

Beyond the Border Implementation Report

December 2012

EXECUTIVE SUMMARY

The United States and Canada are staunch allies, vital economic partners, and steadfast friends. We share common values, links among our citizens, and deeply rooted ties. We enjoy the largest bilateral trading relationship in the world; some \$1.6 billion worth of goods and over 300,000 people cross our shared border each day for business, pleasure, or to maintain family ties. The secure and efficient flows of legitimate goods and people are vital to our economic competitiveness and mutual prosperity.

To preserve and extend the benefits our close relationship has helped bring to Americans and Canadians alike, President Barack Obama and Prime Minister Stephen Harper announced the *Beyond the Border Declaration* and the *Canada-United States Regulatory Cooperation Council* on February 4, 2011. Both initiatives seek to deepen our partnership and enhance our security, prosperity and economic competitiveness while respecting each other's sovereignty. The *Beyond the Border Declaration* articulates a perimeter approach to security in which both countries work together to address threats at the earliest point possible – within, at, and away from our borders – while facilitating the lawful movement of people, goods, and services into our countries and across our shared border.

The *Beyond the Border Action Plan*, released by the President and by the Prime Minister in December 2011, outlines specific initiatives in support of this transformational vision. It also calls for Canada and the United States to generate a joint *Beyond the Border* implementation report annually for a three year period, with the expectation of continuation. The enclosed report covers *Beyond the Border* activities for 2012.

Our governments made significant progress over the past year in realizing these initiatives. Our progress has been guided by extensive and constructive engagement with stakeholders in the United States and Canada. Through in-person meetings and on-line submissions, we have heard from all levels of government, non-governmental organizations, the private sector, and individuals about the security, trade, and travel issues that matter most to them. We are informed by the input received as we implement the *Beyond the Border Action Plan* and intend to continue to work with stakeholders as we move forward. We strive for transparency and accountability, providing information to the public through websites and press releases.

This report organizes the implementation efforts into the four key areas of cooperation outlined in the *Beyond the Border Declaration*.

- I. Addressing Threats Early
- II. Trade Facilitation, Economic Growth, and Jobs
- III. Integrated Cross-Border Law Enforcement
- IV. Critical Infrastructure and Cyber Security

In order to advance the *Beyond the Border Action Plan* in 2012, Canada and the United States:

- Developed and released the *Joint Statement of Privacy Principles* to inform and guide information sharing under the *Beyond the Border Action Plan*;
- Achieved mutual recognition of our respective air cargo security programs for passenger aircraft, eliminating the need for rescreening except for cause;
- Initiated a joint entry/exit pilot project at the land border, starting with third-country nationals and permanent residents, whereby the record of entry into one country is shared and becomes the record of exit from the other country;
- Developed an Integrated Cargo Security Strategy to address risks as early as possible associated with shipments arriving from offshore based on informed risk management and initiated pilots to validate and shape the implementation of the strategy;
- Initiated a one-year sector-based pilot project that provides for advance review and clearance of official certification and alternative approaches to import inspection activities;
- Developed a detailed operational model for the upcoming deployment of the truck cargo facilitation pilot project;
- Developed a land border traffic management guide to manage traffic in the event of an emergency;
- Commenced the first cross border Regional Resilience Assessment Program project to improve the security and resilience of cross-border critical infrastructure;
- Released a joint *Cybersecurity Action Plan*;
- Expanded and enhanced the trusted traveler program NEXUS by providing additional benefits to members such as access to expedited passenger screening lanes at airports in Canada and Transportation Security Administration (TSA) Pre✓™ lanes in the United States;
- Conducted consultations to facilitate cross-border business travel and implemented various improvements;
- Announced regularized *Shiprider* operations; and
- Developed a joint Border Infrastructure Investment Plan to ensure a mutual understanding of available funding for targeted projects and the schedule, scope, and responsibilities for those projects in consultation and coordination with all applicable local, state or provincial, and federal stakeholders.

