eManifest Overview and Update

Canadian International Freight Forwarders Association

January 21, 2010

Vancouver, BC

Canada

Presentation Overview

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About the CBSA

1. CBSA Mandate, International Commitments and Partnerships

CBSA Mandate

- The Canada Border Services Agency (CBSA) is responsible for providing integrated border services that support national security and public safety priorities and facilitate the free flow of persons and goods, including animals and plants, that meet all requirements under the program legislation.

- The ability to distinguish between the people, goods and conveyances that pose an unknown or greater level of risk from those that pose a lower level of risk, is fundamental to reinforcing the security and prosperity of Canadian society.

- Improving the efficiency of border operations through the increased use of information technology will continue to be a priority for the CBSA in 2010, for example, by developing systems for the electronic collection of trade data.

CBSA International Commitments

- The CBSA advocates the wide implementation of the **World Customs Organization's (WCO) Framework of Standards to Secure and Facilitate Global Trade (SAFE**) that aims to:

  - Establish standards that provide supply chain security and facilitation at a global level to promote certainty and predictability;
  - Enable integrated supply chain management for all modes of transport;
  - Enhance the role, functions and capabilities of customs administrations;
  - Strengthen cooperation between customs administrations to improve capability to detect high-risk consignments;
  - Strengthen customs/business co-operation; and
  - Promote the seamless movement of goods through secure international trade supply chains.

- To improve border management administration, the CBSA is committed to understanding new private sector processes and supply chain models to help maintain competitiveness and create innovative ways of moving goods across borders.

CBSA Background Partnerships

Canada-U.S. Smart Border Declaration

- Secure flow of people
- Secure flow of goods
- Secure infrastructure
- Coordination and information-sharing

Security and Prosperity Partnership (SPP) of North America

- An initiative between Canada, the U.S. and Mexico (June 2005)
- Provides the framework to ensure that North America is a safe place to do business

CBSA and Other Government Departments' Programs

- The CBSA administers legislation that governs the admissibility of people and goods, plants and animals into and out of Canada, many on behalf of other federal departments and agencies, the provinces and territories (e.g., Canadian Food Inspection Agency, Health Canada, Natural Resources Canada and Transport Canada).

- The CBSA issues targets and lookouts to address specific areas of risk as identified by Other Government Department (OGD) partners. Examples of 2008-09 target and lookout statistics include:
  - 115 "new" OGD targets were issued;
  - 519 targets and 150 port lookouts were active by year's end; and
  - 11,454 kg of drugs were seized in 2008 (e.g., cocaine, heroine, marijuana, opium, steroids).

- The CBSA is responsible for administering and enforcing the Canadian Food Inspection Agency's (CFIA) general policies and international arrangements regarding the importation of food, plants and animals to Canada. For example, in collaboration with the CFIA, the CBSA:
  - Implemented targets, lookouts and a National Compliance Strategy for the identified melamine substance found in infant formula from China in September 2008.
  - Processed 1,143 transactions for CFIA targets (as of December 2008).

2. Introduction to eManifest

eManifest

- eManifest, a major Government of Canada initiative, is about getting the right information at the right time to allow the CBSA to identify and mitigate potential threats to Canada while facilitating the movement of low-risk shipments across the border.

- eManifest is the third phase of the Advance Commercial Information (ACI) program. ACI Phases 1 and 2 established and implemented requirements for air and marine carriers to submit pre-arrival shipment information to the CBSA electronically.

- eManifest expands the ACI requirement to the highway and rail environments and will extend the requirement for additional advance information from freight forwarders and importers to all modes of transportation.

What is Being Implemented

Building on previous phases of the ACI initiative, eManifest will require the pre-arrival transmission of electronic information from highway and rail carriers, freight forwarders and importers. Specifically, eManifest will feature:

- Enhanced automated risk assessment supported by business intelligence technology and a data warehouse;
- Significant investments in the CBSA information technology infrastructure to support increases in electronic data interchange volumes;
- The development of an eManifest Web Portal reporting option; and
- An integrated passage system and the incorporation of transponder technology.

