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BCCC Update



Carol Osmond, I.E.Canada's senior policy advisor

The following article was written by Carol Osmond, senior policy advisor, I.E.Canada.

The Border Commercial Consultative Committee (BCCC) met in Ottawa on February 19-20, 2007. Following are the highlights from the meeting.

CBSA Priorities

Greg Goatbe, vice president –admissibility, of the Canada Border Services Agency (CBSA) opened the meeting with an overview of CBSA's

priorities. These include:

- Arming of CBSA border officers: This project, which will be phased in over a number of years, is moving forward, as well as doubling up of officers at smaller ports of entry for safety and security reasons;
- Western Hemisphere Travel Initiative (WHTI): WHTI continues to be a major priority for both CBSA and the federal government. While the U.S. Congress extended the time for implementation at land borders to June 2009, the Department of Homeland Security continues to be committed to implementing WHTI at land border crossings by January 1, 2008;
- E-Manifest: In January 2007, minister of public safety, Stockwell Day, announced \$396 million dollars in funding over five years for implementation of e-Manifest. For further information, please see January 31, 2007 issue of *Tradeweek*;
- Relationship between U.S. Customs and Border Protection (CBP)

BCCC Update, cont'd on pg. 2

Emerging Issues in Customs Conference

We hope you'll join us April 23-25, 2007 for I.E.Canada's 16th Annual Emerging Issues in Customs Conference. The event will take place at the Delta Markham Hotel in Markham, Ontario.

The conference program will be packed with information vital to Canada's trade community.

For details, please visit www.iecanada.com/events.html.

The Federal Budget

I.E.Canada participated in the pre-budget consultations held by Finance Minister James Flaherty. I.E.Canada's submission to Finance Canada addressed the following priorities of our members:

- Infrastructure enhancements to reduce the choke points of trade at the borders and ports;
- Funding for Canada Border Services Agency (CBSA) and Department of Foreign Affairs and International Trade (DFAIT) programs to support Canadian business globally and;
- Tax credits for Canadian traders investing in supply chain security programs both domestically and internationally.

The following are excerpts from I.E.Canada's pre-budget submission:

Infrastructure

The goods produced by Canadian exporters often include imported components or materials. One of the consequences of integrative trade is that the world's trade infrastructure is coming under tremendous strain. In a recent report, Stephen Poloz, senior vice-president of corporate affairs and chief economist, Export Development Canada (EDC) noted that "planning ports, bridges and rail systems to accommodate global economic

Budget, cont'd on pg. 3

BCCC Update	2
Ontario Energizes Marine Policy	3
Member Profile	5
Bank of Montreal	6

BCCC Update, cont'd from pg. 1

and CBSA: There is a continual raising of the security bar in the United States, raising the question whether Canada should try to match U.S. efforts, and what the implications would be if we do not; and

- **Core Services Review:** CBSA has begun a core services review beginning with the air mode. The objective of the review is to give clientele an understanding of what the issues are and to determine what services can be funded as core services and which will be subject to fees to recover costs.

Other priorities identified by Mr. Goatbe included development of a long term endstate for the commercial program, greater focus on trade programs and compliance, the on-going review of the Administrative Monetary Penalty System, the Other Government Departments (OGD) Single Window project, and facilitation of border

processing to reduce cost and congestion.

WCO SAFE Framework and Partners in Protection

Ken Hoogsten from the strategy and coordination branch of CBSA provided an overview of the World Customs Organization Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). The Authorized Economic Operator (AEO) concept continues to evolve; and mutual recognition of AEO programs, as well as incorporation of SMEs into these programs remain as key issues. Changes to the AEO Guidelines will be on the agenda at the next meetings of the High Level Strategic Group and the Private Sector Consultative Group in April 2007. The revised AEO Guidelines, including a section on mutual recognition, will then be presented to the WCO Council for approval at its annual meeting in June 2007. The Partners in Protection (PIP) pro-

gram is considered to meet 80 per cent of the requirements under the AEO Guidelines. One issue relates to the advance trade data requirements under the AEO Guidelines, which participants in the Customs Self Assessment program do not meet. CBSA will begin consultations with the trading community this spring with respect to making PIP compatible with the Customs-Trade Partnership Against Terrorism (C-TPAT) program, and as the AEO requirements become firmer will also consult with respect to ensuring that PIP satisfies the SAFE Framework. A copy of the AEO Guidelines is available on the WCO website at: www.wcoomd.org.

Security and Prosperity Partnership

CBSA has created a Security and Prosperity Partnership (SPP) secretariat within its strategy and coordination branch to coordinate CBSA's

BCCC Update, cont'd on pg. 4

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Shipping and Trade Horizons



Leo Ryan

Shipping and Trade Horizons, a Tradeweek column, is produced by Leo Ryan. The column addresses Canadian industry issues and trade developments of interest to our members.

