



May 2024 - Info Expeditor

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CBFANC Social Media

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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](#) 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, SW Logistics, CBFANC President

Dear CBFANC members,

Well it happened. 100% duties on Chinese EV's is happening as per latest executive order from the Biden Administration. [FACT SHEET: President Biden Takes Action to Protect American Workers and Businesses from China's Unfair Trade Practices.](#) | [The White House](#)

Steel and Aluminum, Semiconductors, Electric Vehicles, Batteries, Battery components and parts, and Critical Minerals, Solar Cells, Ship-to-Shore Cranes, Medical Products is a rather long list and specifically targets US interests where strategic domestic supply is in the national interest.

I do want to specifically talk about EV's here. To the average consumer, this is a bit of a head scratcher as we have some conflicting objectives that we should flush out. On the one hand 100% tariffs immediately jumps out at you for how high it is. It will effectively remove a consumer option to buy a cheap EV imported from China. If the US wants to get to 50% EV sales in US by 2035 then this tariff is not advancing those goals.

But now I want you to look at the European Union. They currently don't have the Biden Infrastructure Bill and they have no European EV production. They have no choice and they are faced with getting to 50% EV auto sales by 2035 completely on foreign production of EV's. This is effectively VW, Mercedes, BMW losing 50% market share. Sure VW is making EV's in China and will import them to EU but the workers will lose and they will effectively destroy the automotive industry in Europe. But hey they may reach their climate goals faster than USA.

President Biden said that his policy will be for the middle-class Americans and the smartest think tanks in Washington DC is telling us this path is a win-win for America, and I mean

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

USMCA America. Only time will tell what was the more effective policy, but I am feeling pretty good that the federal government found a way to have your cake and eat it too.

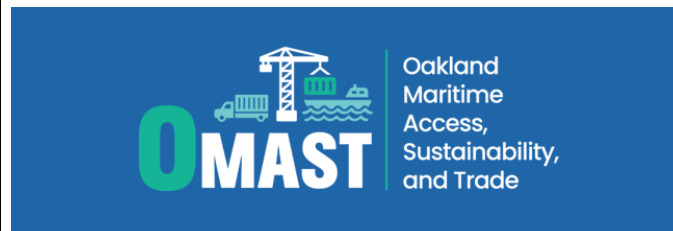
Sung Wook Lee, President

In Port News

Evey Hwang, CBFANC Board Chair



Evey Hwang, CBFANC Ocean Committee



CBFANC with O-MAST at May 15th City of Oakland's Planning Commission

On May 15, 2024, CBFANC joined O-MAST coalition to offer input to City of Oakland's Planning Commission's Downtown Oakland Specific Plan (DOSP). Eight years in planning, the DOSP is in final draft and Environmental Impact Report (EIR) stage. The website <https://www.oaklandca.gov/topics/downto-wn-oakland-specific-plan>, the plans "will guide downtown development to meet Oakland's projected housing and employment needs over the next 20 years, while preserving and enhancing the dynamic culture that Oaklanders treasure.

O-MAST is acronym for Oakland Maritime Access, Sustainability and Trade. a coalition of maritime stakeholders partnered since 2019 under East Oakland Stadium Coalition (EOSA). As reported last month's newsletter, Pacific Merchant Shipping Association (PMSA) affirmed their lawsuit on in EOSA's favor to return Howard Terminal to Port Prior Use. <https://www.mercurynews.com/2024/05/12/jack-london-square-development-oakland/>

However, the mission is not complete because Howard Terminal is on the DOSP map. At the Planning Commission meeting, we learned that the City may proceed with planned bike lanes and pedestrian paths through Howard Terminal and other port adjacent areas. The reason? Apparently state grants received by the Port were specific to Howard Terminal being on the "Green Loop" map proposed in the DOSP. O-MAST has submitted a letter to the Planning Commission to revise the planned public access detrimental to public safety and outside the industrial zone.

O-MAST "applauds the DOSP's reinstatement of insutrial land use designation for the Port buffer are, maritime-adjacent lands, and the heavyweight truck areas of the 3rd Street Corridor. This is a significant adn positive revision from the 2019 DOSP Draft, and the City should be commended for its reinstatement. It is essential that the 3rd Street Corridor be preserved as a buffer for encroachment of incompatible land

uses which might conflict with heavy industrial freight transportation and its associated infrastructure."

