Canada Border Services Agency | Agence des services frontaliers du Canada

Evaluation of Traveller Processing (Marine)

Internal Audit and Program Evaluation Directorate

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PROTECTION • SERVICE • INTEGRITY

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Acronyms and Abbreviations

BSO or BSOs	Border services officer(s)
[*]	[*]
CBSA	Canada Border Services Agency
[*]	[*]
FPOA	First Port of Arrival
FTE	Full Time Equivalent
FY	Fiscal Year
GC	Government of Canada
GTA	Greater Toronto Area
IRPA	*Immigration and Refugee Protection Act*
NTC	National Targeting Centre
POE	Port of entry
RCMP	Royal Canadian Mounted Police
TPM	Traveller Processing (Marine)
TRC	Telephone Reporting Centre
TRCS	Telephone Reporting Centre System
TRS/M or TRS/Ms	Telephone Reporting Site(s)/Marine

[*] An asterisk appears where sensitive information has been removed in accordance with the *Access to Information Act* and the *Privacy Act*.

Executive Summary

The purpose of this evaluation was to examine the relevance and performance (effectiveness, efficiency, and economy) of the Traveller Processing (Marine) (TPM), in accordance with the 2009 Treasury Board Secretariat *Policy on Evaluation* (now replaced by the 2016 *Policy on Results*).

Program Description

Traveller Processing (Marine) is a sub-program within the Admissibility Determination Program of the CBSA Program Alignment Architecture. As part of this program, TPM expected outcomes are to: facilitate the movement of legitimate people and their goods arriving in Canada via the marine mode, and intercept inadmissible marine travellers and their goods.

Marine travellers arrive in Canada aboard one of three types of conveyances: cruise ship, ferry/tour boat, or private boat. To process travellers arriving by cruise ship, the CBSA uses before-arrival information provided by cruise ship operators to screen passengers and crew before the ship arrives in Canada. Travellers arriving by ferry are processed person-by-person or vehicle-by-vehicle at a primary inspection line similar to the processing of passengers arriving in Canada by highway mode. Finally, travellers arriving in Canada by private vessel must self-report to the Telephone Reporting Centre in order to meet legislative obligations to present themselves to the CBSA and declare their goods.

Evaluation Scope

The evaluation focused on the primary and secondary operations carried out by border services officers (BSOs) working in the marine traveller mode to assess their success in expediting legitimate travellers and interdicting inadmissible people and their goods. The focus of data collection was on program activities undertaken between fiscal years 2011-2012 to 2015-2016.

Although performance data for this evaluation included NEXUS (Marine) and CANPASS Private Boat data, these programs themselves were out of scope for this evaluation, as they were the subject of a previous evaluation. The processing of crews in commercial vessels was also out of scope.

Findings and Recommendations

Relevance

TPM continues to be relevant. The activities of TPM align with federal roles and responsibilities to enforce the *Canada Border Services Agency Act,* the *Customs Act* and the *Immigration and Refugee Protection Act* (IPRA). The objectives of TPM are also aligned with federal government priorities and

contribute directly to the CBSA's strategic outcomes. Given the increasing volume of marine travellers and the emergence of marine travel in the Arctic, there is a continued need for TPM.

Performance - Achievement of Expected Outcomes

Effectiveness and efficiency of processing travellers arriving specifically by ferry/tour boat could not be determined due to the limited availability of reliable historical data on ferries/tour boats. One recommendation stemmed from this finding.

Overall, TPM is effective at facilitating the movement of legitimate people and their goods arriving via cruise ship and private boat. National Targeting Centre screening and First Port of Arrival support the expeditious clearance of cruise ship passengers. TPM also provides a relatively easy and convenient process for legitimate private boaters.

NTC passenger screening is effective for identifying inadmissible people and goods arriving by cruise ship. There are some process limitations but these have not generally had an impact on effectiveness.

Within the marine mode, the CBSA processing of private boaters poses the biggest challenge for meeting TPM's objective of intercepting inadmissible people and goods. [*] thus, actual volume of travellers in this stream and the extent to which private boaters pose a risk also remains unknown.

[*]

Three recommendations stemming from these findings highlight opportunities to improve effectiveness within private boater processing.

Performance - Assessment of Resource Utilization

Exact expenditures on processing travellers in the marine mode have not been tracked consistently to enable an assessment of overall program efficiency. Best estimates indicate that TPM expenditures, including operational and program costs, are approximately $15 million per year, which represent about 0.83% of total departmental expenditures. The operational costs for primary and secondary verification of marine travellers is approximately $6.6 million per year and has remained relatively stable over the last two years.

An analysis of cost per traveller (primary processing only) reveals that TPM is comparatively more expensive than the processing of travellers in other modes; however, due to the relatively low volume of marine travellers, this results in low total cost to the Agency. The highest costs are those attributed to the cost of conducting private boater verifications under the current service delivery model. Before any conclusions can be drawn on the efficiency or cost-effectiveness of marine traveller processing, the Agency needs to more accurately identify and track marine costs.

The CBSA has made efforts to reduce redundancy to improve efficiency, such as Telephone Reporting Center centralization, the implementation of First Port of Arrival, and rationalization of Telephone Reporting Sites. However, it is difficult to quantify the exact savings resulting from these initiatives.

Increased marine volumes and the implementation of the First Port of Arrival have highlighted cruise ship facility limitations and resource pressures in Victoria. The state of facilities to process ferry passengers is also a concern that needs to be addressed in the CBSA's infrastructure planning.

Recommendations:

To enhance the delivery and reporting on performance, and to ensure that the TPM achieves its expected outcomes, the evaluation made the following four recommendations:

1.1 The evaluation recommends that the Vice-President of Programs Branch develop a more accurate and reliable method for collecting TPM data, including a specific method for gathering data for ferries and tour boats.
2.1 The Vice-President of Programs Branch should develop a deterrence mechanism to strengthen the existing private boater processing model to improve compliance with border legislation.
3.1 The Vice-President of Programs Branch should engage federal public safety partners to conduct a private boat risk assessment, including the state of non-report.
4.1 The Vice-President of Programs Branch, in consultation with the Vice-President of Operations Branch, should develop risk-based guidelines to improve private boat examination rate.

1. Introduction

1.1. Evaluation Purpose and Scope

The purpose of this evaluation was to examine the relevance and performance (effectiveness, efficiency, and economy) of the Traveller Processing (Marine) program (TPM), in accordance with the 2009 Treasury Board Secretariat *Policy on Evaluation* (now replaced by the 2016 *Policy on Results*). TPM was identified for evaluation within the 2015-2020 CBSA Five-Year Evaluation Plan. Although some audits and evaluations have been completed on parts of the program,[1] TPM as a whole has not been evaluated.

The evaluation scope was approved by the former Executive Evaluation Committee in December 2015 and focused on the primary and secondary operations carried out by Border Services Officers (BSOs) working in the marine traveller mode to assess their success in expediting legitimate travellers and interdicting inadmissible people and their goods. In addition, the evaluation also sought to identify future program enhancement opportunities. The focus of data collection was on program activities undertaken between fiscal years (FY) 2011-2012 to 2015-2016.

Although some data used for this evaluation will include both conveyances and passengers processed as part of the NEXUS (Marine) and CANPASS Private Boat programs, these programs themselves are not within the scope of this evaluation, as they were the subject of the 2016 Evaluation of the Trusted Traveller Programs (Air, Land, Marine). The processing of crews in commercial vessels[2] was also out of scope for this evaluation. Details on the evaluation scope and limitations are provided in *Appendix B – Evaluation Methodology.*

1.2. Program Description and Objectives

Traveller Processing (Marine) is a sub-program within the Admissibility Determination Program of the Canada Border Services Agency (CBSA) Program Alignment Architecture. Through delivery of the Admissibility Determination Program, the CBSA develops, maintains and administers the policies, regulations, procedures and partnerships that enable BSOs to process travellers arriving in Canada via all modes (i.e. air, highway, rail and marine). As part of this program, TPM is specifically focused on the processing of travellers arriving via the marine mode and its expected outcomes are:

- To intercept inadmissible people and goods arriving in Canada via the marine mode; and
- To facilitate the movement of legitimate people and their goods arriving in Canada via the marine mode.

[1] Related past audits and evaluations include: CBSA's 2013 Audit of the Telephone Reporting Program and CBSA's 2011 Evaluation of Clearance of Commercial Passenger Vessels which included the processing of cruise ships and ferries.
[2] Commercial vessels are defined as "Any publicly available conveyance used in the transportation of passengers by a commercial passenger carrier, charter, or vendor such as an aircraft, cruise ship, ferry, rail car, bus or other contrivance." (CBSA internal documentation).

Marine travellers arrive in Canada aboard one of three types of conveyances: cruise ship, ferry/tour boat, or private boat. The CBSA process for clearing travellers arriving by each of these conveyances is unique and is described below.

