



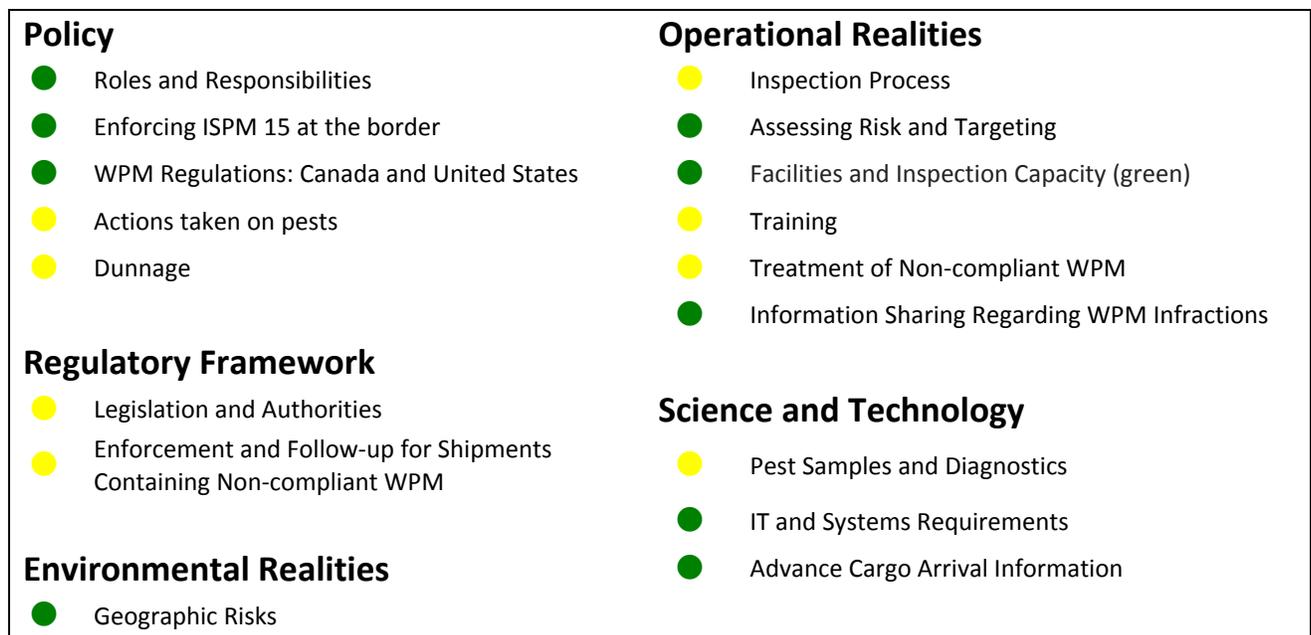
# **Beyond the Border Action Plan: Wood Packaging Material Inspections Feasibility Study**

July 30, 2014

# Executive Summary

As part of the *Beyond the Border* (BtB) Action Plan, Canada and the United States (U.S.) formed a working group between the Canada Border Services Agency (CBSA), the United States Department of Agriculture (USDA)'s Animal and Plant Health Inspection Service (APHIS), U.S. Customs and Border Protection (CBP) and the Canadian Food Inspection Agency (CFIA). The group was tasked with comparing Canadian and U.S. legislation and operational realities to determine whether a harmonized perimeter approach to the collaborative inspection of wood packaging material (WPM) at the first point of arrival (FPOA) is feasible in the marine mode.

The following chart presents an overview of the key areas that were explored and to what extent these areas would impact the adoption of an expanded perimeter approach to inspecting WPM at the FPOA.



- Legend**
- No challenges to implementing a perimeter approach
  - Minor challenges to implementing a perimeter approach
  - Major challenges to implementing a perimeter approach

# Table of Contents

1	Definitions and Acronyms .....	1
2	Introduction .....	3
3	Issue .....	3
4	Objective of the Study .....	4
5	Scope of the Study .....	4
6	Background .....	4
7	Policy .....	5
8	Regulatory Framework .....	7
9	Operational Realities .....	10
10	Environmental Realities .....	13
11	Science and Technology .....	14
12	Stakeholder Impact .....	15
13	Conclusion .....	16
	Appendix A – Legislation and Authorities .....	17
	Appendix B – CBSA WPM Inspection Process Map .....	18
	Appendix C – U.S. WPM Inspection Process Map .....	<a href="#">19</a>

# 1 Definitions and Acronyms

For the purposes of this study, the following definitions and acronyms are used:

“APHIS” refers to the United States Department of Agriculture’s Animal and Plant Health Inspection Service.

“BtB” refers to the *Beyond the Border* Action Plan

“CBP” refers to U.S. Customs and Border Protection.

“CBPAS” refers to a CBP Agriculture Specialist.

“CBSA” refers to the Canada Border Services Agency.

“CFIA” refers to the Canadian Food Inspection Agency.

“Contraband” refers to goods whose entry into Canada or the U.S. is prohibited by law, and includes non-compliant wood packaging material.

“CSI-RT” refers to CBP’s Container Security Initiative Remote Targeting system.

“Dunnage” refers to wood packaging material used to secure or support a commodity but which does not remain associated with the commodity.

