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Canada's Government Invests Over \$430M For Smart, Secure Borders

The Minister of Public Safety, the Honourable Stockwell Day, announced an investment of \$431.6M over five years to reinforce smart, secure borders. With this funding it will allow three key initiatives under the Security and Prosperity Partnership of North America (SPP) – eManifest, Business Resumption and Partners in Protection (PIP) – to move forward.

“Canada's New Government is taking action to keep Canadians safe from potential security and health threats, while ensuring the smooth flow of trade across our borders,” said Minister Day. “This significant investment is testimony that our government is moving forward and working with the business community on key programs to increase security and support economic prosperity.”

“Ensuring that the Canada-U.S. border functions well is vital for Canadian industry. That is why the Canadian Manufacturers & Exporters (CME) is pleased that the Government of Canada is supporting these critical initiatives,” said Perrin Beatty, President and Chief Executive Officer of CME. “We look forward in particular to working in partnership with the Canada Border Services Agency (CBSA) to successfully implement eManifest – an important undertaking that will further streamline cross-border trade, lead to greater harmonization between Canada and U.S. processes, and bring increased predictability to the transborder trade environment.”

The \$396M investment for eManifest will provide the CBSA with electronic data that allows for 100 percent automated risk assessment before shipment reach the border. Highway and rail carriers will be required to submit electronically and pre-arrival all cargo, crew and conveyance information. This allows the CBSA to have the right information at the right time in order to make informed decisions.

An investment of \$24M will allow the CBSA to further harmonize and strengthen its business resumption planning with the United States so that trade keeps moving across the border in the event of an emergency. Continuing to work with its partners to conduct exercises and develop

protocols, the CBSA will ensure it has an appropriate coordinated response that would minimize the impact on business in the event of an incident at the border.

A further enhancement on border security will be made with an investment of \$11.6M to strengthen the Partners in Protection (PIP) program. PIP is an initiative that enlists the cooperation of private industry and is designed to enhance border security by combating organized crime and terrorism, and helping to detect and prevent contraband smuggling. The PIP program will expand to maximize benefits for members and become harmonized with a similar program in the United States called the Customs-Trade Partnership Against Terrorism.

For more information on the CBSA's priorities and programs under the SPP, please visit the CBSA's Web Site at www.cbsa.gc.ca.

Information extracted from National New Release from January 12, 2007.

Feds On Lookout For Dirty Bombs At Vancouver Ports

To ensure every container unloaded from a ship is scanned for radioactive materials in the Vancouver area, the federal government is planning to install up to 16 radiation portals. The Senate standing committee on national security and defence was informed on Monday, January 29th.

The first portal would be in operation within weeks, Ivan Peterson, Canada Border Services Agency chief of waterfront and warehouse operations, said.

When asked by the committee if the deployment of the portals would prevent the smuggling into Canada of radioactive materials that could be used to make a "dirty bomb," Peterson responded that every container arriving in the Lower Mainland will be scanned.

Peterson and RCMP Chief Supt. Richard Bent expressed concerns about policing and security levels at B.C. ports, which are facing increases in traffic as trade rapidly expands between Asia and North America. The agency will need a 50 per cent increase in staff, says Peterson.

The RCMP could use up to 300 new officers and eight new vessels to police Canada's West Coast and ports, said Bent.

Information extracted from article from the "National Post" from January 30, 2007.
Information extracted from CSCB email from January 30, 2007.

Ottawa's Plan Won't Stop Border Runners

The \$781-million plan by the Conservative government to arm border guards will not stop motor vehicles from running the border, senior federal law-enforcement officials say.

Alain Jolicoeur, the president of the Canadian Border Services Agency, said on February 2nd, that an estimated 600 cars, trucks or other vehicles barrelled straight through Canada's land-border posts last year as unarmed guards watched.

The handguns that will be issued to border guards are simply for their personal safety, not to stop drug smugglers or other crooks from running the border, Mr. Jolicoeur and RCMP deputy commissioner Pierre-Yves Bourduas told the Commons public-safety committee.

At one particular crossing last year, about 150 vehicles ran the border, testified Mr. Jolicoeur. Most of the other incidents were scattered among 18 different border posts.

In an attempt to plug these holes, the CBSA will be installing new road separators and concrete barriers, Mr. Jolicoeur said.

He says that knowing the CBSA officers are armed may deter some would-be border runners.

The deterrent value remains to be seen, Mr. Bourduas said. But both officials said border guards can't stop border runners with their handguns, and won't be expected to.

If more robust backup is needed, the border guards will still have to rely on the RCMP or local police forces, if they get advance word that trouble is headed their way.

At the Ontario Police College, law-enforcement recruits can get a 12-week firearms training course for about \$7,500. But using the CBSA's figures, Mr. MacKenzie, a Conservative MP, estimates that it will cost approximately \$100,000 to train and arm each border guard.

Mr. Jolicoeur said the CBSA cost estimates are for a 10-year period and include startup costs. There is a 12-per-cent turnover of border guards each year, and a considerable number of new recruits are always in need of training.

Most border guards are convinced they need firearms for their own safety, he said. Vice-president of operations, Barbara Hebert, said that she knows of no border offices killed on duty in the past 15 years.

Between May 2005 and the end of last year, unionized guards have formally complained of unsafe conditions at border points 44 times, said the

government's director-general for national labour operations, Fulvio Fracassi. Health-and-safety inspectors concluded that in all but two of those cases there was no danger.

