

**Summary: Canada-U.S. Transportation Border Working Group**  
**December 4/5, 2002 Meeting, Vancouver, BC**

Day One: Introductory Remarks:

- Meeting called to order by Co-Chairs Jacques Rochon, TC and Roger Petzold, FHWA. TC/Rochon welcomed the participants and noted that the meeting would draw on regional, bi-national planning perspectives, including most notably, from the Northwest. The meeting marked the first time that private sector stakeholders would be participating as presenters.
- FHWA/Petzold noted that Congress adjourned before passing a budget, meaning that several US agencies, including FHWA, were under travel restrictions.

“Border Infrastructure and Planning: A TC Perspective”

TC Jacques Rochon/John Mills:

- Presentation Objectives: 1. Provide overview of border policy environment; 2. Update TBWG on recent infrastructure initiatives involving Canadian federal government, with a particular focus on recent B.C. infrastructure improvements; 3. Examine the elements of bi-national planning; and 4. Discuss the TBWG role and the need to set priorities.
- The Smart Border Declaration has provided a useful framework for making progress on border issues. Developments such as the creation of the Department of Homeland Security and the advent of the U.S. entry/exit system make for a challenging policy environment for agencies on both sides of the border.
- Transport Canada manages the \$600 million Strategic Highway Infrastructure Program, \$65 million of which has been set aside for border infrastructure. The Office of Infrastructure of Canada is responsible for the \$600 million Border Infrastructure Fund.
- The provinces and the federal government have announced funding for a number of initiatives aimed at improving border and corridor infrastructure, including:
  - 75.2 million for improvements to the Lacolle, Quebec border crossing and Auto-route 15 which leads to it.
  - Over \$400 million to twin the Trans-Canada Highway in New Brunswick, Atlantic Canada’s main trade corridor
  - Up to \$300 million under the Canada-Ontario MOU for short/medium term improvements at the Windsor gateway.
- John Mills/TC Pacific Region also outlined the over \$32 million in infrastructure improvements along the BC lower mainland, including:
  - Extension of the Highway 99 NEXUS lane and construction of one at Pacific Highway
  - Highway 99/8<sup>th</sup> Avenue interchange reconstruction
  - Widening of 8<sup>th</sup> Avenue
  - Highway 15 intersection reconstruction
  - The Pacific Highway truck staging Lane and the Highway 11 Huntington Staging area will provide improved border access.

-The improvements encompass two ITS projects: The Douglas-Pacific Highway Advanced Traveler Information System Highway 1-Pacific Highway ITS/CVO project.

-Planning efforts have been undertaken with respect to a Corridor Management Plan and a truck climbing lane at Highway 13/Aldergrove.

-These improvements were facilitated through effective coordination and a partnership between the BC Ministry of Transportation, Transport Canada, CCRA, IMTC and the Greater Vancouver Transportation Authority.

- TC Rochon noted that effective bi-national planning, supporting enhanced border processes and infrastructure improvements are three elements which are key to addressing border issues. On the West coast, the International Mobility and Trade Corridor (IMTC) has been a model in all three of these areas.
- The TBWG has been an effective forum for information sharing. We have made progress on initiative such as the border infrastructure compendium but should continue to identify and focus on a few key initiatives that could be of benefit to all TBWG members. Border technology applications and other areas would merit further consideration.

