

# Advance Commercial Information

***Canadian International Freight Forwarders  
Association (CIFFA)***

***June 14<sup>th</sup>, 15<sup>th</sup> & 16<sup>th</sup>, 2006***

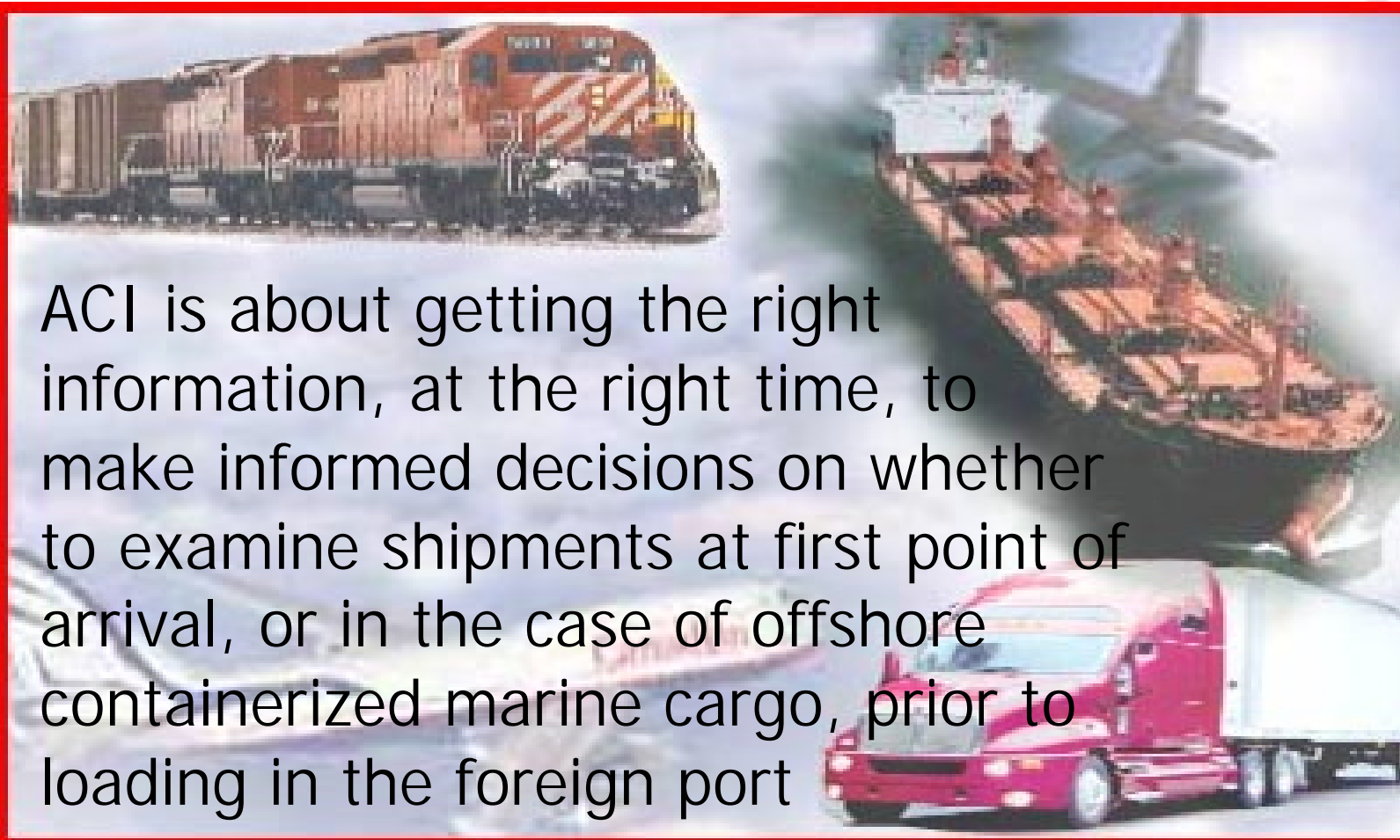


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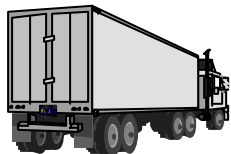
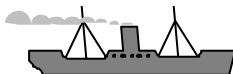
Canada

# WHAT IS ACI?



ACI is about getting the right information, at the right time, to make informed decisions on whether to examine shipments at first point of arrival, or in the case of offshore containerized marine cargo, prior to loading in the foreign port

# ACI - KEY PRINCIPLES



- 100% electronic pre-arrival transmissions of data from carriers, freight forwarders and importers/brokers
- Automated risk assessment support with integrated targeting for all risks related to health, safety and security
- Data processed and examination decisions made prior to first point of arrival for all modes of transportation
- National health, safety and security threats will be dealt with at first point of arrival or in foreign port