While significant progress has been made over the past year, our work is not yet done. Several initiatives including the harmonization of trusted trader programs, the full implementation of an entry/exit program at the land border, the negotiation of a preclearance agreement for the land, rail, and marine modes and an update to the existing preclearance agreement for the air mode are underway. We look forward to reporting on progress on these and other initiatives in subsequent *Beyond the Border* implementation reports.

PROGRESS TO DATE

Part I. Addressing Threats Early

Addressing threats at the earliest possible point is essential to strengthening our security and facilitating the lawful flow of goods and people across our shared border. In order to jointly address threats to our citizens and our way of life, and recognizing that a threat to either country represents a threat to both, we need a common understanding of the threats. Therefore, we have:

- Produced a joint inventory of existing intelligence work, initiated joint intelligence assessments, and taken steps to institutionalize analytic collaboration;
- Improved our understanding of each country's legal, policy and operational approaches to information sharing for national security purposes, as well as identified and addressed areas for improvement in the broader bilateral information sharing relationship;
- Created an inventory of U.S. and Canadian domain awareness capabilities at the border and undertaken an analysis to identify gaps; and
- Shared and advanced research, best practices, and tools for law enforcement for countering violent extremism, emphasizing community-based and community-driven efforts.

We also are developing a perimeter approach to the shared threats faced by Canada and the United States, which aims to stop threats well before they arrive in either the United States or Canada. Under the principle of "cleared once, accepted twice," we have developed a harmonized approach to screening inbound international cargo, as well as checked bags belonging to passengers on approved connecting flights. This approach is intended to increase security and to facilitate the movement of secure cargo and baggage across our shared border. To date, we have:

- Achieved mutual recognition of our respective air cargo security programs for passenger aircraft, thereby eliminating the need for rescreening except for cause;
- Developed a common and streamlined set of required data elements for advance security screening of cargo for all modes of transport;
- Developed and released an Integrated Cargo Security Strategy (ICSS) based on informed risk management to address risks as early as possible associated with international shipments arriving from offshore. Harmonization of the cargo screening processes should result in a more secure supply chain and a more competitive economic posture;
- Initiated pilots to validate and shape the implementation of this strategy including:
 - An inbound marine cargo pilot at the Port of Prince Rupert for cargo destined to the United States by rail;
 - A Canadian pre-load air cargo targeting pilot; and
 - Finalizing operational plans for an inbound marine cargo pilot at the Port of Montreal for cargo destined to the U.S. by truck;

- Begun deployment of U.S. Transportation Security Administration-certified Explosive Detection Systems (EDS) equipment at preclearance airports in Canada, concurrent with the U.S. decision to lift the rescreening requirement of connecting checked baggage; and
- Conducted two joint assessments in third countries to better protect Canada and the United States from off-shore animal and plant health risks.

We have also advanced a harmonized approach to screening travelers at the earliest point possible. Canada and the United States already have similar visa and document requirements, advance passenger information requirements, and national targeting centers that support the decision-making of border officials. Building on these similarities, our countries are collaborating to enhance screening methodologies and programs by developing systems to provide relevant information for immigration and border determinations including through: the implementation of systematic biographic and biometric information sharing on third-country nationals; sharing information on those who have been removed from either country for criminal reasons; and sharing entry data at the shared land border such that entry to one country constitutes the exit data from the other. Improved information sharing assists officials on both sides to make better informed decisions, to prevent unlawful entries into either country, and to facilitate legitimate travel. To date, we have:

- Shared risk assessment and targeting scenarios and enhanced real time notifications regarding the arrival of individuals on U.S. security watchlists;
- Shared requirements for biometric standards to align with the implementation of Canadian biometric collection for foreign nationals in 2013;
- Completed substantive negotiations on an agreement to support the systematic and automated sharing of biographic and biometric visa and immigration information on third-country nationals;
- Increased the volume of fingerprints shared on asylum seekers to identify multiple claims, strengthen identity management, reduce fraud, and better inform decision-makers; and
- Implemented an entry-exit pilot project at four shared land ports of entry in Washington State/British Columbia and in New York/Ontario exchanging the record of entry into one country so that it can be considered the record of exit from the other for third-country nationals, permanent residents of Canada, and U.S. lawful permanent residents.

