



May 19, 2020

Hon. Kirsten Gillibrand
United States Senator for New York
478 Russell
Washington, D.C. 20510

Dear Senator Gillibrand:

On May 8, 2020, under the auspices of the Binational Prosperity Initiative, leadership from the University at Buffalo, State University of New York; Brock University, Ontario, Canada; and the World Trade Center Buffalo Niagara held a workshop in the binational Buffalo Niagara region to discuss *Smart Strategies for Reopening the Canada-US Border*. The goal of this workshop was to discuss impacts of current border restrictions on industry and design strategies for reopening the border in a responsible manner in order to ensure the seamless flow of the more than \$2 billion in daily trade between our two countries. Attendees included leadership drawn from industry associations, economic development agencies, the public sector, corporations engaged in cross-border commerce, bridge operators, academia and the policy community. Represented industries included manufacturing, tourism, logistics and services sectors.

The following recommendations are based upon the foregoing discussion, in addition to conversations with stakeholders who could not attend the May 8th workshop:

- 1. Rather than a “one size fits all” approach, the United States and Canada should consider a cross-border regional approach to reopening the border.**

Stakeholders noted that reopening a geographically and economically diverse border of 5,500 miles is extremely complicated. Because of this complexity, reopening the border in a responsible manner may not be amenable to a “one size fits all” approach. As with anything, the devil is in the details, but stakeholders nonetheless recommend that public officials consider taking a cross-border regional approach to reopening the border in a responsible, coordinated manner. This approach, which is much like sub-state “regional control boards” reporting back to the State, would rely on States, Provinces and regional border operators to share information on plans, metrics and progress, reporting the same to Federal officials who have jurisdiction over the border.

- 2. The United States and Canada should utilize the Regulatory Cooperation Council (RCC) to reduce unnecessary regulatory differences related to medical supply and other critical industries.**

Both Canada and the United States have separate regulatory regimes related to medical supplies, logistics and transportation. Working through two different regulatory regimes results in tremendous costs in terms of both time and money. Given the deeply integrated nature of our economies, there is a common interest in tackling certain aspects of the Covid-19 challenge collectively. Therefore it is recommended that the United States and Canada immediately activate the RCC to align Covid-19 regulatory efforts, when it makes sense.

- 3. Given that both the United States and Canada may incorporate “Buy American” or “Buy Canadian” provisions into the next rounds of stimulus funding, US legislators should incorporate a Canadian exemption into “Buy American” legislation and Canadian legislators should incorporate a US exemption into “Buy Canadian” legislation.**

Stakeholders noted that protectionist sentiments usually emerge during difficult economic times. Although politically popular, these provisions actually end up hurting competition, job growth and business in both countries. Therefore, to preserve jobs and economic growth that result from the deeply integrated nature of the US-Canadian economies (“we make stuff together”), it is recommended that legislative leadership in the United States negotiate a Canadian exemption into any Buy American provisions inserted into the next round of stimulus funding and that legislative leadership in Canada negotiate a US exemption into any Buy Canadian provisions inserted into the next round of stimulus funding. It is critical to preserve the prosperity that flows from one of the world’s largest economic relationships.

- 4. It is important for economic recovery in both the United States and Canada that the USMCA/CUSMA enter into force July 1, 2020.**

Stakeholders discussed the uncertain nature of the border reopening and the economic recovery generally. Nonetheless, stakeholders reaffirmed the need for the USMCA/CUSMA to stay on course as a mechanism to create added prosperity and wealth in both countries. Stakeholders noted that, given current sentiment to reshore supply chains from China back to North America, there is opportunity to grow cross-border industries in both countries during the economic recovery.

- 5. The United States and Canada should invest in border technology to ensure that border crossers are healthy and promote economic recovery.**

Stakeholders discussed the anticipated need for Customs and Border Protection (CBP) and Canadian Border Services Agency (CBSA) officers to determine whether an individual entering either country is “Covid-19 free” once the border reopens. Stakeholders pointed

out that technology to test individuals (e.g., temperature taking) already exists at the border. Therefore, it is recommended that the United States and Canada invest in already-existing border technology to ensure that border crossers are “Covid-19 free.” Furthermore, stakeholders recommend that officials to use this crisis as an opportunity to further invest in twenty-first century border technology to efficiently process people and shipments once the border reopens. This investment, which could be packaged as part of subsequent stimulus packages, would spur economic recovery in both Canada and the United States.

6. The United States and Canada should expand the marketing of NEXUS as one solution to “touchless” processing at the border.

The need for CBP and CBSA to engage in “touchless” processing of border crossers will exist until a Covid-19 vaccine is developed. Stakeholders noted that the NEXUS program is well-suited for “touchless” processing at the border. Therefore, it is recommended that the United States and Canada expand marketing of NEXUS as one solution to “touchless” processing at the border. Recognizing that DHS currently prohibits processing of NEXUS applications for New York residents, it is recommended that leadership from both DHS and New York State negotiate a solution in an expeditious manner so that New York residents can safely cross the border once it reopens.

7. Border operators, such as the Buffalo and Fort Erie Public Bridge Authority (Peace Bridge) and Niagara Falls Bridge Commission (NFBC) should receive Federal and/or State-Provincial assistance in order to maintain operations.

The Peace Bridge and NFBC are integral to the effective operation of cross-border flows, as they not only maintain and operate the bridges but also support CBP and CBSA. Given the unique composition of each entity (i.e., the Peace Bridge is an international compact entity created by the government of Canada and the State of New York, with the consent of the United States Congress and the NFBC is a binational commission whose commissioners are appointed by the Ontario Premier and New York Governor), neither is eligible for stimulus program assistance offered at the Federal, Provincial or State levels. Notwithstanding that toll revenues have declined dramatically as car volumes have dropped 95-98 percent and truck volumes 25-30 percent, both Federal governments require the crossings to remain fully operational to support “essential commerce.” Therefore, it is recommended that policymakers designate stimulus funding (“Border Operations Assistance”) for border operators so that critical commerce and security operations continue uninterrupted.

Thank you for your consideration. If you have any questions or would like further information, please feel free to contact me at kbf@buffalo.edu.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathryn Bryk Friedman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Dr. Kathryn Bryk Friedman
Principal Investigator, Binational Prosperity Initiative