“First Point of Arrival (FPOA)” refers to the first perimeter point of arrival in Canada or the U.S. reached by the marine vessel and goods from international waters.

“Inspection” refers to any activity that is carried out for the purpose of verifying compliance with International Standard for Phytosanitary Measures 15, *Regulation of Wood Packaging Material in International Trade* (ISPM 15), and includes all steps involved from targeting through to final enforcement action(s) and disposition.

“ICSS” refers to the *Beyond the Border* Action Plan’s Integrated Cargo Security Strategy.

“International Plant Protection Convention” (IPPC) refers to the International Plant Protection Convention, as deposited with the Food and Agriculture Organization of the United Nations (FAO) in Rome in 1951 and as subsequently amended. As of November 2012, 177 governments adhere to the IPPC.

“ISPM 15” refers to the International Standard for Phytosanitary Measures 15, *Regulation of Wood Packaging Material in International Trade*.

“In-bond” refers to a container entering either Canada or the U.S. that is destined for the other country.

“NPPO” refers to a National Plant Protection Organization, an official service established by a government to discharge the functions specified by the International Plant Protection Convention (IPPC).

“Perimeter” refers to Canadian and U.S. marine ports of arrival, and the analysis does not include any other mode of transport.

“Pest” refers to any organism that is injurious or potentially injurious, whether directly or indirectly, to plants or products or by-products of plants, and includes any plant prescribed as a pest. **This study and the related ICSS pilots are only concerned with macroscopic (i.e. visible to the human eye) pests associated with wood packaging material (“wood pests”).**

“Pest Risk Analysis” refers to the process of evaluating biological or other scientific and economic evidence to determine whether an organism is a pest, whether it should be regulated, and the strength of any phytosanitary measures to be taken against it.

“Quarantine Pest” refers to a pest of potential economic importance to the area endangered thereby and not yet present there, or present but not widely distributed and being officially controlled.

“USDA” refers to the United States Department of Agriculture.

“WPM”, wood packaging material, refers to wood or wood products (excluding paper products) used in supporting, protecting or carrying a commodity (includes dunnage).

## 2 Introduction

### ***Beyond the Border Action Plan***

On February 4<sup>th</sup>, 2011, Canada and the United States (U.S.) issued a declaration establishing a new long-term partnership built on a perimeter approach to security in North America. One of the main goals of the *Beyond the Border (BtB) Action Plan* is to strengthen our shared security and continue addressing threats to both countries at the earliest stage possible. As Canada and the United States work to implement the *BtB Action Plan*, our common goal is to develop and utilize harmonized processes to identify and stop threats before they arrive in either Canada or the U.S.

The *Integrated Cargo Security Strategy (ICSS)*, one of the strategies under the *BtB Action Plan*, focuses in particular on this strategic goal and provides a framework in which we can work collaboratively to enhance the safety and security of cargo arriving from abroad via the Canada-U.S. supply chain. Through enhanced information sharing, joint risk assessment, and collaborative inspections, Canada and the U.S. can mitigate risks effectively at the earliest opportunity. Initiatives under the ICSS include, but are not limited to marine pilots in Prince Rupert, BC, Montreal, QC and Newark, NJ. The success that these pilots have in effecting an appreciable reduction in inspections at the Canada-U.S. land border should be factored into the longer-term considerations regarding the viability of pursuing a full and permanent ICSS implementation strategy.

This feasibility study represents a preliminary, but critical step in the joint Canada-U.S. consideration of prerequisite factors and circumstances that could enable a future wood packaging material (WPM) perimeter inspection regime based on BtB principles.

### ***Wood Packaging Material Inspections Feasibility Study***

The *BtB Action Plan* directed the establishment of a joint Canada-U.S. working group to conduct a WPM feasibility study that assessed policy, program or operational changes that would be required to move WPM inspections away from the shared border and to the perimeter. Working group members include representatives from the Canada Border Services Agency (CBSA), the United States Department of Agriculture (USDA)'s Animal and Plant Health Inspection Service (APHIS), U.S. Customs and Border Protection (CBP) and the Canadian Food Inspection Agency (CFIA). The CBSA is the Canadian lead for this study, and the official author. APHIS is the U.S. lead for the working group, while the CFIA and CBP provide technical expertise and essential support.

## 3 Issue

The CFIA and APHIS have cited a growing number of wood pests of concern in both countries as a result of wood-pest introduction from cargo originating offshore. The pilot is to determine if adopting a harmonized perimeter approach to sharing inspection information will facilitate the in-bond movement of goods across the Canada-U.S. border by shifting our focus on mitigating wood-pest introduction from our individual borders to the perimeter.

## 4 Objective of this Study

The intent of this study is to compare Canadian and U.S. legislation and operational realities to determine whether a harmonized perimeter approach to WPM inspections at the first point of arrival (FPOA) is feasible in the marine mode.

## 5 Scope of this Study

To complete this study, the WPM Inspections Feasibility Study Working Group (Working Group) undertook a comparison of Canadian and U.S. policies and procedures surrounding the inspection of WPM. However, the scope of this document is to outline the major challenges identified to adopting a harmonized perimeter approach to WPM arriving in the marine mode at the FPOA.