#### FHWA Border / TEA-21 Update (Roger Petzold/FHWA):

- FHWA says that the new Department of Homeland Security (DHS), scheduled to come "on-line" by March 1, 2003, will "facilitate commerce while ensuring security". Of the 170,000 DHS employees, 80,000 will come from DOT (TSA & Coast Guard). While TSA and Coast Guard are moving to Homeland Security, transportation infrastructure responsibilities will be remaining at DOT. This highlights the continuing need for communication and coordination when working on border issues such as security and infrastructure.
- TEA-21 – The Administration's reauthorization is currently at the Office of Management and Budget. With regard to the TEA-21 "Corridors and Borders" programs, a longstanding issue has been the proportion of funding awarded to projects along the Canada-U.S. border. The Northern Border received about \$62 million of the \$846 million in Corridors and Borders funding awarded to date (FY 1999 – FY2002), or about 7% of the total awards. There will likely also be a focus on providing states with more flexibility in the use of federal funds.
- While there is not likely to be new funding for the "Corridors and Borders," it is hoped that there will perhaps be a "firewall" or a separation between the sources of funding for these two programs. The TEA-21 Corridors and Border programs are funded from the same source, meaning that funding is often earmarked by Congress for projects away from the border.
- A new "Freight Connectors Program" will have more flexibility and broader funding eligibility requirements for intermodal connectors to ports /intermodal facilities.

#### Expediting Project Approval (Roger Petzold, FHWA)

- A Presidential Executive Order was signed in September 2002 to streamline the environmental approvals process for "critical transportation infrastructure projects" and clear a backlog of infrastructure projects. A Secretary-level committee, chaired

by Secretary Mineta, will direct priority environmental review for projects "of national interest and significance". States have been invited to nominate infrastructure projects for streamlined EA processing.

- INS has submitted all 165 U.S. POE (facility/infrastructure component) for consideration with the intention of expediting the environmental review for infrastructure requirement under the Entry-Exit Program.
- Jim Oberg/GSA reported that no specific infrastructure projects under the E/E program are currently under consideration.
- TC Mills/TC Pacific Region raised the issue of coordination between the U.S. border policy/projects and Canadian activities as well as the need to look at the border as a system and not as series of one-off border crossing improvements.
- The General Services Administration, U.S. FHWA, the U.S inspection agencies, and border states will be meeting in February 2003 to discuss the transportation planning process as well as federal processes at the ports of entry, and how these processes may be better coordinated.

### **TBWG Action Plan Update**

Status Update: Border Infrastructure Compendium  
Gerry Cioffi, New York State DOT (NYSDOT)

- The purpose: develop a compendium of border infrastructure needs that will serve as an info-resource and help to inform the TEA-21 Re-authorization process.
- There was an initial effort undertaken spring 2002 by NYS DOT and Sear Brown Consultants in cooperation with TC, FHWA and the provinces and border states.
- It was agreed at the Buffalo TBWG meeting that several questions needed to be addressed and that further input of the states and provinces would be required.
- NYS DOT had a teleconference in September 2002 and, after seeking state/provincial and CCRA input, sent a letter to jurisdictions formally asking them to review and ultimately approve the input submitted.
- The focus is on all border crossings, on the highway ports of entry that have dedicated commercial operations or significant non-commercial traffic. However, information on any/all border infrastructure needs is welcomed.
- For each port of entry, we have categorized the projected needs into six major categories: Border Crossings and Plaza Facility Projects; Approach Projects (within 5 km of the border crossing); Trade Corridor Projects (provide direct access to the border crossing and are within 100 km of the border); Operations and Maintenance Projects; Rail Projects; and Water Port Projects.
- NYS DOT hopes to have the initiative concluded by Spring 2003 but will require the cooperation of all jurisdictions.

Tony Shallow, Border Data Overview, TC Ontario Region

- A number of jurisdictions are interested in addressing issues with respect to border data, particularly the availability and accessibility of data. The TBWG would be an

effective forum for promoting discussion on these issues and could build on the work of the Eastern Border Transportation Coalition and other initiatives.

- In November 2002, a conference call was held in which the participants expressed interest in a number of areas such as: 1) The availability and accessibility of data; 2) Performance measurement, including border transit time studies; 3) and Commercial Vehicle data.
- David Smith, Ontario Ministry of Transportation (MTO) indicated that a first step might be to organize a data users workshop to ensure that key players in various agencies are aware of the availability and utility of existing data. Such a workshop could take place in the late spring 2003 and could serve as a prelude to a conference on border data policy issues concerning the availability and accessibility of data.
- Following discussion among some key players, on Day Two it was agreed that Ontario would take the lead in looking at putting together such a workshop with support (logistical and financial) from FHWA and Transport Canada.

