

# Beyond the Border: noise and promise

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On Wednesday, Prime Minister Stephen Harper and President Barack Obama will announce a framework agreement on their Beyond the Border initiative with “risk management” as its guiding principle.

The deal is likely to include the following: Pre-clearance, currently offered at our major airports, will be extended to cargo leaving the factory gate; thresholds for inspected goods will be more generous; the “fast pass” privileges for trusted travellers will be expanded; access roads and ports will be improved to make them gateways rather than chokepoints; electrical grids, oil and gas pipelines, and the circuitry for everything from ATM transactions to air traffic control will be reinforced against cyber threats.

There will be reforms aimed at greater regulatory compatibility because differing national “standards” are the new barrier to commerce. They range from baby food bottles to seat belts to the Cheerios that U.S. Ambassador David Jacobson eats for breakfast.

Inevitably, there will be complaints about a loss of “sovereignty.” But the reality is that we are leagues away from a European-style common market or common currency. We maintain separate immigration regimes while sharing data on cross-border flow in people. Privacy is a legitimate concern, but there’s probably more self-inflicted embarrassment on Facebook sites than can be gleaned from government.

The new deal would be a substantive advance on the Smart Border accord, quickly and cleverly cobbled together in the wake of 9/11. The test will be in the pilots and practical implementation to improve supply-chain security and efficiency by moving inspection to the perimeter. An attitudinal change on the part of border staff will be essential to expedite the flow of people and goods. Early results must include faster passage through the border and, for business, less red tape. If implemented as envisioned, the deal holds out the promise of transformational progress.

But there’ll bumps on the road.

The stalled second crossing at Detroit-Windsor and the debate around the Keystone XL pipeline are a reminder of how special interests in the U.S. system can thwart the common good. Uncle Sam is broke and the American allergy to taxation means they’ll continue to look elsewhere for revenue, thus the new fee on air and sea travellers. The IRS “granny hunt” for tax scofflaws, a port tariff, and the Buy America provisions within Mr. Obama’s jobs bill corrode our confidence in Uncle Sam’s ability to negotiate in good faith.

Much of this is noise. Unlike our Westminster system, most American legislative proposals wither on the congressional vine. We need to better understand the U.S. system, so we aren’t constantly sounding the alarm bell without cause.

Past deals, including the Canada-U.S. free-trade agreement and the North American free-trade agreement, mostly shield us from U.S. protectionism, but they must be constantly reinforced. The fractious nature of the American system means a permanent campaign on behalf of Canadian interests. Those who worry about putting our eggs in one basket should recall that we have 50-plus trade negotiations under way globally. A deal with the European Union is imminent, and the invitation to the Trans-Pacific Partnership is promising. But the U.S. remains the world’s biggest market.

A majority government and support from the premiers, a sea change since the 1988 free-trade election, ensure that we can meet our obligations.

The American picture is more clouded. Some will object to “giving” Canada a special deal, forgetting that the supply-chain dynamic creates jobs. Others will be reluctant to lower the drawbridge at the border, but U.S. border czar Alan Bersin got it right, saying the “old dichotomy between the promotion of trade and heightening of security ... is a false choice.”

Bureaucratic resistance to change will be reinforced by the inertia that descends on Washington during a presidential election year. The Canada-U.S. Partnership inaugurated by Bill Clinton and Jean Chrétien in 1999 evaporated into the bureaucratic ether. The trilateral Security and Prosperity Partnership launched by George W. Bush, Paul Martin and Vicente Fox in 2005 turned into a zombie.

It took Ronald Reagan’s personal intervention to conclude the FTA in 1988. Will Mr. Obama demonstrate that same commitment in implementing the new deal?

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