

March 31, 2005

Mr. Alain Jolicoeur, President  
Canada Border Services Agency  
6<sup>th</sup> floor, Sir Richard Scott Building  
191 Laurier Avenue West  
Ottawa, ON K1A 0L5

Dear Mr. Jolicoeur:

Our five associations – the Canadian Chamber of Commerce, Canadian Manufacturers and Exporters, Canadian Vehicle Manufacturers Association, Canadian Society of Customs Brokers and I.E.Canada - met recently to discuss the World Customs Organization (WCO) Framework of Standards, appendices and annexes. Collectively, we represent virtually all Canadian traders, from the largest multinational companies to small, infrequent importers and exporters.

On behalf of Canadian business, we were assessing common ground in our response to the Framework, taking into consideration not only the work of the WCO, but also the input from international business organizations who have been engaged with security issues and this particular initiative for some time. We found important points of agreement.

It is clear that collectively, we are frustrated with the lack of visibility of the WCO Framework here in Canada. Simply put, to the best of our knowledge, CBSA has not undertaken an appropriate level of stakeholder engagement on this important initiative. For some of us, the meeting in Toronto on February 8<sup>th</sup> was the first that we had heard about this. Subsequent to that meeting, there have been further discussions on this initiative at the WCO level, but not one of our organizations has been asked by CBSA to provide input in developing Canada's position on the Framework. This must change.

The current situation is especially disappointing because there are important ramifications and potential obligations for business in these documents. There is also an opportunity for Canada to exercise leadership in several key areas, turning ideas and intentions into reality. These ideas include:

- harmonization of processes and data requirements
- single window
- importance of service standards
- mutual recognition of security standards
- building secure supply chains without the obligation of any single business to ensure trade chain partners are authorized.

We must also note that at a time when trade facilitation is an important issue in WTO discussions and in bilateral negotiations with our trading partners, the WCO initiative must be implemented in a way that complements the trade facilitation agenda.

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As alternatives are considered to make the supply chain more secure, governments and specifically the Canadian government must ensure that business is not unnecessarily burdened with additional costs, or with further delays. Business will be expected to play its part in implementation of the Framework, and it is critical that business is engaged with you now, to ensure that the end product is workable, sensible and does not impose unnecessary cost constraints. The time lines for end delivery are already pushed to the limit and supply chain costs have already increased because of compliance with security requirements. There must be clear benefits identified as options are analysed, along with a systematic discussion of costs. There must also be transparency about the total cost of security measures which have been implemented to date, as a benchmark to better track the cost to taxpayers and the trade, and to evaluate results. This must happen globally, but it must also happen right here in Canada. We need to see clearer linkages between initiatives and timetables discussed internationally, and CBSA's agenda and priorities here at home.

Following our meeting, Prime Minister Martin and the Presidents of the United States and Mexico announced an ambitious agenda for detailed work on security initiatives within North America, between now and June. We would like to meet with you and your officials before the next meeting of the WCO in Brussels (April 11-12) to better understand what input Canada is making to the WCO exercise, to contribute to Canada's position on the Framework documents, and to define the role we can play with the North American security initiative.

We are here to help and look forward to hearing from you. We will be in touch with your office later today.

Sincerely,

Mary Anderson  
Interim President  
I.E.Canada

Carol West  
President  
Canadian Society of Customs Brokers



Mathew Wilson  
Manager, Consumer Industry Affairs  
Canadian Vehicle Manufacturers' Association

Jayson Myers, PhD  
Senior Vice-President and Chief Economist  
Canadian Manufacturers & Exporters



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LA CHAMBRE DE COMMERCE DU CANADA

Bob Keyes  
Senior Vice President, International Policy  
The Canadian Chamber of Commerce