#### Stephanie Roth, FHWA Communications Update

- FHWA/TC have developed a working template for a website. (The template was included in your registration packages). Input for potential topics of interest can be provided to Stephanie.Roth@igate.fhwa.dot.gov and/or Tim Angus at (angust@tc.gc.ca).

#### **CUSTOMS AND IMMIGRATION DEVELOPMENTS:**

##### U.S. Entry/Exit Update (by Jim Oberg/GSA, INS not present):

- The U.S. is moving forward with implementation of a broad system of entry/exit controls as part of its Border Security Enhancement Program (BSEP). Work is ongoing on two fronts: facilities/infrastructure and operational requirements (i.e. tracking/IT capacity and immigration processes, data requirements). The U.S. General Services Administration is responsible for developing of facilities required to accommodate the U.S. entry/exit system.
- The U.S. General Services Administration and the U.S. Office of Management and Budget have estimated that up to \$2.9B may be needed (worst case scenario) for facilities for this system, which will require \$272M in '03 and \$237M in '04. The current focus is on assessing specific infrastructure and other system requirements. Feasibility studies on 50 small ports of entry (POE) underway (current focus), master plans for the larger POE are being developed.
- The issue of U.S. exit control being interfaced with Canadian entry procedures was discussed i.e. if Canada does the U.S. exit portion as the entry processing, the Canadian entry booth (primary) may have to accommodate the U.S. exit "provisions" (system / IT requirements, device to input identification - portable fingerprint scanner). These questions are still under discussion.
- U.S position is that entry/exit controls should not impact border processing time. The Canadian concern is that entry/exit controls could increase border congestion if not implement in a coordinated/effective manner. At same time, all must recognize

Congressional and Presidential requirements and need to ensure security in the post 9/11 environment.

- The scenario outlined for how the entry or exit check would be performed: assuming entrant has identity card, card would likely use biometrics, entrant swipes card in hand-held device, border officer verifies identity, then go/no go. Those without card, particularly those from countries now requiring a visa, would presumably be referred for secondary processing.
- It remains to be seen how or if the entry/exit control system will interface with other border/identity programs (FAST, Transportation Worker Identity Card).

#### Wayne Sauer, Canada Customs and Revenue Agency (CCRA)

- CCRA is a lead agency on the Ridge/Manley Action Plan, with responsibility for eight items. Good progress has been made particularly in the areas of In-transit container targeting, NEXUS/Air Nexus and Harmonized Commercial Processing (i.e. the Free and Secure Trade Program)
- FAST driver registration started in December 2002; Canada is doing security checks on Canadian drivers (involves interviews at one of 5 enrollment centers). Driver membership fee now set at \$80 over 5 yrs. FAST importer in Canada must be Customs Self-Assessment (CSA) registered (streamlined accounting & payment process). FAST supports the increased security measures of Partners in Protection (PIP) in Canada and Customs Trade Partnership Against Terrorism (C-TPAT) in the U.S. In the U.S., importer must be CT-PAT registered. FAST carriers must submit required corporate information and customs compliance history.
- Approaching border crossing in FAST lane, FAST cargo/truck/driver would be cleared at primary with transponder / truck window decal with integrated chip and driver's FAST proximity card.
- Canada and the U.S are also aligning other (non-FAST) commercial customs procedures, particularly with respect to data requirements.
- The two customs services will also a framework for an Infrastructure Working Group, including transport agencies, to ensure that customs needs are considered in planning infrastructure improvements. The terms of reference for the group are under consideration.

#### Dave Ballard, United States Customs Service (USCS)

- The key USCS objective is to ensure security measures are administered in an efficient manner. USCS is the U.S. lead agency on eight Smart Border Action items.
- The bilateral focus in recent months has centered on promoting: coordination of efforts and activities; Harmonization of Programs; Risk-based processes; and Exchange of Data and Information.
- Timely advanced information is a key element of risk management approaches with respect to both commercial and traveler processing.
- USCS has been focused on FAST implementation like CCRA. Prospective FAST participants must be part of the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT), the counterpart to CCRA's "Partners in Protection". Processes should be "synchronized but not necessarily symmetrical."

