCO, WANHAI.

Lucile Marvin, Managing Director FMC, Zariah De La Curz CADERS director reports that they have total 9 staff with 3 new Transportation Industry Analysts and 2 new lawyers. In 2023 CADERS had 305 informal disputes, 197 commerical cargo disputes, 42 from exporters and 155 from importers.

Complaints to FMC-CADERS originating about 30% from LA/LGB, 7% OAK, 5% SEA/TAC. Tim Hagerty is travelling and ramping up outreach efforts.

During the height of COVID port congestion 2021-2023 that approx. \$17Billion dollars of D&D charges were billed, \$14B was collected and \$2.6B was refunded. Overall D&D charges are back down to pre-pandemic levels about \$250 million dollars.



Lockouts or denials of access for truckers to pick up containers based on none payment of D&D fees is still being looked at but is not an issue at this time.

Chairman Maffe summarized, congestion and D&D charges go hand in hand with supply & demand of containers and equipment and lower D&D charges going down to trend levels is a reflection of these findings.

Commissioner Bentzle asked about blank sailings and that carriers are authorized to take blank sailings as needed to manage their fleet in certain circumstances but mentioned that FMC is seeing the data at the tail end where it is not as useful. One would have to surmise that the commissioner somehow would find more real time data to be more useful.

The Electronic Bill of Lading and how will this affect the Customs Broker & Freight Forwarder ?

Chris Kammer – Technology & Social Media Chairperson



Chris Kammer – Technology & Social Media Chairperson

The movement for Electronic Bills of Lading continues to gain

momentum. The Digital Container Shipping Association (DCSA) has the nine major ocean carriers committed to issuing half of bills of lading electronically within five years and 100% in ten years. DCSA has developed the industry standards for eBL, which the cargo carriers have agreed to adopt.

The shipping firms that signed up are MSC, Maersk, CMA CGM, Hapag Lloyd, ONE, Evergreen Marine, Yang Ming, HMM and ZIM. These represent nine of the ten largest container shippers, with China's COSCO as the one big omission. "A fully digitized bill of lading enables a more seamless customer experience across the supply chain and in turn it will help democratize trade and reduce time and costs for all involved parties," said Vincent Clerc, CEO A.P. Moller -Maersk. "The need for digitization in logistics is urgent, and the industry needs to speed up the process. " Soren Toft, CEO of MSC added, "Moving to 100% eBL will contribute towards our climate goals, as we move towards net zero 2050."

A recent McKinsey study estimated eBL could provide \$6.5 billion in direct cost savings and \$30 – \$40 billion in boosting global trade volume. At present – less than 2% of bills of lading are electronic but as this process moves on, how will this affect customs brokers and freight forwarders ? Will this help our portion of the industry reduce costs and improve efficiency or will this put us at a disadvantage and have us losing business as the steamship lines becoming direct competitors to traditional customs brokers and freight forwarders?

There are many questions to be answered as this technology gains steam and how this can benefit all.

TAP Airline Update

Lori Azzopardi, Airport Committee Chairperson



Lori Azzopardi, Airport Committee Chairperson

TAP Airline Address Change:

TAP/Menzies 632 Westfield San Francisco, CA 94128 650-821-8900

Happy 4th of July!

CBFANC



HAPPY 4TH OF JULY!

SAVE THE DATE!

CBFANC - FDA PRODUCT CODE TRAINING





CBFANC - FDA PRODUCT CODE TRAINING for Entry Filers and Importers August 27, 2024 | 8:30 a.m. to 4:30 p.m. LOCATION: 55 West 3rd Avenue, San Mateo, CA 94402

CBFANC and FDA West Coast Import Division are pleased to announce FDA Product Code Training 2nd workshop for August 27, 2024. Per FDA, the eight hours is necessary to provide comprehensive overview of FDA Import Process and cover: Structure of FDA Product Code; Product Code builder; Food and Foodrelated products; Medical Devices and Radiation Emitting Products; Cosmetics, Dietary Supplements and Drugs. <u>Entry Filers or Importers requiring FDA Product</u> <u>Code knowledge or refresh should enroll in this</u> workshop.

