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21st

Century Border Action Plan

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Canada and the United States enjoy the largest trading relationship in the world. Every day close to 400,000 people and $2 billion worth of goods and services cross our shared border. Despite the strong economic ties between Canada and United States and the integration of North American supply chains, there remains much to be done to improve border management and the impact it has on businesses in both countries.

There is a significant amount of inconsistency and unpredictability for businesses involved in cross border trade, contributing to a plethora of operational issues that negatively impact North American supply chains, trade and the ability to expeditiously get goods to market. Governments in both countries are working hard to address these issues, but the rate of change in the private sector is faster than government's ability to respond. Rather than trying to adapt to constantly evolving technological advancements, governments should pause to identify and address the most problematic gaps that exist today that hinder cross border activity.

Many tools, technology and programs exist to facilitate trade, but have not received the resources necessary to truly maximize their potential. Implementing enhancements to the border of today frees up capital that can be leveraged towards partnerships and projects to ensure gaps are mitigated in advance of implementation, ensuring a truly seamless, efficient and robust border.

Improving the operation of the border and applying new technologies will not only serve to enhance the cross-border flow of goods and people but has the potential to strengthen North American security. If done right, trade facilitation and security can be complimentary. By leveraging new technology companies can make supply chains more transparent, allowing for greater collaboration between the private sector and government and ultimately improving our collective security.

This report outlines a series of recommendations for departments and agencies with jurisdiction over immigration, transportation and customs to improve the day-to-day functioning of the border. Immediate actions include harmonizing cross border programs and practices, leveraging existing infrastructure, technology and resources, and eliminating redundancy. Medium term goals include stronger regulatory cooperation and the creation of an infrastructure bank for cross-border projects. Finally, the report outlines a vision for the border of the future to aspire to.

Critical to the success of the border action plan outlined below is a commitment from both governments to continuously assess and evaluate existing programs and policies prior to implementing new plans for the border. Increased consultation with industry is required to ensure new programs and policies achieve the desired intent.

Recommendations

Immediate

1. Complete the harmonization of trusted trader programs. This includes harmonizing the Free and Secure Trade (FAST) lane requirements, sunsetting the Commercial Driver Registration Program (CDRP) and Customs Self Assessment (CSA) for highway carriers and harmonizing timeframe requirements for eManifest for trusted freight and empty trailers while introducing a CSA equivalent in the US.

2. Enhance the Partners in Protection (PIP) and Customs-Trade Partnership Against Terrorism (C-TPAT) portals to provide a single online mechanism for trusted trader membership in one or both programs, including expanding the single application process beyond highway carriers to all supply chain partners.

3. Instruct U.S. Customs and Border Protection (USCBP) to mandate eManifest requirements for empty conveyances, similar to Canada.

4. Allow Canadian PIP carriers combined with FAST drivers hauling empty trucks to be exempt from eManifest. This would align with C-TPAT carriers combined with FAST drivers whom are exempt in the US.

5. Install Radio-frequency identification (RFID) readers at the busiest Canadian land ports of entry. This should be accompanied by a requirement for a mandatory RFID-equipped border crossing card for all commercial drivers.

6. Align differences that create transportation inefficiencies through greater state and provincial collaboration. Examples include policies related to long combination vehicles, weights and dimensions.

7. Improve the use of existing border resources by ensuring all lanes are open at the busiest ports of entry.

8. Increase the flexibility for tri-lateral movement of skilled professionals throughout North America. This could be achieved in the NAFTA renegotiations by enhancing the list of professionals eligible for temporary entry.

Medium term

Looking ahead, governments will need to embrace technological change to continue progress toward a highly functional border.

1. Introduce an "align or explain" mechanism to encourage bilateral regulatory cooperation. Private-sector parties could use this mechanism to petition for alignment of specific regulations. Governments would be required to respond to a petition within a timeframe period.

2. Enhance collaboration on standards accepted by both countries between all government departments involved in regulating freight that is imported, exported or transshipped across and between Canada and the US. Cooperation between the Canadian Food Inspection Agency (CFIA) and United States Department of Agriculture (USDA) should serve as a model.

3. Reinvigorate the Regulatory Cooperation Council with a new stakeholder consultation mechanism, timelines and accountability. This must include cooperation with states and provinces, other government departments and stakeholders.

