

BACKGROUND

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Beyond the Border: U.S. and Canada Expand Partnership in Trade and Security

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Abstract

In 2011, the United States and Canada announced a joint strategy—Beyond the Border—to boost security in, and facilitate the flow of goods and services between, the two countries. Important progress has been made by the two countries, but much remains to be done to ensure both nations' prosperity and security, including coordinated visa and entry policies, expanded cross-border law enforcement programs, and the development of bi-national disaster plans. With a shared border of over 5,000 miles, an excess of 115,000 flights per year, and nearly \$2 billion in daily bilateral trade between the two nations, the vital importance of the U.S.–Canada relationship must not be overlooked. Failure to follow through on Beyond the Border could result in a serious setback for the U.S.–Canada relationship—and for security and trade freedom on both sides of the border.

In December 2011, President Barack Obama and Canadian Prime Minister Stephen Harper released the Beyond the Border Action Plan. The plan—part of the Beyond the Border strategy announced earlier that year—offers a cooperative strategy and joint vision intended to boost security and facilitate the flow of goods and people between the two nations. With the economies, societies, and infrastructure of the U.S. and Canada so closely intertwined, the Beyond the Border Action Plan recognizes that ease of trade and travel should not suffer while enhancing the two nation's joint security.

Now, more than a year after the action plan was introduced, important progress has been made by both nations in implementing its

KEY POINTS

- With a shared border of over 5,000 miles, an excess of 115,000 flights per year, and nearly \$2 billion in daily bilateral trade between the U.S. and Canada, the vital importance of the relationship between the two countries must not be overlooked.
- In December 2011, President Obama and Canadian Prime Minister Harper released the Beyond the Border Action Plan. An important step forward in U.S.–Canada relations, the plan offers a cooperative strategy and joint vision intended to boost security and facilitate the flow of goods and people between the two nations.
- While significant progress has been made, the U.S. and Canada should strengthen their relationship by further implementing Beyond the Border, removing barriers to trade, enhancing security, and improving infrastructure protection and joint disaster response.

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measures. More, however, remains to be done to build on this vital bilateral relationship, and to ensure both nations' prosperity and security. Moving forward, both the United States and Canada should:

- Eliminate the U.S.'s 100 percent cargo-screening mandate for cargo from any country;
- Coordinate visa and entry policies;
- Expand cross-border law enforcement programs;
- Enhance efforts to spur private investment in border infrastructure;
- Increase efforts to aggressively counter bad cyber actors;
- Develop bi-national disaster plans;
- Reject protectionist measures; and
- Continue to build partnerships in support of free trade.

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Close Neighbors and Allies

The United States and Canada have a long history of cooperation on trade, homeland security, and defense issues. Indeed, the \$1.9 billion in goods and 350,000 people that cross the border every day demonstrate the close relationship that the two nations share, often considered one of the closest and most extensive and closest bilateral relationships in the world.¹

As the U.S.'s largest trading partner, Canada imported \$281 billion in U.S. goods in 2011,

accounting for 19 percent of all U.S. merchandise exports, and imported \$56 billion in private commercial services. Canada also exported \$315 billion worth of goods to the U.S., accounting for 14.3 percent of all U.S. merchandise imports, and \$28 billion in private commercial services exports.² Aided by the world's longest land border, such extensive trading is the result of joint efforts by both nations to promote free and open trade. Since signing the North American Free Trade Agreement (NAFTA) in 1994, U.S. exports to and imports from Canada have each increased by approximately 180 percent.³

At the same time, the U.S.–Canadian national security relationship is also among the strongest in the world. For over fifty years, the two nations have worked together to protect North American airspace against terrorist and criminal threats through the North American Aerospace Defense Command (NORAD). To bolster homeland defense efforts, the Canada–U.S. Civil Assistance Plan, signed in 2008 and renewed in 2012, allows members of one nation's military to augment the other nation's forces in the event of a civil emergency, such as an earthquake or terrorist attack.⁴

In the post-9/11 world, of course, greater attention has also been paid by both nations to the issue of cross-border security and trade. Such efforts began with the bilateral Smart Border Accord in 2001 and the trilateral Security and Prosperity Partnership in 2005, eventually culminating with Beyond the Border today. Similarly, programs such as "Shiprider" and the Integrated Border Enforcement Teams (IBETs) have furthered joint law enforcement and the patrolling of the shared waterways and land border between the two nations, while "trusted trader" programs like Free and Secure Trade (FAST) have enhanced border security efforts and facilitated trade. Together with other treaties, agreements, and actions abroad, the U.S. and Canada have formed a unique and strong bilateral relationship.

1. U.S. Department of Homeland Security, "Fact Sheet: Beyond the Border Facilitating Travel at the United States–Canada Border," December, 6, 2011, <http://www.dhs.gov/news/2011/12/06/fact-sheet-beyond-border-facilitating-travel-united-states-canada-border> (accessed March 21, 2013).

2. Office of the United States Trade Representative, "U.S.–Canada Trade Facts," <http://www.ustr.gov/countries-regions/americas/canada> (accessed March 21, 2013).

3. Ibid.

4. Canada Command and United States Northern Command, "Canada US Civil Assistance Plan (CAP)," February 14, 2008, <http://www.northcom.mil/News/2008/CAP%20-%20For%20Public%20Posting%20-%2028%20May%2008.pdf> (accessed March 21, 2013).

Beyond the Border

Building on the long and close relationship that already exists between the U.S. and Canada, on February 4, 2011, President Obama and Prime Minister Harper released the Beyond the Border Declaration. The declaration, the result of multiple bilateral meetings and summits between the two leaders, presented a shared vision for perimeter security and economic competitiveness between the United States and Canada.

Specifically, the Beyond the Border Declaration highlighted four areas where the two nations would seek enhanced economic and security cooperation:

- Addressing threats early;
- Trade facilitation, economic growth, and job creation;
- Integrated cross-border law enforcement; and
- Critical infrastructure, cybersecurity, and emergency management.⁵

The Beyond the Border Working Group, consisting of representatives from the relevant offices of each nation's federal government, was tasked with developing a plan to implement these goals. After months of discussion between relevant government departments and consultation with the public, the Beyond the Border Action Plan was released on December 7, 2011. The Action Plan presents a detailed framework for how the U.S. and Canada will address threats early, facilitate trade and economic growth, integrate cross-border law enforcement, and create secure infrastructure and effective emergency response.

Later, in June 2012, the U.S. and Canada issued a Joint Statement of Privacy Principles. While the U.S. and Canada share many of the same privacy

principles and best practices, the two nations have different systems and laws for the protection of personal data. Before moving forward with new approaches to improve information sharing—the cornerstone of nearly all measures called for in the Beyond the Border Action Plan—the statement of privacy principles offered a set of common rules under which the two countries will protect the privacy rights of their citizens. These principles are to govern all Beyond the Border arrangements and include ensuring that information is properly safeguarded with effective oversight, limited retention, and opportunity for redress.

Through the Beyond the Border Executive Steering Committee (ESC), the U.S. and Canada have worked together on the implementation of the Beyond the Border Action Plan, as well as the Joint Statement of Privacy Principles.⁶ As a culmination of its first year's efforts, the ESC released the first annual Beyond the Border Implementation Report, in December 2012, detailing the achievements made over the previous year.⁷

Addressing Threats Early

In order to address threats early, the Beyond the Border Action Plan recognizes that “a threat to either country represents a threat to both.”⁸ In this regard the plan calls for conducting joint threat assessments and strengthening information and intelligence sharing; enhancing domain awareness; and fostering cooperative efforts to counter violent extremism. Stopping threats before they reach U.S. and Canadian shores however, requires not just an enhanced understanding of the threat environment, but also concrete efforts to stop potentially dangerous individuals and hazardous materials from reaching either nation. With this, the Action Plan also calls for harmonization of traveler, cargo, and baggage screening; coordination of entry and exit systems; and protection for both nations from

5. News release, “Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness,” Declaration by President Obama and Prime Minister Harper of Canada, The White House, February 4, 2011, <http://www.whitehouse.gov/the-press-office/2011/02/04/declaration-president-obama-and-prime-minister-harper-canada-beyond-bord> (accessed March 21, 2013).

