



U.S. CHAMBER OF COMMERCE



Canadian  
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Commerce  
du Canada

# Transportation Border Summit

April 25, 2019 | Washington, DC

## SUMMARY REPORT





# Executive Summary

On 25 April 2019, the Transportation Border Summit was co-hosted by the Beyond Preclearance Coalition, the US Chamber of Commerce and the Canadian Chamber of Commerce. The Summit was held in the Hall of Flags at the US Chamber of Commerce, in Washington, DC. On this occasion, over 120 representatives of all four modes of transportation (air, marine, land, and rail) and representatives from the Canadian and US governments came together to further the vision of efficient and secure movement of people and goods across the US–Canada border, as identified in the Beyond Preclearance White Paper. This meeting succeeded in maintaining the momentum from the YVR Aviation Border Summit II in October 2018. Participants heard many notable speakers, including Canadian Ambassador to the United States David MacNaughton, Assistant Secretary of US Homeland Security Dimple Shah, President of the Canada Border Services Agency John Ossowski, Deputy Commissioner of US Customs and Border

Protection Robert Perez, and Deputy Minister of Transport, Michael Keenan. Speakers, panels, and reports were provided by experts from government, industry, and academia on both sides of the border.

Some of the key themes emanating from this Summit were

- the evolution of the US–Canada border so that it is seamless, predictable, secure, and integrated;
- the use of technology (especially, but not exclusively, facial biometrics) to develop this evolution;
- an increase in the cooperation between government and industry;
- the adoption of the recommendations of the four advance modal workshops (air, marine, land, and rail); and
- the establishment of working groups to further these causes.



One of the primary contributions that this Summit (and the advance modal workshops) has made is the establishment of working groups and pilot projects to further the Beyond Preclearance initiative. Below is a list of the proposed working groups and pilot project initiatives identified by the participants of the Transportation Border Summit, along with those organizations and government departments who are expected to form the core of the working groups to drive the pilots forward. Several of these items were originally conceived at the YVR Aviation Border Summit II in October 2018 and have been expanded to reflect the multi-modal nature of this Summit.



# Proposed Working Groups and Pilot Projects

WORKING GROUP/PILOT	SECRETARIAT
1. Facial Recognition Pilot and Identity Management	Canadian Airports Council
2. ESTA/eTA Single Window	Tourism Industry Association of Canada
3. Applied Policy Research in US–Canada Border Studies	Pacific NorthWest Economic Region
4. Remote Screening of Goods and Joint Facilities	TBD
5. Trusted Traveller Program Integration	Airports Council International – North America
6. Security Rescreening Elimination	Canadian Airports Council
7. Short-Term Policy and Process Changes	TBD
8. Intermodal Transfers	TBD
9. Preclearance Facilities and Flexible Facilities Model	TBD
10. Communications	TBD



## List of Abbreviations and Acronyms

ACC	Canadian Air Consultative Committee
ACI-NA	Airports Council International – North America
APHIS	US Animal and Plant Health Inspection Service
ATA	American Trucking Associations
BCCC	Canadian Border Commercial Consultative Committee
CAC	Canadian Airports Council
CATSA	Canadian Air Transport Security Authority
CBP	US Customs and Border Protection
CBSA	Canada Border Services Agency
CFIA	Canadian Food Inspection Agency
COAC	US Commercial Customs Operations Advisory Committee
CTA	Canadian Trucking Alliance
DHS	US Department of Homeland Security
ESTA	US Electronic System for Travel Authorization
eTA	Canadian Electronic Travel Authorization
IRCC	Immigration, Refugees and Citizenship Canada
LMRA	Land, Rail, Marine, and Air Transport Preclearance Agreement
NASCO	North American Strategy for Competitiveness
PNWER	Pacific NorthWest Economic Region
RCC	Regulatory Cooperation Council
TEU	Twenty-foot equivalent unit
TIAC	Tourism Industry Association of Canada
TSA	US Transportation Security Administration
USDA	US Department of Agriculture
USMCA	United States-Mexico-Canada Agreement
VFPA	Vancouver Fraser Port Authority
YVR	Vancouver International Airport

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# Opening Remarks



**Lynne Platt,**  
State Department Fellow, Woodrow Wilson Center

Ms. Platt opened the Summit, set the stage for the events to unfold, and stressed the importance of the Summit and its timeliness. The US–Canada border is the longest undefended border in the world and the two countries have the biggest trading relationship in the world: more than \$2 billion in goods cross the border per day. An efficient and well-functioning border is essential to the security and prosperity of both countries. Given the previous agreements passed and signed by both countries, it is time to look ‘beyond preclearance’ and plan for the future of the cross-border relationship. We need to bring government and industry together to make this work.



**Neil Herrington,**  
Senior Vice President of the Americas  
Department, U.S. Chamber of Commerce

Mr. Herrington welcomed everyone to the US Chamber. The bilateral, economic partnership of the US and Canada is the most important in the world. For the US business community, there simply is no market more important than Canada. Protecting and strengthening the trading relationship is always a top priority for the US Chamber of Commerce. US Section 232 tariffs are unacceptable on Canadian steel. The notion that the tariffs have been imposed because of national security is risible. Restoring certainty to the bilateral commercial relationship is the most important thing we can do to improve our relationship. The biggest steps would be ratifying USMCA and removing the tariffs. The Beyond Preclearance Coalition’s work on day-to-day issues is fundamental to the success of the long-term certainty we seek. As global markets become increasingly interconnected, our ability to move pre-approved, low-risk travellers and goods, both safely and efficiently, is critical to the economic competitiveness of both countries. Adopting technologies and innovative solutions will streamline border processes and costs to increase trade.



**Jackie King,**

Chief Operating Officer, Canadian Chamber of Commerce

Ms. King welcomed participants to the Summit – especially government officials. The Canadian Chamber of Commerce has a strong interest in US–Canada border policy. The strength of both economies depends on connectivity. Ensuring that USMCA is passed is of utmost importance. North America's participation in highly competitive global supply chains demands it – especially if we want to attract more global trade and investment. A lot of work remains to harmonize processes, procedures, and technology to reach a comprehensive border vision. Beyond Preclearance is focused on shared technology solutions, providing significant opportunities for our governments to improve security while lowering transaction costs. The success of the YVR Aviation Border Summit II ensured that there would be demand for this multi-modal summit.



# The Beyond Preclearance Whitepaper



**Solomon Wong,**  
President and Chief Executive Officer,  
InterVISTAS Consulting

Mr. Wong provided an overview of the October 2018 White Paper that was commissioned by the Beyond Preclearance Coalition and identified a future vision for the Canada-US border. It is important not just that people and goods move effectively over the border, but that Canada and the US compete effectively in the world. There are three reasons why this Summit is happening:

1. Common language – create a process that cuts across different modes of transportation.
2. We need to understand the things that are evolving in co-creation of trade and travel. For example, the Peace Bridge using the NEXUS card to pay for tolls; or a new rail port of entry, importing ideas from air and marine modes.
3. Connectivity – every minute of duplication or redundancy creates difficulty for value creation in tourism and business travel and trade within both countries. This includes a challenge for government agencies to do more with less.

In 2018, there were 84,000 CBSA, CBP, TSA, and CATSA officers (and 3,000 kiosks) processing people and goods across the US-Canada border. The ability to keep up with growth in trade and travel is important. However, we expect a shortfall of 38,000 officers by 2038. There are eight

technology game-changers that we need to work into our thinking:

1. Next-generation biometrics;
2. Remote and multi-use screening;
3. Drone networks;
4. Blockchain and track-and-trace;
5. Artificial intelligence/machine learning;
6. Mobile smartphones;
7. Autonomous vehicles; and
8. Enterprise cloud services.

There are ways that we can integrate Privacy-by-Design into the thinking on commercial and personal information. There are solutions for enterprise cloud services that can insulate us from some of the criticisms of how new technologies are advanced. In the future, we need to look at how we can adapt to change on things such as lineups. We also need to ensure that the multi-modal and intermodal logistics supply chains are not inhibited. Between the US and Canada, the generation of ideas to ensure our businesses can compete globally is something to be leveraged and built upon, if there are strong connectivity ties. The changing nature of passengers is something we need to look at – who is it that will be visiting and spending money – either by direct foreign investment or business travel. We can use existing technology standards to screen once, accept twice – not just for both countries, but for the whole range of different agencies and departments. To get that right, we need to be able to establish a reliable process. In the next twenty years, the global economy is expected to grow by \$100 trillion. We will have 460 million residents, and trade is forecast to grow by two-and-a-half times. The border of the future must be predictable, secure and integrated. Security is not just for current threats, but for anticipating what threats may be coming.

