

# tradeweek

Your Resource for Global Trade | September 15, 2007 | Vol. 118, No. 17

## Headaches at the Border



Border delays at land crossings this summer reached levels not seen since 9/11.

Border Delays	2
Taddeo's Legacy	3
Driver Shortage	4
Bank of Montreal	6

Anyone trying to cross into the United States at any land crossing this summer knows first hand the horror of huge border backlogs. Traffic has been backed up down the highway and trucks carrying time-sensitive inventory were often unable to access FAST (Free and Secure Trade) lanes, causing costly delivery delays.

This was the hot topic of discussion

at a recent CanAm Border Trade conference held in Washington according to I.E.Canada's Mary Anderson. "There was definite consensus that this was an extremely difficult summer at the borders and that the issue of border delays needs to be addressed on many different levels," said Anderson. It is both a trade and a security issue, and the key to success lies in finding a way to keep

*Border, cont'd on pg. 2*

## Canada - Chile Celebrate Anniversary

Ten years ago, Canada and Chile signed a bilateral trade agreement, one which has proven to benefit both countries. Since that time, the trade relationship between Canada and Chile has flour-

ished and today is on solid footing. Canada is the third largest foreign investor in Chile, and was the 14<sup>th</sup> market for Chilean exports during the year 2006.

*Chile, cont'd on pg. 2*

## Our Trade Show

When you attend I.E.Canada's 76<sup>th</sup> annual conference and reception on October 22-24, 2007, make sure you save some time to connect with the trade experts and service providers who can help you with any of your import or export concerns.

Visitors to I.E.Canada's trade show will have access to a gamut of professional services and innovative technology that I.E.Canada has assembled for the specific purpose of assisting your business. Within minutes you'll have information that might otherwise have taken days to obtain, as well as knowledgeable specialists right there to answer your most pressing trade questions.

To date, our world-class panel of exhibitors includes:

- AON Reed Stenhouse Inc.
- CIFFA (Canadian International Freight Forwarders Association)
- Canada Ontario Export Forum
- Canadian Sailings
- Cole International Inc.
- CrimsonLogic (North America) Inc.
- E.J. Brooks Industries Ltd.
- Federal Express Canada Ltd.
- FITT (Forum for International Trade Training)
- Foreign Affairs and International Trade Canada
- Hamilton Port Authority

*Trade Show, cont'd on pg. 2*

## Border Delays, cont'd from pg. 1

trade flowing while meeting the security agendas of both countries.

In discussions at the conference, the Public Border Operators Association (PBOA) stated that during the summer of 2007, most bridge crossings experienced delays for U.S. bound traffic that have not been seen since 9/11. Yet while delays have increased, volumes for both passenger and commercial vehicles have decreased. PBOA stats show that passenger vehicle traffic is down 7% and commercial traffic has seen a drop of 3%.

Reports from the PBOA indicate that problems are the result of inadequate staffing at the U.S. Customs and Border Protection (CBP) primary inspection lanes and increased processing times for passenger vehicles. At the Peace Bridge in Buffalo, the average inspection time in August increased from 56 seconds to 74 seconds, a 32% increase over the same period in 2006.

There have also been technical problems with the ACE (Automated Commercial Environment) program resulting in computer down times, which have added to the delays.

Backlog at the borders is a serious commercial issue. Many businesses rely on 'just-in-time' (JIT) deliveries to keep their inventories down and their operations running efficiently. This summer, many of these JIT deliveries were unable to access the bridge plazas in order to utilize the FAST lanes. To further complicate matters, passenger traffic backlogs also often blocked access to the lanes making it impossible for the trucks to get through.

The same applied to NEXUS pass holders (these are 'trusted travelers' who have passed secure clearances and been pre-approved for rapid crossing) who were often unable to bypass traffic to reach the NEXUS lanes.

Canadian and American retailers and tourist destinations are also feeling the pinch as visitors reconsider visiting due to the long waits at the borders.