6. News release, “Beyond the Border Steering Committee,” Embassy of the United States in Ottawa, June 21, 2012, <http://canada.usembassy.gov/news-events/2012-news-and-events/june-2012/21-june-2012-beyond-the-border-steering-committee.html> (accessed March 21, 2013).

7. The White House, *Beyond the Border Implementation Report*, December 2012, pp. 1-11, http://www.whitehouse.gov/sites/default/files/docs/btb_implementation_report.pdf (accessed March 21, 2013).

8. U.S. Department of Homeland Security, “Beyond the Border Action Plan,” 2011, <http://www.dhs.gov/beyond-border-action-plan> (accessed March 21, 2013).

offshore food-safety, animal, and plant-health risks. Through each of these efforts, the idea is that by addressing threats at “the earliest possible point” both nations can enhance their shared security while also ensuring the free flow of goods and people across the border.⁹

Shared Threats and Perimeter Security. In 2006, British law enforcement foiled a terrorist plot said to have threatened “devastation on a scale that would have rivaled 9/11.”¹⁰ The plot involved plans to use liquid explosives disguised as soft drinks to take down as many as 10 airliners traveling from the United Kingdom to destinations in both the U.S. and Canada. Beyond being the impetus for changes in liquid carry-on regulations at U.S. airports, the plot also illustrated the shared nature of security threats for the U.S. and Canada. Indeed, in the 2010 Joint Border Threat and Risk Assessment, U.S. and Canadian border officials emphasized the fact that “terrorism in one country is a national security threat to the other.”

Of course, this statement was not a new realization for either country. Even in the immediate aftermath of 9/11, though the direct devastation was confined to the United States, the effects of the attacks were acutely felt in Canada. As one Canadian national security expert explained:

The shock was political, psychological, and economic. The Canadian government had to reassess its capacity to provide security within Canada and, inevitably, it shared the widespread fear at the time of the possibility of second-wave Al Qaeda strikes of equal or more devastating magnitude. The government had to reassure its citizens that it was capable of providing them with public safety. From the outset, it also had an

unfamiliar border problem. The “longest undefended border” in the world had changed from a comforting myth into a threat itself.¹¹

While the 9/11 hijackers had not entered the U.S. from Canada, nor had logistical or other resources been connected to the country, greater priority was given by both nations to enhancing security at the shared U.S.–Canada border after the attacks. On the U.S. side of the border, in October 2001 there were 334 Border Patrol Agents and 498 inspectors, compared to the 9,500 agents and inspectors assigned to the much shorter U.S. border with Mexico.¹² By 2011, however, the number of border patrol agents and U.S. Customs and Border Protection (CBP) inspectors stationed at the northern border was 2,237 and 3,706, respectively.¹³

The best way to safeguard both nations from transnational terrorists is to keep them out of North America in the first place.

More than 10 years after 9/11, the focus remains on augmenting security along the northern border, as leaders continue to voice alarm that “the northern border provides easy passage for extremists, terrorists and criminals who clearly mean to harm America.”¹⁴ While border security should not be ignored, once a terrorist has physically reached either border, citizens of both Canada and the U.S. may already be in danger. Ultimately, the best way to safeguard both nations from transnational terrorists is to keep them out of North America in the

9. Ibid.

10. “Plot Would Have Killed Thousands,” ABC News, August 6, 2007, <http://abcnews.go.com/WN/story?id=3451976&page=1> (accessed March 21, 2013).

11. Mary Ellen Callahan and Wesley Wark, “Privacy and Information Sharing: The Search for an Intelligent Border,” *Woodrow Wilson Center One Issue Two Voices* No. 13 (October 2010), pp. 1–24, http://www.wilsoncenter.org/sites/default/files/One%20Issue_13_Privacy.pdf (accessed March 21, 2013).

12. Lisa M. Seghetti, “Border Security: U.S.–Canada Border Issues,” *Congressional Research Service Report for Congress*, July 8, 2002, pp. 1–3, <http://fpc.state.gov/documents/organization/13383.pdf> (accessed March 21, 2013).

13. Carl Ek and Ian F. Fergusson, “Canada–U.S. Relations,” *Congressional Research Service Report for Congress*, April 5, 2012, pp. 1–73, <http://www.fas.org/sgp/crs/row/96-397.pdf> (accessed March 21, 2013).

14. Jack Cloherty and Pierre Thomas, “Congress: Border With Canada the Weak Link in Terror Security,” ABC News, February 1, 2011, <http://abcnews.go.com/US/northern-border-weak-link-terror-security/story?id=12812214#.UL99z2eniSo> (accessed March 21, 2013).

first place. With this in mind the Beyond the Border Action Plan detailed a framework for the two nations to use in order to address threats as early as possible, creating a perimeter security approach to stop terrorists and other threats long before they reach the shores of either nation

Stopping Threats Before They Endanger Either Nation. Progress to date in regard to addressing threats early has centered along three themes: (1) creating a common understanding of the threat, (2) harmonizing the screening of travelers, and (3) adopting a perimeter approach to cargo security. In meeting these goals, the U.S. and Canada have also worked over the past year to begin conducting joint intelligence assessments, improve bilateral information sharing, assess domain awareness capabilities along the border, and share best practices in countering violent extremism.¹⁵ Similarly, other key steps to date have included:

- **Enhanced trusted traveler programs.** Established in 2002, the NEXUS program allows pre-screened U.S. and Canadian travelers expedited processing at dedicated air, land, and maritime ports of entry between the United States and Canada. Under Beyond the Border, the U.S. Customs and Border Protection and the Canadian Border Services Agency also announced plans to increase NEXUS benefits, expand its memberships, and streamline the membership process.¹⁶
- **Exit-entry pilot program.** Beginning October 15, 2012, the CBP and the Canadian Border Services Agency (CBSA) began sharing visitor entry information, so that entry into one country serves as a record of exit from the other.

- **Mutual recognition of air cargo.** In May 2012, both governments announced the mutual recognition of their air cargo security regimes under the principle of “cleared once, accepted twice.” Cargo screened on passenger aircraft are now screened only once at the point of origin, rather than being rescreened at the border or when loaded onto an aircraft in the other country.

- **Integrated Cargo Security Strategy (ICSS) pilot.** In October 2012, the U.S. and Canada also launched the initial pilot project of the Integrated Cargo Security Strategy (ICSS) in Prince Rupert, British Columbia. As outlined in the action plan, the ICSS is intended to employ risk-management principles to address security and contraband concerns posed by foreign cargo shipments as early in the supply chain as possible.

Explicit within the Beyond the Border Action Plan was a call to “develop a harmonized approach to screening inbound cargo” arriving from other nations.¹⁷ In the U.S. in 2010, approximately 3.6 billion pounds of in bound air cargo was transported on air passenger planes.¹⁸ This is roughly a third of all of the cargo transported into the United States by air. In Canada nearly half of all air cargo is shipped on passenger planes.¹⁹ Ensuring the efficient and effective screening of air cargo traveling between both nations, therefore, offers important economic and security benefits by helping to enable the timely delivery of goods and ensuring the integrity of the supply chain.

With this in mind, Canada and the United States have established the mutual recognition of air cargo screening efforts, an important step in harmonizing the two nation’s border security practices. Indeed, the International Air Cargo Association has pointed

15. The White House, *Beyond the Border Implementation Report*, pp. 1-11.

16. News release, “The United States and Canada Announce Plans to Increase NEXUS Benefits,” U.S. Customs and Border Protection, May 8, 2012, pp. 49-79, http://www.cbp.gov/xp/cgov/newsroom/news_releases/national/05082012_4.xml (accessed March 21, 2013).

