

October 2024 - Info Expeditor

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CBFANC Wishes you a Happy Halloween!



CBFANC Social Media

Please connect with us!

- Twitter @cbfanc
- LinkedIn <u>Customs Brokers</u>
 <u>and Forwarders</u>
 <u>Association of</u>
 <u>Northern California</u>
 (CBFANC) | Groups
 <u>LinkedIn</u>
- Facebook CBFANC

CBFANC President's Letter

Sung Wook (John) Lee, SW Logistics, CBFANC President



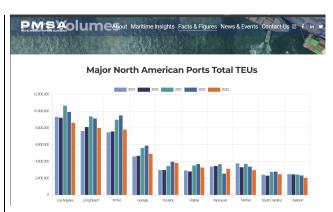
Sung Wook (John) Lee, SW Logistics, CBFANC President

Events Around the Bay

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

Association (MBITA) Monterey Bay
International Trade
Association
Check Website for updates

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



Sometimes graphs say in visual terms what is going on with US Ports. Here is a list of 10 US & Canada ports and their total import/export volume. The graph conveniently starts with 2019 pre-covid numbers, the stay-at-home buying craze and the settling of trade volumes as economy opens to travel in 2023.

What I see is significantly lower volumes at our nation's largest ports LA-LGB-NY/NJ. Perhaps expected with the COVID letdown in cargo must be the main culprit but notice the severity and in comparison, to 2019 vs 2023 numbers you see a disappointing increase, if not adjusted for inflation or whatever is less. Less than the amount of cargo moving through our ports.

The smaller ports Georgia, Houston, Virginia and their increase mainly due to the opening of the larger Panama Canal despite the drought there and the stupendous amount of investment in Savannah port should be commended.

NWSA & OAK is on a downward cargo trend that boggles the mind. State population for Washington & California states are projected to grow at about 1% for both states over the next 20 years but there is no corresponding increase in cargo volume.

If we include N. California as part of Pacific Northwest then we are not growing as fast as we use to, and we are not attracting labor to our state if not outright outmigration to where the jobs are. Those reasons seem to be well documented with lower immigration, high cost of living, lack of affordable housing, aging population to name a few.

Geo-political issues such as this trade war with China is also having a negative effect as the large Chinese speaking population is sort of cut off from doing business with their country of origin. Being here in the Pacific Rim it is the natural advantage of Washington, Oregon and California competitive advantage as the gateway to Asia and first port of call.

According to Beacon Economics, California's merchandise export trade was nominally valued at \$16.189 billion in Aug 2024, a strong 9.9% gain over the \$14.735 billion recorded Aug 2023.

US exports increased by 5.2% to \$180.442 from \$171.503 billion, with California commanding 9.0% of US export trade from 8.6% last year this time. Pre- pandemic, California's share was 10.8% of US trade.

Mode of transport is changing as well. In 3rd QTR 2024, CA \$46.936 billion in merchandise export trade was shipped by air, while waterborne transport carried 24.4% of the outbound trade. The balance of the state's exports (75.6%) largely traveled via land to Canada & Mexico.

As reported earlier on this report and repeated by Beacon Economics, CA importer up 28.4% over last 5 years with

seaports growth at 21.5% and airports up 55.4% and land ports up 32.0%.

DESTINATIONS

Fourteen overseas markets recorded one billion dollars or more in imports from California in the last three months:

In the latest three-month period, the state's overall export trade with the economies of East Asia gained by 7.6% to reach \$15.900 billion from \$14.780 billion. California's exports to the European Union meanwhile rose by 10.0% to \$8.832 billion from \$8.031 billion one year earlier. The state's exports to Latin America and the Caribbean (excluding Mexico) leapt by 19.7% to \$2.576 billion from \$2.153 billion. California's shipments to the nations of Sub-Saharan Africa declined by 25.5% to \$160 million from \$212 million.