Customs Act Amendments

- In order for the CBSA to have the authority to mandate pre-arrival information from trade chain partners, amendments have been made to the *Customs Act*.

- Bill S-2, *Customs Act* Amendments, allows the CBSA to mandate various members of the trade community (highway and rail carriers, freight forwarders and importers) to submit pre-arrival data for risk assessment purposes.

- On June 11, 2009, Bill S-2 was granted Royal Assent, the final stage required for the Bill to become law.
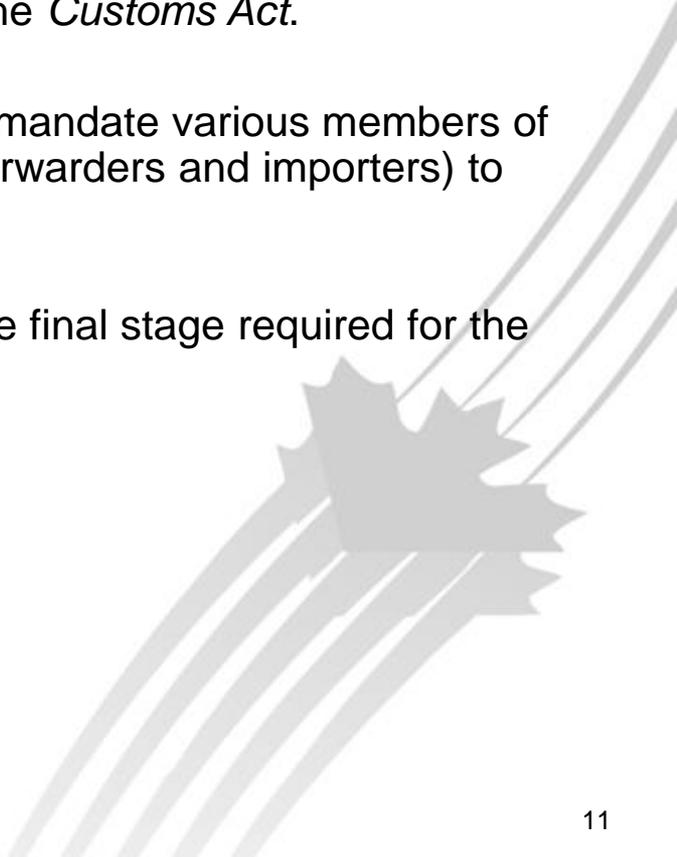
eManifest Implementation
Approach

eManifest will be implemented over a number of years, by client type, using an 18-month implementation timeline:

- **0-12 months** - Once all eManifest reporting systems (EDI and Web Portal) become publicly available, there will be a 12-month period for clients to incorporate eManifest requirements into their business processes.
- **12-18 months** - After the initial year, the eManifest regulations will take effect; however, the CBSA will offer a six-month period of informed compliance.
- **18 months and beyond** - The implementation timeline is complete. Clients may be subject to administrative monetary penalties (AMPs).

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        |←——————— 12 months ———————→|←— 6 months —→|
        |                           |              |          →

All reporting systems         Regulations         AMPs
available (EDI and Web Portal)  take effect        enforced
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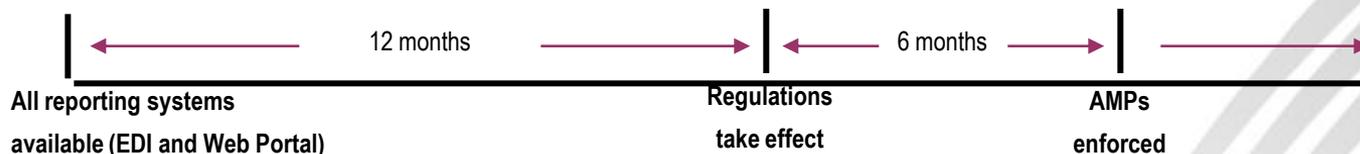
eManifest Implementation
Client types

The implementation schedule for each client type is as follows:

Highway carriers
- Current CBSA information transmission service options (EDI / electronic data interchange) will include an eManifest function beginning in Spring 2010.
- To facilitate compliance and make costs more manageable for small and medium-sized enterprises, the CBSA will offer an eManifest Web Portal service option beginning in Fall 2010.
- Although EDI users can begin transmitting eManifest information in Spring 2010, the 18-month implementation timeline for all highway carriers to transmit cargo and conveyance data will begin in Fall 2010.

