

CTA SUBMISSION



The Senate of Canada Standing Committee on Agriculture and Forestry

Hearing on the study on international market access
priorities for the Canadian agricultural and agri-food sector

Canadian Trucking Alliance Opening Statement

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The Canadian Trucking Alliance

CTA is a federation of provincial trucking associations representing a broad cross-section of the for-hire trucking industry, including over 4,500 trucking companies and industry suppliers. Provincial members are: British Columbia Trucking Association; Alberta Motor Transport Association; Saskatchewan Trucking Association; Manitoba Trucking Association; Ontario Trucking Association; Association du camionnage du Quebec and the Atlantic Provinces Trucking Association.

Agri/Food Trucking Across the US-Canada Border

Trucking is the dominant mode of transport in both domestic and international lanes. The same commodities dominate both exports and imports: automotive products, machinery and electrical equipment, other manufactured products and agricultural products. In 2015 trucks carried 66.5 percent of U.S.-NAFTA freight and continue to be the most heavily utilized mode for moving goods to and from both U.S.-NAFTA partners. Trucks accounted for \$US28.4 billion of the \$US44.6 billion of imports (63.7 percent) and \$US26.4 billion of the \$US37.9 billion of exports (69.7 percent). While not the largest in terms of value, agricultural products play an important role in US-Canada trade and for the trucking industry.

Food & Agricultural Products

The Canadian agriculture and agri-food system (AAFS) is a complex and integrated supply chain that includes input and service suppliers, primary producers, food and beverage processors, food retailers and wholesalers, and foodservice providers. The activities along this supply chain generate significant economic benefits both nationally and provincially. Trucking services are a key part of this supply chain. In 2013, the AAFS generated \$106.9 billion, accounting for 6.7% of Canada's GDP. Of this, the food retail and wholesale industry accounted for the largest share (1.8%), followed by the food, beverage and tobacco processing industry (1.7%). The AAFS's GDP has increased annually since 2007, the exception being during the economic recession of 2009. Canadian processed food and beverage products are exported to some 190 countries with a significant proportion exported to a few countries. In 2014, 89% of the total went to six major markets with the United States (71%) being the largest. Trucking dominates this market place in terms of shipments.

Canada CFIA – Safe Food for Canadians Act (SFCA)

To protect Canadian families from potentially unsafe food, the Government of Canada tabled the Safe Food for Canadians Act on June 7, 2012. The [Safe Food for Canadians Act](#), S-11, was adopted by the Senate on October 17, 2012 and passed by the House of Commons on November 20, 2012. On November 22, 2012, it received Royal Assent. The new Safe Food for Canadians Act consolidates the authorities of the Fish Inspection Act, the Canada Agricultural Products Act, the Meat Inspection Act, and the food provisions of the Consumer Packaging and Labelling Act.

The Safe Food for Canadians Act:

- Makes food as safe as possible for Canadian families;
- Protects consumers by targeting unsafe practices;
- Implements tougher penalties for activities that put health and safety at risk;
- Provides better control over imports;
- Institutes a more consistent inspection regime across all food commodities; and
- Strengthens food traceability.

Canadian importers, exporters and companies involved in the inter-provincial trade of food products must demonstrate that they have effective Preventive Control Programs (PCP) in place. The PCP Aims to strengthen Canada's food safety system through:

- Stronger food safety rules.
- More effective inspection.
- Renewed commitment to service.
- More information for consumers.

Although not directly impacted by these rules, CTA members, as a vital part of the food supply chain, have had to adapt their operations to ensure their customers remain compliant. These rules may not be written with trucking companies in mind, but they have a significant impact on carrier operations.

The FDA Food Safety Modernization Act (FSMA) rule on Sanitary Transportation of Human and Animal Food

The rule is now final, advancing FDA's efforts to protect foods from farm to table by keeping them safe from contamination during transportation. The earliest compliance dates for some firms begin one year after publication of the final rule in the Federal Register. This rule is one of seven foundational rules proposed since January 2013 to create a modern, risk-based framework for food safety. The goal of this rule is to prevent practices during transportation that create food safety risks, such as failure to properly refrigerate food, inadequate cleaning of vehicles between loads, and failure to properly protect food. The rule builds on safeguards envisioned in the 2005 Sanitary Food Transportation Act (SFTA). Because of illness outbreaks resulting from human and animal food contaminated during transportation – and incidents and reports of unsanitary transportation practices – there have long been concerns about the need for regulations to ensure that foods are being transported in a safe manner. The rule establishes requirements for shippers, loaders, carriers by motor or rail vehicle, and receivers involved in transporting human and animal food to use sanitary practices to ensure the safety of food. The requirements do not apply to transportation by ship or air because of limitations in the law. Specifically, the FSMA

rule establishes requirements for vehicles and transportation equipment, transportation operations, records, training and waivers.

Key Requirements

Specifically, the rule would establish requirements for:

- **Vehicles and transportation equipment:** The design and maintenance of vehicles and transportation equipment to ensure that it does not cause the food that it transports to become unsafe. For example, equipment must be suitable and adequately cleanable for its intended use and capable of maintaining temperatures necessary for the safe transport of food.
- **Transportation operations:** The measures taken during transportation to ensure food safety, such as adequate temperature controls; preventing contamination of ready to eat food from touching raw food; protection of food from contamination by non-food items in the same load or previous load; and protection of food from cross-contact, i.e., the unintentional incorporation of a food allergen.
- **Training:** Training of carrier personnel in sanitary transportation practices and documentation of the training. This training is required when the carrier and shipper agree that the carrier is responsible for sanitary conditions during transport.
- **Records:** Maintenance of records of written procedures, agreements and training (required of carriers). The required retention time for these records depends upon the type of record and when the covered activity occurred, but does not exceed 12 months.

