

CIFFA Committee Meetings – January 2023

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

Customs Committee – Chair Paul Courtney

eHBL update

- CIFFA challenged the **CBSA's interpretation of AMPS contravention C378** (Person failed to submit the prescribed pre-load/pre-arrival information relating to their cargo and/or conveyance) after the CBSA issued penalties when information was not received pre-load, but was received pre-arrival. Based on CIFFA's challenge, the CBSA has changed the background of C378 so that information is now clearly required pre-load.
- CIFFA has asked for a **breakdown of data related to the origin of AMPS infractions** (i.e., Canadian or foreign). We will also seek information on the breakdown between bonded and non-bonded forwarders.
- A committee member noted that, as long as **overseas agents can file ACI supplementaries**, infractions will occur and Canadian forwarders will be penalized if filing occurs under their carrier code.
- Some forwarders continue to describe cargo on eHBLs as "general merchandise," which is resulting in penalties. Use of **cargo descriptions that match the CBSA's detailed commodity descriptions** in the Customs Tariff should always be acceptable to the CBSA.

CARM update/broker liability

- The **client experience simulation** is expected to begin in February.
- The recent **change to the Customs Act relating to importer of record** makes brokers that use their BNs equally liable with importers for the import goods. This has created a new area of risk for brokers and couriers. It's not clear when the new rule will go into effect; it may happen along with CARM R2.
- The *Canada Gazette* made reference to a **180-day grace period**, in which importers will not be required to have their surety bond in place to obtain RPP, likely to provide time for all 80,000 or so importers to update the system after R2. In CARM, importers will have to post their own security, rather than being covered by a customs broker's bond, as 95% of importers currently are. Importers may have to post a cash deposit until the e-bonds functionality is implemented in the system.
- **Non-resident and one-time importers** may face significant challenges given the system requirements.

Other business

- In the U.S., **Customs and Border Protection has modernized customs-brokerage regulations.** Through one update, in the case of a third party, the importer needs to be able to communicate with the actual broker. There is specific mention of freight forwarders in this context as well as information about how forwarders are to be compensated as the third party in such transactions. Freight forwarders are not to coordinate POAs; the authorization must be from the importer directly to the broker. A Canadian forwarder working with an exporter to the U.S. deals with the U.S. broker on the client's behalf. An email to the client related to the POA must include the broker, and the client must send the POA directly to the broker. A proper paper trail must be maintained.

Drayage Committee – Chair Chris Ford

- Yang Ming has implemented an **empty-return process using a third-party service**, Trakking, that charges \$40 for each container. The service guarantees an empty-return location. Committee members agreed that, although charging trucking companies for what they believe should be ocean-carrier in-and-out terminal costs isn't fair, paying the fee is likely to help truckers avoid being turned away after long waits at rail terminals, then incurring late fees.
- **ELDs are required in most Canadian provinces** as of January 1. A short-haul exemption applies if the driver does not drive outside a 160-km radius of his or her home terminal. Some drayage companies in Toronto are refusing to use ELDs, meaning they don't plan to travel beyond 160 km. They will presumably farm out shipments beyond that point, which could affect long-haul capacity and rates. Long waits outside the rail terminals – which are still an issue in Toronto – cut significantly into available hours. Drivers are working fewer hours and are not making as much money. The fewer hours will be a challenge in busy times.

Freight Brokers Committee – Chair Joel MacKay

The committee has expanded and now represents all regions but Western Canada.

- The National Transportation Brokerage Association plans to dissolve and will communicate with its members about an offer to join CIFFA. CIFFA expects to gain 40 to 45 new members, becoming the **primary association for Canadian freight brokers.**
- The committee has asked that CIFFA contact the Ontario Ministry of Transportation to press for its compliance with its own stated time frame on the **issuance of permits for over-dimensional loads.** Although its website says that a single-trip permit is issued within three days, it is not uncommon for the MTO to take 10 to 15 days for that task.
- The U.S. Federal Motor Carrier Safety Administration (FMCSA) has proposed a rule change that would require **brokers and forwarders to replenish their \$75,000 surety bonds** (which all brokers/forwarders must post to move freight to, from or within the U.S.) whenever they are reduced. Carriers that are not paid can seek payment from the surety holder and, if approved,

receive funds from the bond. In such cases, brokers must add funds to the bond to return to \$75,000 within seven days. The committee supports this proposed change.

- **Double brokering is a growing problem**, especially in the U.S.

Seafreight Committee – Chair Martin Schultz

- CBSA is looking at the possibility of changing its policy to enable optional **customs clearance at first port of entry**, at CIFFA’s request. CIFFA believes that importers should support that change; they owe for duties and taxes in any case, but fees for storage and D&D, accrued while shipments wait for clearance, are extra.

Sustainability Committee – Chair Christina Fisker

- **CIFFA has joined the Smart Freight Centre** (www.smartfreightcentre.org), a Europe-based organization, primarily to gain access to its Global Logistics Emissions Council (GLEC), which vets and validates emissions calculators. GLEC has validated [CIFFA’s emissions-calculator repository](#).
- The **process of calculating emissions** will likely become more complicated as different fuels, for example, are used in transportation.
- Edmonton International Airport – represented on the Sustainability Committee – has discovered that it is **valuable to have a person on staff dedicated to the sustainability development process**, rather than sharing the responsibility among several people who may not have time to learn what is required to do the job well.
- **Becoming carbon neutral by purchasing carbon offsets** is a relatively simple process until other options become more available for reducing carbon footprint.
- The committee is planning to **publish its first report** in the coming weeks.

Technology Committee – Chair Marc Bibeau

- The committee is **planning its next report**, expected to be issued in the spring.

If you are interested in joining any 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.