

THE SHIPPING STANDARD

OUR EXPERTISE YOUR ADVANTAGE

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The logo for OEC Group, featuring the letters 'OEC' in a bold, sans-serif font, followed by a circular icon containing a stylized globe or network symbol, and the word 'GROUP' in a smaller, bold, sans-serif font.



BUCKLE UP: PRODUCTION SLOWDOWNS AND LABOR NEGOTIATIONS LOOM LARGE IN 2022

As annual Lunar New Year celebrations are set to begin on February 1st, it would seem that the weeks-long celebration and expected factory slowdowns would be cheered around the industry because it is the perfect time to clear all of the backlogs in the U.S.

However, many experts are only viewing this reprieve as the calm before a perfect storm. There are many reasons why industry leaders believe the post-Lunar New Year landscape is set to be very difficult. While factory shutdowns around this time of year are expected, many in the industry believe that massive amounts of travel could lead to more Covid-related pauses and slowdowns.

“What many people in the industry fear is a scenario similar to the beginning of the pandemic, where factory shutdowns were extended and then manufacturing operations are ramped-up to make up for lost time and meet consumer demand,” said Peter Hsieh, Regional Vice President of Sales and Marketing. “This likely scenario will create more backlogs at U.S. ports and make delays even longer than those currently being experienced – especially at West coast ports.”



ILWU contract negotiations looming in late spring are compounding experts' fear. This year, negotiations could become contentious, shut down operations, and dramatically add to the long line of vessels waiting to berth and unload goods. While it may seem that potential labor issues will only affect West coast ports, importers must realize that a potential work stoppage may be supported by sympathetic East coast port workers and other groups of longshoremen around the country.

This means ports on the West coast that handle nearly two-thirds of all imports into the U.S. could be, at best, slowing down operations and making the import of goods into the U.S. extremely difficult. While there are other ports in the U.S. that may not have the same bottlenecks, shippers need to remember that they also do not have the capacity to handle the same amount of volume as L.A. – Long Beach and competition for space of these vessels will be fierce further stressing the East and Gulf coast supply chains.

“The ILWU is in a very strong position and right now they do not seem to be budging on any of their demands,” said Frank Costa, Vice President of Sales for OEC Group’s Northeast Region. “As a result of their current standing and the fact that no known conversations are taking place, it is possible that these complex negotiations will be drawn out, meaning that operations at L.A.-Long Beach could be severely interrupted for the foreseeable future. Therefore, it is critical for all importers to begin working with an experienced logistics expert and plan their year before it is too late.”



STEPHEN HUANG

OEC Group's National CHB Operations
Performance Manager

INTERVIEW WITH AN EXPERT

Stephen Huang, OEC Group's National CHB Operations Performance Manager, describes the important benefits of an in-house broker and outlines basic Customs & Brokerage operations.

Q: What is the advantage of an in-house broker versus outside broker? And why should you use a custom broker?

A: The benefit of an in-house broker is that customers can have immediate access to every piece of logistical information needed. Customs clearance documents can be processed efficiently, and no shipment or commodity is too niche. Brokerage team members also have extensive experience organizing clearance for all kinds of commodities, move types (ocean, air, rail, and truck), and shipment sizes. Peace of mind is another positive when it comes to relying on in-house brokerage because the shipper does not need to handle documentation themselves or to vet an unknown third-party broker. Finally, the brokerage team will take full responsibility of any situation regarding customs clearance and documentation, removing liability from the shipper.

Q: What preparations are needed for a smooth Customs clearance process?