These rules will apply to Canadian fleets operating in the United States.

CTA Carrier Specific Food Safety Program

CTA, assisted by an advisory committee of carriers, provincial associations and national food industry associations, developed a food safety program nearly a decade ago for its members using Canadian HACCP principles. In 2005 CTA and Kasar Canada Ltd. (recently rebranded as Iron Apple) a private consulting firm from Nova Scotia, signed an MoU to develop a Trucking Food Safety Program (TFSP) that would encompass a HACCP based process for addressing food safety issues. This MoU was signed in advance of anticipated food safety regulations impacting all parties in the food supply chain in both Canada and the United States. The CTA program consists of food safety prerequisites, the development of standard operating procedures and risk-based preventive control measures, fully documented with automatic record keeping, task alerts, missed tasks warnings, and instant access to all pertinent regulations relevant to each individual trucking company. In addition, modules on refrigerated, frozen and mixed loads, as well as dry grocery products, have been submitted and approved the CFIA Technical Review process, which will greatly assist with future regulatory compliance requirements. Other modules are very close to going through the same CFIA approval process, such as dry/liquid bulk and warehousing. CTA's final objective is to see the program receive full compliance

recognition for the upcoming US and Canadian regulations. More information on the CTA program is available from our partner Iron Apple.

Issues

The trucking industry is a vast and complex sector, our issues related to moving food products to and from international destinations reflect both of these attributes. CTA welcomes questions from the Standing Committee on Agriculture and Forestry of the Senate of Canada on the following matters:

- **Recognition of CTA Program by US/Canadian Government & Supply Chain Members:** Carriers have and continue to support advancements in the safe movement of food product. CTA members would like to know that US/Canadian governments and shippers are all in support of the available compliance options. A non-harmonized government and supply chain process would create enormous compliance issues for our membership.
- **Cabotage.** In the vast majority of circumstances, it is illegal for Canadian trucking companies to make point-to-point deliveries in the United States. (The same applies for US carriers in Canada). It is also illegal for Canadian companies to reposition trucking equipment or switch drivers on the same load/equipment unless in a team situation. This issue causes a host of efficiency challenges for the entire trucking industry including livestock carriers. CTA has been lobbying Washington for changes in this area for over two decades.
- **Food Related Agencies Hours of Operation at the Border:** The border is a 24/7 operation. Both US and Canadian officials stationed at the border and related to food services/inspections are not. This causes a host of issues for carriers. The US & Canadian governments need to modernize their hours of operation for these agencies at the border.
- **Border Inspection Fees (APHIS).** On October 29, 2015, the United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) published a final rule that adjusts the fees the U.S. Government charges to recoup the costs of conducting agricultural quarantine inspections (AQI) at U.S. ports of entry. CTA believes these fees are illegal and the Government of Canada should direct the US government to remove them in their current form.
- **Wood Packaging Material (WPM) Rules & Inspections:** Wood packaging material (WPM) import requirements are strict guidelines put in place to protect Canadian ecosystems from non-native pests found in WPM. CFIA has not outlined how they intend to handle removal of ISPM-15 exemption; (wood packing material originating in CA/US); who will bear cost; how will exams be handled (blitz, random)?
- **Hauling Livestock and Movement to Electronic Logs:** It is anticipated in Canada that by 2018-19 paper logbooks will be eliminated from the long-haul trucking industry. This policy has been lobbied for and strongly supported by the Canadian Trucking Alliance. Electronic logs may create scheduling/water/feed issues for livestock carriers in certain domestic and

international lanes. CTA will be working with the Government of Canada on exploring potential solutions to these issues.

- **CFIA requirements for goods transiting through Canada:** CFIA recently introduced new requirements for carriers in care and control of goods originating outside Canada, moving through Canada, for export. There has been very little consultation with industry to this point despite implementation in Jan '16. The impact of the proposed changes has already resulted in trucks being denied entry or turned back to the U.S. CFIA has not engaged USCBP to ensure that exams done at the perimeter by CFIA are recognized by US officials, meaning carriers could be subject to duplicative inspection. Furthermore, CFIA is asking information from the carriers that they do not have. CTA appreciates the objective of protecting indigenous species, however we object to the abrupt means and methods being implemented. CTA will be meeting with CFIA in the very near future to assist in identifying less intrusive means to accomplish the Government of Canada's objectives without introducing significant barriers to Canada's role as an international trade hub.
- **Single Window Initiative (SWI):** Both the US and CA are embarking on implementation of a 'single window' initiative where importers are able to supply information in advance to regulatory agencies that have established requirements for import of goods. CTA is supportive of these efforts but cautions that governments should ensure SWI limits the data to that which is absolutely necessary and doesn't create a "wish list" of data for the agencies involved. (ie/ CFIA). Furthermore, a true perimeter approach to economic property should involve CFIA and USDA determining how to inspect once, accept twice.
- **BC Marine Port & Ferry Service.** Although not a trucking agriculture/food service issue exclusively, CTA members find issues moving food products through this marine port due to challenges related to the marine container reservation system (availability of reservations and difficulty scheduling back-to-back pickup and dropoff reservations) and reservation fees (charged for day time reservations).