This document offers a summary of the key areas examined by the Working Group, and focuses on how these components would impact the future implementation of a possible expanded perimeter approach to sharing WPM inspection information.

Note: While there are numerous other types of agricultural risks, this study only addresses wood-pest risks associated with WPM.

## 6 Background

### Description and Justification for WPM Regulation

WPM refers to wood or wood products (excluding paper products) used in supporting, protecting or carrying a commodity, and includes dunnage used to secure or support a commodity, which does not remain associated with the commodity. WPM constructed from the wood of any plant species that is not manufactured, including dunnage, pallets, spacers, bearers, crating, etc., including wood bracing not permanently attached to freight vehicles or containers (e.g. flat rack and flatbed containers) and WPM imported as a commodity are required to be treated to meet *International Standard for Phytosanitary Measures 15, Regulation of Wood Packaging Material in International Trade* (ISPM 15) standards.<sup>1</sup> Canada and the U.S. are both signatories to the International Plant Protection Convention (IPPC), and therefore adhere to the requirements of ISPM 15.

The risk represented by WPM varies depending on the quality, conditioning and degree of finishing of the wood. The better the quality of wood used, the less likely it is that the WPM may be infested with regulated pests, many of which have been detected on wood dunnage, pallets, crating or other WPM.

The introduction of the Asian long-horned beetle, pine shoot beetle, emerald ash borer and other regulated pests now established in parts of North America can be linked to international

---

<sup>1</sup> ISPM 15 considers WPM constructed of both manufactured and non-manufactured wood to be regulated commodities (e.g., a plywood crate with a non-manufactured wood frame).

<sup>2</sup> Only material listed in 7CFR 319.40-3(a) is regulated from Canada. WPM is not in that section. Canada was also listed as exempt in the comments when the regulation was published.

shipments that contained infested WPM. International standards, such as ISPM 15, recognize that the inherent pest risks associated with the international movement of unmanufactured WPM which has not been treated. The guideline represents a mechanism by which any country may establish regulatory controls in a manner that is internationally recognized and transparent. In order to enforce suggested regulatory controls, the onus is on each National Plant Protection Organization (NPPO) country as a signatory to the international standard, to ensure that they have the appropriate legislative authority. The CFIA is the official NPPO for Canada, while APHIS is the NPPO for the U.S. WPM policy development and maintenance falls under the responsibilities of these organizations.

### Current Status of WPM Inspections

Canada and the U.S. currently employ a bilateral agreement which exempts both countries from ISPM 15 requirements.<sup>2</sup> WPM originating from off-continent and travelling in-bond through either country is still considered offshore in origin, and must therefore comply with the international standard.

## 7 Policy

### Comparison of WPM Programs in Canada and the United States

#### Roles and Responsibilities

CFIA and APHIS	CBSA and CBP
The CFIA and APHIS are responsible for policy development and interpretation with respect to WPM, and providing technical support to the public, as well as other government agencies, including the CBSA and CBP.	The CBSA and CBP are responsible for the inspection and enforcement operations related to WPM at the border.  The CBSA currently enforces WPM requirements in the marine mode only.

The CBSA and CBP work collaboratively with the CFIA and APHIS, respectively, to ensure the effective enforcement of ISPM 15 at the U.S.-Canadian border.

#### STATUS

- No *Roles and Responsibilities* challenges to implementing a perimeter approach

#### Enforcement of ISPM 15 at the Border

Mode	Canada	U.S.
Highway	✘	✓
Marine	✓	✓
Air	✘	✓
Rail	✘	✓

Due to operational capacity, ISPM 15 is currently enforced at the Canadian border by the CBSA in the marine mode of transport only.

CFIA policy does not limit the enforcement of its provisions to any mode, and CFIA inspectors enforce

WPM regulations in Canada whenever WPM is intercepted inland.

The limited enforcement of ISPM 15 by the CBSA at the Canadian border does not present an obstacle to implementing a perimeter approach in the marine mode.

<b>STATUS</b>
● No ISPM 15 enforcement challenges to implementing a perimeter approach in the marine mode.

**WPM Regulations: Canada and United States**

Canada and the U.S. are both signatories to the International Plant Protection Convention (IPPC), and therefore adhere to the requirements of ISPM 15.

The following commodities are regulated under each country’s regulations:

- WPM constructed from the wood of any plant species that is not manufactured, including dunnage, pallets, spacers, bearers, crating, and wood bracing not permanently attached to freight vehicles or containers (e.g. flat rack and flatbed containers).

*Exemptions include:*

- WPM made entirely from thin wood (6 mm or less in thickness)
- WPM made wholly of processed wood material, such as plywood, particle board, oriented strand board or veneer that has been created using glue, heat or pressure, or a combination thereof
- Barrels for wine and spirit that have been heated during manufacturing, gift boxes for wine, cigars and other commodities made from wood that has been processed and/or manufactured in a way that renders it free of pests
- Wood shavings, sawdust and wood wool used to stabilize a commodity
- Wood components permanently attached to freight vehicles and containers

Both countries duplicate the above-mentioned exemptions. As well, the U.S. recognizes a U.S. Department of Defense stamp in lieu of the ISPM15 for returning U.S. Department of Defense (DOD) cargo imported by the Department or DOD contractors to the Department or DOD contractors. Canada accepts a special import permit issued by the CFIA to the Department of National Defence. Both countries recognize these alternative approaches as deemed equivalent to meeting ISPM 15 requirements for returning military cargo.

