

**Comments on the Proposed System of Advance Cargo Reporting
by the GOVERNMENT OF JAPAN**

The Government of Japan hereby presents its comments on the proposed system as regards requirement of advance electronic presentation of cargo information announced by the Canada Customs and Revenue Agency (CCRA) on July 22, 2003.

The Government of Japan recognizes the importance of, and supports in principle, the initiatives launched by Canada to promote transport security as a part of counter-terrorism measures. At the same time, however, the Government of Japan believes that transport security initiatives should be minimum to achieve that purpose and that the balance between securing transport security and smooth international trade should be maintained. The Government of Japan hopes that the Government of Canada takes as realistic measures as possible based upon this recognition.

The Government of Japan understands that requirement of advance electronic presentation of cargo information by the proposed measures aims at promoting transport security. The Government of Japan is, however, deeply concerned that the proposed system will impose excessive burden upon the interested companies. If these measures under the system hinder legitimate trade, they will have negative influences on the development of the world economy as a whole. As the proposed system include provisions concerning advance presentation of air cargo information, the Government of Canada should consider that swiftness is important especially in international air cargo transportation.

The Government of Japan requests that the Government of Canada seriously consider the following points:

- (1) Under the proposed system, air cargo carriers for the Canada should present cargo information four hours prior to arrival at Canadian airports. Those carriers need, however, a certain length of time after departure to prepare for the presentation of cargo information. The Government of Japan therefore requests that the deadline of presenting air cargo information be set as closer as possible to the moment of arrival at Canadian airports in order for air carriers to be secured sufficient time to prepare for presentation of cargo information.
- (2) Air carriers and air freight forwarders cannot guarantee the correctness of cargo information provided by shippers. The Government of Japan therefore requests that, even if the CCRA creates system where penalties are imposed upon air carriers and air freight forwarders when they fail to present precise cargo information, they should be exempted from penalties when they are not responsible for the incorrectness of cargo information.

- (3) Because the related companies need a certain length of time to prepare for the presentation of cargo information, the Government of Japan requests that the CCRA sets length of preparation period sufficient for presenting air cargo information.
- (4) As the CCRA will deal with a massive amount of cargo information after the implementation of the system, the Government of Japan requests that the CCRA establish an organizational setup to solve possible system failures promptly.
- (5) Cargoes carried via Canadian ports and airports to another country are not unloaded at nor imported to Canada, and therefore should be exempted from the new system.
- (6) According to the news release (Fact Sheet) of the CCRA, the regulations will be introduced later this year with the projected schedule, and the regulation concerning marine shipment will be commenced in April 2004. However, the specific time schedule until implementation of these regulations is not clear. The Government of Japan therefore requests that the CCRA publicize the entire time schedule including periods for further solicitation of public comments as quickly as possible.
- (7) Although the Government of Japan appreciates that no advance reporting will be required for truck cargo shipped by Free and Secure Trade (FAST) companies, the Government of Japan requests that all the modes of transportation provided by FAST companies be exempted from the regulations.

As FAST is the program where Canada and the U.S. give priority to customs clearance of pre-authorized companies, the Government of Japan requests that the Government of Canada establishes program which could yield similar benefits with countries other than the U.S.

Finally, the Government of Japan requests that the Canada Customs and Revenue Agency immediately make the proposed rule more detailed with due consideration of the filed comments, and then solicit further comments to the next proposal for a sufficient period of time. The Government of Japan also requests that the CCRA appropriately and quickly provides enough information in response to requests by the interested companies.