

## **CANADA POST'S NATIONWIDE STRIKE & LOCKOUT**

The Canadian Union of Postal Workers (CUPW) began a nationwide strike, on November 15, 2024. Negotiations with the Crown corporation failed to reach an agreement by November 15<sup>th</sup>. Canada Post then issued a lockout notice hours later to CUPW, that the collective agreements would no longer apply unless agreements were reached. Canada Post is warning that Canadians will face delays in receiving their mail, and postage already in the system will not be delivered, with a few exceptions.

Global News Canada

As our next Newsletter (December 2024 In Review) will not be released until after the holidays, on behalf of our Team, I would like to thank all of our clients, for their continued support in 2024 and I wish you all a very Merry Christmas and a wonderful New Year.

Sylvia Beck, Inside Sales

## **IN REVIEW | NOVEMBER 2024**

#### **MARINE**

## November 1 | "Canada Faces Port Strikes on East and West Coasts"

Canada is facing the real threat of strikes on its west and east coasts.

Employers at British Columbia's ports say they have received a 72-hour strike notice from the union representing about 700 foremen in an ongoing labour dispute.

The B.C. Maritime Employers Association (BCMEA) said yesterday that if the International Longshore and Warehouse Union (ILWU) Local 514 takes strike action, it would begin on Monday at 8 am.

Frank Morena, president of ILWU Local 514, said in the statement that the union told the employers association it would enact an overtime ban and refuse to implement tech change starting Monday unless a new collective agreement is reached by then.

"We are prepared to resume negotiations immediately," he added.

The two sides had been negotiating with the help of a federal mediator over three days this week to avoid the latest work stoppage

Meanwhile, unionized workers started an unlimited strike at two terminals at the port of Montreal on Thursday amid stalled talks on a new labour contract.

The strike affects two terminals operated by Termont, which handle about 40% of the port's container traffic but only about 15% of the port's overall volumes. *Source: Splash 247.com* 

**Update November 4:** The BC Maritime Employers Association (BCMEA) has published the following bargaining update;

The ILWU Local 514 has issued a 72-hour strike notice against all BCMEA ports, commencing Monday, November 4th at 08:00 Pacific Time.

Accordingly, the BCMEA has issued a formal notice of its intention to defensively lock out all ILWU Local 514 members on Monday, November 4<sup>th</sup> at 09:00 am PT. Should it be required, this coastwide lockout will shut down all cargo operations of BCMEA Member companies across the province. It will not affect long shoring operations on grain vessels or cruise operations.

As a result, CN will be suspending all international intermodal capacity at our inland terminals (including CSX & NS interchange traffic from Ohio Valley) on Monday, November 4<sup>th</sup>, 2024, for exports destined for Prince Rupert, Robbank, Centerm, Vanterm, and Fraser Surrey Docks. This will help with a safe & orderly shutdown of trains destined for BC ports. **Source: CN Customer News** 

**Update November 6:** Disruption continues across Canadian Ports as rail embargoes are announced. Carriers must weigh up whether their ships wait at anchorage or turn around.

<u>Montreal</u>: Affecting container terminals operated by Termont, with no indication of when the strike might end. Rail operations at both Cast and Racine facilities are suspended until further notice. Some carriers are imposing detention and demurrage charges.

**Montreal Update November 11:** Canada's Maritime Employers Association (MEA) has imposed a lockout of striking employees at the port of Montreal after its "final" offer to the dockworkers was rejected.

<u>Vancouver and Prince Rupert</u>: Impacts all container terminals and shuts down vessel, rail, and truck operations. A coastwide lockout will also remain in effect until further notice. There is no timeframe for when the situation may be resolved and carriers face the tough decision to wait, re-route, or turn back. CPKC (Canadian Pacific Kansas City) advised that export loads and pre-billed empties destined for the port of Vancouver would not be accepted, but non-billed marine empties were still being accepted. CN (Canadian National Railway) has suspended all international intermodal capacity at its inland terminals for exports destined for Prince Rupert, Roberts Bank, Centerm, Vanterm, and Fraser Surrey Docks. *Source: The Loadstar* 

<u>Montreal & BC Port Strike Update November 11:</u> Ottawa Moves to End Port Strikes, Orders Binding Arbitration. Labour Minister Steven MacKinnon is intervening to end the work stoppages at ports in British Columbia and Montreal.