These alternative approaches do not represent a challenge to implementing the perimeter approach to the extent that Canada recognizes and accepts the U.S. DOD stamp as equivalent to the ISPM 15 marking.

<b>STATUS</b>
● No WPM Regulation challenges to implementing a perimeter approach

**Actions taken on wood pests**

<b>CBSA and CFIA</b>	<b>CBP and APHIS</b>
Canadian policy is to refuse the container entry into Canada, order fumigation when required, and order the container removed from Canada.	Refuse entry, and any mitigative action is considered a safeguarding measure.
The CBSA and the CFIA do not make any distinction between whether pests are discovered “in” the WPM or “on” the WPM.	CBP and APHIS make a distinction, and treat pests discovered “in” WPM as an automatic refusal, but after further investigation they can

	allow for treatment and release of marked wood when quarantine pests are found “on” the WPM.
--	--

Pests found ‘on’ marked wood and determined not of quarantine concern for wood can be treated and released. The additional options could make U.S. entry more desirable

STATUS
● Minor <i>Actions taken on Wood Pests</i> challenges to implementing a perimeter approach

### Dunnage

CBSA and CFIA	CBP and APHIS
All dunnage, with or without the proper ISPM 15 mark, is considered non-compliant and is subject to action in accordance with CFIA policy.	All ISPM 15-marked dunnage is compliant while unmarked dunnage is considered non-compliant and is subject to action at CBP’s discretion under APHIS’s authority.

This difference in determinations of compliant cargo between Canada and the U.S. presents a potential challenge as dunnage is not admissible to Canada.

STATUS
● Minor <i>Dunnage</i> challenges to implementing a perimeter approach

## 8 Regulatory Framework

### Legislation and Authorities

*For a detailed list of acts, regulations, guidelines, and legislation pertaining to WPM inspections in Canada and the U.S., please see Appendix A.*

The Working Group notes that legislative/regulatory changes may be required, which may lead to additional funding requirements, as well as funding for additional inspections. An assumption for this study is that there will be impacts and resource considerations for any changes to current policies, procedures and regulations.

The Working Group has identified the following three legislative issues as being areas to address with regards to adopting a harmonized perimeter approach to information sharing:

#### 1. Phytosanitary requirements

In Canada, a valid phytosanitary certificate is accepted in lieu of an IPPC mark from all countries with the exception of China. However, the U.S. does not accept phytosanitary certificates for WPM.

For this reason, Canada cannot order a container removed if accompanied by a valid phytosanitary certificate. The likelihood of a U.S.-destined shipment being accompanied by a

phytosanitary certificate for WPM, but no IPPC mark, are very minimal, as industry is well-aware that the U.S. does not allow for this alternative.

## 2. Inspection authorities

CBSA	CBP
The CFIA has delegated authority to the CBSA to inspect WPM at all Canadian marine ports of entry.	The USDA has delegated authority to CBP to inspect WPM at all U.S. ports of entry.

The authorities to perform in-bond WPM inspections and make entry decisions at the FPOA, including ordering non-compliant shipments removed, exist in both Canada and the U.S.

To begin implementation of a harmonized perimeter approach, Canada and the U.S. determined that the country conducting the inspection at the FPOA would begin by providing inspection information on the targeted “in-bond” shipments, while inspection authorities are maintained by the each of the respective countries.

The FPOA country’s border authorities are to undertake an inspection consistent with existing policy and procedures of that country, and share the findings of these inspections with the country receiving the “in-bond shipment”. Targeted shipments that are found to be non-compliant with the regulatory requirements of the country of FPOA are to be refused entry, and dealt with in a manner consistent with that country’s laws and policies.

Information gathered by the CBSA/CBP through the inspection is to be shared with the other country’s authorities via CSI-RT, prior to the container proceeding “in-bond” to the importing country. The importing country maintains the right to re-inspect any of these containers when they reach the land border. Based on this model, the Working Group concluded that the existing delegations are sufficient for the purposes of adopting an information-sharing perimeter approach.

## 3. Penalties

**Both countries believe that the cost to the shipper of re-exporting refused, non-compliant containers is a significant and harmonized punitive action which both countries could immediately use to address offences.**

CBSA	CBP
The CBSA does not currently issue monetary penalties for non-compliant WPM violations.	CBP issues monetary penalties against the CBP bonds of those who do not comply with WPM regulations (e.g., fail to export a shipment with infested WPM). CBP can issue these penalties to those documented importers, carriers, or bonded custodians who have made multiple attempts to enter violative WPM or who attempt to conceal a WPM violation.

CBP issues penalties for non-compliant WPM only in the U.S. CBP tracks the party in care and control of non-compliant shipment during an annual year, and on the 6th infraction, penalties

may be incurred. The CBSA is not authorized to issue these same penalties on behalf of CBP for U.S.-bound shipments upon their arrival at Canadian ports of entry. CBP cannot count incidences of non-compliance in Canada towards its tally of infractions.

