



2004-2005 to 2006-2007

Estimates

Part III - Canada Border Services Agency
Inaugural Report on Plans and Priorities

The Honourable A. Anne McLellan, P.C., M.P.
Solicitor General of Canada
(Minister of Public Safety and Emergency Preparedness)



Canada Border
Services Agency

Agence des services
frontaliers du Canada

The theme of the Canada Border Services Agency's first Report on Plans and Priorities (RPP) is "First Declarations." This is what we call our first statements on our mission and values, which guide our day-to-day operations, and our first set of strategic outcomes, that encompass what we aim to achieve with our business. It summarizes our strategic and operational directions; challenges and risks; priorities and strategies; and supporting financial information, as we move forward in our first year of operation.

We will be gathering further feedback on our "First Declarations" through consultations with our stakeholders and employees. This input will be incorporated in our final strategic framework, which will be published in our next RPP.

For more information about the Canada Border Services Agency, see our website: <http://www.cbsa-asfc.gc.ca>

Message from the Minister

It is my pleasure to table the Canada Border Service's Agency's (CBSA) first Report on Plans and Priorities, the document that meets our obligation to report to Parliament on our planned activities and that outlines our resource commitments. As Canada plays its part in making the world more secure, more peaceful, more co-operative and more open, one of the most critical responsibilities that we hold is to manage our borders in ways that reflect these values.

While we work to facilitate the flow of lawful travellers and trade, we must be vigilant in preventing dangerous people and goods from entering Canada. Our border must be secure and responsive to new and emerging threats while managing the effective and efficient handling of almost \$900 billion in global trade, as well as 92 million travellers each year.



As we complete our work towards the transition to CBSA begun on December 12, 2003, it is important to recognize that CBSA provides an essential service as the first line of defence in managing the movement of people and goods into and out of Canada.

I want to particularly thank our employees for their continued service and dedication to protecting our border and helping ensure the safety and protection of all Canadians. I am grateful for their patience and assistance as we move forward with this transformation.

Having border services in one agency as part of the new Public Safety and Emergency Preparedness Portfolio means that we are better able to manage the border in an integrated way. We are now better positioned to advance interoperability with domestic and international partners, improve upon risk management techniques and on our overall capacity to respond more rapidly and effectively to threats.

The CBSA is very well positioned to facilitate the free flow of lawful people and goods while strengthening the Government of Canada's capacity to protect the safety and security of Canadians.

I have every confidence that we will make this transition successfully and that Canadians will have both pride and confidence in the Canada Border Services Agency.

The Honourable A. Anne McLellan, P.C., M.P.
Solicitor General Of Canada
(Minister of Public Safety and Emergency Preparedness)

Message from the President



The Canada Border Services Agency (CBSA) has one very large and dynamic business line—the provision of integrated border services. An integrated approach will enable us to strengthen our focus where employees and Canadians want it: at the front line, providing the best possible service with the resources we have and positioning ourselves to further leverage our people and our systems in the future. Our basic organizational structure is in place. The transition of our underlying systems and workforce is underway. Our main business priorities have been established, of which the first is to ensure business continuity as we complete the transition to becoming a fully integrated border services agency.

For the first time, employees from Customs services, areas of Citizenship and Immigration's intelligence, interdiction, and enforcement services, and the Canadian Food Inspection Agency's Import Inspection at Ports of Entry program, are together on one team. There are many skills and values we share. Recognizing and building on those—particularly our shared dedication to vigilance in the protection of Canada's security, health, and well-being—will be pivotal to build the esprit de corps we need to function effectively and carry out our mandate. Achieving excellence in service delivery also means leveraging our world class laboratory and technological capacity and further transforming ourselves into a science based innovative organization.

Maintaining and strengthening partnerships that our legacy organizations have worked very hard to build is critical to our success. We depend heavily on being able to access, collect, and share information. The right information must get to the right people at the right time, whether our work is in admitting immigrants and visitors, processing commercial shipments, preventing contaminated goods from entering Canada, administering and enforcing trade agreements, or detaining and removing persons subject to deportation orders. We need strong, collaborative relationships with other departments and agencies in Canada and in other countries, as well as with private-sector, provincial, and non-governmental organizations, to do all this work well. Collaboration is also key to “pushing out our borders” through proactive work abroad to deter unlawful trade and migration and “after the fact” verification for low-risk goods imported into Canada.

As set out in this document, we have an initial strategic framework. It may change as we work closely with central agencies to ensure our budget enables the level of service expected of us. But I look to the future with optimism. I am confident that as we finalize the resources, the responsibilities and the structure of the CBSA, we will be able to deliver on our promise of better service and protection for Canadians.

Alain Jolicoeur
President
Canada Border Services Agency

Management Representation Statement

I submit, for tabling in Parliament, the 2004-2005 to 2006-2007 Report on Plans and Priorities (RPP) for the Canada Border Services Agency.

This document has been prepared based on the reporting principles and disclosure requirements contained in the Guide to the Preparation of the 2004-2005 Report on Plans and Priorities:

- The report accurately portrays the organization's plans and priorities.
- The planned spending information in this document is consistent with the directions provided in the Minister of Finance's Budget and by the Treasury Board Secretariat (TBS).
- It should be noted, however, that the Canada Border Services Agency was created on December 12, 2003. Consequentially, though comprehensive, the financial information presented in the document on a full-year basis reflects best estimates based on the information available to the Agency.
- It is based on existing, underlying departmental information and management systems in the Canada Revenue Agency (CRA), Citizenship and Immigration Canada (CIC), Canadian Food Inspection Agency (CFIA) and the CBSA.

The reporting structure on which this document is based has been approved by Treasury Board Ministers, and is the basis for accountability for the results achieved with the resources and authorities provided.

Alain Jolicoeur
President
Canada Border Services Agency

Table of Contents

Our Raison d’Être.....	11
The Case for the CBSA	11
What We Do	12
Mission and Values	15
Our Programs.....	16
How We Benefit Canadians	20
Our Priorities	21
Challenges and Risks.....	22
Strategies to Support Priorities	26
Organization	41
Our Strategic Framework	43
Conclusion	47
Appendices.....	49

Our Raison d'Être

On December 12, 2003, the Prime Minister of Canada created the Canada Border Services Agency (CBSA) as part of the new Public Safety and Emergency Preparedness (PSEP) Portfolio. PSEP is the centre of responsibility and accountability for addressing public safety and security issues. It brings together in one portfolio the core functions of crisis and emergency management, national security, policing and law enforcement, corrections and conditional release, crime prevention, critical infrastructure protection and border services and integrity.

The CBSA, in turn, brings together the Customs Branch of the former Canada Customs and Revenue Agency, as well as portions of the Appeals and Compliance Branches that support Customs; the Intelligence, Interdiction, and Enforcement programs of Citizenship and Immigration Canada; and the Import Inspection at Ports of Entry program from the Canadian Food Inspection Agency.

The CBSA is still in transition, and the full extent of our functional responsibilities is not yet confirmed. While we are responsible for most federal border services that facilitate lawful travel and trade, and interdict and prevent dangerous people and goods from crossing our borders, we are not responsible for all services. For example, at the time of publication of this report, secondary immigration inspection programs at ports of entry have not been transferred to the CBSA, and consultations concerning this transfer are ongoing.

This Report on Plans and Priorities (RPP) contains the CBSA's "First Declarations," our initial statement of our mission and values, and the strategic outcomes we are working to achieve. It also sets out who we are and how we are organizing our programs to fulfil our mandate, where we are headed, and how we intend to achieve our goals based on an assessment of what we are currently responsible for and the resource requirements associated with that work. It summarizes the challenges and risks we must manage to achieve our strategic outcomes, and the opportunities we have as a significantly enhanced, integrated agency to leverage border resources and employee expertise to strengthen Canada's security and its economic prosperity.

The Case for the CBSA

The CBSA provides an essential service. In the global context, we are the first line of defence in managing the movement of people and goods into and out of Canada. Some of the threats we contend with include terrorism; illegal migration; illegal trade of weaponry, drugs, and unsafe goods and foodstuffs; and the attempted introduction of contaminants and threats to public health. We are also mandated to prevent the admission into Canada of persons involved in war crimes or crimes against humanity, to assist in combating money laundering, and to conduct the detention and removal from Canada of inadmissible persons. The tragic events of 9/11; the

We are the first line of defence in managing the movement of people and goods into and out of Canada

We are now a single repository of a wealth of experience, skill, dedication and innovation in border management

economic impacts of the SARS outbreak, Avian Flu, and Mad Cow Disease; and the exploitation of victims of human smuggling and trafficking, all highlight how critical it is that Canada has in place strong and effective border services—services that facilitate the free flow of lawful people and goods, without sacrificing the vigilance required to protect our health, security, and economic prosperity from harmful and illegal traffic, as well as unlawful attempts to cross our borders.

As an integral part of the PSEP Portfolio, the CBSA integrates functions from three previously separate organizations. All three have expertise in critical aspects of border management. Merging the majority of these functions into one agency means services can be delivered more efficiently and more effectively, strengthening the Government of Canada's capacity to protect the safety and security of Canadians. Operating as one agency, we are better positioned to improve risk management; advance interoperability with our partners in Canada and abroad; collect and share the right information at the right time, and significantly improve our overall capacity to respond rapidly and effectively to threats. We are now a single repository of a wealth of experience, skill, dedication, and innovation in border management from the merging of three work forces, each with long and proud traditions of service to Canada and to Canadians.

What We Do

All people and goods entering Canada, whether by air, land, or sea, must report to the CBSA at a port of entry. We administer and enforce approximately 75 domestic acts and regulations on behalf of other federal departments and agencies, and international agreements that govern travel and trade. We work closely with PSEP Canada and PSEP Portfolio partners: Canada Firearms Centre, Canadian Security Intelligence Service, Correctional Service of Canada, National Parole Board, Royal Canadian Mounted Police, Commission for Public Complaints Against the RCMP, RCMP External Review Committee, Critical Infrastructure Protection and Emergency Preparedness, and the Office of the Correctional Investigator (see “Exhibit 8: Partners and Stakeholders” on page 20 for more of our partners and stakeholders). We carry out our work with over 10,200 public servants at 1,369 service points across Canada and 39 locations abroad. At some of our busiest locations, we operate on a 24/7 basis.

Exhibit 1: Relevant Acts and Regulations administered by the CBSA

Relevant Acts and Regulations	
The CBSA administers, in whole or in part, approximately 75 Acts and Regulations including those on behalf of other federal departments and agencies, such as:	
• <i>Citizenship Act</i>	• <i>Export and Import Permits Act</i>
• <i>Customs Tariff</i>	• <i>Food and Drugs Act</i>
• <i>Customs Act</i>	• <i>Immigration and Refugee Protection Act</i>
• <i>Excise Act</i>	• <i>Special Import Measures Act</i>
• <i>Excise Tax Act</i>	• <i>Section 25 to 39 of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i>

Our workforce, enabled by our business systems, serves over 170,000 commercial importers and more than 92 million travellers every year. We process over 71 million highway travellers, 18 million air travellers, 276,000 rail passengers, 2.9 million marine passengers, and over 11 million commercial releases annually totalling some \$350 billion in value. In 2003, we kept over \$400 million worth of drugs off our streets, dealt with over 3,600 Criminal Code incidents at our borders, conducted nearly 30,000 immigration investigations, and detained over 11,500 persons for immigration infractions. We collected over \$3.3 billion in import duties and \$22 billion in GST. Moreover, because of our sheer volumes and the often sensitive nature of the issues we address day-to-day, how we do our job could impact the level of confidence Canadians have in their government and economy. It is a responsibility we discharge very seriously.