Ontario Energizes Marine Policy

For much too long, a pro-active, comprehensive marine policy has been sadly lacking in the transportation department of the Ontario government. A province like Quebec, for instance, has been much more dynamic on this score, no matter what political party has been in power in the past few decades. But some refreshing changes have been taking place under the current provincial government in Toronto.

Of particular note, in a recent speech in Toronto before the 68th annual Marine Club dinner that received enthusiastic response, Ontario Transport Minister Donna Cansfield announced the creation of an Ontario Marine Advisory Committee. "The mandate of this advisory panel," she said to wide applause, "will be to put forth the best policies to move Ontario's marine policy agenda forward. I will be asking for your support in the development of this committee."

This was the most concrete step yet taken by a government that had been roundly criticized for lagging far be-

hind other provinces. And it followed on the heels of last fall's first ever Ontario Marine Summit and the energetic efforts since 2004 of the Ontario Marine Transportation Forum led by Wayne Smith from Seaway Marine Transport.

The minister suggested that the best solutions to the challenge of congestion and bottlenecks must be found in linking road and highway systems with other modes of transport, including marine.

The Ontario government, she indicated, "is exploring the integration of marine transportation into the province's transportation infrastructure, economic development, environmental policy and investment process."

The province's freight transportation policies, she continued, are based on the view that market forces and competition should drive supply and demand.

Ms. Cansfield noted that 70 per cent of Canada's inter-provincial trade flows through Ontario, while more than 40 per cent of Quebec's exports to the U.S. pass through Ontario. "That's why we are committed to working with the federal and Quebec governments on a gateway and corridor strategy similar to the recently-announced Pacific Gateway strategy."

During her speech, the minister referred to the untapped potential of transporting manufactured goods in containers through the St. Lawrence Seaway or in ferries across the Great Lakes.

She also announced the provincial government will hold an annual Ontario Marine Awareness Day to enhance public understanding and appreciation of the marine transportation industry.

In this connection, it is worth recalling that nearly one half of one of the

world's biggest inland transportation corridors (including all of the Great Lakes) is stretched along Ontario's southern border. Ontario's ports handle about 75 million tonnes of cargo. Some 48 million tonnes of cargo moved through the St. Lawrence Seaway in 2006. But the fact remains that Ontario's marine transportation system is functioning far below full capacity – spurring several projects for cross-Lakes ferry services presently in advanced discussion stages.

Budget, cont'd from pg. 1

growth is simply not sufficient, since trade is growing roughly twice as quickly to generate that economic growth. In future, it will be necessary to over-invest in such trade infrastructure if economies are to capitalize on the globalization phenomenon."

The challenges are particularly acute in Canada. For example, the Port of Vancouver anticipates that by 2020, it will need to handle three times the volume it does currently.

I.E.Canada applauds the government's commitment to the Pacific Gateway Initiative, and also urges the government to move forward with the commitment to establish a stable, permanent Highways and Border Infrastructure Fund.

Funding for CBSA and DFAIT

I.E.Canada values the investment committed by the government to CBSA to ensure that key priorities of both CBSA and the trade community are met. CBSA is experiencing ever expanding demands on its resources, especially given the heightened concerns over security. I.E.Canada views CBSA as playing a critical role in ensuring the competitiveness of Canadian business and the economy. What we do in Canada in terms of customs and supply chain security programs, not only impacts how quickly and efficiently goods are imported into this

Budget, cont'd on pg. 4

BCCC Update, cont'd from pg. 2

activities under the SPP. A Canadian SPP website is now available: www.spp-psp.gc.ca. It contains information on the SPP ministerial meeting held in Ottawa on February 23, 2007. The leaders' summit, which was supposed to have been held in Canada in June, has been postponed.

AMPS Review

Mike Jordan, director general, border and compliance programs directorate, reported that CBSA is on target to complete its report recommending reforms to the AMPS program by the end of March. He indicated, however, that before the report is finalized, CBSA would consult with the trade community through the BCCC AMPS Subcommittee. That subcommittee is currently planning to meet in April.

Other Government Departments Subcommittee

The OGD Single Window initiative continues to move ahead. There have been eight meetings of the OGD Working Group since November 2006, and the inaugural meeting of the DG-level Steering Committee was held on February 14, 2007. The OGD Working Group, which is made up of representatives of CBSA and key OGDs, has been providing input for purposes of the WCO data model, and evaluating and choosing the most appropriate Single Window business models. Next steps include development of an implementation plan with CBSA, OGDs and trade partners during summer 2007.