- A number of issues, including Rail Security and the use of VACIS machines to screen U.S. bound rail cargo are still under discussion.
- USCS will host the next meeting of the Shared Border Accord in February 2003.

Border Wizard Computer Modeling Tool James King, (GSA):

- Current Border Wizard Capabilities: 1). provides a system for rapid-detailed analysis of Land Port of Entries; 2). BW provides a design tool for testing anticipated solutions at individual crossings, gateways, and along international trade corridors; 3) 47 stations simulated to date, 22 southern, 25 northern; 4). Regionalization of Stations completed
- Next Steps in development:
  - 1). Building Gateway Wizard: will allow asset management and diversion analysis of a gateway with multiple crossing sites;
  2. Link Border Wizard to the Freight Analysis Framework in order to provide “top down” macroeconomic view of international trade implications and enables POE rationalization (land and water), without Federal prescription;
  - 3). Link BW and FAF to Highway Economic Requirements System (HERS), allowing marginal benefit/cost analysis of corridors;
  - 4). Link to Canada/Mexico to enables creation of a *North American Executive Decision Support System* for continental security, transportation, and economic development
- The advantages of the BW: Enables multiple agencies and jurisdictions to focus on coordinated improvement strategies by bridging stovepipes; Supports public and private cost savings by helping to leverage investment; Enables better understanding of the potential for collaborative advantage in a globalized trade environment; and BW supports a new model for public/private cooperation and governance
- Border model can be used to model different scenarios and impacts e.g. of reverse clearance and the U.S. entry/exit system.

DOT/MDOT Border Delay Crossing Study (Kris Wisniewski, Michigan DOT):

- Joint USDOT / Michigan DOT study is evaluating the cost implications (on carriers, shippers) of border delays. Study includes POE site surveys and interviews with carriers, drivers, manufacturers and shippers. The report will be available in several months. Study promises to provide insights on border costs, parts sourcing and impact of border on supply chain other issues.

EBTC Truck Freight Crossing Study (Irv Rubin):

- Survey of cross-border truck movements as part of 1999 National Roadside Survey. Summarized 65,000 surveys at 22 border crossing, capturing data such as: origin / destination; truck volumes; commodity type, weight and value. Some key findings:
  - the six highest volume truck crossings handle 90% of the value and 75% of the weight of cross-border traffic.
  - 40% of cross-border truck trips originated or ended at rail, air, marine or intermodal terminals, and

-empty trucks comprised a significant share of cross-border flows - **23% southbound and 31% northbound.**

- The large number of empty cross-border movements was identified as a potential area of further study (considering that the majority of trucks crossing the border are Canadian-domiciled, this may suggest that Canadian truckers are encountering difficulties securing backhauls.)
- A number of issues related to “data gaps” still need to be addressed e.g. a jurisdiction’s trade can be over/underestimated because data on trade flows at a particular border crossings does not reveal the true origin/destination of trade (an issue particularly for Quebec and Atlantic provinces).

#### Gerry Nagel, Northern Great Plains Group

##### Northern Great Plains Inc. (NGP Inc.)

- NGP Inc. serves the states of Iowa, Minnesota, Nebraska, North Dakota, and South Dakota and the provinces of Manitoba and Saskatchewan by working to develop and implement regional solutions to issues, concerns and opportunities that can best be addressed through regionally focused action.
- NGP studies on trade and transportation flows found inter and intra-regional North American trade to be of great importance to the region’s economic development and prospects (i.e. as opposed to trade with Pacific Rim etc).
- Regional Planning/Development: The Northern Great Plains Regional Authority was recently established and authorized by the Congress to:
  - improve basic public infrastructure in distressed counties and isolated areas
  - fund transportation and telecommunication infrastructure for the purpose of facilitating economic development
  - support business development, with emphasis on entrepreneurship in the Region; and, provide job training or employment-related education, with emphasis on use of existing public educational institutions located in the Region.