4. Apply the principle of "inspected once, accepted twice" to inbound cargo. Permit border inspections and examinations conducted by an agency (e.g.CFIA/USDA or CBSA/USCBP) to be accepted by the other countries' regulatory equivalent.

5. Create a single window for customs procedures in each country and apply it across Canada and the US. All government agencies that have regulations affecting the import/export/ transport of goods should be engaged before the rollout of a single window to ensure that the information required from traders is limited to that which is required for health, safety and security (risk assessment purposes).

6. Allow for more flexible immigration policies to address looming driver shortages. For example, freight movement could be significantly enhanced by allowing province-to-province and state-to-state pickups by US and Canadian drivers.

7. Introduce a government-industry infrastructure bank for cross-border projects that uses a market-driven approach to identify priorities for necessary infrastructure or upgrades along international borders and assume neutral coordination of transnational projects. Use the Public-Private Partnerships (P3s) model where appropriate.

8. Use the P3 model to allow for private sector participation and funding in priority projects. This would allow industry to pay for the infrastructure so desperately needed such as managed lanes and the creation of cross-border pilot programs to increase the use of technology for more secure and efficient trade networks throughout North America.

9. Introduce an established mechanism for border management modelled on the Beyond the Border Stakeholder consultative mechanisms.

10. Expand the role of the North American Development Bank to invest in trade facilitation projects at border crossings.

11. Dedicate funding for the completion of congressionally authorized multi-state intermodal corridor/projects that facilitate the movement of freight.

12. Conduct an in-depth review the presidential permitting process with a goal to support expedited approval of infrastructure projects that are critical to national interests (pipelines, transmission lines, bridges, roads, rail, etc.

Technology Considerations

The rate of change in business is exceptionally fast. Emerging technologies are creating new opportunities and challenges for businesses that will have implications for supply chains and the trade system more broadly. Adapting to new technologies will require close and ongoing collaboration and consultation between government and industry, and deliberate integration of promising technologies into cross-border processes.

Some examples of technologies with border applications include blockchain technology integration into the supply chain, mobile facial recognition, risk based/ compliance profiling, autonomous vehicles and alternative fuels and renewable energy. Properly incorporating these technologies will be critical to efficient border operations.

Envisioning the border of the future

If the recommendations in this report were implemented border efficiency would be vastly improved. Consider the following characteristics of the border of the future:

- Commercial drivers use a single border crossing ID card equipped with RFID that links to all Commercial Driver's License (CDL) credentials.

- All ports of entry into the US and Canada equipped with RFID readers.

- Commercial vehicles supply eManifest in advance of border arrival to speed up crossing.

- A 1/2 hour advance notice for trusted traders and empties with exemption for CSA imports and US equivalent.

- "Trusted" is completely harmonized: FAST lane requirements and PIP and C-TPAT are interchangeable.

- Complete harmonization of Section 321 and Low Value Shipments.

- Trucks transiting through a country will move seamlessly with shared entry/exit information.

- Border crossing fees, where applicable, are prepaid or account-based linked to the carrier whose Standard Carrier Alpha Code (SCAC) or carrier code is associated with the manifest.

- Other government departments or participating government agencies examinations are done at a shipper's facility rather than the border.

- The US and Canada accept the inspections and verifications of the other country.

- All necessary information is supplied in advance to USCBP/CBSA before arriving at the border. High security seals are affixed at a shipper's facility and trucks arrive precleared.

- All lanes are equipped with a green light/red light system. Nearly all trucks are given the green light with green light at first point of arrival dictating full release.

- Health/safety and security exams done at the border using Non-Intrusive Inspection Technology as much as possible.

- Flexible immigration policies allow foreign drivers to reposition empty equipment in Canada and the US.

- New land border infrastructure and improvement projects include considerations for Long Combination Vehicle staging yards, high-low booths, co-mingling avoidance and where required exclusive traffic lanes reserved for trusted traffic.

- Border compliance is based on client profiles. Carriers are assigned client representative that take a holistic approach to compliance and act as single point of contact for all programs and business needs.

This border could exist today if we could resolve existing differences in programs and policies that manage the border and ease complexities that act as barriers to trade. Combined with the application of new technologies we could achieve significant efficiencies and make this vision a reality.