

Rethinking our Borders: A New North American Partnership

The Coalition released its initial report, *Rethinking Our Borders: Statement of Principles*, on November 1, 2001, which outlined the approach that should be taken to improve security while facilitating trade.

Its second report, *Rethinking Our Borders: A Plan for Action*, released on December 3, 2001, built on that framework. It represented the consensus of the Coalition and was designed to provide a practical and workable plan to strengthen the physical and economic security of our two countries' citizens.

The third report of the Coalition, *Rethinking our Borders: Beyond the Plan*, released in February 2004, updated the progress made on recommendations outlined in the *Plan for Action* and introduced areas for further improvements in light of the many developments in Canada-U.S. security and trade facilitation programs and policies. It also outlined the key next steps that the Canadian and U.S. governments needed to take to build upon the 32-Point Plan and introduce new directives to facilitate the movement of legitimate goods and people across

our borders.

Since issuing our third report in early 2004, there has been significant progress on many fronts as governments and business move forward on the joint agenda. At the same time, problem areas remain. Moreover, the Canada-U.S. border is still perceived as a barrier to trade and investment in North America.

This report tackles this perspective and offers recommendations to our governments to bring us back on track and ensure that North American business can enhance its international competitiveness in light of the costly new requirements imposed at the 49th parallel, some of which have not delivered the commensurate economic benefits.

The mandate of the Coalition for Secure and Trade-Efficient Borders does not end with the release of this working document. It will continue to collaborate with governments and others to ensure that our borders do not become a barrier to trade, and security is indeed strengthened.

It is worth noting that like earlier reports, the focus is on the specific issues around the Canada-US border and does not attempt to weigh in on the often different concerns that exist for the US-Mexico border. Should opportunities be found where we can learn from the US-Mexican experience, or visa-versa, we welcome the interchange.

ABOUT THE COALITION

The Coalition for Secure and Trade-Efficient Borders was formed by over 55 Canadian business associations and individual companies to help the federal government, through dialogue and cooperation with Canadian business, successfully deal with border and security issues. Its purpose is three-fold:

- To recommend measures to facilitate the passage of low-risk goods and people across Canada's borders;
- To recommend ways to strengthen Canadian security, immigration and border management; and
- To increase cooperation between Canada and the U.S. and other allies to prevent the entry of terrorists, illegal immigrants, contraband and illegal goods into our countries.

The Coalition for Secure and Trade-Efficient Borders is one of the largest business coalitions formed in Canadian history, and represents the vast majority of business activity in Canada. Its members are from all sectors, including manufacturing, services, exporting, importing, technology, transportation, retail, tourism, hospitality, energy and agri-business, and represent businesses of all sizes.

The Coalition's steering committee is composed of the heads of three major horizontal associations – Canadian Manufacturers & Exporters, the Canadian Chamber of Commerce, and the Canadian Federation of Independent Business – and the co-chairs of its three working groups on customs and border management, security and immigration, and transportation and infrastructure. The Coalition and individual members have met the key Cabinet Ministers, Members of Parliament and federal officials, and with the former U.S. Ambassador Paul Cellucci, and have been working with their counterparts in the United States and other government officials in Canada and the U.S.

INTRODUCTION

Since its formation in 2001, the Coalition for Secure and Trade-Efficient Borders, one of the largest business coalitions in Canadian history, has been at the forefront of the Canada-U.S. border agenda.

The *Rethinking our Borders* series of reports has provided government with a comprehensive list of recommended measures designed to facilitate the flow of low-security-risk goods and people, strengthen border security and intelligence, and increase cooperation with the U.S.

The majority of the recommendations in the Coalition's November 2001 publication, *A Plan for Action*, were successfully incorporated into the Smart Border Declaration and 32-Point Canada-U.S. Action Plan.

The result has been an unprecedented level of cooperation and collaboration between Canada and the U.S. on a complex and difficult agenda within a very short timeframe.

However, despite the impressive strides both governments have taken to ensure the physical security of North America, a commensurate increase in economic security remains elusive.