## DAY TWO

#### International Mobility and Trade Corridor (IMTC) Project

##### Gordon Rodgers (IMTC)/Mark Jensen, SAIC/IMTC:

- IMTC is a coalition of U.S. and Canadian business and government entities that was formed to jointly identify and pursue improvements to cross-border mobility in the BC Lower Mainland / Cascade Gateway.
- Characterized changing border dynamics as:
  1. increased inspection activity
  2. increased focus on pre-clearance programs
  3. importance of improved, dedicated border infrastructure.
  4. greater harmonization of Canada-U.S. entry processing

#### Mark Jensen, SAIC

- IMTC conducted a Commercial Vehicle Operations (CVO) Cross-Border Transit Study - found cost to truckers from delays at BC border crossings to be \$40M per year.

- A survey of border operations, over a 4-day period, estimated delays at 3 stages / aspects of a border crossings (i.e. Customs primary, brokerage booth, etc).
- Using hand-held PDAs, surveyors were able to quantify queue length, vehicle type, the percentage of empty/full and pre-cleared, non-pre-cleared vehicles.
- The study measured the average travel time/delay to get through crossing; northbound-26 min. & southbound-40 min.
- They also found that queue was very sensitive to service rates (open Customs booths) (i.e. lineups cleared quickly when U.S. Customs opened up additional booths).

#### Port of Vancouver: Chris Bader

- The Port of Vancouver is the largest Port in Vancouver and the largest port in the Western Pacific Rim, handling 70 million tons of cargo per year and trade with 90 countries.
- Security measures: Vancouver Port Authority (VPA) now using Smart Cards, with limited background checks, for those accessing specific sites (employees, truck driver access to container terminals, cruise ship terminals).
- All VPA facilities will be smart card accessible by next year. With the electronic access and scheduled appointment times (booked via Internet), truckers can be in and out of the Port within 20 min.?
- The VPA has also implemented improved security measures at cruise ship terminals, 24-hour Closed Circuit Television Monitoring, Electronic gating/controlled access. It is also an active participant in the West Coast Electronic Container Seals initiative.
- The VPA also faces challenges in terms of maintaining its competitiveness as U.S. ports have access to U.S. federal funding for security and technology initiatives (e.g. Operation Safe Commerce)

#### B.C. Trucking Association Paul Landry

- "Good news" issues identified by BCTA include: the Smart Border Declaration; FAST program; and the border funding programs. "
- "Bad news" issues identified include: new Homeland Security Department and confusion over roles/responsibilities, no mention of trade facilitation issues; driver I.D issues and visa requirements (entry/exit), Less-than-truckload (LTL) issues in relation to the FAST program (multiple shipments), internal industry problems (driver shortage). Border irritants could undo economic benefits of de-regulation over the past 20 years if not managed effectively.

#### Bruce Burrows, Rail Association of Canada (RAC)

- Canada is highly dependent on trade, with exports accounting for 40 percent of GDP. Transportation systems are increasingly seamless and technology-oriented. At the same time, Canada is leading market for 38 U.S. states.
- Customers look at overall efficiency and reliability of integrated supply chains and there is an increased emphasis on Just-in-Time and intermodal deliveries. An efficient and cost-effective border is critical to the rail sector.
- In 1999, rail accounted for 44 percent in terms of volume (i.e. as opposed to value) of the exports shipped to the U.S. via surface modes. About 80 percent of U.S.-destined rail traffic moves through Ontario gateways.