Rail carriers - The 18-month implementation timeline will begin in Fall 2010 for rail carriers to transmit cargo and conveyance data.

Freight forwarders - The 18-month implementation timeline will begin in Summer 2011 for freight forwarders in all modes of transportation to transmit secondary cargo / house bill data.

Importers - The 18-month implementation timeline will begin in Spring 2012 for importers in all modes of transportation to begin transmission of advance trade data (formerly called Importer Admissibility Data, or IAD).

eManifest

3. eManifest Border Processes

eManifest - Before the border
Advance information

- When eManifest is fully implemented, clients will be required to submit conveyance, cargo, crew/passenger, secondary and importer data prior to their arrival in order for the CBSA to risk assess and determine if the goods pose a threat to Canada's health, safety and security.

- Data element details and guidelines will be available through Electronic Commerce Client Requirements Documents (ECCRDs). The ECCRD for the highway mode will be available on the CBSA Web site once translation is complete. It can also be obtained by sending a request by email to **eManifest@cbsa.gc.ca**.

- The CBSA will allow for amendments to advance commercial information on a post-arrival basis.

eManifest - Before the Border
Timeframes for submitting advance information

	Marine	Air	Rail	Highway	Risk Assessment
Carriers will provide electronic cargo, conveyance and crew/passenger information as follows:	*Cargo: 24 hours prior to loading or arrival depending on type and origin of goods* *Crew/Conveyance: 24 or 96 hours prior to arrival*	*4 hours prior to arrival or at time of departure*	*2 hours prior to arrival*	*1 hour prior to arrival*	**CBSA will validate data, risk assess the shipment, and make examination recommendations prior to arrival of the shipment in Canada.**
Freight forwarders will provide electronic secondary information as follows:	*24 hours prior to arrival or loading*	*4 hours prior to arrival or at time of departure*	*2 hours prior to arrival*	*1 hour prior to arrival*	
Importers will provide electronic advance trade data as follows:	*24 hours prior to arrival*	*4 hours prior to arrival or at time of departure*	*2 hours prior to arrival*	*1 hour prior to arrival*	

eManifest - Before the border
Advance information

The data element requirements for highway conveyance and cargo that are to be submitted prior to arrival are as follows:

Conveyance	Cargo	
▪ Transporting Carrier ▪ First Canadian Port of Arrival ▪ Mode of Transportation ▪ Estimated Date and Time of Arrival ▪ Equipment Identification ▪ Secondary Notify Party ▪ Conveyance Reference Number ▪ Manifest Summary Report ▪ Empty / Full Status Code ▪ Crew / Passenger Details ▪ Tractor Plate ▪ Plate Province / State ▪ Trailer Plate ▪ Plate Province / State ▪ Cargo Exemption Code	▪ Transporting Carrier ▪ First Canadian Port of Arrival ▪ Mode of Transportation ▪ Estimated Date and Time of Arrival ▪ Equipment Identification ▪ Secondary Notify Party ▪ Consignor (shipper) ▪ Consignee ▪ Notify Party ▪ Place of Acceptance ▪ Place of Loading ▪ Customs Office of Manifest Destination ▪ Delivery Address ▪ CSA Indicator ▪ IAD Exemption Code	▪ Cargo Control Number ▪ Consolidated Freight Indicator ▪ UCR ▪ Cargo Line Item Number ▪ Cargo Description of Goods (Brief Description) ▪ Cargo Quantity ▪ Cargo Packaging Type ▪ Cargo Weight ▪ Cargo Weight Unit of Measure ▪ UN Dangerous Goods Number ▪ Marks and Numbers ▪ Special Instructions ▪ Commodity Code

eManifest - Before the border
Transmission methods

Under eManifest, the existing methods for transmitting electronic data to the CBSA will continue to be used, including:

- **Value Added Network (VAN):** a public Electronic Data Interchange (EDI) network used to exchange data through a single communication interface.