Contingency Planning Subcommittee

CBSA and CBP have prepared a draft business resumption communication and coordination plan. CBSA has also developed an internal policy statement with respect to business resumption planning and communication, which includes a draft protocol on how CBSA will manage emergencies. These new

policies and procedures will be tested at a tabletop exercise in Vancouver in April 2007.

EDI Subcommittee

CBSA will move forward with its proposed strategy to increase the use of EDI for release purposes by restricting the use of Paper PARS and Paper RMD in certain circumstances and eliminating the FIRST program. CBSA has committed to working with importers to help them to adjust to the changes, especially those importers currently using the FIRST program. A customs notice with the implementation dates will be published shortly. For more information on CBSA's EDI Strategy, please visit: http://www.iecanada.com/mis/07_03_01_strategy_increase_edi_release.pdf

Special Services Regulations

In addition to the Core Services Review mentioned above, CBSA is also proceeding with consultations on the Special Services Regulations. The objectives of these consultations are to develop a costing formula for special services to ensure cost recovery; determine the impacts of the increased costs; and to identify service standards.

Partners in Compliance

Kin Choi, director general, innovation, science and technology branch, announced that the Partners in Compliance (PIC) pilot will be expanded to five more CSA companies. CBSA will be contacting participants in the CSA program to determine their interest in participating in PIC.

Update on Border Crossing Infrastructure

Helena Borges, director general, surface transportation policy, Transport Canada, gave a presentation on the Windsor-Detroit Gateway. Identification of the preferred crossing, plaza location and access road design option for the new crossing is expected this spring.

Members who have issues or concerns relating to special service fees and service standards, or any other topic addressed in this article, are asked to contact Carol Osmond at cosmond@iecanada.com.

Budget, cont'd from pg. 3

country, but increasingly affects how our exports are treated by customs authorities in other countries, and particularly in the United States. It is essential therefore that the government continues to ensure that CBSA is adequately funded.

It is important that Canada diversifies its export markets to reduce its dependence on the United States. Targeted market-related information and advice is necessary to encourage firms to consider pursuing different market opportunities. It is important that Canada improve the timeliness and sophistication of the information available to business. I.E.Canada seeks financial support from the government for new promotional programs administered by DFAIT to encourage and support companies to expand their business in export markets.

Most importers are also exporters and imports make up an increasingly higher proportion of our exports. Governments, federal and provincial, have traditionally done an excellent job promoting exports. More needs to be done to assist importers in identifying low cost sources of supply, especially in emerging markets. Canadian companies must be strategic in their use of global supply chains to ensure they are able to maintain their position in the global economy.

I.E.Canada urges the government to provide outreach and workshops to help Canadian business to understand the import process and tools for competitive global sourcing in order to increase Canada's competi-

Budget, cont'd on pg. 5

Member Profile



Mandarin means business.

The following member profile was written by Carla Kearns, director, TLI - The Mandarin School. In preparing the profile, Carla answered a series of questions posed by Jane Carter of I.E.Canada.

TLI – The Mandarin School has been a member of I.E.Canada since January 1, 2007.

The Organization's Background

TLI - The Mandarin School prepares companies to do business with China. TLI has a 50-year history in training Westerners to communicate in Mandarin Chinese. TLI - The Mandarin School is the only TLI branch in Canada.

Our methodology takes a practical, hands-on approach to the language within a small class or private environment, which significantly shortens the learning curve required in more traditional approaches to teaching Mandarin Chinese.

Our clients range from complete beginners to advanced, and span from those wishing to develop functional language skills within a structured business environment to those developing fluency. Our clients come from the import/export, financial, government, consulting, retail, and manufacturing sectors.

Our school is located in downtown Toronto at 184 Pearl Street, but we also conduct classes and seminars at our clients' premises.

In addition to Mandarin Chinese language classes, we help executives and companies to understand China's culture through seminars and workshops. Relationships are



Carla Kearns, director, TLI -The Mandarin School, and Dr. Marvin Ho, founder and chairman of TLI

critical to business success in China. We provide our clients with the tools to understand the cultural considerations for doing business in China. We also provide them with the information they need to minimize misunderstandings, frustrations and conflict.

What is your role in your organization?

As the director of TLI - The Mandarin School, I oversee the strategic direction of the school's business growth and product development.

What are the benefits of being a member of I.E.Canada?

For TLI – The Mandarin School, one benefit of membership is being able to interact and communicate with other companies doing business abroad – particularly in China, or with an interest in looking to China. I.E.Canada is also remarkably hands-on in providing support and introductions for our operations.

