

CIFFA Committee Meetings – April 2022

CIFFA's seven national committees meet several times a year to discuss relevant issues or developments that may affect member companies. Most recently, the committees met in April. Following is a look at what committee members discussed and decided at those meetings.

Airfreight Committee – Chair Bill Gottlieb

The **IATA Air Cargo Program Joint Council** held its first session of 2022 in February. The Council, supported by IATA and CIFFA, comprises six airlines and six Canadian freight forwarders. CIFFA's Executive Director Bruce Rodgers serves as Chair, and secretariat services are provided by IATA. The Council meets to discuss a range of topics affecting the relationship between international air carriers operating in Canada and the Canadian forwarding community.

During the recent meeting, CIFFA argued on behalf of Canada's 400 CASS Associates (CAs), many of whom are CIFFA members, in an effort to garner carrier support to **avert IATA's planned imposition of mandatory financial guarantees** (a bond, cash or letter of credit, for example) for Canada's CAs. These CAs include a significant number of forwarders and intermediaries who have maintained a "customer-supplier" relationship for decades with many of the airlines participating in IATA's Cargo Accounts Settlement System (CASS).

Also high on the list of forwarders' concerns is the loss of their ability to have meaningful consultation with the airlines and the ability to defer changes (such as mentioned above) that could have a detrimental effect on the air freight forwarder. For three decades, forwarders sat as equals with carriers and, as the moniker implies, the Council "jointly" decided the path of Canada's forwarder-carrier relationship. Decisions required consensus of both constituents. Recently, IATA members decided to remove autonomy and decision by consensus in both Canada and Europe. This was done with no substantive consultation with the forwarding community and with complete disregard for what their actions impact. **CIFFA continues to question IATA's ability, as one party to an agreement, to make unilateral changes.**

On the eManifest front, CBSA is close to resolving issues related to **flying trucks** and is expected to share information on this soon. In discussions with CBSA, CIFFA has noted that there will be times when goods move into Canada via a flying truck and the forwarder is not aware because of how the filing is done. CIFFA urges forwarders to appeal any CBSA penalties they receive related to this situation, as the penalty should be applied to the carrier or the airline representative, who has control over the cross-border movement.

Since the end of the informed compliance period, CBSA has generally continued to focus on educating forwarders, rather than issuing penalties, but has stated that **penalties are coming**. Forwarders can expect the penalties, in particular for failure to report, to be significant. There will likely be cases of penalties being issued to forwarders that don't properly follow the approved workarounds that CBSA is implementing to deal with some remaining system glitches.

In 2021, there was a large increase in the number of **C033 penalties** applied when forwarders picked up from a warehouse cargo that had not yet been Customs-released. Forwarders should carefully check their eManifest filings to verify at which sublocation goods are to be picked up (the primary or secondary location).

Customs Committee – Chair Paul Courtney

- The informed compliance period for **eHBL** ended on January 31, but CBSA appears to be continuing to waive penalties for infractions. CIFFA has been trying to get information from the CBSA regarding eliminating the ACI supplementary filing on import cargo movements, and will report on this at the next committee meeting.
- The CBSA appears to have recognized that getting to **CARM Release 2** is going to be a huge challenge for all parties. The agency is now doing deep cycle testing and simulations with volunteer companies to test the system portal. Industry is still pushing back hard, focused on issues that remain to be resolved. The committee discussed challenges related to getting security in place for importers. The issue is that the electronic process may not be available for some time, leaving thousands of companies to apply as the launch date nears. In addition, the bond application process already takes weeks to complete and can only be expected to take longer as more companies apply.
- New criteria are being considered for freight forwarders in the **Trusted Trader Program**. CIFFA will be involved in developing the new minimum security requirements (MSRs) document for freight forwarders. CIFFA will also be meeting with several CBSA officials regarding the business partner selection process for forwarders and other participants in the program.

