

# PIP = PEP

PARTNERS IN PROTECTION    PARTENAIRES EN PROTECTION

Canada

Spring 2013 Newsletter



## TURNING MEMBERSHIPS INTO PARTNERSHIPS!

On **November 14 and 15, 2012**, the PIP program welcomed officials from Mexico's Nuevo Esquema de Empresas Certificadas (NEEC) program in support of ongoing co-operation between the Canada Border Services Agency (CBSA) and the Administracion General de Aduanas (AGA). Launched in 2011, the NEEC program—also known as Mexico's Authorized Economic Operator (AEO) program—was designed to facilitate and simplify international commerce for the manufacturing industry using established security standards within the supply chain.

This event was held as a follow-up to a Mexican site validation attended by CBSA officers in September 2011. Its purpose was to give AGA officials an opportunity to learn more about the CBSA's [Trusted Trader programs](#) and to exchange best practices during the validation process. During their visit, the Mexican officials observed site validations at the Toronto, Ontario operation of Celestica and the Whitby, Ontario facility of Johnson Controls, both current PIP members and applicants to the NEEC program.

With services spanning design and engineering through to delivery and after-market support, [Celestica](#) offers innovative supply chain solutions in markets such as industry, aerospace, defence, and green technology.

Operating in more than 150 countries, [Johnson Controls](#) is a globally diversified company in the building and automotive industries that delivers improvements to energy infrastructure, efficiency, and sustainability.

Celestica and Johnson Controls were eager to participate with both customs administrations. Their dedication to the PIP program enabled a highly productive initiative that served to promote knowledge of Trusted Trader programs, strengthen international customs partnerships, and enhance the integrity of North American trade. PIP extends our appreciation to Celestica and Johnson Controls for their participation and enthusiasm, and we look forward to more successful collaborations with our members in the future!



Celestica



Johnson Controls



“Celestica is honoured to have been selected by the CBSA to share our best PIP supply chain security practices with our Mexican guests. Celestica has been a participant in the Partners in Protection program since its inception and recognizes the value that PIP brings in making for a safer environment for all Canadians.”

— John Cundari, Celestica Toronto General Manager

“It was a pleasure to take part in the joint visit between the Mexico authorities and CBSA at our JCI Whitby facility. This visit permitted us to showcase our supply chain security and strengthen our relationships with our Trading Partners who are a vital part of our day-to-day operations.”

— Cynthia Wahlroth, JCIM Director of Operations



On **February 4, 2011**, Prime Minister Stephen Harper and President Barack Obama jointly issued *Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness* to accelerate the cross-border flow of legitimate people, goods, and services. Over two years later, the initiatives of the *Beyond the Border Action Plan* are well on their way to increasing the security of North American trade and ensuring the integrity of the border shared by Canada and the United States.

The *Action Plan* enhances the benefits of programs designed to help Trusted Traders move efficiently across the border, introduces dynamic measures to facilitate cross-border movement and commerce while reducing administrative burdens, and invests in improvements to our shared border infrastructure and technology. “The *Beyond the Border* agreement is about strengthening and expediting trade and travel between our countries,” said U.S. Customs and Border Protection (CBP) Acting Deputy Commissioner, Thomas Winkowski. “It’s about finding common-sense solutions to our most complicated problems. And it’s about extending national security for both of our nations, well away from the border.”<sup>1</sup>

Last year, the CBSA and U.S. CBP co-hosted productive meetings with stakeholders to articulate a common approach to addressing threats at and away from our shared border. “As these joint meetings with stakeholders indicate, we are committed to working with our U.S. partners to bring about greater consistency, efficiency, and predictability in the management of our shared border,” said CBSA

President, Luc Portelance. “That is why we continue to involve our stakeholders in the implementation of the *Beyond the Border Action Plan* initiatives to keep the border open to lawful travel and trade.”<sup>2</sup> Also in 2012, the CBSA implemented eManifest, the final phase of the [Advance Commercial Information \(ACI\)](#) initiative, whereby cargo and conveyance information must be electronically transmitted before the arrival of a shipment at the border. This significant achievement has heightened the CBSA’s ability to identify potential threats early and to facilitate the movement of low-risk shipments across the border.

