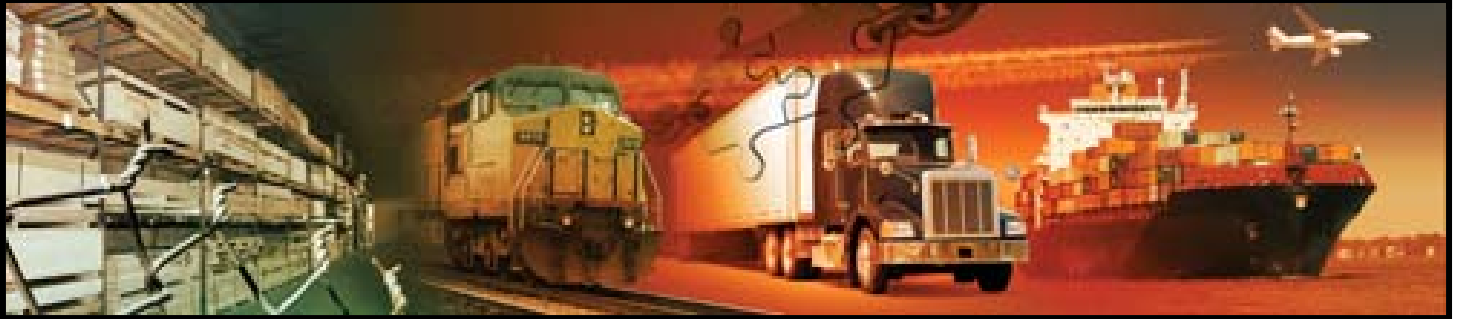




PIPEP

PARTNERS IN PROTECTION

PARTENAIRES EN PROTECTION



REDUCING CARGO THEFT

Cargo thieves today are far more sophisticated than they were years ago. Rather than taking their chances with an unattended load, they will set their sights on a specific target. Surveillance is conducted akin to a police sting operation: getting close to the product, noting where the goods are made and how they are distributed, infiltrating employees and schedules.

They aim for commodities with quick market value and profitability, specifically items high in demand such as food and drinks, electronics, and building or industrial materials. Thieves are more patient as well, often following loads for hundreds of miles while waiting for the best time to swoop in.

According to the 2012 [FreightWatch](#) International Cargo Theft Report in the United States for January through March:

- ❖ Thefts are typically of the entire container and/or from an unsecured parking area or yard; 78% of thefts are of this type.
- ❖ Theft via deceptive pick-up is on the rise.
- ❖ Thefts of building/industrial materials have increased, with 74% of those being metal load thefts.

- ❖ There has been an overall increase of 245% in metal load theft.

What can you do?

- ❖ Ask questions and report when someone is in an area or asking about things they shouldn't be.
- ❖ Report incidents of vehicles repeatedly driving past the facility or seemingly innocent attempts to access the facility.
- ❖ Learn how to spot whether you are being followed and what to do if you are in fact being followed.
- ❖ Have emergency numbers and locations of law enforcement for your route.
- ❖ Place GPS units on the truck, trailer, and within the cargo.
- ❖ Follow your instincts. If something feels wrong or seems too good to be true, it likely is. Be on alert!
- ❖ Call **Border Watch** at **1-888-502-9060**, [Crime Stoppers at 1-800-222-TIPS](#), or your local law enforcement agency.

CABOTAGE



Source: www.truckphoto.net

It happens a thousand times a day all across Canada: a U.S. driver operating a U.S. truck and trailer enters Canada to deliver goods to a Canadian company. The truck and trailer enter

Canada duty-free to facilitate the international movement of goods across the Canada/U.S. border. But what happens if, during this international trip, the driver picks up a load in Canada to be delivered to another point in Canada? Can the non-duty-paid truck and trailer be used to move Canadian goods between points in Canada, a practice conventionally referred to as *cabotage*?

