

NEWS IN BRIEF

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FMC has Established an Ocean Carriers Audit Program

The Federal Maritime Commission (FMC) has established an Ocean Carriers audit program. Its intent will be to assess if carriers and terminals are following the FMC rules on practices of fairly charging demurrage and detention. We will follow up with FMC to find out if beneficial cargo owners can submit information to the audit team when they believe they have not been dealt with fairly. The FMC's announcement of the program can be accessed by clicking [here](#).

PierPass has Announced an Increase in Fees

The Off-peak program, that includes PierPass, is a program run by the West Coast Marine Terminal Operators Agreement (WCMTOA). The WCMTOA has announced that on August 1, 2021, the Traffic Mitigation Fee (TMF) at the Ports of Los Angeles and Long Beach will increase by 2.2 percent. This adjustment matches the 2.2 percent increase in longshore wage that takes effect in early July.

Beginning August 1, the TMF will be \$34.21 per TEU (twenty-foot equivalent unit) or \$68.42 for all other sizes of containers. The TMF is charged only on non-exempt containers moving in and out of the ports. Containers exempt from the TMF include empty containers, and transshipment cargo, import cargo or export cargo that transit the Alameda Corridor in a container that are subject to fee imposed by the Alameda Corridor Transportation Authority, and bobtail trucks. The TMF helps offset the terminal's cost of operating extended gate hours. Labor costs are the largest single component of extended gate costs. Information about PierPass can be found by clicking [here](#).

Proposed 301 Tariffs for Vietnam Avoided

The U.S. Trade Representative (USTR) had proposed 301 tariffs on Vietnam for allegations of currency manipulation and for illegal timber practices. However, the U.S. Treasury Department has announced an agreement with the State Bank of Vietnam to address the U.S. concerns about Vietnam's currency practices. This deal appears to eliminate the chance of imposing tariffs on Vietnamese goods unless there is a violation of the agreement.

The USTR and the U.S. Treasury Department will monitor the implementation of Vietnam's commitments to address the currency manipulation raised in the 301 investigation and the USTR will keep the investigation active. The USTR could also take the step of publishing a preliminary list of Vietnamese goods that could be targeted for 301 tariffs if Vietnam fails to meet its commitments under this agreement.

Rail Movements to the Midwest are Being Delayed

Due to congestion and backlogs in picking up freight at the railheads, some rail carriers are suspended or are looking to plan to suspend international container freight deliveries to Midwest locations. This past week the Union Pacific Railroad halted all service from the West Coast Ports of Los Angeles, Long Beach, Oakland, and Seattle-Tacoma to its Global IV terminals in Joliet IL. This is to allow them to catch up and clear up delays in picking up containers that are stacked at the facility before taking on new cargo.

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CBP Announces Save the Date for 2022 Trade Symposium

BNSF is reducing its rail traffic from Los Angeles, Long Beach, and Oakland to Chicago for the next two weeks. This reduction does not include Ports of Portland or Seattle-Tacoma. From the East Coast, rail operators for MSC are monitoring deliveries from New York to Chicago; from New York to Cleveland; and from New York to Indianapolis. If there is no congestion improvement, these temporary delays may spread to other ports.

We have heard of some rail providers declining to accept refrigerated cargo due to all the refrigeration hookups being in use and they do not want to risk the failure of keeping refrigerated cargo cool. We will monitor this situation.

U.S. Customs and Border Protection has issued a notice to save the date for the 2022 Trade Symposium. It will take place at the Hilton Hotel in Anaheim, CA from July 19 to July 22. Registration is not available yet. Information on the Symposium can be found by clicking [here](#).



By **Todd Boice**, President