

FBB FEDERAL RELATIONS

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Peter Friedmann's View from Washington DC: January 2020

Plenty on the nation's (and the world's) plate for this year. Some will influence Congressional and Executive Branch legislation, regulation, rulings and policies; some will be decided by the courts; many will find their way into Presidential and Congressional campaign speeches and debates.

- Impeachment –getting revved up
- Iran – retaliation threats – talk or real? Impact on trade, sanctions, low sulfur fuel availability.
- Democratic primaries underway -- wide-open field of very different candidates
- Presidential election campaign - more expensive, louder, more contentious than ever.
- November 3 – who will be President? Which party will control the Senate?
- China trade battle – paused for now. Phase One: tariff relief for many imports and especially exports, but tariffs remain for many more. Is this the 'new normal'?
- China – US relations, not just a trade battle: more tenuous than ever: human rights (Hong Kong and minorities) and military confrontation. *Danger ahead.* Congress reacting, more sanctions.
- USMCA – ready for big signing, will Mexico resist enforcement provisions.
- Japan – 1st Phase agmt, improved access for US exports, but much left out; will there be Phase 2?
- Europe – on the cusp of a tariff war: over Airbus and Boeing subsidies + French taxes on US tech.
- Brexit – it may finally happen in 2020. Will US negotiate free trade deal with England?
- Ocean carrier and terminals' demurrage and detention charges now a fundamental revenue stream; so onerous the Federal Maritime Commission stepping in – will guidelines change abusive behavior?
- California law AB5 eliminating independent contracting - trucking, Uber, Lyft, journalists, etc.– stayed by court, will it survive or will Teamsters organize dray and regional truck drivers?
- Will New Jersey and New York laws limit independent contracting for trucking to/from Port NJ/NY terminals?
- Ocean carriers' chassis "box rules" – creating congestion at ocean terminals and rail ramps; will chassis "gray pools" gain footing, or will FMC intervene?
- Are proposed new inland rail load points the answer for exporters and importers?
- Will California ports move forward in 2020 with 'zero emissions' truck mandate *and fees*? Will that spread to other ports nationwide?
- Will the shift of container trade from West Coast to East and Gulf Coasts accelerate?
- APL into CMA-CGM; OOCL into COSCO; Hamburg Sud into Maersk. Who's next?
- Will container ships keep getting bigger, or are they already too big for terminals to handle?
- How high can the stock market go; how long will the bull run?
- Will any 'brick and mortar' retailers, any shopping malls, survive eCommerce? Will CBP change regulations to bring eCommerce imports into FTZ's?
- Customs broker and freight forwarders -- surviving digital platforms, consolidation, and ocean carriers seeking to be 'one-stop shops'

Peter