



## Intergovernmental Affairs and Trade

1100 - 259 Portage Avenue  
Manitoba Trade and Investment  
Winnipeg, MB R3B 3P4  
CANADA

Comment Submitted by: The Province of Manitoba (Canada)

### **RE: Documents Required for Travel within the Western Hemisphere**

To:

Department of Homeland Security  
Bureau of Customs and Border Protection  
8 CFR Chapter 1  
RIN 1651-AA66

Department of State  
22CFR Chapter 1  
RIN 1400-AC10

Register Number 05-17533

Date Posted: 09/01/2005

Comments Due: 10/31/2005

Date Submitted: 10/28/2005

#### Summary of Position

While the Province of Manitoba continues to support the efforts of the United States government to improve border security and welcomes opportunities for joint cooperation in this regard, the province does not agree that implementation of Sec. 7209 of PL108-458 as proposed on September 1, 2005 will necessarily strengthen border security to the extent envisioned and has a greater chance of disrupting the free flow of legitimate trade and travel between our two countries. We need to ensure our borders are secure, but we also need to analyse and test options and ensure the requisite resources, technology, and infrastructure are in place to “do it right.” The proposed implementation dates for the Western Hemisphere Travel Initiative (WHTI) do not allow for this, nor do they allow sufficient time to complete the efforts being undertaken in both countries to improve the security of the foundation documents upon which passports or other forms of secure documentation will be based. In the past, it has been standard practise to analyze potential impacts of options prior to making significant changes to policy and practise (i.e. prior to TSA’s proposed screening rules in 2004). At a minimum, economic analyses should be conducted and options pilot tested before becoming implemented fully across our shared border.

Canada and the United States share one of the world’s longest borders and have the largest trading relationship in the world. Canada is also the number one export destination for most U.S. states. Our connections go well beyond trade and borders, as close friends, we share many values, social, cultural, business and family ties. Our large trade and travel relationship and the flow of goods, services and people is enhanced by a relatively efficient, effective, accessible and convenient system that is constantly working on

improvements. We must work together to ensure that efforts to enhance border security do not inhibit the legitimate flow of goods and people across our border and disrupt the unique and special relationship that the United States and Canada share.

**The recommendations of the Province of Manitoba and its stakeholders are as follows:**

- 1) delay and synchronize the implementation date of the WHTI until full assessments (economic and capacity) have been completed and pilot test options.**
- 2) engage and fund a widespread communications campaign to raise public awareness and preparedness for new documentation requirements.**
- 3) expand existing voluntary trusted traveler and commercial traffic programs (i.e. NEXUS, FAST), so that these options are accessible and available across the U.S. Northern border;**
- 4) ensure that required documents are affordable, accessible, and available through efficient processing means**
- 5) ensure that documentation requirements are flexible, particularly for travellers under the age of 16 and for those living in border communities; and**
- 6) explore the use of enhanced drivers' licences as alternative documents**

#### Rationale

The Intergovernmental Affairs and Trade (IAT) department of the Manitoba government launched a public consultation campaign in early October and held discussion forums with a broad sector of the Manitoba population including: business interests (manufacturers and retailers), municipal leaders, local and provincial tourism groups, educational representatives, convention organizers, First Nations groups, Chambers of Commerce, and seniors groups. IAT also received written submissions from these and other groups which have been incorporated into this position statement.

#### Findings

The Advanced Notice of Proposed Rulemaking, published on September 1, 2005 requested feedback in the following areas: alternative documentation, trade/economic impact, impact on travel and tourism, and recommendations on implementation. These are addressed below.

#### Alternative Documents

The unanimous consensus among Manitobans is that the documents of choice must be affordable, widely available and have a quick processing time.

*Passports:* Passport possession varied widely in our assessment groups. Virtually all business travelers held passports; however, few casual travelers did unless they had acquired them for other, non-U.S. international travel. Notably, the business travellers who did have passports commented that most of their family members did not and would

not likely get them for the sole purpose of crossing the Canada-U.S. border. Furthermore, many indicated that, in the past, they had often brought family members on business trips to the U.S. and used a business visit as a jumping off point for personal/family vacations. However, this would likely change should their family members be required to obtain a passport.

