

Spring is Here!

We finally made it to Spring. Hoping everyone had a pleasant and warm winter. As a reminder, the Spring Thaw is still in place until the end of May 2023 and restrictions on heavy loads will remain in place.

Sylvia Beck, Inside Sales

On March 20, 2023, FCL Fisker released a NEWSFLASH to all clients regarding the social situation in France. With more protests in the streets due to the Government's decision to change the legal retirement age, two main ports were impacted: Le Havre and Fos/Marseille, as well as the rail network, and the road traffic with the potential for shortage of gas.

Our colleagues in France advised of us of the port closures for three days, with no operations on the 21st, 22nd, and 23rd of March 2023. Detention and demurrage will be incurred at the ports.

Sylvia Beck, Inside Sales

IN REVIEW | MARCH 2023

MARINE

March 2 | "Decarbonizing Shipping Could add \$2000-\$3000 per Container."

Ocean carriers should focus on transitioning from fossil fuels to decarbonized green fuels but expect an added cost of between US\$2,000 and US\$3,000 per 40-foot container, warned Jeremy Nixon, CEO of Ocean Network Express (ONE).

Nixon said an international regulation or carbon tax will be needed so that all ocean carriers make the investment together and not allow for some carriers to opt out, continuing to operate with cheaper fossil fuels that will allow them to undercut decarbonized ocean carriers.

Nixon explained the process by which the adoption of green fuels would add to the cost of a 40-foot container. Access the full article to review. Full Article. Source: CIFFA

March 2 | "Finland's Port Strike Enters Third Week with More Strikes Planned."

Finland is facing the prospect of widening labour strikes as the work stoppage in the ports entered its third week on Wednesday. Dockworkers and port employees walked off their jobs on February 15 demanding wage increases that kept pace with inflation as well as work rule changes.

The strike has brought a halt to most of Finland's import and export business. According to the government, approximately 90 percent of the country's trade goes by sea. The other main trade route historically was by train across the eastern border to Russia, but that has largely been suspended for a year since the invasion of Ukraine.

March 15 | "Containers Outbound from Montreal Undergoing extra CBSA Scrutiny."

The Canada Border Services Agency (CBSA) has stepped up inspections of export containers leaving the Port of Montreal.

In a note to customers, Maersk said that, as of March 1, CBSA increased the number of export exams in Montreal. Containers are being referred to the Entrepôts Lafrance examination facility for a full destuffing and exam.

The customs agency is stepping up the inspections to try to intercept increased stolen property and contraband being exported from Canada.

Maersk said customers should expect delays if an export container is selected for a full destuffing and inspection.

Import containers are not impacted. Read more in an <u>article from Inside Logistics</u> Source: CIFFA

March 15 | "Five Shipping Bodies Join Forces in Bid to make Transport of Lithium-ion Batteries Safer."

Five shipping bodies have joined forces to create common action on important safety issues, with the carriage of lithium-ion batteries high up on the agenda. The five organisations say they will take advantage of unified information and data sources to bring greater awareness and understanding of issues with the goal of producing preventative output. Containership fires are high on the list, with fire and explosion as the number one cause of marine insurance losses due to lithium-ion batters not stored, handled, or transported correctly.

Recently, serious, and sometimes catastrophic incidents involving lithium-ion batteries have become more commonplace, with fires reported in all modes of transport – ocean, air, and land — as well as in warehouses and where such consignments are at rest. **Source: Splash247.com**

March 23 | "Shippers Advised to give Strike-Hit Port of Hamburg a Miss."

Workers in trade unions, in the port of Hamburg, began a strike on Mar 22, 2023 @ 5:30pm. Authorities are warning that further strikes are possible and are advising shippers with critical cargo to consider routing freight through other Ports. Seven containerships at anchor in the North Sea are waiting at the mouth of the Elbe, with a further eight vessels at berths. **Source: The Loadstar**

March 23 | "European Union Confirms World's First Green Shipping Fuels Law."

The European Union (EU) passed the world's first green transportation fuel law, according to which vessels will be required to use more sustainable fuels, with at least 2% of the bloc's shipping fuels will need to come from e-fuels derived from renewable electricity by 2034 at the latest.

With negotiations at the International Maritime Organization (IMO) running, the European Federation for Transport and Environment, commonly referred to as Transport & Environment (T&E) believes this signals the beginning of the end for dirty shipping fuels and should become a motivation for other countries around the globe.

March 23 | "Government of Quebec backs Montreal Port's Expansion in Contrecour."

The Montreal Port Authority announced the additional financial support of US\$75 million granted to its Contrecoeur expansion project by the Government of Quebec.