From our April 10, 2024 Workshop, we received noteworthy feedback on benefits from this informative and interactive training course from FDA West Coast Import Division:

"This seminar was helpful especially with resources and the fact that they explained things in lingo that people could understand. They were very polite and funny which made handling being there all day bearable. They also took the time to answer questions and explain things and what they didn't know- they wrote down and said they'd answer asap. I thought that was fantastic. Also, the fact that they provided internet resources for medical devices, which we don't really handle- but it was cool to try." - J.G. Import Specialist, LCB

"The event was top notch. I'm in awe they made it interesting over a full day. Wonderful presenters. Playing off different presentation styles and tempos was highly successful. Was like a symphony! I took this workshop some 15 years ago. Same stuff but different student! Oh and just a few new regulations since then. MoCRA is coming!" – C.G. Lead Compliance Analyst

"I absolutely agreed it was the best and most informative and insightful FDA training I have even attended. Well put together training presentation material with easy to understand live examples. The entire FDA team was very experienced, professional, attentive and friendly. The 8-hour training went by so quickly that made me thinking of retaking it in May if my schedule works out. I am sure there will be something new to pick up each time attending." - M.L., LCB

The Division of West Coast Imports will conduct a oneday workshop for the purpose of training in the area of product code building and information requirements. The class will consist of the basic process of building the FDA product code for Foods, Dietary Supplements, and Cosmetics & Radiation-Emitting Products. It will give the students basic understanding and ability to build common FDA Product Codes. It will cover the Industry, Product Class and most importantly the Process Indicator Codes. In addition, FDA will explain the affirmation of compliance codes for products such as canned foods, radiation-emitting products, and medical devices. Please note, Prior Notice questions will not be covered and should be referred to the Prior Notice Center. 8:30 a.m. - 8:40 a.m. Registration 8:40 a.m. - 12:15 p.m. Workshop: Introduction and Part I 12:15 p.m. - 1:15 p.m. Lunch (on own) 1:00 p.m. 1:15 p.m. - 4:30 p.m. Workshop: Part II and Q&A Location: San Mateo Main Library, 55 West 3rd Avenue, San Mateo, CA 94402 Laurel Room, first floor, located left side from entrance Laptop needed (for live classroom training) • CBFANC will provide electrical extensions if needed • Wi-Fi access and site support • Brown bag lunch/beverages welcome (snacks provided by CBFANC) • Food stops nearby (within walking distance, 3rd and 4th Avenue) • Parking structure underground

SAVE THE DATE!

CBFANC - FDA FOOD SAFETY PROGRAM





CBFANC – FDA FOOD SAFETY PROGRAM for Entry Filers and Importers August 28, 2024 | 8:00 a.m. to 11:30 a.m. LOCATION: 850 Burlingame Avenue, Burlingame, CA 94010

CBFANC and FDA West Coast Import Division are pleased to present FDA Food Safety Program for August 28, 2024. Join us for comprehensive overview of FDA regulations and oversight on Food and Food-Supply Chain.

Lawton Lum / Director of Compliance, FDA West Coast Import Division

Tom Sidebottom / Founder, Regulatory Science Consulting LLC

Gary Cooper / Customs Lawyer, Law Office of Gary C Cooper

CBFANC curated this in-person seminar to provide Customs Brokers and Importers guidance on FDA import compliance and regulatory policy. This is your opportunity to learn and ask questions on: • Entry filing: DUNS, manufacturer, registrations, quantities, etc. • Notifications through FDA's ITACS (Import Trade **Auxilary Communication System)** • Document review: Timeline and contact information • What is misbranding? Holds and Appointments • Sampling procedures • Reconditioning, lab analysis and (re)labeling • FDA Refusals: Re-export / Destruction / Closing file FSVP, VQIP and other things to know Online Resources including AI/tools If you are a Customs Broker who file food entries or a food importer, don't miss this in-depth session for answers on food supply chain issues and admissibility. Location: Burlingame Rec Center, 850 Burlingame Ave, Burlingame, CA 94010 Steam Room, located 2nd Floor • Laptop recommended (for demonstration on online resources) • CBFANC will provide electrical extensions if needed • Wi-Fi access and site support • CBFANC will provide water/snacks at site · Plenty of parking adjacent to Rec Center **PCC Logistics Updated Contact List PCC** LOGISTICS FIRST MILE - LAST MILE Address: 2498 W. 16th St. Bldg 803 Oakland, CA 94607 Office Phone#: 510-663-5000 Please see below the updated CES - PCC Logistics Contact List Click here for a printable list and click here for details on their expansion. **CES CONTACTS:** Front Window: Terry Brown – Tbrown@pcclogistics.com Agriculture and CET/OET Dispatcher: Mariaelena Gil – <u>Mariaelena@pcclogistics.com</u> Trade Dispatcher: Stephanie Villanueva – TradeDispatch@pcclogistics.com Agriculture: Stacey Hong - <u>Stacey@pcclogistics.com</u> Trade and CET/OET: Isabel Salinas - Isabel@pcclogistics.com AG/Trade Support: Josephine Lara – <u>Jlara@pcclogistics.com</u> Data Entry: CESData@pcclogistics.com

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WESCCON 2024



WESCCON 2024

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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 <u>Info@PacificCoastCouncil.org</u> or 202-783-3333

Sponsorships and Exhibit Booths Available Contact: Info@PacificCoastCouncil.org



CBFANC Board



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