We operate on the basis that the vast majority of people and businesses want to comply with the law, and we work hard to facilitate that. This includes services that enable information to be provided in advance by travellers and traders, which allows us to expedite processing and maintain high levels of confidence in the security of our borders. However, we must be prepared to respond in cases where individuals and businesses either accidentally or intentionally fail to comply with the rules or present an extraordinary threat. In cases where people and businesses innocently fail to comply because they have misunderstood their obligations, we make every effort to help prevent the same mistakes from being repeated. For those few who are intent on deliberately and wilfully breaking the law, the CBSA takes appropriate enforcement action to administer appropriate, effective sanctions against the offenders. The exchange of information with our partners, ensuring the best intelligence available to offer the maximum protection to Canadians, is implicit in our approach to minimizing the risks posed by threats to our borders.

It is this risk-management continuum—facilitating low-risk individuals and goods at one end, and taking strong enforcement action against high-risk individuals and businesses at the other—that characterizes our approach to border services. Strategically, this involves “pushing our borders out” as much as possible so that we can effectively address risks at the earliest possible point in the travel /supply continuum to reduce the likelihood that dangerous people and goods will ever

It is this risk-management continuum that characterizes our approach to border services

reach North America. Similarly, it means expediting the movement of low-risk goods by performing some verification activities away from the border, after release.

The following two exhibits provide information on regional operations and service locations.

Exhibit 2: Summary of CBSA responsibilities

- We promote and facilitate a level playing field for legitimate travellers and traders.
- We ensure that all travellers coming into Canada are admissible, and comply with Canadian laws and regulations.
- We process all commercial shipments that cross our ports of entry to ensure Canadian laws and regulations are adhered to, that no illegal goods enter or exit the country, and that related trade statistics are accurate.
- We ensure that all applicable duties and taxes are paid.
- We detain migrants who may cause a threat to Canada.
- We remove persons who have been determined inadmissible to Canada.
- We ensure food safety, and plant and animal health, by identifying and interdicting high-risk, regulated commodities at air, land, and sea ports.

Exhibit 3: CBSA – Eight regions in Canada

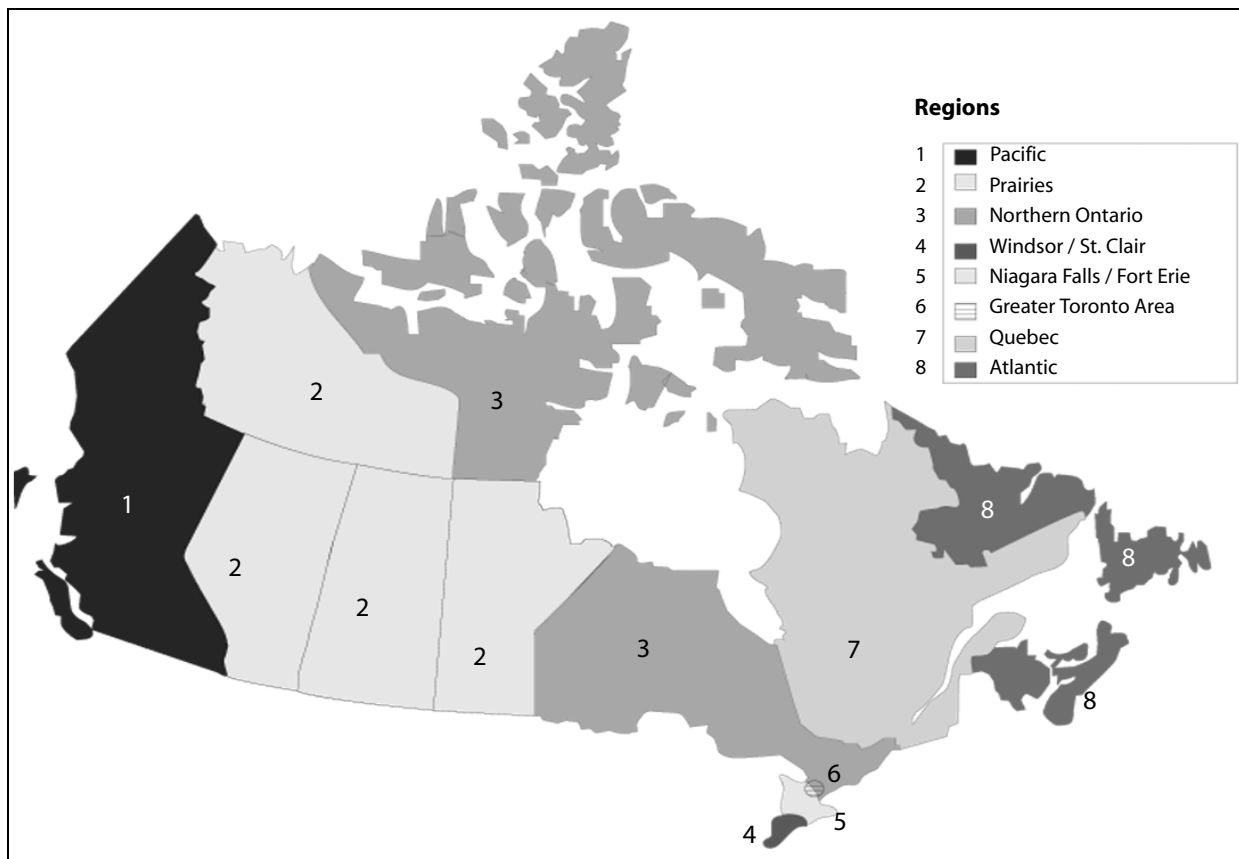


Exhibit 4: CBSA – over 1400 service locations worldwide

<p>The CBSA operates in a real-time environment, providing service at air, sea, and land border points—24 hours a day, 7 days a week at some of our busiest locations. We also perform activities away from the border, in Canada and abroad.</p> <p>There are 39 strategic international locations where Migration Integrity officers are located.</p>	<p>There are 1,369 service locations across Canada including^a:</p> <ul style="list-style-type: none"> • Small Vessel Marina Reporting Sites 473 • Commercial Vessel Reporting Stations 222 • Airports 198 • Land Border Offices 119 • Warehouses 115 • Alternative Service Sites 71 • Inland Offices 62 • Immigration Service Points 37 • Rail Sites 22 • Ferry Terminals 11 • Airports that process Cargo 9 • Cruise Ship Offices 8 • Locations serviced by an Acting Customs & Excise Officers 8 • Postal Processing Plants 3 • Airports used for Military Clearance 5 • Casual Refund Centres 4
--	--

^a These numbers are a snapshot in time, and are subject to change.

Mission and Values

The CBSA is working to finalize an integrated border service agenda. Therefore, our strategic framework, which we qualify as our “First Declarations”, may change. We will finalize our strategic framework next year in our next Report on Plans and Priorities, once we have completed consultations with stakeholders and employees, and our functional responsibilities and resource base are confirmed.

Our mission and values form the basis of our initial strategic framework, which will eventually link the core elements of our mandate to outcomes and performance measures. A higher-level integrated presentation of our initial strategic framework for planning and reporting purposes is found on page 45 in this report. In this context:

Our mission is:

To manage the access of people and goods to and from Canada to ensure the safety and economic prosperity of all Canadians.

Our mission and values form the basis of our initial strategic framework

To meet our mission and fulfil our mandate, we foster partnerships with business and collaborate with other departments, and other countries and their agencies, to support border security, facilitate the flow of legitimate imports, and promote free access to the world for Canadian travellers and goods.

We are currently conducting further consultations with regard to the development of our vision statement.

Our values are:

- **Integrity**—We exercise our authority in a respectful and fair manner. We accept responsibility for our actions in order to build and maintain a reputation of trustworthiness and accountability.
- **Collaboration**—We are committed to working with our colleagues, and our domestic and international partners in addressing common opportunities and challenges, and to resolve problems in pursuit of our common interests.
- **Respect**—We are courteous in our dealings with each other and the clients we serve. We show the utmost appreciation for the dignity, diversity, and worth of all people. We do this by listening to others to understand their positions and by behaving in a just, courteous, and reasonable manner. We respect the privacy of Canadians and proudly uphold the *Canadian Charter of Rights and Freedoms*.
- **Professionalism**—We set high standards of achievement for our employees and strive for the provision of competent, quality service. Our partners value us for our capacity to be innovative, especially in facilitating trade worldwide and harnessing smart technology and science to perform our mission.
- **Transparency**—We strive to communicate in a straightforward, simple, practical, and open manner. We are committed to fiscal prudence and holding ourselves accountable.

Everything we do is focused on providing the best possible integrated border services at an affordable cost to Canadians

Our Programs

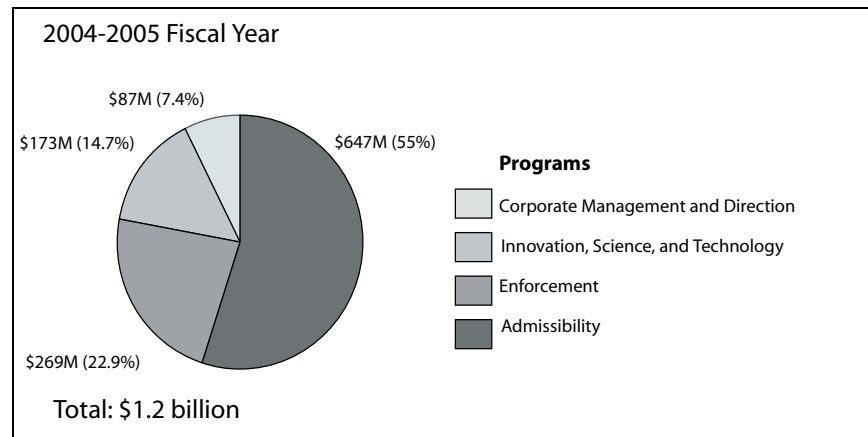
The CBSA is a large and dynamic organization. Everything we do is focused on providing the best possible integrated border services at an affordable cost to Canadians. In managing the movement of goods and people across our borders, we work to expedite lawful border traffic while interdicting and preventing dangerous or illegal border traffic across four interrelated programs, as follows.