The minister said Tuesday negotiations reached an impasse, and he is directing the Canada Industrial Relations Board to order the resumption of all operations at the ports and move the talks to binding arbitration.

He said the work stoppages at the ports of British Columbia and the Port of Montreal are significantly impacting supply chains, thousands of jobs, and Canada's reputation as a reliable trading partner. Source: Vancouver Sun

Read the full article here.

<u>Montreal & BC Port Strike Update November 15:</u> In line with this, maintenance operations in Prince Rupert resumed Rail Operations on November 14th (16:30 shift), followed by Vessel Operations, Truck Gate & Rail on November 15th. Vancouver has also resumed Truck, Gate & Rail service on November 15th. Fraser-Surrey resumes Truck Gates Open and Container Vessel Operations on November 15th, with Rail Operations resuming Sunday, November 17th, 16:30 shift.

At Montreal, operations are expected to resume Saturday, November 16, 2024 (0:700). Source: FCL Fisker – Newsflash released on Nov 15, 2024.

<u>Montreal & BC Port Strike Update November 19:</u> Operations have resumed at strike-hit ports across Canada, but the work stoppage has resulted in a huge backlog of containers and shippers likely to face a new wave of detention and demurrage (D&D) charges. *Source: The Loadstar* 

## November 4 | "Port of Valencia Slowly Gets Back to Work after Floods From Rainstorms"

Valencia Port is limping back to cargo activity after it was forced to halt operations after severe rainstorms that lashed the country's south-eastern region last week.

The devastation from what was said to be the severest flash-flooding in Europe over the past five decades is reported to have claimed some 100 lives.

Container lines have reported work resumption at Valencia on a "restricted scale," as multiple landside challenges persist. Due to widespread damage to infrastructure systems, road closures continued to be reported, keeping truck flow at a standstill or seriously disrupted. **Source: The Loadstar** 

## November 5 | "Typhoon Kong-Ray Creates Congestion at Shanghai, Ningbo and Kaohsiung"

Asian container ports Shanghai, Ningbo, and Kaohsiung are working through congestion after Typhoon Kong-Rey blew through last week. Kong-rey, which made landfall in Taiwan on Thursday, was the strongest typhoon to lash Taiwan since 1996.

According to EconDB, Kaohsiung, the island's main container port, is experiencing 100% delays for all incoming box ships, which amount to 69 over the next seven days. Dwelling time stands at five days for transhipments and six days for exports resulting in elevated vessel queues in the Taiwan Straits and Shanghai/Ningbo area.

The backlog is expected to be cleared in the coming days with some delays expected. Vessel departures from Shanghai have been badly disrupted at the end of last week due to severe weather conditions, with more schedule sliding expected this week. **Source: The Loadstar** 

#### November 25 | "Indian Shippers Brace for Port Strikes Over 'Promises Not Kept'

Indian shippers fear major supply chain disruptions after dockworkers called for strikes at key ports, claiming the government has failed to meet commitments. A consortium of labour groups told port authorities workers would stage indefinite work stoppages across ports from 17 December in protest at the lack of action to address long-standing concerns. **Source: The Loadstar** 

## **AIR**

## November 20 | "Vancouver Airport Closes Runway After Cargojet's Amazon Flight Skids Off Tarmac"

Vancouver International Airport (YVR) has been forced to close its North Runway after an aircraft operated on behalf of Amazon's Prime Air skidded off the tarmac.

The Cargojet B767 overran the runway's eastern boundary in the early hours of yesterday (19 November) morning, local time, with reports circulating that the plane's nose gear collapsed as a consequence. The airport has suggested operations may be suspended for up to 48 hours.

In an update issued earlier today, YVR stated: "The North Runway remains closed due to an aircraft incident. This closure will have an impact on YVR operations and flight schedules. Source: The Loadstar

## November 26 | "Hong Kong Airport Celebrates as 'Landmark' Three-Runway System Takes Off"

Hong Kong International Airport, yesterday, celebrated the launch of its much-awaited three-runway system and new airport centre, which will increase the airport's cargo handling capacity.

