

A MESSAGE FROM ANDERS FISKER, CEO & PRESIDENT

We are entering 2023 excited to celebrate our 40th Anniversary this coming April, with great optimism.

Over the last five years, we have gone through significant changes: We have made substantial investments in our people, further developed our business in all Global Transportation and Logistics, acquired some of the best talents in the industry for our growing Team and invested in our systems. We are grateful to all of our Team Members for their services, supporting our clients and partners, with dedication and enthusiasm.

On November 5th, 2022, we moved from 4,000 sqft to our new 8,000 sqft office in order to better provide you with our services, including but not limited to: International Freight Forwarding, Customs and Compliance, Warehousing + Distribution and door to door to and from all points globally.

We have expanded our Asia Division and are operating our own Airfreight, FCL + LCL Services, to and from all points in Asia. This has produced significant growth for us in the past two years.

Recently, we have established a new Special Project Division, handled part and full charter vessels, for example, organising the loading of our Charter vessel in Contrecour, PQ with the Pennecon mobilization equipment for the airport development in Qaqortoq, Greenland last Fall.

We are presently expanding our Customs Brokerage business with increased activity in Compliance, Sustainability and Consulting.

We are fully committed to our relationships and look forward to continuing to provide our personalized services to you. We wish to thank all of our clients and partners for your loyalty and support that enables all of our companies to enjoy success and growth.

The 2023 Chinese year of the Rabbit gives us hope that this will mean Good Luck and Happiness for all.

Wishing you the very best for a prosperous 2023!

Anders Fisker, CEO & President

IN REVIEW | JANUARY 2023

MARINE

January 4 | "Chance that Container Ship Arrives on Time is Still a Coin Toss."

A year ago, fear was a big driver of the supply chain crunch: fear that goods wouldn't arrive on time, stoked by headlines warning that shipping delays could "cancel Christmas." It became a vicious cycle. The threat of delays caused importers to max out orders and bring them forward, causing more delays.

Importers ordered too much in late 2021, and to avoid another holiday scramble, they shipped in seasonal goods early in 2022. This front-loading alleviated pressure on the supply chain in the second half of the year.

Container shipping schedules have become more reliable in light of lower volumes, so importers have less to fear from ocean shipping delays. But despite progress, the supply chain is still not back to where it was pre-COVID.

Sea-Intelligence's "Global Liner Performance" report found that 56.6% of services arrived on time in November – the highest reliability percentage since August 2020. It's a big improvement from January last year, when reliability cratered at just 30.4%. Yet the on-time rate is still just above a coin toss and remains well below the 2018-2019 average of 74%.

Read more in an article from FreightWaves. Source: CIFFA

January 6 | "Lithium-Ion Battery Transport Causing More Catastrophic Transport Events."

The increasing demand for electric-powered vehicles and devices is posing a risk for transportation. There are numerous challenges facing the transport industry. The consequences of battery failure and the resultant thermal runaway must be clearly understood and the correct procedures for handling them adhered to throughout their lifespan. The dangers can exist no matter the status of the battery – charged, simi-charged, used, second-hand or scrap – and whether present in devices and vehicles or packaged separately. **Source: CIFFA**

January 10 | "Spring Thaw 2023"

Please prepare for the Spring Thaw period this year to begin on March 15th, 2023, and last through to the end of May 2023. **Source: FCL Fisker**

January 12 | "Spring Thaw 2023"

The Vancouver Fraser Port Authority has issued an <u>update on its short sea shipping project</u> that provides an overview of the work, including recent efforts to explore short sea shipping in the Vancouver gateway and some planned next steps. **Source: CIFFA**

ROAD / RAIL

January 12 | "GCT Canada: New process for Empty Returns at Vancouver Terminals"

Effective January 16, all empty receiving at GCT Deltaport and GCT Vanterm will be secured by appointment via GCT Canada's online appointment system. This will replace bulk appointments (i.e., mass creates), and Excel documents will no longer be required by Operations Support.