- In **Admissibility**, our largest program, we work to manage as expeditiously as possible the lawful flow of people and goods, promoting compliance with border legislation and ensuring a level playing field for legitimate trade and travel. Among other things, this includes initiatives to harmonize rules and standards with our global partners, and providing effective outreach and client services to inform travellers and businesses of their rights and obligations under border laws. It also encompasses primary inspections and the administration of other government department acts and regulations that cover people and goods; assessing tariff classifications including making origin and valuation determinations on the importation of goods; administering trade incentives; refusing entry for prohibited importations such as child pornography or other illicit materials; collecting duties and taxes where required by law; taking anti-dumping and countervailing actions; conducting impartial pre-removal risk assessment; and carrying out appeals and adjudications functions.
- In **Enforcement**, we are focused on preserving the integrity of Canada's borders. Our aim is to protect the health, safety, and security of Canadians from the movement of illegal or dangerous goods and people, and support the Government of Canada with emergency response capabilities as required. Work in this program area includes maximizing performance in the effective and timely collection, analysis, and distribution of intelligence regarding threats to national security; screening, targeting, interdiction, and deterrence of inadmissible people and goods; the investigation and recommendation of prosecutions of those who are deemed to have committed more serious offences against border legislation; and the removal and detention of persons who have no legal right to remain in Canada, especially those who pose a threat to Canadian society. It also means equipping our workforce with state-of-the-art technology to identify and interdict high-risk illegal trafficking of people and goods.
- In **Innovation, Science and Technology**, we design, implement and maintain smart border technology and science solutions to improve our capacity to deliver innovative, quality services as effectively and efficiently as possible. This includes ensuring our systems enable collaboration and appropriate information sharing with our partners; that our people have the tools and timely access to the information they need to do their jobs; and that the automated, convenient self-service options that we develop for our clients are robust and secure. The CBSA harnesses its science and technology capacity to improve the delivery of core programs and/or lessen the compliance burden. Rigorous, science based innovation is key to protecting Canadians from existing risks and emerging threats, and delivering our mandate amid continuing resource constraints.

- In **Corporate Management and Direction**, we work to ensure we have the human resources, comptrollership, and governance regimes we need to maximize our ability to manage our operations strategically, fulfil our mandate, and achieve our strategic outcomes with the resources at our disposal. In this program area, we are putting in place the strategies and frameworks we need to steadily become a more innovative service provider with a work force dedicated to continuous learning, a robust audit and evaluation function, and an organization that clearly demonstrates value for money in meeting the expectations of Parliamentarians and Canadians.

To deliver these programs, the CBSA has a current projected budget of \$1.2 billion in 2004-05. Of this, more than 90 percent is allocated to deliver or directly support the delivery of services at the front line. Additional financial information is found in Appendix B. The following graphic illustrates the CBSA's total spending profile by program area.

Exhibit 5: CBSA Financial Spending Profile by Program Activity (in millions)



Core programs need to be assessed against the level of service expected by the Government in the context of new and evolving priorities; our requirements to invest in completing our transition; and our innovation initiatives. We will be working with Treasury Board Secretariat, including through an A-Base review, to develop a long-term funding strategy that will ensure we have the capacity to maintain the integrity of our core operations while meeting Government priorities in the area of security.

The following exhibits show the breadth of our programs and give further context to our spending profiles.

Exhibit 6: Key volumetrics

Volumetrics – Admissibility Programs ^a	
Travellers entering Canada	92 million
Highway Travellers Percentage processed within wait time service standard (10 minutes Monday-Thursday, 20 minutes Friday-Sunday)	71 million 93%
Air Travellers Percentage processed within 20 minute wait time target	18 million 89%
Other Travellers	3,176 million
Commercial releases	11 million
Courier Shipments	24 million
Import Duties Collected	\$3.3 billion
GST Collected	\$22 billion
Sanctions levied (Administrative Monetary Penalties)	20,552
Commercial Importers	170,000
Missing children recovered	94

^a Based on most recent available statistics.

Exhibit 7: Key volumetrics

Volumetrics – Enforcement Programs ^a			
Interdictions		Removal of Individuals from Canada	
Value of drugs kept off the street	\$408 million	Removal orders issued	44,373
General contraband (seizures)	16,944	Escorted removals	1,471
Interceptions of prohibited commodities	57,200	Removals from Canada in 2003	10,368
Amount seized for Customs-related infractions	\$20.6 million	Criminals removed	1,496
Currency forfeited to CBSA (money laundering)	\$17 million	Hearings	
<i>Criminal Code</i> incidents	3,614	Admissibility Hearings concluded	2,561
Strategic Export Enforcement Seizures	20	Appeals concluded	4,171
Investigations		Prosecutions	
Customs related investigations (open)	1,960	Number of prosecutions concluded	181
Customs investigations concluded	547	Number of offense convictions	93
Food-related investigations 2002-2003	347	Number of successful prosecutions	160
Immigration investigations	29,731		
Detentions			
Persons detained for Immigration infractions	11,509		
Detention reviews conducted	11,282		

^a Based on most recent available statistics, 2003-2004 fiscal year unless otherwise stated.

How We Benefit Canadians

The ultimate outcome we work towards is ensuring that Canadian society is safe and secure and its economy is prosperous. Obviously, we cannot achieve this outcome alone. We must work with partners in many domains, including other federal, provincial, territorial, and foreign departments and agencies to achieve this outcome. But in the area we are responsible for—border services—we have three **strategic outcomes** we work with our partners to achieve.

They are:

- Canada receives full social and economic benefits from the free flow of people and goods through secure, open borders.
- Canada's national security is maintained through our rapid reaction, interception, and interdiction of threats.
- Compliance with border laws remains strong.

For each of our four program areas, we have developed intermediate outcomes that support these related strategic outcomes, along with performance expectations to ensure our work in our program areas is on track. These are elaborated in Our Strategic Framework on page 43. The following exhibit lists some of our partners and key stakeholders.

Exhibit 8: Partners and Stakeholders

Our Partners and Key Stakeholders	
Government	<ul style="list-style-type: none"> • Provinces and territories • Public Safety and Emergency Preparedness (PSEP Canada) and PSEP Portfolio partners (e.g. RCMP; CSIS) • Border management agencies of other countries • Other (e.g. Canada Revenue Agency; Citizenship and Immigration Canada; Foreign Affairs Canada and International Trade Canada; Department of Justice; Department of Finance; Privy Council Office; the Canadian International Trade Tribunal; Transport Canada; Canadian Food Inspection Agency)
Law enforcement agencies	<ul style="list-style-type: none"> • Provincial and municipal police forces • U.S. and other foreign law enforcement agencies, Department of Homeland Security
Stakeholders	<ul style="list-style-type: none"> • Transportation organization (e.g. Canadian Trucking Alliance) • Brokers associations (e.g. Canadian Society of Customs Brokers) • Bridge, port and airport authorities • Import / Export (e.g. Canadian Association of Importers and Exporters) • NGOs and multilateral organizations (e.g. World Customs Organization; CANAM Border Trade Alliance; United Nations High Commissioner)

Our Priorities

In our first year of operation, we established six main priority areas for our work:

- **Ensuring business continuity**, as we complete the transition to the new organization. This involves ensuring that the integrity of current services at the border, and service standards, are maintained. It also means honouring the commitments and priorities of the former departments and agencies that now comprise the CBSA; promoting voluntary compliance with border laws to free up resources to focus on areas of high risk; and, continuing to improve our international relations and work with the European Union, the World Trade Organization, and World Customs Organization, the Inter-Governmental Consultations on Asylum, Refugees and Migration Policies in Europe, North America, and Australia (IGC), G8 Lyon Group and International Air Transportation—Control Authorities Working Group (IATA-CAWG).
- **Completing the transition** to establish the CBSA as a fully integrated border services agency. This includes assessing and further defining our functional responsibilities related to our existing resource base so we can fully deliver on our mandate; supporting the integration of legacy systems and frameworks; building our corporate services and the modern infrastructure we need; and defining and establishing new collaborative relationships with PSEP and other federal partners, as well as the border services agencies of other countries, and the private-sector and non-governmental organizations we work with. We must complete the design and installation of top-notch communications, comptrollership, human resources, and governance regimes to ensure our operations are transparent, accountable, and effective, and to play our part in strengthening the trust and confidence of Canadians in their government by demonstrating value for money in our operations and quality services at an affordable and sustainable cost to Canadians.
- **Supporting our employees**, by ensuring that they have the tools, training, workplace, direction, and information they need to understand and meet their responsibilities and deliver quality services, and ensuring that CBSA is fully leveraging their skills and abilities for the benefit of Canadians. Work in this area includes reintegrating into the public service employees from the former Canada Customs and Revenue Agency and Canadian Food Inspection Agency (which have separate employer status), and putting in place a human resource regime that aligns human resources and business priorities to ensure renewed capacity for change while supporting continuous learning.
- **Ensuring responsiveness and flexibility**, refers to all the work we undertake to enhance our capacity to respond swiftly and effectively to rapidly fluctuating risk levels, and to provide emergency response as required. This includes implementing new strategic initiatives that “push the border out” to reduce the risk of dangerous people or commodities reaching our physical borders. It includes improving our capacity to provide our officers with the information

they need at the right time, and training and equipping them to take appropriate action with that information. It also means improving our capacity to deal with those who enter Canada illegally and ensuring effective investigations, detentions, and removals, especially of those persons who pose a threat to Canadian society.

- **Advancing interoperability** with our partners means developing compatible information systems that let us enhance intelligence gathering and information sharing, while improving the quality of the data and respecting Canadians' privacy rights. This work includes increasing our use of technology to develop and deliver innovative services that improve efficiency and accessibility, while reducing the reporting and compliance burden on lawful people and businesses using the border. Advancing interoperability supports better information sharing with the RCMP and CSIS, with the U.S. Department of Homeland Security on high risk passengers through the new National Risk Assessment Centre, and our work on compatible biometrics solutions through the Multiple Borders Strategy with the United States, United Kingdom, and Australia.
- **Contributing to the Government's agenda**, specifically building a 21st century economy and strengthening Canada's place in the world with innovative and effective border services that protect citizens, facilitate lawful migration and trade, and enhance Canada's reputation. This area includes continued implementation of Smart Border Accord initiatives with the U.S., working in collaboration with other federal departments and agencies to develop the next generation of Smart Border initiatives involving the U.S. and Mexico, and applying smart border principles around the world.

Our challenges and risks to achieving these priorities are discussed in the next section. Strategies to Support Priorities on page 26 outlines our plans and strategies to achieve these priorities.

Challenges and Risks

Forces of change can make protecting our borders and managing movement across them an ever more challenging job

The CBSA delivers its programs and services in a complex, non-stop international environment. Technological advancements, changing demographics, and rising living standards have all combined to create a global population that travels more, immigrates more, and trades more. Trade is playing an ever more important role in Canada's economic performance. More domestic and foreign companies want to move goods across our borders. Ongoing global conflicts continue to produce populations of refugees who look to Canada for safe haven. A widening gulf between the developed and developing world is producing larger populations of economic migrants. Rising terrorism and health threats require greater vigilance at our borders. Fiscal pressures facing government mean that all departments and agencies are expected to do more within their allocated resources. All these forces of change can make protecting our borders and managing movement across them an ever more challenging job.

Risks to business continuity – Any new organization that inherits the responsibility for delivering essential services cannot shut down those services even temporarily while it implements a merger to establish itself. The CBSA's most critical challenge is to ensure service is not interrupted and there is no deterioration in service levels as it completes its transition as a new agency. Lawful border movement is simply too important to Canada's quality of life, well-being, and day-to-day economic performance.

The CBSA has a budget of approximately \$1.2 billion. However, until resource negotiations are concluded with CIC and outstanding issues related to the extent of our functional responsibilities are resolved, the precise value of our budget is unclear. Furthermore, there are costs associated with integrating legacy infrastructures and systems that are, at present, unfunded.

