

# tradeweek

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## Pacific Gateway at Conference

Canada's ports play a key role in establishing the nation as a competitive player in the world of international trade. A major part of Canada's port strategy is the development of the Pacific Gateway.

I.E.Canada is fortunate to have both John Higginbotham, Principal Advisor, Asia Pacific Gateway and Corridor Initiative, Transport Canada and Chris Badger, Chief Operating Officer, Vancouver Port Authority as speakers at I.E.Canada's Conference on "Emerging Issues in Customs." The conference will be held on April 21-23, 2008 at the Hilton Toronto Airport Hotel, 5875 Airport Road.

Mr. Higginbotham will be providing the perspective and goals of the Canadian government regarding the Pacific Gateway; Chris Badger will share his experiences with the growing Vancouver Fraser Port Authority.

While serving as Commissioner for Canada in Hong Kong and in Beijing, as Trade Commissioner and Political Counselor, Mr. Higginbotham gained extensive knowledge and experience in the



Chris Badger, chief operating officer, Vancouver Port Authority.

Asia Pacific. Most recently he served as Minister (Political/Trans-boundary Affairs) at the Canadian Embassy in Washington, DC. After working as Assistant Deputy Minister for Communications, Culture and Policy Planning in the Department of Foreign Affairs and International Trade, he went to the Canadian Centre for Management Development in Ot-

*Pacific Gateway, cont'd on pg. 4*

### Snapshot: Asian Trade

In the first five months of 2007, Canada's trade with the 17 major economies in Asia increased 11.6% over the same period in 2006. Data shows Japan remained Canada's top export market, while China is a close second and South Korea the

only other Asian market buying over C\$1 billion of Canadian goods. China continues to be Canada's top import supplier, followed by Japan, South Korea, Taiwan and Malaysia.

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### I.E.Canada Advocacy in Action

*The following article was written by Carol Osmond, Vice President, Policy, I.E.Canada.*

I.E.Canada is currently engaged in consultations with the Canada Border Services Agency (CBSA) with respect to a number of programs and initiatives. Following are some highlights of recent activities.

#### ACI/eManifest

As reported in the February 29, 2008 issue of Tradeweek, at the External Stakeholder Partnership Network (eSPN) plenary held at end of February, concerns were raised by the trade community about the functioning of the eSPN. In particular, concerns related to the lack of communication to the broader trade community since the first plenary session in January 2007 and the failure to include representation from some sectors of the trade community in the working groups. Participants also expressed concern about the delays in addressing fundamental policy issues, and specifically the issue of First Point of Arrival (FPOA).

I.E.Canada has since taken the lead in drafting a letter to the president of the CBSA, Mr. Alain Jolicoeur, on behalf of many of the members of

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## Advocacy, cont'd from pg. 1

the Border Commercial Consultative Committee (BCCC) outlining these concerns. A copy of the letter is available at [http://www.iecanada.com/article/BCCCLetter\\_AlainJolicoeur\\_04\\_12\\_08.pdf](http://www.iecanada.com/article/BCCCLetter_AlainJolicoeur_04_12_08.pdf). Working with other importer groups, I.E.Canada has also submitted detailed suggestions to the CBSA on how to improve the eSPN process. These suggestions are available at [http://www.iecanada.com/article/ESPNStructure\\_03\\_18\\_08.pdf](http://www.iecanada.com/article/ESPNStructure_03_18_08.pdf).

The eSPN Design/End State Working Group met in Toronto on April 1-2, 2008. This meeting was attended by Carol Osmond, I.E.Canada's Vice President, Policy, and several members of the association. During this two-day meeting, CBSA officials and members of the trade community reviewed the proposed cargo and conveyance and the importer admissibility data (IAD) sets. Each data element was assigned a green, yellow or red code, with green meaning that there were no concerns from the trade community about providing the data element, yellow meaning that the data element required a clearer definition or explanation, and red meaning that there were serious concerns from a business perspective about how a particular data element would be provided or whether it was necessary. An example of this is the 10-digit tariff classification number which CBSA has included in the draft IAD.