Empty-return reservations will be available only after volume quotas have been set between the ocean carrier and GCT Canada. Trucking companies are asked to strictly follow the volumes advised to them by the ocean carriers.

Trucking companies attempting to secure empty return reservations that have not been approved by the terminal will receive the following error message: Err: The Line Op has not been approved for this shift.

This new process should help streamline the movement of empties to GCT terminals and allow trucking companies to increase velocity of empties through the terminal.

CN Brampton Intermodal Terminal Update

CN's implementation of the Smart Terminal operating system at its Brampton Intermodal Terminal took place on January 8th as scheduled.

As planned, the terminal gates were closed to truck traffic during the implementation and reopened after 1900 hours on Sunday. The terminal has since resumed normal operation and is in the process of catching up from the downtime and the previous two days' ramp-up period.

In order to maintain fluidity and assist in clearing up any backlog of traffic and congestion at the facility, CN will be adjusting capacity in certain Brampton origin lanes as it continues to ramp up to full productivity.

Customers will be able to review capacity adjustments through CN's reservation system at www.cn.ca
Source: CIFFA

January 17 | "Trains, Buses and Trucks: How 2023 Could Be Pivotal for Hydrogen Technology in Canada"

As the Canadian Pacific Railway locomotive moves along the tracks in Calgary, something is clearly amiss.

It's the typical size and look that you'd expect, but what's absent is the low rumbling noise of the diesel engine.

Instead, this locomotive is powered by hydrogen fuel cell and battery technology as part of a trial by the railway to explore whether the low-emission vehicles are strong enough and reliable enough to potentially one day revolutionize operations at the company.

Over the last several years, there has been an increased focus on the potential for hydrogen to decarbonize many industries and help countries reach their climate goals, while revamping energy systems along the way.

The next 12 months will be critical, experts say, in understanding whether that vision could plausibly become a reality in the near future or remain part of the imagination for decades to come. **Source: CIFFA**

Read more in an article from CBC News

January 17 | "UK Train Conductors to Strike Again at the Start of February."

Train drivers across the UK will strike again at the start of next month after rejecting the latest pay offer from rail companies.

The Aslef union said Tuesday its members would walk out on February 1 and 3 in a move likely to bring the network to a standstill.

Read more in an <u>article from the American Journal of Transportation</u>

January 19 | "CP Intermodal Train Derails in Saskatchewan"

Canadian Pacific crews are currently responding to an incident near Chaplin, Saskatchewan, where some 95 containers were derailed from an intermodal freight train.

The containers were loaded on 47 intermodal platform cars. Some of the containers are still intact on the platform cars, while others were scattered and some torn open.

There were no reports of any injuries and none of the containers were carrying any hazardous cargo.

Read more in an article from WorldCargo News

CUSTOMS

January 6 | "Publication of Directive D-98-08"

On January 5th, 2023, the Canadian Food Inspection Agency (CFIA) published the revised directive <u>D-98-08 Entry requirements for wood packaging material into Canada</u> following a public consultation in February 2022. In April 2021, the CFIA announced that a new shipborne dunnage program would be implemented, which is outlined in risk management document <u>RMD 20-02</u>.

The directive, including the new shipborne dunnage program, will be fully applicable as of July 6th, 2023. For more information regarding the application of that directive, please consult with a <u>local CFIA</u> office. Source: CSCB

January 11 | "CBSA Trade Verification Priorities January 2023"

The CBSA has released the January 2023 Trade Compliance Verification priorities.