Of utmost importance is continued progress on the implementation of the Smart Border Declaration and Multiple Borders Strategy initiatives with the U.S., our most important trading partner and ally. The Treasury Board Secretariat is supportive of our needs to assess and determine the scope of our resource levels and together we will undertake an A-base resource review to engage in an informed and meaningful process to confirm resource requirements.

Challenges to completing the transition – While a transitional organizational structure is in place to ensure border services continue to be delivered, the CBSA faces many challenges completing the transition to becoming a fully integrated border services agency.

The CBSA must create a new corporate services function from the ground up. For instance, the Agency is currently working towards establishing its own reporting and accounting system through a service level agreement with the CRA. This agreement represents an ongoing, significant, unforeseen cost. To address the risks the CBSA faces in terms of resource levels, it will be important that the Agency establish a strong resource management capacity and robust financial and performance information systems, to handle resource pressures and develop a business case for reallocation and/or increased funding, as required.

We need to table legislation, develop a permanent governance structure, a planning regime, an integrated corporate identity, and automated financial, information management and technology, and human resources systems. During the transition, change management facilitation and consultation at all levels will be important for increased organizational effectiveness. Completing the inauguration of the new agency as quickly as possible is essential to maintain the trust and confidence of our employees, partners, stakeholders, and clients.

Risks in HR and supporting employees – The dedication and commitment of our staff is pivotal to the CBSA's success. The Agency must ensure employees have the tools, training, workplace direction, information, and support they need to understand and meet their responsibilities, and to deliver quality services.

Until resource negotiations are concluded... the precise value of our budget is unclear

Our capacity to respond relies largely on our ability to obtain, manage, share, and act on timely and reliable information

We must also play a key role in shaping new standards and guidelines in document integrity and authentication

There are HR risks inherent in any organizational transition. We will need to guard against change fatigue and workload pressures; otherwise the Agency will face attraction, retention, and motivation issues. CBSA employees from the former CCRA and CFIA will need to be re-integrated into the public service, for which the Treasury Board is the employer, and we will need to resolve issues related to the integration of employees with unique classifications from all three legacy organizations.

Former CFIA and CIC employees are fewer in number than former CCRA (Customs) employees. They must be made to feel equally a part of the CBSA alongside their colleagues from Customs. Failing to support and encourage all staff through the transition period risks weakening their trust and confidence. In addition, a large majority of CBSA employees do not currently have collective agreements. We will need to work closely with the TBS towards negotiating and implementing collective agreements for all CBSA employees.

In addition to the specific risks associated with transition, there are more general challenges. These include maintaining a knowledgeable and skilled staff and gearing up to replace our retiring employees, while making progress toward fully representing within our workforce the increasing ethno-cultural diversity of the Canadian population we serve.

Challenges in strengthening operational capacity – Our capacity to respond swiftly and effectively to fluctuating risk levels relies largely on our ability to obtain, manage, share, and act on timely and reliable information. The effectiveness and responsiveness of our operations will be compromised if we cannot get information, get the wrong information, do not receive information in a timely manner, or compromise our reputation for safeguarding privacy and protecting Canadians through the way in which we handle and use information.

The CBSA was created as part of the PSEP Portfolio to position us better to work with our partners, to access and use more and better information, and to enhance our capacity to respond to risks in a timely and effective manner. It will be important to demonstrate to partners and citizens that we are committed to respecting privacy rights, and that the information we access and use plays a critical role in expediting legitimate travel and trade, and in enhancing Canada's security and protecting Canadians. In the future, we must also play a key role in shaping new standards and guidelines in document integrity and authentication, to ensure improved compatibility with our systems, thereby ensuring our services continue to be steadily more innovative and effective.

Risks to effective partnerships and advancing interoperability – Information can only be shared in a timely and sensitive manner if we have strong relationships, supported by interoperable systems. This makes the strength of our relationships vital to the success of our operations. The CBSA needs strong collaborative relations with its partners in PSEP and other government departments to advance

interoperability and acquire information. We also rely on businesses to be partners in protection and compliance, and international governments to partner with us to share information and expertise on border management. We work especially closely with our U.S. counterparts on joint projects such as the Smart Border Initiative and the Multiple Border Strategy.

A failure to manage these relationships well poses a significant risk. For instance, we must continue to demonstrate to our American partners that we take border security seriously; otherwise, potential measures on their part to restrict access could severely affect our economy. Our challenge is to maximize the advantages for all our partners from bringing legacy organizations together to form the CBSA, including improving their access to the right information at the right time.

Challenges in contributing to the Government's agenda – The CBSA is responsible for essential and highly visible services. Any performance weaknesses on our part could have a negative impact on the public's perception of the Government's commitment to building a 21st century economy and strengthening Canada's place in the world. In addition, it will be crucial that we continue to build on the success of the Smart Border Accord with the U.S. The Government of Canada has also made a strong commitment to improving operational efficiency and effectiveness, and service delivery to Canadians. Going forward, we must take a balanced approach to ensure our emphasis on security does not compromise progress in implementing service innovations to facilitate legitimate trade and travel and vice versa.

The risks the CBSA faces in this first year, reflect the unique challenges of building an organization. In addressing these risks, we are addressing the fundamentals of how we do business and positioning ourselves to take advantage of future opportunities.

Strategies to Support Priorities

The following section describes in detail the various strategies and initiatives that the CBSA plans to carry out in order to support its objectives in each of our six priority areas.

Priority One - Ensuring Business Continuity

Objective: To maintain service levels and stay on schedule implementing initiatives started by our legacy organizations

Plans in this priority area are focused on ensuring that the integrity of services at the border is maintained despite the challenges of transition. We will continue the work of our legacy organizations to monitor border wait times and ensure they are reasonable. We will continue to contribute to the work of global organizations and level the playing field for traders, improve container security while facilitating commercial release, and strengthen compliance with border laws.

Border wait time data is used by a number of departments to assess the impact of trade restrictions, new initiatives, U.S. alerts, and infrastructure and resource issues on border traffic flows. The CBSA is expected to meet the wait time service standards of 10 minutes from Monday to Thursday, and 20 minutes from Friday to Sunday at our major land border ports of entry. Border wait time information is posted on the CBSA web page and updated hourly. The timely input of border wait time data has been entrenched in the accountability requirements of field managers. We are working with our U.S. counterparts on joint projects, such as those under the Smart Border Action Plan, to implement a bilateral approach to measuring and reporting wait times for commercial and non-commercial traffic at land borders, and establishing performance standards for operating under normal security alert conditions. As well, we are working towards the development and implementation of integrated service standards for CBSA operations, where possible. In addition, we want to hear from our clients and stakeholders to ensure that we are doing what we can to meet their needs. Open communication and feedback is critical to our ability to meet our ongoing service innovation and improvement commitments. We will increase the use of surveys and other feedback mechanisms to ensure that we are able to readily receive and respond to the input we obtain.

Open communication and feedback is critical to our ability to meet ongoing service innovation and improvement commitments

The **Accelerated Commercial Release Operations Support System** (ACROSS) is a CBSA system that allows importers to transmit information in an electronic format to effect release anywhere in Canada. ACROSS means that brokers are no longer required to have a physical presence at each release office, and that low-risk goods can be released without intervention by a Customs Inspector. The CBSA will continue to implement a Service Availability Initiative (SAI), to reduce scheduled and unscheduled outages of the ACROSS system.

The **Compliance Improvement Plan** (CIP) is a comprehensive, integrated approach to compliance management developed with partners in other government departments. It is premised on promoting compliance with the rules and regulations we administer by ensuring that greater numbers of legitimate traders and travellers know in advance what they need to do. The CIP sets out yearly goals and priorities, and measures overall compliance “health,” enabling the CBSA to focus its resources on areas of high risk or suspected non-compliance.

Ongoing compliance priorities for the border are the identification and interdiction of terrorists and goods related to terrorism, proceeds of crime, illegal drugs, contraband, strategic exports, hazardous waste, intellectual property, and trade. Post-release efforts will focus on recurring priorities such as textiles, steel, footwear, dumped or subsidized goods, and new priorities such as softwood lumber and certain dairy products. We are continuing to collect performance information to validate time standards that we have recently established.

Internationally, CBSA works with the World Customs Organization, World Trade Organization, and Asia Pacific Economic Cooperation, to assist in the establishment and promotion of international rules, procedures, and measures, which create certainty, predictability, transparency, and fairness in international trade. CBSA also supports other government departments in the negotiation and implementation of international trade agreements and other conventions. We are currently part of the Canadian negotiation team for trade agreements with Singapore, Central America 4 (CA4), and the Free Trade Area of the Americas (FTAA). The CBSA is also involved in the Four Country Conference (FCC), Pacific Rim Immigration Intelligence Conference (PacRim), Immigration Fraud Conference (IFC), Inter-Governmental Consultations on Asylum, Refugees and Migration Policies in Europe, North America, and Australia (IGC), G8 Lyon Group, Regional Conference on Migration (RMCM), and International Air Transport Association—Control Authorities Working Group (IATA-CAWG). In all our international activities, CBSA will continue to promote harmonization and simplification of trade and immigration procedures and contribute to Canada’s foreign policy objectives in a coherent manner.

The CBSA also has a strong role in international operations, which must be maintained. This includes verification of origin, information and intelligence exchanges, anti-dumping and countervailing (anti-subsidy) investigations, and North America Free Trade Agreement advance rulings. Under its international operational work, which is an extension of the CBSA’s domestic mandate, the Agency verifies that goods are eligible for preferential tariff treatment pursuant to the rules established under the Free Trade Agreements. During 2002-2003, approximately 274 origin verifications of foreign exporters were undertaken, including 44 on-site visits abroad. Under the Anti-Dumping Program, investigations and reviews are carried out to determine whether foreign manufactures are selling goods to Canada at artificially low prices, thereby possibly harming Canadian producers of those goods. In 2003-2004, 20 anti-dumping and countervailing investigations and reviews involving 56 countries were conducted.

The CBSA also has a strong role in international operations, which must be maintained

We will increase the compatibility of our systems for targeting high-risk cargo... and for sharing information

The CBSA also provides a **level playing field** through imposing anti-dumping and countervailing duties, controlling counterfeit goods, and imposing Administrative Monetary Penalties.

- At April 1, 2004, the CBSA had duties in place on 26 products from 38 different countries. Traditionally, between four and six new investigations are initiated each year in response to complaints from Canadian producers. We will continue to consider complaints and implement investigations where necessary to preserve the integrity of Canada's economy.
- The Administrative Monetary Penalty System (AMPS) applies graduated penalties for customs contraventions, replacing seizure and forfeiture for most technical infractions. In April 2003, a six-month review of AMPS was undertaken to determine whether AMPS is levelling the playing field and what changes or improvements should be made to the system. One of the key recommendations was to automate the AMPS correction and redress processes. This functionality was scheduled for implementation in the November 2004 release.

Canada will work with the United States to improve the **security of intermodal cargo containers**. Our aim is to deepen existing co-operation by partnering in the Container Security Initiative. We will explore the deployment of customs officers at overseas ports to verify inspections of high-risk containers before they are loaded on vessels destined for North America. Given the integrated nature of North American shipping, we will increase the compatibility of our systems for automated targeting of high-risk cargo at seaports, and we will establish protocols for sharing information on such cargo. We will work with our international partners to identify and implement new technologies, such as electronic seals, global positioning system tracking, and embedded computer chip technology, to signal breaches of the physical integrity of shipping containers whether at a port, or on a truck, ship, or train.

