

Beyond the Border Action Plan

Integrated Cargo Security Strategy Prince Rupert Rail Pilot

Gérald Gauthier, April 2016

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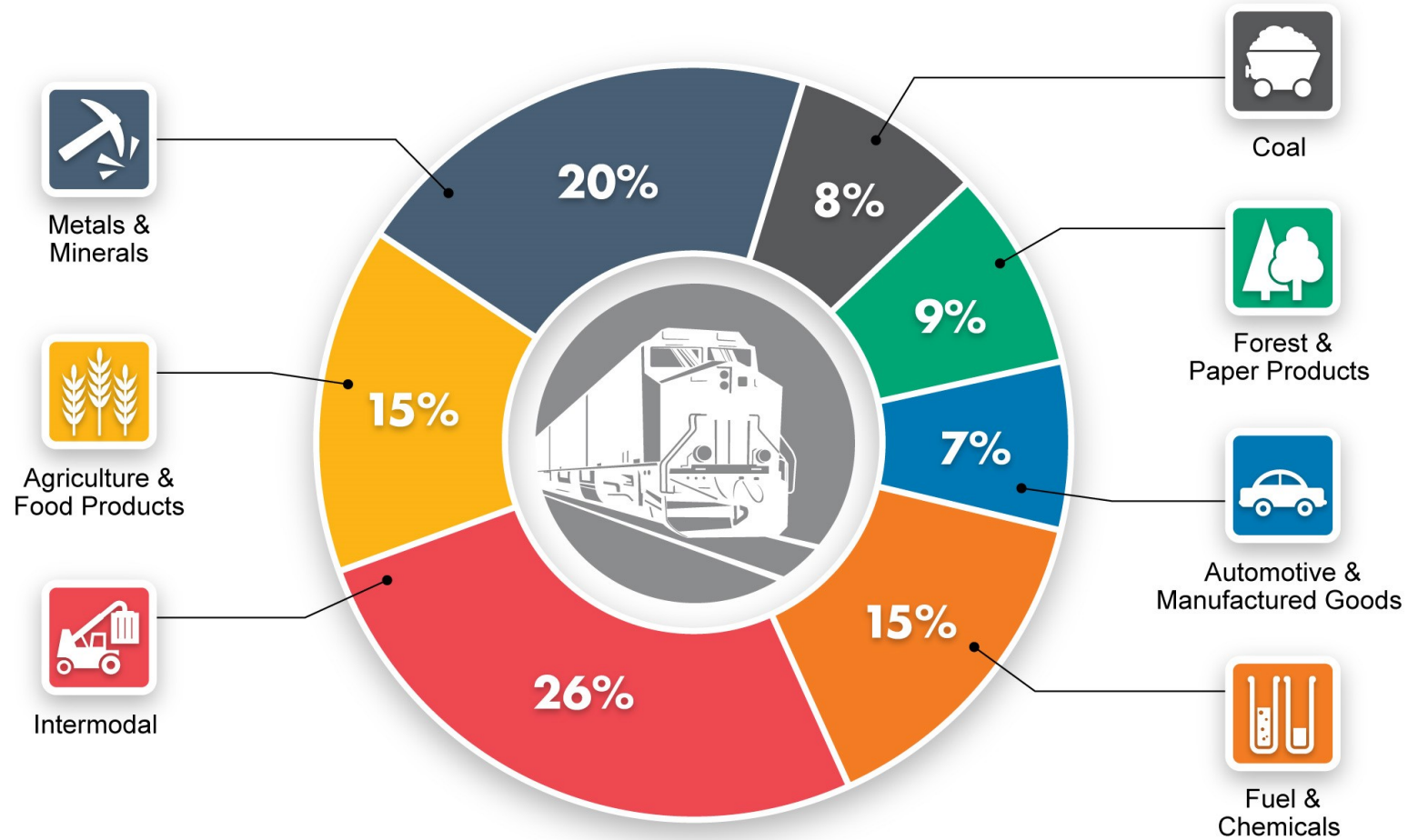
RAC –Who we are



- 55 members
 - Represents virtually all railways operating in Canada today:
 - Class 1s (CN, CPR and US Class 1s) – **private**
 - Short lines – **private**
 - Inter-city Passenger (VIA/AMTRAK) – **public**
 - Commuter – **public**
 - Tourist – **private & public**
- ➡ Provides railway industry with unique opportunities and service capability