# ACI - DATA TRANSMISSION TIMEFRAMES

- Marine - (Non-U.S., Non-Bulk)- 24 hours prior to loading in foreign port
- Marine - (U.S. or Bulk) - 24 hours prior to arrival at first Canadian port or time of departure if less than 24 hours
- Air - 4 hours prior to arrival at first Canadian airport, or time of departure for flights less than 4 hours
- Rail - 2 hours prior to arrival
- Highway – 1 hour prior to arrival

# ACI - THE END STATE

- **Carrier will transmit electronic cargo/conveyance data in accordance with designated advance timeframes for each mode**
- **Freight forwarder will transmit house-bill data electronically in accordance with designated advance timeframes**
- **These requirements will apply to imports, in-transits and freight remaining on board**
- **Importer/broker will transmit advance importer data electronically, including all 10 digit HS codes, in accordance with designated advance timeframes. There will be some exceptions such as personal effects**

# ACI PHASE II - AIR



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## ACI - Air

- ✍ Mandatory requirement for electronic reporting, four hours prior to first point of arrival (FPOA) or at time of departure, of:
  - ✍ Air conveyance data
  - ✍ Air cargo data
  - ✍ Air supplementary cargo data
- ✍ Supplementary data must be electronically transmitted when complete cargo details are not provided on the air cargo report
- ✍ Automated risk assessment of air conveyance, cargo and supplementary cargo data through TITAN prior to arrival



## ACI - Air

- ✍ All carriers and freight forwarders must have a valid carrier code (“ITN-” will not be accepted)
- ✍ Exemptions from ACI reporting are:
  - ✍ **LVS shipments under the courier program**
  - ✍ **Military and military-charter aircraft carrying military cargo**
  - ✍ **Empty aircraft**
  - ✍ **Commercial goods inside a passenger’s baggage**

## ACI - Air

- ✍ Supplementary data is required when the detailed description, ultimate consignee and shipper information is unknown by the primary carrier
- ✍ Carriers must transmit supplementary cargo reports; however, freight forwarders may transmit supplementary cargo reports if agreement reached with the air carrier
- ✍ Supplementary cargo reports are required within the same timeframe as the air cargo report
- ✍ Freight Forwarders will continue to provide paper house-bills, on arrival, as they do today

# ACI – Supplementary Data

## Manifest Information

- Cargo Control Number (AWB #)
- Supplementary Cargo Report Number (SCR #)

## Trade Chain partners

- Consignee(s)
- Delivery Address(es)
- Consignor(s) (Shippers)
- Notify Party

## Shipment Information


- Description
- Quantity
- Weight

# Phased Implementation Approach



- ✍ Providing air clients an ‘implementation window’, rather than an implementation date, ensuring 100% EDI reporting prior to full implementation of TITAN risk assessment.
- ✍ Providing air clients with an ‘account manager’ to provide ongoing support and guidance throughout implementation window.
- ✍ Requiring air carriers to maintain dual reporting processes, (i.e. EDI and paper) throughout ‘implementation window’, ensuring operational stability.

# Implementation of Key Components



## **June 2005:**

-  Regulatory amendments to prescribe the data required and the time and manner within which the notice is to be given pre-published in Part I *Canada Gazette*


## **December 2005:**

-  EDI reporting of cargo, conveyance and supplemental data
-  TITAN risk assessment functionality of cargo and conveyance data

## **June 2006:**




-  Full TITAN risk assessment functionality, including risk assessment notices
-  Regulatory amendments published in Part II *Canada Gazette* and brought into force

## **July 2006:**

-  Electronic transmission of air conveyance, cargo, and supplementary cargo data in advance of arrival

# Status of Client Implementation

## **Air Carriers:**





-  To date, 72 air carriers are transmitting pre-arrival electronic data
-  Approximately 12% of air cargo being transmitted
-  Significant increases are anticipated in June 2006 as the highest volume carriers begin to implement

## **Freight Forwarders**

-  15 Freight Forwarders are transmitting pre-arrival supplementary cargo reports for air shipments






# Outstanding Issues - Air

## **Liability of Carrier:**

-  Freight forwarders may transmit supplementary data directly to CBSA when the carrier does not have access to certain data elements (actual shipper, ultimate consignee and detailed description of the goods)
-  Historically, CBSA has not recognized the role of the freight forwarder in the reporting of commercial cargo, and held the carrier responsible
-  The CBSA is seeking legal guidance on whether CBSA should issue AMPs to the freight forwarder, when the forwarder voluntarily provides supplementary data to CBSA
-  Moving forward, CBSA will work towards amending the Customs Act to recognize the freight forwarders' role

# Outstanding Issues - Air


## **Post Arrival Changes:**


-  Electronic post arrival changes beyond 1 hour post ETA will not be accepted. Air carriers will present paper changes to the local CBSA office at the destination airport.
  
-  Regional CBSA offices will be required to manually input critical changes, e.g. non-manifested cargo (overages), shortages and changes required to facilitate release.
  
