



THE CANADIAN CHAMBER OF COMMERCE
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A Canada-U.S. Border Vision



Executive Summary

Canada and the United States enjoy a long history of cooperation and prosperity based on our intertwined families, promotion and defence of our democratic values, unfailing mutual support in times of need, and our strong economic relationship – the largest in the world. We also share the longest secure border in the world with seven million jobs in the United States and three million in Canada relying on an effective Canada-U.S. border. Unfortunately, both Canadian and U.S. businesses and job creators are expressing a serious and growing concern with the increasing costs and delays of crossing the border.

The recent presidential election in the United States brings forward new opportunities for North American security and competitiveness. Canada's engagement with the new Democrat Administration must be carefully considered and well in place before President Barack Obama takes office in January 2009. It must include a principle-based border strategy and contain both short-term and long-term recommendations for strengthening North American security and competitiveness.

This paper identifies five border principles for Canada's engagement with the United States that lay the groundwork for the recommendations:

- Taking a bilateral, co-management approach to the Canada-U.S. border;
- Giving strategic and resource priority to trusted shippers and travellers;
- Expanding the definition of the border to not always be 'at the border', including performing inspections and risk assessments at offsite venues;
- Moving the border 'away from the border' to our shorelines and foreign ports; and
- Achieving regulatory cooperation or mutual recognition on differences between our domestic product and consumer safety regulations.

In the current global economic downturn, efficient cross-border operations cannot wait for long-term solutions in either country. Border costs must be reduced now to facilitate the movement of low-risk goods and people. This can be

accomplished by expanding participation and delivering measurable benefits in trusted shipper and traveller programs. This includes providing 24/7 access and border services at major crossings and implementing a 'single window' or portal for entering all border related importing and exporting data required by various government agencies i.e. the Single Window Initiative in Canada and the International Trade Data System in the United States. Establishing a robust and tested border contingency plan will prepare North America for a potential border closure, and rapidly rolling out Enhanced Drivers' Licenses (EDLs) will prepare for the implementation of the Western Hemisphere Travel Initiative (WHTI) - the passport requirement that comes into effect this coming June.

The short-term recommendations prepare Canada for the 'now', but a long-term vision is needed to move North America into the future. To move forward on this vision, we propose launching a "Green Light" pilot project at, at least one major port of entry, co-managed by Canada and the United States, to expedite the movement of low-risk goods and people. This pilot project will provide uniform and consistent border planning, targeting trusted shippers and travellers, and coordinating agency resources, linking cross-border infrastructure projects, and actually strengthening port (and between port) security, enforcement protocols and incident responses. A successful pilot project would create best practices that could be applied across the Canada-U.S. border.

Introduction

Canada and the United States have both benefited enormously because of their economic relationship – the largest in the world. We also share the longest secure border in the world. The numbers are astounding. Here are but a few statistics:

- 300,000 travellers cross the Canada-U.S. every day¹
- 35,000 trucks cross the border every day²
- \$1.6 billion of trade every day.³

As impressive as these economic indicators are, they tell only half of the story. The other half is that companies on both sides of the border have invested millions of dollars in cargo and traveller security, so we now can boast that fully one-third of all cross-border shipments have been pre-vetted and security-validated by our customs agencies, and over 70 percent of all truck drivers⁴, in addition to all Class 1 railways, have passed security credentialing. Compared to any other trading partnership, ours is without parallel.

Indeed, since the implementation of the Canada-U.S. Free Trade Agreement in 1989, approximately one-third of bilateral shipments are deliveries of goods and materials between companies⁵. During this period, a North American economic space has evolved – one that has provided us with a strong platform on which to compete in an increasingly competitive global marketplace. Both countries have benefited immensely by being good neighbours.

But, on September 11, 2001, the border ground almost to a halt for days as the United States responded to an unprecedented and horrific terrorist attack. In the seven years since that dark time, our two countries have adopted a long list of valuable border security initiatives. Although well-intended, they have for the most part been implemented on all trading partners and on all modes of transportation in an uncoordinated manner and without distinction for the relationship we share or the extensive

Canada-U.S. collaboration that has increased our shared security. Consequently, as an unintended result, these policies have ‘thickened’ our shared border, increased cross-border compliance and transaction costs for North American companies, introduced uncertainty and unpredictability for cross-border deliveries, and ultimately threaten to erode the attraction of investing in North America. This has occurred while competition from the Pacific Rim has grown fiercer and the European Union and other large economies have moved aggressively to form regional trade blocs that have eliminated these very measures. Unfortunately, North America has moved in the opposite direction.

