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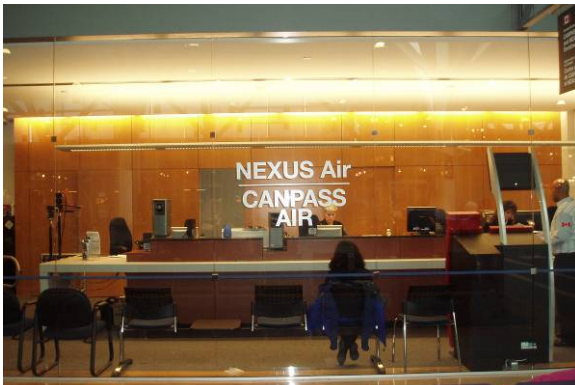
## Border Focus Group Recommends Low-Risk Traveler Program Expansion

The Can/Am Border Trade Alliance NEXUS Focus Group is celebrating the cooperative bi-national efforts to further low-risk traveler systems. Started in early 2006, the forum involves political leaders, inspection agencies, and industry, with staff from Northern Border Caucus House Co-chairs, and Congresswoman Slaughter. Remarkably, nearly 100% of the 2006 objectives were achieved, under the leadership of John Wagner at CBP, and Mike Feniak at CBSA, including:

- Applications, fees, cards, and modes completely integrated;
- Applications now can be started via the web;
- NEXUS expansion dates announced;
- Global Enrolment System operational with the merger of NEXUS and FAST databases;
- Off-border remote interviews available in Vancouver and Seattle (to start).

Two initiatives still need attention, including:

- Re-open Enrolment Center near Canadian side of the NEXUS dedicated lane at the Whirlpool Bridge in Niagara Falls;
- Encourage CBP/CBSA outreach on benefits of applying for NEXUS to all frequent crossing vehicles (more than 5x per year).



### COMMENTARY

#### NEXUS Reaching Critical Mass, But Major Impediments Still Need Attention

Overall, as the previous PCC Monitor details, 2006 was a watershed for NEXUS. Progress is underpinned by permanent policy commitments by CBP and CBSA to facilitate low-risk travel. Yet, gaining widespread recognition that NEXUS now represents “In for One : In for All” will be a sizeable challenge. The following details the action items needed to make NEXUS truly the border travel program of choice, including:

#### Unified Fee Structure

While the new NEXUS fee provides access to all modes, this can pose a significant expense for families. As part of the Western Hemisphere Travel Initiative (WHTI), State Department has just announced children can still use their birth certificates to cross the US – Canada border. Why not just permit children access to NEXUS lanes, as long as they are traveling with their NEXUS registered parents / legal guardians, or even create a family rate program? Joint promotions with infrastructure providers also make sense! Vancouver International Airport already offers other benefits to NEXUS members, including access to the “FasTrack” pre-board security screening queue. The Peace Bridge operator has a proposal before CBSA and CBP that would provide a range of discounts, which would essentially offset the cost of NEXUS. Harnessing the creativity of the private sector, where consistent with public policy objectives, can make NEXUS even more valuable to users.

#### Easy Enrolment

Since FAST applications are nearly identical to NEXUS; with Global Enrolment System, application processes could be integrated to provide dual-purpose approvals. Commercial drivers already registered with NEXUS could access FAST lanes through specially-coded cards, which would also preclude non-approved drivers. Additional enrolment centers are needed, particularly in Canada, including training and new equipment for CBSA offices located in urban centers. The possibility also exists for mobile enrolment kiosks, which could be situated at major events (e.g. airshows).

#### Improve NEXUS Access

In order to facilitate NEXUS participant access during peak periods, installation of NEXUS card readers are needed at CBP Primary. This is especially important at border crossings between Washington and British Columbia, which have high levels of NEXUS usage during the summer. As well, extending hours of operations will increase cross-border participation in sporting and cultural events, such as hockey games in Detroit or Buffalo. For some ports-of-entry, a convertible lane with appropriate signage may be more workable than a dedicated lane.