At this meeting, participants also reviewed a series of "challenging" situations, such as temporary imports, exceptions (eg. overages and shortages), unsolicited goods, unassigned broker/incorrect or unknown importer, Canadian Goods Returned, and identified whether it would be the conveyance, cargo or importer admissibility data that would present difficulty. Situations were also identified where the carrier or importer would want to move the goods in bond either be-



Carol Osmond, Vice President, Policy, I.E.Canada.

cause of the nature of the importation (eg. goods imported for a trade show) or because data was not available at the FPOA.

There was also discussion of the issue of First Point of Arrival. Here a distinction is made between release and admissibility. Admissibility relates to the provision of the importer admissibility data set. CBSA asked the trade community participants to identify the challenges that industry would experience if release were required to take place at the FPOA in all cases, or if the IAD was always required to be provided in advance of arrival at the FPOA.

CBSA officials will write up the issues identified during the working group meeting and as appropriate raise them to more senior levels within the CBSA for resolution. For the next meeting of the working group planned for mid-May, CBSA officials will, among other things, clarify the data elements and update the issues log. At the next meeting, participants will be looking at process flows for the exceptions identified, take a detailed look at the PORTAL, and begin to discuss contingency planning. Documentation from the recent meeting is available on the Members Only section of the website under eSPN.

### PIP Consultations

Based on feedback from members

and with the help of the association's PIP Working Group, I.E.Canada made a submission to CBSA earlier this month on the proposed cancellation and suspension criteria for the modernized PIP program. In the submission I.E.Canada expressed the view that CBSA's proposed approach to suspension and cancellation of the PIP program was not appropriate given the voluntary nature of the program and the goal of enhancing supply chain security and strongly urged CBSA to reconsider its approach.

The association has since been advised that based on submissions from I.E.Canada and other associations, CBSA has gone back to the drawing board and will be coming back with a completely new proposal. A copy of the I.E.Canada submission is available at [http://www.iecanada.com/article/Letter\\_Claude\\_St\\_Denis.pdf](http://www.iecanada.com/article/Letter_Claude_St_Denis.pdf).

### Customs Self-Assessment (CSA) Program

As CBSA moves forward with ACI/eManifest, it has been the position of I.E.Canada and its members that before ACI/eManifest is fully implemented, the CSA program must be expanded to include a release option for all goods, from all countries, in all modes of transportation.

In a letter to Greg Goatbe, Vice President, Admissibility, CBSA from the BCCC private sector members dated December 20, 2007, this was stated as one of five priorities for the trade community. Comments made during the February 2008 BCCC meeting indicated that there were internal CBSA discussions being held that would not support this approach going forward. Since the December 2007 letter, and the discussion at the BCCC in February, there has been additional discussion both within the CBSA as well as with the private sector regarding the issue of enhancing the CSA program.

*Advocacy cont'd on pg. 4*

## 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.*

### Shipping's Green Image

Coinciding closely with a major marine environment meeting in London staged by the International Maritime Organization (IMO), the Shipping Federation of Canada held a timely conference on April 1 on the subject of the public image of the global shipping industry. Mary Anderson, President of I.E. Canada, was among the speakers in the panel discussions at the Montreal event.

In his opening address to the Marine Environment Protection Committee, IMO secretary general Efthimios Mitropoulos set the tone with an impassioned defence of shipping's environmental record and urged the industry not to allow itself become a scapegoat for climate change critics seeking soft targets.

Mitropoulos described the views of "some politicians, civil servants and certain media representatives" as "often ill-founded and inaccurate" in their descriptions of shipping's impact on air pollution. Similar views

were expressed during the Montreal conference which, nevertheless, underlined the need to increase efforts to improve the marine industry's green image.

In Montreal, remarks on shipping's environmental footprint from a leading industry figure, Adolf Orion, a member of the executive board of Hapag-Lloyd AG and chairman of the World Shipping Council, drew special attention. "Despite the fact that 90% of world trade moves by sea, the shipping industry accounts for only 4% of global carbon dioxide emissions," said Orion.

In his view, the shipping industry is responding effectively to challenges by taking such measures as significantly reducing vessel speeds and reducing bunker fuel consumption. "For example, reducing average speeds from 25 knots to 20 knots slashes emissions and fuel consumption by up to 50%."

Orion advocated "an ongoing dialogue with engine manufacturers to swap ideas" that would benefit the most environmentally-friendly transportation mode. Carleen Lyden-Kluss, President of Morgan Marketing & Communications and Executive Director of the North American Marine Environment Protection Association, suggested that the low public profile of the industry in the United States was illustrated by the fact that seafarers were even perceived by some citizens as terrorists.

