

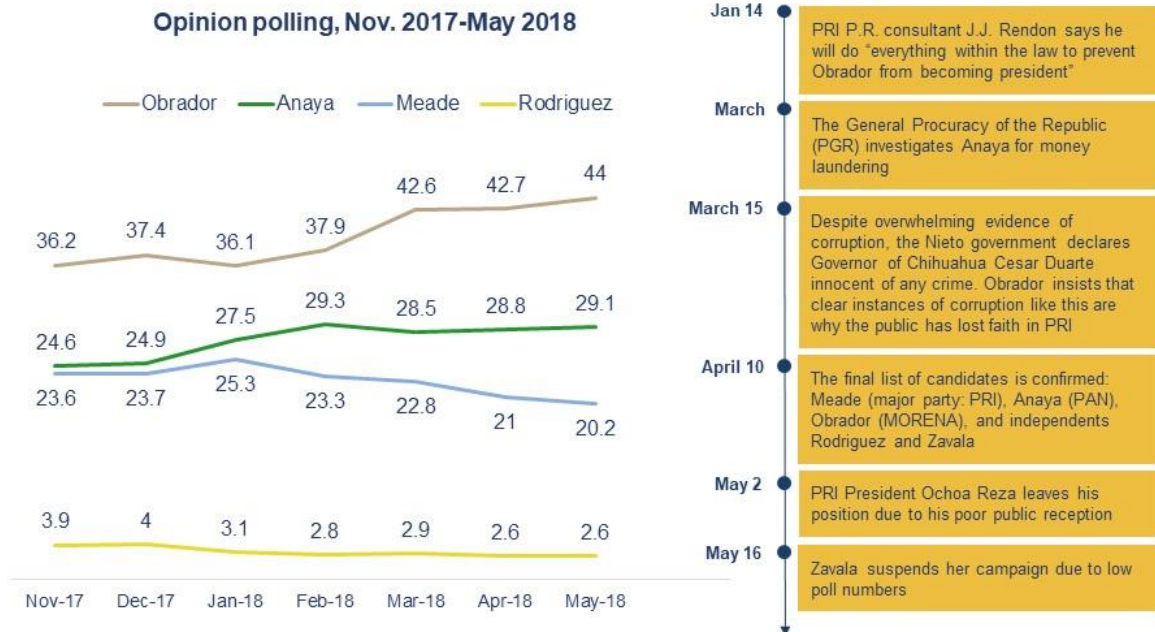
## Outreach June 14, 2018

Thank you for your membership in and work with NAEGA

### Image of the Week

## ***Obrador Leading the Mexican Presidential Race***

*With a pending July 1 election, Mexico's presidential race could impact NAFTA negotiations, especially if populist candidate López Obrador holds his lead*



Sources: Verónica Espinosa, "Por acciones como no proceder contra Cesar Duarte, la gente ya no le cree al PRI-AMLO," Proceso, Mar 14, 2018; Julio Hernandez, "PRI se desmarca del publicista J.J. Rendon; AMLO pide evitar violencias políticas," Articulo 4 Noticias, Jan 14, 2018.

### Member Opportunities

- Barge Trade Digitization Project Underway
- Customs Trade Partnership Against Terrorism (CTPAT)
- IGTC Strategy Session – London, UK – June 18
- IGC Workshop on Improvement of trade and investment in grain trade – June 20
- NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico – August 23-25
- DBTG Technical and Operations Seminar – Baltimore, MD – October 3-5
- Summer and Fall Contracts and Best Practices Seminars
  - Portland, OR – Week of July 3
  - Minneapolis, MN – Week of August 13
  - New Orleans, LA – Week of October 1

- NAFTA and Asia-Pacific Policy Teams
- NAEGA Internships

### Action Reports

#### **Recent Actions:**

- IPPC Trip Report
- Update on China Soybean Phytosanitary Requirements

#### **Upcoming Actions**

- IGTC Strategy Session and IGC Meeting – June 17-20 – London, UK
- IGTC meetings and Outreach – July 13-22 – Rome and Geneva

#### **Pending Actions**

- Comments on Canadian Retaliatory Duties
- Comments on Section 232 Investigation into Automobiles
- Comments on Maritime Regulations

### News

- U.S. Federal Aviation Administration Establishes Drone Restrictions

### NAEGA Calendar and Member Notices

- Upcoming Events and Notices for Members

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## **Member Opportunities**

### **Barge Trade Digitization Project**

On Feb. 16, 2018, National Grain and Feed Association (NGFA) and North American Export Grain Association (NAEGA) conducted a workshop in New Orleans to explore the potential for digitization of the paperwork and processes employed in the barge trade industry.

