



Beyond Borders Workshop: Trends in Secure Trade

Toledo, Ohio
June 02, 2006



Everyday, Purolator delivers more packages to more businesses in Canada than any other courier

- 1.1 million pieces per day
- 35,000 US destinations
- 220 countries worldwide





Purolator relies on the largest dedicated air express fleet in Canada ...

- 24 dedicated chartered aircraft
- 12 dedicated Boeing 727-200's
- 3 Convair
- 9 feeder planes





... and operates the largest dedicated ground network in Canada

- 1,200 tractor-trailer loads daily
- 3,700 courier vehicles
- 860 highway trailers
- 366 tractors
- 15 contracted carriers





Government-Industry Partnership Programs aimed at securing our supply chain

- Partners in Protection (PIP)
- Customs Trade Partners Against Terrorism (CTPAT)
- Free and Secure Trade (FAST)



Partners In Protection

Purpose

- Enhance border security
- Increase customs compliance
- Prevent contraband smuggling

Process

- Company provided security self-assessment
- Customs review of self-assessment
- Validation of security self-assessment



Partners In Protection

Pillars of Partners In Protection Program

Physical security strategies

- Facility risk assessments
- Fence line
- Exterior/interior lighting
- Intrusion detection alarm systems
- Access control systems
- CCTV systems



Partners In Protection

Pillars of Partners In Protection Program

- Personnel Security
- Criminal abstract checks
- Security & Loss Prevention awareness training
- PCL-TIPS hotline
- Security incident reporting
- Intranet site
- Annual Loss Prevention Security campaign
- Security policies & procedures



Obtaining the Canadian Police Clearance Certificate

- All new employees **MUST** obtain a Police Clearance Certificate
- Fingerprint clearance is the only approved method
- All discrepancies between information on Police Clearance Certificates and Employment Applications are verified



Cargo Screening Training Program



National Air Cargo Security Training and Awareness Committee





Partners In Protection

Benefits

- Decreased delays when clearing goods
- Decreased inspections, goods are low risk
- Increased security levels
- Heightened awareness of customs requirements
- Effective communication between industry and CBSA
- Eligible to participate in the Free and Secure Trade Program (FAST) expedited FAST lane clearance
- Competitive advantage



C-TPAT

- Fundamentals similar to P.I.P.
- Submission of security self assessment
- U.S. Customs & Border Protection reviews self assessment – approve or denied certification
- Validation process entails physical inspection at company facilities



F.A.S.T.

- Dependency on C-TPAT & P.I.P. certification
- Memorandum of understanding signed between company & U.S.A./Canada Customs agencies
- Expedites cross border clearance – primary inspection



Canada/U.S. Smart Border Declaration

- Signed by Ridge – Manley December 11, 2001
- Accord focused on our internal border (49th parallel) due to views held in the senior political arena that are no longer present
- Emphasis needs to shift to “Perimeter Security”, implementing full interdiction of goods and inadmissible people at their points of embarkation vs. reaching U.S.A. or Canadian soil



Canada/U.S. Smart Border Declaration con't

- Presently all new security processes at our shared internal border severely impact companies in both U.S.A./Canada that are engaged in cross border operations/activity competing on a global scale.
- 40% of U.S./Canada land border trade is intra company, 3M to 3M, 1BM to 1BM, Bombardier to Bombardier. A further 30% is conducted by the most secure supply chains in the world (CN, CP, UPS, FedEx, Purolator)
- There are many layers of cost “domestically” that are not imposed as yet on foreign arriving goods.



The Future

- Perimeter clearance driven with determinations made off-shore on interdiction of non low risk goods and inadmissible people. Prior to reaching our respective soils while achieving enhanced economic security when crossing the 49th parallel – one of the most lucrative trade lanes in the world.