Cruise Ship Processing

In most cases, the clearance of cruise ships takes place at one of ten designated cruise ship operations facilities concentrated on the Pacific and Atlantic coasts of Canada and on the waterways separating Ontario and the United States. However, in some cases, cruise ships are also cleared in other ports on a cost-recovery basis.

The CBSA uses before-arrival information provided by cruise ship operators to screen cruise ship passengers and crew before the ship arrives in Canada. Cruise ship operators are requested by the CBSA to provide passenger and crew manifests either electronically or by fax, a minimum of 96 hours prior to the cruise ships' arrival.[3] This before-arrival information enables passenger screening by the National Targeting Centre (NTC), who reviews and conducts queries to risk assess each traveller's eligibility for entry into Canada. In so doing, the NTC can identify individuals required to present themselves for an interview with a BSO upon the ships' arrival.[4]

When required, BSOs may board cruise ships upon arrival, to ensure that all documentation required for clearance has been completed and submitted. BSOs may verify the required safety and inspection certificates, monitor the gangway(s) while the ship is in port, collect completed CBSA Declaration Cards (E311), ensure that all travellers and goods meet the requirements for entry into Canada and collect applicable duties and taxes. In addition, BSOs are required to conduct various inspections to fulfill other federal government departments' requirements and conduct secondary examinations as necessary.

Ferry and Tour Boat Processing

Ferries and tour boats engaged in the international transportation of vehicles and passengers, and their goods, must report to a designated CBSA office. Passengers and goods embarking or disembarking from a ferry and/or tour boat are subject to applicable CBSA reporting requirements. Passengers are processed person by person or vehicle by vehicle by BSOs at a primary inspection line very much like the processing of passengers arriving in Canada by highway mode.

Private Boat Processing

All travellers arriving in Canadian waters by private vessel must self-report to the CBSA. The owner/operator of the vessel is required to proceed to one of 428 Telephone Reporting Sites/Marine

[3] Source: CBSA internal documentation.
[4] For example, the NTC may identify those foreign nationals who may have immigration requirements (i.e. those requiring a Temporary Resident Visa (TRV)), or persons of interest based on intelligence, lookouts, or previous infractions.

(TRS/M)[5] and contact the Telephone Reporting Centre (TRC)[6] to report their entry into Canada. Only private boats carrying 29 people or less can report through the TRC.[7] Alternatively, private boaters may report in-person at one of ten Direct Reporting Sites (Marine), which are CBSA-staffed marine ports of entry (POEs).

If certain conditions are met, private boaters may also be able to report directly from the water to the TRC. For instance, travellers arriving from the United States by private boat may report directly from the water upon entering Canadian waters if they do not intend to land on Canadian soil nor leave any people or goods in Canada. Canadian private boaters may also report directly from the water when returning to Canadian waters if they have not landed on U.S. soil and have not taken on any people or goods while in foreign waters.

Regardless of the method used to self-report, the owner/operator of the boat is required to provide all crew and passengers' names, dates of birth, citizenship and residency, and declare all goods being imported to Canada. The TRC officer records the information in the Telephone Reporting Centre System (TRCS) and then makes a decision whether to release the vessels and all travellers or refer for a secondary examination.

Boaters enrolled in Trusted Traveller programs (e.g. NEXUS) have access to 22 additional designated reporting sites and advance notification privileges not available to other private boaters.

Once a private boater has been referred for secondary examination, a marine verification team may be tasked from the responsible POE to the TRS/M where the private boat is docked to conduct their examination of the passengers and/or vessel, as required.[8]

1.3. Program Resources

Best estimates indicate that TPM expenditures, including operational and program costs, are approximately $15 million per year, which represent about 0.83% of total departmental expenditures.[9] This estimate cannot be confirmed with publicly reported information, as the CBSA Departmental Performance Report does not break down spending among the Admissibility and Determination

[5] Source: CBSA, Operations Branch, Traveller Operations Division. Current as of December 2016. Includes NEXUS Marine sites.
[6] The TRC is a CBSA national calling centre located in Hamilton, Ontario that takes calls from travellers arriving in Canada by private aircraft, corporate aircraft, and private boat. Telephone reporting is an alternative reporting method that enables individuals to meet the legislative requirements for travellers to report their entry into Canada and declare their goods.
[7] Private boats carrying 30 or more people entering Canadian waters must arrange for clearance locally by notifying the CBSA in writing at least 72 hours before arrival and must be cleared in person. (Source: http://www.cbsa-asfc.gc.ca/travel-voyage/pb-pp-eng.html [accessed 23 February 2017].)
[8] With private boats, BSOs responding to referrals will re-open primary questioning to allow all passengers to make their own declaration and proceed to secondary examinations of the passengers and vessel as required.
[9] Fifteen million is the approximate total of TPM expenditures including operational costs, program delivery support and internal services. The methodology used to calculate estimated marine traveller expenditures and the limitations of this estimate are described in Appendix B – Evaluation Methodology. Percentage of total departmental expenditures is based on $1.8 billion CBSA spending as reported in the 2015-2016 CBSA Departmental Performance Report.

Programs to the sub-program level, nor does it report on expenditures on traveller versus commercial processing.

In 2015-2016, activities related specifically to frontline processing of marine travellers (operational costs of primary and secondary examinations) accounted for approximately $6.6 million of annual expenditures, including the cost of about 81 Full Time Equivalents (frontline staff) contributing to these program activities. Such staff are normally multi-tasked and often also responsible for performing activities related to traveller processing activities in other modes.

2. Evaluation Methodology

Data collection and analysis for this evaluation was conducted between March 2016 and February 2017. The evaluation questions are centred on the five core issues of relevance and performance (effectiveness and efficiency/economy), as outlined in the 2009 TBS *Directive on Evaluation*. At the time of the evaluation, TPM did not have an approved and validated logic model, Performance Measurement Strategy, or key performance indicators. Evaluation questions and indicators are based on consultations with key stakeholders and a review of key documents during the planning stage, including a review of past evaluations, audits and related reviews to ensure the production of useful information for decision making.

To enhance the reliability and validity of the information and data collected, the methodology for this evaluation includes multiple lines of evidence and complementary research methods. The specific methods used include:

- Literature Review;
- Document Review;
- Data analysis (including operational, performance, human resource and financial data);
- Interviews with program management, partners, and key stakeholders;
- Field research; and
- An international comparison.

There were significant performance and financial data limitations that prevented the complete assessment of TPM. For instance, the effectiveness and efficiency of ferry passenger processing could not be assessed, as a source of reliable performance data for ferry passengers could not be found. A detailed description of research methods used, limitations, and challenges is provided in *Appendix B: Evaluation Methodology*.

3. Findings and Recommendations

3.1. Relevance – Alignment with roles and responsibilities

Key Finding: The activities of the Traveller Processing Marine Program align with federal roles and responsibilities to enforce the *Canada Border Services Agency Act,* the *Customs Act* and the *Immigration and Refugee Protection Act* (IPRA).

The *Canada Border Services Agency Act* (2005) provides the legislative framework for the establishment of the CBSA as a separate organization.[10] Section 5 of this act clearly articulates the CBSA's responsibility for providing integrated border services that support national security priorities and facilitate the free flow of admissible people and goods including plants and animals. The *Customs Act* and the *Immigration and Refugee Protection Act* (IRPA) are the other two key pieces of legislation governing the roles and responsibilities of the Agency with regard to traveller processing. Under the *Customs Act*, the CBSA has the legislative authority for the collection of duties and taxes and the control of the movement of people and goods into and out of Canada. Meanwhile IRPA provides CBSA officers with the authority to board and inspect any means of transportation bringing persons to Canada and examine any passenger and their documents. Both the *Customs Act* and IRPA stipulate the requirement that all travellers report to and answer truthfully any questions from a BSO upon entering the country, as well as provide all required information and documentation. It is through the delivery of TPM that the CBSA fulfills its responsibilities, as stipulated in these acts, to process travellers and goods arriving in Canada by private boat, cruise ship and ferry.

3.2. Relevance – Alignment with the priorities of the Government of Canada

Key Finding: The objectives of marine traveller processing align with federal government priorities to enhance border safety, security and management and contribute directly to the CBSA's strategic outcomes.

Safety and security have been and continue to be important Government of Canada (GC) priorities. The CBSA is a key federal government organization that contributes to these priorities, being the first line of defence against persons and goods that may pose a threat to Canada's national security and to the general safety of Canadians. TPM plays an important role by ensuring that the marine border remains open to legitimate travellers while identifying high-risk people and goods and interdicting them before they become a safety or security concern for Canada.

Enhancing border safety, security and management, and expediting legitimate traveller crossings were specifically announced as spending priorities by the GC in Budget 2012, 2013, and 2016, further highlighting the priority placed specifically on programs such as TPM to meet GC expectations.

[10] The CBSA was created on December 12, 2003 by an order-in-council, but formalized by the *Canada Border Services Agency Act* which received Royal Assent on November 3, 2005.

