

## WHERE DOES THE BORDER COST COME FROM?

- ⑩ **Border cost originates from the security measures placed to manage the border;**
- ⑩ **Extra border security means thicker border and thus extra border cost;**
- ⑩ **Extra security increases delays and longer than normal wait time at the border to clear customs and immigration;**
- ⑩ **Wait time is not cost less to the businesses in cross border transactions;**
- ⑩ **For cross border activities, it is not the physical distance that matters, it is the time taken for the shipper/trucker to complete the delivery;**
- ⑩ **That border cost is like a tariff/tax hidden as it may be to outsiders but nevertheless real for business activities;**
- ⑩ **The height of that cost could affect the supply chain management as well as the location of businesses, at home or abroad.**

## **WHAT DOES OUR RESEARCH SHOW?**

**That:**

- ⑩ There is an economic border between Canada and the United States;**
  
- ⑩ The border has an economic cost besides the high cost of administering customs and immigration;**
  
- ⑩ The border cost has been going up since 9/11 as stringent security measures have been put in place;**
  
- ⑩ The border cost though shared by Canada and the United States, the greater burden of that cost falls more on Canada since the border is thicker on the U.S. side;**
  
- ⑩ The border cost affects the whole spectrum of supply chain management.**