



# CANADA-UNITED STATES BORDER COOPERATION

Smart Border Coalition Meeting  
May 18, 2017

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# CBSA: Who We Are and What We Do

**Mandate:** The CBSA is responsible for providing integrated border services that support national security and public safety priorities and facilitate the free flow of persons and goods.

**Mission:** To ensure the security and prosperity of Canada by managing the access of people and goods to and from Canada.

**Legislative Authority:** The CBSA administers more than 90 acts, regulations and international agreements, many on behalf of other federal, provincial and territorial departments and agencies.

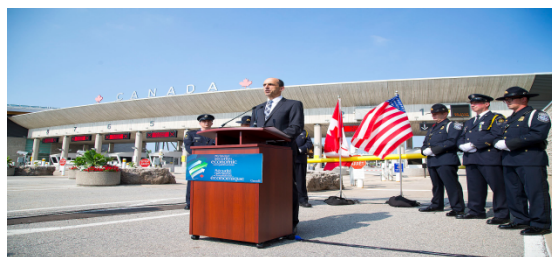




## OVERVIEW OF CANADA-UNITED STATES BORDER COOPERATION

Canada and the United States have a history of cooperation on issues of security and border management which has enabled both countries to maintain an effective and secure border in the face of security concerns since 2001 that could have seen a thickening of the border. Contemporary cooperation on the border between Canada and the U.S. can be traced back to the 2001 *Smart Border Declaration* which aimed to improve border security, information sharing and law enforcement co-operation.

The CBSA has numerous bilateral arrangements in place with CBP. In June 1984, Canada and the US signed an agreement regarding Mutual Assistance and Cooperation between their Customs Administrations. In addition, the CBSA has more than 21 customs and immigration arrangements with CBP, which includes a combination of information-sharing instruments and program or operations instruments. The arrangements with CBP include multiple Memoranda of Understanding (MOU) that permit the exchange of information, intelligence, and documents, and span trusted trader/traveller screening, commercial import/export practices, targeting of inadmissible travellers, currency seizures, as well as the prevention and investigation of customs offenses.





# SMART BORDER ACTION PLAN 2001

Description	Issue addressed	Key Outcomes
<b>SMART BORDER ACTION PLAN, 2001</b>		
<p><b>Objective: Create a “smart border” to improve the flow of goods and people without compromising border security in the wake of September 11, 2001.</b></p> <p><b>The 2001 Smart Border Declaration sought to enhance the security of the shared border while facilitating the legitimate flow of people and goods. The Smart Border Action Plan was organized under four pillars: the secure flow of people; the secure flow of goods; secure infrastructure; and information sharing and coordination.</b></p>	<p>The Smart Border Action Plan introduced various mechanisms and technological enhancements to expedite the crossing process and enhance information-sharing between Canada Border Services Agency (CBSA) and U.S. Customer and Border Protection (CBP).</p>	<p>Notable outcomes include:</p> <ul style="list-style-type: none"><li>• common standards for biometrics</li><li>• NEXUS at select land ports of entry and piloting at air ports of entry;</li><li>• sharing of information on those applying for asylum</li><li>• regulatory framework and standard operating procedures for the implementation of the Canada-U.S. Safe Third Country Agreement;</li><li>• expansion of Integrated Border Enforcement Teams (IBETs) to disrupted illicit trafficking of goods and peoples.</li><li>• expansion of air preclearance;</li><li>• creation and deployment of Free and Secure Trade (FAST) at select high volume crossings.</li></ul>