Over the last three years, there has been a rapid increase in the introduction of regulatory initiatives and programs designed to protect our borders, by

The Coalition would like to highlight several disturbing trends:

- **Logistics at the Canada-U.S. border has become a competitive *disadvantage* for North American business.**
- **Customs rules are more complex today than ever before and are being enforced differently by different inspectors at different crossings.**
- **Paperwork and information requirements for border inspections are increasingly onerous.**
- **At several key crossings there is limited or no access to dedicated lanes for commercial vehicles in the FAST program.**
- **Business travelers still face increasing delays and complications at the Canada-U.S. border.**

agencies in both Canada and the U.S.

There are now at least 44 agencies between our two countries with some level of jurisdiction over the shared border. Notwithstanding a streamlining in the U.S. and Canada with the creation of the Department of Homeland Security (DHS) and Canada Border Services Agency (CBSA) respectively, the regulatory regime has added complexity to border processes.

Individually, each initiative and program is well-founded and supported. However, the cumulative implementation of these initiatives and programs at the Canada-U.S. border has produced a 'layering' of security requirements for North American business.

North American business faces billions of dollars of compliance and delay costs at the border. Since the Smart Border Declaration of 2001, estimated processing times for shipments entering the U.S. have increased 300 per cent, from 45 seconds to over two minutes and 15 seconds per truck at the end of 2004. In a recent study conducted by the Ontario Chamber of Commerce, it was estimated that border delays alone cost the Canadian and U.S. economies a combined \$13.6 billion annually. Taking into account that many North American parts and goods cross the Canada-U.S. border multiple times before reaching the consumer, the real cost to our economy in terms of lost jobs and income is significantly greater.

The automotive industry offers a prime example. While an offshore shipment of 4,000 vehicles is required to give 24 hour advance notice and endure a single security check prior to rolling off a ship and proceeding to various North American dealerships, U.S. and Canadian produced vehicles will have crossed the Canada-U.S. border an estimated seven times during production, with finished vehicles crossing the border one truckload at a time. The automotive industry in North America is so integrated that the production of 4,000 vehicles in North America may involve over 28,200 customs transactions. The bottom line is that these additional reporting, compliance and delay costs translate into an estimated \$800 per vehicle.

One prominent North American company recently celebrated their one millionth FAST shipment across the Canada-U.S. border without a single actionable finding. This is a record equalled by few and yet this same company's actual inspections entering the U.S. in the early part of 2005 have increased 50 per

cent over that same period in 2004. Obviously this was not the intention of our respective governments and customs authorities; however, it is the reality for some businesses and it does result in real costs.

These requirements can put North American business at a serious competitive disadvantage from a customs clearance and security perspective in comparison to its overseas competition, which is faced with a single customs transaction and security check upon entering the North American marketplace.

Given that over 40 per cent of Canada-U.S. trade is intra-company and a further 30 per cent is identified as originating from an entity within a secure supply chain, the Coalition is questioning the necessity of these costs and is issuing an alert to both the Canadian and U.S. governments. It is time to shift our focus to securing the external Canada-U.S. perimeter and achieving the goal of a seamless Canada-U.S. border for known low-security-risk goods and people.

Domestic security is about intelligence and the capacity to analyze and perform risk management and screening in order to facilitate the movement of known low-security-risk goods and people, while targeting those who are not. However, the benefits envisioned and promised to those who have made the investment in homeland security and in being designated low-security-risk have not been delivered. This shortfall needs to be corrected.

The Coalition suggests that it is time for a strategic assessment of border priorities against the changes and initiatives of the past nearly four years since 9/11. It is critical that the Canada-U.S. border not become a self-imposed and costly barrier to trade and investment within North America and either unfairly or unnecessarily disadvantage Canadian and US business. We must start focusing on external security while further integrating Canada-U.S. customs practices and increasing coordination at points of entry into North America in order to allow for a truly streamlined internal Canada-U.S. border clearance process.