The workshop was attended by over 40 representatives from various sectors in the barge trade, including barge lines and operators; grain companies; exporters; trade, transportation and logistics consultants; and technology providers. The workshop focused on the numerous steps and multiple entities involved in the contracting, application, reassignment, billing and other processes common in the barge trade. Because the documentation and current processes still are largely paper-based, they are time-consuming and costly. *The resounding consensus of the participants at the workshop was that the industry should attempt to address the inefficiencies, unnecessary expenses and delays of the current system by pursuing alternative approaches based on employment of digitization and electronic transmission.*

As a result, a task force of company representatives in the barge trade has been assembled and begun to consider what approaches to undertake for a new system. Initial observations about the new system include:

- The purpose of the new system would be to facilitate document transfers between trading counter parties. It is not to displace the verbal application of barges, but to ease transfer of documents once the verbal application has occurred. The new system will serve as a shared documents ledger with secured access.
- The new system should have ability to record trade-specific information; create, access, download and print bills of lading and various other documents; electronically sign documents and transfer ownership; receive electronic communications; and house and archive extensive documentation.
- Security is an important requirement.
- Cost is another critical component. The task force predicts that the costs of a new system will present a significant savings compared to the current processes.
- The new system would be designed to be used by all industry parties when transferring documents.

The work of the task force is still very preliminary. As part of their initial review, the task force is seeking input from other industry participants on the core requirements of a new system and any other feedback they should consider. Broad adoption by the industry is critical to achieving the maximum potential cost savings associated with the new system.

*All inquiries and feedback are welcome.* Please contact Julie Detlefsen ([Julie\\_Detlefsen@cargill.com](mailto:Julie_Detlefsen@cargill.com)) or Charlie Delacruz ([cdelacruz@ngfa.org](mailto:cdelacruz@ngfa.org)) with any questions or comments.

### **Customs Trade Partnership Against Terrorism**

NAEGA would like to make members aware of an opportunity from U.S. Customs and Border Protection to participate in the Customs Trade Partnership Against Terrorism (CTPAT) program.

CTPAT is a voluntary public-private sector partnership program which recognizes that CBP can provide the highest level of cargo security only through close cooperation with the principle stakeholders of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers. The Security and Accountability for Every Port Act of 2006 provided a statutory framework for the CTPAT program and imposed strict program oversight requirements.

When an entity joins CTPAT, an agreement is made to work with CBP to protect the supply chain, identify security gaps, and implement specific security measures and best practices. Applicants must address a broad range of security topics and present security profiles that list action plans to align security throughout the supply chain.

CTPAT members are considered to be of low risk and are therefore less likely to be examined at a U.S. port of entry.

CTPAT participants enjoy other benefits, including:

- Reduced number of CBP examinations
- Front of the line inspections
- Possible exemption from Stratified Exams
- Shorter wait times at the border

- Assignment of a Supply Chain Security Specialist to the company
- Access to the Free and Secure Trade (FAST) Lanes at the land borders
- Access to the CTPAT web-based Portal system and a library of training materials
- Possibility of enjoying additional benefits by being recognized as a trusted trade partner by foreign Customs administrations that have signed Mutual Recognition Agreements with the United States
- Eligibility for other U.S. government pilot programs, such as the Food and Drug Administration's Secure Supply Chain program
- Business resumption priority following a natural disaster or terrorist attack
- Importer eligibility to participate in the Importer Self-Assessment Program (ISA)
- Priority consideration at CBP's industry-focused Centers of Excellence and Expertise

Members interested in participating should click [here](#). Participation in CTPAT is voluntary and there are no costs associated with joining the program.

### **IGTC Strategy Session – London, UK – June 18**

Please “save the date” for an IGTC Strategy Session in London, UK on June 18. The strategy session will take place in the Grand Connaught Rooms of the Grain and Feed Trade Association at 61-65 Great Queen St, London WC2B 5DA. Global grain trade leaders will gather to discuss issues of mutual interest as per the IGTC policy and outreach agenda. If you are interested in attending please contact the IGTC Secretariat at [secretariat@igtglobal.org](mailto:secretariat@igtglobal.org).

