UNITED STATES - CANADA

BEYOND THE BORDER PHASE 2

A COMPILATION OF INITIATIVES AND SOLUTIONS GENERATED BY CANADIAN/AMERICAN BORDER TRADE ALLIANCE (Can/Am BTA) MEMBERS AND ASSOCIATED ORGANIZATIONS AND COMPANIES FROM ACROSS CANADA AND THE UNITED STATES

DEVELOPED BY Can/Am BTA AT THE REQUEST OF ALAN BERSIN, ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS, CHIEF DIPLOMATIC OFFICER U.S. DEPARTMENT OF HOMELAND SECURITY

August 15, 2014

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PREAMBLE:

Universally the primary priority input of the large Organizations and Associations [including the U.S. Chamber of Commerce, Canadian Chamber of Commerce, American Trucking Association, Canadian Trucking Alliance, Ontario Trucking Association, Canadian Association of Manufacturers and Exporters, Canadian Importers and Exporters, Canadian Vehicle Manufacturers Association and the Canadian/American Border Trade Alliance] was specifically that the United States and Canada successfully complete and implement the specified elements and benefits of the current UNITED STATES – CANADA BEYOND THE BORDER: A SHARED VISION FOR PERIMETER SECURITY AND ECONOMIC COMPETITIVENESS ACTION PLAN dated December 2011. This is critical to Cross Border Trade and the economies of Canada and the United States.

Essentially the input incorporated in this report received from a wide array of Can/Am BTA members and associates unanimously stated that the initial Beyond the Border 32 Point Action Plan must be achieved, completed, and implemented in order to provide a successful path for a Beyond the Border 2.0 Vision.

The input to this report came from all over Canada and the U.S. from private companies, Government sources, public/private organizations/Associations to whom all are owed a thank you for their careful thoughts and sharing of their ideas and expertise.

There were, however, a number of specific ideas, recommendations and solutions that appropriately should be acted upon in conjunction with the current BtB initiative and are therefore contained in a separate we should “Do It Now” section (page 33) for immediate review and consideration.

Transitioning from the current Beyond the Border Action Plan must contain the making permanent and funding of the successful Pilots that were proven in operation.

CULTURE:

Security at our borders is—and should be—a high priority. However, as various CBP Commissioners have stated, the efficient flow of traffic and security are not mutually exclusive. Both can be accomplished if there is a will and determination to do so. Many officers understand this, but many others do not. Canada and the United States are great neighbors and friends. Surely we must implement a successful way to achieve secure fluidity at our
shared border for known low-risk to reduce cost of border crossing to enhance our global competitiveness.

**EXPEDITING TRUSTED TRADER BORDER CROSSING:**

*With Pre-Inspection at the Peace Bridge and Pre-Clearance operational under the original BtB Action Plan*

COMM  ON COMMON SENSE and REALITY are needed to MORE EFFECTIVELY, and with LESS COST TO GOVERNMENT and TRADE STAKEHOLDERS, EXPEDITE KNOWN LOW-RISK TRUSTED TRADER BORDER CROSSINGS.

Stream Trusted Traders, as we now do for NEXUS Trusted Travelers, to deliver extreme preference for those companies and drivers that participate in Trusted programs.

The Beyond the Border Action Plan specifies achieving alternate processes and approaches for Trusted Trader participants:

“Reduce costs to industry conducting business across the border by implementing, where practicable, common practices and streamline procedures for customs processing of Trusted Trader participants.” Most importantly, the Beyond the Border Action Plan specifically states “expedited border processes for Trusted Traders.”

Achieving the optimum process for border crossing vehicles involves the analysis and evaluation of the various elements that are involved and the combination and interaction of those various elements. The elements involved are:

- infrastructure;
- inspection process;
- staffing;
- accuracy and completeness of the pre-arrival required data;
- driver preparedness;
- and the critical factor of access to the Plaza and the Primary Inspection Booths.

All of these elements have received extensive attention and improvements with the exception of access to the Plaza and Primary Inspection Booths. Within these elements, there are essentially three specific factors that determine the processing capacity of a land Port:
1) the number of Primary Inspection Booths;
2) the staffing (the number of hours each Primary Inspection Booth is operational when traffic is present); and
3) the processing dwell time for each vehicle.

Infrastructure:

The key to achieving the objective is to manage and improve what you can control. While infrastructure is often mentioned as a major cause of limiting improvements, quite often it is more the other elements that cause the current border crossing delays rather than a lack of infrastructure. Obviously there are Port specific needs that require infrastructure additions and/or replacement, but, in the main, improvement of the other elements will have as major an impact and on a much shorter term timeline.

Realistically, under the foreseeable economic realities, it is unlikely that a large amount of U.S. funds will be available for major infrastructure projects beyond the new crossing in Detroit Windsor.

One essential element, with relatively minor capital investment, is the number of Primary Inspection Booths available at a land Port. When physical space in a Port Plaza is not available to add additional Primary Inspection Booths, alternative approaches such as Stacked and/or Staggered booths are able to provide major added throughput capacity especially in peak Traffic conditions.

Inspection process:

Currently 7% of the trucks crossing the northern border are FAST designated. Currently, empty trucks entering the United States are not mandated to have Ace manifests but use a paper process. Further, empty trucks exempted from having to give one hour pre-arrival notice arrive with no advance information or targeting. Currently, approximately 30% of trucks processed are empty. If they were required to have Ace manifests, they would be going down the road at Primary rather than the current longer inspection required with the paper process.

The controlling factor of the capability of a Primary Inspection Booth to process vehicles is obviously the number of hours it is staffed and the dwell time taken to process each arriving vehicle when it is operating.
Requiring an Officer to physically collect cash for fees either at Primary or Secondary Inspection at the border must be eliminated. It takes up to an extra 45 seconds at Primary and approximately 15 minutes for driver to be sent to Secondary to pay the APHIS and or Merchandise Processing Fee. This should be converted to an electronic payment system connected to the issuance of the cargo or trip documentation.

**Staffing:**

Minimizing wait time and delays at the border when traffic demand is present requires: that experienced staff be operating the Primary Inspection Booths; that management and shift supervision have anticipated through traffic pattern analysis and appropriate visual means to proactively open and operate primary inspection capability. **It should be noted that wait time at a border crossing is a symptom not a cause.** While we must measure wait time as a trigger for remedial action, it is essential that we identify and resolve the specific cause of the wait time and delays.

**Accuracy and completeness of the pre-arrival required data:**

All parties should continue to strive for error-free documentation when arriving at the border for processing.

**Driver preparedness:**

Extensive dwell time can be eliminated at Primary if a driver has his personal identification in his hand when he arrives at the Primary Booth, efficiently presents his cargo documentation and accurately and in a timely manner is prepared to answer any questions the officer may ask.

**Access to the Plaza and the Primary Inspection Booths:**

The current Monte Carlo uncontrolled random arrival (first come, first served) of trucks approaching land border Port Plazas and Primary Inspection Booths within prohibits optimizing the border crossing process and penalizes those who have made the considerable effort and investment to comply with specified Trusted Trader programs to achieve known low-risk status that promised, but have never yet delivered, meaningful reductions in their border crossing process.
TRUSTED TRADER AND TRUSTED TRAVELER PROGRAM:

The key to achieving public security along with economic security, while substantially reducing congestion and delay, is participation in known low-risk Trusted Trader and Trusted Traveler enrollment processes and pre-arrival information.