- Events of September 11 underlined need to ensure border security and the impact of heightened security measures on border operations. The 30-point Ridge/Manley Plan was signed in response.
- A number of factors will continue to make rail a secure and efficient cross-border transportation option: dedicated, private and controlled corridors and their own police services; small, professional and stable workforce; a user pay approach with minimal reliance on publicly funded infrastructure; cost effective over long haul and moving into shorter haul movements; and new scheduled “Just-in-Time” movements.
- A key Canadian rail sector concern: USCS’ plans to screen deploy X-ray like VACIS machines to screen U.S. bound rail cargo right at the border instead of at secure, inland terminals where service delays would be minimal.
- Targeting and examination of high-risk shipments should be performed at key rail hubs; Canadian rail sector plans would incorporate high-risk targeting, VACIS screening and comprehensive supply chain security, based on Container Security Initiative (CSI) principles.
- The Canadian rail sector will continue to promote the secure and efficient cross-border movement of trade. However, addressing competitiveness issues and access to “complementary government funding” will help to ensure the continuing viability of the rail sector.

Jean Lecours, TC Security and Emergency Preparedness Group

- Transportation security is an overarching and increasing concern as there was an increase of 25 percent in violent acts against transportation every year between 1993-1998. In 1998, 58 percent of terrorist attacks were against transportation targets.
- Adhering to the three “I’s” is necessary to ensure transportation security: Identity, Integrity and Intelligence.
- The TC Automated Fingerprint Identification System (TCAFIS) is one approach to checking and verifying Identity. TCAFIS objectives: the electronic collection of fingerprints, descriptor data, facial images, and applicant documents; the electronic submission of fingerprints and applicant descriptor data to the RCMP; and the electronic reception of criminal records. Determining which biometric(s) will be used for such systems will continue to be a key issue in both the U.S. and Canada.
- The “Integrity” of transportation system must be ensured through processes which enable the Authentication, Validation, and/or Repudiation of credentials and their holders. Similarly, the Integrity and Sterility of containers must be maintained through the appropriate measures away from the border.
- “Intelligence” gathering is facilitated through Advanced Passenger Information/Passenger Name Record provision/analysis, Domain Awareness and information sharing.
- A number of domestic, bilateral and multilateral challenges remain e.g. the Vancouver Port encompasses nine different municipalities and is policed by thirteen different agencies which raises coordination challenges; in the area of Marine Security there are ongoing discussion on joint-boarding protocols; and there is some debate regarding the “Equivalency” of Canadian and U.S. security and background checks.

- Canada and the U.S. have effective cooperation and coordination across the full range of transportation security matters. This manifested itself in the immediate wake of 9/11 and will provide a basis for addressing emerging issues.

Gary Lakin, USDOT: Transportation Security Developments (via telecon)

- Outlined a number of initiatives such as Operation Safe Commerce, a public/private partnership sponsored by DOT and U.S. Customs, dedicated to enhancing security throughout international and domestic supply chains while facilitating the efficient cross-border movement of legitimate commerce. Phase one tested off the shelf technology intended to seal, secure and track a container from Eastern Europe, through Halifax to New Hampshire.
- As part of next step, TSA will be allocating \$28 million (US) to for initiatives at U.S. ports which improve supply chain security.
- Creation of Homeland security outlined i.e. 22 affected agencies, including TSA, USCS, INS, U.S. Coast Guard, and APHIS will move to DHS effective March 1.
- DOT/Lakin also reported that TSA is developing MOUs with each transportation mode on security and trade issues. These agreements are intended to set out the relationships between each mode and TSA (before TSA goes over to DHS). (Note: A handout was circulated on Gary's behalf, which could be provided to anyone interested).

Milt Schmidt, FMSCA: Northern Border Study

- FMSCA has initiated a Congressionally-mandated Northern Border Safety / Security Study looking at security issues / vulnerabilities of commercial vehicles. The study will also assess whether or not FMSCA should have a role in ensuring commercial vehicle safety at the northern border, or if this role should fall to TSA.

Deliverables for June Meeting:

- Develop and Deliver a Data Users Workshop by Spring/Summer 2003
  - Develop a working model of a TBWG website
  - Complete Border Infrastructure Compendium by June Meeting.
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- Proceedings Adjourned; Next Meeting: June 10-11, 2003, Burlington, Vermont