	June-August 2024	June-August 2023	Change (%)
1. Mexico	\$8.860 billion	\$8.589 billion	3.2%
2. Canada	\$4.724 billion	\$4.938 billion	-4.3%
3. China	\$3.855 billion	\$3.960 billion	-2.7%
4. Japan	\$2.828 billion	\$2.644 billion	7.3%
5. Taiwan	\$2.245 billion	\$2.195 billion	2.3%
6. South Korea	\$2.143 billion	\$2.261 billion	-5.2%
7. Malaysia	\$1.820 billion	\$771 million	136.0%
8. Netherlands	\$1.714 billion	\$1.615 billion	6.1%
9. Germany	\$1.533 billion	\$1.477 billion	3.8%
10. Hong Kong	\$1.346 billion	\$1.545 billion	-12.9%
11. Singapore	\$1.251 billion	\$1.104 billion	13.3%
12. India	\$1.207 billion	\$1.213 billion	-0.5%
13. United Kingdom	\$1.180 billion	\$1.113 billion	6.0%
14. Australia	\$1.138 billion	\$852 million	33.7%

Mexico and Canada, America's partners in the North American Free Trade Area, together accounted for 28.9% of California's \$46.936 billion merchandise export trade in the June to August period as the nominal value of shipments to our immediate neighbors inched up by 0.4% to \$13.585 billion from \$13.527 billion.

Huge News: White House Targets Deminimis

Peter Friedmann, OurManInDC, PCC, AGTC



Peter Friedmann, OurManInDC

Here is what the White House <u>announced</u> this morning it intends to initiate regulatory action to dramatically

restrict to Section 321 entry / de minimis. I will send the full regulatory announcement from USTR, next).

We should expect the following in the coming days:

- Notice of Proposed Rulemaking that would exclude from the de minimis exemption all shipments containing products covered by tariffs imposed under Sections 201 or 301 of the Trade Act of 1974, or Section 232 of the Trade Expansion Act of 1962.
- Notice of Proposed Rulemaking regarding the entry of low-value shipments that will propose to strengthen information collection requirements to promote greater visibility into de minimis shipments.
 - This regulatory action will propose to require specific, additional data for de minimis shipments, including the 10-digit tariff classification number and the person claiming the de minimis exemption, to improve targeting of de minimis shipments and facilitate expedited clearance of lawful de minimis shipments.
 - The proposed regulatory changes will also clarify who is eligible for the administrative exemption and requires filers to identify the person on whose behalf the exemption is being claimed.
- Final Rule to Prevent De Minimis Shipments from Circumventing Safety Standards: Consumer Product Safety Commission (CPSC) staff intend to propose a final rule requiring importers of consumer products to file Certificates of Compliance (CoC) electronically with CBP and CPSC at the time of entry, including for de minimis shipments.

The White House also called on Congress to pass legislation that would:

- Exclude import-sensitive products, including textile and apparel products, from the de minimis exemption.
- Statutorily exclude products that are covered by Section 301, Section 201, or Section 232 trade enforcement actions from the de minimis exemption.
- Increase transparency and accountability under the de minimis program by requiring more data from shippers, including the product tariff classification number, and give border officials tools they need to more effectively track and target the millions of shipments coming in claiming the de minimis exemption.

This action follows a <u>letter</u> that 126 members of Congress sent to President Biden this week to urge him to use the full range of his authorities to "disqualify commercial shipments from de minimis treatment." There has been bipartisan angst over House Speaker Mike Johnson scheduling a series of votes on China-related bills but not including legislation to exclude shipments from China from de minimis treatment.

WESCCON 2024 - RECAP!

CBFANC Attendees



RECAP!

As always, what a time! Please read below WESCCON experiences from CBFANC attendees!

WESCCON 2024 - Sung Wok Lee, CBFANC President

Pacific Coast Council holds annual conference at Lowes Coronado Hotel in San Diego, CA. It's a beautiful hotel with views of the San Diego Bay. WESCCON is contracted to do one more event here in 2026.



CBP Commissioner Troy Miller and PCC leadership at WESCCON 2024

Troy Miller is the Commissioner of CBP and leads an organization of 60k federal employees to protect the border and the trade interests of the United States. CBP Core mission is counterterrorism, border security and trade enforcement, while faccilitating \$4 trillion in trade and trave of over 410 million people through our ports of entry. Leadership & Organization | U.S. Customs and Border Protection (cbp.gov) He reports directly to DHS Secretary Alejandro Mayorkas.

Pacific Coast Council PCC is made up of broker and forwareder associations of the US West Coast. Pacific Northwest, Portland, San Francisco, Los Angeles, San Diego. Our membership of licensed brokers and freight forwarders handle all the cargo in the trans-pacific trade. Long winded way of saying the important role we play in that global supply chain.

What does CBFANC get out of this? Access to our regulators. Simple enough but really? Yes really. We can't get you out of a penalty situation, and certainly bad behavior is something we don't condone, but come to us. Tell us what you are having problem with, because CBFANC, PCC, NCBFAA all have resources and knowledge deal with the situation. Many of our members have experience in the very issue you have, we should share notes and find the best way to resolve the situation. That is one of the professional association value add is. Other is the access to our regulators and vendors.

