

## **Regulatory Review e-Bulletin**

### *The Reporting of Exported Goods Regulations*

#### ***Introduction***

The first phase of consultations for the revision of export regulations is well under way and Export Process (EP) has met with a number of stakeholders in the recent months. We would like to take this opportunity to provide you with a summary of our progress to date. We will be providing regular updates to keep everyone informed of where we are in the process as well as any issues that arise during the consultations.

#### ***Meetings to Date***

EP began introductory consultations in late March 2009, meeting with the Canadian Courier and Logistics Association (CCLA) in Toronto. The introduction to the regulatory review has continued through September with meetings in Montreal, Toronto, Winnipeg, Calgary and Vancouver.

To date, EP has met with the following groups:

- Canadian Courier and Logistics Association (CCLA)
- Shipping Federation of Canada
- Canadian International Freight Forwarders Association (CIFFA)
- BC Chamber of Shipping
- Canadian Association of Importers and Exporters (IE Canada)
- Air Cargo Carriers
- Statistics Canada
- Canadian National Railway (CN)
- Canadian Pacific Railway (CP)
- Canadian Wheat Board (CWB)
- Canadian Society of Customs Brokers (CSCB)
- Canada Post
- Foreign Affairs and International Trade Canada (DFAIT)

In the next few months, Export Process hopes to meet with the following stakeholders:

- Canada Revenue Agency
- Export Development Canada
- Transport Canada
- Fisheries and Oceans Canada
- US Customs and Border Patrol

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**Stakeholder Position on Key Issues**

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The purpose of these meetings has been to collect information and understand the position of each group on each of the key issues. Overall, Export Process has been successful in achieving this goal. The following is a summary of what we've learned from meetings with the groups mentioned above:

**Mandatory Electronic Reporting**

There was wide support for the implementation of mandatory electronic reporting for exports. However there were some concerns about the associated costs of implementing a new system. A number of groups have recommended that CBSA standardize export reporting (use one method instead of four). Also, having different formats for proofs of report is confusing and can lead to copying/keying errors. Stakeholders would prefer to see one proof of report format. Groups also recommended that CBSA provide a flexible implementation window to allow adjustment to the new system. Finally, it is critical that any new system include 2-way communication.

**Definition of Exporter**

Overall, there was no objection to removing the reference to a business number from the definition of exporter. However, all groups stressed that specific responsibilities and liabilities must be clearly defined.

**Summary Reporting Program (SRP)**

The majority of groups do not have a problem with tightening the criteria for the SRP and automating the process. Exporters have expressed concern that the program may be terminated, but currently, there are no plans to do that.

The possibility of a summary-type reporting program exclusive to the export of vehicles is also being discussed.

**Reporting Time frames**

Generally, groups agreed that any changes in the reporting time frames would have a great impact on their business and could result in congestion at the terminals and/or increased storage costs.

Several groups advised that increasing exporter reporting time frames in the air mode would negatively impact the air carrier and exporter business since the primary incentive for shipping by air is speed.

The marine carrier industry indicated that any change in the cargo reporting time frames must be preceded by a requirement that marine carriers report cargo electronically via ACI.

Air cargo carriers agreed that 2 hours prior to departure could work as a minimum time frame for cargo reporting, as long as a fully electronic system for reporting cargo was implemented.

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## ***Emerging Issues***

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### **1. Clarity of terms and requirements**

Requirements need to be more clearly identified, particularly in relation to voluntary disclosures and reporting exceptions (NDRs). Various terms also need to be better defined and synchronized with other CBSA programs or other government department legislation. Specifically, stakeholders raised concerns about the following terms: country of origin; value; shipper/exporter; and consignee/ultimate consignee/end-user.

### **2. Continuity with the import side**

Export processes, requirements, and information should mirror import as much as possible, and leverage existing infrastructure and systems where possible.

### **3. Alignment with other legislation and programs**

Stakeholders would like to see some export advantage to PIP/C-TPAT membership as well as alignment with US requirements and joint outreach from CBSA and USCBP. There is also concern about duplicate requirements under Transport Canada's Air Cargo Security (ACS) Initiative.

### **4. Timing / location of export examinations**

There are concerns about the cost / delays associated with export examinations. Stakeholders were particularly concerned about examinations of consolidated containers. Costs and delays are incurred to all of the shipments in the container; not just the one being examined. In addition to huge delays, export exams are causing discrepancies with seals at import. Sometimes there are penalties on import because seal numbers are different.

There is also concern about how long it takes the CBSA to review a declaration in CAED before deciding to examine goods.

## 5. Consistency across the ports

Cargo reporting requirements and processes are inconsistent at different ports across the country. Some ports accept a CD of the necessary information and other still require paper.

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### ***Wrap Up***

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We would like to thank everyone for their time and participation during these consultations. We have received invaluable feedback, which will be incorporated into the draft discussion paper and circulated back to you for approval. The information we collect at these meetings helps us better understand your respective industries, and will be beneficial while preparing the proposal for changes to the Regulations. If you have questions or concerns, please do not hesitate to contact us.

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