



# PIP PEP

PARTNERS IN PROTECTION

PARTENAIRES EN PROTECTION



## SPRING FROM WINTER NEWSLETTER MARCH 2010 EDITION



**WELCOME** to the Honourable Vic Toews, our Minister of Public Safety Canada who was appointed on January 19, 2010, from his former position as the President of the Treasury Board.

### Do you remember our Anniversary Edition Newsletter? Let's see how well...

- Which of the following are true statements from our best practices for business partners?
  - You should ask for references and/or make additional inquiries when doing business with a company new to you.
  - Confirm your customer's credit rating regularly. Due diligence includes checking the credit of your customer.
  - Never leave a loaded trailer in an unsecured yard.
- Can you fill in the missing component of the layers of security?
  - one way in and out
  - good secure gate
  - \_\_\_\_\_
  - proper positioning of cameras to record information that will assist in identifying culprits

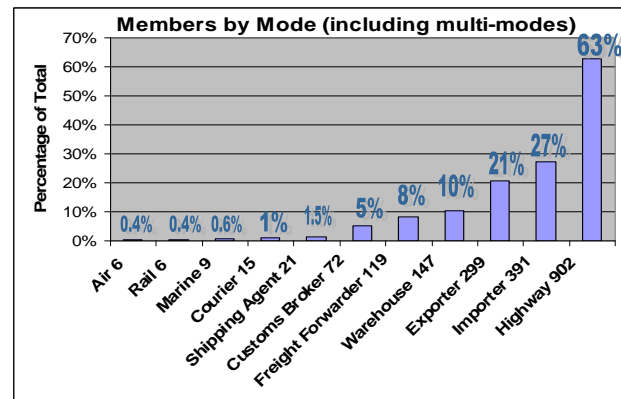
- What is the responsibility of the carrier if a seal is removed in-transit to the border, even by government officials as outlined in the [Cargo Sealing Guidelines](#)?

👉 Check your [answers](#) with those on the last page of this newsletter. 👉

### Membership

Prior to its modernization, the PIP program had 2,194 legacy members, making it the second largest supply chain security program worldwide. Since June 2008 more than 1,740 applications have been received, keeping PIP in second position.

Approximately 15% of applicants are new to the program and 73% are also Customs Trade Partnership Against Terrorism (C-TPAT) members. Highway carriers make up 63% of the PIP membership -- a substantial majority.



PIP now has 78 Associate members who receive current program information (such as this newsletter) and are included in consultations.

**March 31, 2010** -- PIP is on track for transitioning the few remaining legacy members to the modernized PIP program by this date.

### **Mutual Recognition Arrangements**

PIP is negotiating Mutual Recognition Arrangements (MRA) with similar Authorized Economic Operator programs (AEO) that follow the guidelines of the World Customs Organization.

- Singapore**
  - ◆ MRA terms agreed upon;
  - ◆ Signing to occur at the WCO in June 2010.
  
- South Korea**
  - ◆ MRA terms in negotiation;
  - ◆ Anticipate signing to occur at the WCO in June 2010.
  
- Japan**
  - ◆ Joint site validations in Tokyo Japan completed in February 2010;
  - ◆ Joint site validations scheduled in British Columbia Canada in March 2010;
  - ◆ Anticipate signing to occur at the WCO in June 2010.

### **PIP & C-TPAT Harmonization**

The MRA signed in June 2008 between Canada and the United States signifies that the PIP and C-TPAT programs have achieved compatibility. PIP and C-TPAT are now working towards harmonization: taking mutual recognition a step further and introducing a single application process.

On November 24, 2009, the Honourable Peter Van Loan, Minister of Public Safety stated:

*“Canada and United States have agreed to work toward aligning the U.S. Customs Trade Partnership Against Terrorism (C-TPAT) and Canada's Partners in Protection (PIP) program, in an effort to achieve harmonization as quickly as possible. These trusted shipper programs focus on improving the security of private sector supply chains and benefit shippers.”*

Secretary Janet Napolitano of the Department of Homeland Security supported this by adding, “. . . Our goal is to have the two programs aligned by the end of the calendar year 2010.”



### **One quick question...**

How did you find out about the PIP program?  
(select all that apply)

- PIP outreach to legacy members
- CBSA Web site
- Tradeshaw
- Association meeting/ conference (Please specify)
- Business Partner
- Word of mouth
- C-TPAT Supply Chain Security Specialist
- Publication (Please specify)

Other (please specify)

The first 100 to respond by **April 30, 2010**, will receive a small token of appreciation. 