*Northern Border Crossing Card:* Opinions expressed with respect to the option of a new Northern Border Crossing Card during our consultations included: 1) people do not want yet another form of ID that serves only one purpose 2) getting a passport makes more sense because it facilitates travel through any mode of transportation as well as travel to other countries. 3) it is difficult to assess potential benefits or disadvantage of this option when neither the prototype nor the enrolment process have been determined.

*NEXUS/FAST:* It was noted that neither NEXUS nor FAST are currently in place anywhere in Manitoba – nor are there any plans to implement these programs in Manitoba – over the next five years (according to information from U.S. Customs and Border Protection). It is our understanding that the current plan is to increase nationwide enrolment in NEXUS to 128,000 by 2011. This represents an increase of only 53,000 individuals, up from the current 75,000. With such limited plans for expansion, concerns were expressed as to whether any increased demand for NEXUS could be met, irrespective of any emerging widespread demand for any proposed new ID card (e.g., border crossing card). The fact that NEXUS cards are currently linked only to the border crossing where they are obtained is also problematic. It is not clear whether there are plans for nationwide linkage of the system. The background check, cost and application wait time also do not favour NEXUS as a viable alternative. This being said, Manitobans generally supported the continued expansion of a voluntary NEXUS program as a “secure documentation” option available all along the Canada-U.S. border.

*Driver Licences:* Manitobans expressed support for enhanced driver licences that would address the security concerns expressed by the United States. Driver licences are affordable and readily available and are something that most people need or already possess. According to the 2004 statistics of the Manitoba Department of Motor Vehicles, out of a total population of 1.17 million people, 700,000 individuals (or 60%) possess active driver licenses. This percentage is considerably higher than the percentage of Canadian who possesses passports (currently 37%) and it is believed that driver licenses should be considered an option as it would fit the need of the spontaneous or last-minute traveller. We understand that there has been some hesitation by U.S. Department of State to consider driver licences as alternative documentation because of the number of issuing jurisdictions involved in the Canada-U.S. border. We would like to suggest that rather than devoting resources to card readers for a new border crossing card or expanded NEXUS readers, that the possibility of installing card readers for verification of driver licence legitimacy be investigated.

The Province of Manitoba has signed an agreement to participate in a Canadian Driver Licence agreement incorporating best practices and specifications to enhance the administration and security of licence issuance. This would build upon the standards

developed by the American Association of Motor Vehicle Administrators (AAMVA) including:

- verification of identity prior to issuing a licence;
- driver licence card specifications incorporating security features into card design to minimize potential for counterfeit reproduction or alteration
- fraudulent document recognition training; and
- internal control measures to reduce the likelihood of internal fraud.

These measures would address the concerns that have been raised over security of foundation documents. In that regard, it is anticipated that the Canadian Council of Motor Vehicle Administrators (of which Manitoba is a member) will be making a recommendation in the next few weeks to the U.S. Secretary of Homeland Security that a driver licence issued by a Canadian provincial or territorial jurisdiction be recognized as an acceptable document sufficient to establish identity for the purposes of entering the United States at air, sea, and land border crossings.

*First Nations:* Neither Sec. 7209 of the Intelligence Reform and Terrorism Prevention Act nor the ANPR address the issue of how First Nation's individuals will be treated. First Nations consulted expressed concerned about how interpretation of the Jay Treaty will be impacted by the WHTI. As First Nations persons comprise 15% of the Manitoba population, Manitoba feels that it is important that this issue be reviewed and clearly explained.

### Trade

Canada and the United States share the world's largest and most comprehensive trading relationship, which supports millions of jobs in each country. Canada represents 23.5% of America's exports and 17.4% of its imports. In 2004, Canada was the number one foreign market for goods exports for 39 of the 50 states, and ranked in the top three for another 8 states. In fact, Canada is a larger market for U.S. goods than all 25 countries of the European Union combined, which has more than 15 times the population of Canada.

This trading relationship is highly dependent upon the efficiency of our transportation linkages. Manitoba is a transportation hub, and the Government of Manitoba has been instrumental in developing the "Mid-Continent Trade Corridor" which runs from the U.S. northern border into Mexico. Measures that inhibit the free flow of goods and the efficiency of transportation linkages would have significant impacts on the economies of every state along the corridor.