17. U.S. Department of Homeland Security, “Beyond the Border Action Plan.”

18. United States Government Accountability Office, *Aviation Security Actions Needed to Address Challenges and Potential Vulnerabilities Related to Securing Inbound Air Cargo*, Report to Congressional Requesters, pp. 1-34, <http://www.gao.gov/assets/600/590789.pdf> (Accessed March 21, 2013).

19. News release, “Canada and the United States Announce Air Cargo Security Improvements,” Government of Canada, May 31, 2012, <http://www.tc.gc.ca/eng/mediaroom/releases-2012-h053e-6724.htm?campaign=Twitter-eng> (accessed March 21, 2013).

to mutual recognition achieved between the U.S. and Canada, as well as between the U.S. and the European Union, as an example for future bilateral or multilateral efforts.²⁰ More, however, can be done to enhance these efforts. In particular, the U.S. should seek to repeal the congressional mandate requiring the 100 percent screening of all cargo carried on passenger planes. This mandate offers little value added in terms of security²¹ at a high-cost to industry, threatening large delays in the supply chain.

For cargo shipped by rail and destined for the United States, the Beyond the Border agreement has also led to the launch of the initial pilot of the ICSS. The ICSS applies a shared, risk-based approach to the screening of this U.S.-bound cargo. While risk assessments are still conducted at the U.S. National Targeting Center (NTC), the cargo containers that have been identified as high-risk by the NTC are screened by the CBSA prior to arriving in the U.S. All security and contraband concerns are dealt with in Canada, and the information shared with U.S. officials. Pre-screened containers are not rescreened by the CBP at the northern land border, reducing duplication, streamlining trade, and enhancing security through information sharing and risk-based screening.²²

Along with these efforts, the two nations have also developed “a common and streamlined set of required data elements for advanced security screening” of all forms of cargo.²³ Additionally, regarding baggage screening for commercial aviation, the Canadian Air Transport Security Authority

has begun deploying U.S. Transportation Security Administration (TSA)-certified Explosive Detection Systems (EDS) to screen passenger baggage. This step was put in place concurrent with the U.S. decision to lift the requirement to rescreen U.S.-bound checked baggage already screened in Canada. Regarding cross-border travel, the U.S. and Canada have also streamlined traveler screening by expanding trusted-traveler programs. In February 2012, the U.S. Ambassador to Canada announced the opening of new dedicated screening lanes at airports across Canada for NEXUS travelers.²⁴ Canadian NEXUS members are also eligible for participation in the TSA’s expedited screening program known as PreCheck. By expanding the NEXUS trusted-traveler program, the U.S. and Canada not only ease the burden of international travel for their citizens, but also enhance security by allowing the CBP and the CBSA to divert resources to other, potentially high-risk, travelers.

Related efforts have also included enhanced real-time notification of the arrival of individuals listed on U.S. watch lists, and the implementation of the Phase I pilot of the exit-entry program. On October 15, 2012, the CBP and the CBSA began sharing entry information, so that entry into one country serves as a record of exit from the other. The program began with the exchange of routine biographic information on third-country nationals and permanent residents of both Canada and the U.S. at four ports of entry.²⁵ With Phase I since deemed a success, Phase II will begin on June 30, 2013, expanding the pilot to all automated land border ports of entry.²⁶ On

20. Air Cargo World, “TIACA Urges More Mutual-Recognition Agreements,” June 21, 2012, <http://www.aircargoworld.com/Air-Cargo-News/2012/06/tiaca-urges-more-mutual-recognition-agreements/217886> (accessed March 21, 2013).

21. Jena Baker McNeill, “Air Cargo Security: How to Keep Americans Secure without Harming the Economy,” Heritage Foundation *Backgrounder* No. 2422, June 21, 2010, <http://www.heritage.org/research/reports/2010/06/air-cargo-security-how-to-keep-americans-secure-without-harming-the-economy>.

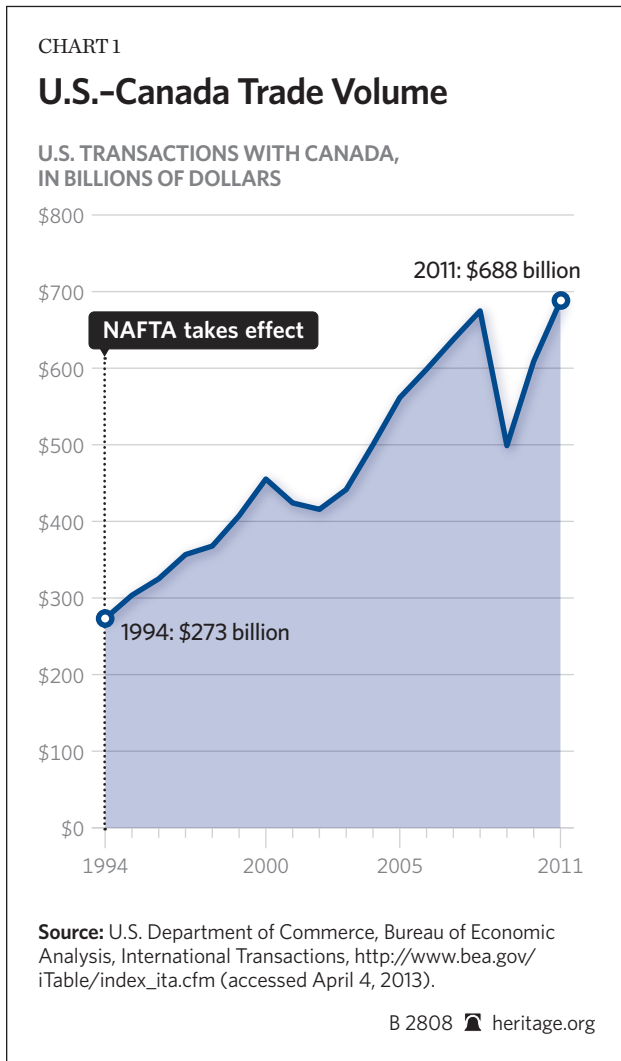
22. Canada Border Services Agency, “Fact Sheet: Integrated Cargo Security Strategy,” October 2012, <http://www.cbsa-asfc.gc.ca/media/facts-faits/120-eng.html> (accessed March 21, 2013).

23. The White House, *Beyond the Border Implementation Report*, pp. 1-11.

24. News release, “Ambassador Jacobson Highlights New Nexus Airport Lanes Across Canada,” Embassy of the United States in Ottawa, February 16, 2012, <http://canada.usembassy.gov/news-events/2012-news-and-events/june-2012/21-june-2012-beyond-the-border-steering-committee.html> (accessed March 21, 2013).

25. News release, “The U.S. and Canada Announce Pilot to Enhance Border Security at Land Ports of Entry,” U.S. Customs and Border Protection, September 28, 2012, http://www.cbp.gov/xp/cgov/newsroom/news_releases/national/O9282012.xml (accessed March 21, 2013).

26. Canada Border Services Agency, “Canada and the United States Report Progress on Entry/Exit Initiative,” May 13, 2013, <http://www.marketwire.com/press-release/canada-and-the-united-states-report-progress-on-the-entry-exit-initiative-1790238.htm> (accessed May 24, 2013).



December 13, 2012, the two nations also signed a Visa and Immigration Information-Sharing Agreement, allowing the U.S. and Canada to share information on third-country nationals who apply for a visa to travel to either country.²⁷

In order to enhance these efforts, the U.S. and Canada should seek to not only share information on visa applicants, but to better coordinate visa and

entry policies. In this manner, travel between the two nations could be streamlined by ensuring that qualifications for entry into one country could closely represent qualifications for entry into the other.