Access to the Primary Inspection Booths without queuing using processes such as Traffic Streaming is essential.

Physical reality and infrastructure at the border crossings must be effectively utilized.

The current reality is that the least prepared truck in each line dictates the waiting and delay time for all Trusted Trader carriers in line behind it. Translation: 45-minute delay wait time just to get to the Primary Inspection Booth to be processed in seconds is ridiculous.

Free and Secure Trade (FAST), other Trusted Trader programs Customs-Trade Partnership Against Terrorism/Partners in Protection (C-TPAT/PIP) and “empties” are currently impeded by the physical inability to reach the primary inspection booths to be processed. The delays are extremely costly to both the shippers and the carriers while also disrupting Just In Time fast-cycle logistics. Delays also waste fuel. Idling exhaust negatively impacts the environment. This is unnecessary. Trucks need to be streamed in.

The trucks that are prepared and are participants in the various levels of Trusted Trader compliance and/or pre-cleared should be processed in tandem without waiting needlessly behind those trucks that are not prepared or members of Trusted Trader programs and, therefore, require additional time to be processed at the Primary Inspection Booth.

The solution to prevent unnecessary delays involves traffic management on the approach roads and Commercial Vehicle Processing streaming “upstream” to divert non-Trusted Trader trucks to be metered into the traffic flow to the Plazas before such trucks is allowed to randomly queue in the approach lanes to Primary Inspection Booths.

We have some ideas and wish to discuss with Customs Management to achieve Trusted Trader participants priority approach (Port specific) to land border Port Plazas, direct streamed access to Primary Inspection minimizing time required to cross the border. While, at the same time, providing visible and easily identifiable incentive, for those that have not done so, to apply for Trusted Trader status.
Further, we believe that the full Pre-Inspection process, while giving preferential access to Trusted Traders, will in fact reduce the overall wait and delay time for non Trusted trucks.

**CONTROLLED STREAMING APPROACH TO PLAZA**

SAME NUMBER OF TRUCKS IN EACH CASE

SAME INDIVIDUAL PRIMARY DWELL TIME IN EACH CASE

TRK 1 FAST 1, TRK 2 FAST 1, TRK 3 CTPAT/PIP 2, TRK 4 NONE 5, TRK 5 NONE 3

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**TOTAL WAIT TIME**

CONTROLLED: 16 MINUTES

RANDOM AS IS: 30 MINUTES

TRUCK 1    FAST 0  SAVED 11 MINUTES  11
TRUCK 2    FAST 1  SAVED 4  MINUTES  5
TRUCK 3    CTPAT/PIP 2  SAVED 4  MINUTES  6
TRUCK 4    NON TT 4  ADDED 4  MINUTES  0
TRUCK 5    NON TT 9  ADDED 1  MINUTE  8

**OVERALL SAVED 14 MINUTES  CUT WAIT/DELAY TIME 47 PERCENT**

**CBP Officers’ Primary Booth Time is reduced in direct proportion to decreased wait delay time allowing those Officers to perform other duties.**

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**PEACE BRIDGE PRE-INSPECTION PILOT OPTIONS**

*Having been involved with the development of the Peace Bridge Pre-inspection concept since its inception in 2010 through its acceptance under the Beyond The Border action plan, Jim Phillips of Can/Am BTA further analyzed and envisioned several key points that would best serve the intended successful outcome and ultimate end state.*

The first critical metric upon which success depends is the process used and the associated dwell time on the U.S. side release Pilot test booth of green light for those down the road and red light for those to be directed to Secondary for further review or inspection. The values of each dwell times measured in the Pilot will indicate projected throughput improvements.

Current wait/delay times currently are from the time a truck enters the back of the queue proceeds to stop and start across the Bridge and Plaza until reaching the U.S. Primary and the dwell time in Primary until released from the booth.

There are currently 7 Truck Primary Booths on the U.S. side of the Peace Bridge that determine the current processing volume, wait times, and queue length of trucks entering the U.S.

Once full pre-inspection is approved and implemented, there could be as many as 12 commercial Primary Inspection Booths in Canada allowing for the U.S. Plaza to be reconfigured with 2-3 release booths (red light/green light) and a dual enclosed commercial x-ray facility allowing for a much more secure entry into the U.S.

The other benefit is that in Canada there can then be a dedicated Trusted Trader highway lane leading to dedicated Trusted Trader booth(s) something that is not possible today on the U.S. Plaza and the 3 lane Peace Bridge. It is envisioned that all arriving trucks can be funneled into a split (one marked for Trusted Trader Only and one for Non Trusted Trader). These approaches will lead to dedicated Inspection Booths whose number for each and the process control can serve to essentially determine the streaming of Trusted Trader Trucks first and the overall feeding of Non Trusted Trader Trucks into the flow to result in feeding the U.S. side substantially reducing delay wait time and eliminating queuing on the Bridge.
It would further act to essentially meter Non Trusted Trader trucks so that Trusted Trader trucks had access to U.S. Booths in a streamed manner and at speed limit traversing the Bridge. Any queuing because of volume would occur on the Peace Bridge property on the Canadian side approaching the pre-inspection booths and result in ability to control expedited access to Trusted Trader trucks without impacting the approach highways. This fulfills: the original long standing commitment of meaningful benefit to those joining and complying with Trusted Trader programs; the promise of Beyond the Border for an expedited process for Trusted Traders; and, finally, is a very apparent benefit for the Trucking community to see and experience that the key is to join Trusted Trader programs thus achieving the desire by CBP and CBSA to maximize Trusted Trader membership as the more you know about those arriving the more secure and Trade expediting the Border crossing process becomes.

At this stage the tremendous benefits will be very apparent and measurable as the combination of streaming Trusted Trader first, the red light/green light release process (expect 90+% get green light) and the visual expediting of Trusted Trader will act as a very powerful incentive to others to join Trusted Trader status. Further Trusted Trader participants will experience the time and cost savings that will clearly justify them having made the investment to join Trusted Trader programs.

It is expected that the Beyond the Border Land, Sea and Rail Pre-Clearance Agreement/Treaty negotiations should be successfully completed about the time the Pre-inspection Phase II Pilot commences (late 2014). The transition from pre-inspection to pre-clearance at the Peace Bridge should be very smooth and generate numerous additional benefits and efficiency to Border crossing process security and expediting of legitimate known Trusted Trade and Traveler activity.

**PRE-INSPECTION AND PRE-CLEARANCE ARE OPTIMUM ENABLERS OF STREAMING TRUSTED TRADERS.**

**PRE-INSPECTION AND PRE-CLEARANCE INITIATIVES:**

“The December 2011 Action Plan states under Developing Additional Initiatives for Expediting Legitimate Travelers and Cargo that we will Implement additional pre-inspection and pre-clearance initiatives. Next Steps: We will develop a comprehensive approach to pre-clearance and pre-inspection covering all modes of cross border Trade and Travel. This approach will include the following elements: We will negotiate a pre-clearance agreement in the land, rail
and marine modes to provide the legal framework and reciprocal authorities necessary for the
CBP and CBSA to effectively carry out their security, facilitation, and inspection processes in
the other country. Concurrently, and as part of these negotiations, the authorities of
inspecting officers described in the Canada-U.S. Air transport Preclearance Agreement will be
reviewed and amended on a reciprocal basis, to be comparable to those exercised at airports
by officers of the host country.”