One core challenge for security and border agencies has been the ability to trace to origin – in other words, establishing trust. On biometrics, there are a number of different places that have

established a visionary approach to it. From a multimodal perspective, if an inbound air passenger is biometrically identified by CBP or CBSA to enter the country, the same could apply to rail lines or cruise lines. One of the most challenging parts of facial recognition is getting it through windshields. So what does establishing trust look like in practice? It means ensuring facilitation for a mix of flows of vehicles or an air-to-truck route, so that legitimate trade and commerce can move. If we are successful, we can push the border back to a lumber production plant or oversees factory – and the border becomes more fluid. At ports of entry, we can divert things that are not ready for crossing. Pre-Arrival Readiness Evaluation allows for that signal to be established before a truck or railcar or aircraft leaves. The White Paper proposed 54 changes to processes at the US-Canada border and we explained what it takes to achieve a minimum of \$13.2 billion in annual savings across all modes.

We need to change the dialogue on the public-private partnership model. The ability to have processing occur at ports of entry has rested on the dynamic of having officers and space, but that has to fundamentally change in Beyond Preclearance. The relationship should now include the use of people, technology, and processes – and ultimately the result is space. What happens if you are able to share facilities between US and Canada? If you doubled the throughput or relocated to a more logical place, perhaps the cost is halved – and that is just for one port. The savings in capital investment across all modes are important enough for the industry to create a new cost structure, so long as you have the right technology, processes and people in place to manage the upcoming growth volumes and risk levels. It is a delicate balance with a public-private partnership model, in combination with how policy is advanced. This partnership relies upon an appropriate governance structure for evolving the discussion between industry, government, transportation operators and conveyances. A governance structure to look at future initiatives and ideas would involve:

- A bi-national government committee;
- Working groups designed by the executive committee;

- Action committees created by the executive committee; and
- Industry-government engagement mechanisms.

In addition, we must use applied research to support the ongoing relationship between government, industry and academia. There are models that allow us to dive deeper into what this means in practice. These models, which are our key directions, are:

- Adopt a remote clearance approach;
- Screen once, accept multiple times;
- Trusted secure token, such as blockchain;
- Move away from fixed checkpoints for clearing flows; and
- Harness big data for risk management.

Finally, the last aspect of the White Paper is a challenge to us all. Is there an opportunity for multi-channel preclearance? Would that be in person (a staffed interaction)? Would that be high-definition video instead of face-to-face (as CBP/CBSA are starting)? Would that be mobile? Would that be local or remote screening of baggage and cargo? This is not just for Canada and the US, this is for other countries that have a similar philosophy on security and immigration. We should examine a global preclearance model. We must get past the notion of a fixed point for a border and continue the momentum of pushing the border outward. In fact, we are really dealing with managing flows of people and goods and information.

The White Paper has articulated the monetization of a predictable, secure, and integrated border. It is not just how one party (or multiple parties) will benefit from trade and travel, it is also the ability of governments to do more with less. This is to reduce the need for 38,000 new officers over the next twenty years just to meet growth. Implementing the 54 processes that were proposed in the document will bring us to a new model (involving joint governance, technology acceleration, applied research, and facilities) that will result in at least \$13 billion in savings; reduced/deferred facility costs; potential savings to incremental hires; etc. The White Paper is a living, breathing document.

# Keynote Address - Dimple Shah

**Dimple Shah,**

Assistant Secretary for International Affairs, U.S.  
Department of Homeland Security

Ms. Shah spoke about DHS working with its partners across the US-Canada border. The security of our respective nations depends on the effective management of our air, land and maritime borders. We must use effective management aids in combating terrorists, trans-national criminal organizations, and nefarious actors who wish to cause us harm. There are 400 DHS personnel operating in Canada – the largest contingent outside of the US (these are mostly CBP preclearance officers). The Land, Rail, Marine and Air Transport Preclearance Agreement (LMRA) between Canada and the US will expedite lawful cross-border travel by providing for the expansion of preclearance locations across all modes. The LMRA will enable the US and Canada to proceed with co-location of officers at small and remote ports of entry, leading to efficiencies and cost savings in both countries. Other achievements include the mutual recognition of our respective air cargo programs for passenger aircraft and elimination of re-screening of checked baggage on connecting flights originating at all Canadian preclearance airports. DHS is working closely with industry and its foreign partners to effectively manage and address threats to security, leveraging technology to secure international air travel through the travel continuum – from applying for a visa (or travel authorization) to boarding an aircraft. DHS has made changes to screening protocols to stay ahead of emerging terrorist threats.



# A Fireside Chat with John Ossowski and Robert Perez



**John Ossowski,**  
President, Canada Border Services Agency

**Robert Perez,**  
Deputy Commissioner, US Customs and Border Protection

**Moderator: Laura Dawson,**  
Director of the Canada Institute, Woodrow Wilson Center

Canada and the US have a strong reputation for big cross-border, cooperative initiatives, but they need the kind of energy, resources and vision that the BPC Coalition brings. Now is the right time for continued cooperation between the Canadian and American border agencies: CBSA and CBP. This discussion will address how the two agencies

work together, what their priorities are, and how their respective visions for the future align.

**Dr. Dawson –** What are your priorities for the relationship between Canada and the US?

**Mr. Perez –** Our priorities are the policy and technological issues. We must emphasize the importance of balancing security imperatives with the 21st century travelling and trading experience. CBP and CBSA do excellent work, sharing information and intelligence on threats to manage risk – not only for the US and Canada, but for the region, hemisphere and globe. We are learning how to adapt to modern ways of doing business. There is a great deal of cooperative work on biometrics for travel, e-commerce work on facilitation, and threat mitigation. What are

the areas where technology can drive process improvement and be both meaningful and agile enough to adapt to a changing world? Both CBP and CBSA are very interested in the White Paper content on predictability and scalability.

**Mr. Ossowski** – The issues that border agencies deal with are vast and complex, so the more that agencies can work together, the better. How do we take advantage of the relationship with CBP in a thoughtful way? There is an incredible opportunity to use technology (e.g. facial recognition) to manage risk better and make meaningful improvements in facilitation. For CBSA, it comes down to a simple test: are you who you say you are and what risk do you present? As a result, identity management and understanding the potential of facial recognition is hugely important. The Border Five (US, Canada, United Kingdom, New Zealand, and Australia) have a vast amount of biometric information (two-thirds of the world's biometrics). We want to share and standardize the information between the countries and leverage the relationships we have in industry to address some of the technological issues. Our overarching priorities are managing risk, facilitating security, assessing new technologies, and making our processes understood, predictable and seamless.

**Dr. Dawson** – What are some of the projects, ideas, initiatives that you are working on for border management in the future?

**Mr. Perez** – The ideas for the future of borders are being shared among the Border Five. Agile, integrated, forward-looking technologies must be used to develop solutions for the problems of today and in the future. New technology has to be predictable, speedy, and precise in decision making – especially with ever-growing numbers of travellers, cargo and threats. Identity management is key. In the US, more than two dozen airlines and port authorities agreed to partner with CBP to expand the use of biometrics in both outbound and in-bound flights. We are moving toward a time without paper identity documents, but we need to make sure of the integrity of the information. We have done 13 million biometric screenings and found 100 imposters – which shows that the technology is working. On the trade side, we are making progress with the mail (with advance

electronic data), as e-commerce is vastly important. Moving from containerized cargo to mail streams and express consignment requires new ideas. We want to incorporate technologies into finding solutions to the border issues that we face and preserve the predictability and integrity of the systems so that we can make the best risk-based decisions.

**Mr. Ossowski** – For CBSA, the border of the future must have a fully implemented, risk-based compliance model. There is no way we can continue with the volume growth of travellers and trade, and do the job properly from the perspective of facilitation and security. How can we facilitate voluntary compliance on the vast majority of people? CBSA is not looking for the needle in the haystack, we are looking for the hay. In other words, we want to get the vast majority of people across the border quickly and efficiently and then have officers focus on the few remaining. In fact, in every airport where Primary Inspection Kiosks have been implemented, enforcement is up because officers are roaming around and using their skills, rather than doing the transactional work that the kiosks are now handling. In addition, the growth in e-commerce is enormous. How do we work with FedEx, UPS, and others to share information and data sets? Data is the key. Using the data – common standards, data sharing, and leveraging relationships – will move us towards better risk-based compliance.

**Dr. Dawson** – Can you comment on how well we are doing in integrating other government departments and agencies into a common vision for border management?

**Mr. Ossowski** – We have several initiatives that are trying to do that, most notably the Single Window Initiative. This makes it easier for information to travel to allow the cross-border transaction to take place properly. These technological initiatives take time, but we are trying to make the processes easy, predictable and workable. However, not every problem requires a technological solution: for example, African swine fever is most effectively identified through the use of beagles. So we are looking for opportunities to be more proactive and push the border out.

