

PERIMETER SECURITY AND ECONOMIC COMPETITIVENESS

Action Plan in Brief

INTRODUCTION

On February 4, 2011, the Prime Minister of Canada and the President of the United States issued a *Declaration on a Shared Vision for Perimeter Security and Economic Competitiveness*, which called for the development of a joint action plan.

Work on that plan has now been successfully completed. The Action Plan provides a practical road map for enhancing security while speeding up legitimate trade and travel across the Canada-U.S. border.

This document is meant to be a handy and concise summary of the Action Plan. The full text of the Action Plan is available at www.borderactionplan.gc.ca.

WHY THE ACTION PLAN MATTERS

Canada and the United States enjoy a partnership rooted in a long history of peaceful coexistence, the defence and promotion of shared values, extensive family ties and one of the largest and most successful economic relationships in the world.

We are each others largest single export market. Trade between Canada and the United States has almost doubled since 1994 and is now worth more than half a trillion dollars a year. More than \$1.5 billion in goods crosses the border every single day. Millions of jobs in both countries depend on the trade and investment that flow daily across the border between the two countries.

Canada is the top export market for at least 35 American states. More than 200,000 people cross the border every single day to shop, carry out business or visit friends and family. Today, hundreds of companies and, in fact, entire industries depend on integrated cross border supply chains and production processes, which can see products cross the border several times as they are being assembled.

However, in recent years, crossing back and forth between Canada and the United States has become more challenging for travellers and for business. The Action Plan recognizes the need for investments in infrastructure, technologies and personnel to help relieve those pressures. In addition it recognizes the need for better cooperation and coordination between our two countries, if progress is to be made.

Various studies (see list at end of text) both inside and outside government have examined the economic impact of the so-called thickened border. Even the most conservative estimates put direct border costs to the Canadian economy at an amount equivalent to one percent of our gross domestic product, or \$16 billion a year. This means that even a modest improvement of border efficiency would result in significant savings to the Canadian economy.

In the February 2011 joint Declaration, Canada and the United States agree that greater security and greater economic opportunity are mutually reinforcing goals. The Action Plan proposes focusing efforts on strengthening mutual security by addressing threats as early as possible at the perimeter of North America. This makes sense from both a security and an economic perspective.

If Canada and the U.S. can identify high-risk trade and travellers before they arrive at our borders, better protection can be provided to our citizens, while legitimate flows of trade and travellers across our shared border can be streamlined.

The Action Plan is, therefore, the next important step forward in the long and productive partnership Canadians have enjoyed with the United States.

A PRACTICAL ROAD MAP

The Action Plan is a practical road map, not a formal agreement. Once implemented, it will represent a historic step forward in joint Canada-U.S. efforts to promote greater security and prosperity in North America.

The Action Plan focuses on four key areas:

- Addressing threats at the earliest possible opportunity;
- Facilitating trade, economic growth and jobs;
- Building on successful cross-border law enforcement programs; and
- Enhancing cross-border critical and cyber infrastructure.

ADDRESSING THREATS AT THE EARLIEST OPPORTUNITY

Addressing threats early is essential to strengthening the shared security of both countries and enabling us to make the flow of legitimate people, goods and services more efficient than ever across the Canada-U.S. border.

The Action Plan will support this goal by developing integrated threat assessments based on more timely and better intelligence, aligning and coordinating our security systems for goods, cargo and baggage, and cooperating more effectively to identify people who pose a risk, which will enhance the safety and facilitate the movement of legitimate travellers.

Among the measures included are:

- Conducting joint, integrated threat assessments to develop a shared understanding of shared threats;

- Improving cooperative law enforcement capacity and national intelligence- and information-sharing in a way that is consistent with privacy principles in the Action Plan and privacy laws in both countries;
- Cooperating on research and best practices to prevent and counter homegrown violent extremism;
- Adopting an integrated cargo security strategy to enhance security and reduce the need for rescreening of shipments at the land border;
- Mutually recognizing air cargo security programs;
- Harmonizing transborder advance data requirements for cargo;
- Conducting joint assessments and audits for plant-, animal- and food-safety systems in third countries;
- Mutually recognizing outbound checked baggage systems to eliminate redundant screening and help ensure that bags arrive at destination at the same time as travellers;
- Implementing entry and exit verification, so that both countries can count people coming in and going out; and
- Establishing and verifying the identity of foreign travellers to North America to improve immigration and admissibility decision making.

FACILITATING TRADE, ECONOMIC GROWTH AND JOBS

Cross-border flows between Canada and the United States create immense economic benefits for both countries. As our two countries work to strengthen the security of our shared perimeter, steps will be taken simultaneously to create a freer flow of people, goods and services across the border for legitimate travel and trade—steps that will benefit both of our economies.

The Action Plan will enhance the benefits of programs that help trusted traders and travellers move efficiently across the border and will introduce new measures to facilitate movement and trade across the border, while reducing the administrative burden for business and investing in improvements to our shared border infrastructure and technology.

