

# **CIFFA Committee Meetings – March 2025**

CIFFA's national committees meet several times a year to discuss relevant issues or developments that may affect member companies. Following is a look at what committee members discussed and decided at their most-recent meetings.

# Airfreight Committee - Chair Bill Gottlieb

- Transport Canada's Pre-load Air Cargo Targeting (PACT) Program will go into effect on April 1.
   Transport Canada and CBSA are in early-stage discussions about enabling single filing to PACT and CARM. If the decision is made to move forward with single filing, the process is likely to take years to complete.
- The committee asked CIFFA to request an update from Transport Canada on progress related to export cargo screening.
- CIFFA has asked CBSA to provide information on the correct process when cargo arrives in Canada
  unmanifested and without the prior knowledge of the forwarder. CBSA said at the end of December
  that it would provide that information, but has not, even after three reminders from CIFFA.
   Forwarders have been receiving penalties for infractions related to this process. CIFFA will ask CBSA
  to discontinue issuing such penalties until it provides information on the proper process.
- IATA invited CIFFA to join a working group to review financial criteria for intermediaries in Canada. Between 2015 and 2024, statistics show that US\$192,000 was unrecovered from CASS agents, i.e., about \$19,000 per year. CASS turnover has always exceeded \$250 million a year. As a percentage of that total, the unrecoverable funds average about 0.008 percent each year. From CIFFA's point of view, CASS is a good billing and payment platform. It does not guarantee payment; it is the responsibility of the airlines to determine the creditworthiness of their customers. As with any business transaction, there is a risk of default. In the U.S., because of anti-trust regulations, the airlines vet all customers and decide if they want to accept the financial risk of taking a particular customer's cargo. The same should be true in Canada.
- For the Canadian Air Cargo Program Joint Council meeting on March 13, CIFFA asked IATA to add to
  the agenda discussion of the monthly fee to receive CASS Excel-format data. A year's worth of this
  fee is more than double the IATA membership dues. Further, IATA is charging the fee for each branch
  office.

#### **Customs Committee – Chair Paul Courtney**

Punitive AMPS penalties are having repercussions. One CIFFA member company applied for a
sufferance warehouse licence and was rejected because of penalties that applied to well under 1% of
its shipments by volume. The company had put preventative measures in place after receiving
penalties and had not had a penalty in the last two years. CIFFA was involved in helping the company
respond to the CBSA; a response had not yet been received at the time of the committee meeting.

- Another member company received a warning from the CBSA for a description of a pharmaceutical
  that the officer considered insufficient because it did not include how the drug is administered and
  what it is used for. CIFFA will discuss with CBSA their specific requirements for descriptions of
  pharmaceuticals.
- The committee is concerned that **U.S. tariffs could cause delays for cargo** being exported to the U.S. With enormous increases in duties owing, brokers wouldn't be able to cover those expenses in advance on behalf of their clients; exporters would have to make those payments directly and might require U.S. bank accounts to enable that. Exporters are not prepared to meet that requirement.

#### **Customs Regulatory Committee – Chair Kim Campbell**

- Importers are required to post financial security in the CARM Client Portal by April 19 to qualify for release prior to payment (RPP). The committee directed CIFFA to write to the Minister of Finance to request a deferral of the requirement, due to its several concerns about timing. Tariffs have added a complication: Will these new surtaxes be included in calculations of security requirements? If yes, will CBSA increase the amount of financial security importers are required to provide? The committee believes that many importers, especially small companies and non-resident importers, have not posted financial security. If border crossings into Canada become congested because those importers have shipments held until payment is received, U.S. President Trump could be expected to heap scorn on Canada.
- The committee asked CIFFA to request a process review or service standard regarding the issuance of business numbers. The process in Canada has been taking a long time, impeding trade.
- CIFFA sent a <u>letter to the Minister of Public Services and Procurement Canada</u> regarding Purolator's
  acquisition of Livingston International. The letter expressed concern about the government's
  involvement (through Canada Post, owner of Purolator) in competitive private enterprise.

#### **Drayage Committee – Chair Chris Ford**

- The Drayage Committee directed CIFFA to write a letter to notify the Canadian International Trade
   Tribunal of the trucking industry's continuing challenge to access chassis because of a decision the
   Tribunal made some years ago in favour of a Canadian manufacturer. CIFFA is waiting for a response
   to its March 17 letter.
- The committee met with six members of CN's management team to receive a network update and discuss operational challenges. The CN team highlighted the impacts on fluidity of this winter's severe weather in much of Canada. Ground count was still high at some terminals at the time of the meeting in mid-March but has been improving with the warmer weather. Committee members asked for updates on situations at the ports of Halifax and Vancouver, and at CN terminals in Toronto, Edmonton and Montreal. They also sought CN's perspective on possible impacts in Canada if the Trump administration goes forward with exorbitant fees on Chinese-made vessels at U.S. ports. Meetings with the railway are valuable for both sides to gain insight and discuss potential service improvements.
- A similar **meeting with CPKC** will be held in the coming weeks.