The CBSA does have a penalty structure that CBSA officers enforce commercially, and the CBSA is committed to exploring the possibility of integrating penalties for non-compliant WPM infractions into this existing penalty structure.

There is a need to ensure that the enforcement authorities are equivalent in both countries to avoid incentivizing the shipment of goods to the country with the lower penalty for non-compliance. The WG also noted the importance of aligning penalty structures as much as possible without impeding existing practices or going beyond the sovereign decisions made in each country.

However, regardless of the types of penalties or deterrents available, both countries would benefit from an increase in interceptions of non-compliant WPM at the FPOA.

A review of penalties for CBSA and CBP was conducted as part of this study for purposes of exploring future bilateral penalty harmonization. The differences in policies for imposing penalties could impact the implementation of the wood packing material pilot if they result in shippers sending their goods to the country with the lower penalties for non-compliance. However, for pilot implementation purposes, each country intends to retain independent responsibility for their respective penalty processes.

STATUS
● Minor <i>Legislation and Authorities</i> challenges to implementing a perimeter approach

### Enforcement and Follow-up for Shipments Containing Non-compliant WPM

CBSA	CBP
<p>When a shipment is discovered in Canada containing non-compliant WPM it is ordered removed from Canada. If the shipment is infested with pests, it is ordered treated and removed from Canada.</p> <p>The CBSA refuses the entire shipment – the commodity and the accompanying WPM.</p> <p>The CBSA does not issue monetary penalties for non-compliant WPM. However, the importer or person in care and control of the goods is liable for all costs associated (fumigation, removal, etc.) with non-compliant WPM.</p>	<p>In the U.S., non-compliant shipments are refused entry. However, CBP can allow for the non-compliant WPM to be removed, and replaced with new, compliant WPM. Companies can request this manipulation (separation of cargo from WPM) from the Port Director's office so the product is not refused entry, but the WPM is still exported.</p> <p>CBP issues monetary penalties against the CBP bonds of importers, carriers, etc. who do not comply with WPM regulations.</p>

While the CBSA does not currently issue monetary penalties for commercial WPM violations, both the CBSA and CBP nationally target repeat offenders for WPM infractions. However, differences in enforcement for non-compliant WPM may result in shippers sending their goods

to the country that provides additional options for responding to non-compliant shipments or that does not impose monetary penalties for non-compliant WPM.

<b>STATUS</b>
● Minor <i>Enforcement and Follow Up</i> challenges to implementing a perimeter approach

## 9 Operational Realities

### Inspection Process

While each country, consistent with relevant policies, applies a slightly different approach to inspecting WPM, the inspection processes of both countries are similar and adhere to the ISPM 15 guidelines.

A detailed overview of each country’s inspection procedures can be found in the appendices at the conclusion of this document. The United States requires removal of all WPM that does not carry an ISPM 15 marking. While Canada also requires removal, WPM without a mark or a phytosanitary certificate is first inspected for live pests, and if found, must undergo treatment prior to removal from the country. This difference could be problematic for material that is found non-compliant in the United States but would be exported through Canada.

<b>STATUS</b>
● Minor <i>Inspection Process</i> challenges to implementing a perimeter approach

### Assessing Risk and Targeting

CBSA	CBP
The CBSA targets for WPM based on historical data and commodities considered high risk for non-compliant WPM.	CBP targets for WPM pest risk based on historical data and commodities considered high risk for non-compliant WPM.

Both the CBSA and CBP have equivalent practices for targeting of shipments containing WPM.

<b>STATUS</b>
● No <i>Assessing Risk and Targeting</i> challenges to implementing a perimeter approach

### Facilities and Inspection Capacity

CBSA	CBP
The CBSA conducts WPM inspections at container examination facilities located in the proximity of the FPOA.	CBP conducts WPM inspections at centralized examination stations, in combination with bonded warehouses, located in the proximity of the FPOA.

The CBSA and CBP both have the operational capacity to perform current levels of WPM inspection without significant operational impacts; however, additional resources would be required to meet the demands of any increased inspection volumes under an expanded

perimeter approach. The sharing country would assume additional inspections in order to mitigate the likelihood that additional inspections will be required by the targeting country.

The Working Group determined that facilities in both countries meet Canadian and U.S. requirements as they pertain to performing WPM inspections at the perimeter.

<b>STATUS</b>
● No <i>Facilities and Inspection Capacity</i> challenges to implementing a perimeter approach

### Training for Officers Performing WPM Inspections

In the past year, both the CBSA and CBP released WPM training modules for their respective commercial/cargo staff to complete.