Among the measures included are:

- Better aligning Canadian and U.S. programs for low-risk travellers so that they can travel more efficiently back and forth across the border;
- Developing an overall approach for future preclearance initiatives, including implementing a number of new pre-inspection and preclearance initiatives in rail, marine and highway modes of transportation to relieve pressures at border crossings;
- Establishing wait-time service levels and posting wait times on the Internet so that truckers and others can better plan their border crossings;
- Developing and implementing administrative and operational improvements to streamline cross-border movement of business travellers;

- Setting up a single window for companies to submit electronically all the data required by government departments in one place;
- Increasing and harmonizing the value thresholds for expedited customs clearance and streamlining current import processes for low-value shipments to minimize the burden at the border for these kinds of shipments;
- Launching a joint independent assessment of fees charged at the border in order to have a better picture of border costs to businesses;
- Upgrading infrastructure at key crossings to relieve congestion, speeding the movement of traffic across the border, and doing so in a more coordinated way on both sides of the border;
- Installing radio frequency identification technology at key border crossings so that documents can be read as vehicles approach the border, thus saving time and helping to relieve congestion at the border itself;
- Ensuring that enhanced and expanded trusted trader and traveller programs have the infrastructure required to fully realize their intended benefits to members;
- Coordinating investments at remote ports of entry; and
- Organizing regular meetings of binational port operations committees, so that both countries can react more rapidly to local concerns and needs.

BUILDING ON SUCCESSFUL CROSS-BORDER LAW ENFORCEMENT

Canada and the United States have developed successful models for preventing criminals from crossing the border in order to escape justice. The Shiprider pilot program, for example, employs cross-designated officers to patrol the waterways between our two countries.

The Action Plan moves forward with new initiatives that build on successful law enforcement pilot programs, such as Shiprider.

Among the measures are:

- Making Shiprider a permanent program;
- Testing the Shiprider model in the land border environment by piloting Next-Generation Canada-U.S. integrated border enforcement teams that will include best practices from other existing border law enforcement programs, such as the Border Enforcement Security Task Force program; and
- Using cost-effective, voice-over-Internet technology to introduce interoperable radio capability, so that law enforcement officers on both sides of the border can communicate immediately when responding to cross-border incidents.

ENHANCING CROSS-BORDER CRITICAL AND CYBER INFRASTRUCTURE

Canada and the United States are connected by critical infrastructure, from bridges and roads to energy infrastructure, such as electricity grids, to cyberspace. The Action Plan will strengthen our ability to protect our shared critical and cyber infrastructure and enable our two countries to respond more rapidly and effectively, as well as to recover faster from disasters and emergencies on either side of the border.

Among the measures are:

- Enhancing cross-border critical infrastructure protection and resilience;
- Cooperating more closely on international cyber-security efforts;
- Further developing regional approaches for swiftly managing cross-border traffic in the event of an emergency;
- Enhancing our joint preparedness and response capacity for health threats; and
- Working to jointly prepare for and respond to binational disasters with a focus on chemical, biological, radiological, nuclear and explosives events.

SOVEREIGNTY AND PRIVACY

Canada and the United States have a long history of working together to defend the freedoms and rights of our citizens and to deal with threats to our collective way of life. Cross-border cooperation and information sharing are crucial to these efforts.

In launching their work on the Action Plan, both countries subscribed from the very beginning to two fundamental principles:

- First, both countries will respect each other's sovereign right to act independently, in accordance with their own interests and laws; and
- Second, both countries will work together to promote the principles of human rights, privacy and civil liberties essential to the rule of law and the effective management of our perimeter.

Consistent with that approach, both countries are committed to ensuring that any enhanced information sharing is pursued responsibly and with appropriate safeguards. We will do this by developing a set of joint privacy protection principles to guide and inform the implementation of all initiatives in the Action Plan as one of the first deliverables under the plan.

These principles will allow Canada to ensure that only relevant information is shared, and that this is done in a way that is consistent with our privacy laws and constitution and always in the interest of Canada and Canadians.

TIMELINES AND NEXT STEPS

There is considerable work ahead for both countries in order to implement the items in the Action Plan. Some of these items are early deliverables and will be implemented quickly, while others have longer timelines. Annual progress reports will be prepared and provided to the Prime Minister and the President.

Furthermore, as the Action Plan is implemented, the government will consult with and keep Parliament and Canadians informed about progress in the joint efforts by the two countries in these matters so that they can ensure that what is being done continues to be consistent with Canadian interests and Canadian values.

Studies and Reports

-The Canada-US Border Survey Descriptive Report (Statistics Canada, 2009), corroborated by *Logistics Services Industries Border Survey—Report* (Statistics Canada, 2009-2011)

-A Study of the Impacts of the United States Border Security Measures on the Competitiveness of Canada's Food Manufacturers/Exporters (Agriculture and Agri-Food Canada, 2009)

-Is Just-in-Case Replacing Just-in-Time? How Cross-Border Behaviour Has Changed since 9/11 (Conference Board of Canada, 2007)

-Sectoral and Enterprise Size Impacts of Post 9/11 Trading Environment on Canadian Exports to the US (Foreign Affairs and International Trade Canada, 2011)

-Understanding the Canada-U.S. Border's Impact on the Movement of People to Support the Movement of Goods (Policy Horizons Canada, 2011)

-Canada to United States—Border Crossing Study (Canadian Manufacturers & Exporters, 2007)

-Cross Border Flow Analysis Study—Gaps, Challenges and Solutions (InterVistas, 2010)

-"U.S.—Canada Transportation and Logistics: Border Impacts and Costs, Causes and Possible Solutions" (John C. Taylor, Douglas R. Robideaux and George C. Jackson, *Transportation Journal*, 2004)

-Trucking Across the Border: The Relative Cost of Cross-border and Domestic Trucking, 2004 to 2009 (Anderson and Brown, manuscript, 2011)

-"Border Delays Re-Emerging Priority: Within-Country Dimensions for Canada" (Trien T. Nguyen and Randall M. Wigle, *Canadian Public Policy* 37.1 [2011])