The three-runway system increases cargo capacity to 10m tonnes annually, and 120m passengers. The project included the expansion of Terminal 2, reconfiguration of the centre runway, and installation of infrastructure and systems. **Source: The Loadstar** 

## ROAD / RAIL

#### November 12 | "Canadian Union of Postal Workers Gives 72-Hour Strike Notice"

The Canadian Union of Postal Workers has given a 72-hour strike notice, meaning that as of Friday November 15, 2024, Canada Post employees will be in a position to begin job action. For more information: Access Here Source: CSCA

#### November 28 | "Truck Driver Shortage in Europe at Crisis Level – Set to Get Worse"

Europe's road freight industry continues to suffer from a crippling driver shortage crisis, with around half a million vacancies.

According to the International Road Transport Union's (IRU) annual driver shortage analysis, driver vacancies in Europe represent around 12% of all positions, and were broadly the same last year, largely due to depressed economic activity. However, Natalia Corchado, strategic planning, and business specialist at the IRU, said the situation was likely to get worse next year. A Steer2EU workshop is scheduled to take place in Brussels to discuss the status of the project. **Source: The Loadstar** 

#### **CUSTOMS**

# November 7 | "Importers of Carbon Steel (GIP80) and Specialty Steel Products (GIP81) Mandatory Country of Melt and Pour Data Has Come Into Force November 5, 2024"

Importers of certain Carbon Steel and Specialty Steel Products that fall under the General Import Permit 80 & 81 are now required to report to Global Affairs, the Country of Melt and Pour (COM) at the time of their shipment release request to the CBSA via Single Window IID.

HOC remits this information on your behalf based on the information provided on the customs paperwork, provided at the border for release via the carrier.

HOC urges importers to contact their suppliers to ensure that the COM data is provided in the customs documentation, and that clear instructions are provided to carriers to include Mill Test Certificates so that accurate trade data is submitted at the time of release.

If the COM is not clearly identified on the customs paperwork, HOC will utilize the Country of Origin as well as the Country of Melt and Pour. HOC will notify clients when this has occurred. If the Country of Melt and Pour differs from the Country of Origin you will be required to voluntarily notify Global Affairs directly regarding the error in data.

#### FAQs on Country of Melt and Pour (COM)

#### What is the country of melt and Pour?

Generally, COM is the original location where raw steel is first produced in a steel-making furnace in a liquid state and then poured into its first solid shape. The COM may be different from the country of origin and this information is usually available on a mill test certificate.

#### What tariffs are covered under COM requirements?

Goods imported under GIP 80 and 81 are listed below. The COM would be required unless the HTS is in the exemption list (see next question)

<u>Carbon steel commodity listing</u> (GIP 80) Specialty steel commodity listing (GIP 81)

#### Are there exemptions for providing COM information?

The following are the exemptions:

- Total value of the steel products covered under GIP No. 80 and 81 have a total value that does not exceed CAD 5000.00
- Certain Finished Steel Products are exempted a comprehensive list of HS codes exempt from the COM requirement has been published <u>here</u> for reference
- · CSA Importers are exempt from providing COM

#### What if the importer cannot confirm COM?

The importer will be required, starting November 5th, to report COM for all applicable steel goods. Importers will have to retain documentation containing COM information as a term and condition of using GIPs No. 80 and 81. The required information should be obtained prior to importing goods to Canada. If unknown, this information could be directly retrieved from the supplier or manufacturer of the goods.

#### What are the penalties for the submission of inaccurate data for COM?

Failure to cite the required GIP or not complying with the terms and conditions (including COM information) of the Permits may lead to the levying of penalties by the Canada Border Services Agency (CBSA) under the Administrative Monetary Penalty System, which authorizes the CBSA to assess monetary penalties for non-compliance with customs legislative, regulatory and program requirements. Importers may also face prosecution under the EIPA for contravening a provision of the Act or its regulations (section 19). Compliance is monitored by the CBSA and Global Affairs Canada.

#### If there are penalties, will there be a grace period implemented?

A grace period was already implemented during phase one of the COM regulations. In phase one, beginning on February 21<sup>st</sup>, 2024, importers had the option to provide COM information to the CBSA when completing their customs declaration through the SW IID.