This expansion is part of the 2023-2024 budget unveiled by Canada's Minister of Finance, Éric Girard.

"The Government of Quebec's support is a concrete gesture to support local businesses with a more efficient, more sustainable and more resilient supply chain," said Martin Imbleau, president, and CEO of the Montreal Port Authority.

The expansion project aims to increase container handling capacity, while capitalizing on the ecosystem of 6,000 transportation and logistics companies and the existing critical mass in Greater Montreal. **Source: Container News**

March 28 | "CIFFA Letter Regarding Canada's West Coast Ports Labour Negotiations."

CIFFA has written to several government ministers to draw attention to the ongoing labour negotiations at Canada's West Coast ports. The BCMEA and ILWU are negotiating two coastwide collective agreements on behalf of the Longshore Locals and Local 514 Ship & Dock Foremen.

CIFFA's members regard this situation as potentially one of the most significant impacts on Canada's economy, with the potential to create very significant disruptions, which would undoubtedly increase consumer costs, fueling additional inflation, and severely impact businesses relying on imports of equipment or exports of products.

CIFFA urged government to do everything in its power to ensure this bargaining process is well-supported and that the government is proactive and swift in taking action to protect Canadian business and consumers. Even the mere threat of a labour disruption will undermine the economic and social well-being of Canada. Read the letter here Source: CIFFA

ROAD / RAIL

March 7 | "CN Workers Back Union Strike Mandate as Contract Talks for 3,000 Employees Continue."

CN workers backed a strike vote with negotiations set to resume on a contract for around 3,000 Canadian employees.

Unifor announced Sunday that workers with Local 100 are 98 percent in favour of a strike, while those with Council 4000 voted 97 percent to back job action.

The union says the two sides are in the final stages of negotiations, with another round of talks set for next week. Read more in an <u>article from Global News</u>. **Source: CIFFA**

UPDATE: March 21: Tentative collective agreements have been reached. Source: CN Customer News

CUSTOMS

March 9 | "WCO: News Magazine"

The World Customs Organization has published their latest edition of the WCO News Magazine and it can be accessed at: https://mag.wcoomd.org/latest. Source: WCO

News

March 10 | "CARM Experience Simulation (CES) Update"

Sprint 1 of the CES began on February 27th and will conclude on March 24th.

The initial report on this first series of simulations has not been positive with several deficiencies being reported i.e., issues with the accuracy of the calculations generated by the CARM system; the delayed resolution of tickets issued to the CARM Client Help Desk; and unresolved deep cycle testing issues.

The CES is set to conclude in June 2023, by which time the CBSA will determine the feasibility of an October 2023 implementation date for CARM Release 2 based on the outcome of the simulations. Source: CSCB: Canadian Society of Customs Brokers

March 13 | "Canada Bans Russian Aluminum and Steel Imports."

The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance, announced that Canada is banning the import of Russian aluminum and steel products.

Through regulatory amendments under the Special Economic Measures (Russia) Regulations, the importation of all Russian aluminum products, such as unwrought aluminum, aluminum sheets, and finished products including containers and other household items made from aluminum, is now prohibited. Also banned are all primary Russian steel products, including iron and non-alloy steel, semi-finished, and finished products such as tubes and pipes.

This ban will further deny Russia the ability to generate the revenues it needs to pay for its war against Ukraine. Canada continues to work alongside its partners and allies to hold Russia accountable. <u>Full</u> Article. Source: CSCB: Canadian Society of Customs Brokers

March 15 | "Plastics Dialogue Participants Brainstorm on MC13 Outcomes, Welcome US Co-Sponsorship"

Next year's 13th Ministerial Conference (MC13) presents an opportunity for the WTO to deliver concrete, pragmatic, and effective outcomes to reduce plastics pollution and address environmental concerns, according to participants in the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade at a meeting on 13 March. The attendees had their first focused discussion on the structure of MC13 outcomes and welcomed the United States as a new co-sponsor of the initiative. News Item. Source: WTO

March 17 | "Japan: Export Inspection for Bark on Logs Effective Mar 15, 2023"

Japan has implemented a requirement for all shipments of bark on logs to be accompanied by a phytosanitary certificate effective August 5, 2023. To avoid any trade disruption, the Canadian Food Inspection Agency (CFIA) will inspect export shipments of bark on logs destined to Japan and issue phytosanitary certificates for these consignments starting May 15th, 2023, at the request of exporters.

A phytosanitary certificate certifies that the bark on logs:

- have been inspected according to appropriate procedures.
- conform with the current phytosanitary regulations of the importing country.