In short, it depends on the nature of the move. The full answer is not as simple as you might expect, although the rules that govern the movement of goods are not overly complex. The movement of Canadian goods by foreign-based, non-duty-paid equipment is dictated by tariff items 9801.10.10 and 9801.10.30 of the [Customs Tariff](#). It is important to note that point-to-point movements of goods within Canada are controlled by two distinct pieces of legislation; the movement of drivers and operators is governed by the *Immigration and Refugee Protection Act* (IRPA) while the movement of goods and equipment is governed by the [Customs Tariff](#). This article deals only with the movement of goods and equipment.

What types of movement are allowed?

Essentially, two types of movement of non-duty-paid goods or equipment are allowed: (1) moves which are incidental to the international movement of the goods, and (2) moves which reposition the goods.

Incidental Moves

Suppose that a U.S. driver is delivering a shipment of goods from Buffalo, N.Y. to Thunder Bay, Ontario and that the trailer is filled to less than half of its capacity. During the international movement of the goods from Buffalo to Thunder Bay, the driver would be permitted to use the non-duty-paid

truck and trailer to pick up a load of goods in Toronto (as a top-up) for delivery and drop-off in Sudbury. The Toronto-to-Sudbury move would be considered incidental to the Buffalo-to-Thunder Bay trip.

In the example above, the point-to-point movement of domestic goods within Canada must not represent any substantial deviation from the direct route of the international trip, and only one incidental move is allowed per international trip.

Repositioning Moves

In addition to incidental moves, non-duty-paid trucks and trailers may be used to move Canadian goods from point to point following the delivery of a shipment of imported goods.

To qualify as a repositioning move, two conditions must be satisfied: (1) there must be an export load already scheduled when the contract for the domestic movement of goods is signed, and (2) the drop-off point for the Canadian goods must be directly in line between the drop-off point for the original importation and the location of the scheduled pick-up for export.

As in the previous example, suppose that a U.S. driver is delivering a shipment of goods from Buffalo, N.Y. to Thunder Bay, Ontario. Suppose also that, prior to departure from the U.S., there is an export load scheduled for pick-up in Winnipeg to be delivered to Chicago, Illinois. Following the delivery of the imported goods in Thunder Bay, the non-duty-paid truck and trailer would be permitted to load Canadian goods in Thunder Bay for delivery to Winnipeg or to any point between Thunder Bay and Winnipeg. It is important to note that repositioning moves are permitted only when there is a scheduled pick-up of goods that is in place before the contract for the domestic movement of goods is issued.

Movements of Canadian goods by non-duty-paid trucks and trailers are strictly limited to either incidental moves or repositioning moves, and any movement of Canadian goods that goes beyond these limitations is considered to be an illegal point-to-point movement, or *cabotage*.

Businesses involved in the transportation of goods into Canada can avoid any potential disputes with the Canada Border Services Agency (CBSA) by reviewing their operations in order to ensure that they comply with Canadian laws.

COMBATING HUMAN TRAFFICKING



The sale and exploitation of human beings is an international concern. At any time, a country can be a source, destination, transit country, or all three.¹ Human trafficking happens all over the world, including here in Canada. Both the U.S. and Canada are destination and transit countries for persons trafficked for the purposes of commercial sexual exploitation and forced labour.²

A new campaign was recently launched throughout Ontario, aimed at truck drivers and truck stop workers who can help by reporting suspicious activity. The [TruckSTOP](#) campaign, led by [PACT-Ottawa](#), is designed to provide truck drivers with information on ways to identify situations in which human trafficking could be taking place. The campaign was inspired by the success of a similar American campaign run by [Truckers Against Trafficking](#), where a tip from a truck driver led to the rescue of nine trafficking victims and the conviction of 31 traffickers.

If something doesn't feel right or looks out of place, contact your local police or leave an anonymous tip with [Crime Stoppers at 1-800-222-TIPS](#). Do not attempt to deal with the situation yourself.

On June 6, 2012, Canada's [National Action Plan to Combat Human Trafficking](#) was launched. The Harper government, through the cooperation of 18 different departments, has pledged 25 million dollars to fight the serious crime of human trafficking. This will take place over four years to strengthen and build on Canada's significant work to date in detecting, preventing, and prosecuting human trafficking, such as targeted training for law enforcement officials and front-line service providers, and enhanced public awareness measures.