### **IGC Workshop on Improvement of Trade and Investment in Grain Trade – June 20**

NAEGA members and IGTC corporate stakeholders are invited to attend an IGTC sponsored workshop held during the IGC's International Grains Conference in London, United Kingdom at 8:45am on June 20. Entitled “Improvement of trade and investment in grain trade,” the workshop will take place at Queen Elizabeth II Centre, Broad Sanctuary, Westminster, London SW1P 3EE.

The ninety-minute workshop will include presentations by the IGTC, COFCO, the East African Grains Council and the World Trade Organization. A preliminary agenda includes opening remarks by Gary Martin, IGTC President and contributions from the IGC Chief Economist, Grain Trade Australia, the East African Grains Council and the WTO.

Members interested in participating should contact the IGTC secretariat Katy Lee at [secretariat@igtglobal.org](mailto:secretariat@igtglobal.org).

### **NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico – August 23-25**

Please “save the date” for the next NAEGA-APPAMEX Forum in Puerto Vallarta, Mexico on August 23-25. All NAEGA members are invited to attend. Please contact [Ryan](#) for more information.

### **DBTG Technical and Operational Seminar – Baltimore, MD – October 3-5**

Please “save the date” for the Dry Bulk Terminals Group's (DBTG) fall Technical and Operational seminar. This fall's seminar will take place at the Sheraton Inner Harbor Hotel in Baltimore, MD on October 3-5.

## **Contracts and Best Practices Seminars**

Please “save the date” for NAEGA’s next Contract and Best Practice Seminars. With the release of the revised NAEGA 2 contract on March 30, NAEGA is planning for educational seminars to communicate these revisions and educate on the contract and industry best practices. This year, we are planning three educational seminars in:

- Portland, OR: Week of July 30
- Minneapolis, MN: Week of August 13
- New Orleans, LA: Week of October 1

Final dates and times will be announced when they become available.

NAEGA seminars are an intensive and informative review of commercial and official practices taught in an interactive environment. The goal of each seminar is to improve predictability, reduce risks, resolve trade barriers and facilitate profitable trade. A general agenda includes:

- Open dialogue on current contracting practices as they relate to trade risks.
- A “Road Map” of the NAEGA II Model Contract
- Review of the 2018 revisions to the NAEGA II Model Contract.
- Perspectives on the global contracting environment in GAFTA, FOSFA and other contract models and practices.
- Case study exercises on:
  - Calculating laytime, dispatch and demurrage.
  - Contract terms.
- Arbitration and other alternatives for dispute resolution.

In addition to the public seminars listed above, NAEGA also conducts company specific private seminars. Please contact Ryan if you are interested in hosting a private, tailored seminar at your office. Click [here](#) for more information on the in-depth, interactive programs NAEGA conducts!

### **NAFTA and Asia-Pacific Policy Teams**

With NAFTA negotiations underway and the evolving U.S.-China trade relationship, we expect many more fast paced and dramatic developments that could greatly change the terms of trade for NAEGA members. Your involvement is needed!

NAEGA ad hoc policy teams of member personnel working largely through conference calls are helping to guide our multifaceted effort to address the evolving trade environment. Teams focused on the North American Free Trade Agreement and the Asia-Pacific Market are already established. The **NAFTA Policy Team** will be heavily engaged over the next three months to support NAEGA work with the U.S. Food and Ag. Dialogue for Trade, The Pacific Northwest Economic Region, the Canada U.S. Grain and Seed Trade Task Group and the NAEGA committees and Board of Directors to address NAFTA. A similar effort will soon start with an **Asia-Pacific Policy Team** that will be focused on U.S. trade relations with China, Japan, Korea and the Trans Pacific environment more generally.

### **Internships**

We have an open intern position starting in the fall of 2018 to work at the NAEGA office at 1400 Crystal Drive, Arlington, VA 22202. Information on working for NAEGA as an intern can be found [here](#).

*Full Details on Upcoming Events can be found in the Meetings & Events Section of the [NAEGA Member's Only Page](#).*

[Click here to return to Index](#)

## Action Reports

### *Recent Actions:*

#### **IPPC Trip Report**

A trip report is now available for IGTC Secretariat Katy Lee's travel to Rome, Italy to attend the International Plant Protection Convention (IPPC) 13<sup>th</sup> Commission on Phytosanitary Measures (CPM). During this mission Katy received an update on the status of the draft International Standard on Phytosanitary Measures (ISPM) for grain has been assigned a "pending" status by the CPM until at least April 2019, and participated in discussion surrounding the IPPC's ePhyto Solution, which is now entering its pilot phase.