MEASURING PROGRESS

There have been a number of important changes in senior levels of government in both Canada and the U.S. since the release of our third report. The Coalition commends both governments for the smooth transition and applauds the enhanced

commitment made to achieving an even greater level of cooperation and focus on the border agenda.

This document updates progress made on the Coalition's key recommendations outlined in its previous reports aimed at improving Canada-U.S. border management, immigration and security, and border infrastructure in order to achieve the enhanced facilitation of low-security-risk goods and people while also ensuring adequate levels of public security to prevent and deter terrorist acts.

SECTION 1: CUSTOMS AND BORDER MANAGEMENT

The Coalition has recommended that:

- Both the Canadian and American governments ensure that all existing primary lanes, including FAST and NEXUS lanes, are fully staffed during critical high-traffic-volume periods.

Status: While the U.S. Customs and Border Protection Service (CBP) has announced that it intends to open all existing primary lanes at peak periods, a recent hiring freeze has delayed implementation. Canada has also taken steps to increase staffing at the border.

The Coalition reiterates its recommendation that both the Canadian and U.S. governments fully staff all existing primary lanes, including FAST and NEXUS lanes, during critical high-traffic volume periods in order to increase facilitation and reduce congestion while maintaining enforcement.

- Both governments dedicate the resources needed to improve the recruitment and training of border staff, and ensure that all personnel understand and effectively apply the most advanced screening and targeting techniques available.

Status: Recruitment and training have been refocused and joint Canada-U.S. initiatives have been successfully initiated.

- Governments coordinate technology requirements for related programs in order to minimize the amount of investment required by the private sector, and;

- Governments ensure that any new government technological interface requirements do not place a significant financial burden on the business community, and that new user-friendly systems (i.e. Internet-based access systems) also be made available.

Status: The business community continues to invest heavily in the technology needed to apply for and comply with various customs and security programs. It is critical that our governments ensure that the stated benefits are realized and are commensurate with the investment required, and that the amount of additional investment needed for future programs is minimized.

- Governments ensure an adequate level of investment in technological infrastructure and information management systems in order to implement all new border initiatives on schedule.

Status: The Coalition is concerned that CBSA does not currently have the IT capacity required to deliver programs like Advance Commercial Information (ACI) within the required timeframe. It is critical that our government provide the resources necessary to ensure that CBSA has the IT capacity needed to implement customs programs as required in conjunction with the U.S.

- Work with all stakeholders and governments involved to implement traffic streaming on approach roads to land borders, and establish dedicated FAST lanes across all major crossings.

Status: Traffic streaming has been initiated at the major Canada-U.S. crossings. Both governments have also announced expansion of FAST to seven additional high-volume commercial land crossings.

- Ensure that unprepared shipments are not allowed to impede access to border crossings.

Status: CBP has mandated pre-arrival cargo reporting for all trucks entering the U.S. CBSA plans to implement pre-arrival cargo reporting within similar timeframes once ACI has been implemented for trucks entering Canada.

- Ensure that the Automated Commercial Environment (ACE) and Advance Commercial Information (ACI) systems are compatible and

implemented on schedule in a coordinated and flexible manner.

Status: The Coalition urges CBSA to commit to a specific date for the implementation of ACI for all modes, especially highway, ideally by the end of 2006. This commitment will provide certainty to the importing community and encouragement to those considering moving to the CSA option. The successful implementation of ACI will contribute greatly to the harmonization of customs release programs and the implementation of the tools necessary to provide effective preclearance targeting for security purposes.

- Ensure that all NEXUS programs are interchangeable and recognized at all border crossing points.

Status: The Coalition recommends the implementation of NEXUS PLUS for all modes of travel at all points of entry. The current NEXUS program is operational at land ports while NEXUS AIR provides expedited clearance exclusively at Vancouver International Airport. These programs need to be integrated into a single program encompassing all modes of transport and employing multiple bio-metric identifiers as required.

- Ensure that the registration process for NEXUS is as user-friendly as possible and undertake joint initiatives to promote enrolment.