CBSA	CBP
<p>The CBSA's online WPM Inspections course is available to all CBSA staff.</p> <p>All four of the CBSA's major commercial marine ports enforcing WPM requirements report having their officers trained in WPM inspection.</p>	<p>CBP's WPM training module is provided for its Agriculture Specialists (CBPAS), Officers, and supervisors.</p> <p>CBPAS serve as experts and technical consultants in the areas of inspection, analysis, examination, and law enforcement activities related to the importation of agricultural commodities and conveyances at the various ports of entry to prevent the introduction of harmful foreign agricultural plant and animal pests and diseases, and potential biological terrorism agents from entering the United States.</p>

While CBP has personnel trained in WPM inspection covering all U.S. ports of entry; it is not the mandate of the CBSA to have specialized officers performing specific functions. There are some Canadian ports that report maintaining a specialized food, plant, and animal inspection team, but this is a local decision and not national practice.

<b>STATUS</b>
● Minor <i>Officer Training</i> challenges to implementing a perimeter approach

**Treatment of Non-compliant WPM**

***Fumigation***

CFIA	APHIS
<p>CFIA policy dictates that fumigation is always required where feasible and where there is a risk of pest escape when regulated wood pests at any life stage are found during the course of a WPM inspection.</p> <p>No distinction between pests found “in” vs. “on” WPM.</p> <p>Fumigations are performed by private, provincially-licensed companies, but the treatment is not directly monitored by the CBSA or the CFIA. The fumigator must provide a copy of the treatment certificate to the CBSA.</p>	<p>APHIS policy is to treat for live pests when there is threat of emergence from the wood; non-compliant WPM infested with adult pests is treated and then exported, while non-compliant WPM infested only with larvae is exported.</p> <p>Distinguishes between actionable pests found “in” vs. “on” WPM.</p> <p>APHIS-approved fumigators perform fumigations under APHIS supervision.</p>

Methyl Bromide is the only fumigation treatment allowed by APHIS and the CFIA, and both countries have fumigations performed either at the port/inspection facility or in close proximity to the inspection site.

Both countries refuse entry of infested WPM, regardless of whether the inspecting country orders fumigation. Provided that all in-bond containers are ordered removed/exported at the FPOA, and do not continue on to the country of destination, then these policy differences are not an issue for implementing a perimeter approach.

***Allowing for deconsolidation of mixed-load shipments***

CBSA	CBP
<p>Consolidated shipments with no evidence of wood pests can be deconsolidated at the port’s discretion.</p>	<p>Consolidated shipments with no evidence of wood pests can be deconsolidated at the port’s discretion.</p>

***Allowing for separation of non-compliant WPM from cargo (manipulation)***

CBSA	CBP
<p>The manipulation of WPM for individual shipments is not allowed by the CBSA.</p>	<p>CBP’s policy is to require export; however, WPM that is non-compliant due to the lack of a treatment stamp can be separated at the discretion of the CBP Port Director, upon request of the broker. If permission is granted, the procedure would be executed at a warehouse or staging area to remove the violative WPM from the shipment. The</p>

	violative WPM would then have to be exported, at the expense of the importer or shipper.
--	--

CBP has the ability to forgo discretionary separation at their ports for shipments being inspected under the ICSS pilots in an effort to harmonize practices. If the CBSA wanted to match U.S. practices, it could be done in Montreal, and possibly in Prince Rupert. Further consultation with the ports of Halifax and Vancouver would be necessary before pursuing any operational changes.

<b>STATUS</b>
● <i>Minor Treatment of Non-compliant WPM</i> challenges to implementing a perimeter approach

**Information Sharing Regarding WPM Infractions**

CBSA and CFIA	CBP and APHIS
The CBSA notifies the importer and/or shipping line within 24 hours of an infraction being discovered. The CFIA receives electronic WPM inspection information from the CBSA every month, and the NPPO of the exporting country is notified of any non-compliance by the CFIA.	CBP notifies the importer and/or shipping line within 24 hours of an infraction being discovered, and inputs the infraction information into APHIS' Emergency Action Database. APHIS pulls the information from this database to create a report for each country every month, and notifies the NPPO of the exporting country of the infractions.

The CFIA and APHIS regularly share current pest-risk data and non-compliance data between their respective agencies, and with their border agencies. In addition, annual summaries are shared at yearly bilateral meetings between the Canada and the U.S.

For a future perimeter approach, the status quo would remain: the inspecting country would notify the party in care or control of the non-compliant shipment of the infraction, and the NPPO of the inspecting country would notify the exporting foreign government.

The party in care or control of the shipment would always be notified of the non-compliance, and would be responsible for all costs and logistics surrounding the removal of the WPM. The sharing of this type of information is being discussed broadly in the context of Regulatory Cooperation Council and BtB initiatives, and is expected to become the subject of an overarching arrangement between Canada and the U.S.

<b>STATUS</b>
● <i>No Information Sharing Regarding WPM Infractions</i> challenges to implementing a perimeter approach

# 10 Environmental Realities

**Geographic Risks**

Both countries have a great deal to gain by mitigating WPM risks at the perimeter. Allowing non-compliant WPM to transit through our forested areas exposes the shared environment of Canada and the U.S. to the introduction of invasive wood pests and threatens the economies that depend on our natural resources. The CFIA and APHIS agree that these exotic wood pests

will continue to be a major threat, and all four agencies believe that a perimeter approach is the most effective and efficient method to mitigate the geographic risk to both countries and minimize the operational challenges associated with its safe removal.

