

Director's Corner



Alison Leavitt
Managing Director

To all of our valued members and friends,

I rarely want to rush time along, but these many months of supply chain chaos are wearing us all down, and I think we are ready to move on from this crisis. However, there is no silver bullet that will fix the current situation. We were lucky to have Lars Jensen, CEO and founder of Vespucci Maritime, speak to WSSA a few weeks ago, and his global perspective was invaluable to understanding the root of the problem. The pandemic brought a significant change in consumer buying habits from a long time upward trend of the purchase of services, to a massive surge in the purchase of goods. All volume reports confirm this fact, and the US consumer is driving this glut of goods arriving at USA Ports.

As I reflected on the situation in my "Annual Review & Outlook" column for the *Journal of Commerce*, my go-to word was **integrity**. The chaos has led to a breakdown in integrity in all meanings of the word—schedule integrity, data integrity, carrier integrity—we have lost all semblance of integrity across the supply chain.

In this edition, we will recap the overall supply chain situation, the tariffs, potential new legislation in the works, updates on the next steps for CBMA, and news on the Federal Maritime Commission.

As we approach the holiday season and end of the year, we want to thank all of you who maintained integrity during this global crisis. We hope that we have been a voice of reason and offered balanced information, solutions, and responses to the needs of the beverage alcohol community. We thank all of the other associations who have worked with us confronting the many issues over the past year. Our hearts go out to all those who have been and continue to be affected by the pandemic. We wish everyone a wonderful holiday season and peaceful, safe, and prosperous 2022.

Warm regards,

Global Supply Chain Crisis: Capacity Shortage and Skyrocketing Rates

All trades have been under severe strain in the last year—there is no area that has escaped some level of congestion, rate increases, or other disruption. However, statistics point out that the major demand boom is not across all regions, but focused primarily in North America. The growth in North America (primarily USA) imports has been off the charts. This has created massive issues and congestion at USA ports that has basically eliminated capacity from the supply chain due to vessels delayed at or outside of ports. The delays are the major cause of the ocean freight congestion, with approximately 12% of global ocean vessel capacity removed from "activity."

The demand for goods and tight capacity led ocean carriers to dramatically increase rates, and everyone has been hit with an incredible uptick in costs. And, while you are paying more, you are receiving mediocre service with only about 30% of vessels arriving within their scheduled transit time. Global shipping is in the news every day and has the attention of the White House. The administration has appointed a Port Envoy, John Porcari, tasked with improving supply chain efficiency. Mandates for longer gate hours and a brand new "dwell time" fee at the largest port system in the USA, Los Angeles/Long Beach, are just now being implemented to improve freight velocity and ease congestion. However, it is not just LA/LB that is congested – Savannah, Seattle, Rotterdam, Liverpool, San Antonio, and Shanghai are also experiencing this issue. You may have cargo sitting on vessels waiting to unload, sitting on terminals waiting to load, or left to lie while waiting for a truck or a chassis almost anywhere in the world.

There are many predictions as to when this will all end. In all reality, no one really knows. There are many factors that could either extend or alleviate the problem. The pandemic is certainly a major factor. Whether creating shutdowns of factories or ports, or continuing the buying habits under lockdown that led to this mess, no one can predict the spread or impact of COVID-19 and the variants. We do expect light at the end of the tunnel, with most experts predicting some normalization by mid to late 2022. There are new vessels on order, and capacity will be increased in 2023 and 2024. However, we need to be prepared for continued problems in the next months. We are here to address any particular trade lane concerns and find the best possible solutions to your logistics headaches.

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OSRA 2021: Ocean Shipping Reform Act of 2021

The public outcry concerning the supply chain crisis and the subsequent problems has caught the attention of Congress and the President, as well as the US Secretary of Transportation, Pete Buttigieg. The FMC has also opened an investigation into the practices of major ocean carriers in regards to surcharges and compliance with the FMC guidelines on demurrage and detention.

Recently, a bill authored by Congressman John Garamendi (D-CA) and Dusty Johnson (R-SD), was introduced to address various practices that are injurious to US exporters, importers, truckers and other parties involved in the supply chain. WSSA has added support to this bill with added comments:

“Beverage alcohol represents a significant volume of cargo exported from the USA, from California wine to Kentucky bourbon and everywhere in between. This industry also represents a massive volume of imported products from virtually every country in the world, going to importers and distributors across every state in the USA. These companies are dependent on ocean shipping to operate their business, and are often held hostage and forced to pay thousands and thousands of dollars in demurrage and detention due to forces beyond their control to ship or receive their cargo. We are looking for reasonable behavior and transparency and support revisions in the Shipping Act outlined in OSRA21 that will pave the way for enforcement of reasonable practices,” stated Alison Leavitt, Managing Director, Wine and Spirits Shippers Association.

