



THE CANADIAN CHAMBER OF COMMERCE
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The Tourism Industry and the st 21 Century Global Economy

**Speaking Notes for
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The Canadian Chamber of Commerce**

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I want, first of all, to thank Arlene White for extending an invitation for me to join you for this event. I'm very pleased to be speaking to you about an issue that is central to both our organizations, and to our countries as well. The Binational Tourism Alliance supports tourism destination development in cross-border regions shared by Canada and the United States. At the Canadian Chamber of Commerce, Canada-U.S. relations is one of our top policy areas, especially the border, which is the focus of my presentation today.

The Canadian Chamber of Commerce is the largest business organization in Canada, with membership of 175,000 businesses in all parts of the country. Our members include both the largest and smallest companies. We are Canada's *Voice of Business* and we work hard with governments to foster a strong, competitive, and profitable economic environment that benefits, not only business, but all Canadians.

Canada and the United States enjoy a special relationship that has been built on shared values developed through a long history of family, friends, and visitors who live on both sides of the border. It facilitates the largest bilateral relationship in the world with approximately \$1.5 billion USD in two-way trade crossing the border everyday. Furthermore, in 2007, there were 25 million trips taken by Americans to Canada and 42 million trips taken by Canadians to the United States. The benefits flowing from this relationship are significant, including 7.1 million jobs in the United States and 3 million jobs in Canada. However, since 9/11, Canada-U.S. businesses have experienced a costly layering of increased border-crossing fees, inspections, and wait times.

The impact increasing border costs is having on the movement of legitimate people and goods is being felt by all sectors of the economy that engage in cross-border activity, including the tourism industry. For the tourism industry to

grow in the 21st century global economy, it requires a secure border that facilitates the movement of legitimate, low-risk travel.

Addressing the issue in the short- and long-term requires a strategic approach. All sectors must come together to push the agenda forward. This requires the auto sector, the food processing sector, and the tourism industry to work together and push for a common goal.

In a recently released coalition report, *Finding the Balance: Reducing Border Costs While Strengthening Security*, the Canadian Chamber, U.S. Chamber, and 43 partnering organizations pulled together priority recommendations for Canadian and U.S. government action within the next 18 months.

While the recommendations are specific in some cases to certain sectors, the message is clear. The business communities on both sides of the border, spanning

numerous industries of economic importance, want to work with the Canadian and U.S. governments to facilitate the movement of legitimate people and goods. Government and business both understand the importance of security and trade facilitation; it is now time to push the agenda forward.

Many of the recommendations in the report are of direct interest to the tourism industry and fall in line with the business community and government supported notion of facilitating the movement of legitimate, low-risk travelers. For instance, we recommend that the Canadian and U.S. governments continue to market and expand participation in the NEXUS trusted traveler program. We are pleased with the Government of Canada's Budget 2008 provision dedicating \$14 million over the next two years to expanding NEXUS participation.

Continuing with the theme of facilitating legitimate travel, with the growth of cross-border business, the increasing demand of qualified personnel and the increasing scarcity of

skilled personnel, there is a need for accelerating travel between Canada and the United States for executives, professionals, and technical specialists. As a result of NAFTA requirements, applicants present their completed documentation at a port of entry where CBP or CBSA officers are authorized to adjudicate the visa. However, as a result of inconsistent treatment, there is no assurance that the qualified individual will be granted entry into either country.

To facilitate the process of legitimate business travel, we recommend expanding NEXUS capabilities, to provide an optional preapproval process of qualified individuals to obtain the necessary visas. Therefore, the NEXUS database would include all the necessary visa information for multiple business entries, virtually eliminating any inconsistencies or risk associated with crossing the border for legitimate business travelers.

Another recommendation we put forward is to expand the Temporary Foreign Worker Units to Ontario and the Maritimes. The TFWUs, originally located in Vancouver, Calgary, and Montreal, facilitate legitimate business travel to Canada through pre-screening and other guidance to employers and foreign professionals including those that meet NAFTA requirements. We are pleased that the Government of Canada recently expanded the program to Toronto and Moncton, providing another tool for eliminating the inconsistencies and risk involved with legitimate business travel.

Another major concern for the business community is that there will not be a critical mass of WHTI-compliant documentation in circulation before its target June 2009 implementation date. Without this critical mass, WHTI implementation will lead to further congestion at the border with travelers arriving without proper documentation,

resulting in lengthy wait times, worsening an already critical situation.

We believe that the enhanced drivers' licences, denoting identity, citizenship, and containing vicinity radio frequency identification technology and security features, hold significant potential to represent a less expensive and more practical form of documentation than a passport for the many Americans and Canadians whose international travel interests are limited to our two countries. We are encouraged by the progress made by Washington State and British Columbia, and the exploratory signs of interest expressed by other provinces and states. The federal, provincial, and state governments in Canada and the United States should dedicate the necessary resources to ensure the development of EDLs is undertaken and accepted at all border crossings. The implementation must be rapidly deployed to ensure a critical mass of EDLs is in circulation before WHTI comes into effect. We are pleased that the

Government of Canada has provided \$6 million over two years for federal activities to support provinces and territories introducing EDLs.

Furthermore, we recommend implementing secure vicinity RFID technology at all major border crossings. This technology is being used in a number of border documents such as EDLs and NEXUS cards. Secure vicinity RFID technology is expected to substantially reduce border wait times while strengthening security because the carrier's information will appear on the border officer's computer screen as they approach the border, providing border officers with the necessary information to make critical decisions about passengers entering either country. According to the Public Border Operators Association, today, it has been estimated to take eight seconds for border officers to gather documents from occupants in a vehicle and fifteen seconds to process the information. Multiply this by a thousand border crossings, it is no surprise there are

significant wait times. While addressing security concerns, secure vicinity RFID technology and the deployment of documentation using this technology will further reduce border-related costs.

Finally, a major concern for the Canada-U.S. business community is that not all border booths are operational during peak hours, resulting in unnecessary wait times. We recommend offering 24/7 border services at all major crossings to facilitate the movement of traffic. In fact, the Government of Canada recently announced \$75 million over two years to support CBSA operations. Providing adequate resources will ensure that border booths are operational during key hours with fully-trained officials, facilitating the movement of legitimate travel while enhancing security.

There is no doubt that progress is being made. However, more needs to be done. The tourism industry and all sectors of the economy must continue to work with Canadian and U.S. governments and push in a unified fashion for a secure

border that facilitates the movement of legitimate, low risk travel, ultimately preparing the tourism industry to grow in the 21st century global economy.

Thank you.

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