



JUNE 2002



To all Western Premiers and Western Governors

Dear Colleague:

On behalf of Western Premiers and the Western Governors' Association (WGA), it is with great pleasure that we submit a report on cross-border issues between Western States and Western Provinces/Territories for your review and comment.

The attached report focuses on four key border issues: border security, emergency preparedness, crime prevention/enforcement, and transportation/trade corridors and border crossing improvements. It was prepared with input from representatives from the Western border states (including Minnesota), provinces and territories and includes their recommendations for further collaborative action by Western Premiers and Western Governors.

We trust that this report and its recommendations will form the basis for future border issues discussions among Western Governors and Western Premiers.

A handwritten signature in black ink that reads "Gary Doer". The signature is fluid and cursive.

*Premier Gary Doer
Province of Manitoba*

A handwritten signature in black ink that reads "William Janklow". The signature is fluid and cursive.

*Governor William Janklow
State of South Dakota*



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Introduction

Western Governors and Western Premiers began discussing ways of working together to strengthen the important cross-border relationship that exists between Canada and the United States at their May 25, 2000, meeting at the International Peace Garden. At their next meeting on August 13, 2001 in Coeur d'Alene, Idaho, Western Premiers and Western Governors agreed that border issues continued to be an important area for ongoing co-operation. They also discussed specific concerns related to information-sharing between customs officials and crime investigators across the border and the need for greater bilateral co-operation in all security matters.

During their 2001 meeting, Western Governors and Western Premiers asked the Premier of Manitoba, Gary Doer, and the Governor of South Dakota, William Janklow, to co-lead a follow-up examination of border issues and to report back to them at their next meeting on June 6, 2002, in Dawson City, Yukon.

A working group was struck, comprised of representatives from the border states, provinces, and territories of Manitoba and South Dakota (co-chairs), Alaska, Alberta, British Columbia, Idaho, Minnesota, Montana, North Dakota, Saskatchewan, Washington, and Yukon.

Border security and border issues in general have been of key importance to Western Governors and Western Premiers long before the horrific events of September 11, 2001. September 11 overwhelmingly demonstrated that terrorism respects no boundaries and threatens the political, social, and economic stability of all countries. To have a truly effective response to terrorist acts, nations must work in concert with one another to protect both the personal safety of their citizens and their mutual economic security.

The 8,000 kilometre (5,000 mile) Canada-US border is the longest undefended border in the world. There are 135 land border points along the Canada-US border, 140 inland offices, 203 airports of which 13 are international airports, 187 commercial vessel clearance points and 313 small marine points. Across this border, Canada and the United States have built the largest trading relationship in the world.

Over 200 million crossings of the border occur each year, and two-way trade exceeds US \$475 billion (CDN \$730 billion) annually. In 2000, Canada purchased more US goods than from all 15 countries of the European Union combined, and three times as much as from Japan. Eighty-seven percent of Canadian exports go to the US, and 25 percent of all US exports flow to Canada.

Although trade/tourism was, initially, negatively impacted by the events of September 11, indications are that both trade volumes and border delays have largely returned to normal levels. Tourism and air traffic have also been affected, with October year-over-year declines as high as 34 percent in the US and 24 percent in Canada. Airlines and the hospitality industry suffered significantly reduced business in the fourth quarter of 2001, but currently there are insufficient data to quantify accurately the long-term impact of September 11.

Defending the security of North America includes protecting the most productive and beneficial two-way economic relationship in the world by building a more secure, more efficient, and better-managed border. This Report summarizes the border-related activities that have been undertaken during the period September 1, 2001 to May 1, 2002 in the United States and Canada, based upon reports on actions taken by the federal governments, domestically and in concert, as well as the bilateral activities of Western border states, provinces and territories.