## PIP Intelligence Officers

A round of applause for Nicole Beaulieu and Jeanne L'Heureux! These two Intelligence Officers of the Quebec Region are working with the Human Resources Department at **Bombardier Recreational Products Inc. (BRP)** to develop an in-house awareness session. With this guidance, BRP plans to deliver similar sessions and spread awareness of the PIP program amongst its employees.

Nathalie Plante, Customs Coordinator for BRP provided the following feedback:  
(Translation) *"Your valuable information and explanations concerning the PIP program met our needs."*

*Moreover, with the material provided, it goes without saying that human resources is now equipped to launch their communication plan to the employees . . .*

*BRP can hardly wait for your return and guidance on PIP. . ."*

**Congratulations to BRP!** This "train the trainer" approach by a member company is a first for the PIP program and, if successful, could be the model for future endeavors by other members.

## PIP Members Spring Into Action

PIP member **Polaris Transport** released a news bulletin to highway drivers warning them of the consequences of not complying with the law and the potential outcome on the company's membership in FAST and PIP. Mr. Dave Cox, Vice-President & COO of Polaris Transport, informed them that Polaris has a zero tolerance policy toward breaking the law and states in the bulletin, ". . . Failure by drivers to obey Customs Laws jeopardizes our membership in these programs and therefore places our ability to cross the border at great risk. If we can't cross the border, there will be no jobs for anyone." PIP commends Polaris on this proactive approach and for maintaining a high standard of supply chain security.

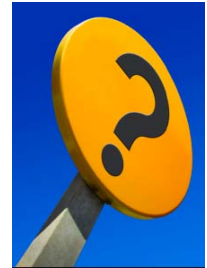
PIP member, **ABF Freight System Inc.** helped prevent a large amount of narcotics from reaching the streets. Thank you ABF for your hard work and dedication to supply chain security!

Kudos for spreading the news... PIP member **Yazaki North America, Inc.** posts the PIP newsletter on its "Americas Security Sharepoint site" for the entire company to read. The PIP team appreciates your support and the value you have for our program and newsletter.

**Do you have a PIP experience to share?** If you have feedback or a story to share please e-mail the PIP team at [PIP-PEP@cbsa-asfc.gc.ca](mailto:PIP-PEP@cbsa-asfc.gc.ca). @

## Do You Know?

- You should always notify your PIP Intelligence Officer (IO) of any security-related incident.
- Members who notify their IO are less likely to be inconvenienced by a surprise suspension or cancellation of membership.
- Your IO may be able to provide you with tips and advice on how to avoid future incidents.



👉 To get contact information for your IO, refer to the list on [Page 6](#). 📧

## Business Partners

PIP members are a vital link in the supply chain and are required to perform due diligence when it comes to business partners. This means checking out your business partners' reputation, security measures, etc. Have you contemplated that this may already be done if your business partners are members of:

- ◆ PIP;
- ◆ C-TPAT; or
- ◆ An equivalent AEO program that has a MRA with PIP?

When selecting business partners who are not a member of a trusted trader program, have you considered using the [PIP Security Profile](#) as a tool to develop your own questionnaire?

**Remember:** Taking actions to reduce or eliminate potential security risks is the responsibility of each member.

### Confused by the term business partner?

For the purposes of PIP, business partners include every company a PIP member/applicant is doing business with (in Canada or overseas) from the point of origin to the final destination. Business partners include manufacturers, product suppliers, cargo handling and storage facilities, warehouses, freight forwarders, shipping agents, sub-contracted carriers, etc.

### Best Practices

**REMEMBER**, there are companies out there that are not members of trusted trader programs but claim to be. Protect yourself!

- ❖ The CBSA publishes a list of [PIP members](#) on its Web site (Note: Only those members who have given permission to publish their names are listed).
- ❖ Ask for a copy of the documentation proving membership in the program(s) (e.g. membership certificate, notarized document).

**ALWAYS ASK FOR PROOF OF CREDENTIALS!**

### TIP OF THE SEASON

Use inexpensive signage to deter criminals. For example, it could be as simple as displaying a sign on the side of your truck advertising that your truck is equipped with a satellite tracking device.



**You can report any suspicious behavior confidentially to the Border Watch line, toll-free at any time in North America.**


**1-888-502-9060**



### Sealing Your Cargo -- PIP Member Responsibilities

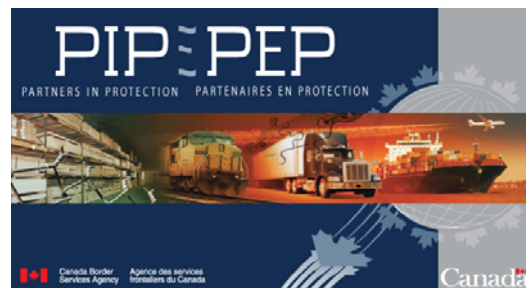
As a PIP member you must ensure the security and integrity of your cargo by adhering to well-defined targeted security measures. This includes the requirement to use high-security seals as outlined in the [Cargo Sealing Guidelines](#), the Security Profile and the World Customs Organization's Framework of Standards to Secure and Facilitate Global Trade.