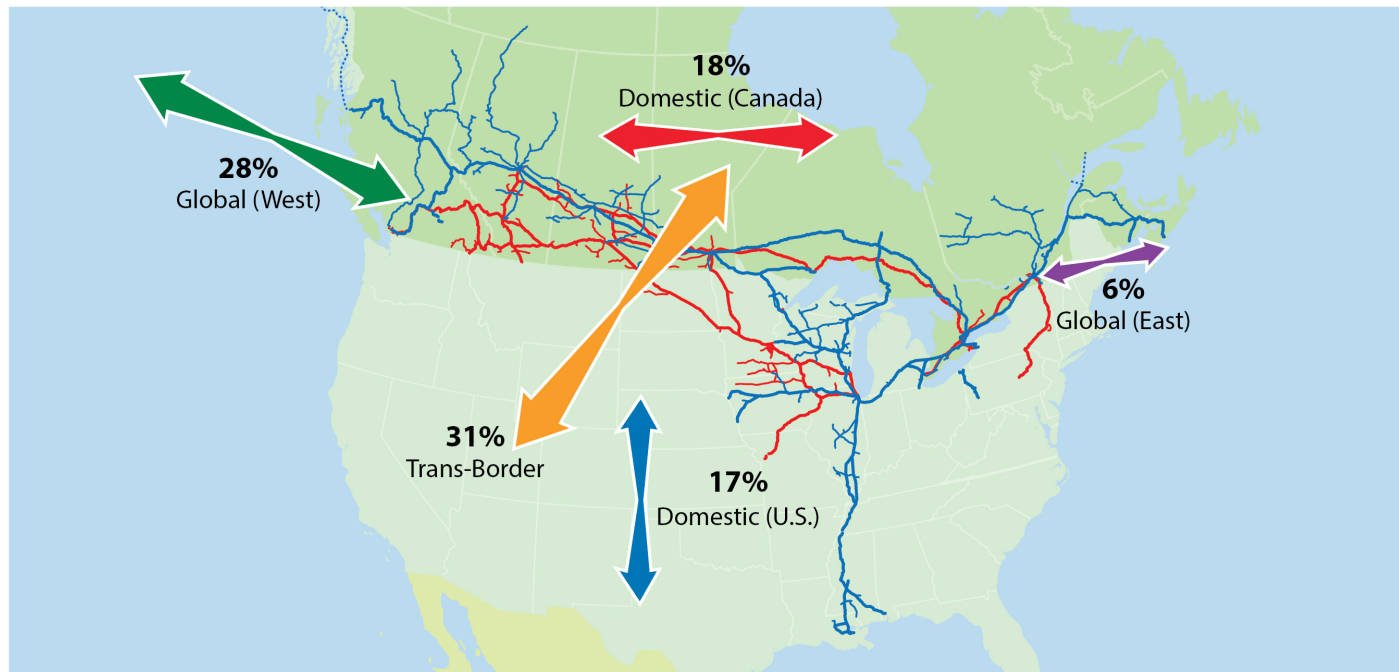
Canadian Railways – 2014 Commodity Mix



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Canadian Railways – Market Reach



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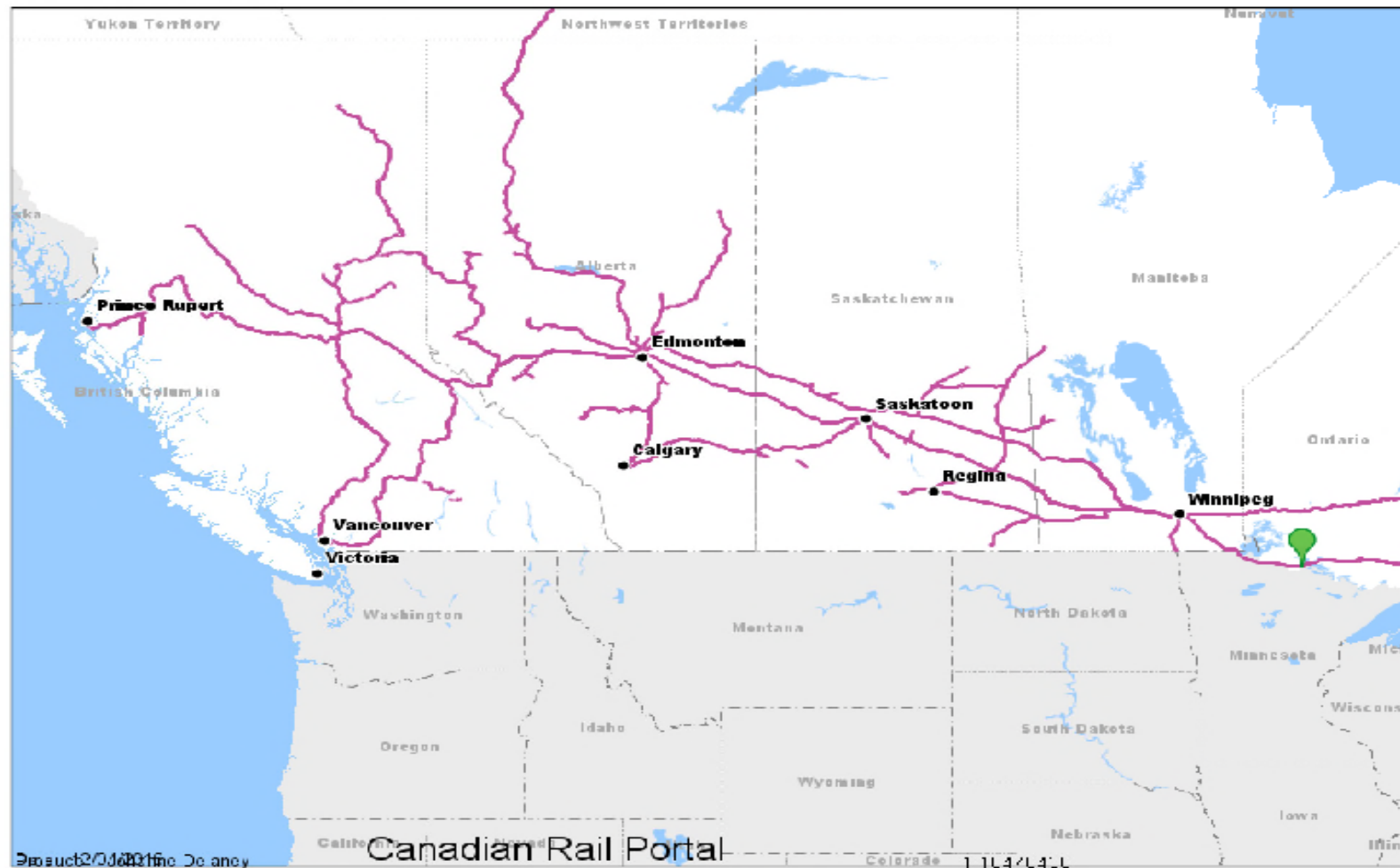
Beyond the Border Rail



