



**British Columbia Chamber of Commerce Comments on the
Advanced Notice of Proposed Rulemaking on the Western Hemisphere Travel
Initiative (WHTI).**

The British Columbia Chamber of Commerce (the BC Chamber) is a volunteer, not for profit association, which serves its members as the provincial federation of autonomous community chambers of commerce/boards of trade and corporate members.

The Chamber represents the views of 130 chambers of commerce and boards of trade, representing 30,000 businesses of every size, sector and region of the province. As such the Chamber truly is “The Voice of BC Business.”

Known to be in operations as early as March 1867, the Chamber was re-established in 1951 with a mandate to:

- Develop a true cross section of opinions of the British Columbia business community
- Present members’ opinions to government
- Promote trade and commerce
- Improve the economic and human well being of the people of British Columbia

Given our mandate – to advocate a policy framework that promotes a healthy and vibrant economy in which all British Columbians can grow and prosper – we are very pleased to have the opportunity to provide the US Department of Homeland Security (DHS) and the Department of State (DoS) with the perspective of our members to the Advanced Notice of Proposed Rulemaking on the Western Hemisphere Travel Initiative (WHTI).

Introduction

The BC Chamber recognizes that a new global security reality exists and that this reality requires new approaches and new partnerships. The BC Chamber also recognises that within this new reality all nations will take whatever measures they deem necessary and appropriate to protect their citizens and their national integrity.

It is with this goal in mind that in 2004 the US Congress passed the Intelligent Reform and Terrorism Prevention Act (IRTPA). Section 7209 of the Act requires the Department of Homeland Security (DHS) and the Department of State (DoS) to “*develop and implement a plan as expeditiously as possible to require a passport or other document, or a combination of documents, deemed sufficient to denote identity and citizenship, for all travel into the United States by United States citizens.*”

Further to this on April 5, 2005 the DHS and DoS announced the Western Hemisphere Travel Initiative (WHTI). The WHTI will require citizens of Canada, Mexico, and the British Overseas Territory of Bermuda to have a passport or other accepted secure documentation to either enter, or re-enter, the US.

This proposed change will place a new requirement on travellers to and from these areas as until now alternative documentation such as birth certificate and driver’s license have been deemed acceptable standards of identification. These new requirements are proposed to be in place by December 31, 2006 for all air and sea travel and December 31, 2007 for all land borders.

Unless properly managed the WHTI has the potential to significantly impact trade and travel along the US – Canada border, a border that has served both countries well as the longest unguarded border in the world and as a border that marks the largest bilateral trading relationship in the world with approximately \$1.8 billion US in two way trade crossing the border on a daily basis.

The BC Chamber recognizes that integral to the success of this unique trading relationship has, and will continue to be, the smooth and efficient movement of goods and people across the border. To this we must now add security.

To this end the BC Chamber has been active with a number of partner organizations as well as through the Canadian Chamber of Commerce in the development of the Smart Border Declaration of 2001 and the accompanying Smart Border Action Plan (SBAP) as essential to the enhancement of security and cooperation on border and security issues.

In addition to working with the Canadian government on how to implement the 32 point SBAP the BC Chamber continues to work with the federal and provincial government on imposing the infrastructure at border crossings as critical to the continued economic prospects of British Columbians, Canadians, and all North Americans.

All of the work of the BC Chamber and its partners has been with the sole intention of streamlining and increasing the secure flow of goods and people across the border.

Existing Secure Documentation Programs

The need for secure documentation for the vast majority of travellers who are no risk to allow them to cross the border smoothly and efficiently has been recognized by Canada and the US for some time.

With this fundamental understanding of the importance of maintaining secure borders the US and Canadian governments initiated the NEXUS (Highway & Air) and the Free and Secure Trade (FAST) programs to facilitate the border crossing of pre-approved, low risk travellers. These programs, which come with dedicated lanes for vehicles, have been successful in facilitating border crossings for participants while also easing congestion for other travellers.

In the case of NEXUS one of its key attractions is that it is one program, one application, and one card for entry into either the US or Canada. However, both NEXUS Highway and NEUS Air are limited in their accessibility and in their scope.

NEXUS Highway is currently operational at Pacific Highway, BC/Blaine, Douglas, BC/Peace Arch, and the Boundary Bay, BC/Point Roberts. As of February 2005 NEXUS Highway membership totaled close to 75,000 participants of whom 43,000 reside in Washington State and British Columbia. At present NEXUS Air only exists as a pilot project at the Vancouver International Airport, although it is expected to be implemented across Canada at some point in the future.

The BC Chamber views these programs as positive initiatives in the continued effort to identify and facilitate the smooth movement of low risk people and goods across the border. Ensuring that low risk travellers are removed from the normal border process would also allow border officials to concentrate their efforts on those individuals that warrant further scrutiny rather than on individuals who pose no threat.

