



Future of Importing into Canada

**York Export Alliance
Thornhill, Ontario
19 September 2006**



Canada Border
Services Agency

Agence des services
frontaliers du Canada



Canada

Topics

- ❖ Background
- ❖ Customs Self Assessment (CSA)
- ❖ Free and Secure Trade (FAST)
- ❖ Advance Commercial Information (ACI)
- ❖ E-Manifest
- ❖ E-Manifest External Stakeholders Support Network
- ❖ Questions?

Background

- ❖ April 2000, Canada Customs and Revenue Agency (CCRA) launched the Customs Action Plan (CAP)
- ❖ Approach is founded on principle that all goods, people and conveyances entering Canada pose different risks
- ❖ Two initiatives are described within CAP:
 - Customs Self Assessment (CSA)
 - Advance Commercial Information (ACI)

Customs Self Assessment

- ❖ A simplified border clearance process for low risk CSA-approved importers and carriers using registered drivers
- ❖ Offers a streamlined accounting and payment process for CSA-approved importers who have invested in the enhancement of their internal systems to support CBSA requirements
- ❖ www.cbsa-asfc.gc.ca/import/csa

FAST

- ❖ Bi-national program that provides pre-approved trade chain participants expedited clearance through dedicated lanes and/or PIL where available
- ❖ The FAST driver program is a truly harmonized in that it is jointly administered by Canada and the U.S. and involves similar participation criteria
- ❖ The nature of the clearance options used by each country differs, leading to variances in the approval requirements for carriers and importers
- ❖ In Canada, FAST is based on the CSA program, whereas, in the U.S., it is based on the Customs Trade Partnership Against Terrorism (C-TPAT) program

FAST Participation

Participation in the CBSA FAST program as of August 2006:

- 29 FAST approved Importers
- 641 FAST approved Carriers

Participation in the CBP FAST program as of January 2006:

- 5000 Importers eligible to use FAST*
- 2000 Carriers eligible to use FAST*

There are 84,000 FAST approved drivers

ACI Initiative - All Modes

Phase I

April 2004



OFFSHORE
MARINE

Phase II

December 2005 - June 2006



TRANSBORDER
MARINE



AIR

Phase III



HIGHWAY



RAIL



SECONDARY CARGO



IMPORTER

ACI PHASE I – Offshore Marine

- ❖ Mandatory requirement for electronic reporting, 24 hours prior to loading in the foreign port, of:
 - Marine cargo data
 - Marine supplementary cargo data
- ❖ Mandatory advance electronic transmission of conveyance data 96 hours prior to arrival
- ❖ Shipments loaded in the United States were exempt from the requirements of this phase
- ❖ TITAN automated risk assessment of marine conveyance, cargo and supplementary cargo data

ACI PHASE II - Air

- ❖ Mandatory requirement for electronic reporting, four hours prior to first point of arrival (FPOA) or at time of departure, of:
 - Air conveyance data
 - Air cargo data
 - Air supplementary cargo data
- ❖ TITAN automated risk assessment of air conveyance, cargo and supplementary cargo data

ACI Phase III – E-Manifest

- ❖ Mandatory electronic pre-arrival data requirements for importers/brokers, carriers and freight forwarders for all shipments arriving to Canada
- ❖ Harmonized cargo, conveyance, crew/driver advance notice requirements and timeframes for highway, rail and secondary cargo report
- ❖ Electronic highway, rail and in-transit process
- ❖ Importer admissibility data reported electronically prior to arrival
- ❖ Internet Reporting through a web portal

PRE ARRIVAL

60 Minutes
Virtual Border

ARRIVAL

Physical Border

POST ARRIVAL

Ongoing

Web Portal



Carrier / Service Provider

Cargo Conveyance Crew

Confirmation

Confirmation



Entry / exam Decision

Confirmation



Warehouse Examination

Secondary Cargo



Freight Forwarder

Admissibility

Exam Results

DATA MART



Importer / Broker

Loading of Shipment

Delivery of Shipment

Business Intelligence

At least one hour prior to arrival:

Carriers will transmit cargo, conveyance and driver data

Freight forwarders, if required, will transmit secondary data

Importers/Brokers will transmit admissibility data

Within one hour, the CBSA will:

Electronically validate and confirm receipt of data through notifications to carriers, freight forwarders and importers/brokers

Conduct automated risk assessment of shipments for further review by CBSA officer

Make an entry/examination decision

With Transponder

As the truck approaches PIL:

If the driver is registered, the transponder within the registration card will be read, leading to "picture in booth" and allowing CBSA officer to confirm identity and admissibility

The transponder on the conveyance will be read, linking the truck with the previously sent and risk assessed data, allowing for immediate communication of entry/examination decision

Without Transponder

When the truck is at PIL:

If the driver is not registered, CBSA officer will verify identify and admissibility based on previously sent driver data and admissibility assessment

CBSA officer will scan barcode provided by the driver, linking the previously sent and risk assessed data, allowing for immediate communication of entry/examination decision

On an ongoing, post-arrival, basis:

Risk assessment will be systematically refined and enhanced

Compliance management activities will be conducted to monitor data quality

Automated management reports will be generated to monitor program effectiveness and results

E-Manifest for the Highway Mode



Pre-Arrival

At least one hour prior to arrival:

- Carriers will transmit cargo, conveyance and driver data
- Freight forwarders, if required, will transmit secondary data
- Importers/Brokers will transmit admissibility data

Within one hour, the CBSA will:

- Electronically validate and confirm receipt of data through notifications to carriers, freight forwarders and importers/brokers
- Conduct automated risk assessment of shipments and crew/drivers
- Make an entry/examination decision

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E-Manifest for the Highway Mode

Upon Arrival



With Transponder

As the truck approaches PIL:

If the driver is registered, the transponder within the registration card will be read, allowing CBSA officer to confirm identity and admissibility.