The Report focuses on four key border issues: border security, emergency preparedness, crime prevention/enforcement, and transportation/trade corridor and border crossing improvements. It is recognized that there are many other important issues related to the secure and efficient operation of the Canada-US border that continue to be addressed by state, provincial, territorial and federal governments. The issues chosen to be addressed in this Report reflect the results of a prioritization process undertaken by the Border Issues Working Group.



Canadian and American government officials have been working together for many years to ensure that the US-Canada border is secure and efficient. In 1995, the two countries signed the Shared Border Accord; in 1997, they signed the Border Vision Agreement, and in 1999, two more: the Canada-US Partnership (CUSP) and the Open Skies Agreement.

The events of September 11 have elevated this longstanding and strong partnership to a new level. The federal governments of both nations, as well as individual states, provinces and territories, have taken steps to improve the security of their borders while improving the efficiency and effectiveness of border crossings. Given the importance of protecting the exceptional two-way economic relationship between Canada and the United States, Western Governors and Western Premiers endorse national initiatives to increase cross-border security while facilitating the flow of legitimate trade and travel.

The key action taken by the Canadian and American federal governments since September 11 has been the signing of the Smart Border Accord in December 2001, which included a thirty-point action plan aimed at strengthening the security and efficiency of movement of people, goods and services and border infrastructure. Both governments took immediate actions in the wake of the attacks, passed anti-terrorism legislation, and developed budgetary plans to support the goals of the Declaration.

Significant progress has been made toward implementing the Declaration; however, there is much more to be done. The key to success will be the degree of cooperation, compatibility, and information-sharing between regulatory and enforcement agencies on both sides of the border.

The issues that must be addressed and the challenges that must be met in implementing the Accord are numerous and complex. Regulatory differences, legislative restrictions, political complexities, and a plethora of often-uncoordinated agencies involved within the fabric of each government can hinder progress in implementing the Accord.

Recommendation

It is recommended that Western Governors and Western Premiers urge their respective federal governments to act quickly to implement the Canada-US Smart Border Accord, noting the need for expediting co-ordination and collaboration among the various agencies that are involved.

It is also recommended that the federal governments of Canada and the United States focus on efforts that enhance the legitimate movement of goods.

While acknowledging that the security of the border is primarily the responsibility of federal governments, the governments of individual states, provinces and territories play a critical role. It is the state, province or territory that often must provide the first line of defense in protecting critical infrastructure and public health and safety. It is the governments of the states, provinces and territories that must coordinate the resources of state/provincial and local responders to ensure that emergency prevention and/or response actions are effective and timely.

It is therefore imperative that federal agencies involved with border security communicate and coordinate, not only with their federal agency counterparts across the border, but with state, provincial and territorial governments. Both the Canadian and American federal governments continue to make efforts to keep state and provincial governments better informed about Canada-US security issues. For example, Canada's Department of Foreign Affairs and International Trade has held two meetings with provincial officials in Ottawa on November 1, 2001 and January 17, 2002. The meetings were valuable in providing an accurate picture of federal actions and ensuring provincial concerns and priorities were heard and taken into account. Western Governors and Western Premiers appreciate the efforts of their respective federal governments in improving information-sharing with states, provinces and territories and urge them to continue the practice of undertaking meaningful consultations.

Many of the new federal initiatives related to border security may have implications to state, provincial and territorial budgets.

Recommendation

It is recommended that Western Governors and Western Premiers call on their respective federal governments to ensure that no commitment of funding that would require support from states/provinces/territories be made without prior discussion and agreement.

Despite the cooperative goodwill that exists between the governments of Canada and the United States, there continues to be a "perception problem" regarding the security and reliability of the northern border of the United States. Western Governors and Western Premiers support the efforts of their respective federal governments in publicly promoting Canada-US co-operation related to border security.



September 11 demonstrated the critical need for well-developed emergency preparedness/response plans and well-coordinated operational response capabilities. Governments at all levels on both sides of the border were catapulted into action to ensure that they had the capacity to protect critical infrastructure, public safety and health. They needed to find ways to communicate the need for vigilance and awareness, without engendering public panic.

