

On behalf of the Canadian International Freight Forwarders Association I would like to express our appreciation for the Supply Chain regulatory review. Finding new ways to regulate more efficiently and ensuring there are no self-imposed examples of wasted process or unnecessary costs is a very valuable initiative.

We have two items which we believe may be of interest to the Review.

### **Issue 1 Duplication of Reporting Requirements**

Transport Canada's PACT (Pre-load Air Cargo Targeting) program requires air carriers to present information before cargo is loaded onto the aircraft departing for Canada. But Canada Border Security Agency introduced a virtually identical program (E-manifest) four years ago and informs us that they do not share their data with Transport Canada. Originally the two organizations were working together to develop this system, but in 2018, the collaboration ended. Subsequently CBSA implemented its system.

Our members are now required to make two separate reports, containing essentially the same information, at different points in the flight preparation process. Each agency has the authority to impose monetary penalties for errors or failures to report.

There are costs attached to this, and an ever-present possibility of inconsistency between the two regulators. An additional concern is the implications of this for future regulatory efforts. Improved data sharing is a major focus in future regulatory plans.

(In addition to the inefficiency of this system, we note that Canada specifically promised not to do this when negotiating Chapter 7 of the Canada-United States-Mexico Agreement (CUSMA))

### **Issue 2 Weakness of Canadian Competition legislation**

Sometimes the problem is not that there is too much but that there isn't any.

Canada's competition legislation includes a specific exemption for shipping conferences called the Shipping Conference Exemption Act. Last amended in the 1980s, this Act blocks the Competition Bureau from enforcing Canadian competition law on companies which act as explicit cartels. When the Act was last tabled in the House, there were about 60 ocean shipping conferences, today there are effectively three.

The consequence of this anomaly is an inability to regulate the behaviour of these enormous firms, none of whom are headquartered in North America. Because they play a central role in the supply chain, their behaviour affects Canadian industry in myriad ways, such as the supply of essential containers, which they effectively control far beyond the sea. This is a marketplace

very much in need of proper regulation to protect customers and provide reliability to all parties.

Canada's passivity in the face of rampant profiteering during the covid pandemic and for some years after is in sharp contrast to the activism of other trading nations and derives directly from this antiquated legislation. We would encourage the Review to look at this situation and add its opinion to those of Parliamentary Committees and other commentators who have called for reform.

Thank you for the opportunity to identify some important issues that are germane to the efficiency of our national supply chain.

With best wishes,

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