



RUSSELL A. FARROW LIMITED

CUSTOMS • LOGISTICS • SYSTEMS SOLUTIONS • GLOBAL SERVICE

e-Manifest Newsletter

Volume II

The Major Issues

This is the second in the series of articles that will keep you informed about eManifest, the next major program intended to govern the future of trade for Canada. Consultation with the major associations who represent importers, brokers, carriers and all partners involved in trade continues under the tight control of the Canada Border Service Agency (CBSA). Russell A. Farrow Limited, using our membership in primary trade associations, is hard at work ensuring the concerns of our clients are heard. This article will look at the major issues that currently plague Customs in their attempt to move forward with their vision of eManifest. While some issues appear to have been resolved, some industries are not in support of all the decisions the CBSA have put forward. Discussions continue on those points.

MANDATORY IMPORTER ADMISSIBILITY DATA TIME FRAMES

With the launch of the Customs Action Plan in 2000, CBSA stated its intention of mandating pre-arrival information from both importers and carriers. In 2005, the Advance Commercial Information (ACI) Initiative began implementing pre-arrival carrier requirements in the marine mode, followed by carrier requirements in the air mode. The eManifest Initiative will complete implementation, including additional carrier and importer requirements.

Customs have advised the following.

Pre-arrival Importer Advance Data (IAD) will be mandatory in all modes:

- Highway 1 hour Prior to Arrival (PTA)
- Rail 2 hours PTA
- Air 4 hours PTA or at wheels-up if less than 4 hours
- Marine 24 hours Prior to Load (PTL) and/or 24 hours PTA

If this information is not received within the prescribed timeframes, the shipment will not be permitted to move past the First Point of Arrival (FPOA) until all required information is received and risk assessed.

MANDATORY RELEASE AT FIRST POINT OF ARRIVAL IN CANADA

Customs have wanted to make it mandatory that all shipments must be cleared at the FPOA. From their perspective, the CBSA would be able to close inland clearance points, redeploy

staff and be more efficient overall. Since the proposed requirements for carrier and importer admissibility requirements are very close to the requirements for release they felt it made good sense to have freight cleared at the FPOA. Remember, importing requires goods to be first scrutinized to see if they are admissible (allowed or wanted in Canada) and then they must be processed through CBSA so they can be released into our commerce, followed by a final accounting where duties and taxes are paid.

From some importer's perspectives we suggest FPOA is not a good policy. There are many reasons why importers would oppose this policy, such as:

First is costs – payment of duties and taxes is triggered by the release date, which now occurs days to weeks after the arrival of a shipment. FPOA will reduce the time line between admissibility/release and final accounting.

Second is infrastructure changes will be required to support examination at FPOA (i.e., facilities, non-security exams at FPOA).

Third concerns warehouse operators, who have investments in operations away from the border. They will suffer loss of business and vacant properties.

Customs advised industry the following as their decision. The CBSA is not mandating release at the FPOA. Upon eManifest IAD implementation, importers/brokers will be able to continue to provide pre-arrival release information (i.e., PARS or similar service option) voluntarily and the CBSA will continue to encourage pre-arrival reporting by industry.

eManifest will require advance carrier information and IAD pre-arrival (at the FPOA). If this information is not received within the prescribed timeframes, the shipment will not be permitted to move past the FPOA until all required information is received and risk-assessed

Note to our clients. Russell A. Farrow Limited in the year 2000, knowing where Customs programs were headed, implemented processes insuring that our client's best interests were protected. Today we submit 98% of our releases electronically. The remaining 2% are not being submitted electronically due to Customs and Other Government Departments inability to accept the electronic data.

Other Contentious Issues

The following are issues that held back the progression of eManifest. Customs has rendered their decisions on each. They are as follows.

Trip Match Notification

Broker-Freight Forwarder Downloads

Amendments to Advance Commercial Information Post-Arrival

In bond movement

If you require further information on the above, please contact us at emaniifest@farrow.com

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