We will work with other associations and provide direct input into the language of this new legislation to work toward the best possible outcome for shippers. The last ocean shipping reform act took over three years to become law. There is a lot of momentum behind OSRA 21, but we do expect a lengthy process to achieve legislation that both modernizes the current Shipping Act and improves provisions for all importers and exporters—especially in regards to reasonable practices on demurrage and detention. Should you have any questions on OSRA 21 and the changes, please let us know, and we are happy to provide a full summary of the provisions.

Alison Leavitt Appointed to FMC Advisory Committee

We are pleased to announce that Alison Leavitt, Managing Director of WSSA, has been appointed to the newly formed National Shipper Advisory Committee. This new committee could not come at a better time, as importers and exporters all have serious complaints about the supply chain, and question what the Federal Maritime Commission can do to improve the system. The Advisory Committee consist of 24 members - 12 importers and 12 exporters - and includes large companies such as Ikea, Cargill, Dupont, Walmart, etc. Ms. Leavitt is the only committee member involved in the beverage alcohol sector and looks forward to representing the industry by making sure the needs of both small and large companies are taken into consideration. Committee members were carefully vetted by the Federal Maritime Commission and will take an active role in providing input to the FMC with the goal of improving the overall fluidity of freight through technology and data sharing, enforcement of guidelines on demurrage and detention, addressing any needed reforms, closing knowledge gaps, investigation of contractual agreements, and much more.

The Future of CBMA Processing

As we reported in our update on CBMA permanence, anyone participating in CBMA will see a major change on January 1, 2023. While all details are not yet available, the preliminary report on the change has been published by the Department of Treasury. We have been reviewing the report over the past few weeks and will be continuing to discuss, review, and provide comments and questions to TTB and CBP officials. On November 9th, we conducted a virtual meeting with TTB and CBP officials and a group of our members who have been heavily involved in CBMA. The interactive event clearly demonstrated that there is a lot of work to be done on creating the new portals to manage claims, and also opened the door for both TTB and CBP to work with us closely to obtain industry input on the design, data flow, and overall process. We will continue to meet regularly and will keep all of you regularly informed. Should you want a copy of the report from the Department of Treasury or a summary of the key changes, please contact us, and we will be happy to provide the information or arrange a meeting to discuss in detail.

FAIR Tariff Act 2021 & Roundtable Discussion

The FAIR Tariff Act of 2021 is a bill requesting CBP to refund tariffs imposed under the Airbus dispute on importers whose product was in transit or “on the water” to the US before the Airbus duties became effective on October 18, 2019, and the expanded retaliatory tariffs on January 12, 2021. Not only does the bill request the refunds but also requires USTR to apply future retaliatory tariffs on only those goods exported after the publication of the tariffs. This potential legislation would prevent importers from being caught in the middle of a tariff dispute and forced to pay unexpected, and often a dramatic, increase in duties on goods on the water in this type of tariff implementation. WSSA and National Association of Beverage Importers (NABI) are requesting your help to push Congress to pass legislation on the FAIR Tariff Act of 2021.

Grassroots support is essential for this legislation to pass. To assist in spreading the word and educating our members on the intricacies of this bill, WSSA hosted a ZOOM roundtable discussion on this topic in September. The discussion featured Roger Murray, Senior Policy Advisor at Akin Gump Strauss Hauer & Feld LLP, and Rob Tobiasson, Executive Director NABI. Both were able to lend insight and provide background details, impact of the potential new law, and actions needed to get this bill passed.

Even now, if any of you are interested in taking immediate action, please reach out to your Representatives to have them co-sponsor the legislation. WSSA will continue to work with NABI and other associations in a joint effort to help try and pass this legislation. We appreciate you reaching out to your Representatives on this matter, and please contact us should you have any questions.

Global Supply Chain Constraints at BCB

This year, WSSA’s Managing Director, Alison Leavitt, participated in the Bar Convent Show in Brooklyn, NY. Bar Convent Brooklyn is a bar and beverage professionals networking event where attendees can learn about new trends, techniques and products in the domestic and international markets. Attendees can also attend demonstrations, keynote addresses, and panel discussions with leading industry experts. Alison and fellow industry experts Chris Song, National Sales Manager, Green River Spirits Company; and Monique Huston, VP, Spirits Portfolio, Winebow; participated in a panel “Adapting to Global Supply Chain Constraints.” Together the panel addressed the post-pandemic issues of delayed shipping times, material and equipment shortages, and overall price increases. The panel also discussed the causes behind these current constraints as well as some methods business owners can use to adapt during this time of disruption. Park Street Academy was kind enough to record each speaker’s session and upload the recording to their YouTube page. Should any of you want to access the links to the recordings, please contact us.

Are Your Goods in Storage Fully Covered?