### Future Transport System Integration

As a low-risk platform, NEXUS can also become a foundation for integration with border control and transportation security access programs. For example, as both the Transportation Security Administration (TSA) and the Canadian Air Transport Security Authority (CATSA) will require more secure identity documents to interface with their respective “no-fly” programs, NEXUS is already available to serve this need. As well, CBP is developing an International Trusted Traveler program, which must be integrated with NEXUS in order to avoid card and enrolment process duplication, which has just been eliminated for existing NEXUS users.

In summary, significant progress is being made in the development of low-risk traveler programs, fully consistent with the Perimeter Clearance Strategy. Through cooperation, outreach, and ongoing political leadership, win-win solutions are getting implemented. Now we need to reach out and expand the membership in every way possible.

## Government of Canada Starts Freight Initiative to Protect Environment

The Government of Canada recently announced the **Eco-freight Initiative** to respond to the challenge of creating a sustainable, clean, and healthy transportation system, which will eventually impact border crossing practices. The Honorable Lawrence Cannon, Minister of Transport, Infrastructure and Communities indicated the program, aimed at reducing environmental and health effects of freight transport, will:

- Remove regulatory barriers to using emissions-reducing technologies;
- Reduce energy use and emissions through sharing best-practices;
- Cost share on freight demonstration projects for development and implementation of new pollution-fighting technologies and strategies; and
- Include partnerships involving voluntary actions.

This initiative is consistent with overall federal government ambitions for a strong economy in a manner resulting in safety, social, and economic benefits for all Canadians.



### COMMENTARY:

#### Inefficient Borders Hurt Environment

The obvious question is how does expanding environmental protection efforts relate to the secure and efficient movement of goods between the US and Canada, and from abroad? In short, plenty! In fact, the Eco-freight initiative could become a stellar example of what can be accomplished when governments pursue multiple policy objectives through coordinated action. While border crossings may not represent a significant portion of the emissions related to the long-distance movement of goods, efficiency gains that reduce carbon output need to be implemented wherever practical. As petroleum-based emissions also contain known carcinogens, streamlined border crossings can avoid health impacts for border inspection staff, commercial drivers, and even for communities adjoining high-volume border crossings (e.g. Detroit – Windsor corridor).

#### Perimeter Clearance Part of the Solution

Regardless of opposing perspectives on the human contribution to climate change, the plain fact is trucks idling at border crossings waiting for completion of inspection processes create unnecessary pollution – same for cars too. Unfortunately, simple solutions, such as anti-idling provisions, may actually marginally increase border delays. For every truck delayed at the land borders between the US and Canada, this negatively impacts all other queued vehicles, resulting in plenty of underutilized equipment, and in turn deployment of more heavily-polluting vehicles and their drivers to serve the same level of customer demand. Implementing the process and technology solutions advanced in the Perimeter Clearance Strategy can contribute significantly to more efficient, secure, and, as importantly, sustainable border crossings.

#### Inter-Agency Cooperation Needed

Cooperation across borders on environmental protection from trade-related activities has already been recognized as a priority by the Security and Prosperity Partnership (SPP), and

dates back to NAFTA. However, translating these agreements into cross-agency cooperation will be difficult, as competing perspectives exist on the best manner to integrate security, efficiency, and sustainability priorities. Yet, these views may be more aligned than anticipated. It is worth keeping in mind that facilitating the movement of low-risk goods allows inspection agencies to better focus limited resources, which at the same time reduces shipment delays and associated emissions. While the Government of Canada announcement does briefly mention partnerships with other countries and freight system users, success will require a far greater level of cooperative action. In this regard, might the Perimeter Clearance Coalition advocate for the development of bi-national **Eco-Secure** pilot programs? While more complex, such inter-agency demonstration projects are vital in breaking down border control silos, but also recognize that human security also includes protection of the environment.

## Other Headlines

### US Agriculture Inspection Fees for Canadian Imports Partially Delayed

The US Animal and Plant Health Inspection Service (APHIS) has delayed collection of user fees to June 1<sup>st</sup>, for inspections of commercial trucks and railroad cars entering from Canada. As previously announced, the removal of the inspection exemption for Canadian-grown fruits and vegetables and the user fee exemption for commercial marine vessels and aircraft entering the US from Canada took effect on March 1<sup>st</sup>. CBP will conduct these more intensive inspections, with supplemental staffing resources provided by the user fees.