Promoting Trade Facilitation, Economic Growth, and Jobs

The Beyond the Border Action Plan calls for several measures to facilitate trade and economic growth in both the United States and Canada. These include speeding up customs procedures, eliminating duplicative screening, and implementing new technologies to facilitate cross-border shipments of goods. Similarly, the plan also calls for both countries to speed up clearance for cargo through new pre-screening and pre-clearance procedures. These efforts are to include: offering a “single window” for importers to electronically submit information required by various government agencies; expedited clearance for low-value shipments; facilitating trade by improving transparency and accountability for border fees; and improving infrastructure at border crossings.

Two Economies Intertwined. Canada is the United States’ largest trading partner. In 2011, 19 percent of U.S. exports of goods and services went to Canada, and 14.3 percent of U.S. imports came from Canada. Since NAFTA took effect in 1994, U.S. exports to Canada and imports from Canada have each increased by about 180 percent. In fact, in the past two years alone, exports have increased by 36 percent and imports have increased by 39 percent.²⁸ Indeed, Canada is the largest overall U.S. export market, and is the biggest export market for 35 states.²⁹

To put the importance of U.S.-Canada trade into greater perspective, a 2012 study by Australia’s Monash University estimates that approximately 7.9 million U.S. jobs depend on trade with Canada.³⁰ On average, nearly \$1.9 billion in goods and services

27. News release, “U.S.-Canada Visa and Immigration Information-Sharing Agreement,” U.S. Department of State, December 14, 2012, <http://www.state.gov/r/pa/prs/ps/2012/12/202065.htm> (accessed March 21, 2013).

28. Office of the United States Trade Representative, “U.S.-Canada Trade Facts.”

29. Government of Canada, “State Trade Fact Sheets 2012,” http://www.canadainternational.gc.ca/houston/commerce_canada/fact_sheets-fiches_documentaires/index.aspx?view=d (accessed March 21, 2013).

30. Peter Dixon, Kevin Hanslow, and Maureen Rimmer, “The Dependence of U.S. Employment on Canada,” Centre for Policy Studies, Monash University, July 27, 2012, http://monash.edu.au/policy/canada_us_trade.pdf (accessed May 17, 2013).

cross the U.S.–Canada border every day, along with about 350,000 people.³¹ Further, total annual trade and investment flows between the two countries also exceed \$1 trillion.³²

Recognizing the vital importance of this relationship, the Beyond the Border Action Plan offers several avenues to improve trade. Although most tariff barriers between Canada and the United States are low as a result of NAFTA, customs delays remain an area where there is room for improvement. According to a report by the Peterson Institute for International Economics, “The United States is no star when it comes to logistics. Overall the country lags in trade facilitation to its own detriment as a competitor in the global marketplace.”³³ An analysis from the Wilson Center stated:

Border delays between the United States and Canada add about \$800 to the price of every new vehicle manufactured in North America. A car manufactured in Korea or Japan clears customs only once when it arrives at a U.S. port, but a North American car is subject to fees and inspections at least seven times as it crosses between the United States and Canada (and increasingly Mexico) in different stages of production. Economists estimate that up to 10 percent of the cost of a North American product goes to pay for border and trade inefficiencies on the U.S. border with Canada.³⁴

Such inefficiencies put a significant burden on trade between the two nations.

Building on the U.S.–Canada Relationship. As part of its 2012 Beyond the Border progress report, the U.S. and Canadian governments announced accomplishments including:

- **Lowering regulatory barriers.** Both countries are addressing regulatory issues through the U.S.–Canada Regulatory Cooperation Council.³⁵
- **Improving coordination.** The U.S. government established Joint Port Operations Committees at eight Canadian airports and the 20 largest land border ports of entry.³⁶
- **Streamlining customs processes.** Canada’s government conducted pilot programs to facilitate clearance times and to review alternative approaches to import inspection. Canada also tested procedures designed to lead to U.S. pre-inspection at land ports of entry in Canada, and began converting to an electronic form for a “single window” where importers can submit all information required by government agencies.³⁷
- **Expediting low-value shipments.** Canada increased the dollar limit for items receiving expedited customs clearance to \$2,500, the same level as in the United States, and addressed infrastructure concerns by developing its first

31. U.S. Department of Homeland Security, “Fact Sheet: Beyond the Border Facilitating Travel at the United States–Canada Border.”

32. News release, “Fact Sheet: U.S.–Canada Beyond the Border and Regulatory Cooperation Council Initiatives,” The White House, December 7, 2011, <http://www.whitehouse.gov/the-press-office/2011/12/07/fact-sheet-us-canada-beyond-border-and-regulatory-cooperation-council-in> (accessed March 21, 2013).

33. Gary Clyde Hufbauer and Yee Wong, “Logistics Reform for Low-Value Shipments,” Peterson Institute for International Economics *Policy Brief*, June 2011, <http://www.piie.com/publications/pb/pb11-07.pdf> (accessed March 21, 2013).

34. Robert A. Pastor, *The North American Idea: A Vision of a Continental Future* (New York: Oxford University Press, 2011), p. 136, as cited in Christopher Sands and Laura Dawson, “A Safe and Smart Border: The Ongoing Quest in U.S.–Canada Relations,” Wilson Center *One Issue, Two Voices*, September 2012, p. 10, http://www.wilsoncenter.org/sites/default/files/CI_120828_One%20Issue%20Two%20Voices%2015_FINAL.pdf (accessed May 24, 2013).

35. U.S. Department of Commerce, International Trade Administration, “U.S.–Canada Regulatory Cooperation Council,” <http://www.trade.gov/rcc/> (accessed April 3, 2013).

36. U.S. Department of Homeland Security, “Beyond the Border Action Plan 2012 Progress Report,” <http://www.dhs.gov/sites/default/files/publications/BTB%20Action%20Plan%202012%20Progress%20Report.pdf> (accessed March 21, 2013).

37. Government of Canada, “2012 Beyond the Border Implementation Report,” <http://actionplan.gc.ca/en/page/bbg-tpf/2012-beyond-border-implementation-report#Trade> (accessed March 21, 2013).

five-year joint Border Infrastructure Investment Plan. This plan has laid the groundwork for potential infrastructure upgrades including customs plaza updates, additional primary and secondary lanes, and booths at border crossing. The United States also increased the value thresholds for low-value shipments in order to expedite customs clearance.

- **Facilitating improvements in “trusted trader” programs.** The United States and Canada are working to harmonize their trusted trader programs, which streamline cargo screening for known, low-risk traders.

These achievements are important steps in advancing Beyond the Border’s trade facilitation agenda.

Regarding regulatory issues, the Regulatory Cooperation Council is working to minimize regulatory barriers to trade in sectors including agriculture, pharmaceuticals, motor vehicles, and nanotechnology. Among other things, the council is working to remove redundant certification requirements in the two countries and to make it easier for companies to comply with regulations in Canada and the United States.

At the same time, several additional steps have also been taken to facilitate the secure and efficient flow of goods and travelers across the border. As previously stated, Binational Port Operations Committees were set up at eight airports in Canada, and more airports may be added later in 2013. In addition, Canada’s government conducted pilot programs to speed up clearance times in the processed-food sector. Other steps have included evaluating new ways to inspect imports, working toward establishment of U.S. pre-inspection at land ports of entry in Canada.