Today, the danger of continued economic uncertainty, fluctuating fuel prices, and disturbing political and economic trends abroad are strong arguments for our two countries to recommit to our alliance, to bolster our mutual economic competitiveness, and dismantle unnecessary barriers. We must combine forces, tear down walls, eliminate archaic regulations, and build a regional economic space that can compete with our global partners and lead in creating new jobs and attracting foreign investment. This can be accomplished without diminishing the security safeguards that have been put in place to protect our two countries against those who wish us harm.

This paper describes the stakes involved and the need for action. It provides both short-term recommendations and a long-term vision for the way forward. We argue that border management must be a shared bi-national responsibility built on mutual trust. We call for a new co-managed border that involves critical organizations in both countries. This could be based on the various long-standing and successful joint cross-border management models that exist today, perhaps with a rotating chair similar to the model employed at the North American Aerospace Defense Command (NORAD). We conclude with a future view of a port of entry model that could be applied immediately as a pilot project, with the potential to become an accepted model of best practices for cross-border trade.

¹ Embassy of the United States to Canada. 2008.

² Canadian Embassy to the United States 2008.

³ Ibid

⁴ Ambassador Michael Wilson. March 29, 2007. “The Canada-U.S. Border: Free Trade in a time of Enhanced Security.”

⁵ Ibid

A History of Convergence, Competition and Cooperation

The Canada-U.S. Free Trade and Agreement launched an era of rapid increase in sector integration between Canada and the United States. Now, almost two decades after the signing of the Agreement, cross-border shipments serve the North American supply chain and marketplace. This economic environment has also changed the role of the border between us. The days when the norm was a carrier crossing our border filled with finished products destined for retail shelves are long gone. Today that carrier is usually part of a supply chain, loaded with intermediate manufacturing materials and destined for assembly operations in either country.

Before 1989, tariffs, duties and broker fees were the typical costs associated with cross-border trade. While often considered onerous, these costs were transparent and easily quantified. But as the Canada-U.S. Free Trade Agreement and NAFTA diminished the tariff and duty burden, new costs, on both sides of the border, began to appear – costs such as logistic and delivery charges. More recently, in the years since 9/11, the introduction of new border costs, acting as a hidden tax on producers and consumer, has gained attention from the loading dock to the boardroom. New and increased inspection fees, such as mandatory cargo data reporting requirements, fuel the need for new IT investments. Border delays cut into carrier delivery distances, and costs are rising to comply with cargo supply chain programs. The sheer unpredictability of border crossings themselves have driven up the cost of doing business in North America, in the process driving down the competitive edge of North America in the global marketplace. Given the rising offshore competition, a hidden tax that adds significant cost to producers, job creators, and ultimately consumers, undermines our competitiveness and is especially punishing to companies whose products cross the border several times during production.

These new, more opaque traveller and cargo security initiatives create costly barriers to cross-border shipments and travel. While they have been imposed on all trading partners, they have placed a disproportionate burden on North American companies and the 10 million Canadian and U.S. workers who depend on this trade relationship. Why? Because these measures were introduced with a global, one-size-fits-all approach, even though trade between our

two countries remains quite distinct in its immediacy, serving just-in-time manufacturing and assembly operations on both sides of the border.

More worrisome, these new costs and compliance burdens are not easily quantifiable or measurable and have been particularly problematic for small- and medium-sized enterprises in the business community. For instance, industry and shipper compliance with new cargo data reporting rules is less onerous for a shipment coming from the Pacific Rim that traverses the ocean waters than it is for a truck shipment that leaves a Michigan warehouse bound for Ontario. The ship crossing the Pacific has far more time to collect, transmit and correct mandatory cargo data to border agencies, while the driver of the truck has in many cases only minutes to add or correct cargo data or face hours-long inspection at the border.

New border inspection fees have a similar disproportionate burden on our bilateral shipments because they are often imposed on a per vessel or per entry transactional basis. It is not difficult then to see how a ship loaded with 4,000 containers of finished goods arriving at a North American seaport from a distant shore has a unit-cost competitive advantage and faces fewer inspection delays.