**Mr. Perez –** The need to move to a Single Window Initiative has caused the creation of an Integrated Border Council that meets regularly at the executive level. There are also regular meetings between CBP and other US government agencies to improve service. There are over 40 agencies and 400 different laws that manifest themselves in border-crossing issues and we use risk-based solutions and informed decision making to make it all work. CBP has been very forward-thinking when it comes to automation, analytics, big data and machine learning.

**Dr. Dawson –** Can you expand on how business/industry can help government agencies achieve such things as risk management?

**Mr. Perez –** The obvious answer is technology. It is mutually beneficial, and we need to look for a positive impact for a multitude of operational environments and issues, but also make sure that we're doing so in a way that's scalable, agile and adaptive. We need help from industry to develop technologies that are adaptable, quick and can be integrated. When it comes to technology, we need software and hardware that can be immediately integrated. We are also looking to industry to participate in the policy discussions and development for what it is that CBP does. DHS was born out of the tragedy of 9/11, but much of what was created was done in collaboration with industry. These partnerships are critically important to ensure future development and success.

**Mr. Ossowski –** We need to deepen the relationship with business because of the development of technology within industry. There are huge challenges and opportunities and we're not the technology experts. CBSA has enormous data holdings – how do we maximize its utility? We need help from industry. Can we learn how industry is using their own data? FedEx, Air Canada, and others – what are they seeing with their big data? There is an immediate need to cooperate – between government and industry – but there is also a deeper learning opportunity because government is always lagging in technology.

**Dr. Dawson –** What will the US–Canada border look like in ten years?

**Mr. Ossowski –** We will have a lighter touch environment – improved facilitation and better risk management. For air travel, CBSA knows whether they want to talk a specific traveller – even before they have arrived at the airport. Land is trickier, because we do not always know who is coming when – except on the commercial side. We need to provide officers with better tools to make better use of their discretionary powers and improve their discretionary decisions.

**Mr. Perez –** The relationship between CBSA and CBP is as strong as it's ever been, and so the border of the future involves joint ventures like co-location at ports of entry, since much of our infrastructure can accommodate 21st century technology to help both sets of officers do their work. Another example is in rail travel, where we are working towards advanced risk management and mitigation for cargo clearance. We are also looking forward to many of the innovations of the future that will be unseen and seamless. This will better allow us to do our job of keeping you safe and maintaining the integrity of the systems.

# Transportation Industry Panel



**Moderator: Laura Dawson,**  
Director of the Canada Institute, Woodrow  
Wilson Center

**Craig Richmond,**  
President and Chief Executive Officer,  
Vancouver Airport Authority

**Martin Rojas,** Senior Advisor for the Americas,  
International Road Transport Union

**Allan Schepens,** Manager of Transborder  
Strategy Services, Canadian Pacific Railway

**John Young,** Director of Freight and Surface  
Transportation Policy, American Association of  
Port Authorities

The transportation industry is quite diverse, incorporating land, rail, marine and air modes. This Summit has heard a lot about technologies, and the White Paper outlines a vision for biometrics, blockchain and other detection technologies. This free-flowing discussion will focus on the role of technology, the relationship with government, and industry engagement with the public.

**Dr. Dawson** – What is role of technology in your own mode of work and which technologies are most interesting?

**Mr. Richmond** – We must bring ease, comfort, and speed back to travel. There are too many steps for the traveller to go through at the airport. We can do better and technology will make it happen. Most people come to the airport by ground: car, taxi, train. Airports know you are coming – very few people just show up. A future vision could include cameras on the way into the terminal to take your picture; floor scans to scan your luggage; in-terminal cameras to recognize your face and check you in; exit scanning to ensure you got on the plane; and security passages, where floor scans, carry-on scans, biometric scans, baggage scans, and agency hand-off (CATSA to CBP) all happen as you are walking. CBP knows you are coming too and you do not even need to see an agent. When they need to, CATSA and/or CBP can pull people aside. We must communicate better to the public what information is already gathered and transmitted now when they cross a border (with Advance Passenger Information System, passports, visas, eTAs, or ESTAs, etc.). Facial

recognition is simply an extension of what already exists – it is the next step.

**Mr. Rojas** – We are using exciting technology to scan trucks for pre-screening: x-rays, gamma rays, RFID, etc. This is screening not just what the cargo is, but also what the vehicle is, whether it is in good condition, whether it complies with regulations, etc. The border works well for trucks, but could work a lot better. We are under-utilizing the infrastructure at border crossings. Perhaps the issue is lack-of-personnel, but then let us use automation. There is a lot of talk about autonomous vehicles, so how about autonomous ports of entry? Allow us to have trucks precleared – not just pre-screened – so they can pass through the border without pause. How do we make the life of the truck driver, the trucking company, and the customs officer better? Improve the process and facilitate trade.

**Mr. Schepens** – Cross-border business is very important to the rail industry. There are five Class One railways operating between Canada and the US: Canadian Pacific, Canadian National, BNSF, Union Pacific, and CSX. For Canadian Pacific, cross-border traffic comprises about one third of our business, which is about 800,000 shipments per year. Trains are getting longer: it is not uncommon to have a train more than two miles in length. We need to use technology to the best of our ability to increase capacity at the border and make for a more reliable border crossing, because managing an exception on a train that is two miles long is difficult. Currently, the Vehicle and Cargo Inspection System is used for 100% of cross-border traffic between Canada and the US, and it can take a long train an hour to pass through it. We need improvements to large-scale imaging technology to process trains faster.

**Mr. Young** – We can have the greatest technology in the world, but if we do not have good infrastructure it is not going to work. Since 9/11, American ports have seen a 37% increase in foreign trade in short tons, a 98% increase in passengers, and a 71% increase in containers. The need to upgrade infrastructure is key for the marine industry. The average TEU ship in 1956 had 500 units; current ships now have 18,000 units. Private industry has invested in infrastructure, but public ports have not. As we invest in infrastructure, we need to invest in

technology – they need to overlap. CBP, General Electric and the Port of Los Angeles partnered in the GE Portal Project to aggregate information ahead of time – and without sharing information with competitors. This allows ports to plan for what freight is coming in and they are able to make truck appointments, schedule chassis, etc. to help with operational flow at the port.

**Dr. Dawson** – How is it possible for your modes to work more effectively with governments? How can the governments work better together?

**Mr. Young** – The American Association of Port Authorities has been proactive in identifying port infrastructure investment opportunities for the US government. In 2018, the first ever port investment funding came through Congress – \$293 million for seaports infrastructure and technology. We also need to branch out our investment in our freight network. Canada has set the bar high for port infrastructure and the US should look to Canada for ideas.

**Mr. Schepens** – Canadian Pacific works through the Association of American Railroads and the Railway Association of Canada to discuss issues with government. One issue that is particularly difficult relates to agricultural inspections across the border, including intermodal traffic that originates in Asia and Europe. This traverses Canada, goes to the border for destinations in the US and – because of particular emphasis from CBP – could be refused entry in the US. The shipment then has to be taken back by rail to the port of entry and exported to the originating country. This is not the most efficient way of dealing with this. We would like to see more cooperation between US and Canadian agencies to identify problems at ports of entry prior to arriving in North America.

**Mr. Rojas** – It is important that we work together to affect change from legislative and regulatory stand-points. We want to see more work on a North American Single Window, so that we can provide the data once to all government agencies. The challenge is the multitude of other government agencies involved – agriculture, food and drug, fish and wildlife, health – with whom we have relatively little contact, compared with CBP and the Department of Transportation. The failure

in creating a North American Single Window is based on taking too long on regulations. By the time regulations are passed, the technology has changed and regulations are no longer useful. We would love to see blockchain used in the industry for border issues. We need to identify future technologies that governments can actually respond to in an expeditious manner.

**Mr. Richmond** – To make progress with government, we need people who are indefatigable because government will wear you down. We need to have a vision and stick to it; we need to be prepared for turnover in government. In fact, bureaucrats turn over more than people in industry. A side effect of privatizing the airports in Canada is that there is no one in government who knows how to run airports. Government officials may go through airports, but they do not necessarily recognize the huge number of agencies and elements that go into a modern airport. A large part of our job is educating government.

**Dr. Dawson** – Are we telling the good stories of the border to the public and how do we get our stories out to them better?

**Mr. Richmond** – We struggle with the question of how to get stories out to the public without looking too strident or self-serving. The public, understandably, is bewildered and does not understand why processes are so cumbersome and lengthy. Does security need to be so horrible and intrusive? Let us use facial biometrics instead. We need to make the journey more enjoyable so it is not so hard to explain to people.

