

## **BCCC Update**

Chaired by Cathy Munroe, Vice President, Admissibility, the Border Commercial Consultative Committee (BCCC) met in Ottawa on **March 9-10, 2010**. The following are highlights of the meeting. Copies of the agenda and the presentations are available on the I.E.Canada website ([click here](#)).

### **CBSA Change Agenda/Federal Budget**

CBSA President, Stephen Rigby, attended his first BCCC meeting to speak to participants about the reorganization of the agency and CBSA's change agenda. Mr. Rigby has been CBSA's president for 18 months and has had a long career in customs going back to the 1980's when he worked with Customs & Excise.

The objective of the reorganization, which will become effective on April 1, 2010, is to streamline decision-making and establish clear accountability within the agency.

Under the reorganization, CBSA will have a single Programs Branch, comprising the existing Admissibility and Enforcement Branches. Cathy Munroe will assume the position of Vice President, Programs. Kimber Johnston, former Vice President, Enforcement, was to have been Associate Vice President of the Programs Branch, but has left the agency to assume the role of Special Advisor to the Deputy Minister, Privy Council Office, on the Afghanistan Task Force.

The Innovation, Science and Technology Branch, which has been a hybrid of programs and information technology, will become the Technology Branch focused on design and the CBSA's operating systems; those divisions involved with program development, such as eManifest, will be transferred to the Programs Branch. Deirdre Kerr-Perrott will continue as the Vice President, Technology.

In addition, any areas of the Operations Branch that are not strictly related to operations and program delivery are also being moved out of the Operations Branch. Pierre Sabourin will assume the position of Vice President, Operations.

Within the Programs Branch, programs have been grouped together based upon whether they are pre-border, at the border, or post border, with the following new Director General positions being announced:

- Sara Wiebe, Pre-Border Programs, which will encompass Advance Information and Programs; Trusted Traders Programs (eg. Customs Self-Assessment and Partners in Protection) and Trusted Travellers Program. Sara is currently Director General, People Programs, Admissibility Branch.
- Maureen Tracy, Border Programs, which will cover traveller and commercial programs at the border, as well as horizontal border policies. Maureen is currently Director General, Operational Programs, Operations Branch.

- Peter Hill, Post-Border Programs, with responsibility for inland enforcement, criminal investigation, case management, assessment and licensing, tariff, and origin and valuation. Peter is currently Director General, Enforcement Programs, Enforcement Branch.

Bruna Rados, Director General, Western Hemisphere Travel Initiative, IS&T Branch, will assume the position of Director General eManifest and Major Projects, while Glenda Lavergne, the current Director General, eManifest will move on to become Director General, Planning and Performance Management. Many of the officials that the association has been consulting with on the eManifest project at the director level and below will continue to be involved in the project, and will simply be moved from the IS&T Branch to the new Programs Branch. The OGD Single Window initiative will also fall within the eManifest and Major Projects Directorate.

Lorne Lawson, the current Director General, Border and Compliance Programs, will become the new Director General of Risk Assessment Programs. Chris Henderson, currently the Director General of International Affairs has been named the new Director General International and Partnerships, with responsibility for international and intergovernmental relations and national client services. This will include responsibility for partnerships with other government departments and agencies, such as the Canadian Food Inspection Agency (CFIA). Also within the Programs Branch, Daniel Giasson, acting Vice President, Strategy and Coordination Branch, will become the Director General Anti-dumping and Countervailing Duties, and Rachelle May, Major Projects and Systems, People within the IS&T Branch, will become the Director General Business Systems Support.

Among other significant changes, all regional Directors General will report to a Director General at headquarters with the objective of establishing clear priorities and gaining tighter control over how programs are being delivered and how money is being spent. In addition the Recourse Directorate will report directly to the President's office, and will also incorporate a complaints process.

Cathy Munroe committed to distributing a copy of the new organizational chart to the members of the BCCC. As soon as it is received, it will be circulated to members and posted on the association website.

In terms of the agency's future direction, Mr. Rigby commented that he has asked his officials to develop a Border Management Action Plan, noting that "visions" tend to be aspirational in nature, whereas the proposed action plan is intended to be grounded in reality setting out what the agency can do as well as what it would like to do. He noted that CBSA will be holding meetings with other government departments as part of border management. Mr. Rigby also highlighted the agency's plans to develop a service charter and priorities.