The Manitoba Trucking Association (MTA) represents 14,000 Manitoba truck drivers, 10,000 of whom cross the U.S. border at least once each week. The MTA estimates that for every hour of delay at the border, the cost of their shipment to their U.S. customers increases by \$75. Furthermore, the MTA estimates that 35-40% of Manitoba truckers currently have a FAST card, many paid for by their employers. However, Manitoba currently does not have a FAST processing center (only an enrolment center). The transportation industry would like to see that changed. The MTA also hopes that a FAST

card would be considered an appropriate form of secure documentation, even if the individual trucker was travelling to the U.S. for personal reasons (i.e., that the individual would not also need to carry a passport or other form of secure ID under those circumstances).

Another example of the level of integration of the Canada-U.S. economies is found within the pork industry. The Midwestern U.S. states are highly dependent upon the Manitoba pork industry to maintain a supply of live pigs and pork products. In 2004, Manitoba exported a total of 1, 250,650 swine over 110 lbs. (50 kg.), at a value of over \$170 million USD), of which almost half (48%) went to South Dakota alone. For swine weighing less than 110 lbs, Manitoba exported over \$130 million USD or 3,294,412 weanlings in 2004. Over half (52%) of these went to Iowa and 30% to Minnesota. In October 2004, the American Pork Trade Coalition ran a campaign stating that “without access to Canadian pigs, thousands of independent farmers in Iowa and other states may go out of business. There are not enough pigs born in the United States to meet demand.”

The Manitoba Pork Council expressed serious concerns about border delays and congestion that could result from implementation of the WHTI. Shipments of fresh pork products are very time sensitive. The industry also places a very high priority on the humane treatment of live animals during shipments which must not be compromised by border delays. Live animals are more vulnerable during extreme heat and cold weather conditions. The Council’s view is that electronic, pre-screened certification of transporters and commercial shipments is the preferred way to balance effectively bilateral trade interests with national security interests. The Council would also like to see FAST expanded in Manitoba.

### Integration of Economies

As is the case elsewhere along the Canada-U.S. border, the economies of Manitoba, North Dakota and Minnesota are highly integrated. In border communities, planning for new businesses and market assessments regularly take into account the market draw from the other side of the border. The agricultural retail and repair business is a good example of this. Farmers in these bordering states travel regularly across the border to purchase supplies and get repairs done on farm equipment. The very nature of the farming business means that these trips are often last minute and urgent to ensure that crops get planted or harvested on time. It is estimated that in 2003, Canadian farmers made 4000 trips into the United States to purchase agricultural related products –sales that would be lost if the free-flow of travel is impeded by onerous and/or costly identification requirements.

Another example of the tight integration of the economic and social fabric of border communities in the Manitoba/North Dakota area is the Frost Fire Ski Area and Summer Theatre in Walhalla, ND. Each year, approximately 80% of the visitors to these attractions are from Manitoba. This includes substantial numbers of school groups and bus tours. The operation supports between 25 and 50 jobs for U.S. citizens depending on the season. In addition, through a special arrangement with the Canadian Ski Patrol

System, members of the Manitoba Division provide on-hill emergency services and first aid at the ski area.

Another example cited by our survey group was the number of American-owned businesses in Canada and the often urgent need for them to dispatch technical or other specialty support to a site. Concerns were raised that, if a documentation system was not flexible enough, this type of emergency, time-sensitive travel may not be possible.

### Tourism

A requirement for Americans and Canadians to present a passport or other new document when entering the United States will put a severe damper on the tourism choices made by both Americans and Canadians as well as on the tourist revenues of both countries. We are, after all, each other's most frequent visitors and guests. Proximity and affordability and ease are the key aspects of our joint tourism.

In 2004, residents of Canada made 35.9 million trips to the United States and put \$11.7 billion USD into American tourism industry cash registers. That is \$2.1 billion USD more than American visitors spent in Canada. The Travel Industry Association of America has stated that "Canada is our biggest market."

Manitoba is no exception to this rule. In 2004, Manitoba residents made over 1.8 million state visits and spent an estimated \$288 million USD. Approximately 1 million of these visits were same day visits (54% of total) with spending of \$43 million (15% of total). This is approximately 5,000 visits and \$119,000/day. In terms of overnight state visits, Manitoba residents made over 840,000 (46% of total) and spent an estimated \$245 million USD (85% of total). This is approximately 2,300 visits and \$670,000/day.

