

Canada Border Services Agency Cost Recovery Fee for Services

Canada's economic prosperity and quality of life are directly linked to the transparency of our border. Ports of entry along the Canada-U.S. border are more than a generator of economic activity and trade, they are a fundamental part of our ability to get goods to market efficiently and cheaply while providing much needed visitor revenue through the cruise ship industry.

Increasingly we are seeing the 'thickening' of the border, often based on unnecessary and arbitrary barriers erected on a premise of security. While the Canadian Chamber has been consistent in its concern regarding the role of the Department of Homeland Security as it relates to a seamless border we are now in the unfortunate position of seeing the Canada Border Services Agency (CBSA) cost recovery fee for service having a devastating effect on businesses which are looking to diversify into new growth areas to offset decline in more traditional industries.

CBSA's new fee for service policy (cost recovery) only applies to new facilities so existing facilities will not have to deal with this additional cost, even if they require more CBSA services. This policy clearly hampers the development of any new facilities by placing them at a distinct competitive disadvantage by discriminating against any new facility that will require CBSA services across Canada.

At a time when we are seeing increased competition from ports in the United States, this new cost will further erode the competitiveness of Canadian ports with U.S. ports as gateways for international trade.

There are a number of examples across Canada of the negative impact of the policy. A good example is the potential second Amtrak train from Vancouver to Seattle. This escalation of service is unquestionably important to tourism generally, to the cruise ship industry as well as to the forthcoming 2010 Olympics. A recent study by the Border Policy Research Institute of Western Washington University concluded that a further \$18 million could be expected to be expended by U.S. visitors to Canada with the addition of a second train which, in turn, would increase corresponding taxation revenues for various levels of government in Canada.

Significant elevation of services are and have been implemented to serve general border, port and airport operations, including containerization at Prince Rupert and the Gateway program in the Lower Mainland of British Columbia - without imposition of CBSA cost recovery clearance fees. Similarly, following a Core Service Review of the air mode, CBSA has recently concluded that the Abbotsford Airport will be eligible for new or enhanced publicly funded CBSA services.

As a matter of principle, customs and immigration services to facilitate entry and clearance of visitors, returning citizens or residents and/or commercial commodity trade should be implemented at international points of entry without charge wherever it can be demonstrated that a viable transportation facility either exists or can be implemented. CBSA's new Air Services Policy Framework allows for a case-by-case assessment in the air mode. This is a necessity in the interests of national security, tourism and international trade.

At a time when regions from across Canada are striving to develop new economic opportunities and activity while trying to compete on a global scale any new charges which are applied in a discriminatory way affect their ability to compete both nationally and internationally.

Recommendation

That the federal government through the CBSA continue the escalation of its Core Service review process for all transportation modes to ensure that service and efficiency levels are maintained so that they are adequately serving the needs of national security, tourism and international trade - with the objective that such should be administered in a manner similar to or consistent with other essential services.