
*Integrated Cargo Security
Strategy*



Introduction

The 'Perimeter Security and Economic Competitiveness' of Canada and the United States depends upon a secure and trusted global supply chain. Canada and the United States recognize that risks to the global supply chain are to be mitigated at the earliest possible opportunity in order to protect our respective national interests and to ensure the secure, timely and efficient movement of cargo.

We recognize that security and facilitation of trade are of equal importance and are both served by efficient border operations. Canada and the United States currently have similar approaches to border management and have made parallel investments in our respective programs that focus on addressing risk at the earliest point. Our perimeter security and economic competitiveness can be made stronger through a common strategy.

The vision for the Integrated Cargo Security Strategy (ICSS) is that by jointly securing the perimeter, the Canada-U.S. trade corridor becomes the pre-eminent supply chain for the safe, secure, timely and economically prosperous movement of cargo in the world.

This strategy sets out the vision, objectives and actions to address risks at the earliest opportunity by moving risk mitigation related activities away from the Canada-U.S. border. Together, these activities are to significantly streamline the flow of trade crossing our common border while enhancing security.

We expect to achieve a common approach for the screening of inbound cargo arriving from offshore resulting in increased security and the expedited movement of secure cargo within the Canada-United States perimeter. This approach is expected to result in a clear reduction in the number of shipments subject to re-inspection.

We are to develop an integrated, multi-modal customs and transportation security regime which reduces duplication of security processes and limits subsequent inspection at the Canada-U.S. border through mutual recognition and acceptance of results at the perimeter. This strategy moves activities away from the Canada-U.S. border.

We recognize the complexity of the global supply chain. Industry plays an important role and shares the obligations to uphold the highest security standards. We are to work with all levels of government as well as international partners and industry to ensure a coordinated approach that is less intrusive and provides measured incentives to trusted partners, while enhancing the supply chain security. The vision and actions identified in this strategy complement the United States National Strategy for the Global Supply Chain Security.



To achieve our objectives the Canada Border Services Agency (CBSA) and Transport Canada (TC) are to work in concert with the U.S. Customs and Border Protection (USCBP), Transportation Security Administration (TSA), and United States Coast Guard (USCG) in order to manage risk and facilitate the flow of trade. The International Civil Aviation Organization (ICAO), International Maritime Organization (IMO), and World Customs Organization (WCO) are among the international organizations we work with to strengthen the security of the global supply chain. Industry stakeholders including importers, exporters, freight forwarders, carriers, and service providers throughout the supply chain serve an important role to fulfill the strategy's vision. This Strategy is designed to lead to the expedited flow of legitimate trade between our two countries.

Strategic Approach

The ICSS promotes two strategic objectives that outline how we intend to work together to achieve this vision:

1. Identifying and Mitigating Risks Early:

Addressing cargo risks from outside the perimeter before arrival protects the safety and security of our two nations. Those risks that do make it to our shores are to be addressed upon arrival at the perimeter.

2. Facilitating the Flow of Legitimate Cargo:

Facilitating the secure and expeditious flow of goods into and between the two countries by addressing risks at the earliest opportunity. This allows both countries to focus on cargo of higher risk at the Canada-U.S. border where new information changes the risk profile.

Achievement of the Strategic Objectives is to be guided by the following principles:

Guiding Principles:

Unity of Effort: A collaborative effort between industry stakeholders and respective departments/agencies in Canada and the United States is necessary to enhance the security of the supply chain. The customs and transportation security elements of the global supply chain are to work together with industry stakeholders, and international partners, such as the World Customs Organization, the International Civil Aviation Organization and the International Maritime Organization.

Leverage Existing Programs and Partnerships: Established programs that can be leveraged to their maximum potential are key to guiding the implementation of an integrated cargo security approach. Capitalizing on information sharing practices, current industry practices, as well as close cooperation with domestic and international partners is expected to allow for more efficient use of human and technological resources to deal with emerging threats.



PROGRAMS

- *Authorized Economic Operators (AEO)*
 - *Customs Self-Assessment (CSA)*
 - *Customs-Trade Partnership Against Terrorism (C-TPAT)*
 - *Free and Secure Trade (FAST)*
 - *Importer Self-Assessment (ISA)*
 - *Partners in Compliance (PIC)*
 - *Partners in Protection (PIP)*
 - *Trusted Shipper Program*
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PARTNERSHIPS

- *Advisory Committee on Commercial Operations of Customs and Border Protection (COAC)*
 - *Advisory Group on Aviation Security (AGAS)*
 - *Air Cargo Security Technical Committee (ACSTC)*
 - *Air Consultative Committee (ACC)*
 - *Association of Canadian Port Authorities (ACPA)*
 - *Border Commercial Consultative Committee (BCCC)*
 - *Customs Electronic Systems Advisory Committee (CESAC)*
 - *National Air Cargo Security Training and Awareness Committee (NACSTAC)*
 - *Trade Support Network (TSN)*
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Canada and the United States have identified the following actions which are to be taken in support of the Strategic Objectives:

Actions:

Mitigating Risks Early

Expected Outcome: Risks are mitigated at their earliest point in the supply chain by using harmonized data and risk management regimes. The relevant U.S. and Canadian agencies are to:

- Develop the provision of advance data as a standard practice in all modes; The provision of pre-load data in the marine and air mode is to also become standard;
- Develop a common set of required advance data elements for each mode, including the submission and validation of advance information;
- Harmonize risk assessment and targeting methodologies, and appropriate information sharing to provide for pre-load screening and “Do Not Load” messaging; and

- Identify and evaluate options of alternate processes and approaches which trusted traders could use to submit advance data elements, including examining whether and how existing program flexibilities can be enhanced.