Government spending on the border over recent years has largely focused on border security, and with laudable objectives. Spending on border agencies has paid for additional inspectors at ports of entry. It's paid for new inspection and targeting technologies, and for programs to enhance the security of the cargo supply chain and traveller identification. Far less spending has been dedicated to trade and travel 'facilitation', including much needed border infrastructure and highway networks with border approaches. Meanwhile, our competitors abroad are aggressively seeking new export markets, forming regional trade pacts, and investing vigorously in transportation infrastructure to support their export platforms and new trade corridors.

The old maxim of *location, location, location* applies to more than just real estate. North American manufacturers also understand the advantages and benefits of location. For instance, a recent Deloitte Research Manufacturing

Study revealed that “the overall findings of North American Manufacturing Enterprises (NAMEs) clearly indicate a fairly positive view of NAFTA almost 15 years since it came into effect, but point to the growing competition from China and India and the need for closer collaboration between industry and governments to create a globally competitive value supply chain in North America.”⁶

Canada and the United States share an extensive recent history of bilateral border management cooperation, such as:

- Shared Border Accord (1995)
- Citizenship and Immigration Canada-U.S. Border Vision (1997)
- Canada-U.S. Border Crime Forum (1997)
- Canada-U.S. Partnership (2000)
- Smart Border Accord and Action Plan (2001)
- Security and Prosperity Partnership (2005)

These partnerships have laid important groundwork for security and enforcement collaboration efforts. However, they have been limited in scope and mandate with little vision for the long term. For the most part, these forums have been standalone agency-to-agency discussions. Many have produced best practices, such as trusted shipper and traveller programs, which have created the right spirit but lacked the ability to give significant benefits to our best corporate citizens.

Abroad, Canada Border Services Agency (CBSA) and U.S. Customs and Border Protection (CBP) have exercised strong leadership at the World Customs Organization to strengthen the security of global container supply chains. This benefited both countries as it has global trade, and demonstrates how our two countries can lead in the global forum when the outcome results in a more secure environment for containers destined for North America.

Other Canadian and U.S. agencies, such as Health Canada and the U.S. Food and Drug Administration (FDA), have collaborated in similar efforts, most notably with the European Union, working towards an agreement on consumer and product safety standards.



⁶ *Made in North America*, June 2008, Deloitte Research Manufacturing Study.

An Engagement Strategy with a New Administration

While regular border users know differently, if one were to ask an average person in Canada about the word 'border', the likely answer would be a line that protects Canada's cultural and political sovereignty. The same question in the U.S. would likely generate responses that express a sense of protection against outside negative intrusion – illegal immigrants, weapons of mass destruction, unsafe food and toys, and terrorists. And, perhaps most notable, most Americans make little to no distinction between the U.S.-Mexico border and the air, land and sea ports of entry with Canada. A sense of 'us against them' has seeped into the American psyche. It is therefore incumbent upon us to make the case that Canada is not 'them'. Rather, Canada is 'us', and North American security and competitiveness are mutual continental priorities.

Canadians should not underestimate the emotional and lingering impact of 9/11 in communities, churches and town halls, and around dinner tables throughout the United States. For most Americans, it is as if 9/11 happened yesterday. This geopolitical sea-change has not lost its impact on the hearts and minds of Americans, and Canada must position itself as part of the solution with the new incoming presidential administration. Americans are looking for reassurance that Canada is a trusted friend, one who is watching their back, and shares similar values and fears. Making the case that, together, we can create a better economy and more secure future, and that we can win in the global marketplace, is not easy. But if we succeed, it will lead to a more secure and competitive North America.

The recent U.S. presidential election campaigns and election of a new Democrat Administration gave us a good indication of how the border 'file' will be managed in the next few years. By all indications, border and homeland security will remain a serious concern for U.S. citizens, and will therefore be a priority of the executive and legislative branches for the foreseeable future. This priority is likely to translate into continued emphasis on trade and border enforcement, with less of an appetite for trade facilitation. To counter this trend, Canada's engagement with the new Democrat Administration must be carefully considered and well in place soon after President Barack Obama takes office in January 2009. What is required is a strategy that focuses on efforts to persuade policymakers and the U.S. media that the border with Canada is distinct and, in fact, vital to U.S. economic and security interests.