There are currently no verification priorities under Origin, however the CBSA has included a reminder that Belarus and Russia origin goods are assessed at the General Tariff rate of duty and are not entitled to the Most-Favoured-Nation (MFN) preferential rates of duty. **Source: CSCB**

Tariff verification priorities are:

- Spent fowl Harmonized System Number(s): Headings 02.07, 16.01 and 16.02
- LED lamps Harmonized System Number(s): Heading 85.39
- Furniture for non-domestic purposes Harmonized System Number(s): Headings 94.01 and 94.03

- Batteries Harmonized System Number(s): Heading 85.06
- Footwear (\$30 or more per pair) Harmonized System Number(s): Heading 64.03
- Parts of lamps Harmonized System Number(s): Heading 94.05
- Cell phone cases Harmonized System Number(s): Headings 39.26, 42.02 and 85.17
- Pickled vegetables Harmonized System Number(s): Heading 20.01
- Gloves Harmonized System Number(s): Headings 39.26 and 42.03
- Bags -Harmonized System Number(s): Heading 42.02
- Other mountings and fittings, suitable for furniture -Harmonized System Number(s): Heading 83.02
- Air heaters and hot air distributors- Harmonized System Number(s): Heading 73.22
- Flashlights and miners' safety lamps Harmonized System Number(s): Heading 85.13
- Parts of machines and mechanical appliances Harmonized System Number(s): Heading 84.79
- Bicycle Parts Harmonized System Number(s): Heading 87.14
- Parts for Use with Machinery of Chapter 84 Harmonized System Number(s): Heading 84.31
- Indicator Panels and Light-Emitting Diodes (LED) Harmonized System Number(s): Heading 85.31 and 84.41
- Safety Headgear (Round 5) Harmonized System Number(s): Subheading 6506.10
- Disposable and Protective Gloves (Round 5) Harmonized System Number(s): Subheadings 3926.20 and 4015.19

Valuation priorities are:

• Apparel - Harmonized System Number(s): Chapters 61 and 62, with an emphasis on assists

All details are available on the CBSA website

January 11 | "New Requirement on Plywood Starting on January 2023 – Requires Validation"

Starting January 7, 2023, the new <u>Formaldehyde Emissions from Composite Wood Products Regulations</u> (CANFER) prohibit the sale, offer for sale, or import of composite wood products that release formaldehyde at levels that exceed the <u>regulatory</u> emission limits. **Source: CSCB**

CANFER is intended to help reduce formaldehyde exposure in indoor air and the risk of adverse health impacts associated with this exposure. Formaldehyde is a colourless gas that is emitted from certain household products and building materials such as the following composite wood products:

- Particleboard
- Medium Density Fibreboard (MDF) and thin MDF
- Hardwood Plywood
- Laminated Products

Your organization is responsible for determining if its products are subject to CANFER and of ensuring compliance with all the requirements such as emission testing, certification, labelling, and record keeping.

For more information

• For more comprehensive information, a <u>Guidance document</u> highlights certain sections of CANFER to provide additional explanation

^{*}Note: finished goods made with these composite wood products may also emit formaldehyde.

• General information on formaldehyde can be found on the <u>Health Canada webpage</u> dedicated to this substance

Contact Us

- For general inquiries, please contact Health Canada at: formaldehyde@hc-sc.gc.ca
- Reports, data and contact information must be submitted to ECCC at: formaldehyde@ec.gc.ca

January 18 | "Canada Updated Sanctions listed for Iran, Sri Lanka."

The following were published in <u>the Canada Gazette</u>, <u>Part II</u>, <u>Volume 157</u>, <u>Number 2</u> on January 18, 2023: **Source: CSCB**

- Special Economic Measures (Iran) Regulations Regulations Amending the Special Economic Measures Act
- <u>Special Economic Measures (Sri Lanka) Permit Authorization Order Special Economic Measures</u>
 Act
- Special Economic Measures (Sri Lanka) Regulations Special Economic Measures Act
- <u>Special Economic Measures (Sri Lanka) Regulations Regulations Amending the Special Economic Measures Act</u>

January 18 | "CARM Engagement"

CBSA's CARM webinars, materials and recordings are now available on the <u>CARM Google Drive</u> (in the folder: CARM Release 1 Documents / Documents de la version 1 de la GCRA and then Release 1 webinars / webinaires de la version 1).