The transponder on the conveyance will be read, linking the truck with the previously sent and risk assessed data, allowing for communication of entry/examination recommendation.

- Shipments will be authorized to move or referred for examination.
- eManifest will move us toward the CBSA commercial end state

With Barcode

When the truck is at PIL:

CBSA officer will scan barcode provided by the driver, linking the previously sent and risk assessed data, allowing for immediate communication of entry/examination recommendation.

If the driver is not registered, CBSA officer will verify identity and admissibility based on previously sent driver data and admissibility assessment.

Going Forward

- ❖ E-Manifest is a Major Crown Project of the Government of Canada
- ❖ Project Initiation Phase and project ramp up is underway
- ❖ Next steps include engaging stakeholders through outreach with the trade industry and associations

Stakeholder Support

- ❖ The E-Manifest initiative represents a significant re-engineering of CBSA commercial processes
- ❖ E-Manifest impacts all CBSA stakeholders including importers, carriers, freight forwarders, crew, and brokers/service providers
- ❖ CBSA recognizes the importance of an inclusive, systematic, and achievement-oriented design process in partnership with our stakeholders

E-Manifest External Stakeholder Support Network (ESSN)

- ❖ CBSA is proposing the establishment of a Network comprised of CBSA sponsor branches and external stakeholders that will provide the expertise necessary to ensure the successful design and implementation of the eManifest initiative
- ❖ Members of the Network will nominate representatives to collaborate with CBSA within specific working groups
- ❖ Working groups will focus on the “how” of design and implementation
- ❖ CBSA will work together with stakeholders to implement solutions that work for both CBSA and industry

Goals of the Network

- ❖ To provide the CBSA and its stakeholders with a forum for dialogue, input and guidance regarding the design, development and implementation of eManifest
- ❖ To communicate information to external stakeholders on E-Manifest progress, as well as its design and development

Proposed Committee Structure

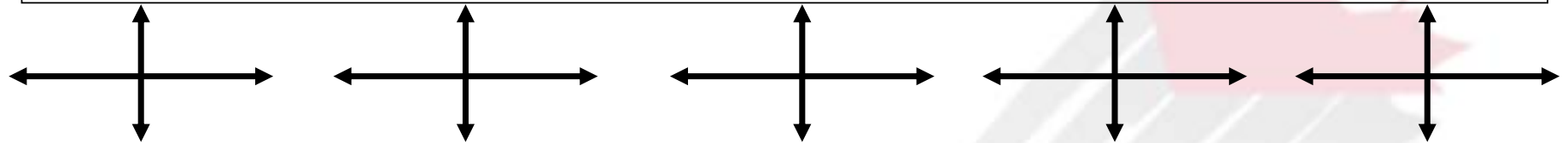
eManifest External Stakeholder Support Network Steering Committee

- Chair – Director General, Major Projects and Systems - Commercial
- 6 Rotating members from Plenary



eManifest External Stakeholder Support Network - Plenary

- Chair – Director General, Major Projects and Systems - Commercial
- Representation from each Sub Working Group
- Representation from CBSA Branches



Freight Forwarder Working Groups

Importer / Broker Working Groups

Highway Carrier Working Groups

Rail Carrier Working Groups

Others as Needed

Working groups to consist of: Trade and CBSA Co-chairs; Business lead; IT/Technical lead(s); Associates

Roles and Responsibilities

- ❖ Committee members will represent the perspective of their respective business line, private sector organization, trade association or industry sector
- ❖ Members will be responsible for:
 - Providing factual information, expertise, advice and guidance for the design of E-Manifest
 - Reporting and disseminating information
 - Researching and reporting back to the committee

Nominations for Working Groups

- ❖ Nominees should be individuals with strong knowledge of their industry sector / business line and place a high priority on participation in Committee meetings
- ❖ Membership on the committees should be representative of the business line, including small and medium sized businesses
- ❖ CBSA may also nominate stakeholders unaffiliated with any private sector organization or trade association, should specific expertise or representation be lacking in an individual working group

Decisions

- ❖ Whenever possible, consensus will be pursued in the decision-making process; however, the CBSA reserves the right to make decisions, in keeping with its statutory and regulatory authorities and responsibilities

Recommended Administration

- ❖ The Steering Committee meetings will be held three times per year to provide information to, and solicit input from, eSSN members through their Individual Design Committees
- ❖ Individual Working Group meetings will be called at the discretion of the Co-Chairs but will generally be scheduled on a bi-monthly basis. Location will be determined on an ad hoc basis
- ❖ All expenses associated with travel and accommodation to participate in ESSN meetings are the responsibility of the participants

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