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Oct. 25 - 29

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APHIS Pallet Flag

- APHIS has taken steps to resolve the flagging issues with pallets classified in HTS
- APHIS originally flagged this HTS as AL2 with the implementation of phase VI; this means a disclaim is not allowed and an entry will reject.
- After discussions with the trade community, the agency agreed to change the AL2 flag to an AL1 flag. This will allow a disclaim to be filed for all pallets/containers that are under load (new or used) or for used, recycled, repaired pallets/containers that are not under load
- The only pallets/containers that will require a Lacey Declaration are new pallets that are not under load
- Check out our previous update on APHIS



Biden Annouces LA-LB Port Surcharge

- Biden Administration announced on October 25th that, effective Nov 1st, the ports of Los Angeles and Long Beach will start charging an "emergency fee" surcharge on all long dwelling cargo.
- This fee is intended to be charged to the ocean carriers, who will likely pass on to the end customer.
- This is applicable to all cargo that remains at terminal for 9 days or more and rail containers for 3 days or more.
- The cost is set to be \$100/container on the first day past the set dwelling limit for terminal or rail; it will increase by \$100 increments for each day that follows (i.e., \$200 for day 2, \$300 for day 3 and so on).
- This revenue is intended to be reinvested toward long-term port efficiency and infrastructure programs that will help mitigate any future congestion challenges in the San Pedro Bay area.
- This will continue to put pressure on current local capacity
- Rest assured that we will continue to keep you informed on the final determination related to this new surcharge implementation and what other solutions may become be available.



Governor Newsom Issues Supply Chain **Executive Order**

- California Governor Gavin Newsom issued an executive order to assist with the growing supply chain issues at the Los Angeles/Long Beach port.
- This order puts state agencies on the hunt for land for short-term container storage once goods are unloaded from ships.
- This executive order also seeks to identify priority freight routes for consideration
- of a temporary exemption to the gross weight vehicle limits. • Lastly, the executive order pushes California Labor and Workforce Development to look for partnerships to increase training, education, and opportunities for ports and other workers across the supply chain.
- Want more supply chain news? Check out Supply Chain Reactions for a condensed update for American shippers!



Global Holiday Closings Possible

- Cambodia will observe the King's Coronation Day, Norodom Sihamoni on October 29th.
- Many countries including Brazil, Peru, Chile, Colombia, and Spain will observe All
- Saints Day on Monday, November 1st. Turkey will observe the Republic Day of Turkey on October 29th.



Ecuador Strike

 Main roads in Ecuador are facing blockages due to a national strike that began on Wednesday. The strike protests fuel price hikes and economic policies set forth by President Guillermo Lasso.



Air Cargo Fuel Rising

- An increase in aviation fuel is contributing to climbing air cargo rates.
- The following fuel surcharges are for general cargo based on chargeable weight unless stated otherwise:
- Swiss Air Cargo increased from 0.40 to 0.45 Oct 25th to 0.50 Nov 8th
- Emirates SkyCargo increased from 0.28 Sept 20th to 0.35 Oct 18th to 0.42 Oct 25th to 0.49 Nov 1st
- Lufthansa Cargo increased from 0.40 Oct 25th to 0.45 to 0.50 Nov 8th
- Avianca increased from 0.18 to 0.21 as of Nov 1st
- China Airlines increased from 1.05 to 1.15 Oct 1st
- Polar will implement a fuel surcharge from N. America to Asia-Pacific at 0.65 Nov 1st
- The AWB issue date, not the flight date, dictates when to apply fuel surcharges.



Tech Launch

• The cost of air cargo out of China is temporarily surging due to product launches from Apple, Sony, and Tesla.





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