

Pre-Approved Cross-Border Travel in the Cascade Gateway

Report 5: Design of a Jointly Administered Program



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1. Introduction

1.1 The PACE and CANPASS Programs

The PACE and CANPASS dedicated commuter lane programs were started by the U.S. Immigration and Naturalization Service (INS) and Canada Customs & Revenue Agency to expedite border clearance for frequent border-crossers. These programs provide a dedicated commuter lane (DCL) for regular cross-border travelers to use, provided that they pass a pre-approval background check, carry their approval letters with them, and display decals on their vehicle. Both PACE and CANPASS have proven highly successful in providing both faster service to regular border commuters and an effective mechanism for focusing efforts away from low-risk traffic for inspection agencies.

This report will focus on the design of a jointly administered U.S.-Canadian pre-approval program and is a follow-on to reports completed by the Whatcom Council of Governments (WCOG) and the Discovery Institute. Previous reports have addressed marketing the PACE and CANPASS programs, possible improvements to the administration and operation of each, and the barriers that currently exist to the development and implementation of a jointly administered DCL program.

1.2 Contract Summary

This work is being performed by WCOG and the Discovery Institute under a contract with the U.S. Department of Transportation Coordinated Border Infrastructure Program under the auspices of the International Mobility and Trade Corridor Project (IMTC).

The International Mobility & Trade Corridor Project is a U.S.—Canadian coalition of business and government entities that was formed to jointly identify and pursue improvements to cross-border mobility in the Cascade Gateway—the term used to refer to the four main U.S.-Canada border crossings between Whatcom County, Washington, and British Columbia. The shared goal of IMTC participants is to better facilitate trade, transportation and tourism with innovative improvements to infrastructure, operations, and technology. Over 40 binational, public and private organizations regularly participate in IMTC.

This report concludes the fifth in a series that includes:

Pre-Approved Cross-Border Travel in the Cascade Gateway

Report 1: Market Research

Report 2: Marketing Plan

Report 3: Program Improvements Report

Report 4: Barriers to Joint Administration

Report 5: Recommendations for a Jointly Administered Program

This report addresses the following project criterion: “Design of a binational management system for a jointly administered pre-clearance program.”

2. Impetus for Joint Administration

The PACE and CANPASS programs were designed to facilitate the movement of low-risk travelers across the border by pre-approving participants for use of the DCL lane. While originally developed as a jointly administered program, the U.S. and Canadian programs were implemented separately in 1990.

Even though the original DCL program in the Cascade Gateway did not initially develop as a jointly administered program, today there is increased interest in harmonizing border operations between the U.S. and Canada in this area and elsewhere. This interest—expressed most importantly in the Canada-U.S. Partnership Agreement (CUSP) provides an opportunity to create a jointly administered program. Joint Administration of one harmonized program would greatly increase program efficiency.

3. The Goals of Joint Administration

The goals of a jointly administered program would be 1) to make the use of pre-approved travel easier for participants, 2) to make the programs more efficient and cost-effective for the agencies, and 3) to increase participation in pre-approved border programs.

4. Partial Harmonization

Differences in the PACE and CANPASS programs lead to several barriers which prevent immediate consolidation of both PACE and CANPASS into one jointly-administered program. However, partial harmonization is possible through better communication between PACE and CANPASS administrators and through a process of streamlining the application and renewal policies to create a program which appears seamless to the traveler.

A design for a partially integrated program is described below, based on both the PACE and CANPASS programs as they currently exist, and the NEXUS pilot project at the Port Huron/Sarnia border crossing. The operational changes necessary to create a jointly harmonized program will be discussed following the outline of basic changes that would create increased harmonization.

In order to achieve the goals of joint administration laid out above, a jointly administered pre-approval program based on the programs currently in place at the Peace Arch crossing would involve several key elements:

One application

One application would be the first and easiest step in providing better harmonization and increasing simplicity of the programs. The resulting single application would be forwarded to officials on each side of the border for review. Ideally, such an application would be made available online so it could be simultaneously submitted to each reviewing agency (otherwise, either the original application or a copy would need to be forwarded to each after submission).