Priority Two - Completing the Transition

Objective: To have our legislation on track, to have operational corporate frameworks and services, and to have a confirmed funding base.

To be able to move ahead swiftly as an integrated organization, we must complete transition. This will require getting legislation passed to codify our mandate, creating a functioning human resources system, and developing a corporate and financial management capacity. (Plans for work to support our employees are discussed in Priority Three.)

Over the planning period, the CBSA will work to develop corporate capacities drawing on the experiences and systems of the legacy organizations. This work will include:

- Confirming and communicating **mission, values, and outcomes** (i.e., our “Final Declarations”) for the CBSA.
- Developing a **corporate identity** for the CBSA and communicating this identity by improving our web site and redesigning corporate identifiers.
- Developing an **HR system**.
- Building our **organizational capacity** to plan and manage infrastructure operations and sourcing.
- Building **corporate linkages** with PSEP partners, central agencies, Office of the Commissioner of Official Languages (OCOL), and the Office of the Auditor General (OAG).
- Developing a **reporting structure and integrated planning, budgeting, & reporting framework**.
- Outlining a **risk management approach, audit and evaluation strategy, and performance measurement framework**.
- Addressing **outstanding resource needs** for the fiscal year.
- Exploring options for creating an **information management system** to enable ready and easy access to information.
- Developing an **integrated control framework**.
- Building a **resource allocation framework based** on the CBSA’s needs, which will give us the ability to forecast expenditures and to streamline the budgeting and forecasting processes.
- Implementing consistent and defensible **costing and cost-recovery policies**, linked to funding.
- **Establishing frameworks** with appropriate agencies, for procurement and real property, financial transactions, and security, and drafting supporting policies and programs for these frameworks.

Priority Three - Supporting our Employees

Objective: To have employees integrated in one HR regime with one corporate culture, to have made progress towards re-integrating Customs staff and Canadian Food Inspection Agency staff into the Public Service (with former Citizenship and Immigration Canada staff) and to have positive relationships with our employees and unions.

Work has commenced on a classification reform initiative to create a Border/ Frontière Occupational Group

Our success in completing transition will rely heavily on supporting our employees and enabling them to adjust to change. We will have to respond in a timely manner to ongoing human resources needs, as well as requirements arising from transition. To support our employees on both fronts, we will undertake the following activities:

- We will work to **integrate the three legacy cultures** and **HR regimes** into one new CBSA HR regime and culture, based on the new corporate identity. This will involve establishing an integrated framework of HR strategies, policies, and programs, and providing functional guidance and support for operations and employees. We will promote discussion on the corporate identity, mission and values to support the development of a CBSA culture.
- We will continue to refine and implement the **organizational structure** for the CBSA, to ensure it captures the three legacy organizations and maximizes synergies at all levels of the organization. We will assess training needs, and develop and implement training programs that will support employees in exercising new responsibilities.
- The CBSA will work with Treasury Board Secretariat (TBS) and the Public Service Human Resources Agency of Canada to **re-integrate former CCRA and CFIA staff** into the Public Service and to build a CBSA HR regime. Moving from separate employer status (Customs and Canadian Food Inspection Agency) to the Treasury Board framework presents many challenges including different rates of pay and different occupational groups. To address these significant issues, the CBSA and the Public Service Human Resources Agency of Canada have commenced work on a classification reform initiative to create a Border/ Frontière Occupational Group, which should address many of the legacy classification issues faced by the CBSA.
- In addition to managing union relations on these issues, we will need to work closely with TBS towards **negotiating and implementing** collective agreements for all CBSA employees, including those employees currently covered by separate employer collective agreements and different terms and conditions of employment.
- In consultation with the Occupational Health and Safety Committee, the CBSA will follow through on the **Job Hazard Analysis recommendations** made as a result of studies carried out on the jobs of Customs Inspectors, Investigators and Regional Intelligence Officers. The CBSA will seek incremental funding to implement remaining recommendations by the end of 2005-2006.
- The CBSA will continue work **to support government wide HR priorities** such as Employment Equity, Official Languages, the Performance Management processes, values and ethics as well as HR Modernization.
- To **respond to ongoing retirements and changing skill requirements**, the CBSA will develop and implement a recruitment program tailored to its needs.

Priority Four - Strengthening Responsiveness and Flexibility

Objective: To effectively interdict inadmissible people and goods before they reach our border, and respond to threats once they reach our border.

To protect Canada effectively we must be able to respond swiftly and effectively to fluctuating threat levels. This involves addressing threats as early as possible, such as by screening and clearing travellers and commercial shipments before they reach North America. It involves having timely access to reliable information and intelligence, and systems in place that can act on it. We also need strong tools, such as detention and removals processes, and emergency response plans, to respond to threats quickly and effectively.

Migration, trade, and security issues transcend national borders. For this reason, our approach to protecting Canadians is based on the concept of **multiple borders**, rather than simply on our geo-political boundary. If we were to deal with all the pressures and risks we are responsible for managing solely at our physical border, our infrastructure, resources, and capacity to deliver effective and responsive service would quickly be overwhelmed.

The adoption of the *Multiple Borders Strategy* in the late 1990's moved the concept of "border" out, away from focusing solely on our ports of entry to earlier stages in the travel/supply continuum and to the source countries. This multi-layered border approach focuses on inspection and interception at all points along the travel/supply continuum, to prevent inadmissible and potentially harmful individuals or goods from reaching North America. This Multiple Borders strategy is guided by a risk management framework which includes a series of joint initiatives designed to enhance border security. CBSA will continue to collaborate closely with the U.S. and other partners to further strengthen border management in accordance with the Multiple Borders model.

We will continue to implement **intelligence-based document integrity initiatives** and will deploy anti-fraud databases for intelligence analyses. CBSA will work with partners to enhance the design and issuance processes of travel and proof-of-status documents, and the processes for validation of the identity of travellers at our ports of entry, as well as examining the use of biometrics in our border and immigration systems.

As part of our effort to push our borders out, Canada has deployed 45 **Migration Integrity Officers** in 39 strategic international locations. These officers work with airlines and local authorities and share intelligence with the overall goal of intercepting illegal migrants who are headed to North America. There has been a steady increase in the interdiction of improperly documented travellers attempting to enter Canada. By maintaining a steady flow of information, we are able to enhance the integrity of our immigration program and we project an even higher

Migration, trade, and security issues transcend national borders and underpin our Multiple Borders Strategy

There has been a steady increase in the interdiction of improperly documented travellers attempting to enter Canada

interception rate in 2004. CBSA also will continue to work closely with domestic and international partners to fully implement the United Nations Protocols on smuggling and trafficking and to encourage other states to do so.

Similarly, with respect to trade, we will continue to push the border out by requiring mandatory electronic pre-arrival data from key trading partners, performing automated targeting and analysis and performing examinations at the first point of operational intervention, including foreign locations.

The CBSA operates a **customs investigations program** to deal with suspected cases of duty evasion, smuggling, fraud, and other offences. Investigations constitute a fundamental part of the CBSA's enforcement presence and are essential to ensure a level playing field for all Canadians and Canadian businesses, as well as protecting Canadians from the importation of prohibited, restricted, or hazardous goods. The program's mandate is to investigate suspected cases of non-compliance and to prosecute and publicize each case where sufficient evidence is obtained to support a conviction.

Advancing **intelligence** work has been a key priority of the Government under the Public Security and Anti-Terrorism Agenda and will continue to be a priority under the National Security Policy. The CBSA sees intelligence as a cornerstone of our capacity to respond effectively to threats. The Agency will enhance its intelligence training, and intelligence research capacity, promote information sharing and data quality, and improve communication within and across its intelligence network. CBSA will work closely with partners in the security and intelligence community to ensure tactical and strategic intelligence is provided to CBSA field operations in Canada and abroad. It will also encourage standardized reporting by the field on individual cases. With our partners, we will pursue interoperability options to improve information sharing. This work is discussed in more detail in Priority Five.

Detention is a key tool for controlling the movement of individuals who are in Canada illegally, particularly those who pose a threat to Canadians. The *Immigration and Refugee Protection Act* gives CBSA stronger authority to arrest and detain criminals and individuals deemed to be a security risk, as well as persons without proper identification. CBSA operates three detention facilities in Laval, Toronto, and at the Vancouver International Airport for short-term/low-risk detainees. The CBSA also relies on the use of provincial facilities where no departmentally run facility exists, or where the client has been identified as a high-risk detainee. During the planning period, CBSA will continue its efforts to increase the efficiency and cost-effectiveness of its national strategy for detention. For example, new operational guidelines and performance measurements will be completed and implemented to ensure consistency in program delivery across the country.

The investigation of immigration violations and the expeditious **removal** of persons who do not have the right to remain in Canada, particularly foreign criminals, war criminals, persons convicted of crimes against humanity, and those who present serious security risks, are essential to preserving the integrity of our immigration program. The CBSA is working to reduce the backlog of clients who are under removal order and still in Canada. It is important to note that the majority of individuals under removal order are not criminals, and unsuccessful refugee claimants may leave the country without our knowledge, since Canada does not have exit controls.

CBSA will continue its efforts to improve the detentions and removals processes

An interdepartmental working group composed of representatives from Citizenship and Immigration Canada, CBSA, the Department of Justice, and the Immigration and Refugee Board, is developing policy proposals to enhance the efficiency and effectiveness of the refugee determination process, including the removal of failed claimants in a timely manner. Adoption of these proposals would improve our ability to address the issue of undocumented arrivals, while continuing to respect human rights.

To enhance the CBSA's capacity to investigate and remove individuals subject to immigration warrants who may pose a threat to public security, CIC and the RCMP established Integrated Immigration Enforcement Teams in Toronto, Montreal, and Vancouver. In 2004-2005, CBSA will continue this work with the RCMP to identify performance measures to evaluate this initiative.

For increased cost-effectiveness and efficiency, the Agency will continue to collaborate with the U.S. Government in the use of joint charter flights for the removal of people who would pose a safety risk on regular flights.

War Crimes Program^a

The CBSA takes a three-prong approach in dealing with modern-day war criminals: preventing suspected war criminals from reaching Canada by refusing them entry; excluding them from the refugee determination process in Canada; and removing war criminals who have already entered Canada through the immigration admissibility hearing process.

The Modern War Crimes program is managed jointly by the War Crimes Units of the RCMP, Justice, and the Modern War Crimes Unit of the CBSA. The CBSA will work with Government partners to ensure a stable funding base to ensure that those who have been involved in war crimes or crimes against humanity are prevented from eluding justice. We will support our partners in preparing an Annual Report on the War Crimes Program.

^a The 6th Annual War Crimes Report for 2002-2003 is available at www.canada.justice.gc.ca.

The creation of the PSEP Portfolio and the release of the National Security Policy provide a focus for **emergency management**. While CBSA is not a lead department in any federal emergency plan, it is expected to play a critical supporting role in many of them. In the event of a crisis that impacts our operations, CBSA must have strong communications with lead organizations. We

will continue to work closely with other government departments, in particular Health Canada, the Canadian Food Inspection Agency, and Citizen and Immigration Canada to ensure a coordinated approach to secure and safe border management.