HARMONIZATION UPDATE

- ❖ The Partners in Protection (PIP) and Customs-Trade Partnership Against Terrorism (C-TPAT) programs continue to work toward the alignment of policies, procedures, and processes to the greatest possible extent.
- ❖ The phased-in approach to harmonization will begin with highway carriers.
- ❖ PIP and C-TPAT are currently collaborating on a Post Incident Analysis (PIA) review in order to align policies and procedures. Joint PIAs will also be conducted.
- ❖ In preparation for harmonization, PIP and C-TPAT are, where possible, recognizing site revalidations performed by each other's program. Since the programs only exchange the program status information of consenting companies, members of each program must first consent to the Information Sharing Agreements of both programs in order to facilitate the recognition of these revalidations.
- ❖ Eligibility requirements between the PIP and C-TPAT programs will be compared and, where possible, harmonized. Once eligibility has been determined, the programs will collaborate on a joint application process.

¹ Project SECLUSION – Human Trafficking in Canada – March 2010 (UNCLASSIFIED)

² United States – Canada Joint Border Threat and Risk Assessment – July 2010 (UNCLASSIFIED)

- ❖ Benefits will also be compared in greater detail and the programs will work to harmonize them where possible.
- ❖ PIP and C-TPAT will collaborate on a joint communication and outreach strategy.

Have you signed your consent form?

To date, approximately 50% of PIP members have **NOT** completed and signed PIP's Certification and Authorization to Disclose Information form. If your company has not agreed to information sharing, the PIP program will be unable to recognize a C-TPAT revalidation and a separate PIP site validation will be required. Should you wish to have PIP recognize a recently completed C-TPAT revalidation, or to allow PIP to share membership information with C-TPAT, this form must be completed, signed, and returned to the PIP program at the following e-mail address: PIP-PEP@cbsa-asfc.gc.ca.

TRUCK WORLD EXHIBITION

From April 19 to 21, 2012, members of the CBSA's [PIP](#), [Customs Self-Assessment \(CSA\)](#), and [eManifest](#) programs participated in the [Truck World](#) exhibition in Mississauga, Ontario. Representatives from each of these CBSA programs were present to increase awareness and educate the trucking industry about our Trusted Trader and Advanced Commercial Information (ACI) programs.

The PIP program was represented by staff from the Greater Toronto Area (GTA) region and National Headquarters in Ottawa. Pictured from left to right are Kerri Lamoureux (PIP), Bill Tu (PIP), Teresa Panacci (Trade Compliance/CSA), James Spina (eManifest), and Richard Rancourt (eManifest).

Just over 19,000 people attended the three-day event which included industry seminars, workshops, and interactive demonstrations from over 350 exhibitors.

The PIP program is pleased to report that there was a noticeable increase in application requests shortly after the truck show, many of which originated in the GTA region and other areas within Southern Ontario, predominantly Niagara and Windsor.



We would like to express our sincere thanks to those who visited the PIP booth and showed an interest in our program. With such a great turnout, we look forward to attending similar events in the future!

OVER 43 TONS OF HASHISH SEIZED



On April 18, 2012, the Royal Canadian Mounted Police (RCMP) announced the results of [Project CELSIUS](#), a joint police investigation that resulted in nine arrests and the seizure of more than 43 tons of hashish intended for the Canadian market. The investigation was initiated by the RCMP in the summer of 2010 following two CBSA marine container seizures at the Port of Halifax in 2009 and 2010.

According to the RCMP, the hashish originated primarily in Pakistan and was hidden in several marine containers that transited various countries before being routed to Canada, usually through the Port of Montreal. Some of the hashish-laden containers were seized in Pakistan while others were intercepted en route to Canada, specifically in Italy and Belgium. One of the containers also

transited Newark, New Jersey before being shipped to Canada by rail.