All governments have taken action to protect critical infrastructure - airports, air traffic control, ports, highways, bridges, oil and gas pipelines, power plants and electrical grids, water, railway lines, banking and financial systems, hospitals and emergency services, communications, military installations, and essential government services - from threats, whether they be from natural disasters, accidents, or terrorism.

The protection of critical infrastructure and emergency management are shared responsibilities. No single level of government and no single government agency possesses the mandate or capacity to respond to all threats. Successful efforts depend on sound planning, a complete understanding of the roles and accountabilities of all involved, and sophisticated coordination. Private sector co-operation is also vitally important, as governments only own about 10 percent of critical infrastructure.

One of the greatest lessons learned following September 11 was the critical need to build partnerships to enable government agencies to protect critical infrastructure and public health and safety and to provide effective responses to threats. It became evident that it was not sufficient to simply build local partnerships; it was necessary to extend coordination across North America as well, as exists in the Pacific North West Economic Region (PNWER), for example. Information sharing is key, yet there are a host of logistical, legal, jurisdictional, sovereignty and other obstacles to open sharing. There is a significant amount of work that still must be done to ensure proper information sharing, coordination and capacity development.

There are a host of committees and councils to deal with emergency preparedness and response on a regional, often cross-border, basis. They are often issue-specific, ranging from animal health and safety to flood and seismic protection. It is not clear, however, how well information is being shared between agencies involved in security matters or crime prevention/enforcement with coordinating groups dealing with emergency preparedness.

Recommendation

It is recommended that Western Governors and Western Premiers direct their respective emergency measures organizations to undertake discussions on:

- 1. gaps that may exist in cross-border coordination related to emergency preparedness/response;***
- 2. any deficiencies that may exist in information sharing from other agencies that impede the effectiveness of emergency preparedness/response efforts.***

Western Governors and Western Premiers request that, for their consideration at their 2003 meeting, a preliminary report be prepared, which would include recommendations as to how these gaps/deficiencies could be addressed.



The United States and Canada have been cooperating in cross-border crime prevention and enforcement long before the disasters of September 11. In 1996, they developed Canada/US Integrated Border Enforcement Teams (IBET), which are multi-agency law enforcement teams that emphasize a harmonized approach to Canadian and United States efforts to target cross border criminal activity. IBET's goal is to help protect Canada and the United States from potential threats and to impede smuggling of drugs, humans, contraband cigarettes, or other illegal substances. In addition, Canada and the US created, in 1997, a bilateral consultative mechanism to address cross-border crime issues called the Cross-Border Crime Forum.

IBETs are relatively new and, since September 11, have been developing their counter-terrorism role. They represent significant progress towards cooperation in cross-border enforcement. There remains, however, more work to be done to enhance cross-border enforcement authority to improve enforcement capability and prevention in both countries.

In addition, there are concerns that there continues to be gaps in information and intelligence-sharing between federal governments and their respective state, provincial and territorial counterparts. This deficiency has caused difficulties for provincial, territorial and state authorities to respond effectively and confidently to situations.

Recommendation

It is recommended that Western Governors and Western Premiers press their respective federal governments to continue to strengthen cross-border law enforcement and crime prevention cooperation and to improve information and intelligence-sharing with their respective states, provinces and territories.

At the July 2001 meeting of the Council of Western Attorneys General (CWAG) in Sun Valley, Idaho, Attorneys General discussed a resolution to offer their support for cooperative joint initiatives on crime prevention and other justice issues, endorsed by Western Governors and Western Premiers. The resolution was unanimously endorsed by Western Attorneys General. Idaho and British Columbia agreed to work together to bring forward joint crime prevention and enforcement proposals for consideration at future CWAG meetings. There continues to be ongoing information sharing between western states and provinces on justice issues through CWAG.



