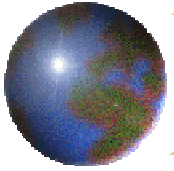


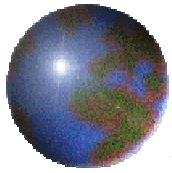
Canada–U.S. Border Update

Debbie Dent
Panalpina Inc.



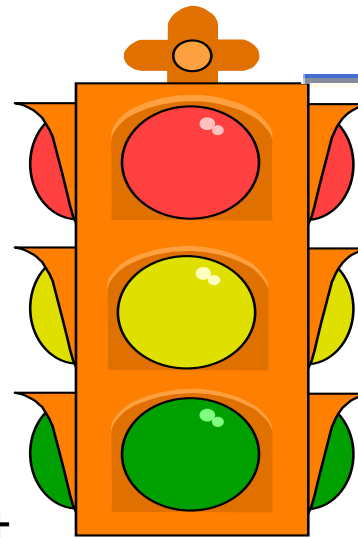
What changed after 9/11?

- ❖ Security is now a primary focus of CBP, CBSA and WCO
- ❖ Security is now the foundation for current, new and enhanced border program initiatives and procedures
- ❖ Government is depending on private industry partners to ensure a "secure supply chain" from point of origin to final destination (with certain "standards" and "best practices" included in your business plan)
- ❖ Communication and a continued investment in "awareness" must be built into your cross-border business plan daily
- ❖ Zero-tolerance to non-compliance & you maintaining an error free environment
- ❖ You have business options and more opportunities than ever to increase your profits



Enhancing your border crossing to avoid a red light

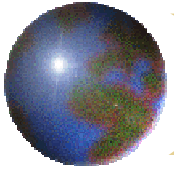
- ❖ Customs Self Assessment (CSA)
- +
- ❖ Partners in Protection (PIP)
- =
- ❖ Free and Secure Trade (FAST)
- ❖ Advance Commercial Information (ACI)
- ❖ Customs Trade Partnership Against Terrorism
- =
- ❖ Free and Secure Trade (FAST)
- ❖ Automated Commercial Environment (ACE)



Partners in Protection



Canada Border Services Agency / Agence des services frontaliers du Canada

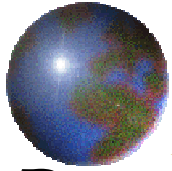


So, you've decided to invest in these programs, what now?

❖ Is the freight on board ?



- Do you start your "border crossing" before the truck is dispatched?
- Do you ask the right questions when you're booking the load?
- Do you have "best practices" in place to support a predictable border crossing?
- Will your internal record keeping practices help support a compliant "border crossing"?



Do your Driver's value their FAST ID?



➤ **Non-Report**

The main responsibility of the driver has always been to “know what’s on board”.

If you do not report correctly it could mean the loss of their FAST ID.

➤ **Commitment to meet Immigration Processing**

An annual verification check on your FAST Driver takes place annually.

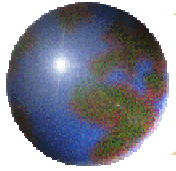
➤ **Do you support FAST Driver Identification?**

Do you insist your drivers are FAST approved?

Do you follow-up with them regularly?

Are you prepared if the driver must defer back to one of the other release options?

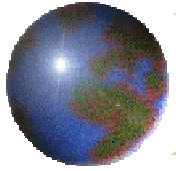
Are you ensuring your driver's use FAST lanes?



U.S. Border Program Initiative

It's MANDATORY to electronically report minimum cargo data elements in advance of arrival

- Do you start the process as far away from the border as possible?
- What's the role of the customs broker today?
- What's coming next for carriers?



