



FEBRUARY 13, 2007

NEWSLETTER

CN keeps trains rolling into first day of UTU strike

Feb. 10, 2007 CN's freight network across Canada remained fluid today following what the company believes to be an illegal strike by the United Transportation Union (UTU) at 0001 hours this morning.

E. Hunter Harrison, president and chief executive officer of CN, said: "We are running the railroad at similar levels prior to the commencement of the strike, which demonstrates our resolve and mettle. We are committed to providing the best possible service to our customers.

"We remain ready to negotiate with the UTU at any time to achieve a fair and equitable collective agreement, just as we have with all of CN's other unions in Canada. We are particularly concerned about the effects this work stoppage may have on our striking employees as the union's spokesperson, Rex Beatty, has informed the company that the general chairpersons have declined to pay for continuation of employee benefits during this labour disruption, as is standard practice in work stoppages. As well, since this is not a strike that is legally authorized by the UTU, CN understands that employees will not be receiving normal strike pay from the union," said Harrison.

The UTU, represents 2,800 conductors and yard-service employees at CN in Canada. The strike is restricted to Canada, and CN's other unionized employees remain at work.

CN and the UTU have agreed during the conductors' strike to maintain normal commuter rail operations on CN lines in Toronto and Montreal. Service in both cities continued today with no disruptions.

Excluded from strike action are UTU members employed on CN's Northern Quebec Internal Short Line, Algoma Central Railway in northern Ontario, and Mackenzie Northern Railway in northern Alberta.



FYKE TRADING & LOGISTICS TORONTO BUFFALO FORT ERIE

NEXUS takes off at Toronto Pearson International Airport

Feb. 12, 2007 - The Minister of Public Safety, the Honourable Stockwell Day, announced today that the NEXUS Enrolment Centre and automated self-serve kiosks are now operational at Toronto Pearson International Airport and that NEXUS will expand to six more airports across Canada. The expansion to Edmonton, Calgary, Winnipeg, Ottawa, Montreal and Halifax will be completed soon.

"Canada's New Government is inviting Canadians to apply to be in the NEXUS program, which serves as an alternative to a passport under the U.S. Western

Hemisphere Travel Initiative, or WHTI, air rule," said Minister Day. "By becoming a NEXUS member, travellers are pre-approved to cross the Canada-U.S. border by land, sea, and now by air through Toronto Pearson International Airport."
"Members can go directly to the NEXUS self-serve kiosk and do not need to go through the primary inspection lines," he added.
"We welcome Minister Day's launch of NEXUS in Toronto," said Lloyd McCoomb, President and Chief Executive Officer of the Greater Toronto Airports Authority. "This automated program will streamline the movement of low-risk passenger traffic, reducing the pressure for additional Canadian and American border staff to accommodate increasing passenger volumes."
NEXUS is designed to expedite the border clearance process for low-risk, pre- approved travellers into Canada and the United States.
The NEXUS air mode uses non-invasive iris recognition technology to identify the traveller and verify his or her membership in the program.
Canada and the United States harmonized all three NEXUS programs (Air, Land and Marine) into one in December 2006 to further improve NEXUS service to the travelling public, while maintaining safety and security.
Over 115,000 NEXUS members are now "in for one, in for all" and can cross the border using any of the three modes at participating locations.
NEXUS is also part of the Security and Prosperity Partnership of North America that provides a framework to advance collaboration with the United States and Mexico in areas as diverse as security, trade facilitation, transportation, the environment and public health.
NEXUS in the air mode meets the requirements of the WHTI air rule.
The WHTI is a U.S. law that came into effect on January 23, 2007, for air travel and requires all travellers, including Canadians, to carry a valid passport or other appropriate secure document when travelling to, or through, the United States.
President Bush Requests \$10.2 Billion Budget for Customs and Border Protection
Feb. 6, 2007 — President Bush's Fiscal Year (FY) 2008 budget recognizes that securing America's borders is a top priority. U.S. Customs and Border Protection budget request for FY 2008 represents an increase of \$2.43 billion, a 31.4 percent increase over FY 2007, excluding funds provided in FY 2007 as emergency appropriations. CBP's FY 2008 budget reflects \$8.79 billion in appropriated resources and \$1.38 billion in funding acquired through user fees, for a total of \$10.2 billion.

Within the Department of Homeland Security, CBP is the agency responsible for securing our nation's borders, while facilitating global trade. The FY 2008 budget allows CBP to fulfill its priority mission of preventing terrorists and terrorist weapons from entering the U.S., while simultaneously facilitating the flow of lawful people and trade across our borders.

FYKE TRADING & LOGISTICS TORONTO BUFFALO FORT ERIE The FY 2008 budget also provides the necessary resources to ensure that CBP continues to fulfill its traditional missions that include: combating the flow of illegal

drugs and other contraband, protecting our agricultural and economic interests from harmful pests and diseases, collecting import duties, and enforcing U.S. trade laws.

The FY 2008 budget supports the DHS Secure Border Initiative, a comprehensive multi-year plan to secure America's borders and reduce illegal migration. Effective control of our borders cannot be obtained without a comprehensive and integrated border security and enforcement system, which leverages investment in agents, technology, infrastructure and facilities.



A new booklet is being released which provides tips to traders regarding AMPS. The information isn't new but is now available in pamphlet form.

It will be available in print after 22 February 2007. You can still find the electronic version at: http://www.cbsa-asfc.gc.ca/E/pub/cp/bsf5013/README.html

(AMPS) is a Canadian civil penalty regime that secures compliance with customs legislation through the application of monetary penalties.

Retailers Urge Congress to Extend Trade Promotion Authority

Feb. 12, 2007 — The National Retail Federation today urged Congress to approve legislation renewing presidential Trade Promotion Authority, saying TPA is essential to the United States' participation in the World Trade Organization's Doha Round of trade negotiations.

"Negotiators are now getting back to work on the Doha Round talks, but there's no guarantee that work will be finished by the time TPA expires this summer," NRF Vice President and International Trade Counsel Erik Autor said. "TPA is essential to ensure that the President can work with Congress in setting objectives and negotiating trade agreements without those agreements being picked apart during the legislative process. No country will agree to negotiate a trade agreement with the United States only to undertake a second negotiation with 535 members of Congress. Agreements that affect global trade have too big an impact on the U.S. economy for us to allow ourselves to be put on the sidelines by letting TPA expire."

"TPA is important to retailers because we rely on goods from around the world to stock our shelves and provide American working families with daily necessities," Autor said. "Retailers' ability to conduct commerce free of trade barriers is essential not only to the health and growth of our industry but the ability of consumers to buy the products they need at prices they can afford."

NRF has actively pushed for approval of a new global trade agreement under the Doha Round, and has led retail delegations to WTO headquarters in Geneva and to ministerial conferences in Cancun and Hong Kong. Among other goals, NRF has sought the substantial reduction and eventual elimination of all tariffs on consumer goods and processed food. NRF has also pushed for increased market access to allow the opening of retail operations in foreign markets, fairer rules governing the use of trade remedies procedures, better enforcement of trade-related intellectual property rights and simplification of worldwide customs procedures. Last month, NRF and other members of the Forum for International Retail Association Executives, which met at NRF's annual convention in New York, called on WTO nations to redouble their efforts to revive Doha Round talks.



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