Since the Canada-US Free Trade Agreement and NAFTA there have been dramatic changes in the volume, value and geographic orientation of cross-border trade flows between Canada, the US and Mexico, especially in the West. These changes have confronted western provinces and states with similar transportation challenges with respect to trade-related strategic infrastructure development, modal integration and regulatory co-ordination and/or harmonization.

At their meeting in May 2000 at the International Peace Garden straddling the Manitoba-North Dakota border, Western Premiers and Western Governors discussed the three main regional cross-border trade corridor initiatives (i.e. International Mobility and Trade Corridor, CANAMEX and the Mid-Continent Trade Corridor) and stressed the importance of continued regional collaboration by their Transportation Ministers/Directors in this area to facilitate cross-border trade.

At that time, Western Governors and Western Premiers noted that the US Transportation Efficiency Act (TEA-21) provides significant US federal funding for infrastructure and trade corridor development. TEA-21 has allocated US \$700 million (CDN \$1 billion) for national corridor planning and border infrastructure initiatives. While the Congressional allocation process earmarks much of this on a state-by-state basis, states have some flexibility in how the funds are used within their boundaries.

There is a concern, however, that US federal funding for trade corridor development has been insufficient and, at times, has not been allocated to areas of greatest need and benefit to the efficient, multi-jurisdictional movement of international trade.

Recommendation

It is recommended that Western Governors and Western Premiers urge their respective federal governments to expand trade corridor development funding with particular emphasis on continental corridors of importance to international trade.

In late 2001, Canada, under the new 'Smart Border' initiative, allocated more than CDN \$1.25 billion (US \$810 million) over five years for new border-related measures, of which about half (or CDN \$600 million/US \$390 million) is targeted at border infrastructure improvement. Canada also now announced a new domestic Strategic Infrastructure Fund (SIF) of at least CDN \$2 billion (US \$1.3 billion) in federal funds. Both of these funding pools could conceivably be tapped by Western provinces/territories for trade corridor development, provided that such investments can be shown to provide a good return, promote long-term economic growth and enhance provincial, regional and national competitiveness.

On January 25, 2002, the inaugural meeting of the Canada-US Transportation Border Working Group (TBWG) under the 'Smart Border' initiative was held in Detroit. The objective of the TBWG is to enhance bi-national and interagency communication and co-ordination, transportation planning, and policy development affecting infrastructure, transportation initiatives and border processes in order to facilitate the efficient, safe, secure and environmentally responsible cross-border movement of people and goods between Canada and the United States.

Recommendation

It is recommended that Western Governors and Western Premiers indicate their support of the work of the Transportation Border Working Group and indicate their intent to participate fully in the work the TBWG is undertaking.

For the first time, therefore, national funding and coordination mechanisms for trade corridor developments that both facilitate cross-border trade and enhance security are in place on both sides of the Canada-US border. In this context, Western Premiers and Governors now have an excellent opportunity to collaborate on regional transportation/trade corridor/border infrastructure development, including coordinated lobbying of their respective federal governments to focus resources on common regional interests.

Recommendation

It is recommended that Western Governors and Western Premiers request their Ministers and Directors responsible for transportation to continue their efforts to enhance co-operation and coordination on the development of defined corridors in the West, including efforts to identify priority infrastructure and technology investment as well as regulatory harmonization initiatives critical to the efficient and secure multi-jurisdictional movement of international trade.

In addition, concern still remains, particularly with southbound traffic and delays in British Columbia, caused in large part by US staffing levels that were a problem even before September 11. While current traffic is adjusting and apparently coping with minor delays now, there are concerns about the future and particularly with increased volumes expected in the spring and summer period.

Furthermore, there is some concern that with the US and Canadian federal governments' focus on large border crossings, smaller crossings that have low volumes may be closed due to cost considerations in improving their security.

Recommendation

It is recommended that Western Governors and Western Premiers urge their respective federal governments ensure the ongoing operation of smaller border crossings across the western Canadian-US border.