#### Commentary

#### Cross-border Collaboration Critical to “Keeping Out the Creepy-Crawlers”

The importance of a coordinated approach to agricultural inspections is without question vital to the economic and physical health of both US and Canadian citizens. The need for expanded agriculture inspections directly arises from the unscrupulous practices of agriculture importers to Canada, who then re-export the produce to the US with false Canada-origin documents which would normally attract less CBP attention. A preferable solution however is an agriculture inspection process which meets both US and Canadian requirements at the first port of entry to either country. As Jim Phillips, President, CAN/AM Border Trade Alliance recently pointed out, *“once the creepy-crawlers get here, they will eventually make it across the border on their own steam*

*without help from commercial exporters.”* The Perimeter Clearance Strategy already provides for the necessary information sharing and collaborative inspection processes to avoid insect and related pests harming agriculture in either country.

### Targeted Inspections Vital for Efficiency of Goods Movements

For logistics service providers, the APHIS fees, which differentiate by mode, create unnecessary complexity. For those transport operators solely dedicated to particular cross-border services (e.g. automobile parts), the fees represent a cost-burden not linked to potential agriculture threats, nor consistent with supply chain security programs (i.e. FAST, C-TPAT). In this regard, the Canadian Consul in Seattle recently confirmed bi-national efforts are underway to promote joint agriculture inspection practices. As part of this initiative, the single-fee for access to the various NEXUS programs may be a good example of how to deal with the user charge aspects of this evolving issue.

### Fostering Mobility at the Border

On February 15<sup>th</sup>, the **Border Policy Research Institute** at Western Washington University hosted a lively conference on *“Fostering Mobility.”* Bringing together policy makers, academics, business representatives, and government staff, the event included a series of speakers commenting on broad perimeter clearance related perspectives, and also addressed a specific facilitation initiative.

The first speaker, Christian Hansen from InterVISTAS Consulting Inc., provided the participants with an update on progress towards achieving the Perimeter Clearance concept. Other speakers included the US and Canadian Consuls General for Vancouver and Seattle, respectively, who both raised the importance of cross-border cooperation to resolve conflicts, including WHTI implementation issues, and the APHIS entry fees for Canadian origin agriculture. US CBP and the CBSA also made presentations on their latest individual agency and joint partnership efforts.

The second half of the conference focused on the Drivers License (DL) pilot project being developed by Washington State (WA) and the Province of British Columbia (BC). If

successful, the new format DL will identify citizenship, and provide sufficient security to meet WHTI entry document standards. Recent information from the offices of BC Premier Campbell and WA Governor Gregoire suggested good progress is being made with the Department of Homeland Security (DHS) to advance the pilot for potential field trials. Jim Phillips, President, CAN/AM Border Trade Alliance wrapped up the event with perspectives from Washington, DC, and how the Perimeter Clearance Strategy was incorporated into the submission for the North American Competitiveness Council, in support of SPP.

### **Commentary**

Lingering conflicts over WHTI were evident at the Fostering Mobility conference. However, while a vigorous public policy debate should be encouraged to ensure WHTI is implemented in the most effective manner possible, there is a risk other important border facilitation priorities will be sidelined. Trade, travel and border community stakeholders need to encourage attention to other pressing shared border practices. For example, investment in infrastructure capacity, expansion of low-risk programs, peak period congestion management, and the elimination of “policy stovepipes” within and between government agencies can produce remarkably durable gains. The update of the Perimeter Clearance Strategy, expected this coming May, will be another opportunity to re-focus attention on these next-generation border solutions.

## **Upcoming events**

- CAN/AM BTA Conference, April 29 - May 1, 2007, Ottawa Ontario, Canada
- CAN/AM BTA with PNWER, July 22 - 26, 2007, Anchorage, Alaska
- CAN/AM BTA Conference, Sept 9 - 11, 2007, Washington, D.C.



A broad based and varied industry group, formed in 2000, The Perimeter Clearance Coalition is founded on the principle that the private sector has a positive role to perform in assisting the Governments of Canada and the United States to develop better methods to manage our border processes. The Perimeter Clearance Coalition includes representation from over 400 ports and airport-related entities, border communities, tourism groups and airlines.

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