For example, an Emergency Operations Centre (EOC) has been established in CBSA to, among other things, manage CBSA participation in dealing with a chemical, biological, radiological, nuclear, or explosive (CBRNE) emergency.

CBSA Officers are trained to recognize CBRNE threats and are able to respond appropriately. The CBSA has purchased eleven mobile Vehicle and Cargo Inspection Systems (VACIS) to search for CBRNE threats in cargo.

The risk of a CBRNE incident at our ports is low, but the consequence would be severe. Our ports are not considered a prime target, but it is recognized that an attempt could be made to pass a CBRNE device through one of our ports with an intended target elsewhere in North America. Three types of radiation detection equipment are currently being evaluated, and we anticipate that one will be implemented in marine ports during the planning period. In addition, our Laboratory and Scientific Services Directorate has been funded for research on detection equipment for chemical, biological, and explosives.

Priority Five - Advancing Interoperability

Objective: To have developed and implemented protocols and interoperable systems for information sharing with our PSEP partners.

Underpinning the effectiveness of our operations are the systems that allow us to share information with our partners. As technology advances, we are able to utilize more sophisticated tools to help us share information. To ensure these technologies advance our operational effectiveness, it is vital that we work closely with partners to develop systems solutions that are compatible and can “talk to each other.” This is at the heart of what “interoperability” means. Interoperability is also a component of the National Security Policy. We will improve interoperability through improving data quality, data management and dissemination, and by developing agreements with partners to ensure we can share information.

The CBSA will work with CIC to continue to improve the **data quality** in the National Case Management System (NCMS) by building and maintaining a data management program to ensure higher quality data. The NCMS is a key tool for effectively managing the national enforcement program because it enables improved tracking and management of immigration enforcement cases. We will also work with CIC to advance the Global Case Management System, which integrates **electronic case management** reporting and audit functions.

The CBSA created the National Risk Assessment Centre to improve **information sharing** with the U.S. concerning high-risk individuals and cargo destined for North America. This is enhancing the ability of the two countries to detect and stop high-risk travellers and cargo

The National Risk Assessment Centre became operational on a 24/7 basis in January, 2004

from reaching either country. It became operational on a 24/7 basis in January, 2004. It functions as an after-hours call centre, fielding and answering calls for assistance from domestic and foreign law enforcement agencies as well as CBSA regional staff.

The National Risk Assessment Centre will be linked to the Integrated Threat Assessment Centre (ITAC) created under the National Security Policy. The ITAC will facilitate the integration of intelligence into a comprehensive threat assessment, which will be made available to those who require it. It will be supported by, and staffed with, representatives from a broad range of departments and agencies.

The CBSA will be one of the first PSEP partners to connect to an RCMP integrated query tool, which will provide CBSA with access to additional information databanks. These new sources of information will assist the CBSA in better identifying high-risk people and goods.

Our ability to share information depends on having appropriate agreements in place. The CBSA will focus on implementing the information-sharing agreements that have already been signed (with the U.S., the United Kingdom, the Netherlands, Australia, and New Zealand) and will determine whether there are additional countries with whom agreements can be developed.

Our ability to sign and implement agreements is affected by regulations associated with *The Privacy Act* and *Access to Information Act*. The creation of the CBSA did not result in the automatic designation of its Intelligence, Interdiction, and Enforcement units as investigative bodies under these regulations. The lack of this designation could compromise our ability to receive and protect information gathered by partners in the federal law enforcement and intelligence communities. Over the planning period, we will need to work closely with the Department of Justice to address this issue.

Priority Six - Contributing to the Government's Agenda

Objective: To demonstrate that we have the foundation in place to fully leverage the potential of integrated border service delivery to the benefit of Canada's economy and Canada's place in the world.

In the National Security Policy, the Government outlines our need to continue building a 21st-century border that demonstrates to the world that security and prosperity can be simultaneously and effectively pursued. Government strategies to support this goal include completing the Smart Border Action Plan, developing a next generation smart borders agenda with the United States and Mexico, and promoting the smart borders principles around the world.

On December 2001, Canada and the U.S. signed the Smart Border Action Plan, with the following four pillars: *the secure flow of goods; the secure flow of people; a secure infrastructure; and co-ordination and information sharing in the enforcement of these objectives*. Our approach to meeting these goals is built on the risk-management principles established in the *Customs Action Plan (CAP)*: self-assessment, advance information, and pre-approval to reinforce border security and streamline the movement of low-risk goods and travellers. To date, considerable progress has

The CBSA has the lead on 11 of the Smart Border Initiatives

been achieved with the U.S. on the shared 32-point Action Plan initiatives. The CBSA has the lead on 11 of the Smart Border Initiatives, and works with other Government of Canada partners where they have the lead.

The secure flow of goods:

We are moving forward to collect Advance Commercial Information. Early in 2004-2005, we implemented new regulations requiring information on containerized cargo destined for Canada to be reported 24 hours in advance of the cargo being loaded at the foreign port. The development of the Canadian targeting tool to detect high risk shipments will be completed in September 2004. Work is ongoing to implement advance cargo reporting requirements for the air, rail, and highway shipment modes for 2005.

Free and Secure Trade (FAST) is a harmonized commercial process offered to pre-approved importers, carriers, and registered drivers. Shipments for approved companies, transported by approved carriers using registered drivers, are cleared into either Canada or the United States with greater speed and enhanced security. FAST is currently available at 12 high-volume border crossings. Plans are under way to have all major commercial crossings FAST capable by the end of 2004. CBSA's future focus for the FAST program will centre on the marketing of the program to increase membership. Discussions will also continue on the creation of additional dedicated FAST lanes (such as the one opened in January 2004 at Sarnia's Bluewater Bridge) at five additional key border crossings.

Canada and the U.S. are considering approaches to move customs and immigration inspection activities away from the border to improve security and relieve congestion where possible. However, because these options would involve the officers of one country operating with powers on the soil of the other, there are significant and complex legal issues to resolve, related to the *Canadian Charter of Rights*, the *American Bill of Rights*, and the legislation of other countries. Analysis continues on how we might address these issues.

CBSA and the Department of Homeland Security continue working cooperatively with industry partners on the goal of improving security and facilitating the flow of trade goods by rail. Canada and the U.S. signed a *Declaration of Principles* with Canadian National Railway (CNR) and Canadian Pacific Railways (CPR) on April 2, 2003, that confirms roles and responsibilities. A Protocol Document was signed in February 2004 between CBSA and U.S. Customs and Border Protection (CBP), which outlines the conditions under which CBSA will undertake examinations on behalf of CBP. The 2003 Declaration of Principles sets out a framework for the installation of a total of 9 rail Vehicle and Cargo Inspection System (VACIS) examination points (7 in the U.S. and 2 in Canada) for cargo destined to the U.S.

The secure flow of people:

Plans are under way to have all major commercial crossings FAST capable by the end of 2004

NEXUS is a program to simplify border crossings for pre-approved, low-risk travellers, being implemented by both the Canadian and American governments. NEXUS Highway program expansion is scheduled for the following sites: Coutts, Alberta/Sweetgrass, Montana (December 2004) if a minimum membership of 100 participants is achieved, and the Queenston Bridge in Niagara Falls, Ontario/Niagara Falls, NY (March 2005). Plans are being developed to test the concept of urban enrolment centres in Seattle, Washington and Vancouver in the Fall 2004. In addition, extending hours of operation of NEXUS lanes and expanding the program continue to be explored. CBSA is working with CBP on a plan to accomplish this.

Together with the U.S., we are working to implement a joint NEXUS Air program. The program will be piloted at Vancouver International Airport in November 2004. NEXUS Air will use iris recognition biometric technology (which identifies an individual based on the unique pattern of their iris). The CBSA is working with Canadian Air Transport Security Authority (CATSA) in developing a way to expedite NEXUS Air members through the CATSA pre-board screening process at U.S. Pre-clearance. CATSA is currently reviewing NEXUS Air's rigorous bi-national background checks to determine the feasibility of including NEXUS Air members in a CATSA registered traveller pilot.

The NEXUS program is also being extended to the boating community. Participants in the NEXUS Marine program will be allowed expedited clearance when travelling by private boat into Canada and the U.S. Both countries are working towards the 2005 pleasure boating season to commence the pilot phase.

CANPASS Air is a program that allows for self-clearance of pre-approved travellers by using biometric identification. Participants can pay duties and taxes owing using a credit card. The program is currently operational at the Toronto, Vancouver and Halifax international airports, using iris scan technology. Program expansion will continue.

The Advance Passenger Information/Passenger Name Record (API/PNR) program obtains airline passenger information to identify persons who are high-risk and warrant closer examination when they arrive in Canada. The CBSA is currently receiving API data from all airlines flying into Canada. A phased implementation for the receipt of PNR information is well underway. The CBSA is also working to expand the program to other modes of transportation, beginning with the marine mode.

In addition, the CBSA will pursue the feasibility of implementing an Advanced Passenger Processing program to allow the screening of all travellers prior to their arrival in Canada and continue to work with the Department of Homeland Security (DHS) on the implementation of the U.S. VISIT program.

The CBSA is receiving API data from all airlines flying into Canada... receipt of PNR information is well underway

A secure infrastructure:

A Border Infrastructure Modeling Working Group was established to ensure effective linkages between Canada and the U.S. border agencies' specific program initiatives and other appropriate bi-national working groups. Its mandate is to review border infrastructure proposals to ensure integration and interoperability of new systems being implemented (e.g., FAST and NEXUS). The group will also oversee the work being done in both countries to analyze border congestion using computer simulation technology to identify problems and potential solutions.

Co-ordination and information sharing in the enforcement of these objectives:

Canada and the United States have agreed to share Advance Passenger Information and Passenger Name Record (API/PNR) and lookouts on high-risk travellers destined to either country. This will give CBSA and other enforcement agencies the opportunity to assess information and make decisions on whether to detain or interview travellers before their arrival. Implementation of this agreement will begin in 2004. Effective May 1, 2004, the penalty amount for non-compliance with the requirement to provide API data is \$3,000 per flight. The implementation of penalties for non-compliance with the requirement to provide PNR data will be phased in during the 2004-2005 fiscal year.

Canada and the U.S. extended the scope of information they share through the signing of the *Cooperation Arrangement for the Exchange of Information for the Purposes of Inquiries Related to Customs Fraud* in December 2001. This co-operation was further extended on April 13, 2003, with the signing of an agreement between our agencies on the exchange of information related to NAFTA rules of origin. During the planning period, we will work with our U.S. counterparts to streamline the information exchange process and to identify other opportunities for exchanging information to address security and enforcement needs.