During the investigation, a number of irregularities were observed at the Port of Montreal, leading investigators to believe that some employees performing various duties with companies at the Cast Terminal were involved in the smuggling conspiracy. Several of the accused employees controlled the logistical aspects of the transportation and entry of the drugs into Canada.

HIGH-RISK MARINE PORTS OF ENTRY

Some of the largest drug smuggling cases in Canada have involved corruption at our marine ports of entry. Canada's three largest commercial marine ports – located in Halifax, Montreal, and Vancouver – are the most vulnerable to both inbound and outbound smuggling due to the sheer volume of container traffic processed annually.

[Organized Crime Research Brief No. 25](#)

Public Safety Canada

DRUG-SMUGGLING MASCOTS!

Drug smugglers use a variety of concealment methods to smuggle drugs into Canada, and a recent seizure in Montreal highlights the latest failed attempt.

On May 30, 2012, Border Services Officers (BSOs) at the International Mail Processing Centre seized 7.5 kilograms of suspected cocaine concealed within various mascot costumes (pictured below).



X-rays of various parcels from Peru revealed the presence of a packaged substance hidden within the costumes. Upon analysis, the substance was determined to be suspected cocaine.

This significant seizure is attributable to detection technology and officer vigilance, and it goes to show that sometimes even mascots aren't lucky . . . at least not for drug smugglers!

WORLD BASC ORGANIZATION AND CBP SIGN JOINT STATEMENT

The World Business Alliance for Secure Commerce (BASC) Organization and the U.S. Customs and Border Protection (CBP) recently signed a [Joint Statement](#) which recognizes the mutually beneficial working relationship of promoting and enhancing supply chain security throughout the Americas and the Caribbean. The World BASC Organization supports the CBP mission by counselling and working with 2,500 companies in 14 countries in Latin America and the Caribbean.

The World BASC Organization is a not-for-profit, privately-led international business alliance created in 1996 to promote secure international trade in cooperation with governments and international organizations.

PARTNERS WORKING TOGETHER

Thanks to the many partners of the PIP program for their vigilance in recognizing and identifying suspicious behaviour.

Partners have alerted the Agency on a wide variety of issues, ranging from suspicious packages and fraudulent IDs to clients that are known to be of concern to the CBSA. In doing so, shipments that may have been at risk have been pointed out, even when they were not flagged in advance.

This level of dedication from our membership is what helps to make the PIP program successful. It also highlights the strong level of partnership between industry and the program. Once again, we thank you for your many efforts!

BORDER WATCH

If you have any information about suspicious cross-border activity, please contact the CBSA **Border Watch** toll-free line at **1-888-502-9060**.

The greater the detail of the information you provide, the better; but remember that no information (however trivial it may seem) is insignificant. Your help may lead to the missing piece of the puzzle. Reporting suspicions, even after the fact, can be an effective means of stopping future smuggling attempts.

For your own protection, if you have witnessed an incident or are aware of one, please do **NOT** get involved or try to gather evidence. Just let us know. A single call can protect you and your company, and can help to eliminate weak links in the supply chain.

If you suspect that cargo shipments or containers are being used for illegal activities...

- ❖ Report the facts to the person in charge.
- ❖ Contact your PIP Intelligence Officer.
- ❖ Call the **Border Watch** toll-free line. Please remember that it is available 24/7 in both official languages and that all calls are strictly confidential.

WE WANT TO HEAR FROM YOU!

What do you think about the latest edition of the PIP newsletter? Are there any current topics or emerging issues that are of interest to you? Your suggestions are invaluable for us to continue to improve the newsletter. If you have ideas for future articles, or you would like to highlight a success story, please send us an [e-mail](#). We look forward to hearing from you! Click [here](#) to find out more about PIP!

When was the last time that you updated your PIP information?



The PIP program requires notification in writing of any change to a partner's business that impacts the information previously submitted in their Security Profile.

If you need to update your information, or if you have any questions or comments, please contact the PIP team at PIP-PEP@cbsa-asfc.gc.ca.