**THIS PARADIGM SHIFTING APPROACH**

**PROVIDES HIGH VALUE DIRECT BENEFICIAL IMPACTS:**

- **CORNWALL SOLUTION**
- **PEACE BRIDGE COMMERCIAL PROCESSING**
- **SMALL PORTS INSPECTION (JOINT 2 OFFICER TEAMS)**
- **RAIL PASSENGER EFFICIENCY – QUEBEC-NY AND VANCOUVER-SEATTLE** (eliminate stop at actual Border)
- **SECURE TRANSIT CORRIDOR (PLANT TO CUSTOMER)**
  (I.E., SAME DRIVERS, SAME PRODUCTS, SAME PORT)
- **INFRASTRUCTURE INVESTMENT REDUCED UTILIZING JOINT FACILITIES**
  **PORT SPECIFIC SOLUTIONS TO MAXIMIZE UTILIZATION**

**ELIMINATE DUPLICATE INSPECTION AT OUR SHARED LAND BORDER BY RISK**

**TARGETING PRIOR TO DEPARTURE:**

**INSPECT ONCE, ACCEPT THRICE BY OPTIMIZING DOING CARGO CLEARING AT CSI PORTS OFFSHORE THEREBY**

**ALSO PROTECTING THE OCEAN TRANSIT LANES.**

Results in green lane offloading of containers at seaport direct to rail or truck with
exception of statistical and random selected inspections as all containers were Risk
Assessed and inspected as necessary to determine no threat prior to loading on the
ship.
Pilot One CSI port to meet CBP inspection standards. Evaluate outcomes and provide a cost benefit analysis. If effective and a cost benefit, consider limiting container shipments to the U.S. and Canada to be from CSI ports only.

**RAIL INSPECTION:**

Physical inspection of Rail/Container should occur at arriving seaport for offshore containers and for rail at either originating rail yard or at destination rail yard not at the physical shared border. Targeting is sophisticated enough to decide at the origin rail yard or arrival seaport. Any VACIS hits at the border needing inspection should be done at the destination rail yard with the exception of humans in empty hopper cars.

**RFID TECHNOLOGY-PRODUCT ID & FOR SUPPLY CHAIN TRANSPORTATION:**

Integrate global (product, location, movement) identification standards into RFID TAGS to effectively track and monitor movements of shipments in supply chain transportation from origin to destination and product identification for efficient and effective control and fluidity of Cross Border Trade at substantial cost savings in product holds and inspections. (See APPENDIX B: GS1 Standards page 38, ITDS Pilots page 41.)

**JOINT BORDER MANAGEMENT:**

PROCEED WITH UTMOST PRIORITY SUCCESSFUL FULL IMPLEMENTATION OF THE PRE-CLEARANCE AGREEMENT WITH CANADA resulting in:

With a signed land, sea, rail and updated air comprehensive agreement: joint Officer teams inspecting in both directions; co-located single facilities; and joint new constructed facilities should be the approach used on a Port specific basis.

Development of Joint and/or Cross Designation for 2-way Inspection at low volume and rural crossings allowing major repositioning of Officer resources. Est. = 200 PLUS CBP and CBSA Officers able to be reassigned from 40 Small and Rural Northern Border Ports of Entry.

Development of Border Processing Zones at the major Bridge and Tunnel locations, where 70 percent of U.S./Canada crossing activity occurs, (from the back end of Secondary on the U.S. side to the back end of secondary on the Canadian side) to
introduce concepts of Joint Border Management (NORAD Model) that satisfies the sovereignty of both countries’ needs and laws and allows the sharing of staff and resources within the Zone to maximize security, operational efficiency and fluidity of border crossing while providing government funding savings.

Undertake the development and cost benefit analysis of joint management and operation by the U.S. and Canada of the shared land border using the long standing and very effective NORAD model. Est. = 600 CBP and CBSA future Officer hiring avoided plus elimination of duplicate supervision. Substantial duplication eliminated and flexibility of staff duties to meet user demand will result in substantial reduction in the transaction cost and wait/delay time in the border crossing experience.

INFRASTRUCTURE:

Fix infrastructure to support expedited processes.

On February 4, 2011, the Prime Minister of Canada and the President of the United States signed “Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness.” The recently published Perimeter Security and Economic Competitiveness Action Plan, which implements the Beyond the Border initiative, states on Page 20:

“We commit to make significant investment in physical infrastructure at key crossings to relieve congestion and speed the movement of traffic across the border. Examples of the significant infrastructure upgrades may include customs plaza replacement and redevelopment, additional primary inspection lanes and booths, expanded new secondary inspection facilities, and expanded new connecting roads, highway interchanges and bridges.

As initial respective priorities, Canada will put forward Emerson, Manitoba; Lacolle, Quebec; Lansdowne, Ontario; North Portal, Saskatchewan; and Peace Bridge, Ontario, and the United States will put forward for approval Alexandra Bay, N.Y.; Blue Water Bridge, Michigan; Lewiston Bridge, N.Y.; and Peace Bridge, N.Y. for such investments.”

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The Lewiston Port of Entry was opened in 1962 and has become the 4th busiest crossing between Canada and the United States. The Lewiston Plaza is outdated, significantly undersized and inefficient. The estimated cost to rebuild the port of entry is $130 million and the Niagara Falls Bridge Commission has offered to pay half the cost. Despite significant and sustained effort and the fact that it is supposed to be a high priority, we have been unable to move this project forward.

STATEMENT OF REQUIREMENTS (SOR):

The northern and southern borders are very different. Some safety and security requirements necessitated by the propensity for armed violence at the southern border are not necessary at the northern border. The current rules are based on a misguided belief that both the northern and southern borders are similar rather than being based on merit and fact.

Climate also plays a role. Infrastructure requirements are different because of substantially different climates.

The current SOR dictates unneeded requirements at great cost at the northern border while at the same time not providing the flexibility for needed requirements that reduce energy consumption and provide longer term sustainability.

There should be separate SORs for the northern and southern border or the District Field Office should have the flexibility to adjust SORs to meet their necessary and reasonable unique Port requirements.

CAPITAL FUNDING:

The serious lack of available funds for capital improvements, additions, replacements and innovative leasing is of extreme concern. Beyond the obvious need for Port specific capital investment is the not so obvious, but very lethal, reduction in funds for technology acquisition and upgrades from computing to software to a wide array of equipment for sensing, targeting and processing that delivers geometric gains in efficiency and effectiveness. Currently, salaries and benefits make up 71 percent of the CBP budget and each year the increase in existing personnel benefits continues to require additional funds that take over more of the balance of the budget thus further reducing the amount available for technology and innovative alternative solutions.
One of the major culprits inhibiting capital bricks and mortar improvements is the current Statement of Requirements that must be adhered to for every capital investment. It is so demanding and unwavering and costly to conform to that many projects do not proceed and those that do are at a very high added cost premium. As an example, take the effort to replace the early 1960’s 6,000-square foot Administration Building used by CBP in the U.S. Plaza of the Lewiston Queenston Bridge. When the current Statement of Requirements was followed, it resulted in a new building required to be 47,000-square feet and having to include specified office space sizes for CBP management personnel who would never be working there. The advent of shared creative and innovative Joint Facilities at Ports on our shared land border, on a Port specific basis, generates major capital investment savings and numerous operating efficiencies and cost reductions.