Status: Canada and the U.S. have introduced joint off-border NEXUS processing sites and CBP has provided substantial funds for marketing efforts. Given recent developments, including the U.S. Western Hemisphere Travel Initiative requiring all Canadian and U.S. travelers to have a passport or other secure travel document that establishes the bearer's identity and nationality to enter or re-enter the U.S., it is imperative that NEXUS cards be supported by both governments as an approved secure travel document.

- Both governments aim to harmonize customs procedures in order to reduce redundancy and inefficiency in the customs process. This includes harmonizing the pre-notification requirements of both the U.S. Food and Drug Administration and Customs and Border Protection.

Status: The Coalition recommends that our governments continue to jointly re-examine and take proactive steps to remedy existing redundancies in regulatory requirements and customs processes between our agencies (including packaging, labelling, rules of origin, and other government department requirements), and ensure that any new regulations and requirements created by either country are compatible and mutually recognized.

The Coalition commends both governments for establishing an agreement in principle on a land preclearance program at Peace Bridge that would allow U.S. officers to work on Canadian soil. We encourage the expansion of this model to all major crossings, allowing Canadian and U.S. customs officers to work in integrated border inspection areas or on each others soil and with the authority to conduct joint inspections.

The Coalition supports the integration, cross accreditation and/or designation of Canadian and U.S. customs agencies and officers, and the establishment of shared facilities located on either side of the border as physical conditions dictate at each appropriate border crossing. While the FDA has already cross designated CBP to perform bio-terrorism act inspections, the Coalition recommends that cross-designation of regular inspection services be available 24 hours a day, seven days a week.

SECTION 2: SECURITY AND IMMIGRATION

Four years has passed since September 11 and both our nations remain under threat of terrorist attack. While our governments have called for timelines for many common initiatives on security and immigration, real progress on implementation has been sluggish. Even the timelines set out under the Security and Prosperity Partnership of North America (SPP) point to a continuation of this trend. For example, no timelines have been set for the expansion of NEXUS Air to additional border preclearance centers in Canada and it will take another six months to conclude negotiations on land preclearance. There are no timelines set for the introduction of programs designed to reduce transit and border congestion, and we are faced with at least 36 months until the introduction of an integrated North American trusted traveler program and 18 months until the conclusion of negotiations on the Canada-U.S. visa information sharing agreement. To date, we have no agreement on standard biometric requirements. If we are truly

facing an emergency security situation then we must be prepared to move quickly on the initiatives designed to protect us from terrorist threat.

It is critical that Canada and the U.S. move together and at the same pace in the implementation of these security initiatives and that neither nation moves unilaterally or in a restrictive nature. Our economic and physical security requires that we push harder for progress on initiatives designed to improve the flow of legitimate travelers. Our apparent lack of action reflects a lost sense of urgency and an acceptance that the threat of terrorism is now a part of everyday life. We have an obligation to move as fast as possible in implementing those initiatives outlined in the SPP report.

The Coalition has recommended that:

- Canada engage the U.S. in discussions about how to remove real and perceived barriers to the freer travel of legitimate visitors, while maintaining the required level of security.

Status: The Canadian government has been successful in engaging the U.S. and we encourage both governments to continue to collaborate on this front and to follow through with related initiatives. However, as outlined above, implementation of critical Canada-U.S. security initiatives has been slow and timelines must be established or tightened.

- Governments expand the use of shared border teams to improve upon their benefits.

Status: Canada and the U.S. continue to expand the use of Integrated Border Enforcement Teams (IBETs). The IBET model has been an unparalleled success and should continue to be enhanced as required.

- Both governments ensure that the US-VISIT program be implemented in a manner that does not impede the flow of low-risk goods and people.

Status: US-VISIT has been successfully implemented without impeding the flow of low-security-risk travelers. The Coalition notes that automated processing at land ports has actually resulted in a decrease in processing times.