The near border states to Manitoba will suffer significant losses since much of the cross border travel of Manitobans into the U.S. is to North Dakota, Minnesota and South Dakota to shop, visit friends, attend sporting events etc. In 2004, almost 80% of all day trips and 60% of overnight trips by Manitoba residents to the US were to the states of ND, MN, and SD. Spending in the US while on day trips was over \$38.5 million USD while spending on overnight trips was over \$89 million US.

The Manitobans with whom we spoke commented on their numerous weekend trips to Minot, Grand Forks and the Minneapolis/St. Paul area and how these would be greatly compromised by the WHTI – as proposed. Senior groups and bus company owners commented on the frequency of senior trips to casinos in North Dakota and Minnesota for day trips. Seniors are one of the groups least likely to hold passports; their fixed income also decreases the likelihood that they would apply for a passport if it were required for this type of travel. Consequently businesses that target senior day visits would suffer. Manitobans also enjoy longer term, higher expenditure tourist travel to more distant destinations such as Texas, Arizona, Florida and California.

Similarly, Americans are travelling into Manitoba on a regular basis to shop, visit friends, and attend cultural and sporting events. Manitobans who attended our consultation sessions expressed many concerns about the impact the WHTI would have on the Manitoba tourism industry and the associated loss of opportunity for American travelers. Examples cited included the hunting and fishing lodges that are frequented by American visitors (many of these are also owned by Americans). Numerous festivals that are held in Manitoba draw upon the U.S. both for attendance and participation as vendors, entertainers or competitors. Folklorama and the Winnipeg Folk Festival are key venues for American entertainers and cultural groups. The Royal Winter Fair and the World Percheron Conference, held in Brandon each year, draw thousands of Americans both as participants and visitors. All of these festivals would be seriously compromised by a passport or similar requirement. Event planners that we spoke with commented that questions were already being raised by prospective attendees about the documentation requirements.

Ancillary travel, like that undertaken by families visiting the IPG was frequently cited as an area that would be hard hit by the requirements of the WHTI. Convention organizers expressed concern that ambiguity about current and prospective passport requirements are impacting their ability to book events. It was also felt that convention goers who may normally bring their spouse or family members along and, again, use the convention as a starting point for a Canadian holiday would no longer do so. The reverse would also be the case for Canadian travel into the U.S.

#### Social Fabric/Special Relationship

The border shared by Manitoba, North Dakota and Minnesota is one of friendship and shared resources. At the Pembina crossing alone, there are 1,000 crossings each month. The majority of these crossings are by same day travellers to visit family, shop, or participate in events that comprise part of the social fabric of their daily lives, such as children's sports tournaments, shopping, concerts, church events, and Native pow-wows and other traditional ceremonies.

The Manitobans with whom we spoke commented on their numerous weekend trips to Minot, Grand Forks and the Minneapolis/St. Paul area and how these would be greatly compromised by the WHTI – as proposed. Senior groups and bus company owners commented on the frequency of senior trips to casinos in North Dakota and Minnesota for day trips. Seniors are one of the groups least likely to hold passports; their fixed income also decreases the likelihood that they would apply for a passport if it were required for this type of travel. Consequently businesses that target senior day visits would suffer. Manitobans also enjoy longer-term, higher-expenditure tourist travel to more distant destinations such as Texas, Arizona, Florida and California.

A unique destination whose interest is shared by Manitoba and North Dakota is the International Peace Garden. (IPG) Literature for the IPG describes it as being situated “along the world's longest unfortified border” and being “devoted to world peace.” It is home to an annual binational 9/11 memorial service, and steel girders transported from

the New York World Trade Center lie at rest at its 9/11 Memorial. More than 150,000 tourists visit the garden each year. It is governed cooperatively by the U.S. and Canada and receives funding from both North Dakota and Manitoba. One of the key draws of the IPG is the International Music Camp which is held each summer. Each year, 4000 students participate in these camps. According to the Music Camp Director, 92% of those students are Americans who travel from distant states such as Arizona, California and Texas. The participation of youth in this international event would be compromised by a passport or similar requirement.

