



## CBSA Today: Commercial News for Stakeholders

**Issue No. 5, Winter 2013**



The New Year has ushered in progress on a number of Canada Border Services Agency (CBSA) commercial priorities. In this issue, we are highlighting news on a range of CBSA initiatives, including next steps on the cargo control and sufferance warehouse

programs, protection of Canada's economy and natural resources, and the establishment of a new BCCC Sub-committee.

I am also pleased to inform you that the CBSA has begun posting information about its consultations and advisory committee meetings on Service Canada's *Consulting with Canadians* Web site ([www.consultingcanadians.gc.ca](http://www.consultingcanadians.gc.ca)). The CBSA is committed to the Government of Canada's policy to inform Canadians and clients (including stakeholders) of opportunities to participate in public consultation and citizen engagement activities. The

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Web site will enable the Agency to upload information posted by CBSA areas that are planning consultations in support of developing or amending programs, policies and initiatives or activities.

Cathy Munroe, Chair  
Border Commercial Consultative Committee (BCCC)

### New BCCC Export Sub-committee

In response to the interest expressed by BCCC members in making contributions to the CBSA's export policies and processes, the CBSA and its trade partners agreed on October 4, 2012 to establish an Export Sub-committee. The Sub-committee will be co-chaired by IE Canada President Joy Nott and Rachel Auclair, Director of the CBSA's Commercial Border Programs Division. The CBSA briefed members on the current Export Program and developed a forward agenda. If you have any questions, please contact the Export Sub-Committee Secretariat at [export@cbsa-asfc.gc.ca](mailto:export@cbsa-asfc.gc.ca).

### Amalgamation of Accounts Receivable Ledger and CBSA Assessment and Revenue Management Projects

Due to recent organizational realignments, effective November 26, 2012, the Accounts Receivable Ledger (ARL) and the CBSA Assessment and



Revenue Management (CARM) projects will be amalgamated to optimize efficiencies and effectiveness in the management of these significant projects. Mike Feniak, Director General of CARM, will lead the two projects and will continue to engage with the trade community through the BCCC CARM Sub-committee. Both the ARL and CARM teams are finalizing a joint integration plan that will be shared with the Sub-committee in early 2013. The CBSA would like to thank all of the Sub-committee members for their continued support of this important government initiative.

### **Cargo Control and Sufferance Warehouse Modernization (CCSWM) – Facilitating the movement of secure cargo**

The CBSA is modernizing the cargo control and sufferance warehouse programs. Consultations and briefings with external and internal target audiences have been underway since the spring. Participants include representatives from the BCCC CCSWM Sub-committee, other government departments and various CBSA headquarters and regional programs.



The CCSWM initiative will enable the electronic tracking of inbound cargo, which will in turn allow carriers to deliver inbound shipments directly to their own warehouses or to the premises of a third party. The CBSA will then conduct inland examinations at designated integrated warehouse examination facilities instead of at each sufferance warehouse facility. However, the CBSA will continue to assess all imported shipments at the first point of arrival for reasons of health, safety and security.

The CBSA is in the process of consulting stakeholders on the proposed changes, including:

- revising the warehouse licensing process;
- reducing the number and types of warehouse designations;
- removing certain restrictions, including various storage time limits, class of goods requirements and allowable cargo activities;
- permitting operators to co-store domestic and inbound goods in the same area of the warehouse; and
- establishing authorized, integrated warehouse examination facilities for the purpose of inland CBSA examinations.

These changes will also enable the CBSA to provide continued national program consistency through policy alignment with the Agency's eManifest initiative. Under eManifest, sufferance warehouse operators will be required to have Electronic Data Interchange (EDI) capability when doing business with the CBSA. EDI capability is required in order to transmit electronically, via the EDI, an arrival message to the CBSA for each in-bond shipment that is received in a sufferance warehouse and for the warehouse to receive Release Notification System messages from the CBSA. This requirement will be implemented by May 2013 and will be mandatory by November 2013.

### **Integrated Cargo Security Strategy (ICSS) Update**

Under the Beyond the Border Action Plan, Canada and the United States (U.S.) have committed to developing a joint strategy to address risks associated with shipments arriving from offshore based on informed risk management and a harmonized approach to perimeter screening, under the principle of "cleared once, accepted twice".