Part II. Trade Facilitation, Economic Growth, and Jobs

The efficient flow of goods and services between the United States and Canada creates immense economic benefits for both countries. The United States and Canada already have programs to facilitate the travel of known and frequent travelers and the exports and imports of known and frequent traders. The initiatives below intend to expand those programs and enhance their benefits to travelers and businesses. Such initiatives not only facilitate travel and trade but also enable border officials to focus limited resources on unknown or higher-risk travelers and goods. Along these lines, we have:

- Consulted with stakeholders to identify and assess means of facilitating border processes for trusted traders;

- Launched a pilot extending Free and Secure Trade (FAST) benefits at the Sarnia, Ontario border crossing into Canada to members of the U.S.-based Customs-Trade Partnership Against Terrorism (C-TPAT) program and the Canada-based Partners in Protection (PIP) program;
- Initiated harmonization of the C-TPAT and PIP programs including mutual recognition of each others' onsite validations of participating companies;
- Conducted a detailed comparison and review of Canada's Customs Self Assessment (CSA) and the U.S. Importer Self Assessment (ISA) programs in anticipation of eventual alignment to the extent possible and of extending new benefits to tier-two members, such as facilitating border and accounting processes and further reducing risk-based examination rates;
- Recognized members of the trusted traveler program NEXUS for expedited passenger pre-board screening for flights from Canada to the United States and included NEXUS members in the TSA risk-based Pre✓™ screening program;
- Developed a plan to incorporate third-country traveler programs into NEXUS;
- Launched NEXUS enrollment blitzes to reduce backlogs and increase membership, implemented an improved renewal process, undertook joint public outreach to enhance awareness of NEXUS, and extended membership eligibility to United States and Canadian citizens who currently do not reside in Canada or the United States;
- Developed a plan to expand NEXUS access at jointly identified ports of entry to accommodate the expected increase in NEXUS membership. Three new NEXUS lanes have opened to date; and
- Canada conducted a one-year pilot in the processed-food sector providing facilitated clearance and compliance processes.

We are pursuing creative and effective solutions to promote the lawful cross-border mobility of people and goods, including removing barriers to cross border trade and travel to support jobs and economic growth. We are doing so by instituting or improving measures that facilitate movement, reduce administrative burden, and move functions away from the physical border where possible. These efforts aim to address challenges relating to outdated physical infrastructure, border congestion, unpredictable crossings, and duplicative efforts. To date, we have:

- Initiated a one-year sector-based pilot to provide for advance review and clearance of official certification and alternative approaches to import inspection activities;
- Initiated negotiations for a new preclearance agreement for the land, rail, and marine modes, as well as an update to the existing preclearance agreement for the air mode;
- Identified operational impediments and are developing solutions to the effectiveness of U.S. preclearance operations at airports in Canada, such as signage and physical layout;
- Developed a detailed operational model for the truck cargo facilitation pilot project, including preparation for the upcoming deployment of the first phase, which is designed to test the concept of conducting U.S. pre-inspection at a land port of entry in Canada;
- Initiated a wood packaging material feasibility study to identify and address any policy, program, or operational changes required to move inspections for wood packaging material away from the border to the perimeter;

- Consulted with stakeholders in both countries to identify additional ways to facilitate cross-border business travel and instituted a variety of administrative, policy, regulatory, and operational improvements. These improvements include:
 - Enhancing administrative guidance and training to U.S. Customs and Border Protection and Canada Border Services Agency officers and enhanced operational manuals to achieve optimal operational consistency at all ports of entry on business traveler issues;
 - Identifying different classes of admission in the NEXUS client profile, with such status recorded at the time of NEXUS enrolment to facilitate clearances;
 - Implementing changes to processes under which business travelers may request adjudication of employment and related petitions to identify and resolve potential issues prior to the actual date of travel;
 - Reviewing effectiveness of existing redress and recourse mechanisms for business travelers whose applications for admission are denied and implemented improvements.
- Began converting the data requirements of all participating government departments and agencies to electronic form as an initial step toward providing a single window through which importers can electronically submit all information to comply with customs and other government regulations;
- Announced the intent to increase and harmonize the low value shipment (LVS) threshold in both countries to \$2,500 for expedited customs clearance. Canada would also increase the LVS threshold to \$2,500 for exemption from North American Free Trade Agreement (NAFTA) Certificate of Origin requirements, thereby aligning it with the current U.S. threshold; and
- Completed a preliminary inventory of fees and charges at the border, currently under review by stakeholders, with release anticipated in the first quarter of 2013 and an economic impact assessment is to be commissioned.