A copy of Katy's trip report can be found [here](#).

#### **Update on China Soybean Phytosanitary Requirements**

NAEGA is continuing its work to address phytosanitary certification requirements and other non-tariff trade barriers, like issuance of bio-safety certs. for U.S. soybeans and other grains and oilseeds imported into China.

We have completed some new work with respect to the U.S. APHIS imposed requirements for an additional declaration (AD) on China soybean phyto for shipments with over 1 percent foreign material (FM). Please find a NAEGA commissioned report from Informa Economics analyzing the factors impacting China soy imports from the U.S. [here](#). We are awaiting a price analysis from the National Grain and Feed Association (NGFA) and are conducting analysis related to competitor national grading and testing practices.

In a meeting on Monday, June 11 the Informa report was shared with the USDA's Chief Economist Robert Johansson and Office of the Chief Economist (OCE) staff. OCE recognized that economic impact in the first quarter of 2018 from the phyto AD exceeded \$100 million USD and therefore the negative impact exceeds OCE's threshold for analysis. It is expected that they will begin further analysis of the report this week. Overall, the U.S. government apparatus and capacity to deal with China and other trade matters is overwhelmed with current circumstances.

Moving forward, one strategy we are working which is articulated in a *Concept Paper for U.S. Public-Private Partnership to provide for market access for agricultural products and commodities covered by China's Decree 177*, aims to create agreements (e.g., protocols or memoranda of understanding) that provide for market access for agricultural commodities and products addressed by Decree 177, starting with U.S. soybean exports. A copy of the concept paper can be found [here](#).



## ***Upcoming Actions:***

### **IGTC Strategy Session and IGC Meeting – June 17-20 – London, UK**

On June 18-20 a robust representation from IGTC Members and Corporate Stakeholders is expected in London to participate in a IGTC Strategy Session and attend a meeting of the International Grains Council. A preliminary schedule can be found [here](#).

Please contact the IGTC secretariat if you would like more information and are interested in participating.

### **IGTC Meetings and Outreach – July 13-22 – Rome and Geneva**

On July 13-22 Gary will join IGTC Secretariat Katy Lee in Rome and Geneva for a series of IGTC bilateral meetings and events with members, corporate stakeholders, and inter-governmental organizations. As part of this trip, Gary and Katy will attend the IPPC's ePhyto Industry Advisory Group meeting at the FAO in Rome on July 18. A finalized agenda for the balance of their trip will be available soon.

## ***Pending Actions:***

### **Comments on Canadian Retaliatory Duties**

The Government of Canada is accepting comments regarding which American products should have additional tariffs imposed upon them in retaliation for U.S. steel and aluminum tariffs, which were enacted by the Trump Administration on June 1, 2018. The government hopes to have its tariffs in place beginning July 1 but is still discerning which products its tariffs will affect. Canada expects the duties on the chosen products to mirror the U.S. tariffs, at an additional 10 percent or 25 percent.

A list of items under consideration for retaliatory measures can be found [here](#).

Interested parties may submit their comments to Canada's Department of Finance via fax or email through **June 15, 2018**.

NAEGA members interested in submitting comments should contact Ryan.

### **Comments on Section 232 Investigation into Automobiles**

The U.S. Department of Commerce is seeking industry public comment on its investigation into the national security effects of imports of automobiles. On May 23, 2018, the Secretary of Commerce initiated an investigation to determine the effects on the national security of imports of automobiles, including cars, SUVs, vans and light trucks, and automotive parts. This investigation was initiated under section 232 of the Trade Expansion Act of 1962.

Interested parties are invited to submit written comments, data, analyses, or other information pertinent to the investigation to the Department of Commerce by June 22, 2018. Rebuttal comments will be due by July 6, 2018. The Department of Commerce will also hold a public hearing on the investigation on July 19 and 20, 2018 in Washington, DC.

NAEGA members who are interested in submitting public comment on this investigation should contact Ryan.