Five Principles, Five Recommendations

An engagement with the new U.S. Administration should begin with an early Canada-U.S. leader summit that includes the recommitment that the land, sea, and air border points are shared strategic facilities, recognizing that the management and strategic planning of our border points must be a bilateral responsibility. A new joint partnership with cabinet-level leadership needs to recognize the role of all agencies with border management responsibilities, including food, agriculture and transportation departments.

Five underlying principles for a new border-and-beyond engagement strategy for bridging security and trade facilitation concerns and interests are outlined in this paper, as well as five short-term practical recommendations, requiring action on both sides of the border, that would provide immediate incentive and advance a number of strategic initiatives if implemented. Together these lay the groundwork for the long-term vision found at the end of this report.

These are not ‘made for Canada’ recommendations. They are *made for North America* solutions. Rather than ‘trade trumps security’ options, combined they promote a stronger economic future that bolsters security for both Canada and the United States. The stakes couldn’t be higher. Thirty-seven states claim Canada as their largest export market. Seven million jobs in the United States and three million in Canada depend on a vibrant competitive bilateral trade in goods, services and cross border tourism.⁷

Principle One

Our two countries should look at the long list of successful longstanding bilateral relationships as a model of trust and of how border management could be managed in the future. For example, for 50 years, NORAD has successfully defended Canada-U.S. airspace with Canadian and U.S. air force personnel working side-by-side and rotating between Canadian and U.S. commanders. That level of mutual trust and confidence is without parallel. The collaboration and joint responsibility has strengthened Canadian and U.S. security capabilities without diminishing sovereignty or national identity in either country. Other examples of long-standing joint management cooperatives include the St. Lawrence Seaway Management Corporation (Canada) and the Saint Lawrence Seaway Development Corporation (U.S.), the

International Joint Commission (IJC), and the Commission for Environmental Cooperation (CEC), which monitors transboundary environmental agreements. The cooperative management model has worked well for everything from military security to the reduction of acid rain. This has served, not impinged upon either country’s national interests. A similar relationship of trust, with a long-term vision, needs to be applied at our shared border. There is no better way to recognize and bridge the U.S. security and trade facilitation concerns and interests than working side-by-side on both the management and the delivery of border security.

Principle Two

It remains critical that future border management policy give strategic and resource priority to our best corporate citizens and low-risk traveller population. Such policies should deliver solid returns on the investments made to become members in trusted traveller programs and to secure their supply chain. The greater the number of companies and citizens that become trusted shippers and travellers, the greater our mutual security. Trusted shipper and traveller programs such as Free and Secure Trade (FAST), Customs and Trade Partnership Against Terrorism (C-TPAT), Partners in Protection (PIP), and NEXUS are successful partnerships between our border agencies and the private sector. But the cost of securing borders and ensuring product safety is a fundamental mandate of government, and the cost of security inspections should not be borne by the regulated (and certainly not by our lowest-risk border user). To that end, we strongly support the position that the necessary additional funding be provided to our government agencies through regular appropriation and budget processes.

Principle Three

Our leaders should expand the definition of the border to go beyond being at the border. Alternative trade compliance, product safety inspection, and risk assessment policies can be accomplished at offsite venues, such as inland manufacturing and assembly facilities, warehouses, or other ‘clearance sites’. This option of expanding the border would go a long way to relieve traffic congestion at larger ports of entry, improve supply chain delivery, and reduce costs for both the public and private sector. The Fort Erie-Buffalo Commercial Clearance Plaza is an example of dedicated

⁷ Canadian Embassy to the United States. 2006. “State Trade Fact Sheets 2006”.

infrastructure away from the port span that truck drivers can use to comply with cargo data transmission requirements. This model could be expanded to an offsite inspection site. In addition, many processes conducted at ports of entry could be done at the processing facility. For example, Canadian Food Inspection Agency (CFIA) inspectors, operating under Memorandum of Understandings with the FDA and United States Department of Agriculture (USDA), are often present at processing facilities and could undertake needed border-related inspections on site.