## WESTERN HEMISPHERE TRAVEL INITIATIVE 2004

Description	Issue addressed	Key Outcomes
WESTERN HEMISPHERE TRAVEL INITIATIVE, 2004		
<p><b>Objective: Strengthen border security and facilitate entry into the U.S. for both legitimate U.S. citizens and foreign visitors by setting conditions and standardizing documents for entry.</b></p> <p><b>The U.S.' Western Hemisphere Travel Initiative (WHTI) created a new condition that visitors entering or re-entering the U.S. would be required to produce a valid passport or other accepted document.</b></p>	<p>Prior to the WHTI, Canadian and American citizens were only required to prove their identity and citizenship through oral declarations and/or the presentation of commonly held documents, such as a driver's license or birth certificate. Moving towards the use of secure documents would address potential threats, while expediting legitimate low-risk trade and travelers.</p> <p>Given the potential for significant delays and negative economic impacts on cross-border trade, Canada engaged the U.S. to develop identify solutions for Canadians beyond requiring all Canadians to be issued a passport.</p>	<p>Reduced impact on Canadians because of pre-existing WHTI-compliant documents such as NEXUS or Free and Secure Trade (FAST) cards developed under Smart Border.</p> <p>Building on the common standards and fraud resistant documents developed under the Smart Border, CBSA was able to work with CBP to identify new WHTI-compliant travel documents. Specifically, the Enhanced Driver's Licenses (provincial) and Enhanced Identification Cards (states), contain information on the holder's identity and citizenship for use at land and marine points of entry.</p>



# BEYOND THE BORDER ACTION PLAN 2011

Description	Issue addressed	Key Outcomes
<b>BEYOND THE BORDER ACTION PLAN, 2011</b>		
<p><b>Objective: Move to a perimeter approach to security and prosperity through a secure shared border that facilitates legitimate trade and travel.</b></p> <p><b>In 2011, Prime Minister Harper and President Obama issued a joint declaration, Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness, and its associated 34 initiative Beyond the Border Action Plan (BTB Action Plan). The BTB Action Plan identified four main areas of cooperation: addressing threats early; facilitating trade and economic growth; cross-border law enforcement; and critical infrastructure and cyber-security.</b></p>	<p>In an ever changing and complex threat environment and increasingly global market, Canada and the U.S. recognized that addressing threats and economic prosperity require not just addressing issues at the shared border, but away from it.</p> <p>BTB Action Plan initiatives sought to establish a new long-term partnership which focused not just on border priorities, but on enhanced security goals and plans to accelerate the legitimate flow of good, people and services. This would address U.S. concerns about differing approaches to security and Canada's desire to counter border thickening. This would be accomplished using a risk based approach with interoperable or joint measures and technology to effectively address threats at and before the border.</p>	<p>Notable outcomes include:</p> <ul style="list-style-type: none"><li>• authorities to expand preclearance to all modes and cargo;</li><li>• expansion of membership and benefits of trusted trader and traveler programs;</li><li>• mutual recognition of respective air cargo security programs to improve air cargo security and eliminate rescreening except for cause, and piloted an Integrated Cargo Security Strategy under the principle "inspected once, cleared twice";</li><li>• border infrastructure investments at key border crossings including physical upgrades, additional NEXUS or FAST lanes, border wait time technology and RFID technology;</li><li>• establishment of the Canada-U.S. Regulatory Cooperation Council to align interests on health, safety and the environment, while supporting growth, investment, innovation and market openness.</li></ul>



# How the border is managed

Trusted Traveler (ie: NEXUS) and Trader (ie: PIP/CSA) Programs help reduce Border Wait times as well as:

- Cross training officers in both commercial and traveller streams to increase operational flexibility in response to changing traffic flows.
- Advanced shift planning and officer scheduling (including leave management) aligned to traveler volumes to optimize operational coverage, particularly in advance of large events
- Analysis and review of current port of entry operations to identify opportunities for streamlining and simplifying business processes.
- Focus on commercial over traveler processing during certain operational periods where Just-In-Time (JIT) deliveries to industries, such as the automotive sector are critical.
- An analysis of passenger throughput in the CBSA primary hall at major airports is being undertaken, and the results shared with airport authorities for planning purposes and managing service level expectations.
- Leveraging technology and new initiatives such as the Primary Inspection Kiosk (PIK).
- Rescheduling officers training for non-peak periods.