TPM activities additionally support GC priorities related to marine security. Marine security, as a federal priority is evident in current legislation and initiatives, such as the *Marine Transportation Security Act*, the *Horizontal Initiative: Marine Security*, and the Marine Security Operations Centres established to meet marine and national security challenges post the 9/11 attacks on the United States. The CBSA is an active key contributor to such initiatives. Examinations of marine travellers, the collection and analysis of marine vessel traffic information, and the coordination with Other Government Departments conducted through TPM activities contribute to marine security priorities of the GC.

Finally, TPM objectives also directly align with CBSA strategic priorities of securing the border and streamlining and simplifying the border experience, as stated in the 2015-2016 CBSA *Report on Plans and Priorities*.

3.3. Relevance – Continued Need

Key Finding: Given the increasing volume of travellers arriving via the marine mode and the emerging traveller volume in the Arctic, there is a continued need to process travellers in the marine mode.

The overall volume of travellers arriving via the marine mode demonstrates the need for a program specific to the marine operating environment. For instance, in FYs 2014-2015 and 2015-2016, an average of more than 2.4 million travellers per year entered Canada by cruise ship, ferry/tour boat or private boat.[11] During the 2015-2016 cruise ship season, 582 cruise ships were processed at Canadian cruise ship operations centres carrying more than one million travellers. In that same year, more than 174,000 travellers crossed the Canadian border on the water by private boat. While ferry data was limited, estimates indicate that ferries were responsible for transporting over one million additional travellers during the same time period. Although the overall volume of travellers aboard marine conveyances represented only 2.9% of all persons entering Canada in 2015-2016 in all modes, trends indicate that volumes are increasing. *Table 1* summarizes the volume of travellers arriving by private boat, cruise ships, and ferry in the two most current fiscal years and demonstrates an increase in volume over the last two fiscal years.

Although cruise ship and ferry passengers represent the majority of travellers in the marine mode, private boats represent the majority of the conveyances, accounting for approximately 78% of marine conveyances that reported to the CBSA in FY 2015-2016.[12] Therefore, both traveller volume and conveyance volume demonstrate the need for program that enables the processing of travellers arriving in the marine mode.

[11] Data is based on marine traveller volumes obtained from various CBSA data sources.
[12] In 2015-2016, a total of 143, 758 marine conveyances were processed by CBSA of which 112, 618 were private boats. (Source: CBSA systems data)

Table 1: Marine traveller and conveyance volume (including NEXUS). *This table shows that that there is an increasing volume of marine travellers and passages over the last two years.*

	Traveller Volume		Conveyance Volume	
	2014-2015	2015-2016	2014-2015	2015-2016
Private Boat	153,453	174,318	68,462	76,191
Cruise Ship	1,042,194	1,069,754	568	582
Ferry / Tour Boats[13]	1,073,709	1,407,913	28,286	30,001
Total Marine	**2,269,356**	**2,651,985**	**97,316**	**106,774**

Source: CBSA systems data as of August 2016

In terms of future needs, the Arctic has recently emerged as a cruise ship destination due to global warming and melting ice.[14] This directly impacts the CBSA and demonstrates a future need for TPM, as increased traffic in Canada's north will require the clearance of a substantial volume of cruise ship passengers and crew. For example the Crystal Serenity ship was able to transverse the Arctic for the first time in 2016, bringing with it about 1,000 passengers and 600 crew and requiring clearance by the CBSA.[15] It is the largest cruise ship ever to sail through the waterways connecting the Atlantic and Pacific oceans on the arctic coast of the Canadian northern mainland (known as the Northwest Passage). A CBSA team, along with two Royal Canadian Mounted Police (RCMP) officers travelled a long distance to clear the ship. Ship operators arranged for an off-site CBSA clearance upon entering Canadian waters, as Tuktoyaktuk is 600 km away and designated only for commercial vessels.[16] Document review revealed a continued trend in future travel through this waterway, demonstrating an increasing need for processing marine travellers in that area. An increase in volume of travellers in a new geographical region may pose a unique challenge for the Agency to service in the future.

3.4. Performance: Assessment of Program Effectiveness

3.4.1. Ferry/tour boat traveller processing

Key Finding: The effectiveness and efficiency of processing travellers arriving specifically by ferry/tour boat could not be determined due to the limited availability of reliable historical performance data.

Historically, the [*][17] has been used by CBSA personnel at all levels as one of the primary sources for data on traveller information (i.e. volume, passage volume, number of referrals, number of examinations, number of enforcement actions, etc.). However, marine traveller and passage data pulled from [*] for the evaluation showed significant fluctuations in the data from one year to the next and questionable volume of travellers or passages for certain regions. Details and specific examples are

[13] Ferry/tour boat volume and passage data are best estimates. Data analysis suggests there are some discrepancies in the number of ferries/tour boats reported in CBSA data systems and no alternative source of ferry/tour boat data was available. For this reason, numbers are provided as approximations. Data limitations will be discussed in forthcoming sections.
[14] As stated in [*], the Northwest Passage is experiencing annual increases of marine traffic in the form of tourism and trade.
[15] Source: www.cbc.ca/news/canada/north/crystal-serenity-cruise-ulukhaktok-1.3736984 [accessed: August 2016].
[16] Source: http://atlas/pr-rp/news/story/feature_crystalserenity_2016_09_eng.asp [accessed: 15 February 2017].
[17] [*]

provided in *Appendix B – Evaluation Methodology*. Data reliability concerns provided sufficient rationale not to utilize historical data from [*] to assess the effectiveness of TPM. There are no other sources of performance data for ferry/tour boats. Therefore, the effectiveness and efficiency of this type of traveller processing could not be determined.

RECOMMENDATION 1:

The Vice-President of Programs Branch should develop a more accurate and reliable method for collecting TPM data, including a specific method for gathering data for ferries and tour boats.

3.4.2. Cruise ship traveller processing

Cruise ship passenger clearing presents some unique challenges for the CBSA. For instance, cruise ships can be challenging to examine, as they can carry a large number of travellers (over 1,000 passengers, plus crew) that must be cleared in a short amount of time. [*]

Facilitating the movement of cruise ship passengers

Key Finding: NTC screening and First Port of Arrival support the expeditious clearance of cruise ship passengers.

The NTC screens cruise ship passengers and crew based on before-arrival information provided by cruise ship operators. Every year, over one million cruise ship passengers are screened by the NTC. Such a process conveniently allows a large number of travellers and their goods to be risk assessed without the potentially lengthy process of individual clearance when the ship arrives. As such, passengers can disembark the ship more expeditiously to enjoy their trip. Over the last two years, the CBSA has utilized this process to clear an average of 575 cruise ships per year carrying over 1800 passengers each.

In addition, the implementation of the First Port of Arrival (FPOA) process in 2013-2014 has further facilitated entry of legitimate travellers arriving by cruise ship. Since 2013, the CBSA standard practice is to fully clear cruise ships at the first POE. This is a change from previous procedures which required cruise ships to be cleared every time they stopped at a Canadian port after cruising in international waters. Under this new initiative, redundancies and inconveniences to travellers are eliminated because no further CBSA processing is required for the persons or their goods for the remainder of the voyage.[18]

[18] No further CBSA processing is required for the persons or their goods for the remainder of the voyage provided that the vessel does not dock in a foreign port or exchange persons or goods at sea. (Source: CBSA internal documentation) Prior to FPOA, legislation required that cruise ships be cleared every time they stopped at a Canadian port after cruising in international water.

Identifying and interdicting inadmissible cruise ship passengers and their goods

Key Finding: NTC passenger screening is effective for identifying inadmissible people and goods arriving by cruise ship. There are some process limitations but these have not generally had an impact on effectiveness.

When processing travellers arriving by cruise ships, there are limited face-to-face interactions between cruise ship passengers and BSOs. However, the NTC conducts traveller screening on 100% of cruise ship passengers and crew prior to their arrival.[19] Further to passenger self-declaration, screening by the NTC (based on before-arrival information provided by cruise ship operators) provides an additional risk assessment tool. This process is also consistent with that of other countries such as the United States, Australia, and New Zealand, who require cruise ship operators to provide passenger information in advance of arrival.

The CBSA has legislative authority to mandate advance passenger information; [20] however, it lacks the required secure system to receive data from cruise ship operators. Despite this, operators have generally cooperated by providing before-arrival information in a format that is useable by the NTC, since they mutually benefit from having their passengers disembark in a relatively expedient manner. The CBSA's request that before-arrival information be provided electronically to the NTC at least 96 hours in advance is identified in the "*Cruise Ship and Agents' Handbook*".

Resultants on NTC targets[21] issued show that NTC screening is relatively effective at interdicting inadmissible people and goods arriving by cruise ship. Over the last two years (2014-2015 and 2015-2016), an average of [*] of targets issued by the NTC were resultant, indicating that NTC screening of passengers is relatively effective. This resultant rate is based on 100% of cruise ship travellers, and therefore it is a good measure of effectiveness.