With regard to the budget announced on March 4, 2010, Mr. Rigby commented that the \$87 million over two years for specific CBSA initiatives was generous given the current economic circumstances. CBSA officials are currently analyzing the budget details to determine which specific funding requests were included in the budget. He also noted that CBSA will receive additional funding this year as a result of earlier A base submissions (which cover CBSA's day to day operations as opposed to specific programs). He also noted that CBSA has undergone a strategic review over the past year, the results of which were published in the budget. This will require CBSA to reallocate some funding from lower to higher priority items. In addition, as CBSA implements the outcome of this strategic review, it will also have to contend with government wide budget cuts. The 2010 budget documents are available at <http://www.budget.gc.ca/2010/index.html>.

As CBSA proceeds to implement the reorganization, it will also be examining the various consultative mechanisms it has established with the trade community. While it is anticipated that the BCCC will continue, there could be changes to the eManifest Stakeholder Partnership Network (eSPN), for example.

Mr. Rigby will be a keynote speaker at I.E.Canada's Emerging Issues in Customs and Trade Compliance conference in Toronto, April 19-21, 2010 ([click here for brochure](#)).

### **OGD Single Window Initiative**

Raymond Bedard, Director, Partnerships Division, CBSA provided an update on the work of the Other Government Department (OGD) Single Window Initiative. Since the last BCCC meeting in September, CBSA's focus has been on completing the legislative and regulatory review.

In December 2009, CBSA President Rigby wrote to the deputy ministers of the participating government departments and agencies requesting their formal commitment and support for the Single Window Initiative and received unanimous support from his colleagues to move forward. As follow up, Cathy Munroe held an Assistant Deputy Minister (ADM) Advisory Committee meeting in February 2010 during which she received full support and commitment to continue to work collaboratively on the Single Window Initiative from the participating departments and agencies. In terms of next steps, CBSA is proposing to work with the OGDs to develop a business case by June 2010 and thereafter to develop a joint funding strategy for the next fiscal year (FY 2011-12). The next ADM Advisory Committee meeting is scheduled for June, with a possible deputy minister level meeting shortly thereafter. OGDs are also being encouraged to consult directly with stakeholders on the Single Window Initiative, working through the BCCC where possible.

Raymond's presentation is available on the BCCC section of I.E.Canada's member-only website ([click here](#)) ([French version](#)).

Officials from the Canadian Food Inspection Agency (CFIA), Environment Canada and the Department of Foreign Affairs and International Trade attended the BCCC meeting to provide an update on their involvement with the OGD Single Window Initiative.

I.E.Canada's Customs and Legislation (C&L) Committee has identified the OGD Single Window Initiative as a priority issue for the current year. The association has sent letters to the participating OGDs expressing support for the initiative and encouraging them to engage in direct consultations with the trade community. CBSA has also accepted the association's offer to organize walk through exercises for the OGDs so that officials may gain a better understanding of business processes and the impacts that their plans for implementing the OGD Single Window initiative, including requirements for additional data elements, may have on the trade community.

### **CFIA Meat Inspections**

CFIA announced changes to its inspection procedures for meat shipments from the United States at the BCCC meeting held in September 2009. Under the new procedures, advance notification of whether a meat shipment would be subject to inspection was eliminated; now CBSA officers advise drivers upon arrival at the border whether the shipment requires inspection. I.E.Canada members have participated in several calls with CFIA and CBSA officials to ensure that they are aware of the impact that the new procedures are having on importers and others in the supply chain and to seek improvements. During the BCCC meeting, Michel LaBrosse, Director, Import Control, CFIA provided an update with respect to the new procedures and reiterated his commitment to include the trade community in the assessment that CFIA and CBSA officials will conduct following the initial three month implementation phase, which ends on April 1, 2010.

Carol Osmond, I.E.Canada's Vice President, Policy emphasized the value of the conference calls between CFIA and CBSA officials and the trade community in ensuring that government officials understood the implications and impact of the changes and expressed appreciation for their participation. She also confirmed I.E.Canada's interest in being involved in the post-implementation assessment process with CFIA and CBSA.

### **Border Wait Times**

CBSA and Transport Canada have been participating in a Border Wait Time Working Group with their US counterparts, U.S. Customs and Border Protection (CBP) and the Federal Highway Administration. Among other things this working group has been evaluating technology based solutions for improving the monitoring, measurement and analysis of border wait times. In addition, CBSA has been conducting a research study

since September 2008 on the causes of border wait times, with the final report anticipated by the end of March 2010.

During the BCCC meeting a proposal to establish a Border Wait Times Subcommittee with representation from the CBSA and the trade community was approved. This subcommittee will examine the factors affecting wait times, including dwell times at primary inspection booths, on a port by port basis and propose solutions. It was agreed at the last C & L Committee meeting that Larry Hahn, Livingston International, will represent the association on this subcommittee and report back to the committee.

