

# The Broken Border



# Canadian Trucking Industry



**IT IS ESTIMATED THAT OVER 90% OF ALL CONSUMER PRODUCTS AND FOODSTUFFS ARE SHIPPED BY TRUCK.**  
Either solely or in part.

**90%**



Real GDP in the for-hire trucking industry is valued at about \$17 billion, but its impact on our economy is far greater, making trucking in general a \$65-billion industry overall. **THE TRUCKING SECTOR PROVIDES BENEFITS TO THE ECONOMY THROUGH THE SALES, JOBS, AND TAXES GENERATED BY FIRMS AND SOLE PROPRIETORS OPERATING IN THE SECTOR.**

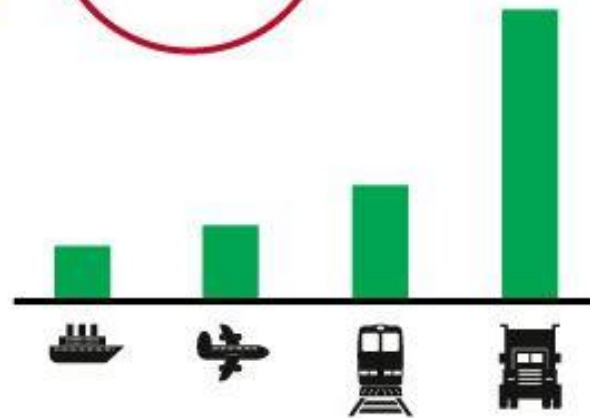
**THE DEMAND FOR SERVICES FROM  
THE TRUCKING INDUSTRY IS  
EXPECTED TO GROW SIGNIFICANTLY  
TOWARDS 2020.**

Without trucking, the wheels of commerce would stop rolling and Canadians would be unable to enjoy many of their favourite consumer products.

**2/3  
OF TRADE  
BY TRUCK**

**TRUCKS CARRY  
MORE TRADE WITH THE US**

The GDP generated by the for-hire trucking industry alone is three times that of rail, sea and air combined.



**CANADIAN FOR-HIRE CARRIERS MOVE OVER 225 BILLION TONNE-KILOMETRES OF  
FREIGHT AND OVER 80% OF TOTAL TONNAGE SHIPPED INTRA-PROVINCIALY.**

**TYPICALLY, OVER 10 MILLION TRUCKS  
CROSS THE CANADA-U.S. BORDER  
EACH YEAR WITH THE VALUE OF GOODS  
INCREASING SINCE 2011.**



**CANADA**

**USA**

The Canada-US border and the facilitation of trade is a key priority for both countries. Together, with the assistance of the Canadian Trucking Alliance, **CANADA AND THE US COOPERATE IN A NUMBER OF INITIATIVES TO HELP FACILITATE CROSS BORDER trade, INCLUDING THE BEYOND THE BORDER ACTION PLAN.**





# ABOUT CTA

**THE CANADIAN TRUCKING ALLIANCE  
IS A FEDERATION OF PROVINCIAL  
TRUCKING ASSOCIATIONS.**

We represent a broad cross-section of the  
trucking industry – some 4,500 carriers,  
owner-operators and industry suppliers.



With our head office in Toronto and provincial  
association offices in Vancouver, Calgary, Regina,  
Winnipeg, Montreal and Moncton, **CTA REPRESENTS  
THE INDUSTRY'S VIEWPOINT ON NATIONAL AND  
INTERNATIONAL POLICY, REGULATORY AND  
LEGISLATIVE ISSUES THAT AFFECT TRUCKING.**



# CTA Membership

- Fleets of all shapes and sizes
  - CTA members service all areas of North America
  - 2/3's of all freight domestically and internationally
  - Employ 150,000 Canadians
  - Private Motor Carriers
    - (Canadian Tire, Tim Horton's, Frito Lay, Hudson's Bay, etc.)
  - Couriers & Freight Forwarders
  - 40 % operate fleets less than ten trucks\*;
  - 40% between 10-50 trucks\*;
  - 10% have between 51-100 trucks; and,
  - 10% have fleets of over 100 trucks.
- \*\*80% of CTA members have 50 trucks or less