The second phase starting November 5<sup>th</sup>, will introduce regulations requiring importers to report COM data as a condition of using GIP No. 80 and 81.

For further information on the Administrative Monetary Penalty System (AMPS), please consult <u>Memorandum D22-1-1</u> or contact the CBSA directly.

Non-existent field for COM on the CBSA CAD document for correction/adjustment? What is the mechanism, if any, to correct COM data submitted?

Indeed, there is not currently a field for COM in the CAD form for correction. If the incorrect COM is declared, it is possible for importers to make an adjustment to the COM field in the SW IID prior to the release of the goods. However, if the COM error is discovered after the release of the goods, you can directly contact our team at <a href="mailto:steel-acier@international.gc.ca">steel-acier@international.gc.ca</a>.

#### Links:

Notice to Importers Serial NO. 1133

Country of Melt and Pour Updates

Source: HOC Global Solutions

## **Register for CARM Client Portal Webinars**

Registration is required for these webinars. Please register using the link that corresponds to your preferred date/time.

#### Registering Your Small /Medium Business on the CARM Client Portal

This updated webinar continues to educate our small and medium businesses about registering in the CARM portal and the Release-Prior-Payment Program. It now includes useful registration troubleshooting tips and an extended Q&A period.

## Webinar Registration – Registering Your Small /Medium Business on the CARM Client Portal

•	English	Wednesday, December 11th, 2024	1:00pm – 2:30pm ET <u>Register</u>
•	French	Thursday, December 12th, 2024	1:00pm – 2:30pm ET <u>Register</u>

A reminder that you can continue to access important CARM support materials on the <u>CARM Client</u> <u>Portal Onboarding Documentation</u> section.

Please send any questions and comments to:

CBSA.CARM\_Engagement-Engagement\_de\_la\_GCRA.ASFC@cbsa-asfc.gc.ca. Source: CSCB

## November 13 | Customs Notice 24-32: China Surtax Order (2024) – Electric Vehicles

See below the key sections of the Customs Notice (CN 24-32):

- 6. Effective October 1st, 2024, Chinese-made EVs, including electric and hybrid passenger automobiles, trucks, buses, and delivery vans are subject to a surtax in the amount of 100% of the value for duty in accordance with the China Surtax Order (2024) and sections 47 to 55 of the Customs Act. Schedule 1 of the China Surtax Order (2024) contains a complete list of goods subject to the surtax. This surtax will apply in addition to the Most-Favoured Nation import tariff of 6.1 percent that currently applies to EVs produced in China and imported into Canada.
- 7. The surtax will only apply to goods that originate in China, which shall be considered as those goods eligible to be marked as goods of China, in accordance with the Determination of Country of Origin for the Purposes of Marking Goods (Non-CUSMA Countries) Regulations.
- 8. The surtax will apply to commercial and personal importations of goods, even when shipped to Canada from a country other than China.

Further details are outlined in <u>CN 24-32</u>, including proof of origin, surtax accounting, examples, and exceptions.

Source: CBSA

## November 13 | "Customs Notice 24-36: China Surtax Order (2024) - Steel and Aluminum

See below key sections of the Customs Notice (CN 24-32):

- 5. Effective October 22, 2024, steel and aluminum goods produced in China are subject to a surtax in the amount of 25% of the value for duty in accordance with the China Surtax Order (2024) and sections 47 to 55 of the Customs Act. Schedule 2 of the China Surtax Order (2024) contains a complete list of goods subject to the surtax.
- 6. The surtax will only apply to goods that originate in China, which shall be considered as those goods eligible to be marked as goods of China, in accordance with the Determination of Country of Origin for the Purposes of Marking Goods (Non-CUSMA Countries) Regulations.
- 7. The surtax will apply to commercial and personal importations of goods, even when shipped to Canada from a country other than China.

Further details are outlined in <u>CN 24-36</u>, including proof of origin, surtax accounting, examples, and exceptions.

Source: CBSA

## November 14 | CARM: Did you know? Limited Series, Issue #1

CBSA has created a CARM newsletter, the first in a limited series, to help small and medium businesses navigate the changes that have been implemented.