CIFFA spoke with MSC, which owns the Termont terminals in Montreal, about dray companies'
frustration using the Termont reservation system. It can be a very slow process to schedule
appointments through the system. MSC promised to investigate the situation and contact CIFFA to
report back.

# Freight Brokers Committee - Co-Chairs Tim Drake, Gary Nicholson

- CIFFA's Freight Brokers Committee determined during its January meeting that the association should take a **stand against Driver Inc.** Consequently, <u>CIFFA wrote on February 26 to then-Minister of Transport and Internal Trade Anita Anand</u> to share the association's view on non-compliant carriers that "are distorting competition, jeopardizing highway safety, and undermining responsible businesses" in other words, Driver Inc. CIFFA has aligned its view on this topic with that of the Canadian Trucking Alliance and will now partner with that organization as the fight against the taxevasion scheme continues. In Ontario alone, it is estimated that Driver Inc. costs the government \$1 billion in lost tax revenue.
- **Drivers in Canada on work visas** are concerned that, if they cross the border into the U.S., they may not be able to return, affecting capacity for cross-border shipping. Further, many of those drivers are allowed to work for two years only for the companies that sponsored their visas.
- Employers can use **labour market impact assessments** (LMIAs) to show a need for workers that can't be met by the Canadian labour force and sponsor temporary foreign workers to meet the need.

  Because of fraud and misuse of LMIAs, the government made changes to the program that have limited the number of foreign workers an employer can sponsor.
- Because of fears that tariffs imposed by the U.S. and Canada will affect cross-border trade, carriers
  are looking to pivot to cross-Canada shipping. Companies are already known to have laid off some
  cross-border drivers. A committee member noted that companies with facilities in both countries
  have been moving production around to meet needs without requiring cross-border shipping.

# **Seafreight Committee – Chair Martin Schultz**

- CIFFA is involved in quarterly meetings of the National Supply Chain Office. Most of the group's
  discussion is about capacity constraints, predominantly at the Port of Vancouver. CIFFA has
  recommended expanding the scope of the NSCO to discuss issues across Canada. The NSCO was
  established to create a Canadian supply chain strategy, which is still in development after several
  years.
- Canadian ports receive millions of dollars in funding, but it doesn't seem to be enhancing operations where most required. Further, infrastructure development at the ports takes a very long time, often decades. There is no deepwater port in Eastern Canada and there are low-water issues at the Port of Montreal, meaning those ports can't accept large ships. U.S. East Coast ports are making large investments to increase capacity. Government investments are necessary to keep these ports viable and competitive. The National Trade Corridors Fund issues funds without a strategy.
- A CIFFA member exported a car with the proper documentation, but at destination, it was
  determined that the documentation was fraudulent and the car was stolen. It appears the forwarder
  had done its due diligence, completing all of the steps set out by the carrier on its website. Despite
  that, the carrier immediately cut off business with the forwarder. CIFFA has reached out to the

senior carrier representative in Canada to discuss this issue, but has not been able to make headway on behalf of the forwarder.

#### **Sustainability Committee – Chair Christina Fisker**

- In February, CIFFA published <u>Ocean Carriers Sustainability Initiatives</u>, a report that outlines the sustainability efforts of several prominent ocean carriers. The committee will add information on the sustainability initiatives of air carriers that serve the Canadian market and of Canada's two major railways.
- The committee decided to start work on the third white paper in its sustainability blueprint series.
   It will focus on the "G" governance in ESG. The first two reports in the series are available in the Resources section of CIFFA's website: A Sustainability Blueprint An Introductory Guide to Sustainability for CIFFA Members, published in June 2023, and Social Sustainability A Guide for CIFFA Members, published in September 2024.
- The **spring 2025 issue of The Forwarder magazine** will feature a number of sustainability-focused articles.

# **Technology Committee – Chair Marc Bibeau**

- The **committee hosted a webinar** on March 12, the first in a planned series of Al-focused sessions. Presenters were Matt Motsick, CEO of Rippey Al, a Colorado-based company that offers document management, email response bot and chatbot services, and Emily Stamm, Director of Customer Growth at Washington, D.C.-based Betty, a website search tool enabled by Al. Committee member Corey Bertsch, VP, Solutions at Newage Global served as moderator.
- Committee members are now **considering topics and speakers for a second webinar**, anticipated to take place in May.

If you are interested in participating on any of the national committees, please send your request to either <a href="mailto:admin@ciffa.com">admin@ciffa.com</a> or the Regional Chair for your area, whose contact details can be found in the <a href="Mailto:National Board of Directors listing">National Board of Directors listing</a> on the CIFFA website.