Further, efforts to increase and harmonize the limit for low-value products are expected to reduce shipping costs for these products. Previously, the cutoffs were \$1,600 in Canada and \$2,000 in the United States for non-NAFTA shipments, and

\$2,000 in Canada and \$2,500 in the United States for shipments between the United States and Canada. Goods valued under \$2,500 now benefit from a lower customs merchandise processing fee and require less documentation. According to Canada’s Minister of Public Safety, Vic Toews:

The harmonization of the value thresholds for customs clearance for both Canada and the United States will not only facilitate and expedite trade between our countries, but will also facilitate trade from other countries into either Canada or the United States. Reducing the administrative and paperwork burden on Canadian businesses improves Canada’s competitiveness, especially for our small businesses, which are the backbone of our economy.³⁸

Shippers have applauded the move. According to Mike Tierney, president of UPS Canada:

Canadian and U.S. businesses are the true beneficiaries of the Beyond the Border Action Plan and the change implemented today. Each day, more than \$1.6 billion worth of goods cross our common border bringing the annual value of traded goods to more than \$580 billion. Yet, every year \$16 billion in trade activity has been lost due to border delays. This change will allow for swifter movement of goods for importers and exporters of all sizes.³⁹

Of course, in addition to expediting low-value shipments, Beyond the Border has also expanded critical trusted-trader programs. There are two tiers to the trusted-trader element of the Beyond the Border Action Plan. In general, the overall goal is to allow traders to be enrolled in both countries’ trusted-trader programs when they join one in their own country. Tier One deals with supply-chain security through the Customs-Trade Partnership Against Terrorism (C-TPAT) in the United States and Partners in Protection (PIP) in Canada. The goal is to improve trusted-trader

38. “Canada & US Customs Increase Informal Entry Value Limit Effective January 8th,” Ocean Freight, January 15, 2013, <http://www.oceanfreight.com/2013/01/canada-us-customs-increase-informal-entry-value-limit-effective-january-8th/> (accessed March 21, 2013).

39. News release, “UPS Applauds Announcement of Bilateral Customs Harmonization for Low Value Shipments,” UPS, January 8, 2013, <http://pressroom.ups.com/Press+Releases/Archive/2013/Q1/ci.UPS+Applauds+Announcement+of+Bilateral+Customs+Harmonization+for+Low+Value+Shipments.print> (accessed March 21, 2013).

benefits and more closely harmonize these two programs. Additionally, the United States and Canada are working to improve the Free and Secure Trade (FAST) program, which enables drivers, carriers, and importers to be identified as low-risk, allowing them to cross the border with less paperwork, and hence more quickly.⁴⁰ Tier Two aims to align the U.S. Importer Self Assessment (ISA) and the Canadian Customs Self Assessment (CSA) programs. In the end, these steps will make it easier to transport low-risk goods across the border and free more resources to be directed toward high-risk activities.

Together each of these elements promises to enhance the enduring trade partnership between the U.S. and Canada. Preserving this relationship, however, will require that the U.S. reject protectionist measures and embrace free trade, not subsidies and tariffs.

Integrated Cross-Border Law Enforcement

In order to prevent and identify cross-border crime, the Beyond the Border Action Plan calls for “cooperation on national security and transnational criminal investigations” and “interoperable radio capability for law enforcement.”⁴¹ Through these initiatives, the Beyond the Border Action Plan seeks to build on existing partnerships and efforts to enhance cross-border policing efforts and communication.

Cross-Border Crime. Crime and terrorism do not necessarily stop at the border. From narcotrafficking to human smuggling and money laundering, criminal activity in one country can often easily flow into the other. Indeed, while most Americans would likely associate narcotrafficking in North America with Mexico, according to the 2011 U.S. National Northern Border Counternarcotics strategy, “[m]arijuana and Ecstasy remain the most significant Canadian drug threats to the United States, while the United States remains the primary transit country for cocaine into Canada from South America.”⁴² In fiscal year (FY) 2011, the U.S. Border Patrol alone

seized 9,472 pounds of marijuana, 779 pounds of Ecstasy, and 212 pounds of cocaine, along with other drugs along the northern border. Similarly, in the second quarter of 2012 alone, the Canadian Border Services Agency seized approximately \$6.5 million in unreported moneys at the border.⁴³

Without collaborative efforts at thwarting such transnational crime, criminals and terrorists have a greater chance of slipping across the border to evade justice. Ensuring that law enforcement can work together and communicate on both sides of the border is critical to keeping the citizens of both nations safe, and to stopping the cycle of cross-border crime in its tracks.

Ensuring that law enforcement can work together and communicate on both sides of the border is critical to keeping the citizens of both nations safe, and to stopping the cycle of cross-border crime in its tracks.

Cooperation and Communication. The United States and Canada have been working on enhancing cross-border law enforcement activities and communication. These efforts are designed to make these law enforcement activities more collaborative and integrated, focusing on enhancing the governments’ abilities to interdict, investigate, and prosecute criminals. The new lines of cooperation were developed based on previous successful models, such as the Integrated Border Enforcement Teams (IBET), Border Enforcement Security Taskforces (BEST), and the Shiprider initial pilots.

Central steps have, thus far, included:

- **Formalization and expansion of Shiprider.** Under the Shiprider program, known officially as the Integrated Cross-border Maritime Law Enforcement Operations (ICMLEO), officers

40. Canada Border Services Agency, “Free and Secure Trade,” <http://www.cbsa.gc.ca/prog/fast-expres/menu-eng.html> (accessed April 3, 2013).

41. U.S. Department of Homeland Security, “Beyond the Border Action Plan.”

42. The White House, Office of National Drug Control Policy, *National Northern Border Counternarcotics Strategy*, (Washington, DC: U.S. Government Printing Office, 2012).

43. Canada Border Services Agency, “National Statistics—July 1, 2012 to September 30, 2012,” November 28, 2012.

from the U.S. Coast Guard (USCG) and the Royal Canadian Mounted Police (RCMP) are assigned to each other's watercrafts, allowing the two to jointly patrol both nations' waters. As part of Beyond the Border, this program has been formalized and two new deployments announced in Michigan/Ontario and Washington State/British Columbia in October 2012.⁴⁴

- **Planning for a bi-national radio interoperability.** Built on the successful example established between Washington State and British Columbia, the plan seeks to foster better communication, coordination, and a more timely response between law enforcement officers on both sides of the border.

Instead of ceasing pursuit of criminals or terrorists at the marine border, the Shiprider program allows the USCG and the RCMP to jointly patrol shared waterways, "remov[ing] the international maritime boundary as a barrier to law enforcement."⁴⁵ In the course of duties, if the patrolling officers deem it necessary to engage a suspected terrorist or criminal on the water, and the watercraft is on the U.S. side of the border, the lead USCG officer will be the principled acting officer—subject to the search, seizure, and arresting laws and regulations of the U.S. If the watercraft is on the Canadian side of the border, the opposite principle applies.⁴⁶ In the absence of Shiprider, if a USCG vessel were in pursuit of smugglers and the smugglers crossed the border, the U.S. Coast Guard would have to hang back and radio its Canadian counterparts to let them know a suspected smuggler is headed their way. Unless a RCMP patrol boat was already nearby, the smugglers would likely escape before the RCMP was able to respond.

In this manner, Shiprider serves to make everyone safer by inhibiting the travel of terrorists and

criminals, and helps facilitate trade by protecting maritime shipping routes. Together with the Integrated Border Enforcement Teams (IBETs) and Border Enforcement Security Taskforces (BESTs), cooperative law enforcement programs like Shiprider should be expanded.

At the same time, a critical component to such a program's success lies with the ability of both nations' law enforcement officers to communicate efficiently and effectively. At present, the U.S. and Canada have begun planning for the implementation of a bi-national radio interoperability system, based on the example of the successful system already deployed between Washington State and British Columbia.⁴⁷ Planning, however, means little without action.

Despite emphasis on the need to achieve public safety radio interoperability within the U.S. after September 11 and Hurricane Katrina, the capability has not yet been met.

Further, despite emphasis on the need to achieve public safety radio interoperability within the U.S. following September 11 and Hurricane Katrina, the capability has not yet been achieved.⁴⁸ This raises the question of whether the U.S. can achieve bi-national radio interoperability when such capabilities have not even been achieved nationally.