Border Wait Times can be found on the GoC open data portal :  
<http://open.canada.ca/data/en/dataset?organization=cbsa-asfc>



# Trusted Trader Program Overview

- The CBSA's Trusted Trader programs aim to facilitate the cross-border flow of low-risk commercial goods through streamlined and efficient border processes for pre-approved businesses:
  - **Partners in Protection (PIP)** focuses on high standards for physical, procedural and infrastructural security, and sound practices for maintaining cargo integrity;
  - **Customs Self-Assessment (CSA)** focuses on simplified requirements for reporting, release and accounting of goods, allowing expedited clearance of eligible shipments at the border.
- Through Trusted Trader programs, the CBSA forms partnerships with industry to encourage best practices for cargo security, business integrity, and customs compliance throughout the supply chain, from point of origin to final destination.





# Trusted Trader Program Overview

- From a CBSA perspective, Trusted Trader programs elevate the assessment and mitigation of cross-border risks from the transactional level to the entity level:
  - Allows the CBSA to focus resources on shipments of higher or unknown risk;
  - Minimizes the impact of border processing on low-risk shipments;
  - Achieves an effective balance between national security and trade facilitation priorities.
- Membership in Trusted Trader programs does not equate to an exemption from scrutiny at the border; rather, the CBSA affords Trusted Trader members preferred consideration (i.e., reduced risk score) when making informed, risk-based determinations for the purposes of cargo and conveyance examinations.