Efficient ports of entry are essential to the economic well-being of both the United States and Canada. An integrated bilateral approach to investment in infrastructure and technology is critical to maximizing the potential benefits of our shared economic space and to ensuring that we have the capacity to support the current and future volumes of commercial and passenger traffic that are key to economic growth and job creation. Therefore, we have:

- Developed the first-ever five-year joint Border Infrastructure Investment Plan covering coordinated upgrades such as customs plaza replacement and redevelopment, additional primary and secondary lanes and booths, and expanded or new connecting roads and highway interchanges;
- Established a small and remote port working group to address issues such as hours of operation, technology-only processing solutions, and joint or co-managed facilities;
- Posted wait time service levels for the 20 largest land border crossings on government websites to increase transparency and improve traffic management;
- Installed new sensor technology at approaches to and on the customs plazas of the Peace Bridge and Queenston-Lewiston Bridge in the Niagara region to test a system that is expected to provide reliable, real-time information to travelers and enable them to time and select their crossing; and

- Established binational port operations committees at the eight Canadian airports with U.S. preclearance operations, in addition to the twenty land border committees already in operation, in order to improve how we manage the flow of travelers and goods, as well as coordinate emergency preparedness and responses and further integrate enforcement efforts.

Part III. Integrated Cross-Border Law Enforcement

The United States and Canada have developed successful models for cooperative law enforcement, such as Integrated Border Enforcement Teams (IBET), Border Enforcement Security Taskforces (BEST), and *Shiprider* pilots. Building on these proven models, we are pursuing more collaborative and integrated approaches to securing the border that enhance our ability to interdict, investigate, and prosecute criminals. To date, we have:

- Formalized *Shiprider* operations and announced the deployment of two integrated U.S. and Canadian law enforcement teams in Michigan/Ontario and Washington State/British Columbia. These specially trained and designated officers work together in our shared waterways and effectively remove the international maritime boundary as a barrier to law enforcement.
- Developed a plan for binational radio interoperability system between U.S. and Canadian border enforcement personnel to permit law enforcement agencies to coordinate effective binational investigations and timely responses to border incidents, while improving both officer and public safety. This technology already has been successfully demonstrated in the Washington State/British Columbia region.

These initiatives, along with future efforts, are intended to improve our ability to prevent criminals from crossing the border to evade justice, making better use of limited law enforcement resources, and ultimately provide for a more robust law enforcement posture at our shared border to better protect citizens in both our countries.

Part IV. Critical Infrastructure and Cyber Security

Canada and the United States are connected by critical infrastructure, from bridges and roads to energy infrastructure and cyberspace. The *Beyond the Border Action Plan* includes measures to enhance the resilience of our shared critical and cyber infrastructure and to enable our two countries to rapidly respond to and recover from disasters and emergencies on either side of the border. To protect vital physical and digital infrastructure and make them safer for all our citizens, we:

- Continued implementing the *Canada-United States Action Plan for Critical Infrastructure*, including conducting a Regional Resilience Assessment Program project for the Maine-New Brunswick region and intending to conduct joint risk analysis, develop collaborative cross-border analytical products and share methodologies as well as best practices to enhance critical infrastructure security and resilience;
- Jointly engaged with the private sector on cybersecurity, enhanced real-time information sharing between cyber operation centers, continued cooperation on ongoing cybersecurity

public awareness, and developed a joint *Cybersecurity Action Plan* to support and inform current and future cybersecurity efforts; and

- Strengthened cooperation on international cyber security and Internet governance issues including engagement with third countries through the Asia-Pacific Economic Cooperation Telecommunications and Information Working Group, Organization of American States, Meridian Process and Conference, G8, the U.N. Group of Government Experts, and preparatory process for the World Conference on International Telecommunications.