Members of the PBOA are understandably frustrated. Many have invested or are investing millions of dollars in infrastructure improvements to help streamline the flow of traffic. The majority of these projects are funded through toll revenue which will decline as traffic volumes decrease. The ability to continue facility improvements will be severely hampered if delays, such as the ones experienced this summer, continue.

No one debates the need for security at the borders, but it is also critically important that the economic needs of businesses relying on border trade are also met. Recommendations from the PBOA include:

- increased staffing by U.S. CBP at ports of entry and more primary inspection lanes opened during peak hours;
- increased staffing of NEXUS lanes and increased marketing of the program to eligible travelers;
- technology improvements at ports of entry to reduce computer down times;
- streamlined regulations between Canada and the U.S.- currently there are 4500 new or revised regulations introduced by each country every year leading to confusion and delays.

The appeal did not fall on deaf ears. Anderson reported that the U.S. CBP offered to investigate the issue and to review specific metrics in order to identify ways in which the process could be improved and wait times reduced. They also said they would investigate how the process at the booths might change and will look at time and motion studies to determine where improvements might be made.

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### Trade Show, cont'd from pg. 1

- ICPA Inc.
- Imanet
- International Trade Bureau
- Livingston International Inc.
- PricewaterhouseCoopers LLP
- Schenker of Canada Ltd.
- Scotiabank
- Standards Council of Canada
- Statistics Canada - International Trade Division

The trade show will be held in conjunction with the conference and gala at the Doubletree International Plaza Hotel Toronto Airport at 655 Dixon Road. We look forward to seeing you there!

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### Chile, cont'd from pg. 1

Last year, Chile recorded a positive trade balance of \$806.7 Million USD, while national exports to Canada reached \$1,288.8 Million USD. Commodity imports such as mining products and copper are among the leading imports. Non-traditional goods like wine and wood products are also among the top imports from Chile. Conversely, main Canadian exports to Chile include products such as mineral oils, wheat and cellular telephones.

The positive outcomes resulting from the Canada-Chile Free Trade Agreement (CCFTA), which was signed in 1997, have helped Chilean exports to Canada grow by more than 800% during the last ten years.

In terms of results, this bilateral agreement is one of the most lauded agreements within the private and public sectors of Chile. Today, all the negotiated products have a 0% import tariff. This Agreement is critical not only in terms of creating current price advantages for Chilean exports but also because it promises long term stability between the two countries with regard to market access. Additionally,

**Chile, cont'd on pg. 4**

## Shipping and Trade Horizons

### Taddeo Leaves Huge Legacy at Port of Montreal



Dominic Taddeo, CEO, Port of Montreal

For the first time in several decades, a familiar figure known to sometimes use three languages in the same sentence will one day soon this fall not be passing through the front door of the Port of Montreal administration building. Yes, indeed, Dominic Taddeo, the longest-serving chief executive in the world port community, is retiring from a post he has occupied since 1984. His successor will benefit from a huge legacy.

Taddeo's stewardship at the Montreal Port Authority has coincided with tremendous changes in the global maritime sector. And industry figures readily acknowledge that he has risen to the challenges.

Throughout the years, Montreal has been transformed from what was for long a major grain export port with steadily underused elevators into North America's leading shipping gateway for North Atlantic container cargo, extending its market reach to the U.S. Midwest in par-

ticular. With 9 of the top 12 world container operators coming into Montreal, box cargo currently represents more than 40% of total throughput of 25 million tonnes.

It has achieved this in part by overcoming the draft limitations – thanks to dredging and the innovative ship designs of naval architects – of the St. Lawrence channels approaching Montreal. Equally important, the port has invested more than \$450 million in the expansion and upgrading of infrastructures at no expense to taxpayers while the capital expenditures of the shipping lines for vessels specially geared to the St. Lawrence trades have exceeded \$1 billion.

In essence, adjusting to the new realities, the Port of Montreal has emerged as an international trade hub in the forefront of intermodal excellence, leading-edge technology as well as responding to environmental concerns and the high security demands of the post 9/11 era.