Next generation agenda would both deepen and broaden the existing Smart Borders Action Plan

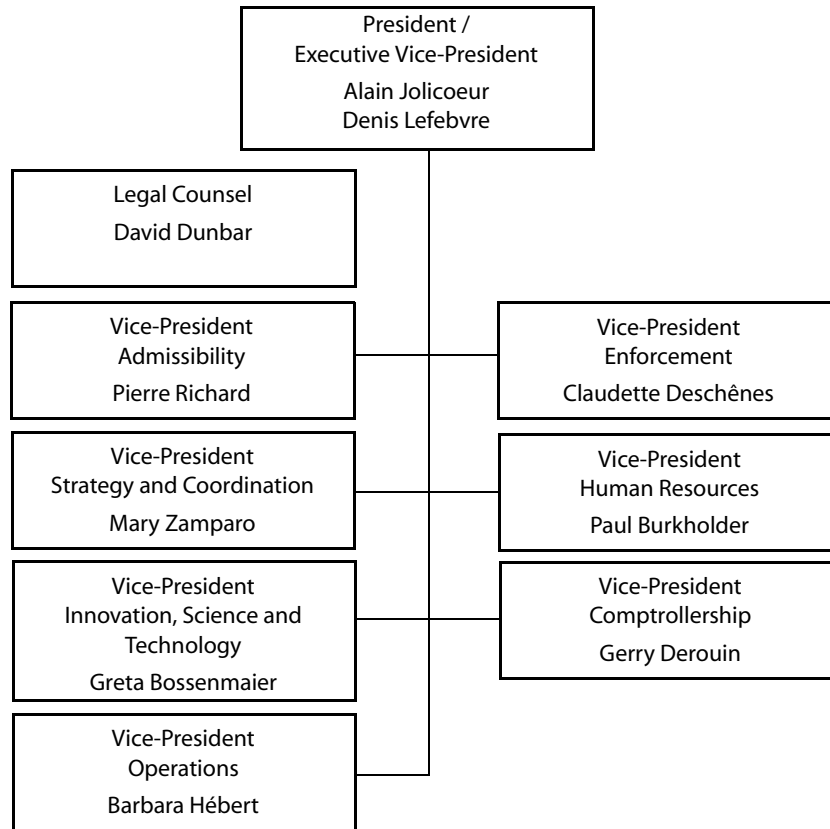
Under the Smart Border Declaration, Canada and the U.S. will continue to make progress improving border security. The **next generation/beyond smart borders** concept is a component of a strategy for stronger linkages between Canada, the U.S., and Mexico. Canada is committed to strengthening its international regime, and advancing its trilateral relations with the U.S. and Mexico regarding border security, while expediting the safe movement of people and goods. This agenda would both deepen and broaden the existing Smart Borders Action Plan and include new areas such as food safety, cyber-security, public health, marine and transport security. The current view is that the "Beyond Smart Borders" trilateral working agenda will include initiatives led by the CBSA such as: security of the supply chain; reducing border crossing wait times; information sharing and improving interoperability; cooperation on removals of high-risk detainees; and, developing enrolment, security, technical, and biometric standards for the issuance, authentication, validation, and repudiation of secure documents. We will also play a supporting role on other initiatives such as Visa Policy Coordination, Terrorist Watch Lists, and Aviation Security. Finally, building on Canada's history of

international co-operation, we have the opportunity to contribute to the security of the international system of trade and travel by working with our international partners. Through institutions such as the G8, the World Customs Organization, the International Maritime Organization, and the Asia-Pacific Economic Co-operation forum, we will seek to enhance international standards and to **internationalize our Smart Borders programs**.

Many of the activities noted in Strategies to Support Priorities contribute to Canada's Public Security and Anti-Terrorism Agenda (PSAT). In moving forward on these plans, the CBSA will also be implementing the recommendations from CIC's evaluation of its activities under PSAT. The PSAT Agenda is also highly horizontal in nature and the CBSA will be working with other government partners to maximize the effectiveness of these initiatives.

Organization

Exhibit 9: The CBSA Organization



The CBSA is organized into seven branches that support our four program areas. Each Branch is headed by a Vice President (VP) who reports directly to the President and Executive Vice President. Each VP of a branch is responsible for directorates and divisions headed by Directors General and Directors.

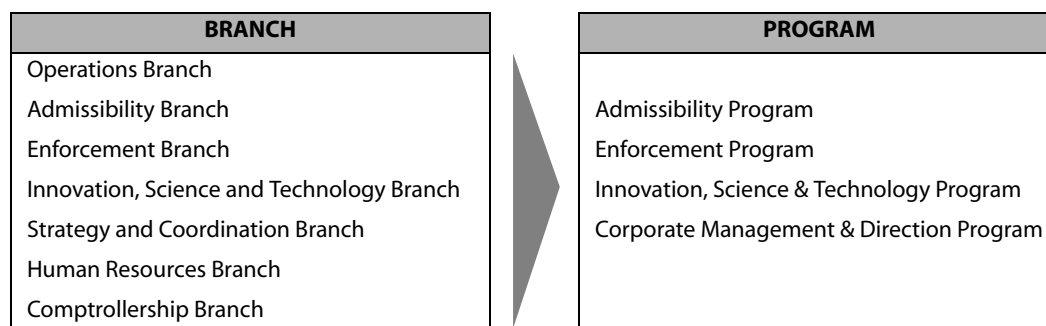
Our program areas are interrelated and mutually reinforcing, and we have designed an organizational structure for the CBSA to expedite our ability to work collaboratively and flexibly. This structure optimizes our ability to harmonize procedures, consolidate supporting activities, maximize synergies, and increase efficiencies to create a cohesive, integrated and responsive organization.

Our largest and most visible branch, the face of the CBSA at the border, is the Operations Branch. Operations are delivered in eight regions: Atlantic, Quebec, Northern Ontario, Greater Toronto Area, Windsor St. Clair, Fort Erie/Niagara Falls, Prairies, and Pacific. The Admissibility and Enforcement branches develop the programs and policies that the Operations Branch delivers. The Innovation, Science, and Technology Branch works with Admissibility and Enforcement branches and with Operations to ensure we effectively harness our science and

technology capacity in all aspects of our business. Underpinning all our policy, program, and operational work are the critical strategic and enabling functions that span planning, HR, comptrollership, and legal services.

This structure was chosen to encourage strong internal synergies among all program areas and to support clear accountabilities for all functions.

The diagram below illustrates the linkages of the branch structure to delivery of our programs:



We deliver our four Programs through the combined efforts of all of our Branches. Everything we do is focused on maximizing and supporting the performance of our front line. It is important to remember that, particularly on our front lines, our staff can and do wear many hats. They move from one role to the next in the effective, efficient delivery of our services. Each of the programs will have involvement with all of the branches, some more so than others, depending on the issues and transformative agenda that is underway.

For more details on our programs see the sub-section Our Programs on page 16.

Our Strategic Framework

Our Strategic Framework will eventually link our mission, values, and priorities with what we do across our program areas to achieve our strategic outcomes. Pulling this all together in one framework strengthens our planning and reporting capacity and enables us to be both transparent and accountable for results. This framework is further supported by “Performance Expectation Scorecards” for each program area. These align performance expectations in our Strategic Framework with what we plan to measure and/or assess, in order to determine where we are succeeding and where we may need to place additional emphasis to strengthen our ability to deliver on our strategic outcomes.

Exhibit 10 on page 45 illustrates all the key elements of our Strategic Framework. Appendix A on page 51 provides Performance Expectation Scorecards for each of our four program areas. It should be noted that we are still negotiating resource transfers with legacy organizations and our final budget with Treasury Board. We are still learning from each other and working with our stakeholders to finalize an integrated border service agenda. Therefore, our strategic framework is subject to change, and flexibility will be required to achieve the outcomes it sets out. We will confirm our strategic framework next year, once we have completed consultations with clients, partners, stakeholders, and employees, and the extent of our functional responsibilities and resource base are confirmed.

Exhibit 10: First Declarations on Our Strategic Framework · Planning and Reporting

(Replace with 11 x 17 foldout)

Conclusion

For the CBSA, this is a year of transformation. It is important that we complete the process of establishing ourselves as a functioning, integrated border services agency while we continue to deliver essential services and maintain service levels. Our success in maintaining business continuity will be apparent as we work towards staying on schedule implementing new initiatives commenced by our legacy organizations. Our transition will be complete when our corporate framework and services are up and running, and our funding base is confirmed.

In the area of HR, we plan to move forward with a change management strategy, and begin implementing one integrated HR management framework for all our employees. Our goal is to demonstrate our responsiveness and flexibility as we continue to “push borders out” and begin training and equipping our staff to use new and better information in performing their duties. Along with the PSEP Portfolio, we are developing protocols for information sharing that, once implemented, hold the potential to advance interoperability. Once we have the foundation in place to fully leverage the potential of integrated border service delivery, we will have significantly increased the probability of our success in contributing to the Government’s agenda by benefiting Canada’s economy and its place in the world.

In our next RPP, with the benefit of a confirmed resource base and fully functioning corporate services, we plan to be able to present a more detailed agenda with rigorous performance targets and measures. At that time, we will be able to move beyond establishing our organization towards realizing the benefits of fully integrated border services.

Appendices

Appendix A: Performance Expectations Scorecards	51
Appendix B: Detailed Financial Information	55
Table 1: Agency Planned Spending	55
Table 2: Part II of the Main Estimates	56
Table 3: Details of Major Capital Project Spending by Business Line	57
Table 4: Sources of Respendable Revenue	58
Table 5: Non-Respendable Revenue	58
Table 6: Net Cost of Program for the Estimates Year	59
Table 7: Asset Management Plan	59

Appendix A Performance Expectations Scorecards

Linking Measures to Performance Expectations Outlined in the First Declarations

The following performance expectations scorecards build on and support our strategic framework.

The scorecards shown below set out, for each program area, an intermediate outcome that supports our strategic outcomes. For each program area and intermediate outcome, key performance expectations will be identified together with what we plan to measure and/or assess. This will enable us to determine whether we are succeeding in achieving the intermediate outcome and where we may need to place additional emphasis to strengthen our ability to deliver on our strategic outcomes.

