

CARM RELEASE 2 LAUNCH RESCHEDULED

On May 1, 2024, we released a Newsflash Bulletin to all our clients on the postponement of the CARM Release 2 Launch to external clients. We will continue to monitor and update our clients as more information becomes available. Registration of business is extremely important and you can register on the CARM Client Portal: <https://ccp-pcc.cbsa-asfc.cloud-nuage.canada.ca/en/homepage>. Should you have any questions, please contact our experts at CARM@fisker.ca.

PEAK SEASON 2024

The general guideline for ocean container peak season in 2024 will be from June to October. Importers and exporters should plan accordingly to optimize their supply chain operations during this busy time. Ensure your shipping needs are being met and speak with an FCL Fisker Customs & Logistics associate in advance.

Sylvia Beck, Inside Sales

IN REVIEW | MAY 2024

MARINE

May 2 | “Indian Trade Disrupted as Port Congestion Forces Liner Services to Skip Calls”

Container lines are wrestling with growing service reliability challenges on connections out of India – the longer journey around southern Africa and congestion problems at hub ports en-route, particularly Jebel Ali, have taken a toll on their operations.

CMA CGM and MSC have announced port call changes on several Indian services to help schedule recovery, sparking serious concerns for shippers and forwarders. *Source: CIFFA / The Loadstar*

May 2 | “Maersk Warns Red Sea Impact Widens, Creating Capacity Constraints and Costs”

The largest container carriers are warning customers of increased disruptions and costs after the Houthis widened their attacks further into the Indian Ocean and have threatened to further expand the attacks. Both Maersk and Hapag-Lloyd said they will be further diverting ships, with Maersk raising its surcharges as it warns of increased costs and capacity constraints.

“The effects of the situation in the Red Sea are widening and continue to cause industry-wide disruptions,” Maersk wrote in a May 6 customer advisory. “The complexity of the situation in the Red Sea has intensified over the last few months...The risk zone has expanded, and the attacks are reaching further offshore.”

Maersk is reporting that bottlenecks and vessel bunching as well as delays and equipment and capacity shortages are developing. They report using 40 percent more fuel per journey while saying that charter rates are currently three times higher, often fixed for five years. Read more in an [article from The Maritime Executive](#). *Source: CIFFA*

May 21 | “Mounting Container Shortages Creating ‘TOTAL HAVOC’”

Containers out of northern China are becoming increasingly hard to get hold of, report forwarders. A surprisingly strong market, plus lower vessel capacity due to the Red Sea crisis, is creating a shortage of both ships and containers. *Source: CIFFA / The Loadstar*

May 24 | “Box Spot Rates ‘Entering Pandemic-level Territory’”

Remarkable increases throughout May have pushed box shipping back towards the all-time highs of the Covid era earlier this decade. Partly due to Red Sea rerouting and healthy demand trends in several geographies have prompted an early start to peak season volumes. Congestion remains moderate at the moment, though that may change as shippers/retailers scramble to book availability. Another factor leading to the surge has been bad weather at Chinese ports this month. *Source: Splash 247.com*

May 24 | “Port of Prince Rupert Receives Funding to Build Export Logistics Hub”

The Canada Infrastructure Bank (CIB) has reached financial close on a \$150 million loan to the Prince Rupert Port Authority (PRPA) for the first phase of a project to build CANXPORT. The new export logistics hub will expand capacity and capabilities for rail-to-container transloading of multiple export products at the Port of Prince Rupert.

Work has already begun to prepare for the new facility, located a short distance from Fairview Container Terminal.

The facility will enable the containerization of bulk commodities with room to expand and diversify to handle additional cargoes in the future. The project's scale, unit train capabilities and integration into existing container terminal operations are expected to facilitate substantial opportunities to exporters that enhance container supply chains and ways to reach international markets. The hub's initial annual capacity will be 400,000 twenty-foot equivalent units.

Read more in a [press release from the PRPA](#). *Source: CIFFA*

May 28 | “Port Operations in Bangladesh and India Suspended as Cyclone Remal Hits”

Services at Chittagong were suspended for 54 hours until noon today, while operations in West Bengali ports were closed for more than 12 hours after Cyclone Remal pounded coasts. The suspensions have caused congestion and delays, which will take some time to iron out. *Source: The Loadstar*

May 28 | “Box Ships Omitting Singapore Call as Port Congestion Hits Critical Level”

Congestion in Singapore, the world's second-busiest container port, has reached a critical level, compounding the shortage of ships and containers. And port congestion globally is worsening and has tied up 2m teu of ships, nearly 7% of the fleet, which is lending support to carrier rate hikes.