One factor that could impact the effectiveness of cruise ship traveller processing is the inconsistency between regions in terms of the examination of Persons Requiring Visas (PRVs). The processing of cruise ship passengers requiring visas is not consistent from coast to coast. [*].[22] National standard operating procedures for clearing PRVs are not prescriptive and allow regions the flexibility to apply a process suited to their needs. This may create inconsistencies across regions since the requirements are open to interpretation.[23]

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[19] [*]

[20] Section 269 (1) of the Immigration and Refugee Protection Act states *"a commercial transporter that carries or expects to carry persons to Canada on board its commercial vehicle must provide the Canada Border Services Agency with…information about each person whom it expects to carry"*. Immigration and Refugee Protection Regulations (accessed 23 February 2017.)

[21] Resultant on NTC targets refers to identified targets that were subject to an enforcement action. In this instance the majority of these resultants were cases of inadmissibility.

[22] [*]

[23] Source: CBSA internal documentation.

3.4.3. Private boat traveller processing

In general, marine traveller processing poses unique challenges for securing Canada's borders due to the vast coastline encompassing approximately 240,000 kilometres. The challenge is even more pronounced for processing private boaters since this vast coastline has numerous possible entry points, [*]. There are also over 400 TRS/Ms (official marine POEs)[24] [*][25]

Another consideration is that both the CBSA and the RCMP share responsibility for the protection of the Canadian border. The RCMP has primary responsibility for enforcing the Customs Act along the unmanned borders between CBSA POEs and for detecting and intercepting individuals who contravene the IRPA between CBSA POEs.[26] Private boat processing conducted by the CBSA occurs at official POEs only. [*][27]

Facilitating movement of private boaters

Key Finding: TPM facilitates the movement of legitimate private boaters, as it provides a relatively easy and convenient process for private boaters to enter Canada with their goods. Amendments to the current legislation have been proposed to address concerns regarding private boater reporting requirements.

For private boaters, the self-reporting process is convenient, since a simple call to the TRC enables individuals to meet their legislative obligation to report their entry into Canada and declare their goods. Calling to the TRC can be done at one of 428 telephone reporting sites available across the country.[28] The CBSA has further increased convenience by allowing travellers not making landfall to use their own mobile devices to call the TRC from the water.[29] Since 2016, private boaters are also offered the option of pre-registering their personal and travel document information with the TRC, thus further facilitating the movement of legitimate travellers and potentially reducing processing times. Finally, Trusted Traveller Programs (such as NEXUS) have also offered a mechanism for facilitating and expediting entry of legitimate travellers into Canada. From 2010-2011 to 2014-2015, between 17% and 19% of marine travellers took advantage of a Trusted Traveller Program, allowing them to provide advance notice of travel and affording them prioritized reporting to the TRC from additional telephone reporting sites not available to non-permit travellers.[30]

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[24] For the purposes of this evaluation report, TRS/Ms will be considered official POEs, in accordance to the definition provided in CBSA internal documentation, indicating that a POE is "any location authorized by the Agency, as a reporting/clearance and release site for customs purposes including storage and/or document processing."
[25] [*]
[26] Source: Government of Canada internal documentation.
[27] [*]
[28] Source: CBSA, Operations Branch, Traveller Operations Division. Current as of December 2016. Includes NEXUS Marine sites.
[29] The CBSA external website (last updated May 2016), provides private boaters the option of utilizing their mobile devices to report to the TRC. The website states that this process has been in place since July 2011.
[30] Source: CBSA, 2016 Evaluation of the Trusted Traveller Programs (Air, Land, Marine), p. 33.

One limitation of this assessment is the absence of complete client satisfaction feedback on the private boater reporting process itself, as the CBSA has not surveyed marine travellers in at least 5 years.

Some private boaters may be unsatisfied with current reporting requirements.[31] Currently, the *Customs Act* requires every person arriving in Canada to present themselves to a CBSA officer without delay.[32] The only exemption is for travellers 'in-transit' to destinations outside of Canada. This means that those who do not intend to make landfall in Canada or who have not made contact with any other vessel are still required to present themselves. These requirements are inconsistent with United States reporting requirements for private boaters and may cause confusion and create inconveniences for legitimate travellers.[33]

Amendments to the current legislation have been proposed through a private members' Bill to update reporting requirements. Bill S-233, *Conveyance Presentation and Reporting Requirements Modernization Act,* [34] introduced in December 2016 and recently passed in the Senate, proposes that certain persons be exempted from the requirement to present themselves to a customs officer under specific circumstances. Such legislative amendments may further facilitate the process for legitimate private boaters, as they would simplify the requirements and eliminate unnecessary reporting. It would also more closely align with United States reporting requirements for private boaters, minimizing confusion. This legislative change has the potential to have the biggest impact on private boaters who frequently cross the Canada-United States border in areas where the borders are in close proximity, such as the Great Lakes and the Thousand Islands.

Identifying and interdicting inadmissible private boaters and their goods

Key Finding: The self-reporting model for processing private boaters and the limitations of the current system to ensure compliance with reporting requirements have contributed to challenges in effectively interdicting inadmissible people and goods arriving in Canada. [*]

As previously described, the CBSA utilizes a self-reporting model for processing private boaters. Literature review suggests that for a self-reporting process to be effective, a deterrence mechanism needs to be in place to ensure compliance.[35] Since the RCMP has primary responsibility for enforcing the *Customs Act* along the unmanned borders between CBSA POEs, [*].

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[31] Source: Bill S-227. http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=8384133 [accessed 23 February 2017]

[32] Source: Customs Act, Section 11 (1).

[33] The US requires private boaters to report to US Customs and Border Protection only after having been at any foreign port or place (touched land) or after having had contact with any hovering vessel (outside territorial sea). (Source: U.S. Customs and Border Protection, Pleasure Boat Reporting Requirements. http://www.cbp.gov/travel/pleasure-boats-private-flyers/pleasure-boat-overview [accessed 23 February 2017].)

[34] Also known as *An Act to amend the Customs Act and the Immigration and Refugee Protection Act (presentation and reporting requirements)* (Source: http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=8686373 [accessed 2 Feb 2017])

[35] Source: Transportation Research Board. Transit Cooperative Research Program Report 80: A Toolkit for Self Service Barrier-Free Fare Collection, 2002.

Document review indicates a likelihood that not all private boaters are self-reporting. [*][36] have found that those who report to the TRC were likely to be the most compliant of marine travellers, [*]

The possible deterrence effect within the context of private boater processing was confirmed by [*] which noted that greater U.S. presence on the waterways resulted in Canadian vessels reporting to the United States Customs and Border Protection while not reporting to the CBSA upon their return to Canada.

RECOMMENDATION 2:

The Vice-President of Programs Branch should develop a deterrence mechanism to strengthen the existing private boater processing model to improve compliance with border legislation.

Key Finding: The extent of non-report by private boaters to the TRC remains unknown; thus, actual volume of travellers in this stream and the extent to which private boaters pose a risk also remains unknown.

The reported volume of private boaters includes only those who self-report to the TRC. [*]. Known private boater volume is reported to represent only 6% of total traveller volume across all modes, but [*][37] As such, private boater volume could be higher than what is currently being reported. [*][38] [*].

TRC call volume also suggests that TRC reporting represents an inaccurate picture of the actual number of private boaters. For example, the 2015 *Horizontal Evaluation of the Great Lakes and St. Lawrence Seaway Marine Security Operations Centre* reported that in 2014-2015 there were 5.4 million pleasure craft in the Great Lakes area alone. Meanwhile, in that same year the TRC only reported 68,462 private vessels arriving in the great lake regions.[39] Although it is difficult to determine how many of these 5.4 million pleasure craft actually crossed the border into Canada, one would expect that such a high volume of private vessel traffic in this area would yield a higher volume of calls.

Compared to other modes, marine traveller volume represents a low percentage of total traveller volume (approximately 3%), and therefore, [*] given all the priorities that the CBSA must manage with its limited resources. The larger volume of travellers in Air and Land modes, [*][40] [*] Consideration of risk in the marine mode should take into account the vulnerabilities specific to the marine mode and the unknown volumes of marine travellers arriving by private boat.

RECOMMENDATION 3:

[36] [*]
[37] [*]
[38] [*]
[39] Includes volume for the following regions: Southern Ontario, Northern Ontario, Greater Toronto Area, and Quebec.
[40] [*]

The Vice-President of Programs Branch should engage federal public safety partners to conduct a private boat risk assessment, including the state of non-report.

Key Finding: When compared to other modes, [*] to interdict inadmissible people and goods, particularly those arriving by private boat.