Inspection Agency (CFIA) will inspect export shipments of bark on logs destined to Japan and issue phytosanitary certificates for these consignments starting May 15th, 2023, at the request of exporters.

A phytosanitary certificate certifies that the bark on logs:

- have been inspected according to appropriate procedures
- conform with the current phytosanitary regulations of the importing country.

The CFIA must inspect all export shipments of bark on logs destined to Japan before issuing a phytosanitary certificate.

A phytosanitary certificate will not be required for sawn wood (lumber) and de-barked logs.

The Canadian Visual Inspection Program (CVIP) for the export of logs to Japan is an alternative certification method. The program is based on the CFIA's <u>Integrated Agency Inspection Model</u>, which relies on a systems based approach to meet certification requirements. The program will be available in British Columbia prior to Japan's effective date as trade data shows that almost all logs exported to Japan originate from BC. As a condition of the CVIP, applicants are required to develop, implement, and maintain a preventive control plan. The plan must outline the control measures to comply with the export phytosanitary requirements.

If you plan to export bark on logs to Japan, please contact your <u>local CFIA office</u> for specific details on the export phytosanitary requirements, to arrange for export inspection and phytosanitary certification, and if applicable, for additional information on the Canadian Visual Inspection Program.

Application for Export Inspection and Phytosanitary Certification Source: CSCB

March 21 | "Canadian Businesses Should Prepare for New Mandatory Reporting on Supply Chains and Forced Labour"

Parliament is close to finalizing a new law that requires businesses to report annually on their supply chains and on forced labour.

Because of the new law, private-sector entities as well as government institutions will be required to file public reports on measures they have taken to prevent and reduce the risk of forced labour or child labour in their supply chains. The bill in question, S-211, Fighting Against Forced Labour and Child Labour in Supply Chains Act, has moved to its final stage in the House of Commons and is expected to come into effect on January 1, 2024, with a first report due in May 2024. Read more in an <u>article from McMillan LLP</u>. Source: CIFFA

March 21 | "CBSA to Re-Open all NEXUS Airport Enrolment Centres"

The CBSA and U.S. Customs and Border Protection (CBP) are delivering on their commitment to reopen all NEXUS enrolment centres in Canadian airports by Spring 2023. This will both expand the program's capacity and help the thousands of travellers who request NEXUS memberships each month get their cards faster.

Beginning today, travellers can book interviews at the following airports, with interview start dates listed as follows:

- March 27
 - Halifax Stanfield International Airport (YHZ)
 - Winnipeg James Armstrong Richardson International Airport (YWG)
- April 3
 - Vancouver International Airport (YVR)
- April 12
 - Calgary International Airport (YYC)
 - Edmonton International Airport (YEG)
- April 17
 - Montreal-Trudeau International Airport (YUL)
- April 24
 - Toronto Pearson International Airport (YYZ)
 - Ottawa Macdonald-Cartier International Airport (YOW)

This new enrolment option for air travellers has two steps. Canadian airport enrolment centres will be staffed with CBSA officers who will complete the Canadian portion of the NEXUS interview, and the U.S. interviews are completed by CBP at Canadian airport preclearance locations when applicants depart Canada to fly to the U.S. Conditionally-approved NEXUS applicants and renewing members who require an interview will be able to book the Canadian portion of their interview at one of these airports through the Trusted Traveller Programs scheduler as interview times become available.

Applicants can now choose from among three options for their NEXUS interviews:

- 1. A joint U.S. Canada interview at a land enrolment centre (14 locations) in the U.S.
- 2. A split interview at a Canadian land enrolment centre (2 locations) followed by an interview at a U.S. land enrolment centre (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 at the port of entry).
- 3. A two-step interview at a Canadian airport enrolment centre (8 locations), followed by an interview at a U.S. preclearance location in a Canadian airport.

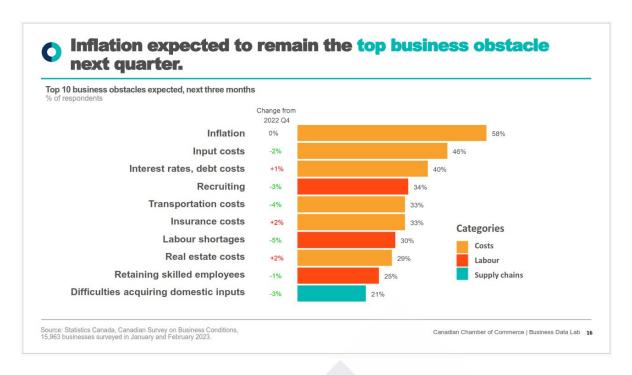
Existing members who renew their membership prior to the expiry date will have their benefits extended for up to five years to allow for the scheduling and completion of interviews, as required (if they have not been auto-renewed).