Did you know that when warehouses say they protect your “goods,” they may only cover a fraction of the value? Just as carriers significantly limit their liability for cargo loss or damage, so do warehouses. However, unlike carriers, there are no state or federal regulations that require any specific warehouse liability limits. Furthermore, you must first prove that the warehouse was negligent in order to collect. Consider the following example:

The warehouse sprinkler system bursts due to pipes freezing as the heat wasn’t turned on causing significant product loss. The warehouse had only a \$2,000,000 Warehouse Liability Policy yet that limit applies to all effected freight, not just yours. The total loss is over \$10,000,000. Even with the warehouse clearly negligent, their insurance is unable to fully compensate all clients. With all-risk warehouse insurance your claim will be paid in full regardless of the status of the warehouse’s own insurance!

WSSA offers All-Risk warehouse insurance coverage at very competitive rates. We will cover approved goods in storage at specified domestic or foreign locations against all risks of physical loss or damage from external causes except as otherwise excluded. If you want peace of mind for your goods in storage, let WSSA help by insuring your goods with our all-risk policy!



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The Wine and Spirits Shippers Association (WSSA) negotiates shipping contracts on behalf of importers and distributors in the beverage industry. Our dedication to providing efficient and economical transportation by land, sea, or air, enables our members to tap into a marketplace efficiently and affordably.

WSSA was founded by the Wine and Spirits Wholesalers of America (WSWA) and the National Association of Beverage Importers (NABI) in 1976 as a shipping cooperative. Today, WSSA serves as a not-for-profit shippers' association that is managed by a board of industry executives. WSSA combines the total volume of its member shipments to achieve preferential rates and service from each of its carriers and vendors. These rates improve the opportunities for our members to compete in the global wine and spirits marketplace.

Together with Albatrans, WSSA provides complete logistics management from door to door. WSSA also provides a comprehensive marine insurance program unmatched by any others in the industry. Our members can quantify the savings with each shipment and our commitment to personal service makes WSSA unique.

For more information on the benefits of a WSSA membership, contact us at info@wssa.com or 800-368-3167.

WSSA Welcomes New Albatrans Managers



Our freight forwarding partner, Albatrans Inc., continues to grow and increase their global presence in the beverage alcohol sector. We work closely with all of the Albatrans offices, and are pleased to see the new additions to the overseas team further deepening the level of industry expertise. Charles Cattin joined Albatrans as Group Commercial Director earlier in the year. Based in Bordeaux, France, Charles brings many years of experience and will be driving the global account development for the group. We are also pleased to welcome two new country managers to the Albatrans offices in Chile and the UK. Jorge Roses, Country Manager of Albatrans Chile, and David Thomas, Country Manager of Albatrans London, are key additions to these offices, and we are very pleased to have them as partners in the industry. Both are seasoned industry executives representing over 40 years of experience in logistics in the beverage alcohol sector. We are happy to highlight all of their past accomplishments and history below.

Charles Cattin: Charles graduated from an international business school in Paris in 1993. In 1995 he started his career in the freight forwarding industry, being expatriated by the Bolloré Group to Johannesburg to increase air and ocean services sales. He then worked for Panalpina for 6 years simultaneously earning a Master's Degree in E-Commerce. In 2002 he joined JF Hillebrand France Head Office as Sales & Marketing Director. After 16 years with the Hillebrand Group, Charles left in 2018 and joined JAS Worldwide. He created from Bordeaux a Wine & Spirits vertical for this general cargo freight forwarder, putting in place procedures globally and selling air and sea services from/to main producing/importing countries. Charles lives in Bordeaux and is a father of two. He enjoys socializing and doing sport such as running and cycling. We are happy to welcome Charles to our global network!

Jorge Roses: Jorge is a 20 year plus veteran of the international shipping industry. With 17 years at CSAV (now part of Hapag Lloyd) and 10 years with Hamburg Sud, he has covered top level positions in sales, operations, and logistics, with the majority of his tenure in the trade management arena. Jorge has held positions in Chile, as well as overseas posts in Germany and Costa Rica. We are pleased to have Jorge join our team in Albatrans Chile.

David Thomas: Since leaving college David was fortunate to start working for a logistics company dedicated to the movement of beverages and has held positions within the sector ever since. Starting his career over 20 years ago, he has worked for 2 major logistics companies within the beverage sector before joining Albatrans. He is immensely proud to have been able to work through operational roles and develop his career in the last 10 years into commercial, sales and eventually the position now at Albatrans London. The team at Albatrans London is growing their UK market share quickly and has a clear 'phase 2' strategy to further expand their operation in the next 5 years. David is passionate about providing his team with the support they need in order to be able to provide their customers with the very best level of customer care. Albatrans London has some of the best operators in the UK drinks logistics market and they are the company's most prized asset. Outside of work David enjoys sport and often attends the premier league fixtures at West Ham United with his father, daughter and niece. WSSA is happy to welcome David to the Albatrans London team!

We make shipping affordable, efficient, and possible for all members!