The bottlenecks at Singapore are mainly due to the diversions caused by the Red Sea crisis and shipping lines skipping the less busy Port Klang in Malaysia. In normal circumstances, ships can berth upon arrival in Singapore, or wait half a day at most.

The consultancy says port congestion is expected to worsen in June, compelling liner operators to secure new containers and commit to chartering ships beyond September. And, ahead of box lines

planned rate hikes for 1 June and 15 June, the port congestion is putting significant upward pressure on rates. *Source: The Loadstar*

ROAD / RAIL

May 14 | “CN Railway Suspends Service on Some Networks due to Wildfires”

Canadian National (CN) Railway suspended service on its network between Fort St. John and Fort Nelson in British Columbia and north of High Level, Alta., due to wildfires, the company said on Monday.

"We are working with impacted customers as our crews assess damages and identify any required repairs," according to the company. Read more in an [article from CTV News](#). *Source: CIFFA*

May 15 | “Alberta Urges Feds to Head Off Port, Rail Strikes”

Alberta has urged Prime Minister Justin Trudeau to do all he can to head off potentially devastating strikes by railway and port workers.

"Any work stoppage affecting our railways and ports would be crippling for our national economy and North American supply chains," Alberta Premier Danielle Smith said in a letter to Trudeau that was released by her office.

Smith said Ottawa had to do all it could to help the parties in both disputes reach negotiated settlements.

"In the event of a work stoppage, your government must be prepared to use all the tools at its disposal to terminate it rapidly, including, if necessary, back-to-work legislation," said Smith, one of Trudeau's main domestic political opponents.

Read more in an [article from The Western Producer](#). *Source: CIFFA*

May 17 | “CN Presents Simplified Offer to TCRC & Update on CPKC-TCRC Collective Bargaining Negotiations”

CN Presents Simplified Offer to TCRC

In an attempt to avoid a work stoppage and end the unpredictability for Canada's supply chains, CN has tabled a new offer to the Teamsters Canada Rail Conference (TCRC).

CN said the offer respects Duty and Rest Period Rules and is aligned with scientific fatigue management practices.

Read more in a [press release from CN](#). *Source: CIFFA*

May 21 | “CIFFA Responds to CIRB Request for Comments: Do CN and CPKC Have to Provide Some Level of Service During Strike/Lockout to Ensure Public Safety”

Section 87.4(1) of the Code provides that: “During a strike or lockout ... the employer, the trade union and the employees in the bargaining unit must continue the supply of services, operation of facilities or production of goods to the extent necessary to prevent an immediate and serious danger to the safety or health of the public.”

In part, CIFFA wrote:

The primary concerns for CIFFA members in the questions posed by this request for submissions are the logistical complexities involved in the consolidated shipments of essential products (how essential products might be fairly identified and sorted in consolidated shipments), how the "definition of food products" might be articulated and the limitations that term would have for food security overall. Canada's supply chain is complex and cannot transition quickly. CIFFA members are also concerned that the 72-hour notice period that would take effect once the CIRB renders a decision is insufficient.

The disruptions to Canada's supply chain caused by railway work stoppages are damaging to Canada's economy and reputation as a trading partner. The transition to alternative modes cannot happen quickly, causing congestion and chaos in Canada's ports. Distinguishing essential versus non-essential goods is not as simple as providing a narrow definition of essential, as products at all stages of the value chain to ensure food, energy and water security should be considered essential. The complexity and integration for the movement of goods makes distinguishing between essential and non-essential goods for the purposes of moving only essential goods an almost impossible task.

For these reasons, CIFFA members encourage the CIRB and the government of Canada to recognize the essential nature of rail transportation services in general. *Source: CIFFA*

May 23 | "CPKC-TCRC Bargaining Update"

CPKC and the Teamsters Canada Rail Conference (TCRC) leadership met again between May 15 and 21, with the assistance of federal mediators in an effort to achieve renewed collective agreements for Train and Engine (T&E) and Rail Traffic Controller (RTC) employees. Regrettably, no progress was made. Additional bargaining dates have not been scheduled at this time.