Due to the proximity of our two countries and the interconnectedness of our economies, a disaster or health threat in either country may affect the other and require multi-jurisdictional and cross-border coordination. The measures below are intended to help facilitate the movement of emergency responders and other medical personnel in either direction across our shared border, improve cross-border communications in times of crisis, and expedite the resumption of legitimate trade and travel following an emergency. To date, we have:

- Finalized and released *Considerations for United States – Canada Border Traffic Disruption Management* guide, a document that outlines best practices and considerations for land border traffic management in the event of an emergency to support local community planning;
- Developed joint planning and communications guides to facilitate maritime commerce recovery and conducted a tabletop exercise to validate them;
- Established concrete measures to enhance our collective preparedness to combat shared health security threats and already have exchanged information on how each country determines health security risks; and
- Established two binational working groups, one to prevent, mitigate, prepare for, respond to, and recover from Chemical, Biological, Radiological, Nuclear and Explosives (CBRNE) events, and the other on communications interoperability to harmonize cross-border emergency communications efforts. Both groups have developed work plans and intend to validate the action items through binational training and exercises.

MOVING FORWARD

All of the information sharing initiatives under the *Beyond the Border Action Plan* are to be informed and guided by the *Joint Statement of Privacy Principles* by the United States and Canada. Completion of this joint statement was an early deliverable and a key milestone under the *Beyond the Border Action Plan*. The privacy principles cover the provision, receipt, and use of personal information exchanged by the United States and Canada pursuant to any *Beyond the Border* information sharing arrangements and initiatives.

Timely and efficient information sharing is critical to the national security of both nations, and these principles reflect the joint commitment to protecting privacy and to responsibly sharing information that is accurate, relevant, and necessary. Canada and the United States are committed to protecting privacy in the implementation of all *Beyond the Border* arrangements and initiatives undertaken by our two countries, and also ensuring that information sharing is consistent with the domestic and international law applicable in each country.

To advance the implementation of the *Beyond the Border Action Plan* to achieve the vision articulated by the President and the Prime Minister, the United States and Canada have established the *Beyond the Border* Executive Steering Committee (ESC) comprised of senior officials from both countries. The ESC, which first convened in Ottawa in June 2012, oversaw the development of this report and continues to help guide the work of the implementing departments and agencies. In particular, the ESC is expected to lead efforts to achieve outstanding items that have not yet been implemented due to challenges that have arisen as our two countries have closely evaluated the operational and legal requirements of each project. One example includes the deployment of the Next Generation of Integrated Cross-Border Law Enforcement pilot projects, intended to build upon the successes of IBETs, BESTs, and Shiprider and enhance cross-border law enforcement cooperation. We remain committed to implementing all of the initiatives of the *Beyond the Border Action Plan*, and we steadfastly seek to resolve outstanding challenges in 2013.

We also intend to continue to work together to promote awareness of the *Beyond the Border* initiative and to engage with all levels of government and with our communities, non-governmental organizations, and the private sectors, as well as with our citizens, on innovative approaches to security and competitiveness. We plan to continue public outreach and consultation as well as update relevant websites with information on the Action Plan's implementation.

In the first year, we have made significant progress in achieving the vision of perimeter security and economic competitiveness through the activities outlined in the *Beyond the Border Action Plan*. We have deepened our longstanding partnership to further advance our shared economic and security interests. Our work is not yet done. Indeed, the Action Plan includes deliverables due in 2013, 2014, and 2015 that we are to report on in subsequent annual reports. Key future initiatives include harmonizing our trusted trader programs, making significant infrastructure investments at our key land border crossings, fully implementing an entry/exit program at the land border, expanding preclearance operations to the land, rail, and marine

domains, and an update to the existing preclearance agreement for the air mode. We look forward to reporting on progress in these and other areas in subsequent *Beyond the Border* implementation reports.