Presentations with respect to this initiative are available at on the BCCC section of I.E.Canada's member-only website ([click here](#)) ([French version](#)).

### **Partners in Protection (PIP) and Air Cargo Security**

Claude St. Denis, Director, Program Development, CBSA provided an update on the PIP program, including the resources available from CBSA to educate companies and their employees on supply chain security issues. He reported that CBSA anticipates signing mutual recognition agreements with the customs services of Singapore, South Korea and Japan by June 2010. He also outlined a proposal for a joint application process for PIP and the Customs-Trade Partnership Against Terrorism (C-TPAT) program using a web portal as a step towards harmonization of the two programs. Areas that need to be addressed in order to achieve harmonization include: development of a PIP web portal; information sharing and privacy issues; development of a single application form; on-going program management issues (eg. policies and procedures for suspending or cancelling a program, training and program benefits); and tiered member (C-TPAT has a tiered membership whereas PIP currently does not).

For a copy of Claude's presentation, [please click here](#) ([French version](#)). Claude will be speaking about the status and future plans for the PIP program at I.E.Canada's April conference.

CBSA has also been working with Transport Canada to identify and maximize opportunities for interoperability between the Air Cargo Security Program and CBSA programs, such as PIP and Free and Secure Trade (FAST) drivers. Jennifer Grandy of Transport Canada provided an update with respect to the air cargo security program. Transport Canada is adopting a two-pronged approach: cargo secured in the supply chain and cargo secured/screened by air carriers. Up until now, Transport Canada has been working on a voluntary air cargo security program with air carriers and freight forwarders, but with the introduction of regulations in February 2010 covering air carriers, the department is now moving towards implementing a regulated program. In the near future, Transport Canada also proposes to include shippers in the air cargo security program.

For a copy of the Transport Canada presentation, [please click here](#) ([French version](#)).

## **Detroit River International Crossing (DRIC)**

Claude Beland, Director General, Infrastructure and Environmental Operations, CBSA provided an update on the Detroit River International Crossing (DRIC) project. Windsor-Detroit is the busiest trade corridor in North America serving 28% of Canada-U.S. trade. The recommended location of the new crossing was announced by Canadian and U.S. authorities in June 2008. Mr. Beland noted that this recommendation integrates the advice and needs of the CBSA. Environmental assessments have also been completed in both countries.

Currently, there are several legal cases, initiated by the Ambassador Bridge and others, before the courts in Canada and the United States that have the potential impede implementation of the project. In the coming months, the State of Michigan will also vote on whether to pass legislation enabling negotiations with Canada, and addressing financing and the establishment of a governance structure.

The status of the DRIC project and alternative perspectives will be presented at I.E.Canada's April conference. Speakers include representatives of the Canadian federal, Ontario provincial and Michigan state governments and from the private sector, the Ambassador Bridge and the Canadian Trucking Alliance/Ontario Trucking Association.

For a copy of the DRIC presentation, [please click here \(French version\)](#).

## **Business Simplification/Service Strategy**

Peter Boutilier, Director, Special Projects, CBSA provided a report with respect to the progress on the CBSA's service strategy action plan. Members of the BCCC agreed to the expansion of the terms of reference and membership of the existing CBSA Business Simplification Initiative working group to encompass issues associated with service generally and to rename it the Service Strategy and Business Simplification Initiative Subcommittee. The new subcommittee will have its first meeting in April 2010 and will initially consult with respect to existing service standards and the publication of same, as well as CBSA's complete inventory of services and the prioritization of service standards to be developed and potential service improvements. A proposed Service Charter was also presented and discussed during the meeting and will be published shortly by the CBSA.

For a copy of Peter's presentation, [please click here \(French version\)](#).

## **Administrative Monetary Penalty System (AMPS)**

Sheila Griffin, Manager, Client Services Unit, CBSA provided an update with respect to the AMPS implementation plan. She announced that new penalty amounts will start at level one for all contraventions on April 14, 2010.

Information with respect to the new approved penalty amounts; the Customs Notice outlining the phased implementation schedule; and a fact sheet on the 30-day non-escalation period for certain penalties was previously distributed to I.E.Canada members.

A revised D-Memorandum D22-1-1 *Administrative Monetary Penalty System* will be available by April 1, 2010, and a revised Master Penalty Document shortly thereafter. Previously CBSA had advised the AMPS Subcommittee members that they would be consulted on the revised contravention guidelines and that these guidelines would be available by April 2010. It now appears that these guidelines may not be available until the full collapse of the AMPS penalties, which is scheduled for FY 2011-2012. Clarification has been requested from CBSA with regard to the agency's proposed schedule for revising the guidelines and opportunity for the trade community to provide input. In addition, CBSA has been asked to be more specific with regard to when in FY 2011-2012 it is planning to implement the new collapsed penalty structure.