Principle Four

We need to build on the important work of our border and enforcement agencies and move border policies beyond our shorelines to foreign ports. Canadian and U.S. customs personnel are already working side-by-side at five major seaports in North America, targeting North American-bound sea containers from third-country ports. Similarly, U.S. CBP personnel have been working at Canadian airports for years. Expansion of these efforts would reduce or even eliminate re-inspection of the same traveller or cargo at the land border and enhance security efforts for both countries.

Principle Five

Canada and the United States must work vigorously on regulatory cooperation and mutual recognition to reduce remaining differences between our domestic product and consumer safety regulations. For instance, the USDA and Agriculture and Agri-Food Canada have met under the auspices of the bilateral Consultative Committee on Agriculture and have made excellent progress on the resolution of issues. They have recognized the benefits of an open dialogue that serves as an effective early-warning system for issues arising in bilateral agri-food trade. The Canada-U.S. Free Trade Agreement and NAFTA have reduced the tariff burden on intra-regional trade, which in turn has created a vigorous intra-North American economy. The time has come to take full advantage of this integration and provide consumers and business with one standard or mutual recognition and a 'once approved, approved for all' regulatory framework.

Canada should seriously consider reviewing its regulation in critical sectors and take unilateral action where the *tyranny of small differences* increases costs with marginal, if any, benefits to producers and consumers.

Five Steps Forward Now

With the current global economic downturn, cross-border operations cannot wait for a long-term solution. We must act now to reduce border costs, including reducing wait times; eliminating unnecessary fees for crossing the border; additional and duplicative border programs; additional costs for participating in trusted shipper and traveller programs; and increased inspection times. Given the litany of challenges and even longer list of areas where action is sought, government agencies on both sides of the border should address the areas that Canadian and U.S. businesses see as among the most critical priorities for the next year. This includes: expanding participation in trusted shipper and traveller programs; providing full agency personnel availability on a 24/7 basis at all major border crossings; implementing a 'single window' or portal for entering all border-related data requirements (the Canadian Single Window Initiative and the U.S. International Trade Data System); developing a robust and tested border contingency plan; and rapidly rolling out enhanced drivers' licenses.

These near-term recommendations align with the five principles outlined above, require action by both the Canadian and U.S. governments, and lay the groundwork for a long-term vision. While each recommendation may appear as an isolated issue, combined they will enhance confidence in governments' ability to create a secure and competitive North America that facilitates the movement of legitimate goods and people.

1. *Expand Trusted Shipper and Traveller Programs*

We strongly support voluntary trusted shipper and traveller programs, which serve to enhance supply chain and travel security. Properly implemented, these programs should create greater border crossing consistency and reduced costs, including reduced inspections for participants, and allow border agencies to redirect their limited resources to the inspection of unknown cargo and travellers; in essence making the search for the proverbial needle to be in a smaller haystack. This is a costly but needed step for cross-border shippers and travellers, even with participation in trusted shipper programs costing companies up to \$100,000 and it taking up to two years to become certified. These public-private sector partnerships to strengthen the cargo supply chain are important efforts by our business communities, and participants

should be rewarded by expedited clearance across the border.

A number of companies have reported that their inspection rates have not decreased in return for participation, and few believe that the investment has produced sufficient benefit to justify the high costs. Some companies are actively avoiding the program because of the belief that non-participation decreases the number of inspections. Participants in trusted traveller programs like NEXUS, though they do not need to pay as much to belong, reported similar challenges. This experience can be the opposite of the benefits anticipated by program participants. We need to treat trusted shippers and travellers, who have made significant investments to differentiate themselves and become certified low-risk, from the unknown trade and travel. Creating a secure and trade efficient North America requires adopting a risk-based approach to border management by enhancing membership in trusted shipper and traveller programs and providing clear, measured and reported benefits for participation.

Also required to fully keep these promises of faster crossings is better highways, and neither Canadian nor U.S. transportation departments are parties to those programs. Further, it is difficult to entice businesses to join FAST with a promise of lowered inspection costs if these same companies are levied the same rate of inspection fees assessed on high-risk shipments by other border agencies. We urge that all FAST, C-TPAT and PIP companies in good standing be exempt from existing and any new border inspection fees, starting with the U.S. Animal and Plant Health Inspection Service (APHIS) fees in the United States.

We also recommend that a border co-management agency be created to oversee and administer a voluntary bi-national trusted shipper program; one which allows companies to apply in one country and be approved for both countries, similar to the NEXUS traveller program. Such a program would include one set of security standards, one background and vetting process using databases in both countries, and, over time, coordinated border reporting.