**EXPEDITING TRAVELERS:**

**BIOMETRIC CHECK OF FOREIGN VISITORS PRIOR TO BOARDING OFFSHORE SO NO NON LOW RISK PEOPLE CAN REACH U.S. OR CANADIAN SOIL.** With 6 cars being inspected for every truck expediting of visitor processing will enhance flow of cars and trucks reaching Primary Inspection reducing wait and delay times.

**RFID VICINITY TECHNOLOGY:**

**IMPLEMENT CANADIAN PASSPORT COMPANION CARD:**

The Canadian passport is the document of choice for the majority of Canadians and it is not RFID equipped. It is, therefore, one of the least efficient documents at the land borders. Let’s resolve this issue by having Canada issue RFID passport cards.

Canada should issue RFID Vicinity Passport Companion Cards for use at land border crossing.

- Saves 20 seconds per person inspection time. Equates to saving 400,000 hours wait time by Canadian cardholders and 200,000 hours reduced Officer inspection time EACH for CBSA and CBP Primary Inspection Booth time.

  **Est. = 100 CBP Officers and 100 CBSA Officers.**

Currently Canadians make 73% of trips across the Canada/U.S. Land Border.
Canada under the Beyond the Border initiative should implement a Pilot project as recommended by the Border Policy Research Institute of Western Washington University. (See APPENDIX A on page 36).

**DEVELOP GEOMETRIC INCREASE IN USE OF THE U.S. PASSPORT COMPANION CARD AT THE U.S./CANADA BORDER:**

Approximately 10 million cards issued. To date, primarily used on the southern border.

CBP under the Beyond the Border initiative should replicate a Pilot project for use of U.S. Passport Companion Cards at the Canada/U.S. land border at Buffalo and Detroit as recommended by the Border Policy Research Institute of Western Washington University (APPENDIX A).

*Est. = 25 CBP Officers and 25 CBSA Officers saving 100,000 hours of wait time by U.S. citizens using a Passport Companion Card.*

Use of Passport Companion Cards by Canadian and U.S. citizens maximize the utilization of already operational “Ready Lanes” into the U.S.

**EXPAND USE OF AUTOMATED PASSPORT CONTROL (APC) KIOSKS:**

Kiosks should be added to most major airports where appropriate. They are currently in operation at Vancouver, Chicago O’Hare, Montreal, and Houston.

*Proven findings of APC operations:*

- CBP Officers’ efficiency increased 300% (162 versus 41 passengers per hour);
- Total Passenger Queue Time reduced 33%;
- 58% reduction of space required per peak hour passenger.
CANADA/U.S. CROSS BORDER LABOR MOBILITY:

**Cross-border Economic Clusters**

**Issue:** The need for a cross border Pilot focused on economic clusters to improve regional competitiveness and efficiency of workers who legally cross the border on a regular basis.

**Discussion:** Over the last several years, great strides have been made to improve regulatory cooperation between the U.S. and Canada. However, we keep hearing disappointing stories about business travelers and their experience at the border. We are hopeful that Congress may develop new immigration legislation to address some of these issues, but this may be a long time coming. CBP’s and CBSA’s main focus is the security of both our nations, and it seems that there should be a way to identify low risk regular business travelers (who are also low risk for immigrating), especially who are Canadian and U.S. citizens. We are proposing several new Pilots to address this issue.

PNWER’s three Cross-border Economic Clusters pilots include:

1. **Washington State / British Columbia Software Cluster**
   Both WA and BC have strong software development clusters, and software engineers frequently cross the border at Blaine. Most software engineers are covered by NAFTA, but in 1992 the internet did not exist, and many new fields have emerged in social media. We would like to suggest a pilot for a limited number of NEXUS card holders that would be approved under the pilot to cross for business meetings in either jurisdiction. We know exactly who these folks are, and where they work, and where they live. They are low risk for immigration, and for security. We propose a special NEXUS software developer pass that would allow more trouble free passage in a Pilot limited to a specific number of programmers, for a specific time to study the concept, and allow it to be tested.

2. **British Columbia, Alberta / Montana Sawmill, Forestry, and Mining Cluster**
   This cluster focuses on the demand of technical semi-skilled labor to operate sawmills and cover other related forestry and mining jobs. Because these jobs do not necessarily require a college degree, they do not fall within the NAFTA requirements for approved labor categories of workers and, therefore, do not qualify for NAFTA worker mobility status. The specific case we are looking at is in Libby, Montana, where a mill shut down recently and very qualified workers would like to work 11 miles north of the border in a similar sawmill which is seeking the skills these Montanans have.
3. Yukon, Northwest Territories / Alaska Arctic Construction Cluster
The demand for arctic infrastructure development in the next decade will outpace the available workforce in either country. A Pilot to bring in temporary labor to assist in pipeline, road, and infrastructure projects could greatly assist in building the next frontier for the 21st century. Both Canada and the U.S. have federal and state/provincial regulations, but we would like to see again, a limited Pilot to expedite or streamline mobility in both directions.

Each of these Cross-Border Economic Clusters addresses a particular challenge that exists in these specific states, provinces and territories whose economy could benefit greatly from these Pilots.

Proposal: Develop a two-year Pilot on each of these three clusters in the Pacific Northwest.

Background: The Pacific Northwest Economic Region (PNWER) is a statutory partnership of ten U.S. States and Canadian provinces and territories working to increase economic wellbeing, coordinate energy, economic and environmental strategies and enhance the competitiveness of the Pacific Northwest region. PNWER member jurisdictions include; Alaska, Idaho, Montana, Oregon, Washington in the U.S. and British Columbia, Alberta, Saskatchewan, Northwest Territories and the Yukon in Canada.

PNWER has a long history of identifying cross-border opportunities as well as finding solutions to difficult trans-boundary challenges. It is in this spirit, as we approach the 20th Anniversary of the North American Free Trade Agreement, that PNWER recommends the creation of three pilot Cross-border Economic Clusters to foster significantly increased competitiveness, economic development, and address skilled workforce shortages in both the United States and Canada.

CANADA-U.S. PROCESS INTEROPERABILITY AND HARMONIZATION:

Fully recognize each other’s programs for trusted movements.

We must be certain that existing border management improvements such as Single Window and Trusted Trader program harmonization in the current Beyond the Border Action Plan are not derailed or sidelined by the shifting of resources.
A further enhancement is a single “SINGLE WINDOW” for Canada and the U.S. incorporating the needs of both countries. (Import from one country is export from the other. Should clear in both directions with single input of data). Attain Commonality of data elements between U.S./Canada for import/export.