During his tenure, Taddeo had to cope with a number of labour issues on the waterfront. These mainly involved longshoremen and the maritime employers, but in the late seventies there was a five-month blue collar strike. The port has been enjoying a climate of labour peace for more than a decade, with current collective agreements extending until 2011 and 2012.

A chartered accountant by training, Taddeo did not immediately enter the marine industry, and was anxious to better utilize his PR skills. A big opportunity came in September, 1974 when he joined the Montreal Port Corporation as Director of Finance.

He ran things like a private enterprise, eliminating long-entrenched bureaucratic practices. Up-to-date accounting reports were produced

within six days after the end of each month instead of every two to three months. With costs well under control, the port has reported a profit for 27 consecutive years since 1980.

Another matter that Taddeo decided to tackle as soon as he became chief executive in 1984 was to inject something extra around the tradition of the Gold-Headed Cane award presented to the master of the first ocean-going vessel of the year to reach the port. Most striking was the introduction of a unique personal touch that has won many friends beyond Montreal: presenting the Cane in each captain's native language.

Another facet of Taddeo's career that became a trademark was his resolute opposition to several urban encroachment threats to port territory and commercial activity. The first such major turf war was in 1999-2000, when Toronto's all-powerful Reichmann Brothers made an unsolicited offer to build a one billion dollar Technodome project in Old Montreal.

From the outset, Taddeo identified container cargo as having the greatest potential and this galvanized him into action. "When I first started, we had 400 trucks a day coming into the port. Today, we are up to 2,000 trucks daily!"

During the decade of the 1980s, with the Container Revolution spreading quickly across the globe, Taddeo took a number of steps that were decisive for the future of the Port of Montreal.

He launched the expansion of the two existing container facilities. Bickerdike terminal was converted into a general cargo facility.

To foster growth, notably in container shipments to and from the U.S. Midwest and Northeast, Taddeo

*Taddeo, cont'd on pg. 4*

## Taddeo, cont'd from pg. 3

was the first in North America to implement an incentive plan, equivalent to 10 cents a tonne.

"In our relations with the Midwest and Northeast, we have been in many ways precursors of free trade with the United States," Taddeo noted in a recent interview.

"The intermodal connections of both railways (CPR and CN) have helped us to build the business dramatically," he also stressed.

According to a recent forecast, container traffic could attain 2 million units by 2020 versus today's 1.3 million. This would likely bring into play a further shift eastwards of container activity by establishing a new box terminal at Contrecoeur, 40 kilometres downstream where the Port of Montreal has long possessed a 350-hectare land bank. An enviable new page left for Taddeo's successor.

*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.*

### Chile, cont'd from pg. 2

a chapter for Governmental Procurements was recently added to the CCFTA.

To mark this distinctive year between Canada and Chile, the Trade Commission of Chile (ProChile) is organizing a series of events for the Week of Chile / La Semana de Chile in Toronto including: business seminars, cultural events, gastronomic delights, wine tastings, and trade missions by several Chilean companies.

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### I.E.Canada's Summer Intern



Kayser Habib, I.E.Canada Intern

This summer, I.E.Canada had the pleasure of hosting Kayser Habib as our summer intern.

"The summer intern program provides recent graduates with valuable work experience in Canada's trading community and I.E.Canada with access to highly skilled individuals," said Mary Anderson, president, I.E.Canada. "Kayser brought a unique perspective to trade issues, and was a valuable member of our team," said Anderson.

Kayser's main duties at I.E.Canada were to research and format articles for *I.E.Today*, I.E.Canada's daily email. He also helped gather information for the Brazil-Canada Chamber of Commerce (BCCC) and the Canadian Council for the Americas (CAA) newsletters.

Before coming to I.E.Canada, Kayser spent four years conducting agricultural research and helping to develop agricultural businesses. He holds a post graduate certificate in International Business Management from Centennial College, an M.A. in Irrigation and Water Management, and a B.A. in Agricultural Engineering.