CBFANC continues to join coalition partners to preserve Howard Terminal and port adjacent land for maritime use. The next meeting will be June 5, 2024

Peter Friedmann's View From Washington DC

Peter Friedmann, OurManInDC



Peter Friedmann, Our Man in DC

May 2024

This is a pivotal moment in international transportation and trade. Every four years as the Presidential and Congressional election year builds steam, we are assaulted by protectionist rhetoric. Already the two leading candidates, Biden and Trump, are competing to show who is the most protectionist, the most anti-trade. One threatens an across the board 10% duty increase on all imports, on top of existing duties, and that's just to start. The other has a list of imports that he wants to hit with big duties – steel, aluminum, and how about a fee on many, even most cargo ships amounting to \$50 per ocean container? As a side note, demonstrating the extent that campaigns can change candidates' most fundamental beliefs, it is shocking, considering their positions not 12 months ago, our Presidential candidates are also competing to show who is tougher on illegal immigration, or pro-choice on abortion.

While those are not going to be issues debated on Capitol Hill before the elections, trade and transportation certainly are. Will Congress jump on the protectionist bandwagon? Is the effort to end, restrict or limit de minimis entries partly motivated by protectionist ambitions? Is protectionism a reason for Congress' continuing difficulty renewing what was once a non-controversial quite limited helping-hand for less developed countries – GSP. Who is opposing the President's proposed steel duties, the extruded aluminum duties? No one, not a Democrat, not a Republican. Over this summer as the elections near, more protectionist proposals will arrive on the Capitol Hill and White House doorsteps, count on it. It's scant solace to know that the protectionism is very much bipartisan.

Meanwhile, the new Ocean Shipping Reform Act will impact every item that is imported into or exported out of this country - beginning May 29th! The new regulatory environment might lead to a more efficient supply chain at some point, there will be a period of adjustment. And Congress may be asked by industry and even the FMC for legislative clarification of certain OSRA policies. But adapting to the new shipping regulatory regime will be the least of our worries, if the ILA were to carry out the threatened strike and shutdown of all US ports from Maine to Texas.

Now we come full circle, in this election year. Politics can lead to bad trade policy and decisions, but politics can also keep trade going. Politics will motivate the President to prevent a coastwide longshore labor dispute that shuts down our trade and our economy just months before the November 5 election.

But history shows they will come to their senses; after the elections, the longer term perspective can prevail, and "bright ideas" sought by special interest groups, go back on the

shelf...for four years. Or so we hope.

Peter Friedmann
OurManInDC@FederalRelation.com

2024 - A Debatable Year for Trade

Evey Hwang, CBFANC Board

2024 is election year and two presidential candidates have agreed to debate in June and September. Aside from all social and economic issues to debate, the two candidates do agree on two things: trade protectionism and China.

Trade versus Tariffs. Both presidential candidates have touted additional Tariffs. Last week, Biden's White House issued the current administration's proposal which outdoes previous Trump Tariffs: <https://www.whitehouse.gov/briefing-room/statements-releases/2024/05/14/fact-sheet-president-biden-takes-action-to-protect-american-workers-and-businesses-from-chinas-unfair-trade-practices/> In recent comments, former President Trump promises to trump Biden's position. What got left out of this? Trade. Given the 2018 China 301 Tariff Actions never advanced past Phase One, US farmers and mid-manufacturers actually lost in the trade war. US Consumers also lost as retailers passed on the additional costs. Also it's not just increasing tariffs on China. Since end last year, US Commerce has announced antidumping and countervailing actions on aluminium products (extrusions, containers, etc.) targeting China and other countries. Most economists agree the Tariffs contributed to inflation and net positives are debatable.