- ☑ Ensure that a high-security seal is affixed to all containers crossing the border into Canada. Seals help to prevent and identify tampering.
- ☑ Some types of commercial loads/conveyances may not be suitable for high-security seals or padlocks. In these situations, PIP members must demonstrate that they use other effective methods to ensure the integrity of their cargo while it is in transit.

If you have a tip or best practice you would like to share with your fellow PIP members, e-mail it to your [Intelligence Officer](#) or the [PIP e-mail box](#) today. 

### PIP Identifier

For members asking for a PIP identifier (logo), the image below has been approved for your use.



## Don't Let This Be You!

In our last newsletter, we warned about loads that are taken right out of the yard as well as shipments that are picked up but not delivered. In the following excerpt from the article titled "Cargo Theft", published in the January 25, 2010 issue of [Security Directors News](#), author Leischen Stetler writes of one measure being taken to combat cargo theft.

*DECATUR, Ga.—While retail crime continues to have a devastating impact on retailers' bottom line with estimated losses of [\\$36.3 billion in 2008](#), it's not the only type of theft that impacts the price of goods. Theft that occurs before products even hit the shelves continues to be on the rise, and while the impact of this crime is not new, some say there's not enough being done to stop it.*

*"The bad guys know the money is rolling up and down the road and it's at rest and unattended a good bit of the time," said Keith Lewis, task force agent for the major theft unit of the Georgia Bureau of Investigation. "This is a very easy crime to commit and get away with and the punishment tends to be less and law enforcement does not understand the nature of this crime," he said. Those caught stealing*

*cargo are often prosecuted for property crime, which results in a much lesser sentence.*

*Law enforcement often considers cargo theft to be a "victimless" crime, giving it a backseat to other crimes, and isn't treated with the sense of urgency that is often required to retrieve the stolen goods, said Lewis. Coupled with the fact that the crime rarely occurs in the same county of even state as the company shipping or receiving the goods, this means that business owners rarely have the contact with law enforcement that would give this crime priority.*

*In order to improve the communication between law enforcement and private business, Lewis has also been collaborating in the development of [CargoNet](#), a single broadcast alert network specifically targeted at combating cargo theft. "What we don't have is a national broadcast system. We have many different broadcast alert systems, but not one central point of communication," Lewis said. "This is the only database that's going to be for national property crimes and we're breaking new ground. . . ."*

To read the entire article visit:

<http://www.securitydirectornews.com/?p=article&id=sd201001TRglZn>

## Hot off the presses!

### PIP Security Awareness DVD version 2.0

Featuring:

- Improved navigation, contents and graphics
- Technical improvements
- New "Focus on Security" section
  - Highway Carriers
  - Office Staff (including Information Technology)
  - Marine & Rail Carriers
  - Directors & Management
- Audio-visual presentations
  - 17 Point Inspection – highway carrier, bumper to bumper
  - 7 Point Inspection – to verify physical security of container
- High Security Seals
- Updated video- "Don't be the weakest link"
- Printable resources

## Contact Information

E-mail: [PIP-PEP@cbsa-asfc.gc.ca](mailto:PIP-PEP@cbsa-asfc.gc.ca)

**Border Watch** toll-free line: 1-888-502-9060. Report any suspicious cross-border activity confidentially.

## PIP Intelligence Officers

### Pacific Region

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PIP's Web site is loaded with information.

Find out more at

<http://www.cbsa-asfc.gc.ca/security-securite/pip-pep/menu-eng.html>



### Quiz Responses from page 1

1. The first two statements are true
2. Employee checks
3. If a seal is removed in-transit to the border, even by government officials, it is the responsibility of the carrier to replace the seal and document the particulars, including the new seal number, on all pertinent cargo documentation. The carrier will not be required to re-seal loads examined by the CBSA if a border services officer has applied a CBSA-supplied, high-security seal after an examination. For more information, check out the [Cargo Sealing Guidelines for PIP Members](#).

If you would like to receive a copy of the  
Anniversary Edition Newsletter Fall 2009  
E-mail us at [PIP-PEP@cbsa-asfc.gc.ca](mailto:PIP-PEP@cbsa-asfc.gc.ca).