**Mr. Rojas** – How do we tell our stories better so that we get political attention and action? The story gets lost because the supply chain required to get the goods from anywhere in the world to the shelf of a supermarket or drug store is extremely complicated. On 9/11, when the border shut down, the supply chain shut down and factories shut down after two days because they were not getting their just-in-time supplies – so people were not getting paid. There are many implications and spill-over effects. Trucks move about 67% of the value of trade between US and Canada: \$348 billion worth of goods a year and over 6 million trucks crossing the border. Let us improve operations on the US–Canada border by creating more commercial-only bridges for trucks .

**Mr. Schepens** – It is difficult for the public to appreciate what happens at the border with a train and how that impacts the supply chain and the cost of goods. There is not a lot of money available for public education. When we can, we need to communicate to people that there is a cost to what happens at the border. Let us keep the border moving to keep the costs in check.

**Dr. Dawson** – What kind of message resonates most with people on Capitol Hill?

**Mr. Young** – It depends who your audience is. A few years ago, a slowdown at ports on the west coast of the US caused interior state politicians (who otherwise would not think about ports) to be suddenly interested. We have been trying for years to tell interior state politicians that what happens at seaports matters to their constituents. Pain and strife causes interest and action. We should be investing in infrastructure to ensure that problems at ports are lessened.

**Dr. Dawson** – Any final thoughts?

**Mr. Richmond** – The enormity of trade commerce crossing the US–Canada border cannot be overstated. Canada knows it; sometimes the US forgets. Make the crossing easier and better.

**Mr. Rojas** – You would be surprised how much air freight moves by truck and you would be surprised how much truck freight moves by rail. The modes are intertwined and cooperative. As a result, investment in hard infrastructure (like roads) is essential. However, we also need to look at soft infrastructure (like technology).

**Mr. Schepens** – To be successful at the border, rail has had to adapt over time. We would like to see better partnership involving technology and data. Let us use the data that already exists to move clearance work away from the border and do inspections in a smarter way.

**Mr. Young** – We have been funding infrastructure the same way for a long time: it is usually gas taxes and it usually goes to roads. But we are now multimodal and interconnected. That has to be reflected in our public policy – in how we spend our money and how we identify potential funding sources.

# Keynote Address – Colleen Manaher



**Colleen Manaher,**  
Executive Director of Planning, US Customs and  
Border Protection

Ms. Manaher asked us to imagine a near future where one can go from reservation to destination and back home again without a passport, boarding card, or RFID document; where one's security is transparent, secured, and behind-the-scenes. Governments want to run one-to-many queries – that is, they want to run queries on everyone. But we do not need to. We just need to run the data needed right now. CBP already has lots of data, maybe we need to use it more wisely. Instead of running one-to-many searches, we now run one-to-few and the accuracy is incredibly good. This uses CBP's facial matching service:

- It uses existing traveller biometrics;
- It matches one-to-few in the cloud;
- It enables tokenless processing;

- It integrates into airport infrastructure;
- It is a trusted source for identity verification; and
- No traveller enrollment is required.

We made use of industry partners to make this happen and this simplified the arrival/entry process at airports:

- Automatic capture: From manual to automatic, identifies travellers on approach;
- Single touch: From keyboards and mouse to touchscreen input, simplifies officer actions;
- Family processing: Captures multiple travellers simultaneously, reducing family process time; and
- Reduced data entry: More traveller data will be processed biometrically to reduce data entry.

Officers are wasting time entering administrative data, when CBP already has that it. Last year, in the air mode, CBP processed 17,604 exit flights, 2.48 million exit passengers, and had a biometric match rate of 97.8%. Similarly, for air entry, CBP processed 105,743 entry flights, 8.53 million entry passengers, and had a biometric match rate of 99.1%. This process has resulted in faster boarding of aircraft, faster flight clearance and enhanced passenger experience. For land crossings, CBP processed 1.8 million entry travellers, and had a 97.2% biometric match rate, with 109 imposters detected. This is a potential national security homerun if we can eliminate the imposter threat. In addition, great progress has been taken with cruise lines:

- CBP partnered with four major cruise lines and they are transforming debarkation through facial biometrics;
- Prioritized CBP officers enforcement activities;
- Streamlined the passenger experience;
- Implemented Smart Queuing for customs declarations, streamlining closed-loop passenger inspections; and
- Each cruise line performing pilot projects has experienced positive customer feedback and operational benefits.

Some statistics on cruise ships: 178 vessels processed; 626,123 cruise passengers; 82.3% biometric match rate. There are also innovations coming to the US–Canada border:

- Future of mobility: CBP is piloting having various mobile applications available to CBP officers.
- Progress on expanded data sharing between CBP and CBSA: Canada recently published regulations that would result in bilateral exchange of biographic data on all travellers at land ports of entry so that the record of entry into one country serves as the record of exit from the other.
- Commercial improvements: CBP is finalizing plans to begin work on integrating Non-Intrusive Inspections with biometrics. The functional requirements document for Vehicle Primary Client has been finalized. New mobile Vehicle Primary Client will integrate with Centralized Cargo Processing in a future phase for the cargo port of the future.

The app called ‘CBP Roam’ transforms how CBP processes pleasure boaters, and other low-risk populations remotely reporting their US arrival. Where it is implemented, the CBP officer’s time is saved and re-allocated to enforcement work. This results in an improvement in small vessel processing time and an increase in reporting compliance where CBP Roam is implemented.

Pre-Arrival Readiness Evaluation is paving the way for cargo transformation at the Peace Bridge, using electronic manifest submission, contactless payment, and at-speed facial recognition for drivers and passengers. Pre-arrival Non-Intrusive Inspection of trucks at port allow CBP to receive scans, manifest details, and driver information in one integrated data package for review at a central command centre. In partnership with stakeholders, CBP has expanded automated, real-time wait-times and improved wait time accuracy across the Niagara and Cascades regions.

Privacy and security-by-design is also of great importance. CBP maintains limited retention of facial images. US citizen photos will be deleted after twelve hours and retention of photos by stakeholder partners is restricted by CBP business rules. We also employ enhanced security

measures, such as: data encryption both in transit and at rest; device access being restricted to authorized personnel; and biometric templates kept separate from biographic data and associated only with a unique identity.

Our biometric system was developed using diverse training sets and limits the gallery only to the flight manifest. There is proactive monitoring of the biometric algorithm performance to identify deficiencies and we have partnered with the National Institute of Standards and Technology and the DHS Science and Technology Directorate to continually evaluate algorithms and best practices. Some of our future innovations include:

- Smart Queuing during entry into US by using wayfinding and segmenting travellers by zones to optimize process time;
- Exploring the possibility of expanding CBP’s identity service to other travel industry partners;
- Using mobile primary inbound traveller processing and mitigation tools; and
- Integrating facial biometrics with edge devices and wearables like body-worn cameras and smart watches.

# A Conversation with Ambassador David MacNaughton



**David MacNaughton,**  
Ambassador of Canada to the United States

**Moderator: Scotty Greenwood,**  
Chief Executive Officer, Canadian American  
Business Council

We are gathered here to focus on the US-Canada border. Who better to address the issues surrounding the border than the Canadian Ambassador to the United States? This discussion will address border migration, the USMCA, and preclearance agreements.

**Ms. Greenwood –** Please tell us about the issues of border migration and queue-jumping?

**Amb. MacNaughton –** We do not want to see these issues erode support for legitimate immigration and refugee claimants. Canada has talked with the US about modifying the Safe Third Country Agreement. We are examining hemispheric issues, like people fleeing from Venezuela. To change the Safe Third Country Agreement, DHS needs a mandate from the State Department to negotiate with Canada.

**Ms. Greenwood –** Could you put the border issues in the context of everything that you do as Ambassador?

**Amb. MacNaughton –** The North American Free Trade Agreement was a concern of ours for a long time, but we successfully resolved that in the fall

of 2018. During that time, the US administration put Section 232 tariffs on Canadian steel and aluminum. Section 232 alleges that Canada is a national security threat to the US. President Trump said it was to increase US leverage in the negotiations, but now that we have such a good trade deal, the need for the tariffs is gone. We will continue to press the US to remove them because they create unnecessary tensions. The USMCA is a good deal for all and will increase our global competitiveness. We need to get the USMCA approved and the tariffs removed. The tariffs are imposing real costs to businesses on both sides of the border. We were told that Section 232 was implemented to address over-production by China (and others), but Canada has had very few exclusions and China has had 100% of their production excluded – so if it is intended to punish China it is not working very well. It is punishing Canadian and American businesses and consumers. The Trump administration is aware of our concerns on this.

