**Remarks of the Canadian International Freight Forwarders Association**

**To**

**The House Standing Committee on Transportation, Infrastructure and Communities**

**April 25, 2022**

Thank you Mr. Chairman for inviting Bruce and me to speak on this critical issue.

Monsieur le président et mesdames et messieurs les membres du Comité, au nom de l’Association des transitaires internationaux canadiens, je vous remercie de me donner cette occasion aujourd'hui de m'adresser à vous.

It is very much to the credit of this committee that you are investing time on this critical subject.

Our membership appreciates the Committee’s inquiry and we look forward to recommendations you might have.

If you are an importer, such as a retailer, or you’re an exporter, such as a Canadian-based manufacturer, transportation and border efficiency are critical.

You likely don’t want to spend time on all the complex details of transportation and border regulations as you do business in many countries.

Instead, you hire one of Canada’s freight forwarding companies making up our membership, allowing their 20,000 plus employees to take control of your products and move them by the best mode of transport, at the best price.

A significant percentage of Canada’s freight is transported by forwarders, which means our membership is – by far – the largest shipper in the country. Our members track the supply chains in and out of the country with a very intense, real-time scrutiny.

From the witnesses you’ve already met, it’s clear the committee understands that supply chain is still in a lot of trouble today.

Consider this: it takes about 22 days for a ship to travel the 10 thousand kilometres from Hong Kong to Vancouver. But, as recent as last Friday, the shipping company Maersk reported that the: *“Average wait time for a berth [in Vancouver Port] is still around four weeks”* and *“yard congestion is at 120%”.*

Consider that a port’s optimal operational level is closer to around 80% and the picture becomes clearer.

Two key factors determine how competitive we are in supply chains: regulatory process and infrastructure.

Through the pandemic the Canadian Border Services Agency made efforts to reduce inspection delays and these measures were very welcome. But our members are still facing a nightmare situation.

Not long ago we got a message from one of our members illustrating the situation.

* A specific container was identified for CBSA inspection. That was on October 23.
* The container didn’t get to the inspection location until November 24th.
* CBSA did the inspection on December 2, it took less than one day. The next day it was picked up and returned to the port.
* Customs released it for delivery on the 4th of January.

So, the process took 73 days to get a one-day inspection accomplished.

This example illustrates that, even if CBSA/Customs move as quickly as they can, the system is still terribly blocked. This type of delay results in significant demurrage and detention costs to the importer and ultimately, the Canadian consumer.

One of the most important developments in the pandemic were measures the regulatory authorities implemented to reduce delays. These were very welcome and demonstrated exactly the flexibility and scalability in our supply chain so many of your witnesses have called for.

I urge the committee to call witnesses from the Canada Border Services Agency to:

* 1. outline what they did and what were the implications of their “shortcuts” in executing their mandates.
  2. Indicate whether we can keep these accelerated processes or do they plan to reverse the steps they took?
  3. what other measures, such as better interdepartmental data-sharing, are they implementing? The power of IT systems to facilitate trade is considerable and we need aggressive action in this area.
  4. what measures exist for more cooperation with American border authorities is warranted, especially in times for crisis.

Ultimately the ability of the system to respond to increased volumes, and maintain competitiveness, relies on modern infrastructure.

Recent announcements by the government are encouraging….if they are implemented efficiently.

Unfortunately, we have seen examples of promises not kept, or of seemingly endless reviews. The studies about the Roberts Bank terminal 2 project began in 2011. We still have no assurance the project will proceed.

One particularly egregious example: In 2015, the federal budget promised the purchase of a large-scale imaging system for rapid inspections atthenew **Tsawwassen Container Examination Facility in BC. Not only has the system not been installed, we have spent years trying to get an answer from the department about its status. I hope the committee will use its authority to get some kind of explanation on the delay.**

You have had witnesses urging a change to our competition law to prevent ocean shipping firms from organizing cartels. We would endorse that action. The Shipping Conference Exemption Act is long-overdue for amendment. Across the world many countries have announced they will no longer permit these monopolistic practices and it’s time Canada made the same decision.

**Let me just wrap up our opening statement by saying this: Effective supply chains are a benefit to everyone, in every region and walk of life. I hope this committee is able to make a big contribution to the effort to improve ours.**

**I look forward to your questions.**