



January 14, 2011

Mr. Michael Broad
President, The Shipping Federation,
326 - 300 St. Sacrement,
Montreal, QC H2Y 1X4

Captain Stephen Brown
President, The Chamber of Shipping of British Columbia
Suite 100 - 1111 West Hastings Street
Vancouver, BC V6E 2J3

Subject: General Container Release

Dear Sirs:

CIFFA has identified an area of risk in the ocean container intermodal business. As you may be aware, over the past few years several container terminals in Canada have introduced EDI container release procedures.

With changes in procedures to facilitate electronic (EDI) releases of inbound ocean containers that were introduced over the past two years and are now in place at Deltaport (Vancouver), Racine Terminal (Montreal) and Ceres Terminal (Halifax), there is no longer any capability or requirement for the submission of Delivery Orders or use of Pick-up numbers to retrieve containers from those terminals. The terminal requires only a steamship release from the carrier and a customs release from the CBSA, both of which are provided by EDI. A trucker's registration for equipment exchange with UIIA provides no assurance of security or that the trucker is authorized by the consignee for that pick-up. CIFFA has identified two areas of risk in this current model:

- Any trucking company who has the container # can pick-up of the container
- Criminals or terrorists can divert containers simply by dispatching a registered trucker to retrieve any container

CIFFA represents the interests of our 246 Regular Member firms, the freight forwarding companies who are often the consignee on the bill of lading. Without a system of dispatch/delivery orders or pick-up numbers whereby the consignee on the bill of lading gives authority to retrieve a container from a terminal, there is a serious risk that containers could be diverted or delivered without the consignee's approval. In these instances the carrier may be responsible for delivering to the wrong party – someone other than the consignee on the bill of lading.

CIFFA clearly outlines some of the issues in the fall 2010 issue of The Forwarder magazine, quoting recent comments by the TT Club on increased cargo claims. Carriers are at risk of releasing containers without authority of the consignee on the bill of lading. In today's enhanced security environment, as partners in the supply chain it is our collective responsibility to do everything we can to improve and assure the secure movement of the cargo that is the lifeblood of our economy".

CIFFA is asking for your assistance in adopting the simple release model that we currently see with rail mode in Canada, structured on a system of pick-up numbers (virtual delivery orders). The system would necessarily include the freight forwarder as consignee on the bill of lading and would almost certainly be transmitted via EDI. Together your organizations on behalf of the carriers, terminal operators, CIFFA as representatives of the freight forwarding community and the CSCB on behalf of the customs brokers could combine our efforts to establish a more secure container release program in Canada.

Sincerely,

CIFFA



H. Ruth Snowden
Executive Director

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Mr. R. Walker, Carson Freight, CIFFA Working Group on General Container Release: rwalker@carson.ca
Mr. T. Chazin, Milgram International, CIFFA Working Group on General Container Release: tchazin@milgram.com
Mr. W. Bibeau, OEC Group, CIFFA Working Group on General Container Release: wayne.bibeau@oecgroup.ca ;
Ms. B.Gee, Vice President, British Columbia Chamber of Shipping: bonnie@cosbc.ca
Mr. J. Moram, Director Marine Administration, Shipping Federation of Canada: jmoram@shiptfed.ca;
Mr. Bernard Fortin, Inspector - Quebec Region: Transport Canada: bernard.fortin@tc.gc.ca
CIFFA Board of Directors and Membership at www.ciffa.com/

Enclosure

The Forwarder magazine, fall 2010 (reference 'The Movie No one Wants To Star In' p.8 and online at http://www.ciffa.com/downloads/newsletters/2010/2010_11_Fall_Forwarder.pdf