Our clients are businesses and organizations trading with China. I.E.Canada provides us with access to timely trade information and trends that allow us to better service our clientele.

What are the most valuable benefits you receive from I.E.Canada that you feel are most important to your organization?

I.E.Canada provides the structure to communicate who we are to a targeted audience of trade profession-

als and organizations.

I've been profoundly grateful for the support and wisdom offered by Mary Anderson, president of I.E.Canada, in particular. I cannot even begin to put a dollar value on this.

Do you find our seminars and conferences beneficial to your organization?

I attended I.E.Canada's annual conference in October 2006 and found the networking opportunities to be excellent.

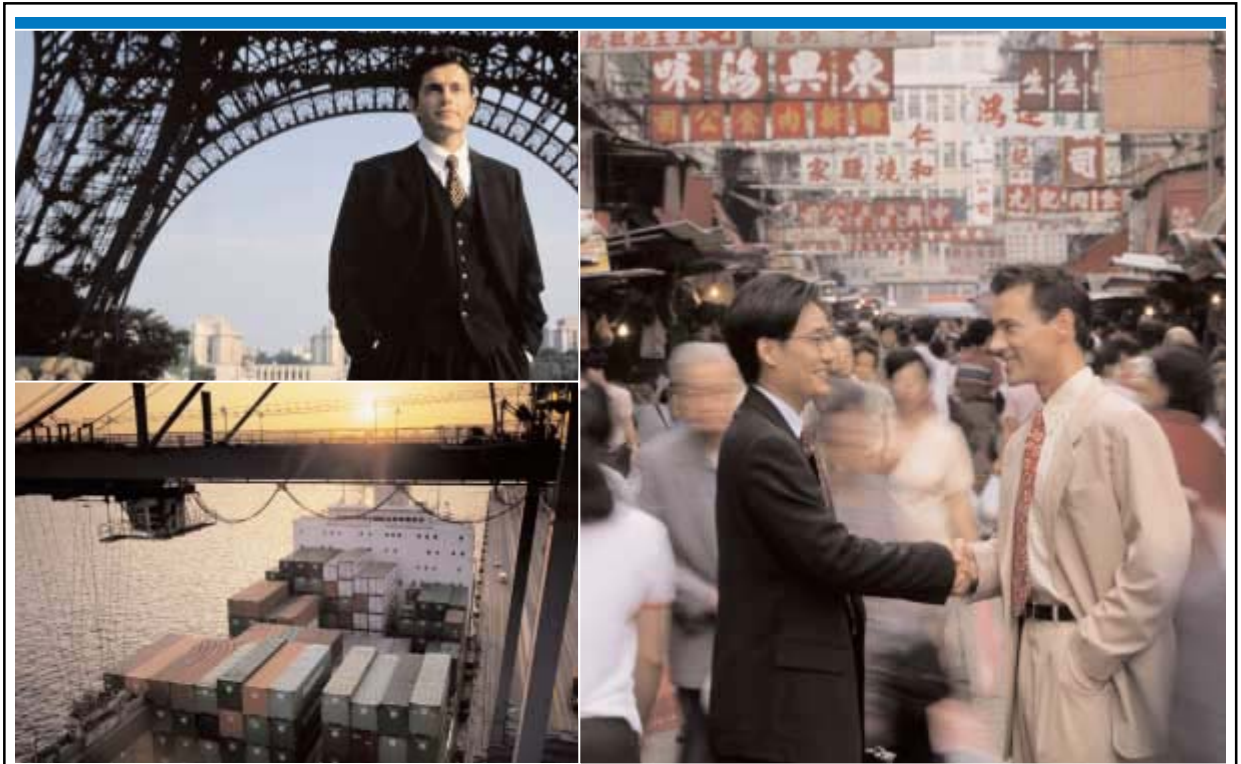
Budget, cont'd from pg. 4

tive capacity to implement global supply chains.

Tax Credits for Investments in Supply Chain Security Programs

Companies involved in international trade are also being continually challenged to meet ever more stringent supply chain security requirements under programs such as the Customs-Trade Partnership Against Terrorism (C-TPAT) in the U.S. Many Canadian exporters participate in C-TPAT, making significant investments in supply chain security programs, to protect their access to that market. Canada has committed to making our own supply chain security program, Partners in Protection, compatible with C-TPAT, and indeed the government has committed funding for this purpose.

I.E.Canada would like to see support for Canadian companies investing in supply chain security programs and encourages the Department of Finance to explore the introduction of tax incentives, such as a tax credit, for security-related investments. These programs benefit the Canadian public as a whole. Security investments by Canadian firms reinforce our commitment to improving the security of our borders, which is key to our economic and diplomatic relationship with our largest trading partner, the United States.



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