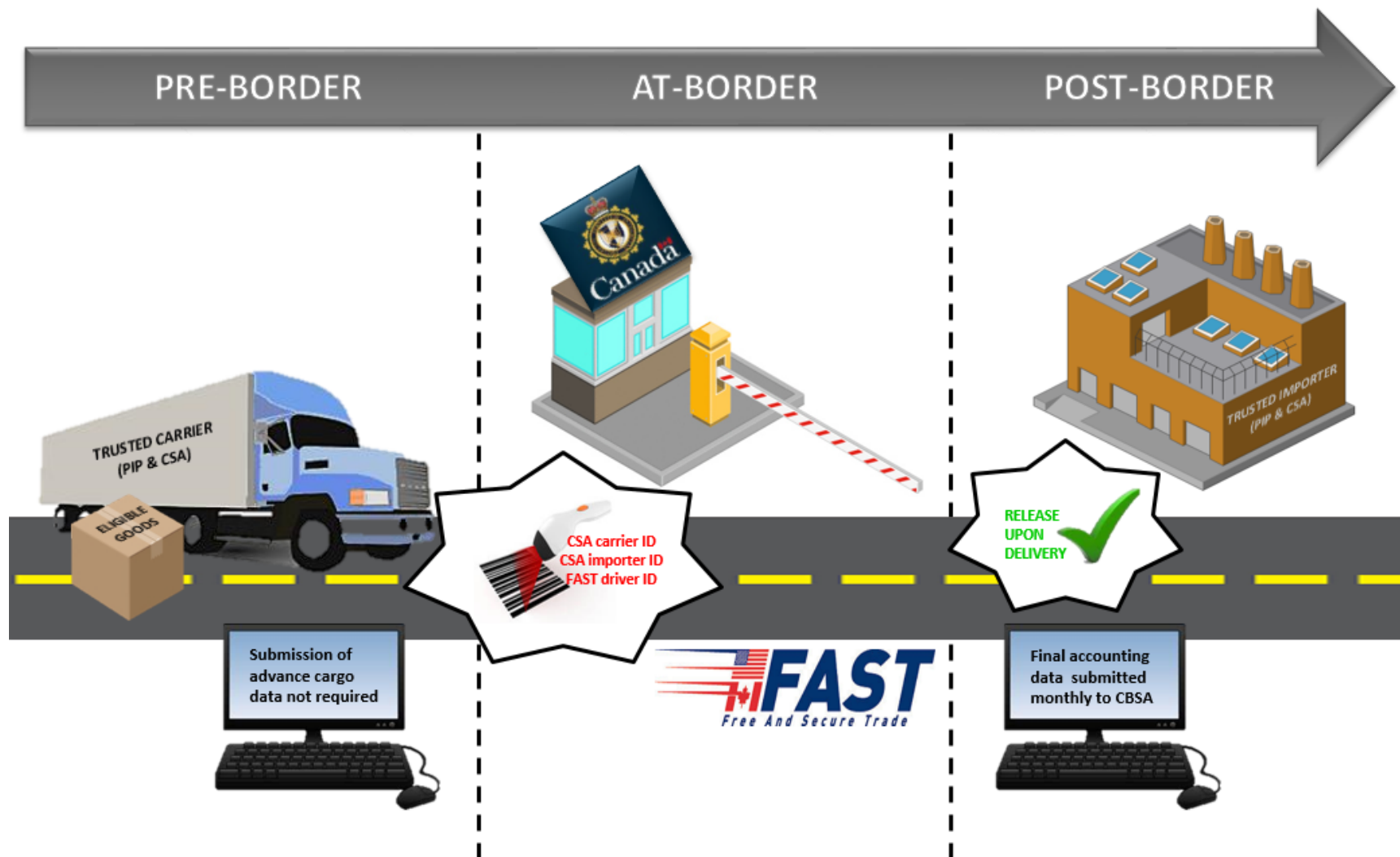


# Trusted Trader Program Benefits

- Members of both PIP and CSA are eligible to access **Free and Secure Trade (FAST)** lanes for expedited clearance at select border crossings in the highway mode.
- FAST is jointly administered by Canada and the United States (U.S.) to expedite shipments in instances where trusted entities exist throughout the supply chain (i.e., trusted importer, trusted carrier, and registered driver):
  - Competitive economic advantage for participants;
  - Reduced border congestion;
  - Cost and time savings.
- Other PIP membership benefits include recognition at the border, enhanced industry marketability, reduced examination rate, and mutual recognition of trusted status with compatible programs in other countries.
- Other CSA membership benefits include simplified import data requirements for eligible shipments, consolidated accounting privileges, and extended timeframes for payment of duties and taxes.



# Trusted Trader Expedited Clearance Process





# Partners in Protection

- PIP is a voluntary program that enlists the cooperation of businesses involved in cross-border trade to enhance supply chain security. PIP members must implement and adhere to high security standards, while the CBSA conducts on-site validations of their premises to assess their security measures and make recommendations for improvements and best practices.
- PIP members are certified by the CBSA based on compliance with minimum security requirements (MSRs) covering all aspects of the supply chain, including:
  - Sound business practices and partners;
  - Access controls for cargo and data storage areas;
  - Protocols for vetting and identification of personnel;
  - Procedures for maintenance of alarm systems, video surveillance, and visitor logs;
  - Safeguards against cargo theft or tampering such as the mandatory use of high-security seals.
- The PIP MSRs are aligned with the World Customs Organization's Framework of Standards to Secure and Facilitate Global Trade, allowing Canada to enter into Mutual Recognition Arrangements (MRAs) with other countries that offer similar programs for securing the international supply chain.



# Mutual Recognition Arrangements

- Through alignment with the SAFE Framework, PIP is recognized as an Authorized Economic Operator (AEO) program, allowing the CBSA to enter into MRAs with other customs organizations that offer similar programs with comparable supply chain security standards.
- MRAs help to strengthen the global trade infrastructure by expanding the international network of accredited low-risk industry partners, enabling participating programs to recognize each other's members and grant them similar benefits for shipments exported by AEO-certified entities.
- Canada has signed MRAs with the U.S., Singapore, South Korea, and Mexico; currently underway with the European Union, Israel, and Australia.