The BC Chamber realises that these programs are not accessible or appropriate for the general population (NEXUS requires significant documentation, an in-person visit and a lengthy processing time of 6-8 weeks). Indeed these programs are aimed at a constituency that already shows higher levels of passport ownership with US overnight auto travellers showing 50% owning a passport with that figure at 67% for overnight air travellers (these figures are 70 & 75% respectively for Canada).

However were these programs to be made more accessible in terms of border crossings and enrolment centres they would ensure that many travellers, particularly business travellers, who have perhaps not taken the time to apply would do so to meet the criteria of secure documentation while also enabling them to utilise the dedicated border crossings, thereby reducing line ups and delays for other travellers.

The BC Chamber welcomes the recognition given to the rigorous application and screening process for both NEXUS and FAST (along with the Border Crossing Card and the Customs and Border Protection Secure Electronic Network for Travellers Rapid Inspection (SENRI)) by the DHS and DoS through their active consideration of these documents as potentially acceptable under WHTI.

The BC Chamber recommends that the US and Canadian government work together to implement the immediate expansion of these programs with the intention of having NEXUS and FAST accepted at every border crossing by 2008 and to aggressively pursue participation in these programs.

Acceptable Secure Documentation

In an age when security is viewed as a public policy priority on a par with education and health, and given the availability of significant new security features such as biometrics, it has become increasingly evident that documents such as a driver's license or a birth certificate are no longer acceptable in establishing the citizenship and identity of an individual.

The BC Chambers concern arises when we consider the current level of passport ownership on both sides of the border and whether acceptable alternative documentation would be easier, quicker and cheaper to obtain.

While it is difficult to find exact statistics regarding level of passport ownership in the US and Canada it is widely accepted that passport ownership in the US stands around 23% while this figure in Canada stands at 35%.

The BC Chamber would expect a rise in this number with the implementation of WHTI as those who need to travel will be required to either obtain a passport or an acceptable alternative form of documentation. The risk to the economy and communities on both sides of the border is that those who do not need to cross will not go through the significant time and expense required to obtain acceptable documentation.

In other words WHTI will be an inconvenience to those frequent travellers whose need to cross the border but to those individuals who cross the border to shop, attend an event, go on holiday, or even those who simply fill up on gas will no longer make that trip. This will have a profound effect on the economy of communities on both sides of the border.

Tourism is the largest identifiable industry sector in the world and is a vital part of the economy of both Canada and the US. The key to a dynamic and successful tourism industry is the ability to attract cross border or international travellers who tend to be higher spending and who tend to stay for longer periods. As such any initiative that places impediments on cross-border travel, or that makes borders less permeable, greatly impacts tourism and the communities and businesses that rely on these visitors.

While it is difficult to accurately gauge the impact WHTI will have on cross border travel, particularly given the lack of clarity regarding what will become acceptable documentation, it has been estimated by the Canadian Tourism Commission that between 2005 and 2008 a WHTI passport requirement (or any other documentation that requires comparable application procedures and financial outlay) will result in a cumulative loss to the US of nearly 3.5 million visits, resulting in a \$785 million US loss over this period as travel from Canada to the US would drop by 5.1%.

To gain a full understanding of the impact of WHTI the BC Chamber recommends that US government should conduct a detailed economic impact assessment to the US economy of the WHTI, taking into account whatever documentation is deemed acceptable.

Given that there is a need for more secure documentation and the fact that obtaining a passport is too onerous and expensive a process for many Americans and Canadians the obvious question arises as to what should be deemed secure documentation as mandated by the IRTPA?

The BC Chamber recommends that whatever documentation is deemed acceptable should meet 3 simple criteria; simple to access, quick to obtain and affordable.

While the BC Chamber acknowledges that the foundation of the WHTI is to improve the integrity of documentation and that this will, by definition, involve an application process to verify the identity and citizenship of the applicant, it is critical that this process be as simple and expeditious as possible so as not to deter applicants.

The need for an expeditious application process does raise the important question of capacity. At present there is a significant lack of capacity within the Canadian federal government to process passport applications that has created significant delays in processing times – the BC Chamber suspects the same is true in the US.

Given the lack of current capacity within government the BC Chamber has concerns that any new application process, particularly one that will need to be heavily promoted, will place an unsupportable burden in a system that is already finding it difficult to cope.

The BC Chamber therefore recommends that an integral part of the economic impact assessment mentioned earlier must be a full assessment of potential application rates and the consequent staffing levels required to ensure processing times are not an impediment to encouraging participation.