Process controls, such as the use of advanced passenger information (or before arrival information), face-to-face interactions with a BSO, and secondary examinations are important to enable the detection of inadmissible people and goods while facilitating the flow of compliant travellers. Different controls are applied to different modes. *Table 2* [*]. For instance, advanced passenger information is not available for private boaters. Although the CBSA has the legislative authority to mandate it from cruise ship operators, a secure system has yet to be put in place to receive it. Also, while the majority of travellers arriving in Canada by air or highway will make their declaration in person to a BSO, most private boaters make their declarations over the phone, limiting the BSOs' ability to physically observe and interact with travellers. Finally, while the decision to decline referrals in highway and air modes is normally the exception,[41] [*] (as will be discussed in the following section). [*]

Table 2: Comparison of controls available for processing travellers in all modes. [*]

Reporting Elements	Marine Private Boat	Marine Cruise Ships	Marine Ferry	Highway	Air
Advance Passenger Information	[*]	[*]	[*]	[*]	[*]
Face to Face Primary Processing with BSO	[*]	[*]	[*]	[*]	[*]
Secondary Examinations	[*]	[*]	[*]	[*]	[*]

[*] [*] [*] [*] [*] [*]

The processing of private boaters is unique because travellers do not present themselves in person to a BSO, and therefore are not questioned face-to-face, as is done in other modes (such as Air or Highway). To mitigate some of the risk associated with this process, private boaters can be referred by the TRC for an in-person examination by a marine verification team. Such referrals can be selective, random, or mandatory.

While selective referrals are made when reasonable suspicion exists about the truth of a person's declaration,[42] random referrals are based on a system, sometimes computer generated, which selects persons for examination in an indefinite pattern.[43] Random referrals for private boaters were specifically

[41] [*]
[42] Source : CBSA internal documentation
[43] Source: CBSA internal documentation

established in 2013 to improve the risk-based approach to border management.[44] Finally, mandatory referrals are made based on a specific lookout or target, an alert, or a computer generated "hit" for CBSA purposes or for that of other government departments.[45] All referrals (mandatory, selective and random) and examinations are control mechanisms established to effectively interdict inadmissible people and goods, and therefore, were used as measures of effectiveness.

Key Finding: Over the last five years, [*]. This limits the ability to detect inadmissible people and goods arriving by private boat.

Data for the past five years indicates that although private boaters were referred, including random, selective, or mandatory by the TRC for further examination, [*]. As illustrated in *Table 3*, in 2015-2016 [*] of private boaters (non-trusted traveller members)[46] who self-reported to the TRC were examined. Historical data shows that [*]. The trend presented in *Table 3* shows [*]

Table 3: Private boaters referred and examined from total number of private boaters processed (non-permit only). *This table demonstrates that* [*] *the volume of travellers has increased,* [*].

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	Trend
Private Boaters Processed[47]	138,862	168,130	164,001	153,473	174,318	Increasing
Private Boaters Referred	[*]	[*]	[*]	[*]	[*]	[*]
Private Boaters Examined	[*]	[*]	[*]	[*]	[*]	[*]

Source: CBSA databases as of August 2016

In comparison with other modes, the percentage of private boaters examined is [*] (See *Table 4*). This comparison also shows that the percentage of travellers examined in all modes [*].

[44] Random referrals for private boaters were established in 2013 to improve the risk-based approach to border management. (Source: CBSA, 2013 Audit of the TRC)
[45] Source: CBSA internal documentation
[46] For this specific analysis, the evaluation focused on private boaters who are not part of a trusted traveller program (aka non-permit private boaters) since trusted travellers are automatically deemed to be low risk and are processed differently.
[47] Total number of travellers processed represent only those private boaters who have self-reported to the TRC.

Table 4: **Comparison of travellers examined – private boaters vs. travellers in air mode and highway mode**. *This table illustrates that the percentage of private boaters examined [*]*

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	Percent [*] since 2011-2012
Air Mode	[*]	[*]	[*]	[*]	[*]	[*]
Highway Mode	[*]	[*]	[*]	[*]	[*]	[*]
Private Boat	[*]	[*]	[*]	[*]	[*]	[*]

Source: CBSA database as of August 2016.

[*] For instance, *Table 5* illustrates that out of the average of [*] TRC referrals issued within the five-year evaluation period, [*][48] [*]

Table 5: Referral, examination and resultant rates from total number of private boaters referred (non-permit only). [*]

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	Average
Total Referrals Issued	[*]	[*]	[*]	[*]	[*]	[*]
Referrals Declined	[*]	[*]	[*]	[*]	[*]	[*]
Referrals Examined[49]	[*]	[*]	[*]	[*]	[*]	[*]
Resultant Exams[50]	[*]	[*]	[*]	[*]	[*]	[*]

Source: CBSA database as of August 2016.

[*]

[*]

Within other modes, specific guidance is provided on the discretionary non-examination of some referrals. [*] there is no clear guidance to inform decisions to decline marine referrals (random or otherwise).

RECOMMENDATION 4:

The Vice-President of Programs Branch, in consultation with the Vice-President of Operations Branch, should develop risk-based guidelines to improve private boat examination rate.

Key Finding: Competing workload and limited resources [*]

[48] [*]
[49] [*]
[50] [*]

Since the CBSA does not have a dedicated presence on the water or at the TRS/Ms, marine verification teams are sent from responsible POEs to the TRS/Ms to conduct the examination. Interviewees and document review suggested that [*][51] [*]

[*] an analysis conducted by the evaluation suggests that [*] The evaluation sampled four specific POEs, two with a low percentage of declined referrals ([*]) and two with a high percentage of declined referrals ([*]) [*] The comparison is summarized in *Table 6*. [*]

Table 6: Comparison of percentage of declined referrals [*] for four specific POEs (2015-2016). [*]

POE	% Referrals Declined	Average Distance (TRS/Ms to POE)
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]
[*]	[*]	[*]

Source: CBSA database as of August 2016.

3.5. Performance: Assessment of Resource Utilization

The assessment of resource utilization presented in this section is focused on operational efficiency and based on available data limited to the last two fiscal years (2014-2015 and 2015-2016).

3.5.1. Program expenditures and tracking

Key Finding: Exact expenditures on processing travellers in the marine mode are difficult to determine and have not been tracked consistently to enable an assessment of overall program efficiency.

The evaluation set out to assess the efficiency and cost-effectiveness of processing travellers arriving in the marine mode from a financial perspective; however, accurate historical expenditure information at the program level was difficult to isolate. Until recently, expenditures for both marine commercial processing and marine traveller processing were combined, thus limiting financial analysis on marine traveller processing costs.

Previous costing models indicate that total spending on the Marine Traveller Processing program could be as high as $15 million dollars per year, including the cost of program delivery support and internal services costs. Since previous costing models combined marine and commercial spending, an estimated percentage of 32.8% (as provided by Resource Management) had to be used to approximate total

[51] [*]

Marine Traveller Processing costs.[52] The evaluation was unable to confirm this estimate based on the new [*] methodology; however, this is the best estimate that currently exists that captures total program and operational spending in processing travellers in the marine mode.

During the years covered by this evaluation, the Agency has continued to refine methodologies in an effort to better track and align all spending including functions related to the marine environment. Recently, the Agency has been utilizing the [*] exercise to better align spending and resources with functions performed. As compared to the previously used costing methodology, the [*] method provides a more accurate indicator of frontline program spending, and as such, was the only source of financial data used by the evaluation for analysis.

Financial analysis is confined to the years since the [*] was implemented and covers costs related to frontline program delivery spending (i.e. operational costs related to primary and secondary verification). Costs related to program delivery support (e.g. policy development) could not be accurately broken out for this evaluation.

The [*] suggests that over the last two years, the average frontline cost for processing marine travellers (operational costs for primary and secondary verification) is about $6.6 million per year, which translates to 0.4% of the CBSA's total annual expenditures.[53] *Table 7* summarizes the frontline expenditures for fiscal years 2014-2015 and 2015-2016 and shows that expenditures have stayed relatively constant over the last two years.

Table 7: Frontline program delivery costs for TPM. *This table illustrates that in the two years since the* [*] *exercise was undertaken, spending on primary and secondary processing of marine travellers remained constant.*

	2014-2015	2015-2016
TPM Spending ([*])	$6,711,847	$6,566,343

Source: CBSA analysis as of January 2017.

3.5.2. Efficiency in processing marine travellers

Without accurate historical data to track spending against outputs, it was not possible to assess improvements in operational efficiency and improvements over time. It should be noted that TPM does not function as a typical program. Rather, it is a series of activities which are performed within the marine environment. Very often, resources used for traveller processing in Marine may also be used or

[52] In 2014-2015, because it was felt that the existing Program Alignment Architecture did not adequately align to the way CBSA operates, a ratio of 32.8% was applied to financial data to better isolate spending in the traveller processing. The remainder of the costs (67.2) were considered costs of marine commercial processing. As this was a best estimate that carries many assumptions, Resource Management suggested that using the [*] exercise would provide a clearer picture of actual spending on Marine Traveller Processing.

[53] Based on $1.8 billion of total departmental expenditures as reported in the 2015-2016 CBSA Departmental Performance Report.

prioritized for processing travellers in other modes. Even with the new [*] model, an assessment of efficiency was limited, as some [*] functions to which costs were attributed have changed from 2014-2015 to 2015-2016, with some functions being refined or removed and/or replaced. In other cases, activities conducted in the marine mode (such as the processing of ferries) were captured as highway costs.