Moving into 2013, the CBSA continues to helm many key *Action Plan* initiatives, including the [Integrated Cargo Security Strategy \(ICSS\)](#) and the harmonization of programs and benefits for Trusted Traders. These initiatives have given rise to two exciting projects, the Port of Prince Rupert Pilot and the Blue Water Bridge Pilot, both of which are currently underway. Overall, the ongoing success of *Beyond the Border* serves to remind us that a threat to either of our countries represents a threat to both.

### *Did you know?*

Canada and the United States enjoy the largest bilateral trading relationship in the world, with two-way trade in goods and services reaching almost \$709 billion in 2011.

Source: [CBSA News Release](#)

<sup>1</sup> Source: [U.S. CBP News Release](#)

<sup>2</sup> Source: [U.S. CBP News Release](#)

## INTEGRATED CARGO SECURITY STRATEGY AND PRINCE RUPERT PILOT<sup>3</sup>

The Integrated Cargo Security Strategy (ICSS) is a joint strategy, which addresses risks associated with shipments arriving from offshore which are destined for transit across the Canada-United States (U.S.) border, based on informed risk management. Under the principle of ‘cleared once, accepted twice,’ a harmonized approach has been developed to identify and resolve security concerns as early as possible in the supply chain, with the expectation that this will reduce the level of these activities at the Canada-U.S. border.

In Prince Rupert, British Columbia, a pilot has been initiated where high-risk cargo that is destined for the U.S. is targeted before arrival at the marine port of Prince Rupert and examined at the perimeter before the cargo moves by rail to the land border at International Falls, Minnesota. U.S. Customs and Border Protection’s (CBP) National Targeting Centre assesses all in-transit cargo arriving at the Canadian port and identifies the shipments of highest risk. The Canada Border Services Agency (CBSA) then conducts security and contraband examinations on behalf of U.S. CBP, and any concerns are dealt with in Canada. U.S. CBP is apprised of all developments via a streamlined system for information sharing that enables real-time transmission of examination results and images.

After examination, containers are secured with a high-security bolt seal for transit to the U.S. through Canada. At the land border, U.S. CBP officers see the high-security bolt seal and are able to detect if the containers were subjected to unauthorized access; thereby eliminating the need for duplicate examinations.

## BLUE WATER BRIDGE PILOT PROJECT<sup>4</sup>

An integral part of the *Action Plan* is the commitment made by Canada and the U.S. to harmonize and enhance the benefits of programs that help trusted businesses move efficiently across the

border. The goal is to further facilitate the border clearance process for low-risk, pre-approved commercial carriers, importers, and travellers. To this end, Canada has launched a pilot at the Blue Water Bridge in Sarnia, Ontario that allows members of the Partners in Protection (PIP) and Customs Self-Assessment (CSA) programs to use Free and Secure Trade (FAST) lanes without having to be members of both programs, as is currently the case.

The twelve carriers participating in the pilot are allowed to use the Trusted Trader lane across the Blue Water Bridge and are granted access to the FAST lane and booth at the border. The pilot simplifies Canada’s FAST eligibility requirements and aligns them with those of the U.S. Specifically, importers and carriers need to be PIP **or** CSA approved (not both), and transported goods do **not** need to be CSA-eligible goods. However, drivers still need to be either FAST-approved or registered under the Commercial Driver Registration Program (CDRP).

As a result of the pilot, Trusted Traders bypass border congestion via the FAST lanes and benefit from reduced border wait times. This decreases the cost and increases the efficiency of doing business across the border. Moreover, a greater number of Trusted Traders are afforded the benefit of FAST and the range of goods eligible under FAST is expanded.

### *Did you know?*

Approximately 6,000 commercial vehicles cross the Blue Water Bridge every day, making it one of Canada’s busiest commercial crossings.

*Source: [Blue Water Bridge Authority](#)*

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<sup>3</sup> Source: [CBSA Fact Sheet](#)

<sup>4</sup> Source: [CBSA Fact Sheet](#)

## NEWS FROM THE CBSA



### CANADA HARMONIZES LOW-VALUE SHIPMENT THRESHOLD WITH UNITED STATES

Canada and the United States recently [announced](#) the harmonization of their value thresholds for expedited customs clearance at CDN\$2,500 and US\$2,500, respectively. These amounts represent an increase from the previous levels of CDN\$1,600 for Canada and US\$2,000 for the United States. In addition, Canada has increased the low-value shipment threshold to CDN\$2,500 for exemption from North American Free Trade Agreement (NAFTA) Certificate of Origin requirements, thereby aligning it with the current U.S. threshold. A Certificate of Origin is used to determine whether imported goods receive reduced or eliminated duty as specified by the NAFTA.