2. *Provide 24/7 Access at Major Border Crossings*

Another significant concern for the Canada-U.S. business community is insufficient availability of open lanes during heavy commercial and tourist travel times at major land, airport, and marine crossings, resulting in increased border wait times for everyone. This creates inconsistencies for crossing the border, affecting all cargo, business travel, and tourism between Canada and the United States. Traffic patterns, especially for commercial traffic, are largely predictable, and those patterns, rather than time of day, should drive staffing levels. Equally important is having secondary inspectors on site when needed and having border-related support services available to users. To ensure the efficient use of existing facilities and support Canada-U.S. security and competitiveness, both countries should:

- Offer 24/7 services, including those of other government departments and agencies that conduct border inspections and border-related support services, and
- Operate all border booths at major crossings during peak travel times.

It is our position that reducing border wait times will accelerate cross-border traffic, which in itself will contribute to a more secure cargo supply chain. An idling truck at a congested port of entry is not a secured truck; in fact, it attracts cargo tampering and intrusion.

3. *Implement Whole of Government Electronic Border Reporting Requirements*

The lack of a single system for importing and exporting reporting requirements on the Canadian and U.S. sides of the border continues to frustrate commercial border users. Currently, both Canada and the United States border agencies are moving towards mandatory electronic importing and exporting reporting requirements. This will require significant investment by Canadian and U.S. businesses and is necessary to ensure our mutual security. While CBP in the United States and CBSA in Canada take the lead on border management and reporting requirements, other government departments and agencies have border

mandates with diverse, often paper-based reporting formats that employ separate systems. Frequently, duplicate information must be submitted to different agencies in different formats.

Electronic cargo data reporting by business increases the ability of our border agencies to manage border risk. It is therefore critical that implementation of a uniform data entry window or portal by all border agencies be a top priority on both sides of the border. We strongly support the Single Window Initiative in Canada and International Trade Data System in the United States. Both are designed to bring all government departments and agencies under a single reporting system to facilitate information sharing within government and the border crossing requirements placed on businesses. This can be the starting point of a long-term strategy to develop a fully secure and interoperable customs system within North America.

4. *Establish a Robust and Tested Border Contingency Plan*

A pandemic, natural disaster, or terrorist activity could lead to a partial or full closure of the border. The importance of the border to 10 million jobs necessitates a strong contingency plan to deal with such a situation. While they have made progress, Canada and the United States have not fully developed a formal border contingency plan and accompanying communication plan to be used in the event of a full or partial closure to Canada-U.S. land, sea, and airport border points. We strongly support the accelerated development of a joint plan that could be used to re-open the border, especially for our most trusted shipper and traveller communities.

5. *Rapidly Roll-out Enhanced Drivers' Licenses*

Canadian and U.S. businesses are concerned that there will not be a critical mass of Western Hemisphere Travel Initiative (WHTI)-compliant documentation in circulation before its target June 2009 implementation – now only a few months away. Without this critical mass, WHTI implementation will lead to further congestion at the border as travellers arrive without proper documentation. Even a short period of lengthy

delays – or the threat of such delays – for commercial and tourist traffic will deter the cross-border movement of goods and people and shake the already wobbly confidence of investors and job-creators. The boomerang effect of lengthy wait times will see many Canadian and U.S. tourists and business people avoiding cross-border travel, worsening an already critical situation. Enhanced Drivers' Licenses (EDLs) denoting identity and citizenship, and containing radio frequency identification technology and security features, are a vital tool and hold significant potential to be a less expensive and more practical form of documentation than a passport for the many Americans and Canadians whose international travel interests are limited to land crossings.

We applaud the foresight of the governments who have become early adopters and encourage others to rapidly move to full implementation. EDLs are vital to ensuring WHTI is smoothly implemented and the security needs of North America are met without impeding the movement of goods and people across the border.



