

“Meat and potatoes” diplomacy

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The Beyond the Border Action Plan announced December 7 by Prime Minister Harper and President Obama can best be described as “meat and potatoes” diplomacy adding substance, if not spice, to the framework issued in February of this year.

A quick scan of the documents suggests that the negotiators have responded in a pragmatic fashion to concerns expressed by exporters, importers, shippers and travellers about excessive hassle at the world’s “longest, undefended border.” Although negative reverberations about the President’s decision on the Keystone pipeline diluted the celebratory mood of the announcement, the potential benefits are real and will be welcomed by those most affected.

The Action Plan charts three broad avenues for implementation:

1. Access

Included most prominently are measures designed to improve access for people, goods and services across our shared border and intended, more generally, to enhance the competitiveness of the two North American economies. The driving force will be new pre-clearance procedures at the perimeter instead of the border, facilitating more direct entry for cargo shipments – “screened once, approved twice” – applying to rail, marine and surface traffic. Existing “trusted trader” and “trusted traveller” programs will be expanded over time to ease congestion at the border and allow U.S. and Canadian officials to concentrate scrutiny in a more targeted and less universal fashion. New express lanes for trucks will be added at border crossings and additional fast lanes for more Nexus passengers will be introduced.

It will be easier for business travelers and technicians to provide temporary, after sales service on both sides of the border. Importers will also have a single electronic entry point for customs information. While most new provisions will be phased in over time, pilot projects for some will start as early as the new year to help validate the general approach. According to the Canadian Manufacturers and Exporters association, savings for Canadian business are estimated at \$30B annually.

2. Security

While making the flow of legitimate people, goods and services more efficient across the border, the two governments have resolved specifically to strengthen their shared security. State of the art technology and new entry/exit verification procedures will be deployed. Foreigners travelling to Canada or the U.S. from Europe and other non-visa countries will be required to fill out an electronic form before they fly. This is similar to a practice already in place in Australia and New Zealand. Other measures will enable authorities to better detect individuals deemed to pose a security threat before they leave for North America instead of when they land. There will also be provisions for mutual recognition of air cargo security programs and outbound checked baggage systems. Specific attention is also being given to commitments that will strengthen the two countries’ ability to protect shared, critical infrastructure, notably threats from cyberspace, and to respond rapidly to disasters and emergencies on either side of the border. Special emphasis is given to the need to respect the Privacy regimes of each country, although this will undoubtedly be castigated as insufficient by some in Canada who are wary of any agreement with the U.S.

3. Regulatory

Actions are being undertaken to streamline and reduce redundancies in the regulatory regimes of Canada and the U.S., focusing initially on highly integrated sectors like auto manufacturing and food processing. The Regulatory Cooperation Council will ensure more efficient and common standards aligning motor vehicle safety (crash-test) standards, pesticide limits and the labelling of health care products.

Greater harmonization of vehicle safety standards will reduce production and design costs for autos, hence costs for consumers. Certification requirements for meat and poultry shipments will be introduced to reduce or eliminate redundant administrative procedures. While being fully consistent in terms of health, safety and environmental concerns, common approaches will evolve on food safety leading ultimately to a standard acceptable to both. It is also anticipated that new product approvals will be conducted in a more streamlined fashion.

Although many of the measures announced will be implemented over the next 2 to 3 years, there is enough to be implemented expeditiously to give needed credibility to the “Beyond the Border” initiative, especially compared to many previous attempts which died stillborn. Responsibilities for actions – who, how, when – are identified clearly in the agreement along with a precise reporting schedule.

Neither earth-shattering nor radical by any means but, for two economies beleaguered by a slumping global economy, this package of initiatives should produce tangible dividends, removing much of the sludge that has hobbled a bilateral trade relationship that is still the largest in the world. It is described as a “road map” not an agreement, indicating that the measures are essentially administrative and will not require new legislation. Although the wording makes for turgid reading in spots, that is the nature of customs and regulatory procedures. The Action Plan is a solid step forward, one that would not have happened without persistent prodding from the two leaders and one which will not reach its full potential unless that commitment is sustained.

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