This change was made under the government's commitment to the *Beyond the Border Action Plan* with a view to promoting supply chain connectivity by expediting customs processes. "Canadian and U.S. businesses are the true beneficiaries of the *Beyond the Border Action Plan*," said Mike Tierney, President of UPS Canada. "This change will allow for swifter movement of goods for importers and exporters of all sizes." Vic Toews, Minister of Public Safety, further commented, "The harmonization of the value thresholds for customs clearance for both Canada and the United States will facilitate and expedite trade between our countries, allowing customs to focus on maintaining a secure and efficient border."

The article above was submitted by **Truck News!**  
For daily news on Canada's trucking industry,  
visit [www.trucknews.com](http://www.trucknews.com).



### CANADA SIGNS CUSTOMS COOPERATION AGREEMENT WITH EUROPEAN UNION

The CBSA is pleased to announce the signing of a [Customs Cooperation Agreement](#) between Canada and the European Union. Signed on **March 4, 2013** in Brussels, Belgium, this agreement will enhance cooperation in matters related to supply chain security, risk management practices, and trade facilitation as they pertain to customs processes. This agreement will also serve as a platform for future initiatives, including the negotiation of a Mutual Recognition Arrangement (MRA) between Canada's Partners in Protection (PIP) program and the European Union's Authorized Economic Operator (AEO) program.



*Photo provided courtesy of the Council of the European Union*

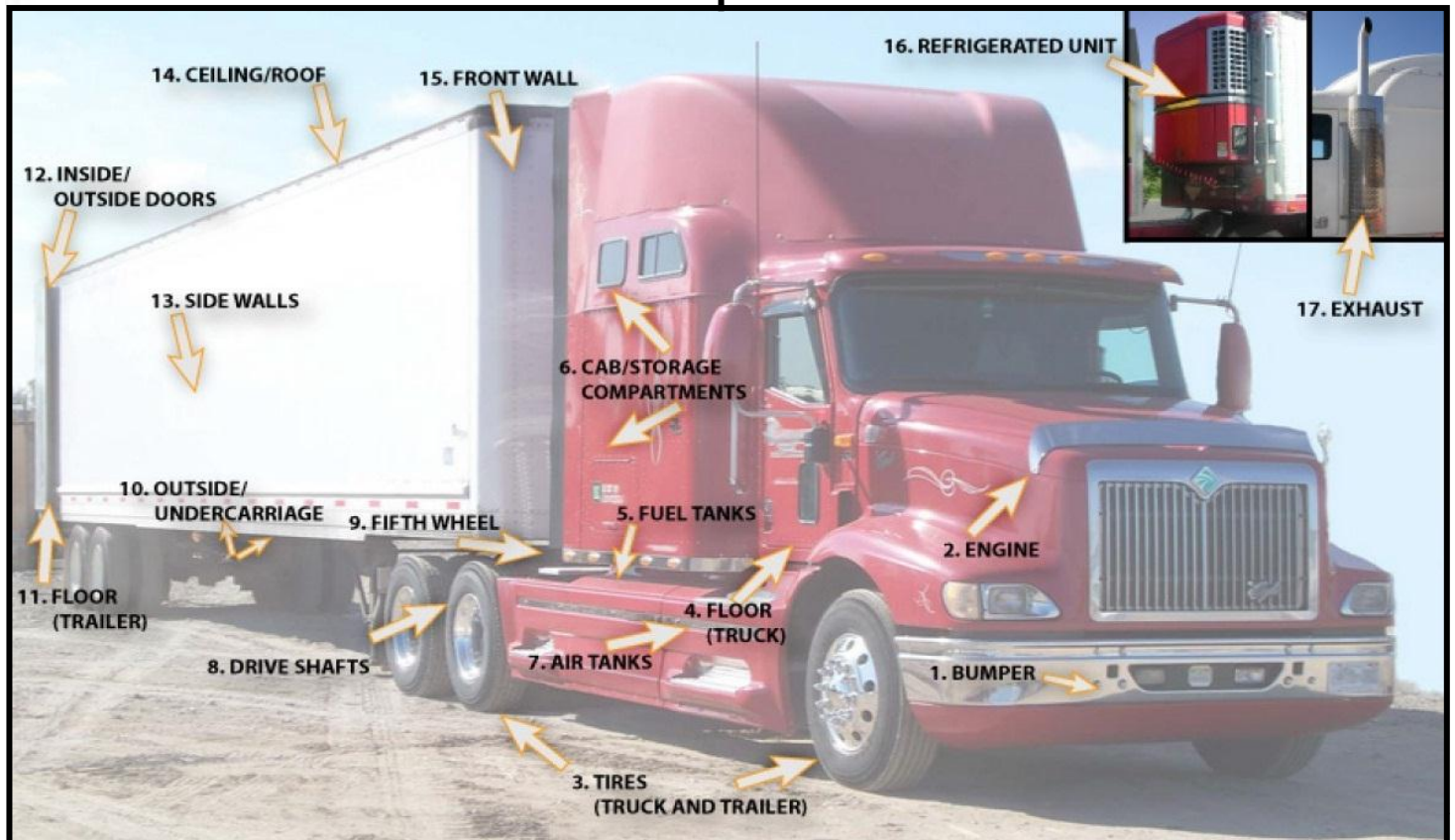
The Customs Cooperation Agreement supports Canada's adherence to the Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework) developed by the World Customs Organization (WCO). Moreover, this agreement strengthens the relationship between Canada and the European Union with respect to customs-related matters of supply chain security. MRA negotiations are expected to begin later this year.