INTERNATIONAL TRADE DATA SYSTEM:

ITDS is critically important to the Single Window that will allow tremendous impact on reducing transaction costs of cross border cargo movement, enhance targeting capability to increase compliance and geometrically reduce product holds at the border by harmonizing and meeting data needs of all Agencies in the initial submissions form and content. As we move forward, the ability to harmonize the major Other Government Agencies data requirements will be critical to a successful outcome and the elimination of numerous extraneous forms, data feeds, and data conflicts.

CENTERS OF EXCELLENCE AND EXPERTISE:

There is a need for a Center of Excellence and Expertise (CEE) specifically focused on Beyond the Border issues. While the CEEs are evolving and making life much easier for many importers working with one entity and CBP centralizing their talent base especially for a specific market (automotive, pharmaceutical, etc.), this process would help to have a group who understand, focus, and are able to guide those who are Beyond The Border participants. Even more of a novel approach would be to create a joint CEE that includes both U.S. and Canadian resources for that very purpose.

Amendment of the North America Free Trade Agreement (NAFTA) provision which sets a one-year time limit for changing the NAFTA tariff treatment for refund purposes, to align with other adjustment time limits. Under both Canadian and U.S. legislation, a change from a non-NAFTA tariff treatment to a NAFTA tariff treatment must take place within one year from the time of importation. If re-determination or re-assessment takes place after one year from the time of importation, and the change in tariff results in additional duty, there is no opportunity to change the tariff treatment. As a result, additional duty must be paid long after goods have been imported. By rationalizing the time-limits, businesses’ understanding and application of these opportunities is significantly enhanced.

Build upon the expertise, knowledge, and experience of licensed Customs Brokers as a positive contributor to risk mitigation. Harmonize the scope of practice for Customs Brokers and implement requirements for ongoing professional development for Customs Brokers in
both countries. As the original Trusted Traders and agents of border modernization, Customs Broker modernization is critical to further border management efficiencies.

Develop policy relating to the privacy of commercial data. Data sharing initiatives among countries must respect this principle. Businesses require certainty that their commercial data is protected.

Harmonization of policy regarding the application of Canada/U.S. rulings in the area of classification, origin, and value would be of great value to business.

CANADA/U.S. BORDER ISSUES/NEEDS FACT SHEET:

1. Facilitate and expedite the cross border movement of low risk goods. The United States to adopt the equivalent of the Canadian Trusted Trader Customs Self-Assessment Program.

Canada Border Services Agency (CBSA) implemented the Customs Self-Assessment Program (CSA) for qualifying importers and carriers importing and carrying qualifying goods originating from the United States and Mexico.

CSA is a Trusted Trader program that is based on several components. An importer must apply for certification under the program, and as part of the certification, creates a profile with CBSA, which contains among other things, a detailed listing of the importers suppliers, products, locations, and processes. Once certified, and importer is granted the privilege of expedited clearance of their goods upon entry into Canada. The expedited clearance is based on the certification as a Trusted Trader, which is identified at port of entry in CBSA’s systems. The identification of the importer is reduced to the Importers business registration number. Detailed reporting requirements, such as commercial invoice level detail is eliminated. Advance reporting for admissibility is eliminated due to the preapproval at the business level. The process is comparable to the Nexus process that is used for passenger travel to and from the U.S., but applicable to cargo movements for both land and air.

The program is an excellent example of a secure trade process that if replicated by the U.S., would be the foundation for the Canada–U.S. shared vision for Perimeter Security that “builds on existing initiatives to accelerate the flow of trade across borders.” In Customs own words, Trusted Trader Programs allow CBSA to better manage risk at the border by facilitating the flow of low risk commercial businesses and goods, thus permitting the Agency to focus its efforts on businesses and goods of unknown or high risk. This reduces
wait times and border congestion, which in turn supports commercial trade and economic prosperity.

2. Increase Canada’s de minimus level under the provision of harmonization between Canada and the United States.

De minimus provisions are part of the Kyoto Convention, where contracting parties specify a de minimus where a minimum amount of duties and taxes are not collected. Formal Customs procedures are not required for the report and release of de minimus shipments. Generally the limit of the de minimus is based on the amount of duty and tax collected versus the cost of entry processing and collection.

The benefits of increasing the de minimus, include lower operating costs, greater operational and administrative efficiencies, faster customs processing, allowing Customs resources to focus on higher risk priorities. 25% of total courier industry volume falls into the current de minimus classification.

The discrepancy between Canada and U.S. in the de minimus area is significant. The United States limit is set at $200, while Canada’s limit is $20. The lower limit appears to be a control that discourages private direct importation and drives costs for processing minimal value shipments significantly higher than like imports into the United States. Duty collection is not the primary issue as tariff rates continue to decline. Increasing the de minimus level in Canada would facilitate trade, and lower the cost of doing business for both U.S. exporters and Canadian importers, and will be an important step in harmonizing Customs formalities within the Perimeter.

3. Harmonizing the allowable gift exemptions between Canada and the United States. In the spirit of simplification and common processes, have Canada increase the Import Gift exemption from the current $60 to the U.S. value of $100. Just makes sense! And will reduce duty and tax collection at the land border on the Canadian side, whereby the CBSA can focus on higher risk activities, while reducing border congestion.

4. Eliminate the FDA prior notification requirement for Canadian origin or goods landed in Canada. With consideration of regulatory harmonization, the FDA prior notification on a transactional shipment basis adds a considerable burden on Canadian Exporters. Canada does have a like requirement for U.S. imports. The prior notice adds an additional cost to the import transaction. With the Canadian Food inspection oversight and manufacturer registration requirement, a more collaborative commercial importer profile based audit
trail would reduce cost and improve cross border efficiency for trade between Canada and
the United States. This would also include eliminating prior notification requirements for in-
transit shipments touching more than one U.S. Port. Canadian Origin freight transiting the
United States for direct export should be exempt from FDA prior notice.

5. Rationalization and harmonization of border fees. The merchandise processing fee is
exempt for NAFTA qualifying goods and should be removed from non NAFTA qualifying
goods that have cleared through Canadian Customs and are considered landed into the
commerce of Canada and further sold and exported into the United States. The
merchandise processing fee structure is excessive and a burden to small- and medium-sized
exporters. Eliminating the fees would further encourage trade between Canada and the
United States while harmonizing border processes and costs.

6. Focus on harmonization and simplified import rules and Regulatory Cooperation between
Other Government Agencies, such as FDA and Health Canada. There is value in creating a
harmonized and simplified process that focuses on non-commercial imports. The growth of
the E-commerce sector and rapidly growing trade in the non-commercial imports demands
a harmonized approach that between Canada and the United States that will ensure ease
of import and export for the e commerce and small to medium business sector.

7. Rationalize the requirement for a U.S. entity for consolidation imports into the United
States. There is a growing business need by Canadian exporters to consolidate large orders
and distribute domestically in the U.S. There is a barrier to moving forward with
consolidation imports due to the requirement for a U.S. entity. Canada allows consolidated
importers utilizing a Non-resident importer status without the need for a physical entity in
Canada. Replication of the Canadian distribution model that allows Non-resident importer
status should be introduced in the United States to further promote and simplify Canadian
exports.