The newsletter document can be accessed here:

<u>Useful links contained in the newsletter:</u>

- Memorandum D17-5-2: Financial Security for Release Prior to Payment
- Full library of CARM-related D-memos
- How-to User Guides and CARM Release 3 Playbook
- User Guide Post financial security for Release Prior to Payment privileges
- User Guide View your Release Prior to Payment financial security information
- Client Support Contact form
- Subscribe to future newsletters:
   CBSA.CARM Engagement-Engagement de la GCRA.ASFC@cbsa-asfc.gc.ca

Source: CSCB

#### November 15 | Supply Chains Act Bulletin – Fall 2024

Public Safety Canada has issued their Fall 2024 Supply Chains Act Bulletin to provide information about the annual reporting process under the Supply Chains Act (formerly Bill S-211).

Public Safety Canada has published updates to its reporting guidance, to clarify requirements and improve the submission process. The updated guidance to help you prepare for the next reporting cycle can be accessed <u>here</u>.

Updates to the guidance seek to clarify key aspects of the reporting process and address several stakeholder concerns and challenges, including:

How to determine if an organization has reporting obligations under the Act

- Additional clarity on the meaning of 'goods', and how the Act applies to intangibles such as insurance plans and products, electricity services, intellectual property, and software services
- Additional clarity on the meaning of 'very minor dealings'
- Characteristics of a compliant report
- Purpose of completing the online questionnaire
- How to avoid common errors from the previous reporting period
- Clarity for public organizations such as provincial and municipal governments and publicly funded universities and hospitals who were incorrectly filing reports as 'government institutions'
- Additional clarity around purchases made using acquisition cards when determining the scope of their reporting obligation

Public Safety Canada will be holding information sessions in January 2025 to provide an overview of the reporting process and updates to the guidance. Please follow the link to <u>register here</u>. **Source**: **CSCB** 

#### November 20 | "CARM Client Portal Bulletins"

The CBSA has provided Bulletins, accessible from the CARM Client Portal home page, which provides useful information such as:

- Scheduled Outages and CARM Client Support Helpdesk Holiday Table
- CARM Client Portal Known/Resolved Issues
- Concerns with e-mail registration for multi-factor authentication
- Additional User Guides to be published in the Onboarding Documentation section soon

Link to view CCP Bulletins here. Source: CBSA

## November 20 | Highlights of the 2024 WCO Technology Conference

Thursday, November 14<sup>th</sup>, 2024, marked the end of the three-day WCO Technology Conference and Exhibition held in Rio de Janeiro, Brazil under the theme "Digital Frontiers: Customs Embracing Innovation with Traditional and New Partners".

During the Conference sessions there was an acknowledgment of the need for reshaped and reimagined Customs processes, the potential of emerging technologies and data analytics to revolutionize the work of Customs, and the progress already made in this regard. The deliberations confirmed the value and absolute need for multi-stakeholder engagement, as big and increasingly complex problems can best be solved through collective wisdom, resources, and action.

Read the full article here Source: WCO

## November 21 | New report examines how artificial intelligence may shape the future of international trade

A new report published by the WTO Secretariat discusses the potential impact of artificial intelligence (AI) on world trade. The report examines key trade-related policy considerations raised by this technology and discusses the critical role of the WTO in facilitating AI-related trade, ensuring trustworthy AI, and promoting global regulatory convergence. The report was launched at an event at the WTO attended by representatives from government, academia, and the private sector.

Access the full report here. Source: WTO

## November 21 | "Prime Minister's Office Announces Two Month GST break on select goods"

As noted in this press release from the Prime Minister.

For the period of December 14, 2024 - February 15, 2025, Canadians will benefit from a GST/HST exemption in place for the following items:

- Prepared foods, including vegetable trays, pre-made meals and salads, and sandwiches.
- Restaurant meals, whether dine-in, takeout, or delivery.
- Snacks, including chips, candy, and granola bars.
- Beer, wine, cider, and pre-mixed alcoholic beverages below 7 percent ABV.
- Children's clothing and footwear, car seats, and diapers.
- Children's toys, such as board games, dolls, and video game consoles.
- Books, print newspapers, and puzzles for all ages.
- Christmas trees.

Detailed information from Finance Canada can be found here. Further details to follow from CBSA.

Source: CSCB



For inquiries about Customs News Articles contact:

<u>Customs@fisker.ca</u>

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