Kayser is interested in an entry-level position in customs, marketing, financial analysis or office administration.

He can be reached by e-mail at: [kayserhabib@yahoo.com](mailto:kayserhabib@yahoo.com).

### Trucking Issues

In August, Mary Anderson, president, I.E.Canada, was invited to attend a dinner hosted by the Canadian Consulate in New York to discuss Canada/U.S. relations and border issues. Anderson had a chance to speak with Doug Switzer, manager, government relations, Ontario Trucking Association regarding the issues facing Canada's trucking industry.

According to Switzer, the biggest concern for truckers is the Canada/U.S. border. There are more primary inspections, resulting in more secondary inspections and consequently increasing delays for truck drivers at the border.

Another issue, one that hasn't gone away, is that of driver shortages. Switzer said that the downturn in manufacturing is masking the depth of the issue. Essentially, the numbers of drivers and the age factor hasn't changed but the lack of demand diminishes the severity of the problem. The Canadian Trucking Human Resource Council (CTHRC) recently released a study that highlighted this problem.

Canadian fleets lose 22.1% of their drivers per year, according to the CTHRC study. Even after the employers recruit new personnel about 12% of the industry's job openings remain vacant, representing an immediate need for 12,000 additional drivers.

"A high dollar and resulting slowdown in the manufacturing sector may have led some Eastern Canadian fleets to impose a temporary freeze on new hires, but the long-term need for qualified drivers is still a reality," said CTHRC executive director, Linda Gauthier.

Anderson asked Switzer if the gov-

**Trucking, cont'd on pg. 5**

## Member Profile

acrodex

Acrodex has been a member of I.E.Canada since October, 2005.



Peter Owsiany, general manager-Ontario, Acrodex

*The following profile was written by Peter Owsiany, general manager, Acrodex. In preparing the profile, Peter answered a series of questions posed by Jane Carter of I.E.Canada.*

### About Acrodex

Established in 1984, Acrodex is a full spectrum, enterprise-wide technology solutions provider. The company offers end-to-end solutions: custom application development, systems integration services, hardware and software, and managed services including computer facilities management, application management and life cycle management services.

For 23 years, Acrodex has been providing technology solutions throughout Canada and have passed their expertise on to their client base. Acrodex designs and implements a wide range of automation solutions that drive lower costs of doing business, and a

healthier bottom line.

With Acrodex's unique combination of industry experience, business expertise, proven practices and innovative approaches, they are exceeding the technology goals of their clients across the country, everyday. Acrodex has offices in Toronto, Edmonton, Calgary, Fort McMurray, and Winnipeg.

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

For Acrodex, the main benefits of being an I.E.Canada member include:

- quick access to trade related matters;
- obtaining up to date news on trade;
- having a point of contact to obtain additional information on trade.

### How has the association helped your organization with respect to trade issues?

The information provided by the association has assisted us in developing our company's trade-related strategy.

### What are the most valuable benefits you receive as an I.E.Canada member?

I would say the daily I.E.Canada e-mail is the most valuable benefit. It provides us with the most relevant trade related news both inside and outside of Canada in a manner that's fast to read and easily accessible.

### What is the value of membership to a new importer/exporter business?

Again I would have to say the knowledge provided on a daily basis via the e-mail communiqué. It keeps us abreast of new developments and any changes happening in the international trade community.

The access to a large network of trade contacts is also extremely

valuable; I.E.Canada can help identify and assist us in contacting the appropriate office or individual when we have trade issues that need to be addressed.

### Are there any issues your organization would like I.E.Canada to address in the future?

No, the association is doing a good job addressing the issues relevant to Acrodex.

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

Yes, I.E.Canada's events are a valuable resource for learning the latest trade related news and information.

### What is your role in your organization?

I am the General Manager, Ontario for Acrodex.