Verifying the physical structure of trucks and trailers is an essential way to enhance supply chain security. Truck drivers should perform an inspection before beginning a trip, at the last loading point prior to crossing the border, and after completing a trip. Even empty trailers should be inspected in advance of being loaded. Don't be the weak link in your supply chain! You are best qualified to ensure the integrity of your truck and trailer!

The checklist on the right will help you perform a thorough inspection. The entries in the checklist correspond to the enumerated diagram below. Use a hammer to check for hollow or modified compartments, a mirror and flashlight to look in dark or hard-to-reach places, and a measuring tape or laser range finder to identify false walls, floors, or ceilings. Be on the lookout for counterfeit goods, concealed persons, and illegal drugs, weapons, alcohol, tobacco, animals, and plants.

Remember to always park defensively and secure your rig between inspections. Report any suspicions of illegitimate shipments, rumours of smuggling operations, or indicators of criminal activities to the [Border Watch](#) 24/7 toll-free line at **1-888-502-9060**.

1. Look for anything unusual underneath the bumper.
2. Check under the hood and inside the engine compartment.
3. Check all the tires, including the spare.
4. Examine the floor inside the cab.
5. Use a light to look inside the fuel tank(s) and check for any weld marks or replacements.
6. Look inside the door compartments and underneath the bunk and seats. Don't forget to check the toolbox.
7. Look for any sign of tampering or weld marks.
8. Perform a tap test with a hammer to check for a hollow sound. Check for repairs or new paint.
9. Use a light to check empty spaces while ensuring that the battery area is secure.
10. Inspect each cross member and the rear light area for any sign of tampering. You should be able to see the struts.
11. Ensure that the hinges and locks are secure.
12. Ensure that the planks are flat (not lifted) and bolted down. If they aren't, look for concealed objects.
13. Check for new or loose panels and look inside any holes.
14. Measure the height and width to see if there is a false wall.
15. Inspect new rivets or repairs, measure the height from the floor, and look for hollow spaces inside the fairing.
16. Check inside the reefer and inspect its doors.
17. Look for packages taped or tied to the exhaust and check the looseness of the cover.



Your feedback matters to us as we strive to improve YOUR newsletter!  
Please don't hesitate to contact the PIP team at [PIP-PEP@cbsa-asfc.gc.ca](mailto:PIP-PEP@cbsa-asfc.gc.ca).



## TIPS & REMINDERS

### THE ADMINISTRATIVE MONETARY PENALTY SYSTEM (AMPS)

Have you ever wondered what the most common reasons are for the issuance of AMPS penalties to PIP members? The AMPS is a civil penalty regime that authorizes the CBSA to impose monetary penalties for non-compliance with customs legislation. The PIP program is committed to helping our members maintain compliance with customs regulations and avoid incurring AMPS penalties. To this end, we have introduced this new and informative feature in our newsletter!