<https://www.supplychaindive.com/news/china-tariff-increases-reactions-manufacturing-retail-automotive/716354/>

Trade versus Supply Chain: Any given year has its share of supply chain challenges. 2020 year (literally) gave us COVID-19. Ever Given stuck at Suez Canal and its disruption drove ocean and air freight to stratospheric rates. Carrier readjustments and Port congestion continues into 2021. The year 2022 gave the Ocean Shipping Reform Act (Good) but it resulted in Carrier/Terminal systems and billing confusions (bad) and in California, Owner Operator protests over AB5 (Ugly). 2023 year was when the International Longshore and Warehouse Union (ILWU) contract did get settled and ratified by summer's end. The drought conditions at Panama Canal continued from early 2023 into 2024. However October 7, 2023 Hamas terrorist attack in Israel happened. Tragic (in human suffering) and ongoing regional strife, the conflict saw Houthi attacks on ships in the Red Sea. Both vessel delays at Panama Canal and reroutes away from Red Sea continue in disruptions in 2024.

Trade versus Artificial Intelligence: Remember Blockchain? Fun debate as Blockchain is still there and AI has always been but today AI is the catchword. <https://www.linkedin.com/pulse/blockchain-vs-artificial-intelligence-whats-debate-mw8pf/> From Forced Labor to Cybersecurity to Export Controls, trade regulations and countries restrictions demand our adaptation to targeting tools for compliance protocol and policy. This year's WESCCON will continue what last year's conference diving into AI innovation into our industry. To learn what's new and applicable, CBFANC recommends attending WESCCON 2024. Sign up early to ensure hotel reservations.

Reviewing the 2024 year in retrograde is to reflect that we are back in Election year!. Without debate, in Election year, Peter Friedmann is our go-to Man in DC and will be giving his View from DC right here in the Bay Area on June 26th. Check event details in our newsletter and blasts. Come join us to hear Peter Friedmann's views on Trade, Tariffs, OSRA and Final D&D Rule. Ask Peter questions on what is going on at

Congress and other debatable concerns. This is a networking event! Food, drinks and good conversations! Join!.

June 26, 2024 - Q&A with Our Man in DC, Peter Friedmann



CBFANC is pleased to present

Our Man in DC, Peter Friedmann

In Person for a Q&A Networking Event

June 26, 2024

4:30 – 7:30 p.m.

**\$40 for members
\$55 for guests**

**Serving delicious hors d'oeuvres
No Host Bar**

**Hilton Airport Bayfront
600 Airport Blvd, Burlingame, CA 94010**

With the election less than six months away, the two leading candidates are competing to show who is the most protectionist, the most anti-trade, this is a pivotal moment in international transportation and trade. Which leader would best position the US to compete with China over the years to come? What similarities do they have? Where do the two leaders differ on how to strengthen America's economic competitiveness? Whose approach would benefit international trade most? With threats on increasing duties on top of existing duties, how will this affect international trade? What effort (if any) is focused to limit, restrict, or regulate de minimis entries?

Meanwhile, the new Ocean Shipping Reform Act will impact every item that is imported into or exported out of this country - beginning May 29th!

Are these the questions you think of and want answered? Or do you have a more pressing question you want addressed? Submit your question to info@cbfanc.org and we will send it off to Peter to dig for answers and present them to us at the event.

Join us June 26th evening to hear Peter Friedmann's views on the election, trade policy and transportation challenges. *Will*

the new regulatory environment lead to a more efficient supply chain at some point? How will the election affect trade? Come join this discussion and more.

[Register Here!](#)

2 Black Swan

Sung Wook Lee, President

FMC was looking for a 2 black swan event quite openly last 2 years. Well it's here folks.

[Wan Hai warns of battle for boxes as peak season starts early - The Loadstar](#)

Carriers should have known this capacity issue will come up during 2024 contract season. We were talking about China industrial overproduction and the Suez Canal congestion issues for the last 6 months but the trade community was told that we should have a normal shipping year.

BCO's (Beneficial cargo owners i.e. Walmart, Amazon) got sweet rates and now the spot shippers will pay the peaks of COVID prices for freight which was widely reported north of \$10,000/40'CNTR from Base Ports Asia – US West Coast.

President Bidens team of Dept. Transportation, Dept. Commerce, FMC all have some sort of supply chain visibility/surveillance teams but can't game out probabilities of outcomes to mitigate this. I tried to look for and find these people but not accessible to me as far as I can tell.

