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## COMMENTS TO CBSA – MARINE PROGRAM REVIEW

June 21, 2024

We are writing on behalf of the Shipping Federation of Canada, which is the national voice of the owners, operators and agents of the ocean ships that carry Canada's international trade to and from ports around the world – and whose operations intersect with CBSA processes and requirements on a daily basis. We greatly appreciate this opportunity to provide comments on CBSA's internal review of its Marine Program, which we view as a long over-due and much-needed initiative.

This is particularly true in a context where marine has been significantly deprioritized on CBSA's agenda over the last decade - not only from a policy perspective, but also from a financial and human resource perspective, at a time when the volume of trade being loaded and unloaded at Canadian ports – and the consequent need for modern and efficient marine borders – has continued to grow. The impacts of marine's lack of priority on CBSA's agenda have reverberated throughout the supply chain, and have included insufficient operational flexibility to respond effectively to shocks and disruptions to the movement of trade; insufficient capacity to provide required service levels at ports across the country; and insufficient resources to support future trade growth opportunities at both a national and regional level.

Given the foregoing, we strongly support CBSA's initiative to review its Marine Program, which we view as a key step towards developing a commercial strategy that fully recognizes the marine mode's role as an enabler and essential element of Canada's international trade. The success of such a strategy will be contingent not only on modernizing the policy and regulatory framework for marine, but equally on rebuilding marine-specific capacity and expertise within CBSA's workforce (especially at the national level) and allocating the substantial budgetary resources that will be necessary to meet current infrastructure gaps and related needs.

As part of this review process, we offer the following comments and recommendations from an ocean shipping perspective:

### **CBSA's Organizational Structure**

We recommend that CBSA provide more clarity on its organizational structure as relates to the role of the Marine and Rail Division. More specifically:

- Where and how does this division fit within the Commercial and Trade Branch overall?
- What are its key areas of responsibility / oversight from a policy perspective?
- Will staffing levels for marine be increased (and will staff be provided with appropriate marine-awareness training)?
- How does the Marine and Rail Division's role intersect with that of the TCCP (Transporter and Cargo Control Program) and other divisions?

We also recommend that CBSA provide more clarity on the future role of the BCCC (and the BCCC Maritime Working Group in particular). This should include a frank discussion with industry on any constraints / concerns CBSA has on maintaining these forums going forward.

### **Priority Issues for the Marine Program**

We have provided below a list of the international shipping industry's key issues and concerns as relates to CBSA programs and processes, which we believe should be identified as priorities on the Marine Program's upcoming agenda. Please note that we have outlined these issues in broad strokes only for the purposes of this consultation, as we have already raised them with CBSA in various forums and meetings in the past.

- Ensuring that CBSA has adequate equipment and resources to efficiently handle the **anticipated growth in seaborne trade moving through Canadian ports** over the next decade, particularly as relates to:
  - o Growing demand for container exams (T2, Contrecoeur, etc., as well as existing five container ports in Vancouver, Prince Rupert, Montreal, Halifax and Saint John)
  - o Growing demand for containers to be unloaded at non-container ports in support of energy, industrial and regional development projects
  - o Growing demand for the issuance of sufferance warehouse licenses in support of business development opportunities (e.g. Picton, Hamilton, Valleyfield, Stewart)
- Clarification of CBSA's policy regarding **discharge of containers at non-container ports**:
  - o More specifically, under what circumstances can ships discharge containers at non-container ports without having to divert for radiation scanning first, and what is the process (and associated timelines) for obtaining pre-approval for such shipments when appropriate?
- Clarification of CBSA's policy regarding **provision of services at non designated ports**:
  - o More specifically, under what circumstances can ships discharge / load cargo at non-C/VESS ports and what kind of pre-notification / pre-approval is required to do so?
- Review of CBSA's **ASECC (Arctic Shipping Electronic Commercial Clearance) program**, with a view to transitioning this from "pilot" to permanent status.
- Development of a process to address **inconsistencies in policy interpretation / application** in the marine mode by individual CBSA officers or offices, and to reconcile regional inconsistencies with national policy objectives and requirements – which is another major element of ensuring trade chain fluidity in a complex regulatory environment.
- Implementation of a comprehensive effort to address ongoing **systemic issues related to reporting of ACI**. This includes review and revision of current timeframes for providing arrival messages (CACM), and minimizing the need for reporting "workarounds" by finding long-term solutions to system inadequacies.
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- Implementation of a systematic effort to **transition away from all paper-based reporting** in the marine mode (including clear timelines for achieving this).
- Development of a plan (with timelines) for moving to **a maritime single window reporting model in Canada**, as per the requirements of the IMO's Facilitation Convention. This will require CBSA to work closely with Transport Canada (both Marine Safety AND the Supply Chain Office) and the Coast Guard, in order to determine appropriate roles and responsibilities.

- Ensuring that CBSA has adequate equipment and resources to tackle the problem of **stolen vehicles moving through Canadian ports**, including the development of capacity to conduct examinations as close to the location of container stuffing as possible (i.e. at the warehouse / inland location).
- Firm commitment from CBSA to provide marine stakeholders with **advance notice** of any new or amended Customs Notices, changes or updates to existing policies, and new or more stringent approaches to enforcing current policies and requirements – as this is essential to maintaining trade efficiency and fluidity in an ever-changing regulatory environment.

For additional context and background on these recommendations, we would refer you to our submission to the Supply Chain Regulatory Review (copy of which is attached), which focuses almost exclusively on CBSA's role in supply chain operations and how this could be improved from a regulatory perspective.

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We trust that these comments will be given due consideration in CBSA's review of its Marine Program. As previously noted, we believe this review is a much-needed and long overdue initiative that is a necessary step in fully re-integrating marine into CBSA's future agenda. We thank you again for the opportunity to provide input and are available to provide any additional information as required.

Sincerely,



Karen Kancens  
Vice President  
SHIPPING FEDERATION OF CANADA