<b>STATUS</b>
● No <i>Geographic Risks</i> challenges to implementing a perimeter approach

## 11 Science and Technology

### Pest Samples and Diagnostics

CBSA and CFIA	CBP and APHIS
<p>The CBSA submits samples of all suspected live quarantine pests and larvae to the CFIA laboratory in Ottawa, ON, for identification by CFIA entomologists.</p> <p>Pest ID sample submissions and results are communicated manually between the CBSA and the CFIA. Currently, the CFIA employs a system to communicate this information internally; however, the CBSA does not have access to this system.</p> <p>The CBSA's average minimum turnaround time for receiving results back from the CFIA lab is between two to three business days.</p>	<p>CBP will submit for local APHIS lab identification any wood pests found in a shipment that doesn't have a local officer with sign-off authority for the pest. Local APHIS identifiers perform the identifications.</p> <p>Pest ID sample submissions and results are communicated electronically between the CBP and APHIS.</p> <p>It takes an average of 24 hours or less in the marine mode to receive identification results from APHIS.</p>

The main reason that the U.S. has a shorter turnaround time is due to the fact that laboratory facilities and identifiers are located at the FPOA. In Canada, the CBSA ships samples to the CFIA National Laboratory in Ottawa for identification. The identification process in Canada therefore takes longer as samples must be shipped nationally, identified, verified and results returned to the port that submitted the sample. In addition, an electronic communications system dedicated to the transfer of wood-pest information between the CBSA and the CFIA does not currently exist.

**Note: Both countries can receive an identification turnaround in as little as 24 hours when required for priority cases.**

<b>STATUS</b>
● Minor <i>Pest Samples and Diagnostics</i> challenges to implementing a perimeter approach

## IT and Systems

CBSA and CFIA	CBP and APHIS
<p>The CBSA uses an IT-based system to target and record inspection results for WPM. Inspection results are communicated back to the CFIA manually on a regular basis.</p> <p>Pest ID sample submissions and results are communicated manually between the CBSA and the CFIA. Currently, the CFIA employs a system to communicate this information internally; however, the CBSA does not have access to this system.</p>	<p>The CBP uses IT-based mode-specific systems to target and record inspection results for WPM. Positive inspection results are communicated back to APHIS electronically through a shared system.</p> <p>Pest ID records and results are communicated electronically between the CBP and APHIS.</p>
CBSA and CBP	
<p>For the purposes of the ICSS pilots, Canada and the U.S. have adopted an electronic process to communicate information and inspection results to one another. If it proves to be successful during the pilots, this system could be used as the key mechanism between the two border agencies for communicating targets, inspection results, and refusals to the country of destination for any expanded perimeter initiatives.</p>	
STATUS	
<p>● Minor <i>IT and Systems</i> challenges to implementing a perimeter approach</p>	

## Advance Cargo Arrival Information

CBSA	CBP
<p>The CBSA is notified of inbound marine cargo 24 hours prior to loading the cargo onto the vessel, and notified 24 to 96 hours prior to the vessel's arrival in Canada.</p>	<p>CBP is notified of inbound foreign marine cargo 24 hours pre-load.</p>

**Each country has its own internal processes in place to properly control cargo movement.**

There is no automated system in place for real-time GPS tracking for either country.

STATUS
<p>● No <i>Advance Cargo Arrival Information</i> challenges to implementing a perimeter approach</p>

## 12 Stakeholder Impact

The intent of this study and the proposed perimeter approach was discussed during regular meetings with stakeholders, e.g., Prince Rupert Pilot Working Group and the Border Commercial Consultative Committee's Other Government Department Sub-Committee. Additional stakeholder outreach should be undertaken to assess the costs and benefits of taking a perimeter approach to wood packaging material.

A detailed, targeted consultation and communications strategy is to be addressed through an implementation plan that is to be developed pending formal endorsement of the Recommendations by both countries.

## 13 Conclusion

Canada and the U.S. are committed to ensuring that inspected WPM crossing their border is compliant — even if it is ultimately destined for the other country — as it is in their own best interests to do so.

Regardless of any legislative or regulatory discrepancies between the two countries, neither country would knowingly allow non-compliant WPM to enter their own country and move through their interior to the other country's land border.

The Working Group determined that sharing of WPM inspection information aimed at identifying high-risk shipments is a realistic approach to facilitating cooperation between the United States and Canada enforcement of ISPM 15 requirements under the BtB Action Plan.

The Working Group also concluded, after a thorough review of each country's respective systems, that there is still essential work needed to ensure parity between the U.S. and Canadian WPM inspection regimes and prepare for implementation of a WPM information sharing inspection approach in the marine mode. As these efforts progress, the U.S. and Canadian teams should consult with their respective stakeholders on the way forward.