Critical and Cyber Infrastructure and Emergency Management

To enhance the security of both U.S. and Canadian critical infrastructure and improve joint emergency response efforts, the Beyond the Border Action Plan calls for developing and employing bi-national mechanisms, products, and programs for

44. Consulate General of the United States in Vancouver, *Shiprider Advances Cross-Border Cooperation* (Washington, DC: U.S. Government Printing Office, 2012).

45. Royal Canadian Mounted Police, Integrated Border Enforcement Teams, "Canada-U.S. Shiprider," July 24, 2012.

46. Dean Lenuik and Jena Baker McNeill, "Shiprider Program Demonstrates U.S.-Canadian Cooperation," Heritage Foundation *WebMemo* No. 2576, August 4, 2009, <http://www.heritage.org/research/reports/2009/08/shiprider-program-demonstrates-us-canadian-cooperation>.

47. The White House, *Beyond the Border Implementation Report*.

48. National Security Preparedness Group, "Tenth Anniversary Report Card: The Status of the 9/11 Commission Recommendations," September 2011.

critical infrastructure protection and resilience. Additionally, Beyond the Border seeks to enhance bi-national efforts on cybersecurity to secure vital infrastructure and safeguard both nations' citizens. Beyond the Border also seeks to prepare for inevitable disasters by mitigating border disruptions and emergencies with efforts to manage traffic at relevant border crossings and create joint plans and capabilities for emergency management, with a focus on chemical, biological, radiological, nuclear, and explosive (CBRNE) events.

Integrated Infrastructure and Cyber Threats. The United States and Canada share a substantial amount of critical infrastructure including communications systems, joint ports and waterways, transportation networks, energy and electrical supplies, and others. These systems serve as vital lifelines of trade and resources and are defined by the Department of Homeland Security as “the assets, systems, and networks, whether physical or virtual, so vital to the United States that their incapacitation or destruction would have a debilitating effect on security, national economic security, public health or safety, or any combination thereof.”⁴⁹

Emphasizing the importance of the shared infrastructure is the fact that over 80 percent of U.S.–Canadian trade takes place over just five bridges and one tunnel. The destruction of any one of these six structures would harm U.S.–Canadian trade enormously.⁵⁰ Another example of integrated infrastructure is the system of Canadian dams on the Columbia River that directly impact the downstream water flow, dams, and reservoirs in the states of Washington and Oregon. In addition to U.S. flood control concerns, these dams also provide an ample supply of electricity.⁵¹

Indeed, in the energy sector, integrated infrastructure can be seen quite clearly. In addition to hydroelectric agreements and cooperation, the U.S.–Canadian electric grid is highly integrated. In the event of a major disruption, the electrical grid for the U.S. and Canada would face a serious strain.

The largest electrical incident the U.S. and Canada have experienced was the Northeast blackout of 2003. In August of that year, a small malfunction in a local utility company's software system resulted in a cascading failure that led to a loss of power to over 50 million people from Ontario and Michigan to Massachusetts and New York and totaled somewhere between \$7 billion and \$10 billion in economic costs.⁵² Such an example proves the importance of close U.S. and Canadian cooperation in enhancing the resilience of the electric grid, and also serves as a reminder of the shared threats to integrated infrastructure systems. Any system is only as strong as its weakest link, and both the U.S. and Canada would benefit from greater collaboration in protecting joint infrastructure.

Of course, none of these issues can be separated from that of cybersecurity. The vast majority of critical infrastructure, including financial, electrical, manufacturing, public health, business, water, transportation, communications, and other systems, is controlled by or connected to computer networks. Such systems are critical lifelines to the U.S. and Canada, and a cyber disruption in these areas would adversely affect both nations. Much of the cyber realm knows no national boundaries, meaning that threats are not limited to any geographic location. In other words, the cyber infrastructure underlying a nuclear power plant or a large financial institution could potentially be targeted by state-sponsored hackers in China, Russia, or Iran, or a terror group in Yemen, Mali, or even here in the U.S. as long as an attacker has the basic resources and knows how to use them.

Cyber threats also extend beyond traditional homeland and national security concerns. Individuals, businesses, and the government all face the threat of cyber crime, cyber espionage, and “hacktivism.” Though estimating cyber losses is difficult, best estimates available from McAfee and Symantec data cite cybersecurity losses as high as \$1 trillion a year worldwide.⁵³ This figure includes \$250

49. U.S. Department of Homeland Security, “Critical Infrastructure Sectors,” <http://www.dhs.gov/critical-infrastructure-sectors> (accessed May 24, 2013).

50. David Szabo and Todd M. Walters, “The Canada–U.S. Partnership: Enhancing Our Common Security Workshop Report,” Institute of Foreign Policy Analysis, March 14, 2005.

51. Permanent Engineering Board, “Columbia River Treaty,” August 11, 2010.

52. Electricity Consumers Resource Council, “The Economic Impacts of the August 2003 Blackout,” February 9, 2004.

53. Sal Viveros and Stuart Yardsley, “McAfee, Inc. Research Shows Global Recession Increasing Risks,” January 9, 2009.

billion in intellectual property losses for American companies.⁵⁴

Finally, with the world's longest shared land border and strong connections between Canada and the U.S. in law enforcement, trade, and infrastructure, Beyond the Border also seeks to improve and coordinate the disaster and emergency response capabilities of both nations. Whether responding to natural disasters or a CBRNE event, the U.S. and Canada will certainly face emergencies that are near or cross their shared border. Joint systems and plans for dealing with such disasters will strengthen response and recovery efforts on both sides of the border.

Strengthening Resilience and Response. The U.S. and Canada correctly recognize that by sharing cyber and other critical infrastructure, certain risks and vulnerabilities affect both nations. To minimize these dangers, the Beyond the Border Action Plan details specific steps to improve collaboration, preparedness, and response:

- **Enhancing infrastructure resilience.** Published in July 2010, the Canada–U.S. Action Plan for Critical Infrastructure lays out three objectives for infrastructure protection: “building trusted partnerships; improving information sharing; and implementing an all-hazards risk management approach.” This action plan is to be used as the basis for both nations’ infrastructure resiliency efforts.⁵⁵
- **Strengthening both nations’ approach to cybersecurity.** Such efforts are to include: enhancing coordination and collaboration,

information sharing, engagement with the private sector, public awareness efforts, and joint international leadership. To realize these goals, Beyond the Border called for the creation of the Cybersecurity Action Plan to provide specific recommendations to enhance bi-national cybersecurity.⁵⁶

- **Improving disaster response and management on both sides of the border.** The U.S. and Canada must be prepared to face the next disaster, and the Beyond the Border plan seeks to mitigate the impact of disruptions at border crossings, and establish plans and capabilities for all hazards, with a focus on CBRNE events.⁵⁷

In order to better protect shared infrastructure, Beyond the Border and the Canada–United States Action Plan for Critical Infrastructure (CI) appropriately seek to build partnerships, enhance information sharing, and adopt an all-hazards approach to risk management. To help reach these objectives, the CI Action Plan established an infrastructure-focused Virtual Risk Analysis Cell, which will share “risk informed analysis, vulnerability assessments and prioritization methodologies.”⁵⁸ The Beyond the Border Action Plan also created a regional resilience-assessment program (RRAP) for the Maine–New Brunswick region to ascertain interdependencies and resilience in critical infrastructure, and it is set to be completed by the end of 2013.⁵⁹ Such risk and resilience assessments are valuable tools in determining where additional resources should be allocated, but they also require priorities and action.

54. Rich Dandliker, “Putting a Face on Intellectual Property Theft,” Symantec.com, July 11, 2012, <http://www.symantec.com/connect/blogs/putting-face-intellectual-property-theft> (accessed March 5, 2013).