Drayage Committee – Chair Chris Ford

- The Drayage Committee will schedule **meetings with both CN and CP** to raise awareness of issues and collaborate on solutions. The committee has met twice already with CN (meetings with CP were twice postponed, due to the B.C. flooding and later the labour dispute), and both the dray operators and CN reported successful outcomes and a desire to continue meeting on a regular basis. In fact, many of the MISC gate improvements discussed by CN on a recent webinar stemmed from discussions with CIFFA's Drayage Committee. Future meetings may also include ocean carriers.
- The committee plans to host **town hall events for dray operators** across Canada to educate and empower the community, and drive membership in CIFFA.

Freight Brokers Committee – Chair Joel MacKay

- CIFFA has created a **carrier-broker contract** that will soon be made available online, only to CIFFA members.

- The committee is looking at hosting a **webinar for freight brokers** to discuss CIFFA membership, as well as the possibility of developing a dispute-resolution mechanism for freight brokers and carriers.

Seafreight Committee – Chair Martin Schultz

- The Seafreight Committee initiated **stakeholder engagement meetings** in 2021 in western Canada that involved ocean carriers, trucking companies, forwarders and other parties. Committee members discussed developing an ongoing forum for stakeholders to deal with long-term supply chain issues, not just pain points as they arise.
- In response to one ocean carrier's surcharges, CIFFA created a **template letter for members** to use in disputing the charges.

Sustainability Committee – Chair Christina Fisker

- A presentation to committee members by Kristy O'Leary of [Decade Impact](#) provided information about **B Corp certification**, along with inspiration: "We can all find opportunities to leave things better than we found them, even in small ways." B Corp is designed to make business a force for good. The certification is holistic; it measures a company's entire social and environmental performance – governance, workers, community, environment and customers.
- CIFFA Director Joel MacKay, in a second presentation, discussed the **SmartWay Transport Partnership** – in which CIFFA is an associate member – and noted that there are three ways to participate in the program: as a shipper, carrier or logistics provider. Shippers and logistics providers are required to use SmartWay-approved carriers for somewhere in the range of 70% to 80% of shipments to be eligible for membership.
- CIFFA Director Arnon Mello shared his experience helping Brazilians stranded in Canada when the pandemic began. As a member of the Brazilian Citizenship Council, Arnon worked with the Brazilian Embassy in Ottawa to repatriate hundreds of those individuals and received a Government of Brazil medal of honour for his **acts of kindness**. "It doesn't take much for people to do their part in helping others, and small steps are a good way to approach a challenging path."
- The spring 2022 issue of CIFFA's ***The Forwarder magazine*** is dedicated to sustainability.
- The Sustainability Committee drove CIFFA's participation in the **UN Global Compact**. That participation has made the association's direction in sustainability efforts clear by providing expectations and guiding principles.
- As a long-term project, the committee is looking to work with the UN Global Compact Network Canada to create a **blueprint for action** for CIFFA membership.

Technology Committee – Chair Marc Bibeau

- In February, the Technology Committee issued [10 Best Cybersecurity Practices in 2022](#), a **resource paper** focused primarily on the needs of small businesses in the freight forwarding sector. The top practices are:
 1. Employ a risk-based approach to security
 2. Back up your data
 3. Handle passwords securely
 4. Use multi-factor authentication
 5. Use the principle of least privilege – Zero-Trust
 6. Secure third-party access to your data
 7. Be wary of phishing and spear-phishing
 8. Raise employee awareness
 9. Set-up an incident reporting mechanism
 10. Keep your systems up to date
- The committee is now planning a **webinar featuring a panel of experts** who will discuss the importance of cyber security from a variety of perspectives. Watch for details on a June event.
- The committee is contemplating its next area of focus to provide value to members.

If you are interested in joining any one of the national committees, please send your request to either admin@ciffa.com or the Regional Chair for your area, whose contact details can be found in the [National Board of Directors listing](#) on the CIFFA website.

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