These efforts are working. Since October 1, 2022, CBSA and CBP have completed over 300,000 NEXUS enrolments and reduced the net inventory of applicants by approximately 130,000 from its peak in summer 2022. Full Details Source: CSCB

March 23 | "Canadian Survey on Business Conditions Report (Q1 2023)"

The global economy is normalizing, but the situation is still not normal due to adjusting several major shocks, including the pandemic, Russia's war, and higher interest rates as central banks battle inflation.

Statistics Canada's latest Canadian Survey on Business Conditions (CSBC) shows that costs and labour issues remain the biggest near-term obstacles for Canadian companies.



The full report has been attached to our email for your review and the report presents analysis of the CSBC conducted by the Canadian Chamber of Commerce Business Data Lab. For any questions, and/or comments you are invited to submit them to Stephen Tapp, Chief Economist: Stapp@Chamber.ca. Source: BDL (Business Data Lab at Canadian Chamber of Commerce)

March 27 | "Canadian Sanctions Related to Iran - Updated"

On March 23, 2023, Canada further amended the Special Economic Measures (Iran) Regulations to list an additional eight individuals and two entities in relation to Iran's gross and systematic violations of human rights and ongoing grave breach of international peace and security. Access Full Article Source: CSCB

March 27 | "The CBSA is Resuming Regular Hours of Service at 42 Ports of Entry Across Canada"

Today, the Honourable Marco Mendicino, Minister of Public Safety, announced that as of 12:01 am (ET), March 31, 2023, the Canada Border Services Agency (CBSA) is reinstating pre-pandemic operational hours of service at 39 land and three air ports of entry (POE). This includes the seasonal reopening of the Chief Mountain POE and the re-opening of the Bloomfield POE following infrastructure work.

This announcement will help facilitate travel across Canada at land and air ports of entry. Impacted POEs by province. **Source: CSCB**

- Alberta: 4 land POEs and 1 airport
- British Columbia: 3 land POEs
- Manitoba: 13 land POEs and 1 airport
- New Brunswick: 3 land POEs
- Quebec:7 land POEs
- Saskatchewan: 9 land POEs and 1 airport

For the full details and updated hours: Access The Link

March 27 | "Annual Adjustment of CFIA Service Fees"

The Canadian Food Inspection Agency (CFIA) adjusts its service fees annually based on the Consumer Price Index in accordance with the Service Fees Act. This requirement ensures that the CFIA's service fees keep pace with inflation.

The next annual adjustment will result in an increase of the service fees by 3.4% as of March 31, 2023.

This fee increase reflects the rise in prices during the period from April 1, 2021, to March 31, 2022.

For more information: Adjusting service fees for inflation Source: CFIA

March 3 | "Britain Set to Join Trans-Pacific Trade Pact"

Britain is set to join a massive trade bloc that will likely speed up negotiations on a bilateral deal between Ottawa and London.

The countries of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) have given the U.K. a green light to become the 12th country in the trading bloc, and the only one outside the Pacific Rim.

"It's a good day," International Trade Minister Mary Ng said in an interview. "We have always been supportive of the U.K., right from Day 1."

Ng said Canada was the first member of the bloc to push for Britain to be included, though Japan has been facilitating the U.K.'s accession process, and London and Ottawa have sparred over allowing more beef exports to Britain.

"We share values. We have interoperability in many of our sectors. We essentially have collaborated throughout our history," Ng said.

Since the deal launched four years ago, Ng said it has boosted Canadian exports to the bloc by nearly one-fifth, and by as much as 40 per cent in Southeast Asia.

"If you look at countries like Vietnam, it just jumps out at you," she said. "It's a good agreement but having the United Kingdom in there helps us do something else — on the net-zero industries of the future."

British and Canadian officials said the move should speed up negotiations for a bilateral deal between the two countries, since they've already established common ground on issues such as labour rights and supporting small businesses through the Pacific deal.

The Pacific deal has also sorted out some technical issues, which have reportedly included food-sanitation standards.

Ottawa and London have been operating under an interim trade deal since the U.K. left the European Union, but that post-Brexit deal expires next year.

Trade between Canada and the U.K. was worth more than \$41 billion over the 12 months ending last September, according to the High Commission.

This is an excerpt from the 30 March 2023 <u>CBC News Article, Britain set to join trans-Pacific trade pact.</u>

Source: CSCB

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

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