Although May 21 marked the expiration of the mandatory 21-day "cooling off" period under the Canada Labour Code, the Federal Minister of Labour's referral to the Canada Industrial Relations Board (CIRB) regarding the maintenance of activities means that a legal strike or lockout cannot occur until the CIRB renders a decision. While it remains unclear how long it will take for the CIRB to issue a decision, based on precedent, it is unlikely the parties will be in a position to initiate a legal strike or lockout before mid-July or later.

Submissions from stakeholders were due on May 21. The CIRB has received a significant number of submissions that it will need to review and consider. A case management conference is now scheduled for early next week. The CIRB has given CPKC and the TCRC until May 31 to file replies. Read more in an [update from CPKC](#). *Source: CIFFA*

May 24 | "Letter to ministers of labour and Transport re Potential CN, CPKC Labour Disruptions – More Than 100 Signatories, Including CIFFA"

Forty-five Canadian associations and 60 chambers of commerce and boards of trade have signed a letter to Minister of Labour Seamus O'Regan Jr. and Minister of Transport Pablo Rodriguez to express "alarm over the potential for a labour disruption that would affect Class I railways."

The letter noted:

- According to the Railway Association of Canada, our two freight railways transported a total of more than \$380 billion worth of goods in 2022, and approximately half of the country's exports. A strike interrupting service on both railways' Canadian networks is estimated to impact the flow of more than \$1 billion of goods every single day.

- This is not the time to put further strain on a system that is under pressure and once again jeopardize Canada's reputation as a stable place to do business; we need to ensure our supply chains are reliable and resilient.
- A breakdown in operations would have severe impacts that span almost all industries across the country. We simply don't have the capacity in other modes of transportation to replace the movement of goods by rail.

"On behalf of the Canadian business community, we urge the government to actively engage in ensuring a successful bargaining process, and in the event of failure, that it be prepared to act to prevent another labour disruption," said the groups. Read the full letter: [English version](#), [French version](#).

Source: CIFFA

May 29 | "Port of Montreal Labour Negotiations"

Isabelle Pelletier, VP, Communications and Public Affairs for the Maritime Employers Association in Montreal, provided an update to CIFFA on labour negotiations at the Port of Montreal.

Pelletier said that the two sides are still in mediation once a week, with the last scheduled session currently on June 14.

A strike has not been voted on or planned.

The MEA's priority, she said, "remains the signing of a negotiated collective agreement to bring back stability to the Port of Montreal and the Canadian supply chain." Source: CIFFA

CUSTOMS

May 17 | "Customs and immigration Union Strike Vote Period Extended to May 23"

The Border Services (FB) bargaining unit, which consists of over 9,000 Public Service Alliance of Canada–Customs and Immigration Union (PSAC-CIU) members at the CBSA, has added two more national strike vote sessions – on May 21 and 23 – to ensure that all members have an opportunity to vote. The voting period closes May 23 at 10:00 pm ET.

Workers at CBSA have been without a collective agreement for two years. Source: CIFFA

May 17 | "CBSA Issues Forward Regulatory Plan: 2024 to 2026"

The CBSA's [Forward Regulatory Plan](#), published on May 15, provides information on regulatory initiatives that the agency aims to propose or finalize in the next two years. The Forward Regulatory Plan may also include regulatory initiatives that are planned to come forward over a longer time frame. Source: CIFFA

CARM NEWS

May 13 | "Update on the Implementation of CARM"

Today the Canada Border Services Agency (CBSA) is officially launching the CBSA Assessment and Revenue Management (CARM) system internally to be used as a compliance and validation tool by our Trade Operations employees. This is a significant milestone as it marks an important step towards

CARM becoming the official system of record that importers and other trade chain partners will use for years to come.

Many of you were ready for the May 13th implementation and might have questioned the need to wait until October 2024 to launch externally. Primarily, the concerns that we communicated on April 19th regarding possible labour disruptions impacting the launch of CARM have not changed. Our employees are the backbone of the Agency and critical to a successful external launch of CARM. We need to be confident that they will be available to support both each other and our trade chain partners when CARM is launched externally.

Further, the link between CARM and the Canada Revenue Agency means that the next scheduled window to migrate a major IT change is October 2024, which is the earliest we will be able to launch CARM externally. We are committed to making the best use of the time between now and October to ensure CARM is a success.