# Harmonization between Canada and the U.S.

- Under the Beyond the Border Action Plan, Canada and the U.S. jointly committed to harmonize our respective AEO programs, PIP and the Customs-Trade Partnership Against Terrorism (C-TPAT), to enhance the mutual recognition of Trusted Traders.
- Harmonization refers to further aligning both programs to the greatest extent possible in the areas of policy, procedures, processing, and documentation practices while each country retains sovereignty over its own program.
- Harmonization would allow a single application process for eligible companies seeking to join both programs as well as the ability for existing members of PIP and C-TPAT to harmonize their memberships:
  - Based on the company's country of residence, membership is managed by either PIP or C-TPAT on behalf of both programs;
  - Only one site validation required, with results mutually recognized by both programs;
  - Single point of contact for companies to maintain their membership;
  - Access to an interoperable portal system facilitating exchange of membership information.



# Partners in Protection Program Best Practices

- PIP members must demonstrate an excellent compliance record and adhere to high security standards. Members must conduct reviews of their security practices and systems, and implement any necessary corrective measures on an ongoing basis.
- Members are required to keep the CBSA informed of any substantive business changes as they occur, including changes to their corporate structure, office locations, business practices, security measures, or contact information.
- Members are obligated to take a proactive approach to ensuring supply chain security, including:
  - Reporting suspicious indicators/activities to the CBSA or other law enforcement agency;
  - Preventing unauthorized access to facilities and electronic assets;
  - Ensuring cargo integrity throughout the lifecycle of shipments, including regular conveyance inspections and the use of high-security seals;
  - Conducting business dealings with supply chain partners that are also compliant with PIP security standards.



# Partners in Protection Program Best Practices

- Revalidation of PIP membership occurs at least once every 4 years, including a renewed eligibility verification, updated Security Profile, and site validation of the company's premises to ensure continued compliance with MSRs.
- Members are also subject to periodic monitoring and spot checks, and an Action Plan prescribing corrective measures may be issued at any time if deemed warranted.
- Members are assigned a CBSA Officer to serve as a direct point of contact, which helps the CBSA maintain up-to-date information about the business and its supply chain partners, as well as an open channel of communication for seeking advice or reporting security incidents.
- If a security breach occurs in a member's supply chain, the PIP program will conduct a post-incident analysis and work with the member to determine the cause, identify any mitigating circumstances, and formulate a strategy to prevent future incidents.





# NEXUS

- NEXUS is a bi-national, Canada-United States program for pre-approved, low-risk travellers entering Canada or the United States (U.S.) at designated air, land and marine ports of entry.
- The program enables its members to enter either country more quickly and easily by using automated self-serve kiosks in the air mode of travel, dedicated lanes in the land mode of travel, and by calling Telephone Reporting Centres (TRCs) prior to arrival in the marine mode of travel.
- The NEXUS fee is \$50 (CAN or USD) and is valid for five years.
- There are more than one million NEXUS members.
- NEXUS members are eligible for expedited travel across the Canada-U.S. border at eight international airports in Canada, 19 land ports of entry and approximately 430 marine locations.
- Members also benefit from expedited security screening lines in pre-clearance areas at major Canadian airports and dedicated lines at over 100 participating U.S. airports for domestic, trans-border and select international flights.



# Evolution of the CBSA/Customs and Border Protection Relationship



- Signing of the MRA in 2008;
- Joint commitment in 2011 to the Beyond the Border Action Plan for Perimeter Security and Economic Competitiveness;
- Signing of a Memorandum of Understanding in 2014 to enable harmonization of the PIP and C-TPAT programs;
- Joint working groups throughout 2013-14 to harmonize program policies and procedures, security criteria, and application processing;
- Launch of Canada's Trusted Trader Portal in 2014 to facilitate the submission of PIP applications and updates to membership information;
- Harmonized membership framework for highway carriers, including interoperability of the PIP and C-TPAT portals; and
- Joint site validations conducted periodically to share best practices.

*Canada and the U.S. are the world's largest trading partners, with bilateral trade in goods and services exceeding USD\$635 billion (CAD\$841.1 billion) in 2016.*

