

tradeweek

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Van Loan to Address Conference

I.E.Canada's Annual Conference and Inaugural CATIE Awards will offer businesses the chance to hear from leaders in the field of international trade. I.E.Canada has pulled together a roster of speakers from government and industry who will provide updates, information and tools for best practices. Keynotes for the conference include the Honourable Peter Van Loan, Minister of Public Safety, Government of Canada, Peter Hall, vice president and chief economist, Export Development Canada (EDC), and Bob Armstrong, President, Supply Chain and Logistics Association Canada.

Balancing Security and Trade

Kicking off the conference on Monday morning the Honourable Peter Van Loan will discuss the future direction of Canada-U.S. Border Management. This spring, Minister Van Loan and the Secretary of U.S. Homeland Security, Janet Napolitano, met to discuss the shared border. Reports from the meetings identified a commitment by both Canada and the U.S. to a collaborative approach to border management that would aim to meet the safety and security needs



The Honourable Peter Van Loan, Minister of Public Safety.

of both countries, while still facilitating cross border trade.

Minister Van Loan was first elected in June of 2004, as the Member of Parliament for the new riding of York-Simcoe and was re-elected on January 23, 2006. On January 4, 2007 he was appointed Leader of

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Leveraging Your Membership

A membership with I.E.Canada provides a wealth of opportunity.

All members, be they importers, exporters, service providers or inter-

national associations can and should take full advantage of the range of services membership provides including publications, events committees and advocacy work. Each of-

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Extended Producer Responsibility

Extended producer responsibility (EPR) requires producers (defined as a manufacturer, brand owner or first importer of a product) to assume responsibility for the costs associated with the environmental impact of their products. This responsibility extends throughout a product's lifecycle, including its design, manufacturing, packaging, transportation, product use, and ultimately diversion or disposal.

The theory behind EPR is that producers who are responsible for managing the end of life of their products and packaging have incentives to ensure their production practices are efficient and avoid producing excess waste. The aim is to encourage producers to identify production processes that use fewer inputs (resulting in less waste), incorporate greater reuse of materials in their processes and products, and design products and packaging that are more easily recycled.

Whether the program actually achieves these aims is a highly contentious issue, and one which has caused great concern among producers and importers. And while not all products currently fall under

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the Government in the House of Commons and Minister for Democratic Reform. Van Loan was President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister for Sport, 2006-2007. Before joining Cabinet, he was the Parliamentary Secretary to the Minister of Foreign Affairs. In the 38th Parliament, Peter Van Loan was the Shadow Cabinet Critic for Human Resources and Development Canada. He served on the Human Resources, Social Development and the Status of Persons with Disabilities (HUMA) Committee.

The Global Economy

Addressing the questions that are front and centre in every newspaper today, EDC's Peter Hall will provide conference attendees with a global economic outlook. Peter will discuss the stimulus packages that have been put forward by governments around the world and how they will impact trade, as well as the financial state of Canada and its trading partners.



Peter Hall, vice president & chief economist, EDC.

Mr. Hall has 20 years of experience in domestic and international economic analysis and forecasting. His responsibilities include overseeing economic and political risk analysis at EDC and the company's information centre. In addition to advising

senior management at EDC, Mr. Hall is a featured speaker at conferences across the country, and is a member of an international roundtable on the economies of the Asia-Pacific region.

Prior to joining EDC, Mr. Hall directed the economic forecasting activities of the Conference Board of Canada. He also directed the Conference Board's international economic outlook service.

Mr. Hall is currently president of the Ottawa Economics Association, a 300-member local association of professional economists, and is a board member of the Canadian Association for Business Economics.

Green Supply Chain Management

Green is the new black- at least when it comes to the supply chain. SCL partnered with Industry Canada to examine the competitive advantage of green supply chain management. Bob Armstrong will provide conference participants with an exclusive preview of the results of this, addressing the three key areas of logistics and transportation services, retail and consumer products, and manufacturing.

Along with his SCL duties, Bob is president of Armstrong Trade and Logistics Advisory Services (ATLAS). He has over 35 years of experience in the fields of International Trade, Cross Border Logistics and Customs Regulations and Procedures.

Bob served as Senior Vice President of PBB Logistics, and immediately preceding this as President and CEO for the Canadian Association of Importers and Exporters Inc. for nine years and as President of the Association of International Automobile Manufacturers of Canada (AIAMC) for nine years. He is currently a Director of the Ontario Chamber of Commerce, the Hong Kong Canada Business Association, and the Fo-

rum of International Trade Training (FITT).



Bob Armstrong, president, Supply Chain & Logistics Canada.

In May 2005, Mr. Armstrong was awarded the prestigious McMillan Binch Mendelsohn Canadian Achievement Award in recognition of his outstanding contribution to Canada and to Canada's advancement in International Trade.