**Ms. Greenwood** – What is the path for ratification of USMCA?

**Amb. MacNaughton** – We have said that we want to pass USMCA, but we cannot do that until the Section 232 tariffs are removed. I am hopeful that we can resolve that in the coming weeks. Hypothetically, if the tariffs were removed, the Parliament of Canada would introduce legislation soon thereafter. There would be positive pressure on Members of Parliament to pass it quickly. If we got some momentum behind this, Congress could deal with it before the summer recess. It is not a perfect agreement, but it is an improvement for all three countries. I do not believe that the Parliament of Canada will pass this legislation while the Section 232 tariffs are in place. It is an unnecessary impediment to getting a really good agreement passed in all three countries.

**Ms. Greenwood** – Is there a scenario where the Government of Canada would recall Parliament over the summer just for the purpose of passing the USMCA?

**Amb. MacNaughton** – Parliament is going to rise on June 15 and it is unlikely that they will come back. Is it possible? Yes, but not likely. The moment that

Section 232 tariffs are removed, then Canadian retaliation will be gone too.

**Ms. Greenwood** – What are your thoughts on the Helms-Burton Act and what is happening with it?

**Amb. MacNaughton** – The policy goal of the Helms-Burton Act is shared by Canada and the US – namely, regime change. But there is a lot of uncertainty around the current application of the Act and how it affects US and Canadian companies. We have registered our objections on the stated goals of the Act. We are seeking clarification on what it all means to Canadian companies. We have been very supportive of the US position on Venezuela and we are disappointed on the current response from the administration.

**Ms. Greenwood** – How much do you interact with governors and mayors? How often do you get out of Washington? How often do those conversations concern the border?

**Amb. MacNaughton** – I have not spent as much time outside of Washington, DC in the last year as I would like. I prefer to get out and meet governors. We have been trying to revitalize the Northern Border Caucus and we are getting considerable support to look at North American competitiveness on a global scale. We need to make movement of people and goods more efficient and safe with technology. If North America is going to be globally competitive, we need to make sure our borders are the most modern, efficient, and safe borders in the world. That is why this Summit is so helpful. I thought I knew about the US–Canada relationship, but I did not have the appreciation of all the things that happen day-in and day-out. It is a phenomenal model for the world. I hope we realize that keeping up with technology and maintaining competitiveness is extraordinarily important. Just passing the USMCA is not going to solve all our problems.

**Ms. Greenwood** – Last night, the Deputy Minister of Transport said that Canadian regulations to operationalize the preclearance agreement would be forthcoming this summer. Do you agree?

**Amb. MacNaughton** – Yes.

**Ms. Greenwood –** What about the ability to match entry and exit, and the ability to share data in that way? Is this forthcoming?

**Amb. MacNaughton –** Yes. We have talked about this for some time. There are some privacy issues, but we dealt with most of that. I am pleased at the cooperation that exists between Canada and the US on this.

**Ms. Greenwood –** Prime Minister Trudeau compared Canada and the US to siblings. This is a better analogy than spouses or neighbours. Are there times when you wish for a different sibling?

**Amb. MacNaughton –** We went through really difficult negotiations on USMCA and there was a lot of rhetoric. It was not all make-believe rhetoric, there were tense moments – but we got through it. And we did not let it affect our defense or security relationship.. That was a testimony to the strength of the relationship. I do not think many Americans, including in the administration, appreciate the psychological impact on Canadians of being identified as a national security threat by the US. We need to get this dealt with because, at a time that we need to be closer than ever on economic development, security and defense, the permission that Canadian politicians are being given to devoting time on the relationship is being tested. I would like our relationship to be closer than it is right now. The word 'ally' is an important word.

# Trade and Travel Panel



**Moderator: Martin Loken,**  
Minister of Political Affairs, Embassy of Canada  
to the United States

**Donnie Brown,**  
Vice President of Maritime Policy, Cruise Lines  
International Association

**Erik Hansen,**  
Vice President of Government Relations, US  
Travel Association

**Scotty Greenwood,**  
Chief Executive Officer, Canadian American  
Business Council

**Norm Schenk,**  
Vice President of Global Customs Policy and  
Public Affairs, United Parcel Service

This panel will provide detail and insight about what is happening in travel and trade. Who is moving what where – and why and how? This will deepen our understanding of the issues facing the modes of transport. This discussion will focus on industry growth, international relationships, communications with government, and the USMCA.

**Mr. Loken –** What are the areas of growth in your industries?

**Mr. Brown –** There has been strong collaboration between CBP and cruise lines on facial biometrics. The cruise industry continues to see growth in ship building, capacity of ships, and passenger counts. Facial biometrics help deal with the increases. We have great dialogue and rapport with CBP and that is the way to tackle issues that face the industry. The cruise industry is constantly evolving and to ensure that regulations do not hold us back but support growth remains one of our challenges. Our itineraries that go north try to capitalize on preclearance, so that we facilitate increases in flow, commerce, and trade. This is good for passenger experience and the business.

**Mr. Hansen –** Trade and travel are normally discussed as related, but segmented, topics. International inbound travel to the US is the country's second largest industry export, right behind transportation and manufacturing. Travel is trade and facilitates the rest of trade. Canada is the single largest inbound market to the US – about a quarter of all inbound travel. There are about twenty million annual visitors from Canada,

generating about \$19 billion in exports, and we have a trade surplus of about \$10 billion in travel trade between the US and Canada. But we have seen a decline in Canadian travel since 2012 (the peak year). We need to regain a greater share of Canadian travel, so as to re-establish trust, facilitation, and security partnerships. There is a strong correlation between the strength of the dollar and the amount of inbound travel from Canada.

**Mr. Schenk** – E-commerce is driving our growth and there are great opportunities and challenges involved with it. Additionally, there are some long-standing challenges that have not been addressed: compliance, intellectual property rights, etc. The breadth of customers is also a challenge. There is a never-ending balance between security compliance and trade facilitation. They are not exclusive of each other.

**Ms. Greenwood** – The Canadian American Business Council has all sorts of members, including both trade and travel members. Our organization, as an advocate for the US–Canada relationship, worries about declining travel from Canada to the US and the attempt to diversify Canadian trade. We must be careful with the relationship between Canada and the US and take measures to invest in the relationship and the infrastructure of trade and travel and the policy infrastructure. We should not let politics get in the way. Politicians come and go – we need to forge ahead regardless of the governments in power.

**Mr. Loken** – What can we learn from other country pairs to improve the US–Canada relationship?

**Mr. Schenk** – Country pairs are very important because they move things forward much better than several countries trying to form a relationship. Bilateral agreements are better and easier than multilateral agreements and we need to achieve harmonized standards around the world.

**Mr. Brown** – Progress that is made in bilateral agreements sets a great example. We face challenges with ships going from port to port with different standards at the other end of the journey.

**Ms. Greenwood** – Australia–New Zealand is

a useful example for comparison, but there is something very important to be said about our neighbourhood. For the US to have Canada and Mexico as neighbours is about as lucky as can be. It is also important to think about our trilateral relationship and include Mexico in our thoughts. Could it be beneficial to be thinking like a block? The European Union (aside from Brexit) has benefited from thinking like a block.

**Mr. Hansen** – In fact, other countries could benefit from looking at us. There is more comfort in negotiating with your closest trading partners and allies. We have seen that with preclearance, Global Entry, Trusted Traveller programs and the expansion of them. Another area where we would like the standards to come up to match others in the world is baggage rescreening. Between Canada and the US, we should not have to rescreen, crossing back across the border.

**Mr. Loken** – How do we convey to governments the importance of seamless, secure, reliable borders?

**Ms. Greenwood** – When Beyond the Border was announced in 2011, a regulatory cooperation initiative was announced. One of the fundamental principles of advancing regulatory cooperation is that you should not go to government with any idea unless you have the entire industry, on both sides of the border, aligned on the issue. If industry cannot agree, there is no point taking it to government – they will send you away. Instead, go to government and say, ‘We have done all the work. We have figured out who is in favour, who is opposed, and we have worked it out amongst us. We have done the hard consultation work already’. Have a clear idea of what you want and work it out in the entire industry before you take it to government.

**Mr. Schenk** – Whether it is passengers or packages, the principles are the same. When dealing with government, take the approach of shared responsibility. It is not about walking in the door and saying we need to do this or that. We need to bring something to the table, explaining how to create a win-win scenario. Bring some solutions to the table – not just ‘We want! We want!’

**Mr. Brown** – To provide something almost turnkey for

governments goes a long way towards bypassing the typical regulatory notice-and-comment rulemaking. You take a lot of the hard work away from government, so that they can make decisions that will benefit government and industry.

**Mr. Hansen** – In addition to either providing a regulatory vision or a roadmap for how an agency can get things done, one important element is providing political support. If a government agency is doing the right thing or has the right idea, it can be hard to convince the associated political forces that that is the right thing to do. Often, it takes the private sector to say things publicly and to provide the political cover for people on the Hill. Do some of the heavy lifting of explaining to the public the benefits, so that government can align.