Although data limitations also restrict comparisons with other modes and between the distinct conveyance types of TPM, the available expenditure information did yield some useful insights presented below.

Key Finding: An analysis of cost per traveller reveals that TPM is comparatively more expensive than the processing of travellers in other modes; however, due to the relatively low volume of marine travellers, this results in low total cost to the Agency.

As presented in *Table 8*, the costs for primary processing (primary examination only) of marine travellers was $5,809,412 in fiscal year 2015-2016. When taking the volume of marine travellers into account, this converts to $2.17 per marine traveller for primary processing. This cost is relatively more expensive than the primary costs per traveller in both highway and air modes.

Table 8: Comparison of primary processing costs for frontline service delivery between modes (2015-2016).[54] *This table illustrates that marine traveller processing is comparatively more expensive than the processing of travellers in other modes.*

	Highway Mode	Air Mode	Marine Mode	Total
Primary Costs[55]	$54,229,237	$40,246,490	$5,809,412	$ 100,285,139
Volume of Travellers	59,287,632	30,135,275	2,682,011	92,104,918
Cost per Traveller	$0.91	$1.34	$2.17	$1.09
% of Total Traveller Volume (all modes)	64.37%	32.72%	2.91%	100%

Source: CBSA systems data and analysis as of January 2017.

Although the primary cost per marine traveller is high, the total cost is low since the volume of marine travellers is relatively low. The primary cost in marine mode of $5,809,412 represents only 0.3% of total departmental expenditures in 2015-2016.[56] The lower cost per traveller in other modes could also be a result of 'economies of scale', whereby the higher traveller volumes result in lower costs per traveller.

[54] See *Appendix B – Evaluation Methodology* for assumptions made for this comparison. Rail mode was not included in the comparison because primary and secondary costs for Rail mode were not separated.
[55] Excluding private vessel verification (for Marine) and the costs of NTC targeting (for Air) or screening (for Marine).
[56] Based on $1,796,293,231 departmental expenditures as reported in the 2015-2016 CBSA Departmental Performance Report.

Key Finding: The average cost of processing private boaters is higher than costs in other modes. The highest costs are those attributed to the cost of conducting private boater verifications under the current service delivery model.

The cost per traveller broken out by conveyance type is presented in *Table 9* and clearly shows that the frontline service delivery costs of $6.33 per traveller for clearing private vessels are significantly higher than the costs for clearing cruise ships and ferries at $1.65 per traveller and $2.55 per traveller, respectively.

Table 9: Frontline service delivery costs for TPM by conveyance type (2015-2016). *This table illustrates that the cost per traveller for processing private vessels is relatively higher than the costs for processing travellers arriving by cruise ship and ferry/tour boat*.

	Cruise Ship	Ferry/Tour boat	Private Vessel		Total
			TRC	Total	
[*] Costs	1,763,854	3,509,357	$536,201	1,293,130	6,566,341
Traveller Volume	1,069,754	1,377,887	204,344		2,651,985
Cost per traveller	$1.65	$2.55	$2.62	$6.33	2.48

Source: CBSA systems data as of August 2016.

A further breakdown of private vessel costs is provided in *Table 10* and shows that almost half of these costs are attributed to staffing of the TRC which serves as the primary function for private boaters, receiving declarations and making release/referral decisions. The remainder of the expenditures are for private vessel verifications. *Table 10* shows that the cost of conducting private boater verifications is exceptionally high at approximately $260.20 per traveller.[57] The cost for private vessel clearance is based only on the costs associated with the small percentage of referrals (approximately 30%) that are actually examined, meaning that the total cost per private boater would be higher if more private boater referrals were actioned.

Table 10: Frontline delivery costs for private boats – primary processing (TRC) vs. verification (2015-2016). *This table illustrates that the cost of verifications (in those instances when they occurred) account for the majority of the frontline costs to clear private boats.*

	TRC	Verification	Cost
Cost	$536,201	$756, 929	$1,293,130
Traveller Volume	204,344	2,909	204,344
Cost per Traveller	$2.62	$260.20	$6.33

Source: CBSA systems data and analysis as of January 2017.

[57] As there are separate [*] functions related to both Cruise Ship and Ferry/Tour Boat traveller and vessel clearance, it is assumed that costs attributed to pleasure craft and passenger clearances are directly attributable to the Private Vessel stream. This methodology clearly illustrates the verification of private boats is very expensive.

The nature of the verification process for clearing private vessels may explain the significantly higher costs as compared to other modes. For instance, in the case of both cruise ships and ferries, clearances are done at permanent locations, terminals or crossings, and travellers come to the officers at the port rather than the other way around. In contrast, TRC referrals require a marine verification team consisting of at least two BSOs to be dispatched reactively, as the TRS/Ms are essentially unmanned POEs. In many cases, the TRS/Ms to which officers are being dispatched are in remote areas or a significant distance from the responding POE (at times up to 100 km away), increasing costs as a result of the required travel.

Although expensive, research indicates that service delivery model used specifically for clearing private boats is similar to the models used in other countries. For example, the international comparison conducted for the evaluation confirmed that the United States, Australia, the United Kingdom, and New Zealand all utilize telephone reporting to some degree to process marine travellers. A system of cost recovery is used in New Zealand and the United States to offset some of the costs of processing private boaters. New Zealand charges a *Border Clearance Levy* of $18.21 to all travellers arriving aboard private vessels. The United States offers the I-68 Canadian Border Boat Landing Permit at a cost of $16 per traveller per boating season.[58] Although not mandatory, this permit allows travellers to bypass regular reporting requirements and instead report by telephone. Cost-recovery would also not be without precedent in the marine mode in Canada, as a cost recovery system is currently in use by the CBSA with some cruise ship clearances.

Before a system of cost recovery can be considered for the marine mode, the Agency would first need to more accurately identify and track marine costs. The Agency would also have to consider if cost recovery should be applied to all marine travellers, as opposed to private boaters only.

3.5.3. Efforts to improve efficiency of TPM

Key Finding: The CBSA has made some process changes over the last 5 years to reduce expenditures or eliminate redundancy when clearing travellers arriving by private boat and cruise ship; however it is difficult to tell the extent to which savings have resulted from these initiatives.

Since 2013-2014, three initiatives were specifically initiated within TPM to improve efficiencies: TRC Centralization; the rationalization of the TRS/Ms; and the implementation of FPOA. Such initiatives are seen as progress in the right direction, as they have resulted in process efficiencies; however financial information was unavailable to confirm the actual cost savings to the Agency. Details are provided about each initiative below, including the process efficiencies gained.

TRC Centralization

The consolidation of the TRCs in 2013-2014 was undertaken to increase cost-efficiency and eliminate redundancies associated with the processing of private boats. This consolidation has eliminated

[58] https://www.cbp.gov/travel/pleasure-boats-private-flyers/cbbl (accessed 23 February 2017.)

duplication at the regional level, as each region is no longer responsible for taking private boater calls. This change may also ensure uniformity of processing private boaters at a national level.

Rationalization of Telephone Reporting Sites

In response to the 2013 CBSA audit on the Telephone Reporting Program, the Agency completed a review of the 599 TRS/Ms to determine whether any should be de-designated based on three criteria: traveler volumes, distance from nearest CBSA office, and infrastructure requirements. TRS/Ms were de-designated if they had less than 10 reports per year, if they were more than 100 km from the nearest servicing office, and if facilities required repairs/upgrades. So far, approximately 170 TRS/Ms have been de-designated, with more sites meeting the criteria for de-designation in the future. However, the initiative was put on hold pending further review of the impacts on services to private boaters. Since January 2015, other locations have been designated new official TRS/Ms. Currently, there are 428 marine TRS/Ms (including NEXUS Marine sites).

First Port of Arrival (FPOA)

As previously mentioned, the 2013-2014 implementation of the FPOA initiative streamlined and simplified the processing of cruise ship passengers. The overall purpose of this initiative was to meet the CBSA's Deficit Reduction Action Plan commitment to save $5.6 million by de-commissioning 13 of 23 cruise ship operations centres and eliminating 40 Full Time Equivalent (FTE) positions.[59] De-commissioning occurred and the general consensus among Senior Managers is that the FPOA model is a success and has resulted in efficiencies in cruise ship processing for the Atlantic and Quebec regions where cruise ship operations centres were closed and resources no longer needed were re-deployed elsewhere. Although cost savings were achieved through de-commissioning of cruise ship operations and the elimination of FTE positions, the evaluation was not able to determine the exact savings realized by the implementation of the FPOA initiative.

Key Finding: Increased marine volumes and the implementation of the First Port of Arrival process have highlighted facility limitations and resource pressures in Victoria.