### **Comments on Maritime Regulations**

The Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA) is seeking public input on how the Federal government may prudently manage regulatory costs imposed on the maritime sector. OIRA seeks public comment on how existing agency requirements affecting the maritime sector can be modified or repealed to increase efficiency, reduce or eliminate unnecessary or unjustified regulatory burdens, or simplify regulatory compliance while continuing to meet statutory missions. This RFI is meant to inform agencies' development of regulatory reform proposals.

Comments should be submitted via [regulations.gov](http://regulations.gov) by July 16, 2018.

NAEGA members who are interested in contributing to these comments should contact Ryan.

[Click here to return to Index](#)

## **News**

### **U.S. Federal Aviation Administration Establishes Drone Restrictions**

The U.S. Federal Aviation Administration (FAA) has established temporary restrictions on drone operations over Department of Justice (DOJ) and United States Coast Guard (USCG) facilities due to national security concerns.

These restrictions include prohibiting drone flights up to 400 feet within the aerial boundaries of 19 United States Penitentiaries and 10 USCG bases across the continental U.S.

This is the first time the FAA has imposed specific flight restrictions for drones over DOJ and USCG facilities, though in the past it has placed similar restrictions over military installations, Department of Interior and Department of Energy facilities. These restriction still remain in place. Drone operators who violate flight restrictions may be subject to criminal charges. A map of all currently restricted locations for drones can be found [here](#).

These restrictions will go into effect on June 20, 2018.

[Click here to return to Index](#)

### **Calendar & Member Notices**

Click [here](#) for a copy of the IGTC Calendar

**2018**

**June**



- 15 – China Section 301 tariff list released
- 15 – Comments due on Canadian retaliatory tariffs
- 18 - IGTC Strategy Session – London, UK
- 19 – 27<sup>th</sup> IGC Grains Conference – London, UK
- 19 – 2018 Gafta London Dinner – London, UK
- 20 – IGTC workshop at the International Grains Council (IGC) – London, UK
- 23 – Section 232 Auto investigation comments due

## July

- 1-September 30** – IPPC ISPM Consultation – Virtual
- 2-7** – 41<sup>st</sup> Codex Alimentarius Commission (CAC41) – Rome, Italy
- 9-10** – IPPC ePhyto IAG – Geneva, Switzerland
- 11-12** – WTO SPS Committee – Geneva, Switzerland
- 13-22** – IGTC meetings and events in Geneva and Rome
- 16** – Comments on maritime regulations due
- Week of July 30** – NAEGA Contracts and Best Practices Seminar – Portland, OR

## August

- 23-25** – NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico

## September

- 4-7** – IGTC Seminar – Washington, D.C.
- 7** – International Grains Council Market Condition Committee Meeting – London, UK
- 10-14** – IMO CCC5 – London, UK
- Week of August 13** - NAEGA Contracts and Best Practices Seminar – Minneapolis, MN
- 14** – IGTC Management Council – Virtual
- 26-27** – WTO Agriculture Committee – Geneva, Switzerland

## October

- Week of October 1** - NAEGA Contracts and Best Practices Seminar – New Orleans, LA
- 1-5** – FAO Committee on Agriculture (COAG) – Rome, Italy
- 3-5** – DBTG Operational and Technical Workshop – Baltimore, MD
- 31-November 1** – WTO SPS Committee – Geneva, Switzerland

## November

- 19-23** – IPPC Standards Committee – Rome, Italy
- 21-22** – WTO Agriculture Committee – Geneva, Switzerland
- 10-22** – COP 14 – Egypt
- 27-29** – IGTC General Assembly 2018 – Beijing, China

## December

- TBD** – U.S. APHIS and China AQSIQ bilateral on soybean phytosanitary requirements
- 2-4** – NGFA Country Elevator Conference – St. Louis, MO
- 4** – IGC 40<sup>th</sup> Session – London, UK
  
- 14** – IGTC Management Council - Virtual
- TBD** – Biosafety Protocol COP 14 – Egypt

**2019**

**March**

**17-19** – NGFA Annual Convention – Amelia, Island, FL

**December**

**2-4** – NGFA Country Elevator Conference – Indianapolis, IN

**2020**

**March**

**8-10** – NGFA Annual Convention – Austin, TX

**December**

**TBC** – COP 15 – CBD – Beijing, China

**2021**

**March**

**14-16** – NGFA Annual Convention – San Diego, CA

**2022**

**December**

**TBC** – COP 16 – CBD - Turkey

[Click here to return to Index](#)

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