Given the successful implementation of US-VISIT we highlight the impending requirement that Canadians and Americans carry machine-

readable travel documents by 2008 and ask that both governments clarify exactly what the specific requirements will be. Additional resources will be required at visa offices to accommodate the increased demand for machine readable travel documents. As this requirement is not yet common knowledge to Canadians or Americans, both our governments must be prepared to invest in a communications campaign to ensure that travelers are well-prepared.

- Both governments expand offshore interdiction of inadmissible travelers at origin.

Status: As outlined in the Coalition's original *Statement of Principles*, the Coalition recommends shifting customs clearance processes to the point of origin for people and the origin or first point of arrival for goods into either country in order to identify low-security-risk goods and people entering Canada and the U.S. and to allow for the reduction of border controls at the internal Canada-U.S. border. By managing immigration offshore at the originating country, we will ensure that only admissible low-security-risk individuals actually physically land on North American soil.

- The RCMP agree to expedite applications for police clearance certificates when requested to do so by Immigration, and CSIS agree to expedite background checks on immigration applicants under the same terms.

Status: The Coalition is not aware of any measurable progress made in this area and reiterates its recommendation that the RCMP and CSIS expedite applications and background checks as stated above.

- Guidelines and procedures be produced for security screening, with timelines attached, rather than leave issues to the discretion of each officer, to ensure an organized and coherent approach to applying security criteria in a timely manner.

Status: The Coalition is not aware of any measurable progress made in this area and reiterates its recommendation as stated above.

- The Canadian government place more qualified, trained, and experienced Canadian immigration personnel in our Embassies and Consulates abroad to ensure that security checks on

applicants are the most advanced and of the highest quality in the world.

Status: Canadian immigration officers located in 39 locations offshore intercepted 74 per cent of the total number of inadmissible people attempting to enter Canada in 2004. The Coalition applauds this effort and reiterates its recommendation as stated above.

- The governments of Canada and the United States finalize and implement the Safe Third Country Agreement.

Status: The Safe Third Country Agreement was implemented successfully at the Canada-U.S. land border in early 2005.

- The Canadian government ensure that the security of our travel documentation meets international standards.

Status: Initiatives are now underway to introduce secure documentation preventing counterfeiting and identity theft. The Coalition reiterates its recommendation that our governments consider the addition of a biometric identifier to our travel documentation.

- Canada and the U.S. establish appropriate mechanisms to ensure that the accuracy of sensitive information is verified before it is released to other governments.

Status: The Coalition reiterates this recommendation and continues to monitor the situation. Work will need to be done to ensure that legitimate travelers are treated fairly and that the matter and impact of the sharing of information is refined and further developed to protect the privacy of legitimate travelers.

- The Canadian government work with the private sector to develop the most suitable, effective and efficient organization needed for Canada to protect its public and economic security.

Status: While we applaud the efforts of our government on this front, more must be done to involve the private sector in the development of initiatives designed to ensure our security.

In pursuing the goals outlined above, the Canadian and U.S. governments are essentially working to create a security perimeter in an effort to push interdiction to the external border. The Coalition

supports this approach. In addition, it is essential that the business community be included as a full partner in these efforts and be fully engaged in the development of facilitating mechanisms. While efforts on goods have moved dramatically since 9/11, facilitating the flow of people has lagged, notwithstanding the NEXUS program. One idea to explore could be the introduction of a Canada-U.S. 'border pass' with biometric identifiers. Given future U.S. requirements for secure border documentation, such a tool could meet security requirements and ease border-processing times.

SECTION 3: TRANSPORTATION AND INFRASTRUCTURE

The Coalition has recommended that:

- Canada review the infrastructure funding commitments in coordination with the U.S. to ensure that modernization plans are compatible and that both countries are committing equal and adequate resources to improving infrastructure on both sides of the border.

Status: Ongoing. The Coalition would like to reemphasize the importance of ensuring that all border infrastructure modernization plans are implemented in collaboration with the U.S.

- The Canadian federal government follow through with previous infrastructure commitments as quickly as possible, especially at the critical Windsor-Detroit crossing, and;
- Both governments finalize the decision to establish a new border crossing in the Windsor-Detroit corridor.

