



Norman G. Jensen Canada TRADE BULLETIN

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Contact Us

<http://www.ngjensen.com>

techservices.ca@ngjensen.com

ph: (204) 487-6627

fax: (204) 489-0067

U.S. Trade Deficit Expected to Snap Winning Streak

International trade figures for December were released on February 13th for Canada and the United States, with this release the numbers are expected to rise in both countries. The increase will be in a healthy surplus for Canada, of course, while just south of the border, it's the size of the colossal deficit that is swelling.

In Canada, a late-year bounce-back in resource prices and a partial recovery in auto production are expected to lift the trade surplus slightly in December to \$4.9-billion from \$4.7-billion in November.

A prediction of a surplus of \$4.8-billion in December is in consensus on Bay Street.

An economist at CIBC World Markets Inc., Warren Lovely is looking for a slightly lighter \$4.6-billion. Higher oil prices should bolster the value of exports in that category, he says, but natural gas exports may have been crimped by the mild weather and weak prices. He adds that Canada's overall trade surplus remains much more sensitive to natural gas than oil.

There should also be a jump on auto exports, as vehicle sales in the United States ended 2006 on a strong note.

Economists approach forecasting the trade balance with a certain degree of trepidation, says Lovely, because imports and exports are so volatile, but he is hazarding a guess that the trade numbers will bolster the Canadian dollar – especially when the market looks at the contrast between the two countries.

The consensus is forecasting that the deficit will swell to \$59.7-billion, in the United States, from \$58.2-billion. That ends three straight months of decline and economists believe that higher oil imports and lower aircraft exports are the main reasons for that rise.

Information extracted from globeandmail.com from February 13, 2007. Information extracted from CSCB from February 13, 2007.

Mandatory Line Release at Ambassador Bridge: Important Announcement

On February 22, 2007, at a press conference in Windsor, The CSCB, announced an initiative for “mandatory like release” at the Ambassador Bridge. Effective April 1, 2007, all commercial importations entering Canada at the Ambassador Bridge will be required to use one of the following release options offered by CBSA – CSA/FAST, PARS, FIRST A49, Post-audit and In-bond. The only commercial importations that are not able to use these clearance options (such as those subject to requirements of other government departments) will be processed at the commercial offsite. Vehicles with these shipments will travel to the offsite under new, strict monitoring procedures.

The following press release was issued by the CBSA this morning. CSCB representatives will be participating in more detailed discussions of these procedures and we will keep members informed.

Please send any comments or questions about this to cscb@cscb.ca.

News Release

Joint initiative introduces new procedures to strengthen security and expedite trade at the Ambassador Bridge.

Windsor, Ontario, February 22, 2007 – Canada’s New Government and the Ambassador Bridge have announced a joint initiative that will enhance security controls and expedite the processing of commercial trucks entering Canada at the Ambassador Bridge.

Starting April 1, 2007, all commercial importations entering Canada at the Ambassador Bridge will be required to use one of the Canada Border Agency’s (CBSA) existing line release clearance options, including CSA/FAST, PARS, FIRST, A49, Post-Audit and In-Bond.

The initiative also builds on the existing CBSA security measures to ensure an appropriate level of border security and improved control of vehicles reporting to the CBSA commercial offsite facility. The number of vehicles that are referred to the offsite facility.

“The Security and Service Enhancement Initiative demonstrated that our new government is taking action to strengthen border security and facilitate the smooth flow of legitimate trade and travel at the Ambassador Bridge”, said Public Safety Minister Stockwell Day. “This initiative will help reduce congestion and back-ups, expedite commercial processing, as well as allow the Canada Border Services Agency to concentrate more of its efforts and resources on enhancing border security.”

In coordination with ongoing outreach activities to ensure all affected parties are aware and able to comply with the regulations, the Ambassador Bridge has established an Advanced Border Processing Center in Detroit, Michigan. The CBSA will provide a resource person at the Center to provide additional assistance and guidance to carriers and Importers during the initial phase of implementation.

“We are committed to increasing the service at the Ambassador Bridge”, said Dan Stamper, President of the Ambassador Bridge. “Over 90% of the trucks entering Windsor today already clear their goods through one of these preferred clearance options. We fully support this initiative and are taking the necessary steps to ensure that the new procedures are implemented without difficulty. One such measure is the establishment of a new Advanced Border Processing Center in Detroit, Michigan which is available to assist all carriers and importers to prepare for and comply with the new requirements.”

Only commercial importations that are not able to use line release clearance options will be exceptions and will continue to be processed at the offsite facility. This small percentage of commercial importations will be strictly monitored between the bridge and offsite.

Last year over 1.8 million commercial trucks entered Canada at the Ambassador Bridge, making it the busiest border crossing in Canada.

Information extracted from email from CSCB from February 22, 2007.

[U.S. Department of Agriculture Delays Removal of Canadian Exemption for Inspection and Use Fees on Land Conveyances \(truck and railroad cars\) Until June 21, 2007](#)

On February 23, 2007, the U.S. Department of Agriculture (USDA) announced that it will be delaying the implementation date for the implementation date for the collection of user fees on commercial trucks and railroad cars entering the United States from Canada for inspections of Canadian-grown fruits and vegetables.

The original implementation date for the fees of the land conveyances was to have been March 1, 2007, have now been rescheduled to be implemented June 1, 2007.

The interim rule established these fees where originally scheduled to take effect on November 24, 2006. On November 17, 2006, the USDA announced a delay in implementing the interim rule in order to allow affected industries additional time to prepare. Collection of fees for air passengers was implemented on January 1, 2007. Commercial conveyances has been delayed until March 1, 2007 for the collection fees.

The further delay on implementation of fees on land conveyances will allow U.S. officials the additional time needed to further evaluate Canadian proposals intended to mitigate pest risk and potentially lower the cost of land border inspections, according to a news release by the USDA on February 22nd. Fees on marine vessels and aircraft will be implemented on March 1, 2007.

This most recent USDA announcement can be viewed in its entirety at the following link.

<http://www.ahis.usda.gov/newsroom/content/2007/02/canfeedly.shtml>

Information extracted from CSCB email from February 23, 2007.

CPR Customer Bulletin: U.S. Department of Homeland Security Increases Customs User Fee's 10% Effective April 1, 2007

The U.S. Department of Homeland Security Bureau of Customs and Border Protection have announced that COBRA User Fee's (aka Customs User Fee's) will increase 10% effective April 1, 2007.

As a result the following CPR tariff items will be adjusted to reflect fees of \$8.25 USD/Carload, and \$5.50 USD/Container.

- Tariff 6666 Item 4050
- Tariff 7000 Item 368
- Tariff 7100 Item 1030
- Tariff 7800 Item 280

The U.S. Federal Register Notice of January 26, 2007 announcement can be viewed through the following link:

<http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/07-335.htm>

Information extracted from CSCB email from February 23, 2007.

MONTHLY SIMA INDEX FOR MARCH 2007

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

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

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