To be fair, most of us watching the Suez Canal and the Iran-Hothi's effort to disrupt the red sea traffic thought it would be contained there, and just some fast steaming around the Cape of Good Hope will resolve the problem. I am told by one of the carriers that they can't go faster because of IMO-CII rules limiting vessel emissions.

What has changed, and could not be foreseen is/was China. There is a lot of concern in Washington DC about China's manufacturing overcapacity. [How China's EV overcapacity has come to a head after 15 years, and what's in store for the industrial policy race with US and EU | South China Morning Post \(scmp.com\)](#)

If there is a remedy, I would ask the carriers to isolate the long transit issue to the ASIA-EU trade, jack up the rates to the ASIA-EU trade and don't divert any vessels and equipment to that market at the expense of the ASIA-US transpacific trade. US importers should not be subsidizing the security failures of the European market and our regulators should investigate if USWC importers got the short end of the stick, our government should be working to be advantaged here than our competitors.

We like efficient markets because it weeds out the weak from the herd Darwin style. FMC prefers this market making approach and they took a lot of flack during COVID USWC Ports congestion a few years back. When things get back to normal then rates will come down and we will all enjoy cheap ocean freight again in perpetuity.

This thinking is about as current as the low interest rates we enjoyed the last 20 years and its not coming back folks. FMC should also reframe their focus away from the last 20 years and look towards global warming, strategic competition with China, Russia-Ukraine war and look to a new era of trade and commerce where FMC is on outside.

-Sung Wook Lee



Avalon 2024 WESCCON Scholarship Application

Deadline: July 1st, 2024

Why you **SHOULD** attend?

Learn: Improve your business and your career with workshops, panels, roundtable discussions and town hall meetings on timely topics. Stay informed about the latest industry issues and trends.

Participate and Communicate: Support your industry and let your voice be heard by US regulators and legislators on issues that affect your business. Volunteer for a Pacific Coast Council or WESCCON committee. Find out how you can make a difference.

Network: WESCCON offers the best opportunity to meet people in the global logistics industry. Whether by attending or exhibiting, by finding contacts in the Directory of Registrants, or promoting your name as a sponsor, participation in WESCCON gives you the contacts you need. As we often hear from our WESCCON participants, there is no other conference in this industry that offers the educational, networking and social programs for such a reasonable registration fee.

Click [here](#) to apply today!

WESCCON 2024



WESCCON 2024

October 17-20, 2024 | Coronado, CA

Loews Coronado Bay Resort

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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:

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- Update from West Coast CBP Port Directors
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- 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

CBFANC Seeks NVOCC's and Freight Forwarder's Input

CBFANC President, Sung Wook



Have you signed a service contract with a carrier?

Welcome to summer. Those with kids, high school dances, graduations are upon us, along with summer vacation plans seems to occupy our spare time.

April-May for those freight forwarders out there, is another special time of the year. This is the season for contact

negotiations. I hope you got the rates you were looking for as 2023 service contract season ends and 2024 rates begin. All I can say is that I would like some of those BCO rates for my FAK service contract. Carriers are not nice to NVOCC's and unless you are a national NVO, you will suffer their general matrix rates. Generally speaking the rates for BCO & NVOCC for the same volume of cargo could be, shall we say night and day.

I generally have thought this carrier practice to be odd at best, and anti-competitive in most cases. Yes yes, carriers have some anti-trust immunity but I don't like it at all. Yours truly have travelled to Washington DC to rail against the bureaucratic machinery that is the Federal Maritime Commission on this issue but to no avail. No answers given.

One of CBFANC board members, Chris Kammer of Access Supply Chain Solutions often presses for more policy, lobbying, activism amongst those that operate under the FMC OTI license. Most carriers have a 60/40 ratio of BCO/NVO business and being at the bottom of that pile is not enjoyable indeed.

CBFANC would like to solicit any suggestions on what is the needs of the NVO/FF community and you can email us at info@cbfanc.org. Even if you are having trouble with a carrier about demurrage/detention with a carrier we can help you so you don't stand alone. We also have on our phone, direct dial to FMC and pose your concerns if you are apprehensive about contacting the complaints desk at FMC. I highly encourage you to get to know your FMC representative Gabriel Padilla gpadilla@fmc.gov.

CBFANC Needs YOU!

CBFANC COMMITTEE



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!