A Future View of our Border

The 5,525 miles of land border, our air and marine ports of entry, and the thousands of communities they serve deserve a unified, bi-national body dedicated to enhancing our mutual economic and security interests. We currently have only one such body, the International Boundary Commission, whose sole responsibility is to ensure that the physical border is clear of obstruction and to map the boundary at regular intervals. For the past 100 years, all other planning at or near the border has been essentially left to each country's jurisdictions. The creation of a bi-national border agency would provide uniform and consistent border planning that coordinates agency resources, link cross-border infrastructure projects, and actually strengthen port (and between port) security, enforcement protocols and incident responses. If successful, the potential exists to create best practices that could be applied uniformly across the Canada-U.S. border.

A Green Light Pilot Project– Secure, Trade-Efficient, and Sustainable

The vision is to move rapidly to trial the feasibility of a collaborative, co-managed border under a 'Green Light' pilot. This pilot would be managed by a joint board or agency comprised of representatives from Canadian and U.S. border and infrastructure agencies and chaired by a rotating manager from either country – in the same spirit as NORAD. The principles and recommendations outlined in this paper could be combined to create either a dedicated Green Light model port of entry or co-exist within existing ports – just as NEXUS co-exists within existing airports – with a significant expansion of the FAST lane concept.

As mentioned earlier, post 9/11 has changed U.S. views on what is needed for security and there is no better way to bridge security and trade facilitation concerns and interests than by working side-by-side on both the management and the delivery of border operations.

A council of private sector and stakeholder representatives, including local governments, would be invited to participate in an advisory board for the Green Light pilot. This model gives priority to our trusted companies, shippers and travellers. The pillars that we envision driving the strategic planning of the Green Light ports are:

1. An underscoring of the relationship of trust and confidence between our two countries. This would include establishing a co-managed and staffed agency that provides strategic decision making for the management of the Green Light ports.
2. To provide a secure, expedient, and least intrusive inspection policy for vetted trusted shipper and traveller program participants. The higher the program participation, the larger the quantity of cargo and travellers that are secured and the safer the border.
3. To create a modern border that meets the needs of a modern supply chain and would be staffed by representatives of all border agencies on a 24/7 basis.
4. To protect our environment by reducing carbon emissions through reduced congestion and adopting paper-free joint cargo data reporting rules in a single government window.
5. To move the border beyond the border, including piloting an offsite commercial plaza and pre-clearance centres, where cargo can be inspected, if necessary, and then expedited for entry without further inspection.

There are a number of locations that are potential sites for the pilot. British Columbia has a strong history of piloting fresh ideas, Manitoba would provide a mid-sized location and has already expressed some interest in their Emerson crossing being considered, and Ontario and Quebec have a number of crossings where the high volume of trusted goods and people would warrant the needed investments.

Summary: A New Border-And-Beyond Engagement Strategy

A New Border-And-Beyond Engagement Strategy: Principles

1. Take a bilateral approach to border management.
2. Give strategic and resource priority to trusted shippers and travellers.
3. Expand the definition of the border to not always be 'at the border', including performing inspections and risk assessments at offsite venues.
4. Move the border 'away from the border' to our shorelines and foreign ports.
5. Achieve regulatory cooperation or mutual recognition on remaining differences between our domestic product and consumer safety regulations.

Just Do It: Short-Term Recommendations

1. Expand participation and deliver measurable benefits in trusted shipper and traveller programs.
2. Provide 24/7 access and border services at major crossings.
3. Implement a 'single window' or portal for entering all border related data required by various government agencies to facilitate importing and exporting reporting requirements.
4. Establish a robust and tested border contingency plan.
5. Rapidly roll out Enhanced Drivers' Licenses.

Green Light Pilot Project:

Launch a "Green Light" pilot project at a major port of entry, co-managed by Canada and the United States, to expedite the movement of low-risk goods and people. This pilot project will provide uniform and consistent border planning, facilitating trusted shippers and travellers, and coordinating agency resources, linking cross-border infrastructure projects, and actually strengthening port (and between port) security, enforcement protocols and incident responses. A successful pilot project would create best practices that could be applied across the Canada-U.S. border.



Conclusion

The common challenges Canada and the United States face in the years to come deserve a re-invigoration of our relationship and new, bolder ideas. We believe this forward-looking engagement strategy builds on the history of our collaboration and provides both pragmatic solutions for the near-term and provocative recommendations for the longer term. Combined, they reflect the world's largest trading relationship and show how two countries, with an unrivaled history of friendship and mutual, beneficial security dependence, can find common ground and a common vision for the 21st century.