Great example in 2024 was the exam delays at CFS/CES stations. Reasons were mainly labor shortage, CBP staffing

and the higher CBP enforcement environment currently due to geo-politics. Pacific Coast Council trouble shot issues with MERCER – SEA/TAC, PCC Logistics-OAK, PRICE-LA CES stations together in one room with WESCCON members. Found out some things, you know what I mean...



CBFANC at WESCCON 2404 Peter Gong, Sung Wook Lee, Chris Ramos, Liz Chapman, Evey Hwang.



SF & PDX Association Presidents (from left, Sung Wook Lee-Pres CBFANC, Emmet McGovern – CEVA Logistics, Portland, Madison Mindham – TLR - ORD, Tia Sandberg, TLR -PDX & Pres. CRCBFA with their Avalon WESCCON Scholarship Winners

<u>WESCCON 2024 - Evey Hwang, CBFANC Ocean</u> <u>Committee Chair</u>

Each year the Pacific Coast Council's five associations member volunteers come together to work on programs to provide learning and connections for Customs Brokers and Forwarders. This year's theme "Sailing into a New Era: Converging Technologies and Traditions" was the framework for panel agenda and conference discussions:

- The Future of Customs Business
- Cyber Security Downtime Procedures
- Trucking Past, Present, and Future
- Navigating the complexities of Forced Labor: Practical Guidance for Customs Brokers
- Navigating the Complexities of Air Freight: A Call for Collaboration
- West Coast CBP Port Directors Panel
- Continuing Education for Licensed Customs Broker Are you ready?
- CBP Trade Modernization, Where are We?
- Behind the Scenes with CBP Fines Penalties, and Forfeitures Division

- Ocean Shipping and Rail: An in-depth overview of an ocean carrier's operational approach
- Guide to implementing AI in your business
- AD/CVD Best Practices
- Export Compliance
- PGA Panel Part 1 (CPSC & APHIS-Lacey Act)
- The Shifting Sands of disruption and risk you need to manage in your supply chain
- · West Coast Ports Panel
- PGA Panel Part 2 (AMS Organics & FDA)
- Centralized Examination Stations (CES) Procedural Challenges
- Attorney Panel You know it's time to call an attorney when...
- · FMC Final Rule and D&D Billing

There is no finer way to describe WESCCON than listing the panels...except there's more to the agenda! This year's keynote speakers were: Acting CBP Commissioner Troy Miller; our own Man in DC Peter Friedmann; Paul Bingham, Economist for S&P Global; Former Acting Secretary of Homeland Security (and Former CBP Commissioner) Kevin McAleenan.

For those who took the journey to San Diego this year and those who joined past WESCCON conferences (since 1981!), we all know it's about the people. Whether the panel discussions, dialogue with CBP and agencies, trade and logistics partners, the exhibits and swag, the fun theme parties (and hospitality suites), WESCCON's special mix of education and fun has connected people since 1981. Click here for a glance at this year's agenda.

We'll hope to <u>see you for WESCCON 2025 - Omni Rancho Las Palmas, Palm Springs, CA - October 9-12, 2025</u>



The Pacific Coast Council represents <u>Customs Broker and</u> <u>Freight Forwarders</u> and is made up of <u>5 separate West Coast trade associations.</u>

- Customs Brokers & International Freight Forwarders Association of Washington State - https://www.cbiffawstrade.org/
- Columbia River Customs Brokers and Forwarders Association - httpIns://www.crcbfa.org/
- Customs Brokers and Forwarders Association of Northern California - https://cbfanc.org/
- Los Angeles Customs Brokers and Freight Forwarders Association - https://www.lacbffa.org/
- San Diego Customs Brokers Association
 - http://www.sandiegobrokers.org/

WESCCON 2024 - A Perspective - Liz Chapman, CBFANC Board Director

It is always beneficial to spend time outside of our normal lives, taking advantage of opportunities offered for education and different ideas. This year's WESCCON was one of those occasions. The speakers were informative (and occasionally quite alarming), and entirely helpful and patient. We were given the chance to talk directly with officers from the FDA and APHIS, as well as Customs, and get clarification on new regulations coming out soon (Lacey Act VII ...) Seminars were offered all day for those who wanted to attend on a wide

variety of subjects. And those who wished to could sneak away for an hour to enjoy the sunshine by the pool.