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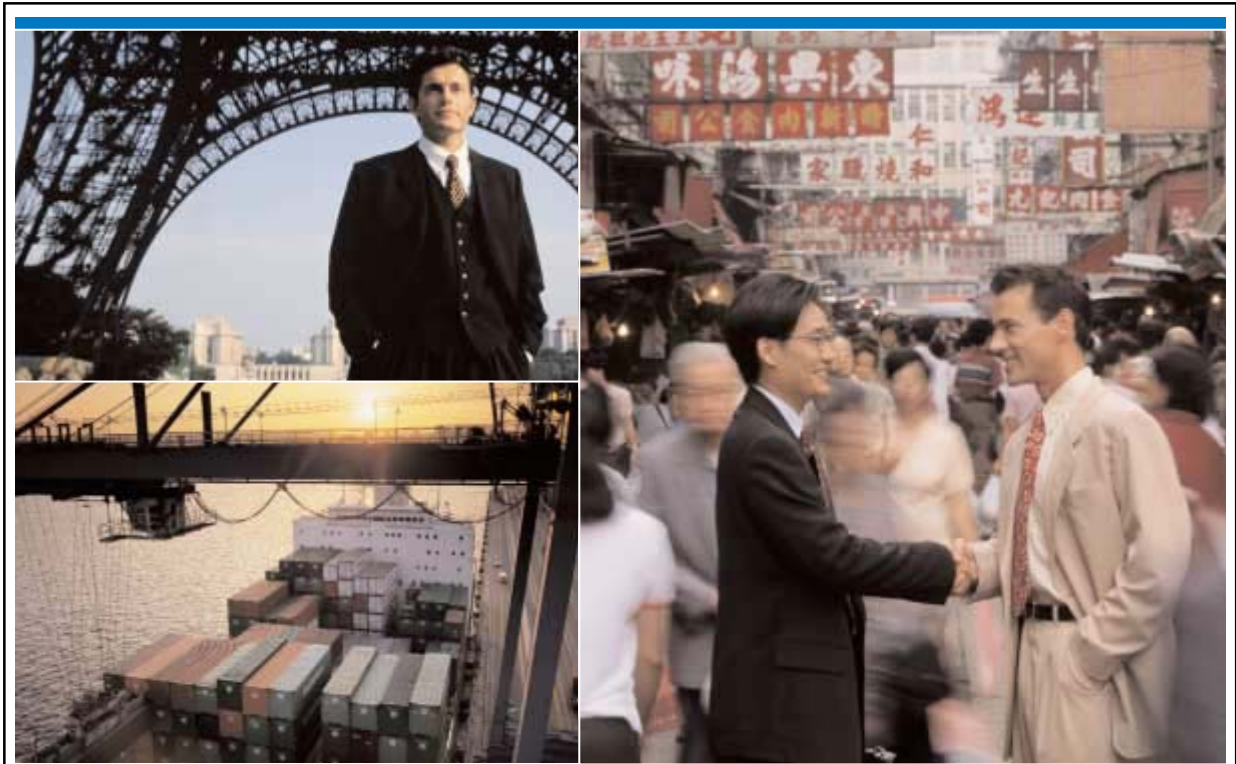
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### Trucking, cont'd from pg. 4

ernment had taken enough measures to attract drivers to the industry. Human Resources and Skills Development Canada (HRSDC), according to Switzer, has not really looked to attract foreign workers as permanent residents, but they are working to attract those drivers eligible for temporary visas up to a year.

The HRSDC is also looking to attract Canadian high school students to the industry. Switzer sees this as a problem because the majority of young males in the 18 year age bracket lack the skills and maturity needed to succeed in the transportation industry. He also believes that companies hiring young drivers will not be able to secure insurance for them.



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*Tradeweek* is published twice each month for and on behalf of the Canadian Association of Importers and Exporters Inc. / Association canadienne des importateurs et exportateurs inc. It is circulated by first class mail to members only. Reproduction of any of the contents of *Tradeweek* is encouraged provided that appropriate source credit is given.