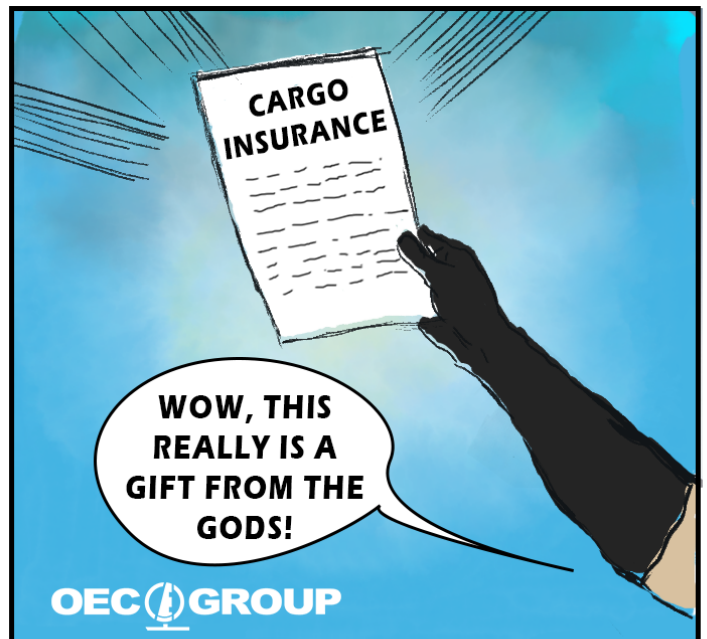
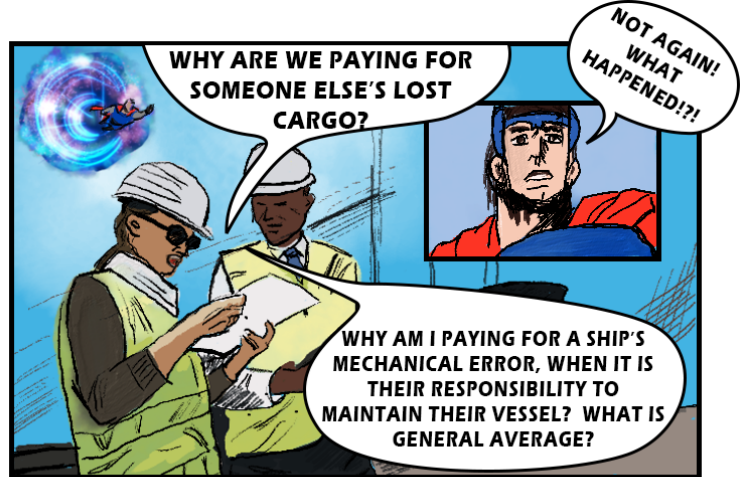
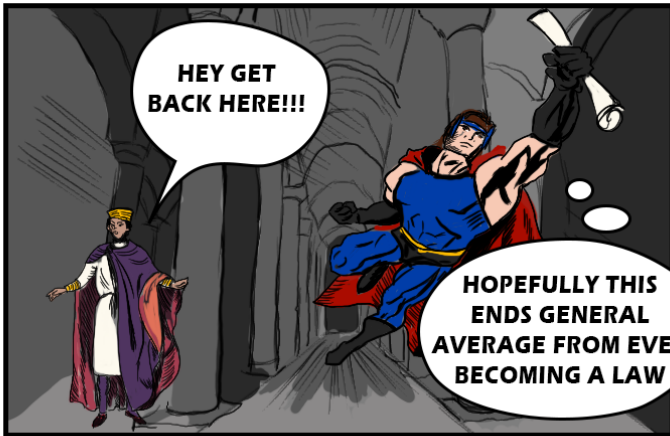
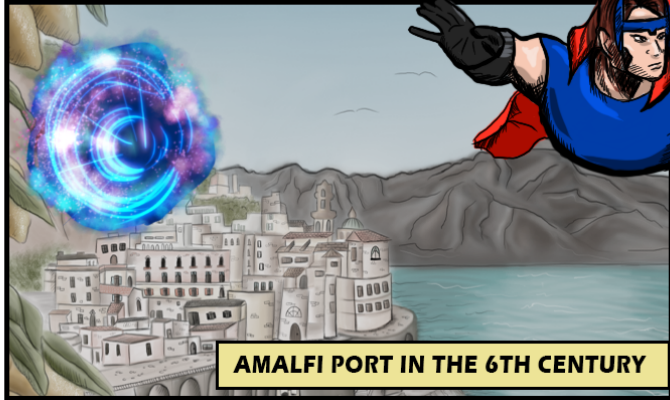
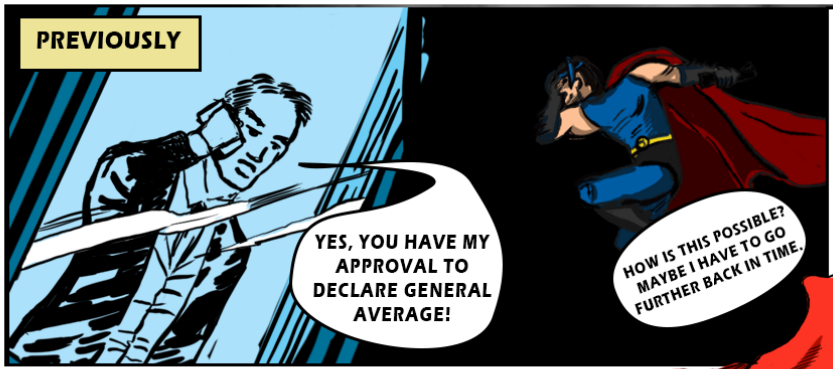
A: The first essential step that must be done is preparing and validating Power of Attorney (POA). This legal designation authorizes the movement of conveyances and merchandise into the United States, and it allows your broker to assume responsibility for that movement. A valid POA allows your brokerage team to work directly with U.S. Customs and Border Protection on national security objectives having to do with data verification and inbound inventory screening. This is also an important step in transferring responsibility to the broker and to legally ensure that they demonstrate “reasonable care” when handling your shipments.