Last, but never least!

Congrats to Madison Mindham of TLR, CBFANC's Avalon Risk Management's 2024 WESCCON Scholarship Winner



Madison, CBFANC Pres. Sung Wok Lee, Avalon Risk Deirdre Hudson and Lisa Perez

A Special Opportunity to Serve Your Port and Trade Community

CBFANC Chairperson, Evey Hwang



Evey Hwang, CBFANC Chairperson

CBFANC Board of Directors 2025 Elections



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 upcoming elections.

Nominations can be sent to info@CBFANC.org

If you know a fellow CBFANC professional member who you think would be a great addition to the Board of 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. Deadline to receive nominations will be welcomed through Novemer 1st with elections held November 4, 2024. The election results will be announced at our annual meeting/holiday gathering to be held on December 5, 2024.

Technology and Social Media Committee

Chris Kammer, Tech & Social Media Committee



Chris Kammer, Technology & Social Media Chair

Make sure to follow CBFANC on LinkedIN



<u>Customs Brokers and Forwarders Association of Northern</u> <u>California (CBFANC) | Groups | LinkedIn</u>

Program Events

Evey Hwang & Sarah Stroth



CBFANC Holiday & Annual Meeting December 5th 2024 12/05/2024

Sponsor our Annual Meeting & Holiday Party, December 5th 2024
12/05/2024

Come and Join Our Holiday Happy Hour & Annual Meeting

CBFANC Board



FRIENDS • FUN • FOOD • RAFFLE • LAUGHS

WHEN 05 December 2024 4pm - 7pm

WHERE
Kincaid's Fish, Chops & Steaks
60 Bay View Place, Burlingame

CBFANC cordially invites you to our 2024

Holiday Happy Hour and Annual Membership Meeting

Please join us in-person for our annual meeting with the current CBFANC Board of Directors.

We're excited to announce the winners of the 2025 year elections and see members and colleagues of our community to celebrate the holidays!

Remember your business cards for a chance to win some awesome raffle prizes.

We look forward to seeing and celebrating with you!

Remember to bring an unwrapped toy to benefit Toys for Tots and get a free raffle ticket!

Tickets: Members: \$50.00 Guests: \$65.00

Enjoy festive hors d'oeuvres and cocktails!

Register Here!

Mentorship | Internship - Opportunity

Paul Glanting, Director of Career Services and Professional



Innovate Sustainably. Lead Responsibly.

Are you interested in an intern or perhaps in mentoring the next generation of trade compliance specialists?

The Lam Family College of Business at San Francisco State

University is one of the largest business schools in the country with approximately 4000 students. Since 1964, we have been accredited by AACSB International—the gold standard for business school accreditation—a rigorous accreditation earned by less than five percent of business schools worldwide. We offer a wide array of programs such as International Business, Management, Marketing, Business Analytics, Accounting, Decision Sciences, Information Systems, Economics, Labor Studies, and Hospitality, Tourism, and Events Management.

Our college has over 200 students majoring in International Business, Decision Science, and Business Analytics. Our students are well-prepared to work in international trade and global supply chain management. To boot, we offer a trade compliance course taught by a trade compliance professional with over 30 years of experience in the field. This is a unique pathway that is not taught in every business program.

We would love to explore partnering with you and your organizations! If you have any <u>internship</u> openings (or need guidance on creating an internship), we would be happy to connect!

We also have a robust <u>mentorship program</u> that pairs students with industry professionals, and we're always looking for new mentors!

Even if mentorship or internships are not of interest, we'd love to have you get involved in our college! Please feel free to contact Paul Glanting, Director of Career Services & Professional Development, at pbg@sfsu.edu. Thank you!

CBFANC Needs YOU!

Join a CBFANC COMMITTEE



CBFANC Needs YOU!!

Please feel free to contact us with your feedback, ideas and topics that should be considered.

Whether you're a legal eagle or proverbial party animal, editor and journalist, nerd or geek - we have a spot for you!

Join one of our committees where you can put your talents and interest to use for the betterment of the organization and our community.

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!

Save the Date! State of the Port 2025

CBFANC Board



CBFANC's 2024 State of the Port Dinner Program

Tuesday, February 4, 2025

Featuring our keynote speaker APD Bruce Murley

Location:

Hilton San Francisco Airport Bayfront 600 Airport Blvd Burlingame, CA 94010

Details for registration and sponsorship opportunities coming soon!

You do not want to miss this!