Brian McDonald, Executive Vice-President of Montship Inc., expressed regret that "in Canada, carriers and shippers are still operating too independently on environmental issues."

Tony Valeri, President of Ridge Strategy Group and former federal Minister of Transport, said that although it will take time to eliminate public ignorance, momentum was

building up through such initiatives as marine days by various government levels in Canada. He added that a "consistent approach" was needed to deliver the message to municipal, provincial and federal authorities. (Canada Marine Day will be celebrated in Ottawa on May 26.)

Dr. Lee Kindberg, Director of Environment for Maersk Line, the world's largest container operator, noted: "It's becoming a requirement of doing business to show environmental responsibility."

Speaking on behalf of I.E. Canada, which has a membership of 850 importers and exporters, Mary Anderson, the Association's President, said that more and more companies are examining the environmental footprint of their own operations and those of service providers across the whole supply chain.

While sounding out member companies on the issue, Anderson found there was a consensus that there should be some relationship to the bottom line. "Green initiatives can, in fact, lead to profit."

Moreover, she indicated, the impact on employee morale can be "huge" when management shows great willingness to welcome ideas from staffers on means of improving environmental footprint.

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

China is Canada's top Asian trading partner overall, valued at almost C\$19 billion, almost double the trade with Japan. From January to May 2006, Canada's top three trading partners -- China (including Hong Kong), Japan and South Korea -- account for 75% of Canada's total trade with Asia.

Canada's Asia Pacific Gateway is a

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## Pacific Gateway, cont'd from pg. 1



Port of Vancouver, a key part of the Asia Pacific Gateway strategy.

tawa as Senior Visiting Fellow (International). There he led two major projects on relations between the USA and Canada. His most recent assignment was as Vice President, Research and University Relations at the new Canada School of Public Service.

Chris Badger has several years of marine experience and in-depth knowledge of port operations and related businesses. He is currently Chief Operating Officer, overseeing the trade, business development, marine operations, security and shore operations of the Port Authority.

Mr. Badger spent 14 years at sea before joining with the Vancouver Port Authority in 1988 as Assistant Harbour Master. He spent four years with the Port of Nanaimo as Director, Operations and Harbour Master. Later, Chris returned to the Port of Vancouver as Deputy Harbour Master and then Harbour Master. In 2001, he joined the VPA's executive team.

A member of the Company of Master Mariners of Canada, Mr. Badger is also on the Board of Directors of the International Sailors Society of Canada; Chamber of Shipping of BC

and the Western Marine Community.

Be sure to hear the latest on the developments in the West Coast ports, and on the Asia Pacific Gateway, attend I.E.Canada's April Conference. For a complete agenda or a list of sponsorship opportunities, visit <http://www.iecanada.com/events.html#customs>.

For further information on the program, please contact Ms. Fée Kiessling at (416) 223-7072 or email [fkiessling@iecanada.com](mailto:fkiessling@iecanada.com). For details regarding the trade show, please contact Jason at 416-595-5333 ext. 41 or by email at [jason@iecanada.com](mailto:jason@iecanada.com).

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

I.E.Canada has worked with the Canadian Vehicle Manufacturers' Association to draft a letter to Mr. Goatbe on behalf of a number of associations representing importers to outline in further detail a proposal for enhancing the CSA program. This issue will likely be addressed at the Canada Border Services Advisory Committee (CBSAC), which is chaired by Mr. Jolicoeur, and includes the presidents of many of the BCCC association members,

including I.E.Canada. A copy of the letter to Mr. Goatbe is available at [http://www.iecanada.com/article/BCCC\\_Importers\\_CSA.pdf](http://www.iecanada.com/article/BCCC_Importers_CSA.pdf).

### Broker Licensing and Account Security

The Brokers Licensing and Account Security working group met in Toronto on March 20, 2008. The main topics of discussion were the direct security and GST direct payment options. As a first step towards simplifying processes, as of this month customs brokers will not be required to submit GST option letters to Brokers Licensing in Ottawa for CBSA acknowledgement. Customs brokers will simply have to ensure that the GST option letter contains all the required information and maintain it on file. If a GST option client does not provide payment to the customs broker by the due date, the broker may short remit for that amount by attaching a copy of the GST option letter to the reconciliation control sheet.