Don't miss the opportunity to hear these world class speakers. Be sure to attend I.E.Canada's Annual Conference on October 19 - 21, 2009 at the Delta Meadowvale Conference Centre. To register, please call 416-595-5333, ext. 37.

New Members

The following new members joined I.E.Canada in May and June. We welcome our new members!

3rd Party Warehousing Facility In Southern Ontario

Howard Rotberg
President

Customs & Trade Solutions Inc.

Susan Richer
President

New Members, cont'd on pg. 6

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.

Port Supply Chain Challenges

Compared with a year ago, the economic environment has changed dramatically for Canadian port officials who will be holding their annual get-together next month in Prince Rupert, northern British Columbia. Most countries in the world have been hit by the global recession that accelerated last fall.

Even though there have been signs recently that the deepest contraction in 60 years may be bottoming out, the recovery will be both weak and fragile. The World Bank has forecast that global GDP will shrink by nearly 3% this year and possibly rebound to plus 2% in 2010.

The world's fastest-growing economies, China and India, are forecast to advance by respectively 7.2% and 5.1% this year - but this has not yet translated into normally brisk demand for commodities shipped through Canadian ports.

The relatively better performance of

the Canadian economy compared with the United States has similarly had little impact on the cargo slide in these ports. Bulk volumes are down quite sharply in such leading commodity gateways as Vancouver and Quebec. On the Great Lakes, traffic has plunged by more than 50% at Hamilton as iron ore business has dried up with the closure of two steel mills.

Despite the bleak context, Canadian ports, nevertheless, remain focused on long-term strategies to remain competitive for handling the expected steady growth of trade between North America and the rest of the world. Fittingly enough, the theme for the August 24-26 annual conference of the Association of Port Authorities is Canada's Ports and Global Supply Chains.

"Port authorities are trade facilitators," says Gaetan Boivin, President of the Trois-Rivières Port Authority and ACPA Chair, "and as such they have to take the responsibility for ensuring that all the pieces of the supply chain work from the shipper to the carrier, to the port of call and to the landside service providers on both rail and road."

The business sessions of the conference will deal with such subjects as the impact of the Panama Canal expansion; how automated terminals are transforming the way ports do business; how free trade zones (which don't exist yet in Canada) can benefit maritime trade; the inland port concept; building capacity for trade gateways and freight corridors; supply chain costs and benefits; the importance of bulk cargo to port business; and the expanding cruise activity.

Expected to figure prominently throughout the discussions by panelists and in conference corridors is the subject of access to federal funding for port-related infrastructure projects. "This remains the

number one priority," indicates Gary LeRoux, ACPA Executive Director.

Many port officials feel frustrated over the complex process of applying for funds under a veritable maze of programs. These include the Building Canada Plan, the Public-Private Partnership Fund, the Gateway and Border Crossing Fund, and the \$4 billion Stimulus Fund contained in the last winter's federal budget. But the latter requires that infrastructure projects be completed within the next two years - a 'shovel-ready' requirement that excludes the eligibility of most port-related projects.

In this connection, Don Krusel, President and CEO of the Prince Rupert Port Authority, likens the dilemma to putting a square peg in a round hole. In his view, government program funding criteria were "typically focused on elements unfavorable to port infrastructure."

He affirms there is a certain aversion to any project with a private sector component. This stems from the belief that if some party is profiting, then the private sector should pay. There is too much focus, Krusel declares, on "solving problems rather than building opportunity."

There is also an assumption that all projects are locally or regionally based whereas, in truth, port projects are larger and impact many regions. To get things right, therefore, Krusel recently proposed the creation of a specific Port Infrastructure Fund. The goal, he said, would be to match national trade and economic policy objectives with funding commitments.

Port officials on the east and west coasts have responded quite favourably to this proposal, but it will likely be a hard sell in the Ottawa bureaucracy.

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EPR regulations, the program is expanding rapidly.

One of the issues associated with EPR is the sharing of financial responsibility for the collection, transportation, diversion and disposal of product wastes. Wastes can range from paper and packaging products to larger manufactured goods such as electronic equipment and appliances. Sometimes the financial responsibility is shared between the municipalities and producers, such as with Ontario's Blue Box program. Other arrangements, such as the Waste Electrical and Electronic Equipment Program are "full" responsibility systems, with the producer being obligated to pay all of these costs.

Each province handles waste diversion separately, with disposal fees varying from one province to another. The trend is for more and more products to be designated under EPR programs and for a higher proportion of the costs to be transferred to producers and importers. In Manitoba for instance, Multi-Material Stewardship Manitoba has drafted a Packaging and Printed Paper Program that will see producers assume 80 per cent of the cost of packaging disposal. Currently, Ontario and Quebec, industry pays 50 per cent of the recycling costs through the Blue Box program. It is anticipated that these percentages will rise as other provinces follow the trend being set in Manitoba. Ultimately, it is expected that the provinces will move to a model that sees industry responsible for 100 per cent of the disposal costs.

