

Businesses fear U.S. border delays if guards cut



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Local businesses that rely on cross-border trade are anxiously awaiting the outcome of the sequestration tussle in the U.S. that could lead to 5,000 border guards losing their jobs, and lengthy border delays.

“I can just see where some of my trucking customers as companies are going to say I’m not going to do cross-border work, or they would end up charging the shipper a wait fee for crossing the border, and of course that drives up prices for everything that’s shipped,” said Stu Samson, owner of Sylectus, a web-based Windsor company that co-ordinates trucking shipments.

Unless polarized U.S. lawmakers can come together, about US\$85 billion in cuts are set to hit U.S. federal programs starting Friday.

U.S. Homeland Security Secretary Janet Napolitano said earlier this week there would be pain for the Canada-U.S. border because her department would have to cut 5,000 border-patrol agents if the cuts go through.

“The option there is that companies may decide that they’re willing to repatriate their suppliers and you would maybe see Canadian companies move to the U.S. because they don’t want to put up with that border hassle,” said Samson

University of Windsor political science Prof. Bill Anderson, the Ontario Research Chair in Cross-Border Transportation Policy, said the loss of just one lane at the U.S. border when a truck breaks down can slow traffic significantly.

“It could result in some very serious delays,” said Anderson.

“You’re going to have a reduction in the number of lanes that are open if you’ve got that many people furloughed.”

Windsor-Essex Regional Chamber of Commerce president and CEO Matt Marchand, who signed a letter to the U.S. government along with 30 other organizations on both sides of the border stressing the importance of a fluid border, is trying to remain optimistic.

“No one is exactly sure what the final outcome will be,” said Marchand.

“All we’re trying to do is keep the issue front and centre to those in the decision-making capacity. We hope we don’t get there. What we want is to put out the facts and reiterate how important the border is to jobs on both sides of the border, and we’re just going to continue to work that angle.”

Anderson said the way sequestration works is that the \$85 billion in cuts would come right across the board, and there would be no opportunity to pick and choose what to preserve.

He said concern about the Canada-U.S. border likely does not rank highly among the majority of members of Congress.

“As with most of these things it will be a much bigger story in Canada than it is in the United States,” said Anderson.

“They will be getting a lot of pressure from industry, the automotive industry for example. It’s one of many things that are important.”

He said the trickle-down effect of sequestration could plunge the U.S. into recession, affecting Canada beyond just border concerns.

“A lot of the Ontario economy is driven by demand from the United States and if this thing really pushes the U.S. economy into a recession then that’s going to be very bad for the Ontario economy,” said Anderson.

Foreign Affairs Minister John Baird said the Harper government is watching developments closely.

“We’re going to continue to be very, very focused on it,” he said Wednesday.

“After March 1, we’ll see what challenges arise. Obviously, this is not the way Canada would prefer to make these types of budgetary decisions. But it is what it is.”

Prime Minister Stephen Harper and U.S. President Barack Obama signed the vaunted Beyond the Border deal 14 months ago.

It is designed to speed trade across the 49th parallel while protecting the North American continent from terrorist threats.

Napolitano said the looming cuts will cause pain for Canadians, in particular at the busy Canada-U.S. border.

“Sequester will be felt up there because there’s only a few big crossing places for trade on the Canadian-U.S. border and they’re really important crossing places,” Napolitano said in a speech to a Washington think tank.

“In fact, trade-wise, they’re probably the No. 1 or 2 crossing places in the world. As sequester evolves and we have to furlough people who are port officers and not fill vacant positions, and not pay overtime, we’re unfortunately going to see those lines really stretch.”

If Congress fails to reach a deal to avert the cuts, Napolitano said, the jobs will be lost.

Cuts to customs and border security staff will increase congestion and hurt Canadian companies, said Fen Hampson, director of the global security program at the Waterloo, Ont., Centre for International Governance Innovation.

“More generally, if there is a slowdown in U.S. growth as a result of sequestration’s general adverse impact on the U.S. economy as many predict, it will also hurt trade,” said Hampson.

“There is no win with sequestration and the current impending disaster underlines how far we really have to go to secure a meaningful beyond-the-border deal.”

In addition to the 5,000 border patrol agents, U.S. Customs and Border Protection is preparing to reduce its work hours by the equivalent of 2,750 inspectors as well, meaning cargo inspections at the border could drag on interminably for Canadian exporters.

David Jacobson, the U.S. ambassador, has said repeatedly that the best thing his country can do for Canada is to get its fiscal house in order.

- with files from Canadian Press