



May 8, 2008

Ms. Mary Anderson
President
IE Canada
160 Eglinton Avenue East
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Toronto, ON M4P 3B5

Dear Mary:

Thank you very much for responding on the draft suspension/cancellation criteria sent out for consultation. Your letter outlines very significant points about our Partners in Protection draft proposal. We have carefully analyzed the comments received from industry and, as a result, have made a number of significant changes.

As the revised procedures now state, the CBSA will provide a warning letter and work with members to improve security such as developing a corrective action plan. Furthermore, the CBSA will also conduct a post incident analysis, as you suggest in your comments. If a cancellation is imposed, a new application to the program will be necessary.

To address your comments on the specific violations, I offer the following responses:

- Violation 1 has been reworded and the penalty has been amended.
- Violation 2 has been amended to correspond with the MOU "a carrier will advise the CBSA of changes when the carrier knows".
- Violation 3 penalty has been amended.
- Violation 4 regarding insolvency has been removed.
- Violation 5 regarding a security bond has been removed.
- Violation 6 has been reworded and is now Violation 4 in the revised version.
- Violation 7 refers to failure to disclose pertinent business information that directly affects the member's security profile. It has been reworded and has become Violation 5 in the revised version.
- Violation 8 has been reworded to apply to security-related programs only and has become Violation 6 in the revised version.

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- The use of “good character” in Violation 9 has been approved by CBSA’s legal department to ensure the integrity of PIP members. This has become Violation 7 in the revised policy.
- The penalties have been revised for violations 9 and 10. Under the revised policy, Violation 9 has become Violation 7; Violation 10 has become Violation 8.
- Violation 11 refers to faulty on-site security practices leading to a security breach on sensitive information. Violations 11 and 1 have been amalgamated into Violation 1 (failure to maintain minimum security requirements).
- Violation 12 has been revised to Violation 9 with the addition of a potential warning letter, action plan and post-incident analysis.
- In reference to Appendix E, we are researching the application of AMPS. It is not intended to penalize PIP members unduly.

We have observed your comments on the authority to suspend and cancel a PIP membership. Please note that, similar to C-TPAT, the final decision to suspend or cancel PIP membership will reside with the PIP director.

It is important to ensure clarity and fairness in order to avoid unjust punishment. Each member will be entitled to an appeal process. A draft appeal process has been developed and was released for consultation on April 18.

The e-mail transmission on April 18 also included the proposed re-instate and denial policies for review.

The CBSA, concerned that the suspension and cancellation policies be transparent, sent the revised version for consultation with the three other policies. We want to ensure that the sanction and penalty regime under PIP is fair while supporting security in the trade chain and protecting our border against crime and terrorism. With your help, we will achieve this goal.

The CBSA anticipates receiving feedback, once again, from your association that will be beneficial in formulating the final products. I appreciate the time and effort you devote in preparing your comments and thank you again.

Sincerely,



Claude St-Denis
Director, Program Development
Policy and Program Development Directorate

cc: Kimber Johnston / Vice – President, Enforcement Branch

cc: Caroline Xavier / Director General

Policy and Program Development Directorate, Enforcement Branch