These programs will have a significant impact on producers, particularly in regards to the disposal systems. Currently, many municipalities contract for waste recovery with little or no input from producers. This means that producers will be responsible for covering a significant portion of the diversion

and/or disposal costs with little control over these costs. Most new EPR programs are requiring that producers cover 100 per cent of the costs of disposal.

The disposal requirements will also require producers to keep accurate composition data for each product they produce. If products contain substances that have been identified by the CEPA or CMP as dangerous, these products will likely require different disposal mechanisms and management, probably at a higher cost.

In order to avoid appearing as a new, additional tax, the provincial governments have indicated that they may not allow industry to identify a separate disposal or recycling fee to the consumer. Any additional costs of disposal absorbed by the producer will simply be passed along to the consumer in the form of a price increase. This is an issue that is causing significant debate.

EPR is an issue that affects almost every producer and importer. I.E.Canada is working to educate members of their responsibilities under EPR, as well as to ensure that any concerns or issues are being communicated to policy makers. If you have concerns about how EPR programs impact your company in Ontario or other provinces, I.E.Canada would like to hear from you. Please contact Amesika Baeta, committee director at abaeta@iecanada.com by August 14, 2009.

Membership, cont'd from pg. 1

for the possibility to remain informed, share knowledge, network with peers and effect change.

All I.E.Canada publications deliver timely, pertinent information to you, while also offering the possibility for you to communicate with fellow members by writing an ar-

tle or advertising.

I.E.Today is a collection of daily events, collected from a myriad of sources and delivered to your inbox. Tradeweek serves up in-depth articles of interest to the international business community. Finally, the twice-annual I.E.Global delivers analysis of the trends and issues that impact you and your company.

Members are invited to provide suggestions, get involved in the planning process, become a speaker or sponsor at any I.E.Canada event. They provide a tremendous opportunity for interactive exchange and learning. The interest in, and impact of, I.E.Canada's seminars, conferences, and chapter activities goes well beyond our membership to the greater trade community.

Committees can serve not only to help you 'stay ahead of the curve', but also to influence the way it will bend. They provide a forum for peers to exchange information, experiences, ideas and solutions while developing advocacy positions that can be brought forth by the association to affect various government initiatives, policies and programs.

I.E.Canada administers the work of 4 committees and participates in another two externally. These activities help guide advocacy efforts.

Members are invited to consider joining one or more of the following: Customs & Legislation Committee; Export Committee; Trade Security Committee; Textiles & Apparel Committee. I.E.Canada is also active within the External Stakeholder Partnership Network (eSPN) and the Border Commercial Consultative Committee.

To get involved or to learn more call 1-866-616-2243 or visit our website at www.iecanada.com. Get the most from your membership.

What's Up with Committees?



The following article was written by Amesika Baëta, committee director and Carol Osmond, vice president, Policy.

The Customs & Legislation Committee, Exports Committee and the Trade Security Committee have all been active in the last month advocating on behalf of members with respect to a number of government programs and initiatives.

Customs & Legislation Committee

The Customs Self-Assessment (CSA) Subcommittee met on July 14, 2009 to learn about and provide feedback on a working proposal by the Canada Border Services Agency (CBSA) to create a CSA offshore clearance option. The meeting, hosted by Carol Buckton, was held at Siemens Canada.

Currently, only shipments from the U.S. and Mexico qualify for CSA clearance, provided drivers with FAST/CDRP approval and a CSA approved carrier are used. CSA importers, as well as importers interested in participating in the CSA program, have been advocating for a CSA offshore clearance option for years, as well as an alternative CSA clearance option for those situations (eg. no FAST/CDRP driver) where the current CSA clearance option is not available.

CBSA officials presented the proposal on June 24, 2009 to a working group comprised of members of I.E.Canada, the Canadian Manufacturers and Exporters (CME) and

the Canadian Vehicle Manufacturers' Association (CVMA). Under the proposal, carriers (whether or not CSA-approved) would provide the full carrier data under the Advance Commercial Information (ACI) initiative, while CSA importers would transmit two data elements electronically in advance; their business number and the cargo control number. In addition, CSA importers would provide additional information in their Trade Chain Partner profiles for offshore shipments. The proposed alternative CSA clearance option would apply not just to offshore shipments, but to all situations where the current clearance option is not available, and would replace existing paper release options used by some CSA importers, such as A49s.

While the details still have to be worked out, initial reaction to the proposal has been positive. It is important to note, however, that this is not a formal proposal as it still requires CBSA senior management approval.