# CTA BOARD of DIRECTORS

Payne Transportation	Kriska	Global Transportation	Du Midi Express
Boutin Express	Orlicks	Grimshaw Trucking	Liberty Linehaul
Transport OSI	JD Smith	Kurtz Trucking	Manitoulin Transport
Q-line Trucking	Trimac	Nighthawk Truck	Wheels Group
Northern Resource TLP	Atlantic Diversified	Siemens Transport	On Freight
Rosenau	Bison Transport	Jag Trucking	PHL
Armour	Caron Transport	Sutco Transportation	Penner
Transport Watson	Challenger	Dynamic Transport	Rosedale
Triton Transport	Easson's	Canada Cartage	Telus Planet
CPX	Transport Robert	T-T Group	Spring Creek Carriers
Jade Trans	MacKinnon Transport	CAT	Tandet
Duckering's Transport	Shaw Cable	Erb Group	Thomson Group
Cold Star Freight	TransForce	AP Transport	JE Fortin
Munden Trucking	Arnold Bros	Groupe Guilbault	
Bandstra	Midland Transport	Jeff Bryan Transport	
Arrow		THD	
Westcan Bulk		DTL T	
		WJ Deans	
		FedEx	

# The Broken Border

## Contributing Factors

- Harmonization (Lack Of)
- OGD/PGA  
Other Government Departments/Participating  
Government Agency
- Immigration
- Infrastructure



# #1 Common Border Complaint

Variable

Inconsistent

Arbitrary

**= UNPREDICTABLE**

Random

Unreliable

Uncontrollable

Undependable

# Border Variables

## Trucking Perspective

### VARIABLES

- People
- Risk Assessment
- Enforcement
- Traffic Fluctuations

### NON-VARIABLE

- Process
- Information
- Technology

# THE EVOLUTION OF AIRPORT SECURITY

GARY MCCOY.ORG  
CAGLE CARTOONS.COM  
© 8/2006

*Gary McCoy*

ALL GATES →



ALL GATES →



ALL GATES →



# Process - Information - Technology

Consistency = Predictability = Efficiency

## CANADA vs. US

TRUSTED FOR HIGHWAY CARRIERS

INCONSISTENT

FAST FOR DRIVERS

INCONSISTENT

FAST LANE ACCESS

INCONSISTENT

RFID

INCONSISTENT

CASH COLLECTION

INCONSISTENT

EMANIFEST  
(Empty Trailers, Bar codes)

INCONSISTENT

IN TRANSIT DATA REQUIREMENTS

CONSISTENT – EFFECTIVE MAY 2016

# The OGD/PGA Interruption

(OTHER GOVERNMENT DEPARTMENTS)  
(PARTICIPATING GOVERNMENT AGENCY)

- ✓ RCC – Regulatory Cooperation Council
- ✓ RTR – Red Tape Reduction
- ✓ SWI – Single Window Initiative
- ✗ Prince Rupert Pilot; Wood Packaging Inspections
- ✗ APHIS Fees
- ? Food Safety
- ? ISPM-15 (International Standards For Phytosanitary Measures)



# Immigration

## Canadian truck driver CAN:

- Deliver load from Canada to US Trailer Pool A;
- **Wait** to be unloaded;
- Move that same trailer **(empty)** to US Trailer Pool B;
- Drop trailer & hook onto a different pre-loaded Canadian trailer & move that trailer to Canada

-- or --

- Deliver load from Canada to US Trailer Pool A;
- Drop that trailer (don't wait to be unloaded);
- Move a different **empty** trailer to US Trailer Pool B;
- Wait until that trailer is loaded & move it to Canada

## Canadian truck driver CANNOT:

- Deliver load from Canada to US Trailer Pool A;
- **Drop** the trailer to be unloaded later;
- Move a different **empty** Canadian trailer to US Trailer Pool B;
- Drop that trailer to be loaded later & hook onto a different pre-loaded **Canadian** trailer & move that trailer to Canada



TAX



CANADA



The number of days per year (incl. partial days) spent in Canada that determines resident status.

183

You can only be a resident of either CA or US. If less than 183 days a year are spent in Canada, CA-US Tax Treaty “tie-breaker” applies to prove closer personal and economic connection to Canada. [SEE MORE HERE](#)

183  
OR LESS

ZERO impact to CPP if you are a Canadian resident using commercial vehicle and employed by Canadian in international transportation.

ZERO



USA

Total number of days (incl. partial days) vacation or business, allowed in the US within a three year period, without filing IRS forms

183

Years worth of travel IRS can review to determine whether you have exceeded 182 days. \*\*involves complex formula for more information (Contact CTA for more info).

3  
YEARS

**120 Days** Per Year – Don’t exceed and you’ll be OK



120-180 days per year in the US = file IRS Form 8840 [AVAILABLE HERE](#)

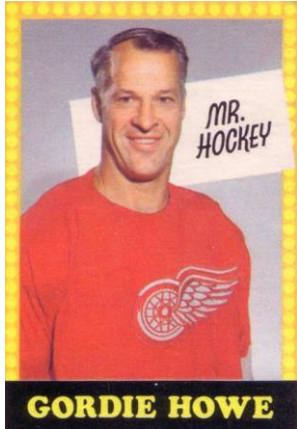
TO  
120  
180

180+ days in the US = file IRS Form 8833 [AVAILABLE HERE](#)

180+

# Immigration

# Infrastructure



- High/Low Booths
- LCV Staging Yard
- “Trusted” Lanes; segregation of traffic
- RFID into Canada?
- “True Pre-Clearance” a.k.a. “**GREEN LANE**”?