Status: Recent announcements on infrastructure improvements and traffic-streaming at Windsor-Detroit will provide some progress in the short and medium-terms. However, it is critical that senior levels of government aggressively pursue jointly developed and implemented permanent solutions over the next five years. While decisions on infrastructure improvements are subject to multi-tiered and often overlapping and conflicting jurisdictional mandates, the Coalition urges both federal governments to 'take the reins', follow through with previous commitments, and establish a new border crossing in the Windsor-Detroit corridor.

- Both governments commit additional funding for physical infrastructure to support the 32-Point Action Plan and border initiatives, and specifically work with provinces and municipalities to expand access to border-crossing facilities at the key border crossing sites across the country.

Status: The Coalition strongly recommends both governments immediately take steps to ensure access to primary FAST and NEXUS lanes, especially at the critical Windsor-Detroit crossing. The current physical infrastructure constraints are impeding the ability of identified low-security-risk shipments from reaching dedicated lanes, thus diminishing the value of participation in programs like FAST. The least prepared truck in each line dictates the waiting time for all shipments behind it. It is essential that prepared and/or pre-cleared shipments be allowed streamed priority, expedited processing, and most importantly, access to primary inspection booths.

- Both federal governments, to the extent possible, harmonize bi-national border clearance and security programs to further increase security for both countries while also simplifying and clarifying the customs process for entering both Canada and the U.S.

Status: Requirements for drivers and for clearance at the border under the joint Free and Secure Trade (FAST) program have been harmonized in both directions. In addition to the recommendation listed above supporting the harmonization of the ACI and ACE programs, the Coalition urges both governments to ensure that the Partners in Protection (PIP) and Customs-Trade Partnership Against Terrorism (C-TPAT) programs are mutually recognized, as called for under the SPP Initiative.

- Both federal governments continue to work closely together to secure our seaports, and employ the best available technologies and practices to ensure that the Canada-U.S. security envelope is not threatened.

Status: Initial funding for port security has been announced by both governments, although further commitments are needed.

- Both governments consider implementation of integrated maritime enforcement teams (IMETs).

Status: As outlined in *Beyond the Plan*, the Coalition supports the expansion of Integrated Maritime Enforcement Teams (IMETs) to allow for uninterrupted pursuit across boundary lines and full enforcement authority in either country.

- Introduce legislation to implement Accord Processing Zones at land border crossings to establish joint facilities beyond those that straddle the border.

Status: Both governments have announced plans and are negotiating a framework to implement a land preclearance pilot at Peace Bridge, including relocating all U.S. primary and secondary operations to the Canadian side of the border. The framework is reciprocal and will eventually include the relocation of Canadian operations to the U.S. The Coalition welcomes this development and encourages the expansion of this model where feasible.

- Enhance international cooperation on global transport security.

Status: The World Customs Organization (WCO) Policy Committee has endorsed a framework of standards for security procedures designed to secure global supply chains. While the Coalition fully supports the objectives of the proposed WCO Security Framework, it is critical that the security guidelines contained within be made practical and provide real quantifiable benefits. With the general principles now approved, it is essential that the responsible government authorities improve cooperation and coordination with the business community in the development of the detailed working plans.

- Expand airport in-transit pre-clearance to all major Canadian and American airports to create improved transit facilities for passengers.

Status: Both Canada and the U.S. have announced plans to expand airport in-transit preclearance to Halifax International Airport. The Coalition welcomes this decision and encourages further expansion of this model.

- Work with governments, agencies, and business outside of North America to improve the security envelope that is Canada and the U.S.

Status: Initiatives including the offshore interdiction of inadmissible goods and people and the WCO Security Framework are critical to

achieving a secure North American economic space and eliminating onerous security procedures and traffic congestion at our internal border.

CONCLUSION – A NEW NORTH AMERICAN PARTNERSHIP

Under the new SPP Initiative, the NAFTA partners have an opportunity to jointly re-examine where we are making our security investments and ensure that North America is internationally competitive from a customs and border facilitation perspective.