CBSA is currently seeking feedback on several options being considered for addressing account security requirements to obtain release prior to payment privileges. These are: (i) eliminating all security requirements for compliant customs brokers and resident importers; (ii) eliminating the GST from the security calculation for customs brokers; (iii) maintain the current program.

### AMPS Review

A special meeting of the BCCC will be held on April 30, 2008 in Toronto specifically on the AMPS Review. At this meeting CBSA will present its proposals to the trade community to address a number of issues that came out of the AMPS Review, such as volumetrics.

If you have any questions or comments with respect to any of the matters addressed in this article, please contact Carol Osmond at [cosmond@iecanada.com](mailto:cosmond@iecanada.com).

## I.E.Canada's New Team

A number of changes have taken place within the association staff and contracted support.

I.E.Canada continues to undertake a remarkable number of activities and achieve solid results as a result of its committed and hard working staff.

To recognize the important role that Advocacy plays within the association, I.E.Canada is pleased to announce that Carol Osmond who had been the Senior Policy Advisor will take on the role of Vice President Policy. Linda Bott, Vice President of Finance and Administration, has expanded her role to coordinate the activities of contracted events. Harry Nguyen has been added to the team and will provide IT and website services. Jason Butkus has shifted his focus from conferences to committee management. In his new role, Jason is responsible for the support and administration of I.E.Canada's managed committees. The complete I.E.Canada team is listed below:

### I.E.Canada Staff

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**Vice-President, Finance & Administration**  
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**Communications and Media**  
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Paulette Niedermier  
Coordinator - Alberta Chapter  
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## New Members

The following new members joined I.E.Canada in March. We welcome our new members!

### AD Trade

Andrea Dubravsky  
Georgetown, ON

### A & P Canada Co.

(A Division of Metro Inc.)  
Alan Grant  
Etobicoke, ON

### Consulate of Malaysia

(Trade Office)  
Madam Zalela Jaafar  
Toronto, ON

### Danisco USA Inc.

Jo Coughenour  
New Century, KS USA

### Embassy of France,

Economic Commission  
Eric Morand  
Toronto, ON

### Focus Business Solutions, Inc.

Andrew Astor  
Taylor, MI USA

### Royal Bank of Canada

Robert Chua  
Mississauga, ON

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### Asia, cont'd from pg. 3

national strategy designed to take advantage of these numbers. The strategy aims to address the challenges and opportunities that exist in Asian trade, while establishing Canada as the most competitive exit and entry point in North America for Asian and Canadian goods, services, and investment.

The Asia Pacific Gateway involves groups at the federal, provincial, and regional levels. In early 2007, the federal government increased its investment in Asia Pacific Gateway Corridor Initiative (APGCI) to \$1B and committed \$2.1B to a national fund for infrastructure for gateways and border crossings. The province of has also British Columbia launched its own \$3 billion Gateway Program for major infrastructure projects.

On the other side of the country, the province of Nova Scotia is promoting an Atlantic Gateway concept that seeks to boost the position of Halifax and upcoming regional ports as preferred points of entry and exit for goods between Asia and North America. The Atlantic Gateway seeks to take advantage of capacity constraints at both West Coast ports in North America and ports in the US Northeast, as well as India trade through the Suez Canal.



Canadian Association of  
Importers and Exporters

Association canadienne des  
importateurs et exportateurs

ie canada

## 17th Annual Conference & Trade Show Emerging Issues in Customs

## Ensuring Compliance in Your Supply Chain

Agenda as of 4/14/2008

### Keynote speakers:

#### Global Economic Outlook

*Paul Ferley, Assistant Chief Economist, Royal Bank of Canada*

#### Priorities and Developments in the U.S. Department of Homeland Security

*Theresa Brown, Department of Homeland Security Attaché in Canada, Embassy of the United States in Ottawa*

#### The New Food and Consumer Product Safety Legislation

*The Honourable Tony Clement, Minister of Health & the Minister for the Federal Economic Development Initiative for Northern Ontario*

#### Designing Canada Border Services Agency's Commercial Vision

*Greg Goatbe, Vice-President, Admissibility, Canada Border Services Agency (CBSA)*

April 21-23, 2008

Hilton Toronto Airport Hotel, 5875 Airport Road, Toronto Airport

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