# Pre - What?

## TODAY

Truck pulls up; Engage; Release or go to secondary

## PRE INSPECTION

Truck pulls up; Engage; Proceed across border;  
Engage again;  
Release or go to secondary

## PRE CLEARANCE

Truck loads at facility; sends information electronically; OGD exams done before border (and accepted on other side); Truck arrives; “**GREEN LIGHT**” through “**GREEN LANE**”

ONE STOP



TWO STOPS



NO STOPS



# Pre-Clearance/Pre-Inspection

Pre-Inspection

Cargo Pre-Inspection Evaluation Analysis Summary									
Scenario (Season)		Implementation		Max Throughput (all truck lanes open)	Simulation Wait Time Outputs (over full week simulation)				
		Estimated Cost <sup>4</sup>	Estimated Time		< 15 minutes	15 - 30 minutes	30 - 60 minutes	> 60 minutes	Overall Average
August 2013 - 11,755 trucks	Existing Condition Baseline No Pre-Inspection (Peak Travel Season)	\$0	N/A	170 trucks/hour	68%	9%	20%	3%	22.3 minutes
	Eight Pre-Inspection Lanes (Peak Travel Season)	\$61 million	4+ years <sup>2</sup>	230 trucks/hour <sup>4</sup>	92%	8%	-	-	6.3 minutes
	Ten Pre-Inspection Lanes (Peak Travel Season)	\$64 million	4+ years <sup>2</sup>	287 trucks/hour <sup>4</sup>	94%	6%	-	-	5.8 minutes
	Twelve Pre-Inspection Lanes (Peak Travel Season)	\$67 million	4+ years <sup>2</sup>	345 trucks/hour <sup>4</sup>	95%	5%	-	-	5.4 minutes
	Modified U.S. Plaza No Pre-Inspection (Peak Travel Season)	\$65 million <sup>5</sup>	<2 years	180 trucks/hour	82%	12%	6%	-	10.9 minutes
	No Cash Collection No Pre-Inspection (Peak Travel Season)	\$500K - \$1 million <sup>6</sup>	< 2 years	193 trucks/hour	91%	8%	1%	-	6.5 minutes
	100% E-manifest No Pre-Inspection (Peak Travel Season)	\$0 <sup>5</sup>	< 2 years	193 trucks/hour	93%	6%	1%	-	5.9 minutes
	No Cash & 100% E-manifest No Pre-Inspection (Peak Travel Season)	\$500K - \$1 million <sup>6</sup>	< 2 years	205 trucks/hour	96%	4%	-	-	4.2 minutes

August 2013 - 11,755 trucks

eManifest  
Cash  
Collection



# Fixing what's "Broken"



## CANADA vs. US

TRUSTED FOR HIGHWAY CARRIERS	INCONSISTENT	<ul style="list-style-type: none"><li>• PIP /C-TPAT interchangeable; no need to belong to both</li><li>• Eliminate CSA (second program) for Hwy Carriers (CA)</li></ul>
FAST FOR DRIVERS	INCONSISTENT	<ul style="list-style-type: none"><li>• One Card equipped with RFID</li><li>• Advance crew reporting</li></ul>
FAST LANE ACCESS	INCONSISTENT	<ul style="list-style-type: none"><li>• Carrier is PIP into Canada <i>or</i> US</li><li>• Carrier is CTPAT into Canada <i>or</i> US</li><li>• FAST Driver only (no other cards)</li></ul>
RFID	INCONSISTENT	<ul style="list-style-type: none"><li>• Readers in commercial lanes (CA)</li><li>• Mandate RFID equipped card for all commercial drivers; Transponders are optional – not efficient</li></ul>
CASH COLLECTION	INCONSISTENT	<ul style="list-style-type: none"><li>• Account based; Eliminates Transponders (need RFID)</li></ul>
EMANIFEST	INCONSISTENT	<ul style="list-style-type: none"><li>• Empties mandated</li></ul>

# Trucking Doesn't Discriminate

Trusted v. Not Trusted

Full Truckload (TL)

Less Than Truckload (LTL)

Courier, Low Value

High Value

Overweight/Oversize

Food, Seasonal, Haz-Mat

Electronics, Automotive,

Aerospace, OGD, and, and...

Just about  
the only  
thing not  
delivered  
by a truck



**Fix Border for Trucking = Fix Border for Just About Everything**

# Thank You