Preparing for Canada's ACI Initiative

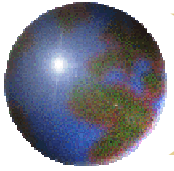
Advance Commercial Information (ACI)

- already deployed in marine mode
- already deployed in air mode
- coming now to the highway mode of transport



Canada Border
Services Agency

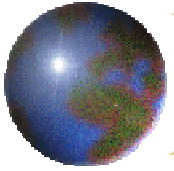
Agence des services
frontaliers du Canada



Measures to Increase the Use of EDI for Release Purposes- Customs Notice 07-008, Notice 07-029, Notice CN08-009

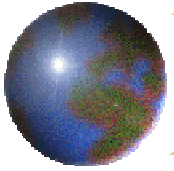
In order to move the commercial program forward and prepare clients for ACI program initiative, CBSA has announced the following:

- FIRST service option was eliminated as of Jan. 31, 2008. Carriers that were hauling freight for FIRST release approved clients must resort back to PARS or be prepared to meet the criteria for CSA if the “importer” has moved to that release option.
- Unless you are an exception, you must wait for the broker to perform the services electronically, in advance of your arrival. Shipments that will be an exception as of April 1st, 2008:
 - Shipments with more than 100 lines of detailed information
 - Goods subject to the requirements of an OGD where there is no EDI link between CBSA and the applicable OGD or Goods moving into a Bonded Warehouse



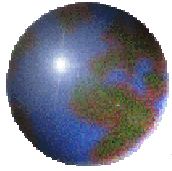
eManifest for Highway

- eManifest will require highway and rail carriers, freight forwarders, importers and brokers to provide advance electronic information related to crew, cargo and conveyances to CBSA prior to arrival at the border.
- Like the U.S., highway carriers will be required to report 1 hour prior to arrival into Canada, crew/ cargo/ conveyance information. Rail will meet a 2 hour prior to arrival requirement.
- Carrier's presenting under the CSA release option will be exempt from eManifest requirements
- Proposed deployment- Mandatory Electronic Reporting for highway cargo is expected to be summer of 2009. eManifest is a project that will be implemented in phases from 2008 to 2012.



Web Portal for eManifest into Canada

- Like the U.S., Canada will offer a web portal. Discussions are currently underway with industry stake holders and a very preliminary draft of the portal is being displayed. No actual web portal is currently available.
- Like the U.S., Canada will require carriers to register.
- Like the U.S., carriers will have the option of using the portal (which is expected only to be used by small carriers) and like the U.S. other options will be made available, like 3rd party service providers, EDI, VAN etc.
- CBSA received approval to move forward with the implementation plan on November 29, 2007.
- eManifest Stakeholder and Partnership consultations are taking place.
- eManifest Regional Coordinators have been established.



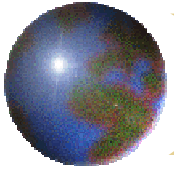
A CBSA Carrier Audit

The Carrier's responsibility does not end with the release and delivery of goods.

Release Shipment

Your business systems (internal record keeping procedures and practices) need to support the regulatory compliance when hauling cross-border freight. Carriers often are facing surprises when their business practices are put to the test.



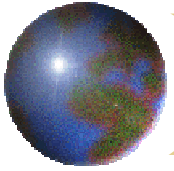


Why are these records reviewed?

- ❖ Can you produce a complete domestic, Canada bound and U.S. bound or ALL carried report?
- ❖ The following information all has an importance to an audit:
 - Bills of Lading (proof of delivery)
 - Billing Invoices
 - Customs Cargo Control Documentation
 - Company Driver and or Owner Operator Listing
 - Equipment Listing (owned and operated)
 - Equipment Usage Report (Domestic and Cross-border)
 - Accounts Receivables
 - Accounts Payable

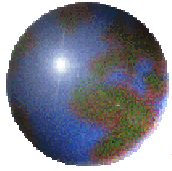
Have you undergone a customs audit in the past 3 years?

Have you duplicated a customs audit review?



Three Action Steps

- ❖ If FAST approved, identify all clients who are FAST approved.
 - ❖ If not FAST approved, apply now.
- ❖ Pull 10 random files over a 3month period to verify all documentation is present.
- ❖ Check process for handling the “repair” of equipment outside Canada.



***Yes, the “correct” Border Procedures
&
“Secure” and “Compliant” Best Practices
Will Drive Up Your Profits***

CONTACT:

Debbie Dent- Director of Compliance and Customs

Debbie Price- Manager of Carrier Services

David Borland- Sales and Business Development

Phone 877-264-9133 or 519-966-9821

Fax 877-227-3069 or 519-966-8085