Suggested Acceptable Documentation

The BC Chamber believes that the strength of the WHTI should be to develop a framework within which documentation can be assessed to determine whether it will be deemed sufficient to meet the criteria of identity and citizenship. Indeed DHS and DoS active consideration of programs such as NEXUS and FAST indicate that there is active

consideration of a variety of documentation being deemed acceptable, the BC Chamber welcomes this approach and recommends that NEXUS and FAST be accepted as secure identification documents.

A good candidate for further exploration would be state issued driver's licenses. While the BC Chamber recognizes the unique nature of US driver's licenses as being issued by the individual states with no federal guidelines on security features new laws such as REAL ID are beginning to create minimum uniform standards for licenses. In addition many states are now also including significant new security features to these licenses to make them machine readable, as well as to code them with biometric identifiers and other measures, all of which are bringing them closer in line to secure documentation.

While the BC Chamber recognizes that there is no appetite at either the federal or state level for the centralization of drivers licenses there is an opportunity to perhaps even provide incentives to states that adopt identifies and security measures that would make them acceptable as secure documentation under WHTI. While this may very well result in a situation where a Utah resident can cross on a state driver's license but a Texan cannot (for example) this in itself would provide pressure on those states that are not conforming driver's license to WHTI to do so to avoid placing their citizens in this situation.

The BC Chamber recommends that the US and Canadian governments continue to work together to identify the necessary prerequisites for acceptable identification documentation that would be deemed acceptable under WHTI. The BC Chamber also recommends that whatever documentation is deemed acceptable WHTI should contain a revision that allows travellers under the age of 16 to use currently acceptable forms of identification as sufficient proof of citizenship and identity.

Implementation Timeframes

As mentioned previously these new requirements are proposed to be in place by December 31, 2006 for all air and sea travel and December 31, 2007 for all land borders. The BC Chamber feels that staggered implementation dates are neither acceptable nor workable.

While there is no empirical evidence there is significant anecdotal evidence to suggest that the lack of a single clear date for implementation has led to significant confusion amongst travellers with many under the false impression that a passport requirement already exists for travellers crossing the border (although not the only factor it is felt that this is one of the causes of a 4.6% drop in US cross border visits to BC so far in 2005.)

As with any new procedure that involves change and the understanding of new guidelines the important thing is for the public to understand how and when the new guidelines become effective.

As such the BC Chamber recommends that the US government identify a single implementation date for all border crossings and that this date be no earlier than December 31, 2007. Further the BC Chamber recommends that as part of the economic impact assessment the US government ensure that it allows for a full education campaign by the US government while also allowing adequate time for all interested parties to apply for a relevant secure document before implementation.

Conclusion

As we have laid out the BC Chamber and its members recognize the importance of working with our US partners to enhance the security of our borders as integral to the maintaining the integrity of our borders in the new security reality post 9/11.

However the BC Chamber and its members have significant concerns that unless developed and implemented in a way that recognizes the importance of tourism to the economies of both the US and Canada as well as to the communities on both sides of the border there is a very real risk that the WHTI could have a significantly negative impact on the livelihood of many businesses and individuals on both sides of the border.

Governments on both sides of the border have recognized through significant investment in infrastructure that the movement of people and goods across the border are vital to North America's position in the global economy. WHTI now presents a unique opportunity to enhance the coordination between border security agencies in the US and Canada to develop and build upon preferred passenger programs while developing new technologies, all with the intention of improving the flow of low risk travellers and thereby reducing wait times.

Whatever documentation arises from the WHTI the BC Chamber hopes that a balance will be struck between the need to enhance security and the need to educate and inform those individuals and businesses that will be impacted by these proposed changes.

Summary of recommendations

The BC Chamber recommends;

1. that the US and Canadian government work together to implement the immediate expansion of these programs with the intention of having NEXUS and FAST accepted at every border crossing by 2008 and to aggressively pursue participation in these programs.
2. that the US government accepts NEXUS and FAST as secure identification documents.
3. that to gain a full understanding of the impact of WHTI the US government should conduct a detailed economic impact assessment to the US economy of the WHTI. This assessment should address;
 - what documentation is deemed acceptable.
 - a full assessment of potential application rates and the consequent staffing levels required to ensure processing times are not an impediment to encouraging participation.
 - a full education campaign by the US government while also allowing adequate time for all interested parties to apply for a relevant secure document before implementation.
4. that whatever documentation is deemed acceptable should meet 3 simple criteria; simple to access, quick to obtain and affordable.
5. that the US and Canadian governments continue to work together to identify the necessary prerequisites for acceptable identification documentation that would be deemed acceptable under WHTI.
6. that whatever documentation is deemed acceptable WHTI should contain a revision that allows travellers under the age of 16 to use currently acceptable forms of identification as sufficient proof of citizenship and identity.
7. that the US government identify a single implementation date for all border crossings and that this date be no earlier than December 31, 2007