**Ms. Greenwood** – It is important to thank governments and to acknowledge them when things are going well. Sometimes it is not about complaining, sometimes it is about saying 'thank you'.

**Mr. Loken** – What about the USMCA and facilitation agreement at the border?

**Ms. Greenwood** – UPS, FedEx, eBay, Shopify, etc. care a lot about e-commerce and what the new USMCA does for that. The value of packages under which you do not have to screen was raised in the new agreement. There is a whole section on small business, which is a huge component of the work force in all three countries. Small businesses constitute a lot of UPS, FedEx, eBay, Shopify, etc. customers.

**Mr. Hansen** – The travel partnership has to match what we are doing on the trade side with movement of goods. If we are setting out a framework for more productive movement of goods between our two countries, we cannot also send a message that we are not as welcome to travellers as we once were. We need to make sure that travel facilitation matches trade facilitation. We need to give sufficient resources to CBP so they can staff all the ports of entry they need to. We need to fund biometrics to ensure the next generation of secure and efficient travel.

**Mr. Loken** – Any other perspectives that you wish

to share?

**Mr. Brown** – The amount of pre-work you can do around an idea is critically important to ultimate success with partnerships. Partnerships are key to understanding one another.

**Ms. Greenwood** – Trade negotiations are adversarial and Ambassador MacNaughton talked about that, but we need to get beyond this moment of tension where we are duking it out on trade. Tariffs are meant to hurt the other country and retaliation is meant to exert pain so that we can get to a world free of tariffs and focus on facilitation and security, etc. It is in all of our interests to get beyond the tariffs and retaliation. We have got to ratify this agreement in all three countries – and preferably by the Fourth of July or Canada Day.

**Mr. Hansen** – I would reinforce the opportunity to increase travel between the US and Canada. Since we have seen a year-over-year percentage decline, it means we can do better. We can put forward innovations that will help us in other areas of travel – and if we are going to start anywhere, it makes sense to start with Canada. So whether it is creating a unified Single Window for Trusted Traveller applications or the implementation of biometrics or expanding baggage rescreening, there are a number of things we can do to enhance travel and trade between the US and Canada.

**Mr. Schenk** – First, the reality is that trade between Canada and the US, when it comes to borders, is really good. We are always looking for ways to make it better, but it is really good. Second, we need to invert the process. There is still too much done at the destination – we need more done at the front end. For example, advanced electronic x-rays – use them at the front end rather than at the destination. Third, I am not a fan of Single Window. The intent is good, but the reality is that if other government agencies do not change their processes, it is nothing more than a database. Fourth, we need to continue to work together on innovation and responsibility. At the end of the day, it is all about cross-border investment growth so we all prosper together.

# Bi-National Government Panel



**Moderator: Christopher Sands,**  
Johns Hopkins University, Nitze School of  
Advanced International Studies

**Peter Hill,**  
Vice President Commercial, Canada Border  
Services Agency

**Clint Lamm,**  
Director of US Preclearance, US Customs and  
Border Protection

**Mariely Loperena,**  
Regional Director Western Hemisphere,  
Transportation Security Administration

**Paul MacKinnon,**  
Assistant Deputy Minister, Immigration, Refugees  
and Citizenship Canada

We have talked a great deal about what needs to be done in regulatory cooperation and border management, and this panel will talk about what is being done in these areas. This discussion will address big data and data access, pilot projects, technological priorities, and how the private sector can help.

**Dr. Sands –** Would you care to make some opening remarks?

**Mr. Lamm –** The first preclearance agreement came in 1952 in Toronto. In those days, in small towns you could just wave as you crossed the border. Years later, we are trying to get back to that idea and I am fully behind it. We are trying to implement new technology – but we are trying to use it in the best way possible. For example, we look at the process from curb to aircraft. Airports do not each need the same preclearance model. The model should be scalable and agile, and meet the needs of the customers and airport authorities. We are looking at logistics, process flow and efficiencies, and creating greater opportunities where there are logistical limitations and infrastructure limitations. We are really looking forward to the LMRA coming into effect. This will allow us to expand our operations in Canada, and expand existing services.

**Ms. Loperena –** The amount of information that TSA exchanges with Canada and the collaboration and partnership we have with government agencies is incredible. We are working with Transport Canada and CATSA on harmonizing screening

procedures and protocols, in addition to working on technology. Our standard operating procedures are harmonized and the screening procedures implemented in locations across Canada are comparable to those in the US. Another big initiative that came out of the Beyond the Border process in 2012 is related to pre-check. This was an action item. We agreed to have NEXUS members be a part of pre-check, so now those individuals are screened at the same level at both borders. We exchange information with Canada on emerging technologies, such as credential authentication technology and computer tomography.

**Mr. Hill** – It has been a very productive last few years for CBSA. We undertook a comprehensive review of the agency's operating model. It has set us up for a strategic reset of the agency model. Some points we have learned: volumes are increasing in all modes; resources are declining both in our A base but also in our B base project funding; and our infrastructure is degrading. The cumulative impact was a negative impact on our examination rates, as well as on our revenue generation through the collection of duties and taxes. Our business model just was not agile or sustainable. We are resetting this model based on risk-based compliance and reaffirming the importance of integrated border management. We clearly need to invest in and leverage technology – data analytics is essential. In the area of human capital, there has been an erosion of capacity, expertise and knowledge in our commercial and program areas. There are three primary business lines: commercial and trade, travellers, and enforcement and intelligence. This is being complemented by a complete overhaul of our governance structure. The US–Canada, industry–government partnership is essential to meeting the challenges that we face.

**Mr. MacKinnon** – If there is one word I want you to remember from me, it is 'growth'. We are seeing significant growth both in permanent and temporary immigration. There has been an 80% growth in temporary immigration into Canada in the last five years. And we want to know if you are who you say you are when you come to Canada. We want to anchor your identity and your intent when you come to Canada. We are concerned about admissibility issues – is there anything in your background (security, criminality, health) that would cause us pause? The eTA is meant to be an automated screening of low-risk travellers and eTA

2.0 has been in effect since 2017. So where do we go from here? We need to explore biometrics more – not just to anchor identity, but to actually facilitate the travel process and experience. Another idea is to receive all applications electronically. This is important for efficiency and for sharing information within our international network. Third is the whole area of advanced analytics. We are doing a pilot project in China right now on advanced analytics, predictive analysis, and seeing if that technology can actually help us triage applications.

**Dr. Sands** – How does modern data and data access make your job of getting to that old-time user interface possible (1952 style)?

**Mr. Lamm** – Biometric cameras, getting rid of passports, making the facilities more user friendly, etc. The data help us get there. More data makes our job easier. There are some privacy concerns between US, Canada, and the European Union – it is the trust factor with what is being done with the data. We have been collecting biometrics for a long time and we are good at collecting it. We have a good record of safety and security on data, compared with some other groups in the private sector. We are checking your data today with what you have given us in the past ten, twenty trips across the border. When we use targeting and risk analysis, there are some people to whom we want to ask a few more questions, but the vast majority we want to ease through. When the data is collected and stored and safe, how we can benefit from that is endless. There are many opportunities between the two border agencies to use this information, so let us break down the barriers of privacy and we can open up opportunities.

**Dr. Sands** – What sort of pilot projects are on your wish list and how can industry help?

**Mr. Hill** – The Trade Lens pilot project is a good example of a government and industry partnership that is leveraging blockchain and is showing promise. Our e-commerce strategy should be in place this summer. Our strategy has three components which will require legislative and regulatory change: making advance information mandatory; leveraging analytics; and leveraging automation. Our strategy builds on the Five Eyes border collaboration. The pilot is taking augmented data sets from Statistics

Canada (social data, residential data, etc.), adding it to an operational data set from the Universal Postal Union, and applying that to packages coming from China to Vancouver. We are seeing if we can target and identify sources in China for fentanyl. Results are promising. Another postal pilot that is making progress is related to guns and gangs – interdiction of guns in the postal stream, in partnership with the RCMP. On cargo preclearance, some very good work is underway with CBP in rail. Our officers are sitting beside CBP officers looking at x-ray images, using technology for tracking southbound rail cars, and using them for northbound rail cars. This is trying to target, so we do not stop trains unnecessarily. Also, under the Preclearance Agreement, since the regulations allow this type of pilot in the commercial domain, we are looking at the possibility of courier hubs and moving into a preclearance mode of operation on a permanent basis in the US.

**Dr. Sands** – What is the difference between what TSA does between US and Canada and what TSA does between US and other countries?