If you are not already on CBSA's distribution list for CARM communications, please email CARM Engagement team confirm you would like to be added:

Email: CBSA.CARM Engagement-Engagement de la GCRA.ASFC@cbsa-asfc.gc.ca

A reminder that the <u>CARM Client Portal</u> is now live! Additional support materials are now available in our <u>Onboarding Documentation</u> section of the portal.

Another set of monthly webinars will focus on the key changes to understand and prepare prior to Release 2 of the CARM Client Portal. Registration is required for these webinars. Please register using the link that corresponds to your preferred date/time.

Webinar Registration – What You Need to Know with CARM Release 2 Webinar			
English	Tuesday, February 28th, 2023	1:00pm – 2:30pm EST	<u>Register</u>
	Wednesday, March 29th, 2023	1:00pm – 2:30pm EST	<u>Register</u>
French	Tuesday, February 28th, 2023	3:00pm - 4:30pm EST	<u>Register</u>
	Wednesday, March 29th, 2023	3:00pm - 4:30pm EST	<u>Register</u>

If you need support, please contact the CARM Client Support Helpdesk by web form (https://www.cbsa-asfc.gc.ca/contact/csform-formulairesc-eng.html) or telephone (1-800-461-9999, Menu option #2)

January 25 | "Disappointing that U.S. pressing ahead with duties on Canadian softwood lumber: Ng."

Canada's international trade minister says the United States appears to be pressing ahead with what she calls "unjustified" duties on softwood lumber imports. Mary Ng says the anti-dumping and countervailing duties the U.S. imposes on Canadian softwood lumber are little more than a tax on American consumers. A raft of documents filed today by the U.S. Department of Commerce, just the latest in a series of reviews of the dispute, indicates the anti-dumping and countervailing duties aren't going away.

"With these preliminary results, the U.S. Department of Commerce has indicated its intention to maintain its unjustified duties on imports of Canadian softwood lumber," Ng said in a statement Tuesday. "Canada remains ready and willing to find solutions that allow for a return to predictable cross-border trade in softwood lumber. We are confident that a negotiated solution to this long-standing issue is in the best interests of both our countries."

The U.S. wants Canada to address the provincial stumpage fee regime that American producers have long complained gives producers north of the border an unfair advantage -- the core issue in a dispute that has persisted for decades. Ottawa, however, insists that such a fundamental change to the way a key Crown resource is managed is not on the table. Lumber-producing provinces set stumpage fees for timber harvested from Crown land -- a system that U.S. producers, forced to pay market rates, say amounts to an unfair subsidy. Full Article Source: CSCB

January 25 | "Canada and United States announce new NEXUS interview option to expand enrolment capacity."

The Canada Border Services Agency (CBSA) and U.S. Customs and Border Protection (CBP) are moving forward with a new option to increase the enrolment capacity for new and renewing NEXUS members. The binational NEXUS program benefits communities on both sides of the Canada-U.S. border by supporting economic growth and trade, reducing border congestion, and expediting the crossing of low-risk, pre-approved travellers.

Earlier this month, the Honourable Marco Mendicino, Minister of Public Safety, and Alejandro N. Mayorkas, Secretary of Homeland Security, <u>announced measures</u> that expand the program's capacity and enrol the thousands of travellers who request NEXUS memberships each month.

This new enrolment option for air travellers should be available by Spring 2023. It will include CBSA interviews at reopened airport enrolment centres in Canada and separate CBP interviews at <u>Canadian</u> airport preclearance locations for applicants departing for the United States.

