

PARLIAMENT OF CANADA

THE STANDING COMMITTEE ON
FOREIGN AFFAIRS AND INTERNATIONAL TRADE

MARCH 18, 2003

6:00 P.M. HEARING ON

“U.S./ CANADA BORDER ISSUES AND STATUS
PRACTICAL SUGGESTIONS DESIGNED TO RENDER
THE CANADA/U.S. BORDER MORE TRADE EFFICIENT,
WHILE ALSO IMPROVING SECURITY”

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(1)

Good evening. Thank you for inviting me to participate today. It is an honor.

The CANADIAN/AMERICAN BORDER TRADE ALLIANCE (Can/Am BTA) is a transcontinental/ bi-national broad based organization with participation from all 22 states on or near the U.S./Canada Border (Washington to Maine including Alaska) and the Canadian Provinces with a combined network which involves over 60,000 companies and organizations in their individual memberships. Can/Am BTA participants include members from border trade, border crossing and transportation segments including producers, shippers, brokers, mode transportation providers, bridge and tunnel operators, chambers of commerce, business and trade corridor associations, economic development and government agencies.

High-level Canadian and U.S. Government officials continue to express to me that:

- * U.S./Canada economic fundamentals are excellent;
- * U.S./Canada trade flows are strong and vigorous;
- * U.S./Canada relations are mature and solid.

Since I last testified before the Sub-Committee on International Trade of this Standing Committee On Foreign Affairs on October 31, 2001, the Smart Border Declaration and 30 Point Plan for the Canada/U.S. Border has been signed and extensively implemented.

A majority of the specific recommendations made in that testimony have been incorporated in the Smart Border 30 Point Plan and their implementation underway or achieved.

Currently misinformation, rumors and faulty prognostications that circulate cause confusion and unnecessary and counterproductive concern and negativity.

(2)

The “sea change” from 9/11 making security a primary necessity is permanent and can be achieved while also re-engineering the border management process to make the facilitation of low-risk goods and people more efficient and with less delay than was ever achieved prior to 9/11. Two recent statements are central to the reality of the future of the U.S./Canada Border. Robert Bonner, Commissioner of Customs and Border Protection, Department of Homeland Security specifically refers to “twin goals” Public Security and Economic Security. No longer separate or stressing one or the other. Homeland Security Secretary Tom Ridge recently stated that Public and Economic Security would not be approached as one at the expense of the other. We’ve always known that trade and people would not be admitted without review (providing control and now heightened security) but now we are not intending to risk economic security (facilitation of low-risk goods and people) in the name of public security.

Make no mistake that there will be major changes in the way we do business at the border and human nature is to resist change. This in fact causes the almost immediate negative reaction to change.

THE KEY TO ACHIEVING PUBLIC SECURITY AND ECONOMIC SECURITY WHILE SUBSTANTIALLY REDUCING CONGESTION AND DELAY IS PARTICIPATION IN LOW RISK ENROLLMENT PROCESSES AND PRE-ARRIVAL INFORMATION.

NEXUS FOR PEOPLE - LOW RISK DESIGNATION (Joint U.S./Canada operation)
FAST FOR GOODS - LARGE VOLUME SHIPPERS (Joint U.S./Canada operation)

MINI-FAST - FUTURE SYSTEM FOR SMALL VOLUME BUSINESSES
(Joint U.S./Canada operation)

(3)

PRE-ARRIVAL INFORMATION REALITY:

Maritime: Container Security Initiative (CSI) information required 24 hours before lading
18 of 20 major world ports signed on accounting for 65% of containers to U.S. and
U.S./Canada exchange targeting program successfully operating. Since CSI mandated
420,000 containers targeted with 17,000 being identified for review (4%) Experience has
said 95-97% of containers are legitimate. Only 40 denial (no load) messages have been
issued. Major ocean carriers are involved. CONTAINERS WILL MOVE THROUGH
DESTINATION PORT MORE EFFICIENTLY AND IN LESS TIME THAN
PREVIOUSLY. CONTAINERS RISK MANAGEMENT TARGETED AT CANADIAN
PORTS BY U.S. AND VICE VERSA WILL MOVE THROUGH THE 49TH PARALLEL
U.S./CANADA INTERNAL BORDER W/O FURTHER XRAY ETC BY RAIL/TRUCK.
Truck: Pre-arrival information will be mandatory and I believe will end up being as late as
possible before truck arrives to allow risk management targeting and result in a green
light/red light decision upon arrival. U.S. is requiring a mandatory EDI manifest for all
trucks by the end of 2003. This will have a dramatic impact on reducing congestion and
delay at the land border. Trucks that are given the green light upon arrival (expect this to
be in the 90+% range) will proceed through the border process more efficiently than ever
before. The key here is access to the primary booths without having to queue. This is
achieved by processes such as TRAFFIC STREAMING and PERIMETER CLEARANCE
STRATEGY. (See Attached Power Point Slides) These specific proposals have
tremendous environmental improvement impacts in reducing automotive and truck
discharges of carbon monoxide, hydrocarbons and nitrous oxide. I will now highlight the
key elements and benefits shown on the slides.

