#### BUILDING A **SAFE** AND **RESILIENT CANADA**



# Land, Rail, Marine and Air Transport Preclearance Agreement

Eastern Border Transportation Coalition April 20, 2016



#### **Overview**

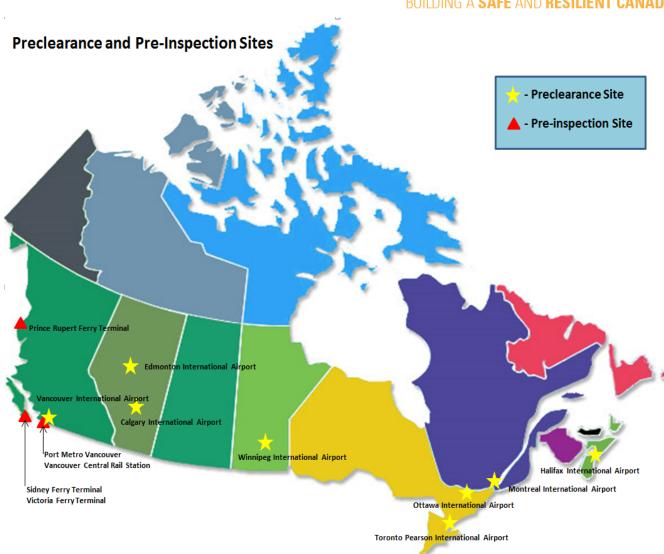


- Background
- Preclearance Benefits
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  - Benefits of Expansion
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  - Officer Authorities
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## **Background**



- Preclearance enables one country's border officers to carry out customs and immigration in the territory of another country
- In the air mode since the 1950s
- Pre-dates 9/11 aviation security context and does not always reflect operational challenges
- Strong market demand for expansion in all modes

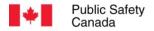




#### **Preclearance Benefits**



- Proven <u>trade and travel benefits</u> for local regions/ industries:
  - Canadian preclearance facilities process 12M passengers annually
  - Positions Canadian carriers and airports as in-transit hubs (e.g. Pearson is the 4<sup>th</sup> largest point of entry into the U.S.)
  - Provides special access to non-international U.S. airports
     (e.g. only pre-cleared flights can land at Reagan Airport from international destinations, including Canada)
  - Supports Vancouver's cruise ship industry which contributes \$420M/year to GDP



### **LRMA** Highlights



- Agreement on Land, Rail, Marine and Air Transport Preclearance (LRMA) signed in March 2015 by the U.S. Secretary of Department of Homeland Security and the Minister of Public Safety
- LRMA is a fully <u>reciprocal</u> agreement that:
  - Allows for expansion in all modes
  - Permits co-location at small and remote ports, creating efficiency gains
  - Provides Inspecting Country officers with comparable authorities to Host Country officers
  - Formalizes existing pre-inspection locations in B.C.
  - Enables Canada to establish preclearance in the U.S.

## **LRMA Highlights – Facilities/Carriers**



- Facility infrastructure requirements: Provide a sterile preclearance area where technical design standards apply
  - Infrastructure costs covered by the facility
- Facility operational requirements: Provide security screening prior to preclearance and continuous police presence (air mode) or a timely law enforcement response (non-air)
- Operational costs covered by facility at new sites
- Inspecting Country shall endeavour to accommodate requests for new preclearance services that do not adversely affect existing operations
- Carriers must maintain compliance with the conditions set out in the LRMA

### **LRMA Highlights - Authorities**



- New officer authorities include:
  - Authority to carry the same regulated items (e.g. firearms) as the Inspecting Party in the same environment which means CBP officers would be armed in the land, marine and rail modes
  - Enhanced search powers for preclearance officers
  - Authority to question and seek identification from travelers wishing to withdraw from the preclearance area
- The new Agreement also establishes a new criminal liability regime for "protections and accountabilities" of preclearance officers

#### **Current Status**



- Canada-U.S. announcement of March 10, 2016:
  - Introduce legislation
    - Canada intends to introduce legislation in Spring 2016
    - U.S. has already introduced legislation in both Houses
  - Agreement in principle to expand preclearance operations to:
    - Billy Bishop Airport (Toronto)
    - Jean Lesage International Airport (Quebec City)
    - Montreal Central (Rail) Station
    - Rocky Mountaineer (Vancouver)
  - Convert the five B.C. pre-inspection sites to full preclearance
  - Explore the terms and conditions to pursue cargo pre-inspection and/or cargo preclearance pilot sites
  - Explore the potential to expand to other sites in both countries

## **Expected Impact of Expansion**



- Billy Bishop Airport and Jean Lesage Airport: estimate significant increases in passenger volumes to the U.S.
- Montreal Central Rail Station: estimates see unpredictable delay at the border eliminated, a ridership increase of 67,000 and an increase in passenger revenue by \$1.6 million
- Rocky Mountaineer: estimates that with preclearance they could generate up to \$15M in economic benefits for Canada each year

## **Next Steps**



- Introduce legislation in Canada
- Work with facilities and carriers on implementation
- Government of Canada is working with U.S. counterparts to explore expansion possibilities:
  - Cargo pre-inspection and/or cargo preclearance pilots
  - Other sites in both countries
- Bring the LRMA into force
  - In the meantime, existing framework continues to apply

#### **Questions**



- From your perspective, what benefits could preclearance bring to your business/industry/ city?
- What would you need from the Government of Canada and/or the Government of the United States to pursue preclearance?

#### Contact



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### Questions?

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