- CN rail pilot with CBP and CBSA developed to push high risk security concerns related to import cargo to the North American perimeter
- Borne from the February 2011 US-Canada “Beyond the Border Action Plan” - a shared vision for perimeter security and economic competitiveness
- CN’s rail corridor from Prince Rupert BC to International Falls MN was selected for the pilot after careful review of risks and feasibility by CBP/DHS, CBSA, Transport Canada, and Industry Canada
- Focus of the pilot on import containers from the pacific rim, discharged from vessel at the port of Prince Rupert BC for US destinations
- “Cleared Once – Accepted Twice” to reduce level of CBP inspection at US border



CN Route



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The Electronic Process



- Pilot facilitated by sophisticated electronic processing between trade partners and government agencies
- Canadian rail carriers developed full cycle EDI processing with the US and Canada customs agencies in 1995 and carried through to CBP's ACE system and CBSA's ACI (eManifest) system
- Rail manifest data for import marine containers carried on rail intermodal trains to the US is transmitted to CBP's ACE system prior to vessel discharge at the Canadian ocean port – full container data (master bill)
- Marine carriers transmit container manifest data to CBSA's ACI system 24 hrs prior to loading at foreign port of lading – consolidated shipment data (house bills)
- CBSA forwards all import marine data (master and house bills) for shipments transiting Canada to CBP
- CN developed electronic link between Rail Manifest Data and CBSA in-transit data to increase system visibility to CBP for pilot



The Rail Pilot Inspection Process



- Rail pilot targeted potential high risk containers arriving at the port of Prince Rupert destined to the US
- Collaboration between CBP and CBSA for cargo review and inspection in Prince Rupert by CBSA
- CBP used detailed advance data to identify potential issues prior to vessel arrival at port of Prince Rupert
- Only CBP security issues in scope for rail pilot
- Other US agency requirements, including USDA/APHIS, not part of pilot scope



Success and Challenges of B.T.B Rail Pilot



- Prince Rupert BC to International Falls MN rail pilot in effect from October 2012 to March 2015
- Pilot successfully proved that a concept of “perimeter clearance” for import in-transit marine container shipments to North America to reduce border delays is feasible
- Unintended outcome of the rail pilot was increased USDA/APHIS targeting at the border as result of expanded data visibility
- Enhanced early manifest data enabled CBP Agricultural officers at International Falls to identify new pathway for pests, noxious seeds, non-compliant wood packaging material



- Increased attention to US Agricultural issues resulted in increased number of in-transit containers held for inspection at the border rail crossing
- USDA/APHIS able to focus on specific points of overseas origin, commodities, time of year, for detailed review of Ag issues and enhanced targeting
- Ag lessons learned shared with other US border crossing points and with CBSA and CFIA in Canada
- Protocols established between CBP, USDA, rail carries, CBSA and CFIA to treat shipments with Ag issues at the US border or haul shipments back to Canadian ocean ports for return to foreign origin



Next Step for US-Canada Perimeter Clearance



- Canadian rail industry waiting upon CBSA and CBP to evolve discussion on the Beyond the Border vision and rail participation
- Given the intricacies of rail intermodal logistics and the inherent security of rail movement, railways in Canada are interested in hearing more from DHS and CBSA on next steps for the B.T.B and how preclearance can further streamline the rail border operation
- Future iterations of B.T.B. initiatives for rail must include participation from both USDA and CFIA to best protect interests of both the US and Canada and further drive down the cost of shipment delays
- Harmonization of systems, policy and data requirements between related agencies on both sides of the border needs to be a top priority to facilitate and advance the perimeter clearance concept and reduce border inspection