CANADA/U.S. BORDER MANAGEMENT AND CONDITIONS -
FOR A SECURE AND TRADE EFFICIENT BORDER

In the time we have together today I will reflect on the specifics of “how to actually achieve” what remains to be accomplished. Tremendous progress and cooperation has been achieved by the numerous involved parties and especially the leadership and personal attention of Prime Minister John Manley and Homeland Security Secretary Tom Ridge. Together they have moved mountains and paradigms.

However, in spite of these tremendous breakthroughs and initiatives the fact remains that the current border crossing processes for “legal” Goods and People continue, “to impede” rather than facilitate until we actually achieve the full reality of the 30 Point Plan.

SPECIFICALLY:

- 1) At any given time, a number of the existing processing lanes (in total), on the U.S./Canada Border remain closed due solely to “understaffing” of Homeland Security primary Inspectors. Additional resources for Canada Customs and Citizenship and Immigration is also required. These resources increase facilitation, reduce congestion, while maintaining but not increasing enforcement.

- 2) Need to shift control to the origin or first point of arrival into either country thus allowing facilitated movement of low-risk goods and people at the Canada/U.S. Border.

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3) The recent proclamation of the Canadian Airport Pre-Clearance Legislation is the model for implementing Canadian legislation “now” to allow Accord Processing Zones at the land border crossings (essentially the very small geographical areas within the perimeter of each border crossing processing area). These zones will allow simultaneous enforcement of each country’ laws by representatives of both countries’ Agencies regardless if located on the Canadian or U.S. side (as space dictates at individual locations). The Accord Processing Zone implementation at the land border will also result in “true joint facility” operations becoming a reality, voiding the current limitation of having to have the actual border line run through the building which currently locates the buildings in the wrong place. The Accord Processing Zone implementation would also provide the effective operation of all Commercial Vehicle Processing Centers. (NEEDS PARLIAMENT TO PASS/EXPAND LEGISLATION)

THESE ARE THE ONLY 2 POINTS OF THE 30 POINT PLAN ON WHICH NEAR TERM ACHIEVEMENT APPEARS DOUBTFUL WITHOUT LEGISLATIVE HELP (#15 Clearance Away From the Border and #16 Joint Facilities)

4) As in immediate interim step until U.S. officers can function on Canadian soil at land ports, I have recommended Canada Customs provide pre-review of paperwork of trucks leaving Canada at selected ports entering the U.S. to direct unprepared trucks to commercial vehicle processing centers thus eliminating congestion delays and queues entering the U.S. This is to facilitate the efficient movement of Canadian exports into the U.S.

(6)

5) Deal with immigration at the source, offshore (perimeter approach), so that only admissible individuals can actually physically land on Canadian or U.S. soil.

6) Physical reality and constraints at the border crossings must be dealt with.

FAST, other low-risk trucks and handling of “empties” are currently impeded by the physical inability to reach the primary lane to be processed. The current reality is that the least prepared cargo carrier in each line dictates the waiting and delay time of “all” the pre-cleared carriers in line behind it. Translation – 45 minute delay “waiting time” to just get to the primary booth to be processed in seconds is ridiculous. It is extremely “costly” to the shipper and the carrier, also wasteful of fuel and negatively impacts the environment unnecessarily. Trucks need to be “streamed” so that all those prepared and/or pre-cleared or ultimately CSA are processed in tandem without waiting needlessly in a line (for those ahead of them in the same line) who “are not” prepared and “require additional time” at the primary booth to be processed for clearance. This involves traffic management on the approach roads and Commercial Vehicle Processing Centers (CVPC’s) to divert unprepared trucks before they clog the primary processing lanes.

7) Canada should employ modeling techniques for the Canadian ports on the 49th parallel Canada/U.S. Border joining into the Wizard modeling program being employed by the collective U.S. agencies for the corresponding U.S. ports on the Canada/U.S. Border. Every border crossing has two sides that are integral to its operation and need to be treated as a single entity when analyzing operations, alternatives or planning changes and infrastructure improvements and approaches. I am giving each of you a CD with the Border Analysis Management Model (an early version) on it for your review.

(7)

We need a seamless border between Canada/U.S. for “legal/low risk” activity. We need a technically smart border and intelligence to handle other/unknown activity. Economic vitality is the root of the power a country commands. We need to insure a trade efficient Canada/U.S. Border under whatever security levels we need to employ. We need to look at what doesn’t need to be done at the 49th PARALLEL and that which could be done better and more efficiently at the perimeter or offshore. We need a common sense cooperative joint initiative by the Agencies, the users, elected officials (Parliament and U. S. Congress and local) to distill and finalize solutions to the question:

“HOW WILL WE DO IT?”

BUT MOST IMPORTANTLY, WE MUST ESTABLISH AN
ATTITUDE OF “HOW CAN WE” INSTEAD OF “WHY WE CAN’T”.

Your Committee is to be commended for bringing focus to the imperative of achieving a TRADE EFFICIENT CANADA/U.S. BORDER UNDER WHATEVER LEVELS OF SECURITY IS REQUIRED. The economic vitality of both countries depends on it.

The Canadian/U.S. relationship’s entry into the 21st Century demands the facilitation and growth of Trade for continued economic strength while protecting our citizens.

Thank you

CAN / AM BORDER TRADE ALLIANCE