The Coalition suggests that we may find the greatest value in shifting our efforts to securing our economic space, in an effort to allow a seamless flow of trade between Canada and the U.S. Achieving this goal will require the adoption of common external security policies and procedures in an effort to eliminate the perceived risk of commercial shipments between our two countries.

In addition, our agencies must implement customs service standards, ensure accountability for delays, and develop a joint contingency plan for unexpected events causing abnormal wait times. There is also a need for the establishment of contingency plans for re-opening closed borders, should such an event ever occur. Developing these contingency plans must become a priority.

We must continue to jointly apply new risk management tools and advanced technologies to secure and verify cargo and establish joint inspection facilities and processes to focus on the origin or first point of arrival into the continent. Ideally we will begin to see a melding of Canada and U.S. customs activities offshore, including joint offshore interdiction.

It is critical that security requirements in programs like Customs-Trade Partnership Against Terrorism (C-TPAT) and Partners in Protection (PIP) do not become a barrier to trade and investment in North America, but are successful in delivering stated benefits, facilitating low-security-risk trade, and allowing authorities to focus on unknown commercial shipments and people.

Finally, for the future of the North American economy, it is imperative that construction on a new Windsor-Detroit crossing begin by 2010. The current lack of redundancy in the Windsor-Detroit area leaves the economies of both countries at risk.

The recent bombings in London underscore the fact that the threat of terrorism is real and that those who seek to harm the Western democracies will not hesitate to exploit 'soft' targets. The Coalition takes seriously the terrorist threat that faces North America and the global supply chain. It is critical that our governments continue to adopt similar risk management principles and security standards, including integrated targeting systems, in order to ensure North America's physical and economic security. At the same time we must ensure that the steps we take to combat terrorism also allow us to move towards achieving enhanced trade facilitation at our internal border.

The Canada-U.S. business community continues to work closely with both governments and strongly supports the strategic direction of the Canada-U.S. border agenda. It is essential that business be seen as a partner in these efforts. The priorities outlined in this report are critical to the future of the North American economy and must continue to top the agendas of both governments.

July 2005

RECOMMENDATIONS CONTAINED IN *Rethinking our Borders: A New North American Partnership*

The Coalition recommends that:

- (Pg. 2) The Canadian and U.S. governments shift focus towards securing the external Canada-U.S. perimeter, and; (Pg. 6) Customs clearance processes be shifted to the point of origin for people and the origin or first point of arrival for goods into either country.
- (Pg. 3) The Canadian and U.S. governments fully staff all existing primary lanes, including FAST and NEXUS lanes, during critical high-traffic volume periods.
- (Pg. 3) The Canadian and U.S. governments ensure that the stated benefits for participation in various customs and security programs are realized and are commensurate with the investment required for participation, and that the amount of additional investment needed for future programs is minimized.
- (Pg. 3) The Canadian government provide the resources necessary to ensure that CBSA has the IT capacity needed to implement customs programs as required in conjunction with the U.S.
- (Pg. 4) CBSA commit to a specific date for the implementation of ACI for all modes, especially highway, ideally by the end of 2006.
- (Pg. 4) All NEXUS programs be integrated into a single program encompassing all modes of transport and employing multiple bio-metric identifiers as required.
- (Pg. 4) Our governments continue to jointly reexamine and take proactive steps to remedy existing redundancies in regulatory requirements and customs processes between our agencies and ensure that any new regulations and requirements created by either country are compatible and mutually recognized.
- (Pg. 4) The land preclearance program be expanded to all major crossings, and; (Pg. 4) Shared facilities located on either side of the border be established as physical conditions dictate at each appropriate border crossing.
- (Pg. 4) Cross-designation of regular customs inspection services be made available 24 hours a day, seven days a week.
- (Pg. 5) Canada and the U.S. move together and at the same pace in the implementation of various security initiatives and neither nation moves unilaterally or in a restrictive nature.
- (Pg. 5) The implementation timelines for critical Canada-U.S. security initiatives be established or tightened.
- (Pg. 5) The Integrated Border Enforcement Teams (IBET) model be enhanced as required.
- (Pg. 5) Both our governments be prepared to invest in a communications campaign to ensure that travelers are well-prepared for the impending requirement that Canadians and Americans carry machine-readable travel documents by 2008.
- (Pg. 6) Our governments consider the addition of a biometric identifier to our travel documentation, and; (Pg. 7) Our governments consider the introduction of a Canada-U.S. 'border pass' with biometric identifiers.
- (Pg. 6) The matter and impact of the sharing of information be refined and further developed to protect the privacy of legitimate travelers.
- (Pg. 7) Our governments do more to increase the involvement of the private sector in the development of initiatives designed to ensure our security.
- (Pg. 7) All border infrastructure modernization plans be implemented in collaboration with the U.S.
- (Pg. 7) Senior levels of government aggressively pursue jointly developed and implemented permanent border infrastructure solutions over the next five years, and; (Pg. 7) Both federal governments 'take the reins', follow through with previous commitments, and establish a new border crossing in the Windsor-Detroit corridor.
- (Pg. 7) Both governments immediately take steps to ensure access to primary FAST and NEXUS lanes, especially at the critical Windsor-Detroit crossing.