In support of this initiative, efforts have proceeded in two phases. Phase I, completed in June 2012, focused on the development of the ICSS. The [ICSS](#) is aimed at identifying and resolving security concerns as early as possible in the supply chain or at the perimeter, with the expectation that this will reduce the level of these activities at the Canada–

U.S. land border. The CBSA and U.S. Customs and Border Protection (CBP) are currently soliciting feedback on the strategy from stakeholders. Reports on Data Element Harmonization for Domestic Shipments Transiting Another Country and Advance Security Screening Data Element Harmonization and Alternative Processes for Trusted Traders were also completed this summer. Phase II began with the launch of pilot projects that will test, validate and inform the implementation of the ICSS. On October 1, 2012, the Prince Rupert, British Columbia pilot began, where Canada examines offshore cargo (on behalf of the U.S.) destined to the U.S. via rail. The Pre-load Air Cargo Targeting pilot also commenced on October 1, 2012. Several air carriers are participating in this pilot, which is designed to test the ability to risk assess and mitigate threats to air cargo prior to the cargo being loaded on the aircraft at the foreign airport.

Under the ICSS, a Canada–U.S. working group was established in early 2012 between the CBSA, the Canadian Food Inspection Agency (CFIA), the U.S. Department of Agriculture’s Animal and Plant Health Inspection Service, and U.S. CBP to conduct the *Wood Packaging Material Inspections Feasibility Study*. The group was tasked with comparing Canadian and U.S. legislation and operations, and presenting options for adopting a harmonized perimeter approach to the collaborative inspection of wood packaging material.

The final draft version of the study was completed by the working group in December 2012, and both countries are in the process of receiving formal endorsement of its recommendations. The CBSA continues to maintain an open dialogue with stakeholders throughout the development of the ICSS and its associated pilot projects.

### **eManifest – Continued modernization of commercial processes**

As the CBSA continues to prepare for the deployment of new electronic systems and functions, the Agency is actively supporting clients in their compliance with modernized and more efficient commercial border processes.

One such example involves work currently in progress to ensure air and marine carrier readiness to transmit conveyance arrival messages to the CBSA beginning in March 2013. The CBSA continues to work directly with carriers and their service providers to facilitate their compliance through the delivery of instructional webinars and prioritized testing of new electronic messaging and notification transactions.

The CBSA is also assisting highway carrier clients in becoming eManifest-compliant through communications, outreach, compliance monitoring, and other support activities. For example, the CBSA continues to host regularly scheduled conference calls with highway carriers to discuss and resolve implementation issues. Looking ahead, frontline CBSA officers will be providing drivers with an eManifest notice to identify general non-compliance issues and to ensure that they are aware of the legislative changes that will be coming into effect.

Please visit the [eManifest](#) section of the CBSA Web site regularly for the most recent information and to subscribe to the CBSA [RSS news feed](#) for important updates.

### **Coastal Fisheries Protection Act – Proposed Amendments**

On November 8, 2012, the Minister of Fisheries and Oceans Canada announced that the Government of Canada is expanding its efforts to combat illegal, unreported and unregulated (IUU) fishing by tabling amendments to Canada’s [Coastal Fisheries Protection Act](#) (CFPA). The amendments will strengthen the Act, help protect Canada’s fishing economy and prevent IUU fishing, and enable Canada to meet its commitments under the international [Port State Measures Agreement](#), which Canada signed in November 2010.



The proposed amendments to the CFPA include a broader definition of “fishing vessel” to cover any vessels used for the trans-shipment of fish or marine plants not previously landed, and tougher prohibitions against the importation into Canada of fish, marine plants and seafood products taken, possessed, transported, distributed or sold contrary to any measure of an international fisheries management organization or arrangement, international treaty to which Canada is a party, or law of any foreign state. Contravention of this prohibition would be an offence under the CFPA, with penalties specified under the Act.

[Fisheries and Oceans Canada](#) will carry out monitoring and enforcement in collaboration with the CBSA with a view to minimizing impacts on cross-border trade of fish and seafood products.

### **National Targeting Program – Strengthening national security**

The CBSA is making changes to enhance its National Targeting Program as the Agency moves towards a centralized Targeting Business Model. Under this centralized model, pre-arrival targeting for all risks (national security and public safety priorities) will be conducted on a 24/7 basis at the CBSA’s National Targeting Centre (NTC), formerly known as the [National Risk Assessment Centre](#) (NRAC), and located in the National Capital Region.

Over the years, the targeting program has increasingly become an integral part of border management by supporting national security and

public safety priorities, as well as significantly contributing to the detection and interception of high-risk people, goods and conveyances that may pose a threat to the security of Canada and the perimeter. Without pre-arrival targeting to identify high-risk goods and travellers, the movement of people and goods would be significantly delayed by more intensive scrutiny at the border, and would incur an enormous cost to both the CBSA and its trade chain partners.

The pre-arrival targeting of goods and travellers by the CBSA aligns with the larger global security continuum of systems and processes to deter, detect, intercept and detain high-risk goods and people while facilitating the movement of legitimate trade. By submitting to the CBSA timely and accurate advance information, trade chain partners play a significant role in the targeting process, and ultimately in the security of Canada.