The NEXUS program allows for real-time application processing which would simplify this process even further.

One identifier (decal, letter, etc.)

A single identifier (i.e. card, decal, radio frequency card) would simplify the program for the participant. Program participants would make one stop into a joint U.S./Canadian office to pick up their identifier (or set of identifiers). Alternatively, if there is no combined office, each side could be empowered to distribute the common identifier and to verify that participants are aware of program rules.

NEXUS currently uses one card to serve both as an identification card for each program and as a radio frequency (RF) card with biometric information for the U.S. side. Following that model, a single card and a single vehicle-identifying decal could be issued for both northbound and southbound DCL traffic in the Cascade Gateway as well.

Two administrations

Although the participant would be required to complete only one application and would experience a seemingly harmonized system, in fact the review and administration processes would continue to be separate on each side of the border.

While it would be possible to have a somewhat integrated system with two completely separate administrative processes, further efficiencies for the agencies involved could be achieved with more harmonization. The sharing of common data elements in a database accessible to both sides would reduce data entry requirements. Data which cannot be shared between agencies could have limited access capability.

One clearance process

Currently the PACE and CANPASS clearance processes are nearly identical. There are some differences between the programs: Canadians are charged duty on goods purchased in the U.S., and northbound lanes use license-plate readers to verify enrollment. However, these differences do not significantly change the overall operation of the program nor the basic clearance process. A more harmonized program would allow for such disparities while still simplifying the programs by identifying participants with one set of identifiers.

The NEXUS program uses a card with RF technology for each participant. As vehicles pass through the inspection booth, information on the NEXUS card is read by RF

readers. A photo and other information on the participant is then available to the inspector. A harmonized program in the Cascade Gateway would most likely utilize a common identity card which would be used differently for northbound and southbound traffic.

5. Operational Harmonization

In order to achieve joint administration—whether complete or partial—the basic operation of the U.S. and Canadian DCL programs would need to be harmonized. Following the layout of Report 5, which focused on the operational stages of the PACE and CANPASS programs, this report will also focus on the operational process to track the changes necessary to achieve harmonization.

Name

A common program name would need to be chosen.

Harmonized Eligibility

There are some eligibility differences between the PACE and CANPASS programs, the largest of which is the status of domestic partners or common-law spouses. This disparity can be overcome through the re-definition of ‘spouse’ in the PACE program or a change in the application process which would require each person to individually apply.

Relationship to the Program

- Individual Enrollment

A change to individual enrollment—in lieu of the household/vehicle enrollment system currently used by both PACE and CANPASS—would allow for simplified application review by the agencies, greater flexibility for participants, and an easier transition to a NEXUS style program for both.

Individual enrollment would also eliminate the problems currently faced by reviewing officials when one or more household members are denied membership.¹

- Vehicle Enrollment

Currently the PACE and CANPASS programs tie participant membership to household vehicles by requiring vehicle identification with decals. This system complicates program participation by necessitating multiple applications and fees for households with more than one car and by adding to the already existent difficulties in household-based membership. A change to a harmonized program with individual membership that allows for easier vehicle enrollment and identification would simplify the program.

Application Process

¹ Glenn Bonnett, Chief, Client Services and Support, CCRA, Surrey, B.C., Personal interview, 25 February 2000.

- One form

As noted in the Marketing Survey completed by WCOG, 8% of those frequent crossers not enrolled in PACE and CANPASS cited the effort of signing up as a reason for not participating.² Thus a harmonized program that was simpler for participants would work to increase participation rates.

A move to a single application for the DCL program or programs in the cascade Gateway would serve to greatly simplify the enrollment process and thus increase participation rates.

- Review

According to U.S. and Canadian inspections officials, privacy and sovereignty issues preclude the establishment of a single review process in a jointly administered system. If a harmonized program were created, however, it would be necessary to coordinate the review process, particularly if a real-time application process on the NEXUS model were introduced.

