

Modernizing the Canada-U.S. Border

Canada and the United States remain firmly committed to implementing the December 12, 2001, Smart Border Action Plan. Deputy Prime Minister Manley and Secretary Ridge met on April 4 and October 3, 2003, to discuss progress on a number of items related to border security and facilitation. Both governments have also announced an agenda for cooperative work in the areas of biosecurity and science and technology, now items 31 and 32 of the Action Plan.

As part of the Smart Border process, Canada and the United States have established a joint program for low-risk companies that expedites the movement of low-risk shipments crossing the border in either direction. The program, known as Free and Secure Trade (FAST), makes many cross-border commercial shipments simpler, cheaper and subject to fewer delays, while enhancing security. FAST became available at 12 high-volume border crossings in December 2003, along with 10 enrolment centres to process applications. Plans are ongoing to have all 22 major commercial crossings FAST-capable by the end of 2004.

The NEXUS program does for people what FAST does for commercial goods. NEXUS Highway facilitates the movement of pre-approved, low-risk frequent travellers and, as of November 2003, is operational

at 13 Canada-U.S. land border crossings. Canada and the United States are also developing a joint NEXUS Air program for frequent flyers, which will be piloted at Ottawa's Macdonald-Cartier International Airport in the spring of 2004.

Responding to the integrated nature of the North American market, Canada and the United States are working closely to align, to the extent possible, customs processes for all commercial shipments by 2005. In April 2003, Canada announced that effective April 2004 all offshore marine cargo must be reported 24 hours prior to being loaded at foreign ports. In July 2003, Canada and the United States announced harmonized rules for reporting cargo using other shipment modes, with these requirements to be phased in as part of the whole border modernization regime. The timelines will require that air shipments be reported four hours prior to arrival or at time of departure for flights of less than four hours. Rail shipments must be reported two hours prior to arrival at the border. Highway shipments destined for the United States must be reported one hour in advance of arrival for non-FAST shipments and 30 minutes pre-arrival for FAST shipments. Highway shipments destined for Canada must be reported one hour in advance of arrival for non-FAST/Customs Self Assessment (CSA) shipments and upon arrival for FAST/CSA shipments.

In December 2003, the U.S. Food and Drug Administration (FDA) implemented two new regulations under the Bioterrorism Act that affected food imports. Like the U.S. Customs regulations noted above, the FDA regulations require prior notice of each shipment of food into the United States, as well as registration with the FDA of all domestic and foreign manufacturers of food products that ship to the United States. Canada has continued to actively encourage U.S. Customs and the U.S. Food and Drug Administration to harmonize their respective requirements for the advance reporting of cargo and conveyances to avoid unnecessary disruption to trade. The final regulations, once fully implemented, have the potential to cause considerable confusion, since they include time frames and reporting requirements that differ from those for goods that fall under U.S. Customs and Border Protection purview. Canada will continue to monitor the implementation of these regulations carefully and advocate for better harmonization.

In April 2003, Canada Customs, U.S. Customs, CN Rail and CP Rail signed a declaration of principles designed to promote security at rail border crossings and to ensure rail access to the United States. The declaration details operational principles and procedures that identify the most

cont'd on page 49