Following the CSA Subcommittee meeting, the association, together with the CVMA and CME, drafted a letter to CBSA expressing support for the proposal, outlining the estimated potential direct costs savings to CSA importers, and providing comments on specific aspects of the

proposal. In terms of moving forward, the letter stressed the importance of obtaining full approval for the project as well as continued consultation with industry stakeholders to finalize the details of the proposed alternative clearance option.

If you would like further information with respect to the CBSA proposal, please contact Carol Osmond, vice president, Policy, at cosmond@iecanada.com.

Following the CSA Subcommittee meeting, the full C & L Committee also met via conference call on July 14, 2009. At the meeting, updates were provided on various consultations, including the proposed alternative offshore clearance option discussed above.

Carol Osmond also reported on a recent meeting with Cathy Munroe, vice president, Admissibility on June 9, 2009 at which importer concerns regarding the Importer Admissibility Data (IAD) set were discussed. Copies of letters sent to Ms. Munroe in April and May outlining importer concerns and proposed solutions and her recent response are available from Amesika Baeta at abaeta@iecanada.com.

Shane Brown of Gottlieb & Associates, who represents I.E.Canada on the Border Commercial Consultative Committee's AMPS Subcommittee, reported on a meeting via conference call of that subcommittee held on June 29, 2009. Members of the subcommittee were given one last opportunity to submit comments to the CBSA on the AMPS consultation documents, including the proposed collapsed penalty structure, before the proposed changes to the AMPS penalty regime are presented to CBSA senior management for approval.

The association's AMPS working group met via conference call on

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July 16, 2009 and submitted comments by the July 17, 2009 deadline.

Exports Committee

Carol Buckton and Joy Nott, co-chairs of the Exports Committee, and Carol Osmond, vice president, Policy, met with officials from the Export Controls Division of the Department of Foreign Affairs and International Trade (DFAIT) in Ottawa on June 30, 2009. The meeting was arranged as a follow up to a presentation given by Carol and Joy to the CBSA Business Simplification Working Group in Ottawa in March 2009 which outlined key industry concerns with respect to Canada's export controls regime. (For more information on this presentation, please see Tradeweek Vol. 120, No.7).

The purpose of the June 30th meeting was to begin discussions regarding how the committee can work with DFAIT to begin to address these concerns. Joy and Carol also stressed that committee members are looking for a commitment from DFAIT to partner with them in order to improve transparency, compliance and efficiency, including making available more useful and relevant information. In moving forward, the Exports Committee is committed to developing more comprehensive outreach activities and resources for exporters and engaging DFAIT, CBSA and Public Works and Government Services Canada in the process. To this end, the committee will be forming working groups to monitor and participate in CBSA's export report-

ing consultations (see Tradeweek Vol. 120, No. 11), review and provide comments on DFAIT's Export Control Handbook, and develop an Export Resource Toolkit for Canadian exporters to provide practical information and guidance on export controls and permits. Anyone wishing to volunteer for any of these working groups may contact Amesika.

Trade Security Committee (TSC)

I.E.Canada and CBSA's strong partnership was further showcased last month during a well received joint presentation at the Transported Asset Protection Association (TAPA) Conference on June 2 & 3, 2009 in Chicago, Illinois. Emil Fiorantis, TSC co-chair, along with Claude St. Denis and Robert Lidstone from CBSA, presented industry and government perspectives respectively on the Partners in Protection (PIP) Program.

Following up on a recent meeting with CBSA on the status of the PIP program, the committee recently drafted a letter to Claude St. Denis, reinforcing members' strong support for harmonization of PIP with the Customs-Trade Partnership Against Terrorism (C-TPAT) program in the U.S. The letter specifically addressed the need for CBSA to develop and implement a web portal, which members consider to be a critical step towards achieving harmonization of the two programs.

Recently, I.E.Canada was invited by Industry Canada to be part of a new sector network that will address emergency preparedness issues as-

sociated with Manufacturing Critical Infrastructure. Manufacturing Infrastructure was identified by the Canadian government as one of the ten key infrastructure sectors for emergency preparedness and the network is intended to be an opportunity for two-way exchange on issues of interest to the group. Patrick Clair, a member of the TSC, has volunteered to be I.E.Canada's representative on the network.

We would like to remind I.E.Canada members that committee meetings are open to all members. If there is an issue or committee you would like to receive more information about or become more involved with, please feel free to contact Amesika. The presentations and letters referenced in this article are also available upon request.

New Members, cont'd from pg. 2

Diageo Canada

Deanna Free
Customs Compliance Analyst

IES Ltd.

Kevin Gavin
SVP Supply Chain Management

Schlumberger Canada Limited

Christine Moriyama
Import & Export Manager

SIRA Export Canada

Simbo Keita
President

Tiger Sourcing and Logistics

Don Newman
President / COO

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