The general consensus among Senior Management is that the FPOA model is effective and efficient for Atlantic and Quebec regions. [*]

3.5.4. Availability of infrastructure, tools and systems to meet the needs of operational staff

Although a complete review of all available infrastructure was not completed by the evaluation, primary data collected through site visits and interviews revealed that the state of facilities to process ferry passengers varies across the regions, ranging from having full access to IPIL and licence plate readers at some locations, to using paper and clip board to process vehicles at others. As the provision and maintenance of customs facilities for the CBSA to process travellers is under the legislative authority of

[59] Source: CBSA internal documentation

section 6 of the *Customs Act*, there is evidence that the application of section 6 is not consistent across the country.

Appendix A – Management Response and Action Plan

OVERALL MANAGEMENT RESPONSE

Programs Branch agrees with the overall recommendations of this evaluation.

Programs Branch has made improvements to how the Canada Border Services Agency processes marine travellers, especially the successful introduction of the first port of arrival process for cruise ships. Programs Branch also acknowledges the evaluation's finding that the current Telephone Reporting Centre (TRC) process facilitates the movement of legitimate private boaters. The passage of ***Bill S. 233 The Conveyance Presentation and Reporting Requirements Modernization Act*** could further streamline reporting practices which may require an update to the Management Action Plans.

Reliable data collection is an ongoing challenge that needs to be addressed in order to truly assess the effectiveness and efficiency of marine traveller processing. Related to addressing this gap is the need to ensure that referrals from the TRC are appropriately actioned and that the accompanying examinations are conducted effectively and more frequently.

Given the nature of the self-reporting system for private boaters, and the accompanying unknown level of risk, Programs Branch welcomes the opportunity to pursue future marine traveller program enhancement opportunities as highlighted in this evaluation.

RECOMMENDATION 1

The Vice-President of Programs Branch should develop a more accurate and reliable method for collecting TPM data, including a specific method for gathering data for ferries and tour boats.

MANAGEMENT RESPONSE
The Programs Branch agrees with this recommendation. The Traveller Programs Directorate will review the current method of collecting data and work to improve the process, including the feasibility of system changes to capture data electronically.

MANAGEMENT ACTION PLAN	COMPLETION DATE
1.1 The Programs Branch will review methods of collecting data currently in place and identify any gaps and/or opportunities for improvement.	January 2018
1.2 Programs Branch will revise data collection policy and procedures where required.	April 2018

1.3 Programs Branch, in collaboration with the Operations Branch, will distribute policies and procedures related to data collection through operations bulletins and, where required, shift briefings.	July 2018
1.4 The Programs Branch, in cooperation with the Information, Science and Technology Branch, will be making a recommendation to Senior Management on the feasibility of system changes to capture data electronically.	July 2018

RECOMMENDATION 2

The Vice-President of Programs Branch should develop a deterrence mechanism to strengthen the existing private boater processing model to improve compliance with border legislation.

MANAGEMENT RESPONSE
Agreed. The Programs Branch will develop a deterrence mechanism to improve compliance within the existing private boater processing model.

MANAGEMENT ACTION PLAN	COMPLETION DATE
2.1 The Programs Branch, in cooperation with the Corporate Affairs Branch, will review current communications products to strengthen public outreach and increase awareness of private boater reporting requirements.	September 2017
2.2 The Programs Branch will work with the Operations Branch to identify opportunities for systematic compliance blitzes at marine telephone reporting sites.	May 2018
Note: The Programs Branch will leverage the work completed in Recommendation 4 to improve compliance at marine telephone reporting sites.	

RECOMMENDATION 3

The Vice-President of Programs Branch should engage federal public safety partners to conduct a private boat risk assessment, including the state of non-report.

MANAGEMENT RESPONSE
Agreed. The Enforcement and Intelligence Programs Directorate will engage with public-safety partners to conduct a private boat risk assessment, which includes an assessment of the state of non-report by private boaters.

MANAGEMENT ACTION PLAN	COMPLETION DATE
3.1 Initiate discussions with federal public-safety partners, e.g., Public Safety, RCMP, Canadian Coast Guard, etc.	Completed (April, 2017)
3.2 Develop options in consultation with Operations Branch and OGD partners for the conduct of a joint threat/risk assessment.	July 2017
3.3 Seek endorsement from VP Programs for final plan.	August 2017

RECOMMENDATION 4

The Vice-President of Programs Branch, in consultation with the Vice-President of Operations Branch, should develop risk-based guidelines to improve private boat examination rate.

MANAGEMENT RESPONSE
Agreed. The Traveller Programs Directorate will work with the Operations Branch to develop guidelines specifying acceptable circumstances for declining private boat referrals made by the Telephone Reporting Centre, in an effort to improve the examination rate.

MANAGEMENT ACTION PLAN	COMPLETION DATE
4.1 Develop guidelines outlining when it is acceptable to decline referred examinations, and add them to the *People Processing Manual*.	April 2018

Appendix B – Evaluation Methodology

Evaluation Scope

The evaluation of TPM was approved as part of the CBSA's 2015 Integrated Audit and Evaluation Plan. The evaluation scope was approved by the Executive Evaluation Committee (EEC) on December 12, 2015. As outlined in *Table B-1*, the evaluation focused on primary and secondary operations carried out by border services officers (BSOs) working in the marine traveller mode to assess their success in interdicting inadmissible people and their goods. The focus of data collection was on program activities undertaken between FYs 2011-2012 to 2015-2016.

Specifically out of scope were the NEXUS (Marine) and CANPASS Private Boat programs and the processing of crews in commercial vessels.

Table B-1: Evaluation Scope

Included in the Evaluation	Excluded from the Evaluation
Processing of crew and passengers of cruise ships and ferries and tour boats (Cruise Ship Operations, FERRY) (Calibrated – follow up on recommendations from past research and impact of any changes)	The processing of crews on commercial vessels (non-passenger)
Clearance of cruise ships, ferries and tour boats and related traveller goods (Calibrated – follow up on recommendations from past research and impact of any changes)	The clearance of commercial vessels (non-passenger)
Processing of recreational (pleasure crafts) boats	The NEXUS (Marine) and CANPASS Private Boat programs
Processing of Recreational Boats (pleasure crafts) (TRS/M, DRS)	Pre-arrival targeting activities
Program activities undertaken between fiscal years (FY) 2011-2012 to 2015-2016.	Designation and cost recovery services
Assessment of the adequacy of facilities to support primary and secondary operations	

Data collection on the adequacy of facilities to support primary and secondary operations was limited to that collected as part of the site visits undertaken for the evaluation.

Evaluation Questions and Approach

At the time of the evaluation, TPM did not have an approved logic model, Performance Measurement Strategy, or key performance indicators. The evaluation questions, as listed in *Table B-2,* are centred around the five core issues of relevance and performance as outlined in the 2009 TBS *Directive on Evaluation;* however, consultations with key stakeholders and a review of key documents during the

planning stage assisted in refining the questions to ensure that the evaluation provided useful information for decision making.

An Evaluation Advisory Committee was established to support the evaluation by providing input, advice and suggestions regarding evaluation deliverables. The committee membership was established at the outset of the evaluation and included Directors General or their delegates from all Branches.

Table B-2: Evaluation Issues and Questions

Issue #1 – Continued Need
1. Does the traveller processing program in the marine mode continue to serve the needs of the Agency and traveller stakeholders? 2. What are the current needs for the program? What are the future needs for the program (projections)?
Issue #2 – Alignment with Federal Roles and Responsibilities
3. What are the specific roles and responsibilities of the CBSA concerning marine traveller processing as outlined in *IRPA* and the *Customs Act*? 4. How does the CBSA marine travellers program align with federal roles and responsibilities? 5. In terms of the relevant legislation and regulations, what are the roles and responsibilities of the CBSA's GC partners related to marine traveller processing?
Issue #3 – Alignment with Government Priorities and Departmental Strategic Outcomes
6. Do the stated objectives of marine traveller processing align with federal government priorities? 7. Do the stated objectives of marine traveller processing contribute to the CBSA's strategic outcomes?
Issue #4 – Achievement of Expected Outcomes
8. Does the program facilitate the movement of legitimate travellers in the marine mode? 9. Does the program effectively identify and interdict inadmissible people and goods? 10. Does the program focus on high-risk travellers and their goods? 11. What are the impacts of cruise ship passenger and crew screening performed by the National Targeting Centre (NTC) for BSOs?
Issue #5 – Demonstration of Efficiency and Economy
12. How is efficiency measured and tracked? 13. Does TPM process travellers arriving in the marine mode efficiently? 14. How does TPM manage its resources to deliver results efficiently? 15. Has program delivery become more efficient over time? 16. Does the existing infrastructure, tools and systems meet the needs of the operational staff?

Lines of Evidence

Data collection and analysis for this evaluation was conducted between March 2016 and February 2017.

To enhance the reliability and validity of the information and data collected, the methodology for this evaluation includes multiple lines of evidence and complementary research methods. The specific lines of evidence used include:

1. Literature Review and Document Review;
2. Data analysis (including operational, performance, human resource and financial data);
3. Interviews with program management, partners, and key stakeholders;
4. Field research; and
5. International comparison.