8. Harmonization of Canada’s advance Trade Data elements with the U.S. 10 plus 2 security
filing.
Canada Border Services Agency is planning to mandate an importer admissibility security
filing message for all modes of transport and all origins compared with the ocean only 10
plus 2 requirements that the United States has in place. The requirement for an importer
security message, which includes the Harmonized Code, will add cost and border delays to
exports from the U.S. to Canada and does not support the commitment of harmonization
between Canada and the United States
9. Europe, Canada, and the U.S. have a similar requirement to clear perishables at the first port of arrival. CFIA regulates plants, animals, food and is available to at all Ports of arrival in Canada. Clearances of these products are regulated by 3 agencies in the U.S.: USDA, APHIS and FSIS. The availability of these three agencies is limited at all Ports of arrival in the U.S. limiting trade of products regulated by them.

10. Review and eliminate redundant forms. There are several forms required for U.S. clearances which question how these products are regulated differently by the U.S. and Canada. Examples such as: form 3255, 3299, FCC, antique declaration, theatre regalia declaration, drop ball certification, artwork declaration, video film declaration, TSCA, HS7.
### PROCESS RECOMMENDATIONS:

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<thead>
<tr>
<th>CATEGORY</th>
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<th>RECOMMENDATIONS</th>
<th>PRIORITY</th>
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<tbody>
<tr>
<td>CARGO RELEASE</td>
<td>CSA release process (no pre-arrival notification with 3 barcodes identifying FAST approved driver, CSA approved carrier and CSA approved importer). Available in Canada only.</td>
<td>Implement CSA release in U.S. for highest level of Trusted Trader (ISA/C-TPAT). A Pilot project to be implemented immediately for study.</td>
<td>High</td>
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<td>Green lane release process</td>
<td>Non-stop release of commercial shipments at the border when paired with RFID transponder tracking and shipment moving from one secured location to another.</td>
<td>High</td>
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<td>Department of Homeland Security Secure Transit Corridor Process</td>
<td>Data reporting for shipment release Full alignment of all data requirements for shipments between our countries with less data requirements than for foreign shipments. In particular, Canada must align its importer data requirements to the U.S. requirements to eliminate the current requirement for detailed manufacturer information on U.S. originating shipments.</td>
<td>High</td>
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## Cargo Release

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<td>Release of offshore shipments</td>
<td>Implement a Customs Self-Assessment offshore release option.</td>
<td>High</td>
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<td>PIP/CTPAT are the recognized programs for supply chain security</td>
<td>Documented and proven lower rates of inspection compared to industry averages.</td>
<td>High</td>
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<td>FAST release process (30 minutes prearrival notification for CTPAT/FAST approved carrier, CTPAT/FAST approved importer and FAST approved driver, reduced data elements required for customs release). Only available in U.S.</td>
<td>Implement FAST release in Canada for second level of Trusted Trader. Establish PIP status for carriers and importers.</td>
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## Harmonizing Security and Release Procedures at the Canada/U.S. Border

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<td></td>
<td>Security clearance at the perimeter</td>
<td>Integration of threat analysis processes and joint decisions on inspection at the perimeter to prevent the need for re-inspection following in transit moves through either country.</td>
<td>High</td>
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<td>CATEGORY</td>
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<tr>
<td>HARMONIZING SECURITY AND RELEASE PROCEDURES AT THE CANADA/U.S. BORDER</td>
<td>Advanced technology for data reporting</td>
<td>Use of identical technology for transmission of data both in advance of the shipment and the transponders used at the border crossing.</td>
<td>High</td>
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<tr>
<td></td>
<td>Reporting and control of returnable containers</td>
<td>Elimination of requirements to report and track all containers (instruments of international traffic/returnable containers) that are moved between Canada and the U.S.</td>
<td>High</td>
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<tr>
<td></td>
<td>Timeframes for reporting import and export</td>
<td>Full alignment of data reporting timeframes for all shipment types, including trusted trader programs. Identical timeframes for reporting of data and the implementation of identical export processes for reporting of all goods, including those subject to controlled good regulations.</td>
<td>High</td>
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CANAMBTA@AOL.COM; WWW.CANAMBTA.ORG
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<td>Align and simplify all import and export requirements between government agencies.</td>
<td>Eliminating all requirements between Canada and the U.S. where there is no identified health and safety or security concerns. Eliminate customs reporting requirements for other government agencies at the border and allow companies to report post importation.</td>
<td>High</td>
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<tr>
<td></td>
<td>Single Window reporting</td>
<td>Companies must be able to report all importation and exportation requirements electronically and through one source in each country. Implementation of a Single Window reporting process across all other government departments in Canada and other government agencies in U.S.</td>
<td>High</td>
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<td>CATEGORY</td>
<td>PROCESS</td>
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<tr>
<td>ENHANCING AND ALIGNING TRUSTED TRADER PROGRAMS</td>
<td>PIP/CTPAT are the recognized programs for supply chain security</td>
<td>Fully harmonize and mutually recognize PIP and C-TPAT between the countries with full benefits to all approved companies in both countries and be fully recognized across all government agencies/departments as being the government supply chain security program to eliminate duplicative programs.</td>
<td>High</td>
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<tr>
<td>Contingency Planning</td>
<td>Reliable and timely information and communications between registered companies and border agencies during an emergency situation with the ability to move shipments across borders.</td>
<td>High</td>
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<tr>
<td>Miscellaneous Import Fees</td>
<td>Eliminate all import inspection fees (COBRA, APHIS, etc.)</td>
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<tr>
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<tr>
<td>ENHANCING AND ALIGNING TRUSTED TRADER PROGRAMS</td>
<td>CSA/PIC and ISA are the recognized Trusted Trader programs for trade data reporting and compliance.</td>
<td>Canada must make PIC a fully operational program open to all importers. Eliminate transactional reporting requirements for all government departments/agencies – this information can be provided post-release in a summary manner.</td>
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<tr>
<td>EXPAND AND IMPROVE THE EXISTING TRADE INFRASTRUCTURE</td>
<td>Windsor and Detroit</td>
<td>New international crossing in Detroit to complement the existing crossings with dedicated lanes from highway to interstate for multiple levels of qualified shipments.</td>
<td>High</td>
</tr>
<tr>
<td>SIMPLIFIED PROCEDURES FOR MOVEMENT OF PERSONNEL BETWEEN CANADA AND THE U.S.</td>
<td>Simplified procedures for the movement of personnel between Canada and the U.S.</td>
<td>Provide plan language detailed requirements to businesses. Educate all officers on current requirements. Eliminate visa requirements for Canada/U.S. citizens and permanent residents traveling for business.</td>
<td>High</td>
</tr>
<tr>
<td>Work Permits</td>
<td>Consistency with rules regarding work permits</td>
<td>High</td>
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CANAMBTA@AOL.COM; WWW.CANAMBTA.ORG
REGULATORY COOPERATION COUNCIL INITIATIVES:

REGULATORY COOPERATION COUNCIL

The fresh produce industry applauds the increased regulatory alignment created by President Obama and Prime Minister Harper via the work under the Canada-United States Regulatory Cooperation Council (RCC).