For a copy of the AMPS Review presentation, [please click here \(French version\)](#).

### **National Offload Service Provider Contract**

It is anticipated that the request for proposal for the new offload service provider contracts will be approved by Public Works and Government Services Canada and posted on MERX in April 2010, with the bids evaluated and contracts awarded in May in time for a July 1, 2010 start date. Taking into consideration feedback received from the trade community, CBSA will request proposals for two regional contracts: Western Region (Pacific Highway to Sault Ste. Marie) and Eastern Region (Sarnia to St. Stephen). The contracts will be for two years with two optional one year extensions and will specify specialized equipment to improve offload efficiencies.

For a copy of the Highway Offload Contract presentation, [please click here \(French version\)](#).

### **Examination Subcommittee Mapping Process**

Kym Martin, Director, Borders Enforcement, CBSA provided a report on the preliminary findings on the marine examination process mapping. The gathering of data elements was conducted from November 9, 2009 to January 8, 2010 at container examination facilities (CEF) in Prince Rupert, Vancouver, Montreal and Halifax and the Brampton sufferance warehouse. The purpose of this exercise is to map out the marine examination process to better understand each step, including the costs, and to share best practices between industry partners and CBSA. The ultimate goal is to develop service delivery standards for the marine commercial examination process.

The preliminary findings include average wait times for the following: between vessel arrival and container pick up; between container pick up and arrival at CEF; between arrival at CEF and first fumigant test; time spent in fumigant area and arrival at

examination bay; time spent at examination bay; and between release from examination bay and arrival at terminal. The findings also include average costs of the examination itself. Consultations will continue both internally within CBSA and with the trade community towards developing national service standards. A second phase of data collection will take place in May/June 2010.

For a copy of Kym's presentation, [please click here \(French version\)](#).

### **Customs Controlled Areas**

Changes were made to the *Customs Act* (through Bill S-2) in June 2009 addressing customs controlled areas. Key changes include an obligation for persons within a customs controlled area to present themselves, report goods and answer questions truthfully upon the request of a CBSA officer. CBSA officers were also provided specific authorities for questioning, and conducting examinations and searches, within a customs controlled area and at exit points (rather than just at exit points as in the past). Proposed regulations will specify how these obligations and powers will be administered. Draft regulations are close to being finalized by Department of Justice officials. It is anticipated that they will be published in the Canada Gazette by spring 2010 for comment and will be in force by summer 2010.

For a copy of the Customs Controlled Areas presentation, [please click here \(French version\)](#).

### **CSA Offshore Proposal**

Joy Aldous, Director, Commercial Border Policy at CBSA presented CBSA's working proposal for a Customs Self-Assessment (CSA) offshore clearance option. I.E.Canada and other associations representing CSA importers have been actively engaged in consultations with CBSA with respect to this proposal for some time. The purpose of this presentation was to expand the consultations to other stakeholders. Unfortunately, it was learned during the meeting that the funding CBSA had requested in the federal budget to move forward with the CSA offshore clearance option was not received. CBSA officials committed to work on finding an alternative source of funding and in the meantime to continue to consult with the trade community on the detailed design. Private sector representatives raised this issue with Mr. Rigby during his attendance at the BCCC; he acknowledged the importance of this initiative to importers and reiterated CBSA's commitment to moving forward.

For a copy of Joy's presentation, [please click here](#). Joy will also be speaking on this topic at I.E.Canada's conference in April.

**Other Business**

Under other business CBSA officials addressed the following:

- A Customs Notice has been published indicating that marine carriers will not be required to transmit Advance Commercial Information (ACI) data when transiting Canadian waters to move directly from one foreign port to another foreign port.
- CBSA is proposing to eliminate “no name” carrier codes and will mandate carrier codes in the future. This issue is being discussed in the eSPN Design Working Group.
- CBSA consultations with respect to warehouse policy are on-going. It is recognized that warehouse policy must be addressed taking into consideration ACI/eManifest.
- CBSA and the Department of Public Safety are continuing to work with U.S.CBP and the Department of Homeland Security on border contingency planning. A table top exercise is planned for June 2010 in Toronto.

If you have any questions or comments regarding any of the matters addressed at the BCCC, please contact Carol Osmond, Vice President, Policy at [cosmond@iecanada.com](mailto:cosmond@iecanada.com).

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