55. U.S. Department of Homeland Security, “Canada–United States Action Plan for Critical Infrastructure,” 2010.

56. U.S. Department of Homeland Security and Public Safety Canada, *Cybersecurity Action Plan Between Public Safety Canada and the Department of Homeland Security*, October 26, 2012.

57. Government of Canada, Canada’s Economic Action Plan, “Parliamentary Secretary Bergen Highlights Canada–U.S. Cooperation for Chemical, Biological, Radiological, Nuclear, and Explosives Preparedness,” November 23, 2012.

58. U.S. Department of Homeland Security, “Canada–U.S. Action Plan for Critical Infrastructure,” <http://www.dhs.gov/canada-us-action-plan-critical-infrastructure> (accessed May 24, 2013).

59. DHS has conducted RRAPs throughout the United States, which could shed some light on what to expect from the joint U.S.–Canadian RRAP for the Maine–New Brunswick region. RRAPs identify critical infrastructure and key resource dependencies, interdependencies, cascading effects, resilience characteristics, regional capabilities, and security gaps. In the past, DHS has conducted site visits and used computer-based assessment tools in order to examine emergency services and systems recovery capabilities. It also has helped develop buffer-zone and multi-jurisdiction security plans.

Currently, the U.S. has 16 different categories of critical infrastructure while Canada has 10.⁶⁰ Risk and resilience analysis, however, must be paired with appropriate prioritization to ensure that the most important infrastructure has the security and resilience it needs. For example, while the commercial facilities sector is critical to the U.S. economy, a disruption in the energy or nuclear sectors could have far broader implications.

In cybersecurity efforts, *Beyond the Border* led to the creation of the Cybersecurity Action Plan. Released in October 2012, the Cybersecurity Action Plan contained specific recommendations to enhance bi-national cybersecurity, including increased real-time communication between analysts, enhanced collaboration on training opportunities and private-sector engagement, and increased information sharing at all classification levels.⁶¹ In addition, the plan seeks joint public awareness campaigns, greater joint coordination of cybersecurity incident management, and the standardization and alignment of cyber incident management practices and procedures.

At the same time, *Beyond the Border* also calls for the U.S. to work with Canada to lead multilateral engagements on cybersecurity. Such efforts include the Council of Europe's Budapest Convention on Cybercrime, which is "the only binding international instrument on this issue [of cybercrime]." While the convention seeks to create norms and rules for cyber behavior, these efforts promise more than they can accomplish. Bad cyber actors, such as Russia and China, which are responsible for much of the cybercrime in the world today, have no interest in following any rules for cybercrime. As a result, multilateral attempts to create such rules will continue to be rejected by these bad actors, in essence only imposing rules on those who already follow them. Canada and the U.S. should instead pursue a more forceful policy that includes public shaming, decreasing cooperation with, and taking legal action against these bad actors on the international stage.⁶²

In emergency response efforts, *Beyond the Border* focuses on improving plans and capabilities to mitigate border disruptions. To this end, both nations have released several important sets of guidance, including a Compendium of U.S.–Canada Emergency Management Assistance Mechanisms in June 2012, and Considerations for United States–Canada Border Traffic Disruption Management in May 2012.⁶³ Additionally, two new working groups were established in order to bolster broader U.S.–Canadian emergency capabilities, one focused on preparations for CBRNE events, the other focused on harmonizing cross-border emergency communications. Such efforts to increase joint training, establish information-sharing agreements, and outline assistance mechanisms are a step in the right direction as they will make both sides familiar with the processes each side uses during a disaster. Nevertheless, the U.S. and Canada should not stop there.

The U.S. still lacks a domestic comprehensive regime for national planning and preparing for large-scale disasters.

While it is useful for the two nations to have a better understanding of each other's emergency management preparations, further measures should be taken to create bi-national plans for cooperative emergency response to specific disasters and threats. By establishing concrete bi-national plans, both nations would have definite actions to undertake and to expect from the other nation in the event of a disaster with effects that transcend the border. Of course, the U.S. still lacks its own domestic comprehensive regime for national planning and preparing for large-scale disasters. This deficiency must also be addressed.

60. U.S. Department of Homeland Security, "Critical Infrastructure Sectors," and Public Safety Canada, "Critical Infrastructure," February, 8, 2012.

61. Public Safety Canada, "Cybersecurity Action Plan Between Public Safety Canada and the Department of Homeland Security," <http://www.publicsafety.gc.ca/prg/ns/cybr-scrty/ctn-pln-eng.aspx> (accessed May 24, 2013).

62. Helle C. Dale and Paul Rosenzweig, "Target Cyber-Opressors, Not U.S. Businesses," Heritage Foundation *Issue Brief* No. 3585, April 27, 2012, <http://www.heritage.org/research/reports/2012/04/target-cyber-oppressors-not-us-businesses>.

63. U.S. Department of Homeland Security, "Considerations for United States–Canada Border Traffic Disruption Management, 2012," and U.S. Department of Homeland Security, "Compendium of U.S.–Canada Emergency Management Assistance Mechanisms," June 2012.

Concerns on Both Sides of the Border

While the Beyond the Border agreement is an important step toward improving the U.S.–Canada security and trade relationship, critical concerns remain. For one, while Beyond the Border calls and plans for various actions, many of these plans still need to be implemented. For example, the Next Generation of Integrated Cross-Border Law Enforcement was scheduled to begin its pilots in summer 2012, yet still has not begun due to legal and privacy concerns.⁶⁴ Such delays have led some, especially interested parties in Canada, to question the U.S.’s commitment to Beyond the Border specifically and Canada in general.

Certainly, the U.S. has taken concrete steps in Beyond the Border implementation, including mutual recognition of air cargo, the formalization and expansion of the Shiprider program, and the creation of risk-analysis and resilience programs. The U.S., however, needs to do more to fully implement Beyond the Border. Creating various working groups, improving cyber preparedness, and streamlining border inefficiencies are important goals, but unless these goals move from plans and pilots to policy, they are just planning for the sake of planning. For reasons ranging from privacy laws to protectionism, the U.S. has not fully engaged on Beyond the Border.

As a result, many Canadian stakeholders view the U.S. as disinterested in implementing Beyond the Border. Illustrating this fact, Paul Frazer, a former Canadian diplomat, stated: “This whole thing [Beyond the Border] could sink below the water in the United States and no one would take note.” Furthermore, there are also concerns that sequestration, a series of automatic spending cuts to the U.S. federal government totaling \$1.2 trillion over 10 years, could hamstring the already slow implementation of Beyond the Border. With sequestration cutting funding for the Department of Homeland Security, including Customs and Border Protection,

sequestration is likely to leave fewer resources to implement Beyond the Border’s important, but modest, objectives.⁶⁵

Such a perceived lack of interest, compounded by slow implementation of some programs and sequestration worries has led to serious concerns that the Obama Administration will not put enough effort into Beyond the Border during its second term. Michael Fitzpatrick, a former official in the U.S. Office of Information and Regulatory Affairs, recently commented on the status of U.S. Beyond the Border efforts, stating that “you need to have some success...so that all the parties involved maintain faith in the process... You also need to have top down political pressure on the process.”⁶⁶ Indeed, the Obama Administration needs to push more of Beyond the Border through to completion or it risks losing the faith of its Canadian counterparts.

All of this is not to say that costs are not a concern as well. Beyond the Border is not meant to be a program that funds massive new infrastructure or security systems. Additional spending that goes beyond streamlining and coordinating existing programs and capabilities would not necessarily be in the best interest of Canada or the United States, especially with the U.S. already struggling to deal with its spending and its debt. While the first concern over the lack of U.S. dedication is more pressing, the cost of Beyond the Border could become a serious problem if Congress or the Administration tried to use it as an excuse to push for even more stimulus spending.