-  Systems changes to allow for electronic post arrival changes up to 30 days after arrival, are being considered.
  -  harmonizing with US CBP
  -  systems changes will not be made for June 26 implementation – planned for Fall 2006 release



# Outstanding Issues - Air

## **Cargo Control Number Re-Use:**

 CBSA systems and policy will not allow cargo control numbers to be re-used within three years. Due to increasing air volumes, carriers contend that keeping the CCN unique for three years is unachievable.

 Requires systems changes to allow for the re-use of the CCN and will have significant impacts on other existing CBSA systems.

 Impact analysis underway

 Systems changes to allow for the re-use of cargo control numbers after one year.

 Systems changes will not be made for June 26 implementation – planned for Fall 2006 release.






# First Point of Arrival (FPOA) Examinations

- ✍ Examinations at FPOA will occur when shipment is a threat for:
  - ✍ **National Security; and**
  - ✍ **National Public Safety**
- ✍ All other examinations conducted at the destination airport

# Outstanding Issues - Air








## **Implementation timeframe extended:**

-  The CBSA testing environment was unavailable for a two week period in May. As a result, clients will have until July 26, 2006 to become fully compliant with ACI requirements
-  CBSA officers will be handling both electronic and paper reporting for four weeks. External clients who choose to take advantage of the extended implementation period have been advised that paper reporting may complicate operational facilitation
-  The extension to July 26, 2006 will be tied to the AMPS 'grace period'






# Outstanding Issues - Air

## Penalties:

-  Three contraventions have been proposed
  -  **Failure to provide conveyance data within advance timeframes**
  -  **Failure to provide cargo data within advance timeframes**
  -  **Failure to provide accurate, complete advance information**
  
-  Penalty amounts have been disseminated to the external community for comment
  
-  A 12 month penalty 'grace period', beginning June 26, 2006 will be extended to those carriers who are compliant with ACI requirements by July 26, 2006
  
-  The CBSA has committed to conducting further external consultations with other modes on penalty amounts

# Outstanding Issues - Air

## Contingency Plan:

-  A contingency plan to deal with systems outages, CBSA or clients', has not yet been confirmed.
-  A Working Group with representation from the air carrier, freight forwarder community and the CBSA has met twice to discuss contingency plan options
-  Contingency plan will continue to be a 'work in progress' with the Working Group meeting again in August 2006

# THE FUTURE OF ACI



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# ACI Initiative - All Modes

Phase I

April 2004



OFFSHORE  
MARINE

Phase II

December 2005 - June 2006



TRANSBORDER  
MARINE



AIR

Phase III

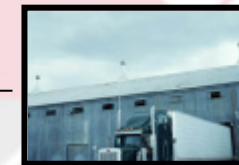
5 year plan



HIGHWAY



RAIL



SECONDARY CARGO



IMPORTER



# ACI PHASE III E-MANIFEST

## E-Manifest Is:

- ✍ Mandatory pre-arrival data requirements and timeframes for all shipments from importers/brokers, carriers and freight forwarders
- ✍ Harmonized cargo, conveyance, crew/driver advance notice requirements and timeframes for highway, rail and secondary cargo report
- ✍ Electronic highway and rail in-transit process
- ✍ Importer Admissibility Data reported electronically prior to arrival
- ✍ Internet Reporting

# E-Manifest – Highway

Pre-Arrival 

## At least one hour prior to arrival:

- Carriers will transmit cargo, conveyance and driver data
- Freight forwarders, if required, will transmit secondary data
- Importers/Brokers will transmit admissibility data

## Within one hour, the CBSA will:

- Electronically validate and confirm receipt of data through notifications to carriers, freight forwarders and importers/brokers
- Conduct automated risk assessment of shipments and crew/drivers
- Make an entry/examination decisions

# E-Manifest – Highway

Upon Arrival 

With Transponder

As the truck approaches PIL:

If the driver is registered, the transponder within the registration card will be read, allowing CBSA officer to confirm identity and admissibility

The transponder on the conveyance will be read, linking the truck with the previously sent and risk assessed data, allowing for communication of entry/examination recommendation

With Barcode

When the truck is at PIL:

CBSA officer will scan barcode provided by the driver, linking the previously sent and risk assessed data, allowing for immediate communication of entry/examination recommendation

If the driver is not registered, CBSA officer will verify identity and admissibility based on previously sent driver data and admissibility assessment

Shipments will be authorized for delivery or referred for examination

# E-Manifest – Highway

Post-Arrival 

**On an ongoing, post-arrival, basis:**

Compliance management activities will be conducted to monitor data quality from trade chain participants and address issues of non-compliance

# Further Harmonization

- ✍ Harmonization and compatibility progress to date
  - ✍ ACI Marine
  - ✍ ACI Air
  - ✍ CSI Partnership
  - ✍ FAST Driver registration
  
- ✍ Further Opportunities
  - ✍ ACI Highway
  - ✍ ACI Rail
  - ✍ Multi Modal
  - ✍ Automated In-transit Processes
  - ✍ FAST Program

# INQUIRIES

- Telephone: 613-952-1070
- Fax: 613-948-4827
- Website: <http://cbsa-asfc.gc.ca/import/advance/menu-e.html>