**Ms. Loperena** – With many countries in the Western Hemisphere, we talk about collaboration and partnership, but it is more unilateral. We are working with our counterparts in those countries to build up their capacity to comply with international standards. In my opinion, with Canada, it is more like a real partnership and collaboration. There is a true exchange of information when we talk to Canadian subject matter experts. We take their learned lessons and implement them in the US. In speaking with my colleagues on the research-and-development side, we have a lot of people going to Canada and lots of Canadians going to the US to share beneficial information. When TSA was created in 2002, the setup was quick: our mission was to secure air borders. We were implementing the same procedures on all passengers, no matter what. Now, in 2019, we are a more intelligence-driven, risk-based agency. We are using data to vet passengers and learn who is who. Also, we have to be smarter with our money, our procedures, our technology, and our public private partnerships. For example, we worked with Delta Airlines to implement the first automated lane screening system in Atlanta. We are thinking outside the box because things are different than they were when TSA was created.

**Dr. Sands** – When managing growth and keeping up with cutting-edge technology and fiscal constraints, how do you prioritize and what can the private sector do to help you in resourcing your mission?

**Mr. MacKinnon** – It is absolutely critical that these types of Summits bring government, industry, academia, and stakeholders together behind an idea. Earlier, I mentioned the significant investment that Canada has made in permanent immigration. This could not have happened unless provincial premiers and ministers and business made it clear to federal cabinet ministers that growth in immigration was important. We need people outside government to come in behind us or ahead of us and make the case for change because of the importance of economic competitiveness. Politicians look at what the stakeholders think. We saw this in the Beyond the Border Action Plan where both governments accomplished a great deal, but that is because a lot of the ideas came from industry.

**Dr. Sands** – With the World Cup coming soon and being hosted by the US, Canada and Mexico, do you see this as a great opportunity for cross-border travel or a great problem?

**Mr. Hill** – It is a great opportunity that we must capitalize on. Last month, as a recognition of the importance of border management, CBSA received \$1.2 billion in the federal budget. A lot of that was for new work, but most of it was for infrastructure and renewal of our border ports of entry. We also got funding for data analytics. The World Cup will be useful to remind politicians and the public how important the border is. The border is the convergence of so many global trends and it has never been more important. So if industry can highlight the border of the future – that would be extremely timely and helpful.

**Mr. Lamm** – We welcome the World Cup opportunity and especially the partnerships with Canada. We did the Vancouver Olympics years ago in collaboration with our Canadian counterparts. The Super Bowl is another big event. CBP provides security to the Super Bowl and the Boston Marathon every year (helicopters, scanning equipment, extra security, etc.). We have many resources at CBP for sporting events.

# Modal Workshop Reports and Recommendations



**Air:** Matt Cornelius,  
Executive Vice President, Airports Council  
International – North America

**Marine:** Terry Lalari,  
Manager and Strategic Advisor on Government  
and Stakeholder Relations, Vancouver Fraser  
Port Authority

**Land:** Cathy Munroe,  
Executive Consultant, InterVISTAS Consulting

**Rail:** Jim Titsworth,  
General Director of Canadian Business  
Development, BNSF

These workshops took place on 4 April 2019 at Airports Council International in Washington, DC and on 11 April 2019 at the Canadian Chamber of Commerce in Ottawa. The facilitated sessions provided the opportunity for government and industry stakeholders to raise key priorities for submission to the Transportation Border Summit.

**Mr. Cornelius** – The ‘Air’ modal workshop reinforced the recommended working groups that came out of the YVR Aviation Border Summit II and added the Flexible Facilities Model as summarized below:

1. Single Window travel authorizations (eTA/ESTA)
  - investigate a Single Window approach for Canada’s Electronic Travel Authorization and US Electronic System for Travel Authorization
  - Examine the emerging European Union 2021 version
2. Expand facial recognition pilot project
  - many versions are being developed and piloted globally
  - the pilot should work across all modes (air, marine, rail, land)

- 3. Applied policy research in US–Canada border studies**
  - similar to US Transportation Research Board's Airport Cooperative Research Program and Safe Skies' Program for Applied Research in Airport Security
  - joint governance model (industry, governments, academia)
  - focus on practical solutions that are built around policy, process, market and other areas of study
- 4. Co-location, joint facilities and remote screening**
  - review interoperability of images between governments and agencies
  - build on examples of co-located border facilities
- 5. Bi-national Trusted Traveller Program integration**
  - NEXUS Trusted Traveller Program single application and enrolment window
  - how can this be leveraged?
  - one portal check-in for Trusted Travellers, border processes and security screening
- 6. Elimination of security re-screening**
  - connecting passengers in Canada to US (e.g. Regina → Toronto → Atlanta)
  - priority on completion of baggage re-screening elimination
- 7. US–Canada flexible preclearance facilities model**
  - evolution of the 'flexible facilitation model' that achieves win-win for all parties
  - integration of facial biometrics and other technologies to reduce facility requirements

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**Mr. Lalari –** The following is a summary of the ideas and recommendations gathered at the 'Marine' modal workshop:

- 1. Expand facial recognition pilot project**
  - single token, biometric identifier for cruise passengers and crew to speed processing, meet border agency needs, and improve passenger experience
  - currently being tested with several cruise lines at US cruise ports
  - in conjunction with air (and other modes), since 90% of Port of Vancouver cruise passengers arrive through Vancouver International Airport
- 2. Move towards 'screen once, accept 55 times' for freight**
  - enablers: data and information sharing, interoperability of image types between agencies, track-and-trace to origin, blockchain, supply chain solutions
  - intermodal issues should be resolved with solutions developed with rail and land freight
- 3. Best practices guide for preclearance port facility**
  - connection between emerging technology and facility standards
  - ability to provide enhanced flexibility of facilities to meet future technology and processing capabilities
- 4. Single Window travel authorizations (eTA/ESTA)**
  - large growth in overseas passengers on two-nation visits, but Canadian eTA
  - expand improvements for documentation requirements for travel authorizations
- 5. Identify pilot projects without statutory or regulatory changes**
  - for cargo clearance function across a range of commodities, 55+ US/Canadian agencies are involved and would require regulatory and statutory changes

**Ms. Munroe –** The following is a summary of the ideas and recommendations gathered at the ‘Land’ modal workshop:

1. **Maximize pre-inspection and co-location capabilities**
  - physical (e.g. biometric verification, radiation detection) and virtual (e.g. manifest review) pre-inspection solutions tailored to each location
  - build upon existing pilot projects and initiatives such as Pre-Arrival Readiness Evaluation and North American Strategy for Competitiveness policy recommendations (e.g. US requiring manifests for empties)
2. **Study information sharing**
  - determine what information is not shared, why is it required, and what would be the result
  - review interoperability of different image types between agencies
  - research legal and regulatory regimes
3. **Track-and-Trace initiatives for freight**
  - assess and move pilot tests towards full implementation
  - work in conjunction with maritime cargo stakeholders
4. **Trusted Trader Programs**
  - conduct full review of what to align and what to discontinue
  - reference North American Strategy for Competitiveness report for related recommendations
5. **Autonomous vehicle testing**
  - review and identify requirements to be ready for autonomous vehicles at the border
  - develop solutions for industry for issues with drivers
6. **Short-term policy and process changes**
  - identify minor policy changes that would have an impact at the border (e.g. implementing a less manual process for bus passenger processing)
  - fix or at least ensure recommendations are part of larger changes

**Mr. Titsworth –** The following is a summary of the ideas and recommendations gathered at the ‘Rail’ modal workshop:

1. **Perform pre-inspections away from the border**
  - integrate upstream technology to avoid downstream inspections
  - address commercial cargo issues at origin or destination; port or inland
  - inspect based on risk, not standard process
  - maintain security with Non-Intrusive Inspection technology
  - eliminate facility requirements at border crossings
2. **Address agricultural issues**
  - engage community to harmonize regulations and/or coordinate inspections
3. **Align and coordinate import and export requirements**
  - satisfy requirements before departure from origin
4. **Modernize re-manifesting when transferring carriers**
  - streamline and automate the process; eliminate manual paperwork
5. **Build solution to avoid single rail car/container inspections**
  - delay the car/container instead of the entire train
6. **Single Window travel authorizations (eTA/ESTA)**
  - align with marine and air concerns to allow rail passengers to travel seamlessly between the US and Canada

# Priority Projects and Working Groups

At the Summit, twelve working groups were established for all four modes, but the decision was subsequently made to reduce this to ten working groups by merging some of the initiatives into others. For example, all working groups can propose regulatory cooperation changes and this will be included in each working group's terms of reference. Also, 'Exams Away from the Border' was merged into the 'Remote Screening of Goods and Joint Facilities' working group.