- (Pg. 8) Both governments ensure that the Partners in Protection (PIP) and Customs-Trade Partnership Against Terrorism (C-TPAT) programs are mutually recognized.
- (Pg. 8) Both governments commit additional funding for port security.
- (Pg. 8) The security guidelines contained within the WCO Security Framework be made practical and provide real quantifiable benefits, and; (Pg. 8) The responsible government authorities improve cooperation and coordination with the business community in the development of the detailed WCO Security Framework working plans.
- (Pg. 9) Our governments continue to adopt common external security policies and procedures in an effort to eliminate the perceived risk of commercial shipments between our two countries.
- (Pg. 9) Our customs agencies implement customs service standards, ensure accountability for delays, and develop a joint contingency plan for unexpected events causing abnormal wait times.
- (Pg. 9) Our governments establish contingency plans for re-opening closed borders, should such an event ever occur.
- (Pg. 9) Our governments jointly apply new risk management tools and advanced technologies to secure and verify cargo and establish joint inspection facilities and processes to focus on the origin or first point of arrival into the continent.
- (Pg. 9) Construction on a new Windsor-Detroit crossing begins by 2010.
- (Pg. 9) Our governments continue to adopt similar risk management principles and security standards, including integrated targeting systems.

Steering Committee

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Canadian Chamber of Commerce
Canadian Chemical Producers' Association
Canadian Council for International Business
Canadian Courier & Messenger Association
Canadian Federation of Independent Business
Canadian Fertilizer Institute
Canadian Foundry Association
Canadian Industrial Transportation Association
Canadian International Freight Forwarders Association
Canadian Manufacturers & Exporters
Canadian Nuclear Association
Canadian Pacific Railway
Canadian Paperboard Packaging Association
Canadian Plastics Industry Association
Canadian Society of Customs Brokers
Canadian Steel Producers Association
Canadian Trucking Alliance
Canadian Vehicle Manufacturers' Association
Can-Am Border Trade Alliance
Cassels Brock & Blackwell
Food and Consumer Products Manufacturers of Canada
Food Processors of Canada
Forest Products Association of Canada
General Motors of Canada
Hotel Association of Canada
IBM Canada Ltd.
Information Technology Association of Canada
Insurance Bureau of Canada
Japan Automobile Manufacturers Association
Morrison Lamothe Inc.
OBN Security Consultants
Pacific Corridor Enterprise Council
PBB Global Logistics Inc.
Pierre Gravelle Associates
Pratt & Whitney Canada
Private Motor Truck Council of Canada
Procter & Gamble
Railway Association of Canada
Retail Council of Canada
Rodair International
SGS Canada
Shipping Federation of Canada
The Toronto Board of Trade
Tourism Industry Association of Canada
United Parcel Service
Western Express Cargo Airline

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