

CIFFA Committee Meetings – May 2025

CIFFA's national committees meet several times a year to discuss relevant issues or developments that may affect member companies. Following is a look at what committee members discussed and decided at their most-recent meetings.

Airfreight Committee – Chair Bill Gottlieb

- Transport Canada's **Pre-load Air Cargo Targeting (PACT) program went into effect on April 1**. So far, committee members have experienced no impacts from the new program.
- CIFFA continues to object to IATA's \$50 fee on forwarders who request their CASS data in Excel, requesting postponement of the fee implementation until IATA provides justification for it.
- There is a minimum staffing requirement in Canada for freight forwarding firms handling dangerous goods; each company must have two people at head office with DG certification, along with one at each branch. **CIFFA and IATA have been discussing this requirement** since 2019. IATA has agreed to review the steps freight forwarders take when asked to move DG cargo to better understand CIFFA's position that the requirement is excessive.

Customs Committee – Chair Paul Courtney

- In July 2024, a report, <u>Evaluation of eManifest</u>, was issued after an internal audit of the program. The report includes recommendations and a management action plan. Overall, the report is an unfavourable review of the CBSA's efforts on this project. CIFFA plans to meet in June with CBSA's Trade Compliance group to discuss some of the findings.
- CIFFA will meet with the CBSA in June to also **discuss what freight forwarders should do when cargo arrives under an ACI hold**. What steps can they take to mitigate their risk of penalties? From January 1, 2022 to December 31, 2024, freight forwarders incurred almost \$4 million in C378 penalties. (Noncompliance occurs when the responsible party fails to provide required pre-arrival or pre-load data.)
- The deadline for shippers to post **financial security in the CARM portal** to continue to benefit from release prior to payment (RPP) was May 20. The biggest issue that CIFFA has heard from members about since that date is the new manual step that became required to take when bonds are received by API. As of May 20, importers must manually accept a status change. If they are not aware of that requirement and don't take that step, the system does not recognize receipt of the security. CIFFA has requested that this process be automated to prevent shipments being held up.
- A committee member noted that **bond amounts required by the CBSA** are incorrect based on activity in the previous 12 months. It is not clear how the CBSA is calculating security requirements. Further, according to the member, the CBSA is telling CARM users who have tickets about security amounts from the help desk that they will need to resubmit requests for help. The reason for that is also unclear.
- Non-resident importers continue to experience **long delays in getting Canadian business numbers**, required to register in the CARM system. It is taking a minimum of 30 days for them to get new BNs,

and can take months. For this reason, the U.S. Trade Representative included CARM in its recent report listing trade barriers for U.S. exporters. CIFFA wrote on May 5 to the CBSA on this issue; the CBSA responded that the average wait for BN registration is 30 days. According to committee members, the wait pre-CARM was a maximum of 72 hours.

- In another letter to the CBSA, CIFFA expressed concern that **86% of importers had still not posted security**, and requested a change such that shipments valued at less than \$5,000 could be processed without security. At the time of writing, a response from the CBSA had yet to be received.
- Brokers with U.S.-bound shipments (and their service providers) have been constantly adapting their systems since February, with every tariff change that President Trump decides on. Data entry time has also increased significantly.

Customs Regulatory Committee – Chair Kim Campbell

- When a customs broker uses its business number (BN) to clear a customer's goods, the amount owing for customs duties is due the following day, not at month end. If the customer did not post security in the CARM portal ahead of the May 20 deadline, the system would have switched its RPP indicator off, leaving the importer with no credit status with the CBSA and requiring the immediate payment of duties and taxes.
- There has been a moratorium in Canada on new applications to the Courier Low Value Shipment (CLVS) Program since June 2019. A committee member was informed in a meeting with the CBSA that the moratorium would end this year. The committee plans to monitor CBSA's announcements and action on this, and will take a stand if it appears that the program is not going to open to new applicants in 2025.
- There is **confusion among importers regarding Canada's tariffs on U.S. goods** and which goods are exempt from the surtax. Customers are now taking significant interest in how their goods are classified.

Drayage Committee – Chair Chris Ford

- Committee members had **recent meetings with representatives of CN and CPKC**, mostly to discuss issues at Toronto-area terminals. Quarterly meetings are planned with each of the railways, with the expectation that ongoing dialogue will enable the dray companies to share their experiences and suggestions for operational improvements. The next meetings with the railways will be held in June.
- The **Canadian International Trade Tribunal recently found** that Western Canada's Ocean Trailer did not circumvent a ruling against Chinese container chassis by importing chassis made in Vietnam. A CBSA investigation found that the six main steps in the production process are all done in Vietnam.

Freight Brokers Committee – Co-Chairs Tim Drake, Gary Nicholson

• The committee is considering options for **CIFFA education in freight brokering**.

Seafreight Committee – Chair Martin Schultz

- The Seafreight Committee met twice following the round of March committee meetings, once in April and again in May.
- The April meeting was focused entirely on a **change that DP World had announced** it would implement effective May 1 to its invoicing for out-gate fees at Centerm. In early March, the terminal operator said in a notice to customers that BCOs, which could include consignees, forwarders and trucking companies, would, as of May 1, be billed for import container handling charges leaving the port by truck. (Ocean carriers have always paid those fees.) On April 10, DP World changed the policy, making it an option for BCOs to directly pay out-gate fees. After discussion, the committee agreed that there remained confusion around the announcement, and requested that CIFFA write to DP World to request clarification.
- At the May meeting of the committee, CIFFA noted that **DP World had edited information on its website on this issue** to provide consistent details. A Vancouver-based committee member indicated that the terminal didn't appear to be experiencing operational impacts after May 1.
- **Ports in Vancouver, Montreal and Halifax**, which had been struggling with long container dwell times, have significantly lowered those times over the last couple of months.
- CIFFA has **communicated with the relevant new federal ministers** to express the urgent need for more infrastructure investment and development.

Sustainability Committee – Chair Christina Fisker

- In its May meeting, the Sustainability Committee reviewed draft versions of two reports to be
 published for CIFFA members. The committee's expanded *Transportation Providers' Sustainability Initiatives* report has since been posted to the <u>Resources section of CIFFA's website</u>. Originally
 published in the spring with information on key ocean carriers, the expanded report now also
 includes air and rail carriers serving the Canadian market, outlining the sustainability initiatives
 undertaken by these carriers, their stated goals and, where available, measurable results in reducing
 environmental impact and advancing sustainable practices.
- The second document under review will be Part 3 of the committee's **Sustainability Blueprint series**.

Technology Committee – Chair Marc Bibeau

• The Technology Committee is currently developing plans for its **next AI-focused webinar**.

If you are interested in participating on any of the national committees, please send your request to either <u>admin@ciffa.com</u> or the Regional Chair for your area, whose contact details can be found in the <u>National Board of Directors listing</u> on the CIFFA website.