The detail on each line of evidence is provided below, including limitations within each methodology where applicable.

1. Literature and Document Review

This evaluation included a review of internal and external documents to confirm the relevance and authority for traveller processing in the marine mode to determine if guidance and regulations are in line with expected outcomes and provide the direction necessary to meet program outcomes. The following list is a sample of the types of documents reviewed:

- Documents defining federal government priorities and CBSA strategic outcome (Government of Canada statements, Speeches from the Throne, Speeches from the Throne);
- CBSA Strategic documents (RPP, DPR, Agency Integrated Business Plan, Beyond the Border Action Plan);
- CBSA planning and operational documents/reports, organizational charts, documents outlining roles and responsibilities, and relevant internal correspondence pertaining to the implementation and management of the traveller processing;
- Documents defining the CBSA priorities and needs in relation to traveller processing in the marine mode (Performance data, The *Canada Border Services Agency Act*, the *Customs Act,* regulations, performance data, Agency Performance Summary, PAA, Agency Integrated Business Plan, RPP);
- Legislation and acts establishing federal roles and responsibilities for the traveller processing program (Government of Canada statements, Speeches from the Throne, The *Canada Border Services Agency Act,* the *Customs Act*, Beyond the Border Action Plan);
- Correspondence (e.g., Ministerial and Presidential), files and data from Performance Reporting Unit, relating to marine traveller processing outcomes;
- Documented processes, procedures such as Standard Operating Procedures (e.g.,People Processing Manual as well as service standards);
- Documents related to performance and compliance (e.g., Agency Performance Summary, People Processing Manual, Reporting of Imported Goods Regulations);
- Documents from a number of external sources such as Other Government Departments;
- Documents and information on how other countries (United States, United Kingdom, New Zealand, Australia) process incoming marine travellers in the marine mode; and
- Reports and documents from think tanks, policy groups, consulting firms on the international marine traveller industry.
- Previous internal and external reports (e.g., past audits and evaluations, Annual Audits of the Auditor General of Canada, etc.).

2. Data Analysis

The evaluation obtained operational data to assess the effectiveness of TPM. To the extent possible, the evaluation included data on the volume of marine travellers and conveyance, the number of referrals and examinations, and the resultant rates. If the data was available, the evaluation compared the results of traveller processing marine with those of traveller processing in other modes.

In most cases, there were significant data limitations or reliability challenges with the available data pulled and provided for the evaluation. For example, [*] data erroneously reported that in 2014-2015, 85% of total cruise ship passages (or 4,167 out of 4,911 total passages) were processed in the Greater Toronto Area (GTA) region. It is highly unlikely that the highest volume of cruise ships is processed in the GTA, as the Atlantic and Pacific regions are known to have higher traffic of cruise ships in general. It is possible that 'tour boats' are being erroneously coded as `cruise ships' and such errors brings to the forefront the question of data reliability. *Table B-3* and *Table B-4* compares the data pulled from [*] and data pulled from other sources of data ([*]) to provide two specific examples of significant data reliability concerns. The analysis of the data provided sufficient rationale not to utilize historical data from [*] to assess the effectiveness of TPM and to rely instead on [*] specifically for private boaters, and [*] for cruise ship passengers. Whenever possible, these two sources of data were used instead of data from [*]; however, the data was only available for the past two fiscal years.

Table B-3: Comparison of cruise ship volume from two data sources [*] *This table illustrates the significant variations between data pulled from* **[*]** *and data pulled from* **[*]** *in FY 2014-2015 and 2015-2016.* **[*]** *did not collect data on cruise ships prior to 2014-2015.*

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
[*]	8,612	1,845	2,284	4,911	1,139
[*]	n/a	n/a	n/a	568	582

Source: CBSA databases

Table B-4: Comparison of private boat volume from two data sources ([*]). *This table illustrates significant variations between data pulled from* **[*]** *and data pulled from* **[*]** *in all fiscal years.*

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
[*]	101,919	98,563	71,831	100,221	112,618
[*]	57, 825	70, 739	70,215	68, 462	76,191

Source: CBSA databases

Financial data (including salary expenditures, system costs, and operations and maintenance costs) was obtained through the Comptrollership Branch from two sources: [*] and the [*]. The evaluation was only

able to use the data from [*], as there were significant challenges with the financial data from the [*]. The new [*] implemented by the CBSA over the last two fiscal years provided more accurate expenditure data; however, this model was unable to provide the division between operational and program support expenditures.

For the comparison of primary costs related to frontline service delivery between modes, only costs that could be attached definitively to primary processing were used because [*] functions for secondary processing are not separated for air and highway mode. Given the naming conventions in [*], it is assumed that costs attributed to cruise ship and ferry vessel and passenger clearance are for primary processing only. With private boats, verification costs have been removed as they would be considered a secondary process. For both Air Mode and Marine Mode the primary costs do not include the costs of NTC targeting (for Air) or screening (for Marine).

Both the lack of reliable historical financial data and performance data for marine traveller processing (prior to 2014-2015) resulted in some significant limitations for the evaluation. Specifically:

- The evaluation could not conduct any significant analysis on the effectiveness or efficiency of processing ferry/tour boat passengers since another source of reliable data for this traveller-type does not exist, even for the last two fiscal years.
- The evaluation was unable to assess the effectiveness of cruise ship passengers or private boater processing over the last five years since only 2 years of data was available.
- The evaluation was unable to conduct trend analysis to determine whether or not overall effectiveness or efficiency has improved over time.
- The evaluation was unable to conduct a pre- and post- analysis of the implementation of various Agency-wide marine initiatives that have been realised within the last two fiscal years, such as FPOA and TRC rationalization. This limited the ability to assess whether or not these specific initiatives have had an impact on effectiveness or efficiency of marine traveller processing.

3. Interviews with Program Management and Partners

Program management interviews included interviews with Directors and Directors General (DGs) at NHQ and Directors and Regional Directors General (RDGs) in the regions who are responsible for delivering the program. Partner interviews include other interested or involved directorates within the CBSA, including HR, ISTB, Enforcement and Intelligence, etc.

During the planning phase of the evaluation, interviews provided insight into how the program was designed and how it is intended to be delivered. They also provided information from a strategic perspective of the program as it relates to other CBSA initiatives and the broader impact that the program has on key stakeholders. During the conduct phase, interviewees provided operational information on the processing of travellers and their perceptions/opinions to add context to other lines of evidence.

For the most part, interviews were conducted in person using an unstructured methodology to allow more open-ended discussions and emergence of key topics and challenges. Interview guides were developed to guide discussions. Where appropriate, targeted questions were also posed of specific interviewees to explore certain issues in more depth. Group interviews were conducted with BSOs while the evaluation team was conducting field research.

4. Field Research

Field research locations were selected based on results from the initial research phase and consultations with the EAC members. The following locations were visited:

1) Victoria, Sydney, Vancouver;
2) Windsor, Pelee Island;
3) Halifax, Lunenburg, Yarmouth; and
4) Lansdowne, Thousand Islands.

The evaluation team was involved in the following activities:

- Attended ferry terminals and job shadowed BSOs processing ferry passengers;
- Participated in Telephone Reporting Centre (TRC) referrals and visited the Marine Telephone Reporting Sites to job shadow BSOs processing tour boats;
- Attended the processing of cruise ships and job shadowed BSOS and the marine team;
- Attended Shift Briefings;
- Visited responsible Ports of Entry; and
- Conducted informal discussions with operational staff.

Field research provided direct insight into the operational environment of processing travellers in the marine mode. It provided an opportunity to directly witness how the program is managed and delivered in the field and how regional personnel coordinate with key partners and NHQ. The field research served to compare and contrast the processing of marine travellers across regions. It was also during these field visits that regional management and staff provided their insights on what works well and what could be improved directly to researchers.

Field research also helped to fill-in information gaps, such as to:

- Identify and collect data that was not available at NHQ;
- Identify BSO and regional program management perspectives on how to enhance performance;
- Identify key stakeholders' perspectives on the delivery of the program;
- Identify gaps between policies and operational practices;
- Clarify the relationships between the CBSA and key stakeholders at the regional level;
- Identify the extent to which facilities are provided in accordance with of section 6 of the *Customs Act*;

- Identify contextual and environmental explanations for performance results (focusing on outliers, such as a POE with exceptionally low resultant rates or a POE with exceptionally high referral rates);
- Identify differences in program delivery models; and
- Identify how each region and/or POE determines their priorities for the Traveller Processing Program.

5. International Comparison

The evaluation team collected information to identify similarities and key differences in marine traveller processing in Canada with those of the US, UK, Australia and New Zealand.

This methodology was very limited to the information available through open-source documents (e.g., what other jurisdictions publish to their websites). The evaluation did not seek information directly from other organizations, nor did it collect performance data from these other countries to enable a comparison of effectiveness or efficiency between the various models used. In essence, the comparison of different models was used simply to determine if the model implemented by the CBSA was in line with the models used in other similar countries.