Another example of recreational travel that may be jeopardized is the frequent cross-border travel of professional and amateur sports teams (e.g., hockey, football, baseball). Traditionally families accompany the players to these events and plan weekend holidays around them. Many Manitobans commented that it would be difficult enough to ensure that the players had the requisite documents to travel and, as such, would be unlikely that families would go to the lengths and expense required to accompany them. This would be a tremendous loss to the relationship that has developed in border (and, in some cases, farther flung) communities surrounding these tournaments/events and would have significant impacts to the economies of U.S. communities that host sporting or other recreational events (e.g., music concerts).

Also at risk is cooperative regional tourism initiative, such as the “Two Nation Vacation” tourism promotional tool recently launched by South Dakota, North Dakota, Minnesota and Manitoba to draw visitors to all four jurisdictions by emphasizing their shared history and unique natural resources.

#### Emergency Management/Security Cooperation

The relationship between these communities and jurisdictions has resulted in several unique cooperative agreements that will help to ensure that Canadian resources are available should they be needed in areas hit by disasters – either natural or man-made – in the U.S. For example, Western Canadian Premiers and Western U.S. Governors have signed an agreement to facilitate cross-border cooperation in fighting wild fires, and Manitoba, Minnesota, North Dakota, and South Dakota have continued their cooperative efforts in the wake of the 1997 Red River Flood. These are only two of many examples of cross-border cooperation when disaster strikes. We must ensure that, while we are strengthening border security, we ensure that trade and legitimate travel are not compromised.

#### Closing

Manitobans are concerned about security. They are also concerned that the WHTI may not meet its objective of strengthening the security of the Canada-U.S. border and that the necessary analysis, technology, and infrastructure may not be in place in time to ensure the efficient and timely crossing of secure travellers and trade. There is an extremely valued cross-border relationship between Canada and the U.S., based on strong family, community, and economic ties. It is essential that efforts to strength border security also



protect the security of our economies and our society. For these reasons, we would urge the U.S. departments of State and Homeland Security to undertake thorough assessments of the potential impact of various options being considered under the WHTI, pilot test options before rolling them out across the border and be flexible in considering the kinds of secure documentation that will be required under the WHTI (e.g., recognizable driver licenses that include proof of citizenship). We also recommend that Canada and the United States continue to invest in the implementation the Smart Border initiative (e.g., expanding the FAST and NEXUS programs) and assist states and provinces in their work to strengthen foundation documents that are used to obtain passports and other forms of identification. Continued investment in risk management techniques should be the priority, rather than investing in initiatives that may not improve security but which will disrupt the flow of trusted travellers and trade.

The widely expressed opinion by Manitoba stakeholders is that the negative impact on both Canada and the United States would be vastly outweighed by any benefits. Furthermore it is not clear that the WHTI, as currently designed, will resolve the problem it is purporting to solve. Spending more money and resources to document “would –be trusted travelers” is not money well-spent. Canada and the United States need to work together to advance our overall security and to move forward on initiatives we have already started. The focus should be on the high-risk areas not on unravelling the social fabric of our border communities.

Sincerely,



Scott Smith  
Minister, Intergovernmental Affairs and Trade  
301 Legislative Building  
450 Broadway  
Winnipeg, Manitoba  
CANADA R3C 0V8  
Tel: (204) 945-3788  
Fax:(204) 945-1383  
E-mail: [scott.smith@leg.gov.mb.ca](mailto:scott.smith@leg.gov.mb.ca)  
October 28, 2005

***This Manitoba Government submission has been endorsed by:***

Association of Canadian Travel Agencies (Manitoba Region)  
Brandon First  
Brandon Keystone Center  
Brandon Tourism  
Business Council of Manitoba  
Canadian Association of Agri Retailers  
Canadian Federation of Independent Business  
Destination Winnipeg  
Economic Development Brandon  
International Peace Garden  
Manitoba Agriculture Retailers  
Manitoba Chamber of Commerce  
Manitoba Hotel Association  
Manitoba Pork Council  
Manitoba Trucking Association  
Prairie Theatre Exchange  
Roseau River Anishinabe First Nation  
Seniors for Seniors Coop Inc.- Brandon  
Travel Manitoba  
Winnipeg Chamber of Commerce