Improving Verification and Detection Capabilities Through Technology

Expected Outcome: Illicit and contraband cargo is interdicted through the joint use of innovative technology and countermeasures. The relevant U.S. and Canadian agencies are to:

- Evaluate and achieve mutual recognition of respective security technology to provide a baseline of standards that ensures equivalent levels of security for cargo whether arriving to Canada or to the United States;
- Research, evaluate and implement innovative detection and tamper evident technologies, non-intrusive inspection capabilities and radiological/nuclear detection equipment; and
- Develop comparable examination facilities and technology to have mutually recognized and effective inspection thresholds and standards.

Enhancing Security Processes While Facilitating Trade

Expected Outcome: Cargo moves in a secure, timely and efficient manner through partner and stakeholder collaboration. The relevant U.S. and Canadian agencies are to:

- Develop mutually recognized and effective inspection thresholds, standards, procedures and practices;
- Develop common standards for sealing, securing and tracking cargo travelling between Canada and the United States, coupled with timely information sharing between our two countries;
- Enhance cooperation and information exchanges with our industry partners to leverage their existing security practices;
- Emphasize the use of trusted trader and private and public partnership programs to enhance the security of the global supply chain;
- Develop high-level, long-term protocols through partnership with government and industry to address new threats as they become known; and
- Work to develop a multi-agency Canada – US approach for notifying affected levels of government when a posed threat alters security processes or requirements along the supply chain.

The Forward Path

The implementation of the ICSS is to begin upon its release. In the near term, we are to focus our efforts on the development and initiation of a series of pilot projects, as outlined in Canada's [Perimeter Security and Economic Competitiveness Action Plan](#) and the [United States - Canada Beyond the Border: A Shared Vision For Perimeter Security and Economic Competitiveness Action Plan](#), that are expected to validate and inform the full implementation of the strategy. The proposed Canada and U.S. pilots are to include:

- The perimeter screening and mutual acceptance of exam processes of in transit cargo entering the host country before transiting to the home country;
- A common set of data elements to be developed for each mode of transportation. This is important as these data elements are to be used to support the pilots;
- The testing and evaluation of tamper evident technologies;
- The completion of the ongoing wood packaging material study examining how our two countries can more effectively mitigate the risk of invasive alien species at the perimeter;
- Establishment of a pre-load air cargo screening regime that uses similar risk assessment methodology to determine a baseline of security standards for air cargo; and
- The testing of a new in-bond module for processing in-transit in-bond movements of cargo travelling by truck.

We are to conduct joint evaluations of the pilot projects together with industry stakeholders. Success is to be measured by achieving a clear reduction in the number of shipments subject to re-inspection for both security and trade issues at the Canada-U.S. border on an annual basis, using 2011 as a baseline year.

In order to proceed with the planning of the next steps, these results are to be shared with our partners and stakeholders. Alternative approaches are to be considered, based upon the results of the joint evaluations of the pilots.

Alignment with other initiatives under the action plan is also critical to the implementation of the ICSS, such as the full implementation and alignment of both countries' "single window" and trusted programs. We are to seek to develop a single filing for both manifest and entry processes that would apply to Canada and the United States.

To ensure the success of the ICSS, efficient and secure Marine Container Examination Facilities are required. Canada may build new examination facilities to increase enforcement and examination capacity and ensure national consistency.

Based on the results of the pilots and if mutually determined by the relevant agencies, these pilots may be made permanent programs and may be implemented at other ports of entry. In the long term we are to also incorporate other government agencies' / other government department's requirements in the strategy. Ultimately we are striving for a fully integrated supply chain that addresses risks at all points in time.

Conclusion

With the successful implementation of the ICSS, risks are mitigated at the earliest opportunity through informed risk management while increasing efficiencies at the border to facilitate the timely flow of legitimate trade. Canada and the United States are to work together to address risks associated with shipments arriving from outside the perimeter based on informed risk management, sharing data and processing information and mutually accepted principles on targeting and inspection, making the supply chain more efficient to the industries that use them.

The relevant agencies are to implement the following elements:

- Standardization of required data elements and data collection processes;
- Harmonization of risk assessment methodology;
- Ongoing timely sharing of appropriate information;
- Standardization of examination processes and mutual recognition of results;
- Aligned and equally effective standards for examination facilities and equipment; and
- Standards that are mutually recognized for use of tamper evident technology.

Those seeking to disrupt or illegally interfere with the supply chain face our combined efforts to identify and mitigate those risks early. We are to make sure that while the security of our citizens and our states are preserved, both our countries remain open to the markets of the world.