### **Wood Packaging Material (WPM) and ISPM 15 Requirements – Protecting Canada’s forests**

The CBSA is pleased to announce new Web site content regarding WPM and *International Standards for Phytosanitary Measures No. 15: Regulation of Wood Packaging Material in International Trade* (ISPM 15) requirements. Please click on the following links:

<http://cbsa-asfc.gc.ca/security-securite/wp-meb-eng.html>

The CBSA works closely with the [Canadian Food Inspection Agency](#) (CFIA) to prevent the introduction of invasive pests. The movement of invasive alien species through increased global trade is one of the fundamental causes of pest introduction, and non-compliant WPM is considered a high-risk pathway for these species to enter Canada.





Damage caused by invasive pests can result in severe economic losses, as well as irreversible changes to forests and forest ecosystems. As a result, when the CBSA intercepts non-compliant WPM at the border, it takes immediate action to mitigate the risk.

The new content includes references to the applicable legislation, defines non-manufactured WPM, addresses those organizations that must comply, and outlines what happens to non-compliant shipments. It should be noted that the current ISPM 15 exemption between Canada and the United States, which had been scheduled to be eliminated in January 2013, will remain in effect until further notice. The CBSA and the CFIA will advise industry when details on the exemption removal are finalized.

### **Implementation of Amendment 11 to the Energy Efficiency Regulations**

On April 12, 2012, [Amendment 11 to the list of products controlled under the Energy Efficiency Regulations](#) came into force. In an effort to facilitate trade and reduce regulatory burden on importers, the CBSA and [Natural Resources Canada](#) (NRCan) postponed the implementation of the import requirements administered at the border for newly regulated products until June 6, 2012. Since that date, importers of newly regulated products have been required to provide the necessary import information at the time of release.

The CBSA continues its dialogue with industry representatives and NRCan. A recent teleconference on November 15, 2012, arranged by IE Canada,

gave another opportunity for industry representatives, NRCan and the CBSA to discuss issues related to the importation of regulated energy-using products. The CBSA requested to be informed directly of any concerns related to the commercial release of these products and is committed to addressing them in an efficient and timely manner.

The CBSA and NRCan also implemented the Customs Self-Assessment (CSA) pilot project for importers of regulated energy-using products. Since its inception on June 1, 2012, the pilot has seen much success. Approximately 20 trusted traders participating in this pilot project are meeting regulatory requirements by providing monthly reports directly to NRCan. The CBSA, NRCan and trusted traders continue to collaborate to maintain the success of the pilot project, which has been extended until further notice.

### **Specific Annexes of the Revised Kyoto Convention – Simplifying customs procedures**



The CBSA has received government approval to accept certain Specific Annexes of the World Customs Organization's (WCO) *Protocol of*

*Amendment to the International Convention on the Simplification and Harmonization of Customs Procedures*, also known as the Revised Kyoto Convention (RKC). This is a positive step for Canada as the RKC complements Canada's commitments to transparency, facilitation and security in customs matters.

The RKC is an international agreement that was adopted by the WCO Council in June 1999. The agreement promotes consistency and predictability within customs administrations for the benefit of the international trading community. There are 10 Specific Annexes within the RKC comprising 25 Chapters covering a variety of operational and administrative customs procedures, including:

- the arrival of goods in a customs territory;
- importation;

- exportation;
- transit;
- processing;
- offences; and
- the temporary admission of goods.

about the BCCC and its activities, please e-mail the Secretariat at [BCCC-CCACF@cbsa-asfc.gc.ca](mailto:BCCC-CCACF@cbsa-asfc.gc.ca).

Canada chose to accept certain Specific Annexes of the RKC that would not change existing Canadian legislation, policies, programs, procedures or services. The decision to accept certain Specific Annexes required the CBSA to thoroughly examine a considerable number of its customs-related processes from both a legal and administrative perspective. The CBSA also guided the significant amount of analysis that was required to recommend accepting or rejecting the standards and recommended practices found within the Specific Annexes.

The ultimate goal in accepting certain Specific Annexes of the RKC is to support the simplification and harmonization of customs procedures on both a national and global scale while maintaining the high standards of client service already provided by the CBSA. It is anticipated that Canada's support of the RKC will provide international commerce with increased predictability and efficiency that modern trade requires.

### **New RSS Feed**

To help you stay informed, we are pleased to offer an RSS news feed for the newsletter. Please go to <http://www.cbsa-asfc.gc.ca/new-neuf/rss-eng.html> and click on the orange BCCC newsletter RSS graphic, copy the URL from the address bar of your browser and paste it in the appropriate field of your RSS reader. Details are provided on each of the news articles referenced in the RSS newsletter feed. You will see the time and date of publishing, the title, a brief summary and a link to the full article available on the CBSA's [Web site](#).

### **Your BCCC Secretariat**

The BCCC Secretariat forms an integral part of the CBSA's stakeholder engagement activities. If you have any ideas for newsletter articles or questions