Fresh Produce contributes directly to healthy Canadians, reduced health care costs and increased economic prosperity along the whole value chain. However, these benefits come with higher risks due to the highly perishable nature of the commodities involved and require complex, rapid systems to minimize loss and maintain quality. Therefore, the concept of seamless movement of fresh produce in a “virtually borderless” environment between Canada and the U.S., by accessing common services, standards and mutual recognition resonates deeply within our sector.

As Canada and the U.S. look forward to the next stage in the RCC efforts, there is an opportunity to further enhance trade and economic prosperity through the improved alignment of additional regulatory mechanisms common to our two countries. Industry recognizes the existing collaborative mechanisms between both governments, but believes the expectations of Canadian and American citizens and fresh produce industry can be further achieved using increased levels of cooperation which formalize cross border efforts in the following areas noted by the Privy Council Office:

Establishment of standards: aligning standards or sharing information concerning the standards development activities in which regulators will play an active role.

- Alignment and enhancement of commercial Customs and Border programs.
  - HS codes review, deeper granularity and alignment
  - Commercial clearance and movement
- Alignment and enhancement of domestic commercial inspection activities and standards
  - Grade standard alignment and harmonization
  - Common approach to quality commercial based inspections

Reliance on outcomes of the other regulatory system: working together in advancing regulatory systems to achieve common outcomes, and then increasing reliance on the work conducted in the other jurisdiction.

- Common approach and alignment to health and consumer information removing consumer confusion and regulatory red tape
• Package Labeling and Health Claims,
• Policies Designed to Improve Population Health - Consumer guidance on healthy eating, e.g., half a plate

Canadian Horticultural Council, 9 Corvus Court, Ottawa, ON K2E 7Z4
Canadian Produce Marketing Association, 162 Cleopatra Drive, Ottawa, ON K2G 5X2
Fruit and Vegetable Dispute Resolution Corporation, Building 75, CEF, 930 Carling Avenue, Ottawa, ON K1A 0C6

Improved confidence in conformity assessment: aligning conformity assessment practices and reliance on international conformity assessment standards and acceptance mechanisms to achieve greater confidence in inspection and testing results.

• Food Safety - Alignment between FSMA and SFCA
  • Preventative controls,
  • Recognition of non-government (industry specific standards including GFSI recognized programs)
  • Traceability provisions within the preventative control programs and record keeping

Looking back at our involvement on various Agricultural related issues that form part of the current RCC slate of initiatives, we would like to offer the following observations:

• Early stakeholder engagement is key. Making sure that all potentially relevant industry and government representatives are at the table from the get go, in order that they may see themselves as positive contributors to the process.

• Equally important to clearly defined work plans with strong goals and objectives is the need to take the time to reach common understanding. In order for U.S. and Canadian governments to be productive, they need to understand how the sector works and how their current programming impacts the sector. For industry to better contribute they need to spend time learning government policy, constraints and opportunities. In other words, take the time to bring all stakeholders to a common understanding early on before talking solutions.

• Identify and provide access to resources from both sides (government and industry), in order to capitalize on synergistic opportunities to explore issues, and create solutions.
As noted by the Government of Canada, the current range of authorities, policies, and administrative practices that support strong regulatory systems in the United States and Canada were developed in a much less integrated time. The Prime Minister commented that the RCC agreements will help create "a new modern border for a new century". This vision of a modern border must continue to be formalized with the appropriate administration to ensure the ongoing power and responsibility to act and implement collaborative work plans.

**DO IT NOW INITIATIVES:**

**END MANUAL CASH COLLECTION OF FEES BY CBP OFFICERS AT THE BORDER:**

All appropriate fees should be charged electronically at issue of eManifest or at pre-arrival notice for shipments without eManifests.

**CBP Officers currently make 3.5 MILLION cash collections a year at inspection (10,000/a day) A major inefficiency AND MAJOR WAIT TIME DELAY THAT CAN BE ELIMINATED by electronic collection. Est. = 80 CBP Officers PLUS major reduction in wait/delay time in Primary inspection approaches in the plaza.**

A number of all trucks pay the fees via a transponder. Transponder Reader equipment must be routinely maintained. That is not the current situation. The percentage that do not add at least 60 seconds to the processing time, again unnecessarily resulting in delays and congestion. Further, the handling of money adds time to the process of changing Officers in the booth as the cash collected must be verified and reconciled for each change resulting in the booth not processing any trucks during this period, often for several minutes. It simply does not make sense to have CBP Officers collecting cash in the Primary Inspection Booths. With today’s technology, there are other much more efficient alternatives.

**REQUIRE eMANIFESTS FOR EMPTY TRUCKS:**

Since September 1, 2007, the use of eManifest by the carrier community has been a requirement to enter the United States. While not specifically exempted by the regulations, the use of eManifest was not required for empty trucks and truck cabs.
eManifest has resulted in significant processing time improvements. However, analysis has shown that on average on the northern border more than 25 percent of all shipments (in some Ports it is as high as 50 percent) are empty and of those only about 7 percent are filing by eManifest. This means that they file by paper and add 30-45 seconds per truck to their processing time. Multiplied by thousands of trucks it results in congestion, delays, and additional costs for all those trucks that are actually hauling shipments and are required to file eManifests. And, it results in an inefficient use of CBP resources.

Clearly, it is imperative that CBP amend its regulations to include these trucks among those requiring that eManifests be filed. Further, an amended regulation should also include shipments consisting solely of Instruments of International Traffic eligible for release under 19CFR10.41(a) which also currently do not require eManifests.

CBP should immediately post in the federal register that all empty trucks are required to have eManifests and, in fact, it should be all trucks.

It currently takes extra time at Primary for each empty truck. (30% of trucks processed at Primary are empty and arrive at the Border without Prior Notice creating a serious security breach as no pre-arrival targeting assessment occurs on the vehicle, the driver or the shipper of record). **Est. 60 CBP Officers PLUS major reduction in wait/delay time in Primary inspection approaches in the plaza.**

NEGOTIATE WITH FDA, USDA, ETC. CROSS DESIGNATION OF CBP OFFICERS TO CLEAR AT 24/7 PORTS WHEN THOSE AGENCIES’ INSPECTORS ARE NOT ON SITE:

At all 24 hour/ 7 days a week Port of Entries operated by CBP, Other Government Agencies should cross designate authority to process and release shipments arriving during the period no representative of that Agency is on site to eliminate holds at the physical border that now occur causing extensive delays and extra costs. It is envisioned that the successful Single Window operation commencing in 2017 would substantially support this cross designation approach.
CREATE PRE-CLEARANCE PROCESS FOR LESS THAN TRUCKLOAD LOADS (LTL).

SIMPLIFY AND IMPLEMENT THE IN TRANSIT PROCESS.

SIMPLIFY AND IMPLEMENT THE IN BOND PROCESS.

IMPLEMENT DHS SECURE TRANSIT CORRIDOR PROCESS:

The Pilots were successful and this process should be widely implemented.

