

COMMON BORDER CROSSING POLICY

Background

The United States and Canada share the largest trading relationship in the world. Of the 4,000-mile dividing line between the two countries, no single area is more significant than the Southeast Michigan and Southwest Ontario border crossings.

An estimated \$US 1.2 billion in trade crosses the U.S.-Canada border daily—over 40% of it at the five international, land-border crossings in the Detroit/Windsor Region. Of this daily trade, as much as \$US 234 million is automotive related.

Each day an estimated 58,000 crossings occur. Trade between the two countries has climbed at nearly double-digit rates each year since NAFTA implementation in 1994, and economic development means more cross-border employment, tourism and recreation. By 2020 the number of daily crossings could exceed 90,000.

Clearly, the border-crossing infrastructure in Southeast Michigan/Southwest Ontario is the lifeline of the regional economy. Taking into account crossings at both the Detroit River and St. Clair River, this lifeline comprises two bridges, a passenger tunnel, and two freight tunnels. By trade volume alone, the Ambassador Bridge is the busiest border crossing in the world, carrying 25% of the value of trade between the U.S. and Canada.

Prior to September 11, 2001, growing trade volumes, combined with aging infrastructure, brought growing attention to the border crossings in Southeast Michigan/Southwest Ontario. Experts believe that, if no improvements are made by 2030 to border crossing capabilities in the Detroit River area, the two nations will realize losses of up to 80,000 U.S. jobs and 70,000 Canadian jobs and combined annual production losses of \$US 13.4 billion (\$CAN 19.4 billion).

While September 11 and various other factors (e.g., SARS outbreak in Toronto, changing exchange rates, and improved customs processing capacity) have tempered fears of fatal overcapacity, fears have not been eliminated. In fact, the Bi-national Partnership studying region's border crossing infrastructure concludes that the area's infrastructure capacity could be exceeded between 2015 and as late as 2033.

Meanwhile, the threat of terrorism has meant concerns about infrastructure redundancy and broad policy shifts affecting the border. Currently there are at least 44 U.S. or Canadian agencies with some form of jurisdiction over border issues. Although both the Department of Homeland Security and Canada Border Services Agency have streamlined organizationally, regulations have become increasingly complex, and implementation of

various individual requirements has had a substantial cumulative effect. Since the Smart Border Declaration of 2001, estimated processing time for shipments entering the U.S. have climbed 300% (from 45 seconds to 2 minutes and 15 seconds per truck by the end of 2004). The result has been at least \$US 14 billion in annual costs to the U.S. and Canadian economies.

Regulations are extending from commercial to personal: Beginning in 2008, the U.S. Western Hemisphere Travel Initiative (WHTI) specifies that anyone who crosses from a foreign country into the United States must carry a passport or other form of secure identification. The new law applies to U.S. citizens as well as foreign visitors. Several-week waiting periods and the cost-per-person to obtain such documentation could discourage cross-border travel and threaten the border economy to the tune of billions of dollars. On the heels of 9/11, just between 2001-2, Detroit/Windsor establishments lost at least \$US 100 million due to diminished crossing volume.

In considering how U.S. and Canadian governments view the border—whether local, state/provincial, or federal—the following must be kept in mind: Countries do not trade—businesses do. Therefore, border-related policy that strives to strike a balance between economic and national security must consider businesses first.

General Statement

A well-functioning, seamless border is imperative to our joint economic survival. With the goals of creating seamless borders and the best regional logistics infrastructure in the world, the Windsor & District Chamber of Commerce and Detroit Regional Chamber have agreed to a set of common policy principles. These principles will guide our efforts to promote regional economic development. Border issues have been center-stage as we consider this common objective. The following are our shared border principles:

Policy Positions

Border Infrastructure

- The Windsor & District Chamber of Commerce and the Detroit Regional Chamber agree on the need for significant investment in border infrastructure in the region. Given the importance of the region to the national economies of both countries, the age and capacity levels of existing infrastructure, and vulnerability of existing infrastructures to unforeseen circumstances, the Chambers recognize a need for a new border crossing.
- A new crossing should ensure redundancy relative to existing structures.
- Any new structure should be subject to appropriate public oversight and access, particularly concerning structural maintenance, integrity, security and safety. A clear understanding of toll structure also would be appropriate.
- While planning for a new crossing is underway, serious consideration should be given to options that can provide short-term redundancy and congestion alleviation.
- The Chambers support immediate and ongoing improvements to transportation corridors approaching and connecting to all border crossings.

- A new border crossing should take into account economic development and security needs of the Detroit-Windsor area.
- The new crossing should be part of a broad development and economic vitality vision for the region that is shaped in collaboration with affected communities

Bi-national Partnership

- The Windsor & District Chamber of Commerce and Detroit Regional Chamber encourage a timely decision on a new border crossing in the region. We urge the Bi-national Partnership to avoid undo delays and expedite the process where possible, while still meeting necessary regulatory requirements. The study must be defined as a plan for action and proceed within defined timelines.

Security

- Security measures should be proportional to real material threats or risks to the region. There should be a reasonable cost/benefit relationship to any security measure that is undertaken.
- Security measures should not be focused explicitly at traditional border crossings, which can be circumvented. There must be sufficient support of local, state and federal law enforcement who function beyond the confines of the traditional crossing areas.
- New border crossing documentation requirements for citizens should allow use of traditional means of establishing identity and nationality (e.g., drivers license and birth certificate). Cost and wait-times for any new documentation requirements should be minimal and application checkpoints easily accessible. We encourage prompt talks between U.S. and Canadian governments to ensure bilateral discussions on documentation for land-border residents.

Inspection and Pre-Clearance Technology

- The Windsor & District Chamber of Commerce and Detroit Regional Chamber support reverse inspections for people and goods, which could identify hazards before they cross border infrastructure. We support U.S. and Canadian government negotiations on issues of reverse inspection, including extradition and authority to carry arms. Border infrastructure, staffing, and general funding should accommodate reverse inspection.
- We support efforts that will accelerate and expand use of pre-clearance programs, including Automated Commercial Environment (ACE) programs like FAST, NEXUS, CTPAT. Such efforts should include greater incentives for participation and ease of enrollment in these and similar programs. Special emphasis should be placed on expanding the number of pre-clearance lanes and improved access to these lanes upon approach.

- NEXUS and other similar programs should be standardized/interchangeable and recognized at all border-crossing points.
- We call for continued attention and commitment to adequate staffing for customs and other needed areas. We desire ongoing improvements in current regulations, processes, infrastructure and funding.

Other Technology Enhancements

- The Windsor & District Chamber of Commerce and Detroit Regional Chamber support intelligent transportation systems (ITS) to enhance border-related traffic flow. ITS represents the application of advanced and emerging technologies (computers, sensors, control, communications, and electronic devices) in transportation to address border issues.
- We also encourage integration at border crossings of new technologies like Vehicle and Cargo Inspection System (VACIS), Radio Frequency Identification (RFID) and radiation detectors to enhance border security.
- New technology requirements should minimize the amount of investment required by the private sector, and new technology interface requirements should not place a significant financial or other burden on the business community.