Q: How does your team keep up with the quickly evolving legal landscape of international shipping? (Tariffs, exclusions, etc.)

A: Right now, rules and regulations are more fluid than ever. At our Customs & Brokerage department, we have a Compliance Team that is completely dedicated this issue. It’s built of team members with expertise in this exact field, and they constantly monitor the global landscape for potential tariffs, exclusions for those tariffs, and any general changes to shipping law. The Compliance Team leverages industry communication tools provided by US Customs, the US International Trade Commission, and all other trade-related government agencies.

Q: How can an effective brokerage operation add value to your shipment?

A: Brokerage is about streamlining your timeline and minimizing customs clearance costs. Proper document filing and proactive communication with US customs won’t speed up your freight, but it will eliminate any bureaucratic interruptions, which could significantly delay final delivery of your goods. Pinpointing tariffs and tariff exclusions will let you avoid unnecessary duties and keep costs as low as possible. With transportation as historically expensive as it is right now, a good brokerage team can help you keep your profit margins as large as possible on the back-end when your shipment gets where it needs to go.





Bobbleheads are sometimes called nodders or wobblers.



Bobbleheads FUN FACTS



In 2014, a generic New York Yankee bobblehead sold for \$59,750, setting the record for the most expensive bobblehead sale.



The biggest bobblehead ever, a Saint Bernard, was created in 2016 and is over fifteen feet tall.



In 2014, Major League Baseball gave away almost a million Bobbleheads!



Beatles bobbleheads, which were released in celebration of their U.S. tour in 1964, are one of the first sets of non-athlete or animal ever manufactured.



Located in Milwaukee, WI, the National Bobblehead Hall of Fame opened in 2019.



Roughly one-third of all U.S. bobblehead promotions have been done by the San Francisco Giants.



Created in China in the early 1800s, a pair of bobbleheads resembling a husband and wife sold at an auction for \$35,925.



ABOUT OEC GROUP

At OEC Group, we have demonstrated our commitment to customer service in trans-Pacific trade for more than 35 years. Founded in 1981, OEC Group had a vision to provide comprehensive logistics services to clients. Today OEC Group serves destinations throughout the world and has grown into one of the leading logistics providers in North America. With over fifty offices worldwide, we take pride in being close to your cargo at all times.

OEC Group is monitoring and adapting to the changing market. We are well positioned to make continuous improvements to your supply chain using the fastest, most efficient and cost-effective services available. We work tirelessly to stay on top of the ever-changing logistics industry with the goal of delivering the most current information and services to you, our customer.

Our business is making our logistics expertise, your competitive advantage.