Going Forward

Failure to follow through on Beyond the Border could result in a serious setback in the U.S.–Canada relationship. Combined with other major U.S.–Canadian missteps, such as the Obama Administration’s failure to approve construction of the Keystone XL pipeline in the U.S., Canada has indicated that when it “feels it is treated as blatantly

64. More specifically, there have been questions about the rights of citizens when dealing with cross-border law enforcement. For instance: What are the legal and privacy rights of a Canadian citizen if questioned or detained by U.S. law enforcement on Canadian soil, or, vice versa for U.S. citizens? While both nations are looking to expand the procedures established by the Shiprider program, this step is proving more difficult on land.

65. Lee-Anne Goodman, “Massive Spending Cuts Could Have Canada–U.S. Border Plan Shelved,” *The Globe and Mail*, February 25, 2013, and Darryl Dyck, “U.S. Budget Woes Could Hit Beyond the Border Projects: ‘It Is Fair to Say We Are Facing Some Very Difficult Budget Constraints,’ U.S. official says,” *CBC News*, February 4, 2013.

66. Konrad Yakubski, “Canada Banking on U.S. Push to Make Beyond the Border Successful,” *The Globe and Mail*, December 26, 2012.

expendable, it begins to look with new fervor for diversification away from the American economy.⁶⁷ The choice seems clear: Pushing forward on Beyond the Border could provide the U.S. with many trade and security benefits, while not acting could cost the U.S. additional setbacks with Canada on future arrangements.

In order to enhance U.S. efforts to implement the Beyond the Border Action Plan, Congress and the Administration, in cooperation with our Canadian partners, should:

- **Eliminate the U.S.'s 100 percent cargo-screening mandate.** In 2007, Congress passed the Implementing 9/11 Commission Recommendation Act. The bill included a blanket requirement for the TSA to screen all air cargo carried on U.S.-bound passenger planes by August 2010. This means piece-level scanning of each and every item—requiring that each large shipping pallet be broken down and then reassembled again. Not only does this mandate threaten to slow down the supply chain, particularly in today's "just-in-time" economy, but it offers little in terms of added security. Instead of the current system of blanket screening for all cargo, Congress should adopt a system where inspection is commensurate with risk, meaning that cargo is prioritized based on criteria such as starting point and declared contents.
- **Foster coordinated visa and entry policies.** This is not to undermine the right of any sovereign nation to set its own terms for entry and immigration. The U.S. and Canada, however, could enhance the sharing of best practices and coordinate visa policies where applicable. For example, the U.S. and Canada should both offer visa waiver status for the same list of countries. Coordinated visa policies would also help ensure that both countries institute similar security mechanisms in a way that is in compliance with both nations' security standards.
- **Build on the lessons learned from Beyond the Border in working with Mexico.** Like the U.S. has done with Canada, the U.S. and Mexico should explore the possibility of bilateral border security and immigration accords. This could include specific agreements, protocols, and parallel laws that draw the two governments closer together in order to regularize and expedite legal movements of people and goods while increasing cross-border disincentives and obstacles to illegal activities, especially illegal migration.
- **Expand cross-border law enforcement programs.** A smart approach to border security includes policies and programs that make Americans more secure and prosperous while protecting the sovereignty of both border partners. Three examples of this approach include: the Integrated Border Enforcement Teams, Border Enforcement Security Taskforces, and the Shiprider program. Each of these programs provides a collaborative approach to border security between the U.S. and Canada (as well as between the U.S. and Mexico), helping to ensure that transnational crime, criminals, and terrorists cannot slip across the border undetected, all while maintaining individual sovereignty.
- **Enhance efforts to spur private investment in border infrastructure.** The Beyond the Border Action Plan calls for both nations to invest in improving shared border infrastructure and technology. Investments in bridges, roads, and infrastructure at the approximately 120 points of entry along the border are key not only to ensuring enhanced security but also to facilitating the ease of cross-border trade and travel. Simply throwing government money at the problem, however, should not be the solution. Instead, both governments should encourage private-sector investment along the border. One way to accomplish this goal is through the Support Anti-Terrorism by Fostering Effective Technologies (SAFETY) Act of 2002, which provides liability protection to companies developing homeland security technologies. While SAFETY Act protections are currently available only to companies within the United States, encouraging similar protections within Canada would help to spur private-sector innovation in infrastructure along the border.

67. Professor Alexander Moens and Jason Clemens, eds. "The US Election 2012: Implications for Canada, Collected Essays," Fraser Institute, 2013.

- **Increase efforts to aggressively counter bad cyber actors.** While multilateral efforts and treaties promise much, they often fall short in what they deliver. This is certainly true in cyberspace where bad cyber actors such as Russia and China will not just agree to stop their malicious behavior. Instead, the U.S. and Canada should increase the costs of such behavior so as to make it less attractive and harder to profit from. To do so, the U.S. and Canada should actively shame bad cyber actors—such as by officially decrying cyber aggression in relevant bilateral or multilateral meetings—and cease naïve cooperation on cybersecurity issues with these nations. Additionally, the U.S. and Canada should consider travel restrictions and legal actions against foreign businessmen and companies that profit from stolen property.
- **Develop bi-national disaster plans.** Beyond the Border provides Canada and the U.S. with a better understanding of each nation’s disaster procedures, but this is not enough. The U.S. and Canada should develop bi-national disaster plans. Such plans will help emergency response on both sides of the border by coordinating responsibilities before disaster strikes. Of course, eleven years after 9/11, the U.S. also lacks its own comprehensive domestic disaster planning system. The U.S. must also, therefore, build a true national integrated planning system at home. This will require interagency coordination and integrated planning and exercise among federal agencies, their partners in state and local government, and the private sector.
- **Reject protectionist measures.** Some U.S. interests have argued that since U.S. ports impose a harbor maintenance tax but Canada’s ports do not, the United States should tax products entering indirectly via Canada’s ports.⁶⁸ Such protectionist claims run against the very spirit of the Beyond the Border agreement, which seeks to expand the free flow of goods and services between the United States and Canada. The

same is true of U.S. government actions such as “Buy American” laws, which make it harder for companies based in Canada to do business with U.S. government agencies. These laws also result in retaliatory “don’t buy American” laws in Canada and elsewhere that penalize competitive U.S. businesses. As Canadian Prime Minister Stephen Harper once said: “I think in terms of the economic recovery, we want to make sure that trade and travel between our two countries is easier, not more difficult.”⁶⁹ Free trade, rather than subsidies and tariffs, offers the path to prosperity for both nations, and the United States should continue to work with groups representing those who stand to benefit from trade facilitation, like the U.S. Council for International Business, the American Trucking Association, and the American Association of Exporters and Importers.

One Part Proximity, Nine Parts Good Will and Common Sense

President Harry Truman once said that the close U.S.–Canadian relationship “did not come about merely through the happy circumstance of geography. It is compounded of one part proximity and nine parts good will and common sense.”⁷⁰ The U.S.–Canadian relationship required more than just closeness of borders when Truman said it and the same is true today. The U.S. and Canada could strengthen their relationship by further implementing Beyond the Border, removing barriers to trade, enhancing security, and improving infrastructure protection and joint disaster response.

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68. Jenny Wagler, “U.S. Inquiry Finds Canadian Ports Don’t Infringe Treaties,” *Business Vancouver*, July 30, 2012, <http://www.biv.com/article/20120730/BIV0110/120739996/-1/BIV/us-inquiry-finds-canadian-ports-dont-infringe-treaties> (accessed May 17, 2013).

69. Molly Line, “New Plan to Charge Entry Fees for Travel to U.S. Gets Cold Shoulder from Canada,” *FOX News*, March 21, 2011, <http://www.foxnews.com/politics/2011/03/21/canada-blasting-new-budget-proposal-entry-fees/#ixzz2lofHtDOz> (accessed March 21, 2013).

70. Harry S. Truman, address delivered to Canadian Parliament, 1947.