Administration

- Enrollment

Depending on the degree of program harmonization agreed upon, the agencies involved could benefit from much greater efficiencies. This is particularly true with regard to the enrollment area. The sharing of basic participant information in a common database, for example, could allow for efficiencies in data entry and management while still protecting sensitive information. Likewise a single enrollment center could minimize the administrative costs involved in participant enrollment by consolidating the process.

- One office

Ideally a harmonized DCL program would operate out of a single, joint enrollment office. In lieu of this, however, both U.S. and Canadian officials could be empowered to enroll participants in each program. This would still benefit the applicant while giving up some potential efficiencies for the agencies involved.

Fee

Currently the PACE and CANPASS programs are different in that only PACE charges participants an enrollment fee. Were the two programs to become jointly administered or harmonized, it is unlikely that such a disparity could continue.

- Option 1—No Fee

² Reasons for non-participation in PACE and CANPASS programs were collected by the Whatcom Council of Governments with a survey and originally reported in Report 1 of this series, “Market Research.”

Ideally, the fee currently charged by PACE would be eliminated in a jointly administered program as has been done in the NEXUS pilot project.

The removal of the fee would create several advantages. The Marketing Survey done by the WCOG found that 25% of non-enrolled frequent travelers cited the fee as their reason for not participating.³ Thus if the current \$25 fee for the U.S. program were eliminated, participation would rise. Likewise, without a fee to complicate the process, a change to individual enrollment from the current household enrollment system would be much easier.

- Option 2—Fee Linked to Car Decal

If it proves impossible to eliminate the fee charged by the U.S. side altogether, then a shift to a car-based fee would allow for the other steps toward harmonization described here. Individual enrollment would be possible without an undue increase in cost to families under either a PACE and CANPASS or a NEXUS model. A nominal fee would be paid for the vehicle-identifying decal at either the time of application or of enrollment.

Program Operation

- Identification

Currently frequent travelers in both the PACE and CANPASS programs are required to carry two authorizing letters and to put two identifying decals on their vehicles. Not only is this process redundant in that the letters and decals are similar, but participants face an overly complex enrollment process that requires two applications and visits to two different offices. A move to a common identification system—be it based on the letter currently in use for on the RF card technology used in NEXUS—would serve to simplify both the enrollment and clearance processes.

- Clearance process

Differences in the operation of the clearance process for northbound or southbound travelers in a harmonized DCL program will not serve to complicate the program for enrollees provided that common identifiers are used and similar basic program rules are maintained.

6. Launch plan

To achieve the goals of increased participation rates through program simplification, greater program efficiency for the agencies involved, and targeted results that improve overall border efficiency, the following concrete actions should be undertaken to harmonized the DCL programs in the Cascade Gateway:

- ✓ Name joint program

³ Reasons for non-participation in PACE and CANPASS programs were collected by the Whatcom Council of Governments with a survey and originally reported in Report 1 of this series, “Market Research.”

- ✓ Harmonize eligibility requirements
- ✓ Create one application and instructions
- ✓ Create one card/decal
- ✓ Create one office for applicants
- ✓ Design one participant database for shared information
- ✓ For NEXUS-like program: create single-day application review

7. Conclusion

Although a fully integrated DCL program would most completely satisfy the goals of the CUSP agreement, such a step is unlikely at present. Barriers to such integration include sovereignty issues and security concerns on both sides of the U.S.-Canadian border. Partial integration and harmonization is possible however.

A harmonized DCL program would work to achieve the goals of increased efficiency for both frequent travelers and the agencies involved in inspection in the Cascade Gateway. Program simplification through such relatively simple steps as the creation of a single application form, a common enrollment process, and the elimination of the current U.S. fee would serve to increase participation rates. Likewise, relatively more fundamental changes such as the conversion to an individual enrollment system would create efficiencies while increasing security for the agencies involved while simplifying the enrollment process for participants.