WORKING GROUP/PILOT	SECRETARIAT
1. Facial Recognition Pilot and Identity Management	Canadian Airports Council
2. ESTA/eTA Single Window	Tourism Industry Association of Canada
3. Applied Policy Research in US–Canada Border Studies	Pacific NorthWest Economic Region
4. Remote Screening of Goods and Joint Facilities	TBD
5. Trusted Traveller Program Integration	Airports Council International – North America
6. Security Rescreening Elimination	Canadian Airports Council
7. Short-Term Policy and Process Changes	TBD
8. Intermodal Transfers	TBD
9. Preclearance Facilities and Flexible Facilities Model	TBD
10. Communications	TBD



During this session, Lynne Platt moderated the discussions, while Solomon Wong recorded the decisions on a large screen, for all to see. It is of note that the first six working groups listed below were already established for the air mode at the YVR Aviation Border Summit II.

#### 1. Working Group: Facial Recognition Pilot and Identity Management

- includes biometrics and other parts of identity management
- using biometrics as the mechanism to facilitate movement through to the end journey (all modes)
- facial recognition at borders
- should be scoped about adding in the aspect of the existing facial biometric pilot project
- can we leverage the ability for partners to collect biometrics overseas? (e.g., can a foreigner go to a US station to register biometric for a Canadian requirement?)
- there needs to be inclusion of US State Department for overseas collection of biometrics to the United States
- other aspect: standardization of data in order to share it

- public communications: 'single source of truth' to speak to how it is working – it will be important for ports and airports to have talking points
- message management around facial recognition and biometrics to deal with issues such as privacy
- joint messaging and parameters will be important to advance

#### 2. Working Group: ESTA/eTA Single Window

- investigate a single window approach for ESTA and eTA

#### 3. Working Group: Applied Policy Research in US-Canada Border Studies

- creating mechanism similar to Airport Cooperative Research Program or Program on Applied Research in Aviation Security – with oversight from industry, government and academia

#### 4. Working Group: Remote Screening of Goods and Joint Facilities

- track-and-trace for cargo (identifier for cargo)
- dependent on commodity – agriculture, hazardous materials
- subset of the group will need to work on track-and-trace that will be specific to different areas
- many commodities are called 'agricultural' by APHIS, due to wood pallet issue it could be any commodity



5. Working Group: Trusted Traveller Program Integration
6. Working Group: Security Rescreening Elimination
  - Review potential for model of sharing space and images between agencies within country, between countries
7. Working Group: Short-Term Policy and Process Changes
  - Identify opportunities to operationalize, without the need for legislative and/or regulatory change
8. Working Group: Intermodal Transfers
  - needs to be applicable to all modes
  - ensure sterility of different processes
  - processes include: passengers and bags
9. Working Group: Preclearance Facilities and Flexible Facilities Model
  - ensure new facilities that are being created can be flexible enough to accommodate new technologies, moving to flow models
  - harmonization of authorities: when placing a foreign law enforcement officer – ensure that they can do the job – to be examined and addressed (legal authorities)
  - modes: across all modes – may be different per mode
  - flexibility should factor in characteristics of terminals (e.g., cruise)
10. Regulatory Cooperation Council (RCC)
  - mechanism to make a submission from industry to RCC
  - industry stakeholders to make recommendations on what can be changed on regulatory cooperation
  - examples:
    - import/export regulations to be examined
    - wood pallets (different treatment by Canada and the US)
11. Working Group: Exams Away from the Border
  - especially affecting rail lines (e.g., CP, CN)
  - working group to include USDA and CFIA
  - need to make sure that there are standards to ensure clarity
12. Working Group: Communications
  - ‘You will miss 100% of the shots you do not take’ – Wayne Gretzky
  - need to factor in economic impacts
  - key individuals to be able to ensure that there is the ability to talk to government and businesses
  - working group to deal with communications to package and sell what it is we are talking about
  - the need for common messaging between government, industry and other stakeholders



# Closing Remarks



**Matt Morrison,**  
Co-Chair, Beyond Preclearance Coalition

We, at PNWER, look for innovative solutions to border issues. We have focused on preclearance since 2013 and we have held monthly meetings for the past four years on the preclearance initiative. Today, we have been challenged to search for outcomes that will provide a return-on-investment for business and government. We must have a joint US–Canada approach and it has to be multimodal. We have to encourage both countries to work together on solutions.

The vision described in the White Paper is disruptive – it will require significant financial investment from both governments and the private sector. However, borders and security have such a tremendous impact on the economy of both Canada and the US, as well as the competitiveness of the whole continent. Governments cannot afford the cost of adding resources and continuing with the same border and security processes that have been in place for half-a-century and increasing cost recovery is not a sustainable model in the long term. We have to have new public-private models that will effectively deal with the continuing growth

in traffic and provide a return on investment for all parties involved. The number of people going through airports is growing at over 7% per year and trade is increasing at even greater levels.

The two governments need to agree on a common vision and a common path forward. We must work with industry to develop technology solutions that will enhance the throughput, reduce costs and avoid duplication. Industry will invest in technology solutions in partnership with government where the payoff is in operational costs, reduced capital investment and facility expansion, expedited movement of goods, and an improved passenger experience. Please assist us in collecting real data for case studies that will help us communicate the return-on-investment for the public-private partnership pilots to demonstrate how these investments will reduce labour costs, save money, and increase customer satisfaction. We need your help to communicate this effectively.

While the development of the White Paper and this conference were our main objectives in this first year, the real work is now beginning. Over the course of the next two years, we are committed to advancing the recommendations of the Beyond Preclearance vision and strategy, working closely with governments and industry partners, and advancing pilot initiatives across all modes and advocating for policy changes and investments that will turn our vision into reality over the next five to ten years. Implementing the vision of Beyond Preclearance will not only enhance travel and tourism, but can greatly facilitate expanding markets and building trust for our products around the world. Thank you to all US and Canadian government officials who gave valuable insights and feedback leading up to this conference. Thanks to InterVISTAS for an exceptional White Paper, managing stakeholder engagement, and especially to all of our Coalition partners for their commitment to this initiative. Thanks to Craig Richmond and the incredible team at YVR for helping to launch this effort.



**Gerry Bruno,**  
Co-Chair, Beyond Preclearance Coalition

We have had wonderful speakers and terrific discussions on the future of our shared border. A lot of people have asked me what the next steps will be and how do we keep the momentum going. We have already set up working groups and we will be establishing more. We have common terms of reference which we will apply to all working groups and we have structured them to have two bi-national co-chairs (one government, one industry) and two bi-national vice-chairs (one government, one industry). We will draw upon individuals who are experts in their field and committed to finding solutions. We have engaged organizations to act as secretariat for the working groups. The executive committee will provide an oversight role for each working group and provide feedback as requested. We have talked with DHS and Public Safety Canada about a joint border committee that we could bring our final report and recommendations to.

As for the long term plan, we need to expand the Coalition. We have had incredible growth already – from 41 members in October 2018 to 57 now. I would like to get to 100 in the next six months. We should harness the power we have and bring in other industry partners to get some critical mass. The more of us in the Coalition, the greater the influence we will have at the political level. We have raised over \$500,000 since we started and that shows commitment. We will host a retreat

of the executive committee in the fall to discuss where this initiative should go next and come up with a longer-term plan. We hope for another bi-national accord, like Beyond the Border 2.0, but in the meantime let us keep the momentum going.

Thanks to all Coalition members and sponsors. Thank you to the team at YVR who did the heavy lifting. Thank you to InterVISTAS for helping with the advance workshops and guiding our panelists and moderators. Thank you again to our government partners. Since we have started, the border agencies have participated in every summit, roundtable, and workshop. Thank you to the Canadian Chamber of Commerce and US Chamber of Commerce. Thank you particularly to Lynne Platt for being an amazing MC and facilitator.



**Lynne Platt,**  
State Department Fellow of the Canada Institute,  
Woodrow Wilson Center

Everyone has come together to do this great work. We have come together not as partisans, but as problem-solvers. Our two countries share so much and we are, as Ambassador MacNaughton said, allies. But we also share some deeply-held values: idealism and pragmatism. Thank you for everything.



## Summit Follow Up

The follow up action includes the following:

- Designation of leadership of each working group (co-chairs and vice chairs), as well as a secretariat organization where one has not yet been identified.
- Working group leadership and terms of reference for each working group will be completed by early September.
- YVR Aviation Border Summit II and Transportation Border Summit participants are asked to confirm individuals from their respective organizations who will serve in a leadership or membership capacity in each of the ten working groups by email to [Gerry\\_Bruno@yvr.ca](mailto:Gerry_Bruno@yvr.ca) and [Matt.Morrison@PNWER.org](mailto:Matt.Morrison@PNWER.org).
- Status reports on each working group will be reviewed at the Coalition Executive retreat in early October in Washington, DC.



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