- **Third Party Service Provider:** a CBSA-approved third party that transmits data for their clients using a variety of communication modes.

- **Customs Internet Gateway (CIG):** a gateway used by the trade community to transmit cargo, release and accounting data over the Internet to the CBSA.

- **Direct Connect to the CBSA:** an alternative that provides trade chain partners with a direct connection to the CBSA.

The existing methods for transmitting electronic data to the CBSA will be augmented by the development of the **eManifest Web Portal.**

eManifest - Before the border
eManifest Web Portal

- The CBSA will offer an eManifest Web Portal service option, free-of-charge, to facilitate compliance and make costs more manageable for small and medium-sized enterprises.

- The portal will include functionality for carriers, freight forwarders, importers, brokers and warehouse operators in the end-state.

- When fully functional, the eManifest Web Portal will reduce the administrative burden of the reporting process by providing many self-serve functions such as the ability to securely submit data, confirm receipt of information, perform queries, generate reports, and access an online help function.

- Stakeholder consultations to gather usability feedback on the portal prototype were held in Spring 2009.

- The CBSA will offer an eManifest Web Portal service option for highway carriers to submit cargo and conveyance data beginning in Fall 2010.

eManifest - Before the border
Notification systems

An automated notification system will confirm receipt of information, or detail detected errors that must be amended before arrival at the border.

- Secondary Notify Party (SNP) functionality will enable carriers to have their trade chain partners receive status notification of their shipments.

- Trade chain partners will receive match notification when related documents on the same shipment are received by the CBSA.

- A broker / freight forwarder download feature will be built into eManifest.

eManifest - After the border
Compliance management

A compliance management framework will be implemented to ensure that eManifest requirements are being met.
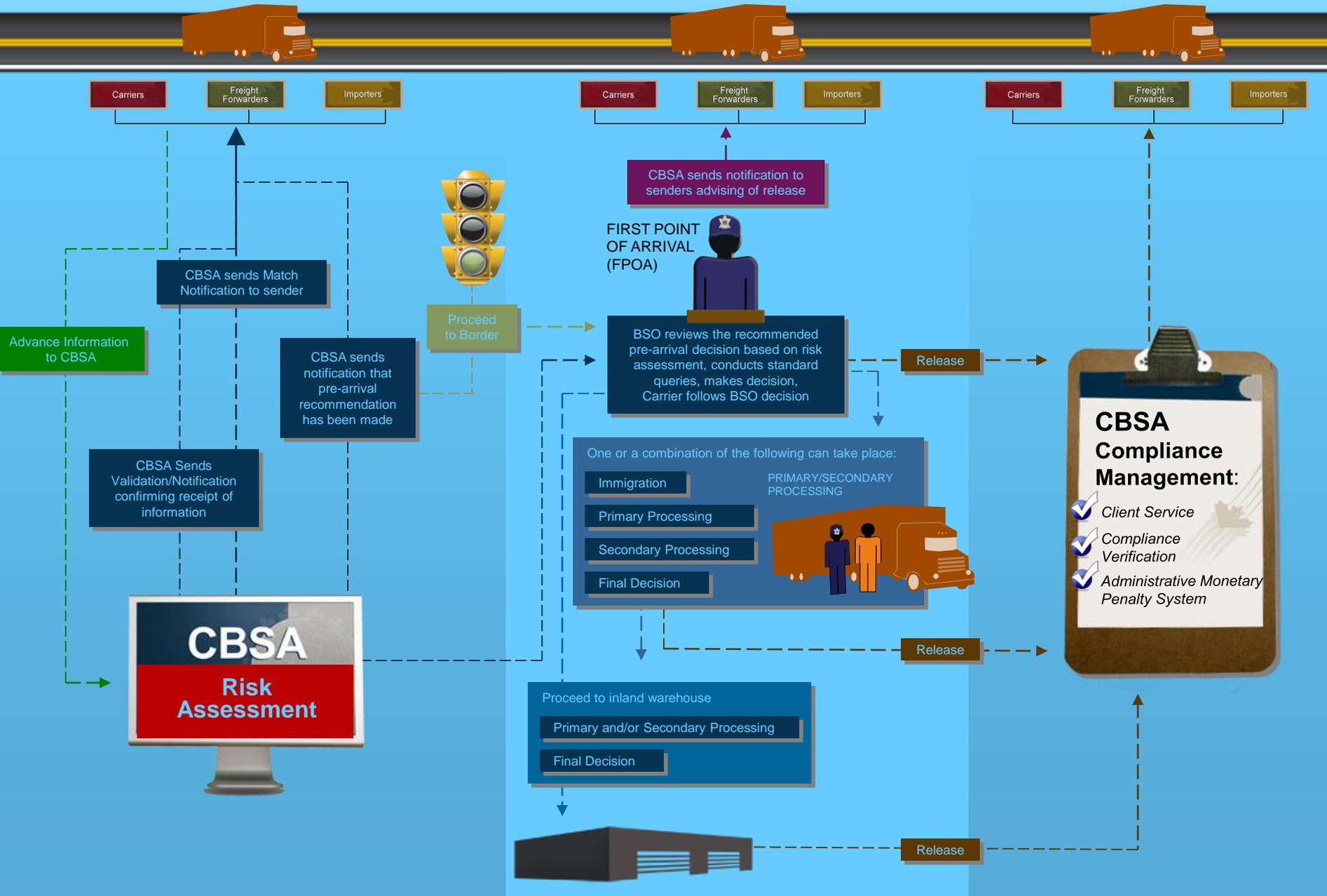
The framework will be designed to:

- Verify client compliance with eManifest requirements (i.e., prescribed timeframe, completeness, accuracy and data submission mechanism);

- Provide educational support to clients who have low compliance rates; and

- Work on the premise that clients will voluntarily comply if they understand their obligations and if it is easy to do so.

BEFORE THE BORDER

AT THE BORDER

AFTER THE BORDER

Carriers
Freight Forwarders
Importers

Carriers
Freight Forwarders
Importers

Carriers
Freight Forwarders
Importers

CBSA sends notification to senders advising of release

FIRST POINT OF ARRIVAL (FPOA)

CBSA sends Match Notification to sender

Advance Information to CBSA

Proceed to Border

CBSA sends notification that pre-arrival recommendation has been made

BSO reviews the recommended pre-arrival decision based on risk assessment, conducts standard queries, makes decision, Carrier follows BSO decision

Release

CBSA Sends Validation/Notification confirming receipt of information

CBSA Compliance Management:

- ✓ Client Service
- ✓ Compliance Verification
- ✓ Administrative Monetary Penalty System

One or a combination of the following can take place:

Immigration

PRIMARY/SECONDARY PROCESSING

Primary Processing

Secondary Processing

Final Decision

CBSA

Risk Assessment

Release

Proceed to inland warehouse

Primary and/or Secondary Processing

Final Decision

Release

4. eManifest Stakeholder Consultations and Client Support

Stakeholder consultations

The CBSA meets frequently with the eManifest Stakeholder Partnership Network (eSPN) which was established to provide a forum for dialogue between the CBSA and trade chain partners on key eManifest policy, business transformation and design issues.

The eSPN consists of the following:

- Plenary
- Steering Committee
- Design Working Group
- Technical Design Working Group
- Communications Working Group

Client support

To support trade chain partners with the implementation of and compliance with eManifest, the CBSA will provide client support through in-person options (at CBSA commercial offices), and through email and telephone.

- By the end of February 2010, the CBSA will offer general eManifest information by telephone and email.

- Beginning April 2010, the CBSA will offer EDI (Electronic Data Interchange) technical support by telephone and email.

- Beginning June 2010, CBSA commercial offices will provide on-site, in-person support to trade partners.

The CBSA will implement a major marketing and outreach campaign to ensure that the trade community is aware of their responsibilities under eManifest.

5. eManifest – Next Steps

Next steps

- Final Electronic Commerce Client Requirements Document (ECCRD) for the rail mode – January 2010

- Implementing communications and outreach activities directed at highway carriers – Winter 2009-2010

- Ongoing consultations with stakeholders