		Key Results	To be demonstrated by:
Admissibility	"Canada's competitiveness and the well-being of its citizens are strengthened by the fair, just and responsive management of lawful movement of people and goods to and from Canada."		
	Performance Expectations:		
	Sustained high levels of compliance with trader and traveller policies and legislation administered by the Agency		• Under Development
	A level playing field for travellers and traders		• Under Development
	Responsible border management commensurate with risk		• Under Development
	Impartial and timely systems for handling complaints, recourse, and for examining and opining on alleged unfair trading practices		• Under Development
	A valued service provider for domestic regulatory partners in keeping Canada safe and prosperous		• Under Development
	A valued and influential contributor on the international scene in support of global access and competitiveness		• Under Development

Key Results		To be demonstrated by:
Enforcement	“The health, safety, and security of Canadians are protected through strong enforcement of border legislation.”	
	Performance Expectations: Prompt and effective response in addressing health, safety, and security emergencies involving international movement of people and goods	• Under Development
	Timely and accurate collection, analysis, and distribution of intelligence regarding threats to national security and the integrity of Canada's borders including terrorism, war crimes, contraband, organized crime, and irregular migration	• Under Development
	Effectiveness in “pushing the border out” through screening, targeting, interdiction, and deterrence of inadmissible people and goods entering Canada	• Under Development
	Successful investigation and prosecution of those who commit offences against border legislation including duty evasion, smuggling, commercial fraud, and other offences	• Under Development
	Effective removal of persons who have no legal right to remain in Canada, especially those who pose a threat to Canadian society	• Under Development
	Progress in development of international and domestic partnerships in border protection and management	• Under Development
Innovation, Science, and Technology	“Maximizing delivery of secure, accessible, and efficient border services and operations through innovative integration and exploitation of technology. “	
	Performance Expectations: Affordable and sustained systems solutions in support of smarter borders for travellers and traders and effective interoperability with our partners	• Under Development
	Innovative and cost-effective exploitation of technology and science to support core operations or lessen the compliance burden	• Under Development
	State-of-the-art performance in assuring continuity of critical systems service based on 24/7 operations	• Under Development

		Key Results	To be demonstrated by:
Corporate Management and Direction	“Demonstrated leadership in stewardship and as a learning and accountable organization.”		
	Performance Expectations:		
	Creation of a nimble, flexible organization that demonstrates sound financial, human resources, and risk-management regimes and excellence in the provision of internal services and support		• Under Development
	Tailored governance structures that ensure effective management oversight and direction and stewardship of entrusted resources		• Under Development
	A committed dedicated workforce that performs consistent with the Agency's core values		• Under Development
	Cost effective, secure, accessible, and efficient border operations, through coordinated activities with stakeholders, in delivering the smart border agenda to minimize barriers to lawful trade, investment, and migration into Canada		• Under Development
	An organizational culture that fosters continuous learning, innovation, and change		• Under Development
	Timely completion of transition activities while maintaining continuity of border services with minimal disruption of service to stakeholders		• Under Development

Appendix B Detailed Financial Information

We have a total financial resource base of \$1,176 million with 10,258 employees (9,100 from CCRA, 1,050 from CIC, and 108 from CFIA). The following tables provide detailed financial information on our spending including Agency Planned Spending, Part II of the Main Estimates, Details of Major Capital Spending, Sources of Respendable Revenue, Non-Respendable Revenue, Net Cost of Program for the Estimates Year, Asset Management Plan.

Table 1: Agency Planned Spending

(thousands of dollars)		Forecast Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007
Business Lines					
	Border Operations		666,746		
Total Main Estimates ^a			666,746		
	Transfer from CRA	911,300	169,046	771,042	798,902
	Respendable Revenue in accordance with Vote 10 wording			12,110	12,110
Revised Reference Level (PAA)		911,300	835,792	783,152	811,012
Adjustments					
	Border Services Carry Forward from CRA ^b		106,373		
	December 2003 Re-organization Transfer from CIC ^c	131,000	147,000	142,000	144,000
	December 2003 Re-organization Transfer from CFIA ^c	9,100	9,100	9,100	9,100
	Public Security and Anti-Terrorism (Smart Border Initiatives)			31,458	31,248
	Enhanced Investigative Capacity for Firearms Programs		1,330	1,330	1,330
	War Crimes Strategy		9,179		
	Modernizing Customs & Trade Administration			4,172	4,172
	Transfer from Border Infrastructure Fund for St-Stephen, N.B.			2,500	8,000
	Initiative to Combat Money Laundering		3,721	3,721	3,721
	Other		198	439	439
Planned Spending^d		1,051,400	1,112,693	977,872	1,013,022
Less	Respendable Revenue in accordance with Vote 10 ^e	9,753	13,811	13,810	13,810
	Non-respendable revenue	26,662	21,969	22,284	22,605
Plus:	Cost of services received without charge	99,110	99,380	98,746	98,651
Net cost of program		1,114,095	1,176,293	1,040,524	1,075,258
Full-Time Equivalents (Main Estimates)		10,497	10,512	10,390	10,386

^a The tabled Main Estimates represented incomplete negotiations with respect to the portions of the CCRA transferred to the CBSA. It also excluded amounts to be transferred from CIC and the CFIA.

^b As a transitional measure for this year only, CBSA will carry forward unexpended balances from 2003-2004 to 2004-2005 in accordance with CCRA provisions under which the Customs Program former operated.

^c Estimates only pending completion of reorganization negotiations.

^d Fiscal years 2004-2005, 2005-2006 and 2006-2007 include Vote 10 Operating Expenditures and Employee Benefit Plans for Customs Branch and the Laboratory; Major Capital for Real Property Projects (Vote 15); and includes Corporate Support Services transferred for the 2004-2005 fiscal year from Canada Revenue Agency (CRA). In addition, 2004-2005 and ongoing years include Special Investigations and Appeals for Customs.

^e Estimates only pending completion of reorganization negotiations. Includes \$1.7 million in annual revenue related to the programs transferred from CFIA through December 12, 2003 re-organization.

Table 2: Part II of the Main Estimates

Vote	(thousands of dollars)	2004-2005 Main Estimates	2003-2004 Main Estimates
Canada Border Services Agency			
10	Operating expenditures and, pursuant paragraph 29.1(2)(a) of the <i>Financial Administration Act</i> , authority to extend in the current fiscal year revenues received during the fiscal year related to border operations of the Canada Border Services Agency; fees for the provision of a service or the use of a facility or for a product, right, or privilege; and payments received under contracts entered into by the Agency.	546,584	
15	Capital expenditures	23,349	
(5)	Contributions to employee benefit plans	96,813	
Total Agency^a		666,746	

^a The tabled Main Estimates represented incomplete negotiations with respect to the portions of the CCRA transferred to the CSBA. It also excluded amounts to be transferred from CIC and the CFIA.

Table 3: Details of Major Capital Project Spending by Business Line

(thousands of dollars)	Total Estimated Project Cost	Cumulative Forecast Expenditures to March 31, 2004	Planned Expenditures 2004-2005	Planned Expenditures 2005-2006	Planned Expenditures 2006-2007	Future Years' Requirements
Initial Budget Allocation			23,349	23,349	23,349	
Transfer from the Border Infrastructure Fund for St-Stephen, N.B. ^a	15,000			2,500	8,000	4,500
Total Allocation Available	15,000		23,349	25,849	31,349	4,500
Border Operations Business Line						
Construction Projects:						
Aldergrove, B.C.	9,935			1,233	5,399	3,303
Andover, N.B.	5,761	475	1,000	4,286		
Armstrong, Que.	9,052	902	8,150			
Cascade ^b	2,500			1,000		1,500
Clarenceville, Que. ^b	844	110	734			
Coutts, Alberta ^b	29,000	29,000				
Coutts - Land, Alberta	3,000	3,000				
Douglas, B.C. ^b	29,784	3,500	3,500	5,803	6,826	10,155
Fraser ^b	2,000				1,000	1,000
Kingsgate, B.C.	7,433			1,000	4,433	2,000
Osoyoos, B.C. ^{b,c}	18,000	18,000				
St-Stephen, N.B.	15,000			2,500	8,000	4,500
Stanstead Route 55 (Rock Island), Que. ^b	14,356	2,773	5,265	5,327	991	
Design Templates	300	28				272
Feasibility Studies ^b	2,000	1,623				377
Small Port Sites Preparation Studies	100	45				55
Miscellaneous Projects/Post Occupancies	413	413				
New Initiatives/Replacements	714					714
Sub total	150,192	59,869	18,649	21,149	26,649	23,876
Asset Integrity / Health and Safety Projects:	59,014	26,126	4,700	4,700	4,700	18,788
Total Planned Spending for Major Capital Projects^d	209,206	85,995	23,349	25,849	31,349	42,664

^a Funding to be provided via Vote transfer from Infrastructure Canada through Supplementary Estimates

^b The total estimated Project cost has been updated since the last published plan by *Canada Customs and Revenue Services (CCRA)*

^c The following project has been completed as of March 31, 2004: Osoyoos, B.C.

^d CBSA's Major Capital Spending will form part of the Agency's Long-Term Capital Plan that is currently under development. CBSA will seek Treasury Board Ministers' approval of this plan in the near future.

Table 4: Sources of Respendable Revenue

(thousands of dollars)	Forecast Revenue 2003-2004	Planned Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007
Respendable Revenue				
Sales of goods and services	1,343	1,797	1,797	1,797
Services of a regulatory nature	3,004	3,635	3,635	3,635
Services of a non-regulatory nature	6,470	8,846	8,846	8,846
Subtotal	10,817	14,278	14,278	14,278
Less: Amounts recovered on behalf of OGDs	1,064	467	468	468
Total Respendable Revenue	9,753	13,811	13,810	13,810

NOTE: In 2003-2004 Respendable Revenues were collected pursuant to the CCRA Act. In 2004-2005 and ongoing years these revenues will be collected as Vote-Netted Revenues pursuant to the wording of Vote 10 in CBSA appropriations.

Table 5: Non-Respendable Revenue

(thousands of dollars)	Forecast Revenue 2003-2004	Planned Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007
Refunds of previous years' expenditures				
Adjustments to prior year's payables	141	141	141	141
Sales of goods and services ^a				
Rights and privileges				
Duty Free shops	–			
Broker's License Fees	349			
Customs Warehouse Fees	702			
Lease and use of public property	64			
Services of a regulatory nature				
Border Canada/U.S. Programs	765			
Sundries	74			
Services of a non-regulatory nature				
Administration of provincial programs	2,024			
Special services fees	846			
Sundries	177			
Sales of goods and services	5,001			
Miscellaneous				
Interest and penalties (GST/HST, Customs import duties Excise and air traveller security charge)	6,022	6,022	6,022	6,022
Sundries				
Court fines	747	762	777	793
Customs seizures	(684)	(698)	(712)	(726)
Investigations seizures	6,222	6,346	6,473	6,603
Port seizures	9,152	9,335	9,522	9,712
Other	60	60	60	60
	15,497	15,806	16,121	16,442
	21,519	21,828	22,143	22,464
Total Non-Respendable Revenue	26,662	21,969	22,284	22,605

^a Following the December 12, 2003 Government reorganization, these revenues for 2003-2004 only were collected as non-respendable. Amounts for 2004-2005 and ongoing years are included in Respendable Revenues (see Table 4).

Table 6: Net Cost of Program for the Estimates Year

(thousands of dollars)	Total
Planned Spending	1,112,693
Plus: Services received without charge	
Accommodation provided by Public Works and Government Services Canada (PWGSC) ^a	41,300
Payroll Services provided by PWGSC	376
Employer's share of employee benefit costs and insurance premiums provided by Treasury Board Secretariat	47,021
Legal services provided by Justice Canada	9,211
Audit services by the Office of the Auditor General	985
Workers' Compensation Benefits coverage provided by Human Resources Development Canada	487
Total services received without charge	99,380
Less: Respendable Revenue ^b	13,811
Less: Non-Respendable Revenue	21,969
2004-2005 Net program cost	1,176,293

^a Estimated^b Pursuant to authority provided through the wording of Vote 10 Operating Expenditure in CBSA's appropriations**Table 7: Asset Management Plan**

(thousands of dollars)	Forecast Spending 2003-2004	Planned Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007
Vehicles	720	1,526	1,526	1,526
Contraband	1,720	1,710	1,710	1,710
PASS	1,081	1,581	1,573	1,573
Core/Host	16,649	14,886	16,218	17,747
End User	3,910	7,216	7,122	7,660
Total for vehicles and equipment	24,080	26,919	28,149	30,216
Real Property				
Capital	21,821	23,349	25,849	31,349
Other Operating	9,800	9,800	9,800	9,800
Total for Real Property	31,621	33,149	35,649	41,149
Total Planned Asset Replacement Funding	55,701	60,068	63,798	71,365