In November and December of last year, the top three AMPS contraventions by PIP members were:

1. **C005:** Incorrect information provided to a CBSA officer or contained within any permit, certificate, license, document, or declaration with respect to imported or exported goods.
2. **C355:** Failure by a commercial carrier or charterer to provide, within the prescribed timeframe, information on any person aboard a conveyance prior to the arrival of that conveyance in Canada.
3. **C358:** Removal of goods from a customs office or sufferance warehouse prior to release or authorization by a CBSA officer. It is important to note that penalties for a C358 contravention are relatively severe.

Although the application of most penalties is graduated and takes the compliance history of the client into consideration, it is always best to avoid committing an infraction that is subject to the AMPS. We encourage you to make sure that you are in accordance with the *Customs Act*, the *Customs Tariff*, and other customs legislation. Click [here](#) for a comprehensive list of AMPS contraventions, guidelines, and penalty amounts.

### *Seal Compliance*

On **February 12 and 13, 2013**, the PIP program conducted a seal compliance exercise at the Blue Water Bridge in Sarnia, Ontario. In total, **82%** of trucks identified as PIP-approved were found to be using either a bolt or a cable seal. While this rate of compliance is high, there is still room for improvement!

Please be reminded that a high-security seal **MUST** be affixed to every loaded container or trailer that crosses the border. This applies to both northbound **AND** southbound shipments. For more information, click [here](#).

### STAY CONNECTED WITH THE CBSA!

The CBSA strives to be as dynamic and responsive as possible in the ongoing effort to support Canada's security and prosperity. The [mobile version](#) of the CBSA website gives you access to lots of useful information while on the go! The site provides a clear overview of regulations and expectations for crossing the border, and is equipped with handy tools such as estimators for duty fees and wait times at the most popular land border ports of entry.

While the CBSA is committed to minimizing border wait times and ensuring that border services return to normal operations as soon as possible, an important part of quality service is informing our clients of what to expect upon arrival at the border. Therefore, the CBSA has recently introduced an e-mail Border Alert Service to provide expedient notification when unforeseen events cause a significant disruption to normal border services. For more information on the Border Alert Service and instructions on how to subscribe, click [here](#).

## *ePassport*

Canada's new ePassport will be available as of **July 1, 2013** and new passport fees will take effect on the same date. The ePassport will contain an electronic chip to enhance the current security features. Adult applicants will have the option of a 5-year or 10-year ePassport for first-time applications as well as renewals, while children's ePassports will be issued for a maximum of 5 years. To review acceptable forms of cross-border identification, click [here](#).

### **BE SURE, BE SECURE!**

- ❖ Make sure that all personal information is correct in your travel documents. If you find any errors in your passport, contact Passport Canada immediately.
- ❖ Before your trip, check the expiry date on your passport. Many countries require that your passport be valid for several months after the date you plan to leave the country.
- ❖ Inside your travel documents, write the name and particulars of someone to contact in case of emergency, preferably someone who does not usually travel with you.
- ❖ Duplicate the essential information in your travel documents and carry the copy with you during your trip, separate from the original.

- ❖ **Always** keep your travel documents safe. Never leave them unattended in your luggage, vehicle, hotel room, or elsewhere.
- ❖ Store your travel documents on the front of your person and keep them separate from cash and credit cards.
- ❖ If your travel documents are lost or stolen, report the loss or theft immediately to the local police and the nearest Government of Canada office.
- ❖ If you later find travel documents that you reported lost or stolen, do **not** attempt to use them. They have been rendered invalid and you will likely encounter difficulties at the border.
- ❖ **Never** use damaged travel documents. If your travel documents are damaged, obtain new ones as soon as possible.

## *Border Voice*

*Border Voice* is your chance to hear firsthand stories from the frontlines of the CBSA. You have likely met some of our people already, but have you ever wondered what life is like on the other side of the land border booths or the airport inspection kiosks? *Border Voice* gives you the opportunity to meet the people of the CBSA and learn about the various roles they play in upholding the CBSA motto: *Protection, Service, Integrity*. For more information, click [here](#).

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

If you need to update your Security Profile, or if you have any questions or comments, please contact the PIP team at [PIP-PEP@cbsa-asfc.gc.ca](mailto:PIP-PEP@cbsa-asfc.gc.ca).