As the implementation of CARM has evolved, the engagement between the Agency and our trade chain partners will also naturally evolve. We welcome this transitional period ahead of the external implementation in October as an opportunity for renewed focus. We will revitalize the way we engage with you, with forward-looking objectives, and will be in touch with you to engage on next steps in the coming weeks. Our focus during this period will be to provide clarity and direction on key topics such as Release Prior to Payment (RPP) and written security agreements; the transitional measures and process on the use of the customs broker business number (BN); and contingency planning. In addition, we will continue our efforts to raise awareness and onboard more small to medium businesses, so they are ready to use CARM in October. We look forward to working with you on these priorities.

Finally, we would like to call your attention to a newly issued Customs Notice (CN 24-18) that details interim processes, such as obtaining an importer / exporter (RM) number: [Customs Notice 24-18: CARM: Changes to the Registration and Maintenance of Program Accounts for Importers and Exporters \(RM\) \(cbsa-asfc.gc.ca\)](#). *Source: CARM Stakeholder Engagement/Commercial and Trade Brand & CBSA / Government of Canada*

May 16 | “CARM API Documentation Update”

As of Saturday, June 1, all CARM API “Swagger” documentation will be accessible only via the CARM Portal page:

- English: <https://ccp-pcc.cbsa-asfc.cloud-nuage.canada.ca/en/carm-api>
- French: <https://ccp-pcc.cbsa-asfc.cloud-nuage.canada.ca/fr/carm-api>

The Amazon AWS web pages that also host this information will be decommissioned on the same day.

- English: <http://carmapi.s3-website.ca-central-1.amazonaws.com/en/carm-api>
- French: <http://carmapi.s3-website.ca-central-1.amazonaws.com/fr/carm-api>

To ensure that you are accessing the correct content, it is advisable for trade chain partners to clear the browser cache on their devices. *Source: CIFFA*

May 21 | “CSCB Submits Concerns about CARM Registration and Delegation of Authority Concerns”

On May 14, 2024, the CSCB wrote to Canada Border Services Agency (CBSA) Executive Vice-president Ted Gallivan to communicate our concerns with several issues relating to importer registration and delegation of authority in the CARM portal. You can find a copy of the [letter here](#).

The letter was prepared as the result of work undertaken by the CSCB's Registration and Delegation Task Force, which is part of our CARM Trade Advisory Committee. While these registration and delegation concerns existed prior to the announcement of CARM's delayed implementation, the task force believes the delay provides an opportunity for the CBSA to address these concerns before CARM is opened for full access in October 2024. *Source: CSCB*

May 23 | “Coming Into Force of CARM Regulatory Package”

The [Canada Border Services Agency's \(CBSA\) Assessment and Revenue Management \(CARM\)](#) project is a major transformation initiative to modernize the CBSA's systems and business processes used to assess and collect duties on imported goods.

The CARM Regulatory package was approved by the Treasury Board Secretariat and published in Canada Gazette, Part II on March 13th, 2024. Please be advised that an [Order in Council](#) has been published in Canada Gazette, Part II to amend the coming-into-force date of the CARM Regulatory Package to October 21, 2024, which will align regulatory amendments with the external launch of the CARM system. *Source: CSCB*

May 28 | “Register for CARM Client Port Webinars”

The CARM Engagement team is offering new webinar dates, please share with your clients and colleagues!

Registering Your Small /Medium Business on the CARM Client Portal

A webinar dedicated to helping small and medium businesses understand how CARM may affect them while guiding them through the steps required to register on the portal.

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

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

English	Wednesday June 12 th , 2024	11:00pm – 12:00pm EDT	Register
	Thursday June 27 th , 2024	12:00pm - 1:00pm EDT	Register
	Tuesday July 9 th , 2024	3:00pm – 4:00pm EDT	Register
	Wednesday August 21 st , 2024	1:00pm – 2:00pm EDT	Register
French	Wednesday June 12 th , 2024	1:00pm - 2:00pm EDT	Register
	Tuesday July 9 th , 2024	1:00pm - 2:00pm EDT	Register
	Thursday August 29 th , 2024	1:00pm - 2:00pm EDT	Register

A reminder that you can continue to access important CARM support materials on the [CARM Client Portal Onboarding Documentation](#).

Please send any questions and comments to [CBSA.CARM_Engagement-Engagement de la GCRA.ASFC@cbsa-asfc.gc.ca](mailto:CBSA.CARM_Engagement-Engagement_de_la_GCRA.ASFC@cbsa-asfc.gc.ca).

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