Information extracted from "globeandmail.com" from February 2, 2007.
Information extracted from CSCB email from February 2, 2007.

BSF5013 The Administrative Monetary Penalty System (AMPS)

This is a booklet which provides tips to traders regarding AMPS. This is information that has been previously available on the AMPS section of the CBSA web site, so it isn't new information, it has been now made into a pamphlet.

The pamphlet will be available in print after 22 February 2007; the electronic version can be currently found on the CBSA web site at:

<http://cbsa-asfc.gc.ca/E/pub/cp/bsf5013/README.html>

Information extracted from CBSA email from February 2nd, 2007.

Global Coalition Joins U.S. Subsidy Challenge

Thirty-two countries have signed up to join Canada in a global challenge of trade-distorting U.S. farm subsidies, a coalition that may supply more ammunition to win the case and one that reflects broad anger at American agricultural aid.

Requests to join the World Trade Organization complaint came from the 25-country European Union, as well as Argentina, Australia, Brazil, Guatemala, Nicaragua, Thailand and Uruguay, Canadian and U.S. trade officials said.

Before the deadline on January 22, countries were still rushing to sign up, and officials say that it's possible that the list may grow when all applicants are counted.

The case has become a lightning rod for global discontent with U.S. farm handouts in a year when an increasingly protectionist, Democrat-controlled U.S. Congress mulls fattening support.

"What Canada's done is created an opening for the rest of the world, which is fed up with U.S. subsidies, to say 'Let's look at it from our perspective as well,'" said Peter Clark, an Ottawa trade consultant.

Canada drew international headlines when it, earlier this month, challenged multibillion-dollar U.S. farm subsidies at the WTO, a move that reflected a more aggressive trade policy on the Harper government's part.

Critics say that amount has exceeded \$19-billion in recent years and may have reached as much as \$50-billion.

These countries wouldn't have joined Canada if they didn't believe there was a good case to be made, said Lawrence Herman, Toronto trade lawyer.

"There will be more players lined up to take shots at the United States," said Mr. Herman, with Cassels Brock & Blackwell LLP. "Major agricultural economies are piling on because they have the same concerns that Canada has."

The European Union, one of the co-complainants, is itself a big offender when it comes to farm export subsidies. But trade watchers say Brussels is likely using this case to put more pressure of Washington in global trade talks.

For years, Canadian farmers have complained that U.S. farm aid depresses the international prices for agricultural goods and consequently reduces their income.

The first step in Canada's WTO grievance is to request a consultation with the United States, talks that must take place by early February unless both sides agree to wait.

Ottawa can request an arbitration panel, if negotiations fail.

If Canada won its case, it could ultimately be awarded the right to slap subsidies on American imports, but the complaint may ultimately serve to embarrass the United States – which considers itself the world leader on free trade – in a high-profile international forum.

Handouts to farmers – such as the U.S. agricultural subsidies in question – have prevented progress in global trade talks for more than half a decade.

The inspiration for this challenge comes from a precedent-setting WTO case launched by Brazil that ultimately forced Washington to shed some of its cotton subsidies.

"I think Canada has a very good case based on the Brazilian victory in the cotton subsidies case, where many of the issues were the same," Mr. Herman said.

The addition of other countries may mean Washington is in for an even tougher time at the WTO, Mr. Clark says. He predicts that some of the other complainants may take an even harder line against U.S. subsidies than Canada will.

Information extracted from "globeandmail.com" from January 23, 2007.
Information extracted from CSCB email from January 23, 2007.

Canada and Japan Expand Air Services Agreement

The conclusion of air services negotiations between Canada and Japan were announced, which resulted in the expansion of air services rights for flights operating between the two countries.

On January 25, 2007, the bilateral agreement concluded, which will result in the expansion of the rights for air services. Providing more flexibility to airline companies of both countries to adjust the capacity of their services and aircraft types. The increase in flights between both countries, would be beneficial to passengers. There will be a greater route flexibility for the operation of code-sharing services for the airline companies.

Further air transportation negotiations are expected to take place between Canada and Japan in 2008. The next round of negotiations would permit both parties to continue to build a strong relationship in order to bring positive results for Canadian and Japanese stakeholders.

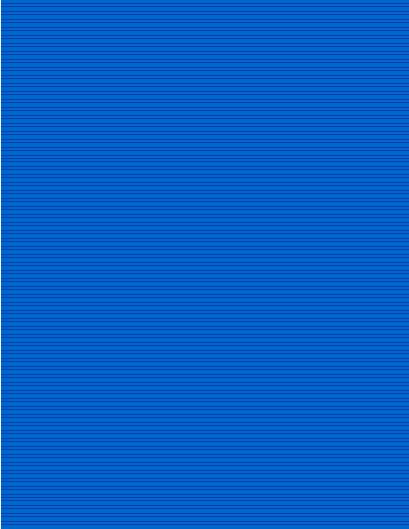
Information extracted from a news release issued by Transport Canada from February 5, 2007, entirety on web site at <http://www.tc.gc.ca/mediaroom/releases/nat/2007/07-h018e.htm>.

Information extracted from CSCB email from February 6, 2007.

MONTHLY SIMA INDEX FOR FEBRUARY 2007

The monthly SIMA index for February, 2007 is available on the CBSA web site, at:

<http://www.cbsa-asfc.gc.ca/sima/monthly-e.html>



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