CANADA Daily News and Updates September 4th 2024

Air Updates

• Aviation Security Measures

Ocean Updates

- BCMEA-Local 514 Bargaining Update
- Maersk's New 'Fossil Fuel Fee' More Costly for Shippers than Surcharges

Air Updates

Aviation Security Measures

It appears as though Canada has followed the U.S. in tightening security requirements.

On August 21, the U.S. Transportation Security Administration (TSA) implemented an emergency amendment – with restricted access – requiring carriers to submit additional details of shippers and consignees to the U.S. Customs and Border Protection Agency.

Canada seems to have followed suit a week later.

Airlines are now required to ensure that a regulated agent or freight forwarder that is tendering freight bound for Canada prepares a declaration stating that the particular shipment(s) originated from a shipper that:

- Has an established business relationship with "(airline name/freight forwarder/Known Agent)" per Transport Canada requirements, or
- Is approved by the local authority as a Known Consignor.

Failure to comply will result in the freight being held until the documentation is received.

Ocean Updates

BCMEA-Local 514 Bargaining Update

On Tuesday, International Longshore and Warehouse Union Local 514 communicated to the BCMEA that it has a mandate from its members to take strike action.

At the time of writing (4:00 pm PT), neither party had issued 72-hour notice of strike or lockout nor had there been any labour disruption. Regular operations at B.C. ports continued uninterrupted.

The BCMEA is committed to continued good faith bargaining with ILWU Local 514 and awaits the conclusion of the Canada Industrial Relations Board (CIRB) hearing regarding the union's DP World (Canada) Inc. pay and manning proposal, which the BCMEA alleges to be illegal, constituting the union bargaining in bad faith.

The parties are scheduled to continue the CIRB hearing next week.

Read more in a BCMEA update.

Maersk's New 'Fossil Fuel Fee' More Costly for Shippers than Surcharges

Maersk's new fossil fuel fee (FFF), which replaces its bunker adjustment factor (BAF) and low-sulphur (LSS) surcharges, appears to be a more costly outcome for shippers and to the carrier's advantage.

On May 31, Maersk announced the FFF and since July 1, all new contracts with more than three months' validity have been quoted including the new fee.

To calculate FFF, the Danish carrier uses Platts' fuel price index for 0.5% sulphur fuel oil (VLSFO) and 0.1% sulphur fuel oil (LSMGO).

Using this methodology for the period of May 11 to August 10, Maersk updated the FFF to an average \$586.59 per ton for VLSFO and \$750.28 per ton for LSMGO from October 1.

Read more in an article from The Loadstar.