Electronic Chain of Custody (Manufacturing Plant-Across Border to destination) with special non-tampered seals results in an expedited visual check at the Border.
APPENDIX A

Pilot Project: Using RFID to Reduce Border Queues

RFID Basics:

- A radio-frequency identification (RFID) chip is embedded in an identity document. The chip contains no data other than a unique numeric value.
- When queried by a nearby (~10 feet) radio transmitter, the chip divulges that value.
- The value is a key that identifies a record within a secure database maintained by the issuing agency. The record is retrieved and sent to the inspection agent's computer.
- The record contains the same biographic and biometric data (e.g., name, date of birth, facial photo) that is printed upon the document itself.
- The RFID process gets data to an agent's computer before the car reaches the booth, so handling the document becomes unnecessary.

Introduction. Since 9/11, about $500 million has been spent on border infrastructure in the Cascade Gateway region, including new port facilities, improvements to approaching highways, and deployments of technologies such as wait-time systems. Yet there frequently are queues in excess of 60 minutes for the many travelers who are not enrolled in NEXUS (a program that provides trusted travelers with access to a dedicated highway lane). While regional stakeholders know that queues would be far worse in the absence of past investments, efforts are continually underway to improve border mobility. Greater usage of RFID-enabled documents is a proven method of bolstering mobility, because such documents can improve throughput at each inspection booth. (See the left sidebar for an explanation of the basics of RFID.)

The NEXUS program is vivid proof of the efficacy of RFID. At the Peace Arch crossing, about 30 percent of the traffic is handled via NEXUS, which is usually deployed at a single inspection booth. Nine booths are then used to handle the remaining 70 percent of traffic, but the port's capacity is still overwhelmed on a regular basis.

USCBP’s Adoption of RFID. If RFID-enabled documents were used by enough of the non-NEXUS travelers, queues would diminish—not a statement of opinion, but rather a demonstrable fact. USCBP has championed the usage of RFID, and their enthusiasm is based upon studies conducted about six years ago. USCBP hired a consultant to complete a time-and-motion analysis of the processes that occur within an inspection booth. The analysis showed that about 30 percent of an agent's time was used to collect documents from travelers, scan the documents, and hand them back to the driver. RFID makes most of that document-handling unnecessary.

USCBP has since advocated the incorporation of RFID within as many types of border-crossing documents as possible. RFID now exists within Enhanced Driver's Licenses (EDLs), the passport card issued by the U.S. State Department, the NEXUS card, and the "green card" (the card carried by aliens who are legal permanent residents of the U.S.). USCBP has also installed RFID readers upstream of every inspection booth at every major crossing on the northern border. B.C. and Washington State have supported USCBP by making EDLs available to provincial and state residents, and about half a million EDLs have been issued within the region. Despite all efforts, though, RFID-enabled documents are used by only about five percent of the non-NEXUS traffic at the Cascade Gateway.

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How Much RFID Is Enough? With a five-percent penetration of RFID within our region’s non-NEXUS population, border queues are still problematic. How much more is needed? USCBP also modeled RFID-uptake scenarios at Peace Arch, with the results summarized in Figure 1. In 2008 (i.e., with lower traffic volumes than now exist, and with eight booths rather than the current ten), queues would build through the morning, reaching 60 minutes by noon. An RFID-uptake ratio of 10 percent made a substantial difference, and a ratio of 50 percent yielded dramatic results.

To achieve a 50-percent RFID usage-rate is not as daunting a task as it first appears, in that a large fraction of cross-border travel is attributable to a relatively small number of individuals. Figure 2 shows the relationship between individuals and trips, as derived from a recent driver-interview project undertaken by the BPRI in partnership with the Whatcom Council of Governments. On the order of 50,000 to 100,000 unique individuals are responsible for 40 to 55 percent of cross-border trips. The same project confirmed that over 80 percent of regional cross-border travelers are Canadians. If RFID could be put in the hands of the right 75,000 Canadians, border lineups would greatly diminish.

Pilot Project. The goal of the project proposed here is to place RFID-enabled passport cards into the hands of the optimum group of Canadians, all at once, accompanied by a media blitz. The first step is for CBSA to run a database query, extracting the passport numbers used for every northbound trip made by a Canadian through Peach Arch and Pacific Highway over the past three months. That data can be used to validate the shape of the curve shown in Figure 2. At the same time, a transportation planner can run a simulation model using current conditions (i.e., 2013 traffic volumes, ten booths) to generate a new version of Figure 1. With updated analyses, a “go, no-go” decision can be made, and an optimum number of individuals can be established. The list of passport numbers, sorted in order of frequency-of-use, is then handed over to Passport Canada (PC). PC proceeds to make RFID-enabled passport cards for the target group of passport holders. For this pilot, PC could simply adopt the card technology used in the U.S. passport card, adding new artwork. When all cards are ready, PC mass-mails them, free of charge, to the travelers. Regarding the issue of privacy, all data has remained in Canadian federal control, and PC is simply providing a “bonus” passport to people who willingly supplied data to PC in order to procure a passport. PC can explain how the card works and how it’s expected to reduce border queues, and point out that users can simply discard it if they want to continue using their book-style passport. At $25 per card, the pilot’s cost is on the order of $2 million, a pittance compared to the $50 million invested at the Cascade Gateway over the past 13 years. The project falls within the purview of ministries of transportation, environment (greenhouse gases are reduced), and tourism, so multiple funding sources are possible.

Meeting challenges across the entire supply chain

With access to real-time information about the flow of products and transactions in their supply chains, companies and their logistics service providers can make decisions that drive business value.
Using GS1 Standards for Better Product Admissions

1. **Product Supplier**
   - Authoritatively publishes product information
   - GTIN: 123456789101
   - GPC: 1234567
   - GPC Description

2. **Data Registry**
   - Government downloads published product information

3. **Importer**
   - Places the GTIN for the product in the entry record and sends to Customs

4. **Customs**
   - Government matches GTIN with catalogue information and makes admission decision, ideally in advance, using accurate global data

   - If catalogue data indicate low-risk product, government can release without inspection

   - If high-risk, it can better plan for inspection efforts

5. **Distributor**

6. **Retailer**
Imagine Two Ports . . .

✓ 30% OF LINE ENTRIES RELEASED IN ADVANCE OF ARRIVAL
✓ 42% TARGETED AS POTENTIALLY HIGH RISK
✓ ABOUT 5% OF PRODUCT EXAMS YIELD NON-COMPLIANT PRODUCTS

✓ 85% RELEASED IN ADVANCE OF ARRIVAL
✓ 4% TARGETED AS POTENTIALLY HIGH RISK
✓ CONDUCTS FEWER EXAMS AND FINDS MORE NON-COMPLIANT PRODUCTS THAN OTHER PORTS
One Port Markedly More Efficient for Trade and Effective for Citizens

![Bar Chart]

- **PORT A**
  - Potentially High-Risk Products: 100,000
  - Released in Advance of Arrival: 250,000

- **PORT B**
  - Normal Document Review: 50,000
  - Released in Advance of Arrival: 300,000
BENEFIT – 80% FEWER PRODUCT HOLDS AND EXAMS

- Product examinations could be reduced by 80% with GTINs and GPC codes
- Mid-size importers could save $30,000 a year
- Products known to be low-risk by GTIN, when released in advance, will improve reliability of product flow
- Government can focus on 10 to 20% of remaining products, increasing targeting efficiency with existing resources