This new process has two steps:

- The process begins with the Canadian portion of the NEXUS interview conducted by CBSA officers at Canadian airport enrolment centres. Applicants must book an appointment online for this step.
- The U.S. portion of the NEXUS interview will be conducted by CBP officers in the preclearance area of a Canadian airport before the applicant departs for the United States. Applicants will not need to schedule appointments for the U.S. interview but are encouraged to build in time to their travel plans to allow for this interview to take place before their departure. The CBP interview can occur only after the CBSA portion of the interview has been completed and the information has been shared with CBP.

This new process is in addition to the existing option for applicants to schedule joint interviews with CBP and CBSA officers at land border enrolment centres in the United States.

This new measure builds on others introduced by CBP and CBSA in 2022 to provide travellers with more options to obtain or renew their membership:

- Existing members who renew their membership prior to the expiry date will have their benefits extended for up to five years to allow for the scheduling and completion of interviews, as required (if they have not been auto-renewed).
- A new split interview process at two land ports of entry where the Canadian interview is conducted at the Canadian enrolment centre and the U.S. interview completed at the corresponding U.S. enrolment centre located just across the border. This process is currently available at the Lansdowne, Ontario (Thousand Islands) and Fort Erie, Ontario (Peace Bridge) enrolment centres and we are looking to expand to additional sites.
- A new NEXUS enrolment centre in Ogdensburg, New York, with CBSA and CBP officers conducting joint interviews.
- Increased interview appointments at enrolment centres in the United States through expanded staffing and enrolment activities.

These efforts are working. Since October 1, 2022, CBP and CBSA have completed over 200,000 NEXUS enrolments and reduced the net inventory of applicants by approximately 100,000 from its peak in summer 2022. Full Article Source: CSCB

January 25 | "The CBSA marks International Customs Day 2023 and its upcoming 20th anniversary."

On January 26, the Canada Border Services Agency (CBSA) will join other customs agencies around the world in marking <u>International Customs Day</u>. Each year, the World Customs Organization adopts a new theme. This year's theme is "nurturing the next generation by promoting a culture of knowledge-sharing and professional pride in customs", one that resonates well with the CBSA, as we move into celebrating our 20th year anniversary this year.

We embrace a culture of knowledge and information sharing, and value our key domestic and international partnerships. After all, border management is a shared global responsibility. The threats and opportunities arising from migration and digitization, that we and our partners face, are dealt with most effectively by working together. Read the <u>Full Article</u> here.

January 31 | "Latest Update for Importers and Brokers of Organic Products"

The import and admissibility requirements for all the end uses of organic Seed products from chapters 07, 09, 10 and 12 were incorporated into CFIA's <u>Automated Import Reference System (AIRS)</u>, in January 2023, as per Part13 of the <u>Safe Food for Canadians Regulations</u>.

The new other government department (OGD) codes will differentiate organic products from conventional products. It is the responsibility of the importer to familiarize themselves with the new codes in AIRS and comply with the import requirements.

If you have any questions, please contact the Canada Organic Regime team at:

Email: OPR-RPB@inspection.gc.ca. Source: CSCB

January 31 | "Canadian Sanctions Related to Myanmar - Updated."

On January 27, 2023, which marks the two-year anniversary of the Myanmar coup, an additional six (6) individuals and a prohibition on the export, sale, supply or shipment of aviation fuel to Myanmar were added to the Schedule in the Regulations.

These additions come in response to reports of worsening armed conflict, increased use of aerial attacks against civilians and civilian objects, in contravention of international humanitarian law. They also respond to deeply concerning reports of serious violations of international human rights law by the military regime.

Targeted individuals are senior figures in the Myanmar military responsible for such international humanitarian and human rights law violations. These sanctions were announced in coordination with the United Kingdom and the United States. Canada continues to monitor the situation closely and will review the need for further sanctions as appropriate. Access Link for More Information

Source: CSCB

Customs News Articles contact:
Christina Fisker, VP Customs & Compliance: christina@fisker.ca

You are receiving this newsletter as a client of FCL Fisker. To manage your subscription, please reply to sylvia@fisker.ca