# Appendix A – Legislation and Authorities

## **CBSA and CFIA:**

- *Agriculture and Agri-Food Administrative Monetary Penalties Act*, S.C. 1995, c. 40
- *Agriculture and Agri-Food Administrative Monetary Penalties Regulations*, SOR/2000-187
- *Customs Act*, 1985, c. 1
- *Canadian Food Inspection Agency Act* (s. 11 and 14)
- *Plant Protection Act and Plant Protection Regulations*, Section 21.(1.1)
- *Plant Protection Act and Plant Protection Regulations*, Section 25
- *International Standards For Phytosanitary Measures No. 15 (2009)* (ISPM 15: 2009)

## **CFIA**

- D-01-05: *Canadian Wood Packaging Certification Program*.
- D-98-08: *Requirements for the Entry of Wood Packaging Material into Canada*

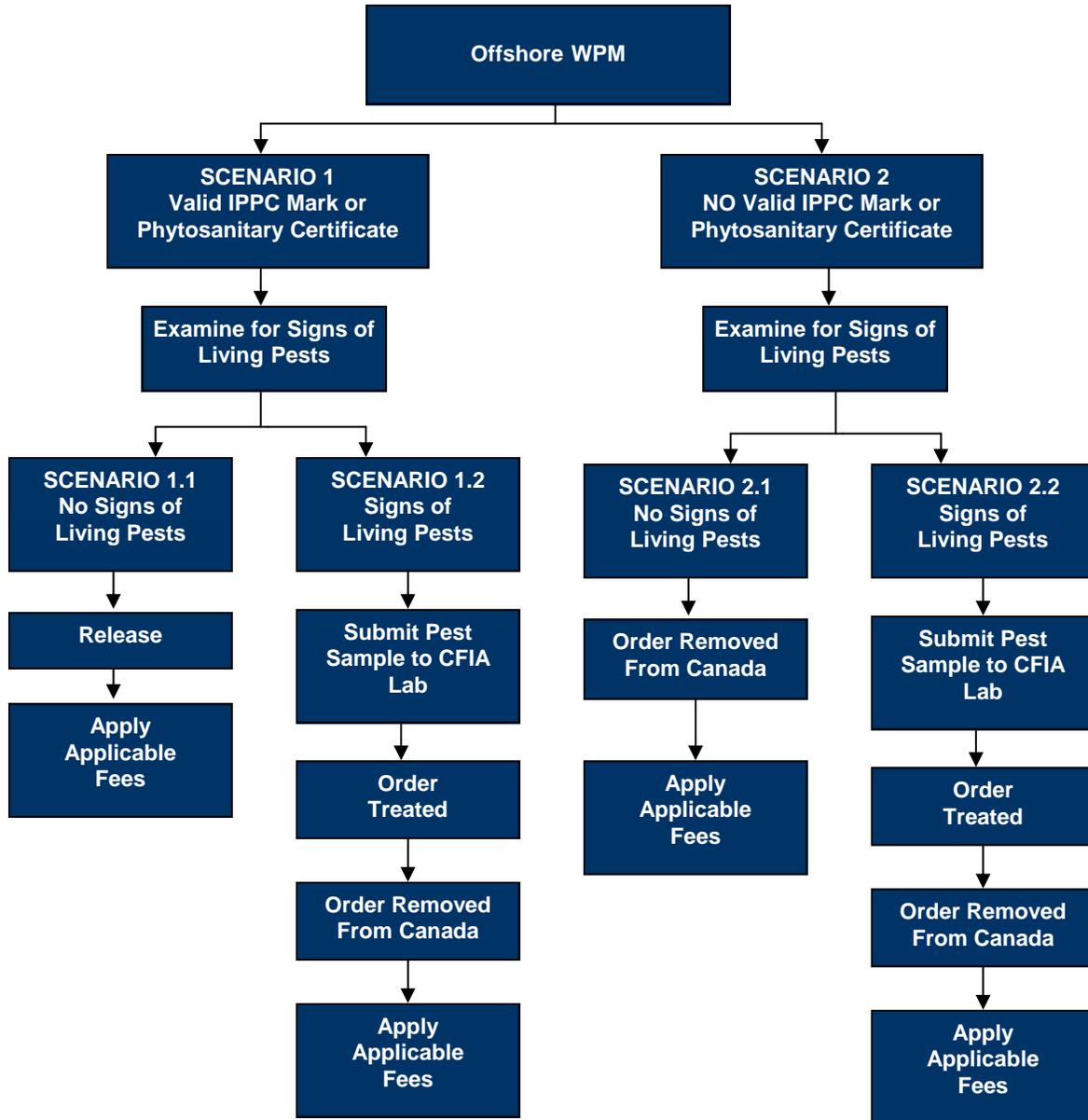
## **CBSA**

- D19-1-1: *Food, Plants, Animals and Related Products*
- D3-1-1: *Policy Respecting the Importation and Transportation of Goods*
- *Canada Border Services Agency Schedule of Inspection Fees*

## **CBP and APHIS:**

- *Plant Protection Act*, 7 United States Code (USC) § 7712
- *Plant Protection Act*, 7 USC § 7713
- 7 Code Federal Regulation (CFR) 319.40 -3
- 7 CFR § 319.40–9: *Inspection and other requirements at port of first arrival.*
- 7 CFR Part 352 (covers transit regulations and authorizes appropriate safeguards)
- 7 CFR § 330.105 (basic authority for inspecting foreign arrivals/conveyances)
- 19 CFR § 113.63

# Appendix B – CBSA WPM Inspection Process Map



# Appendix C – CBP WPM Inspection Process Map

