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JAN 04 2018

The Honourable Kevin Sorenson, P.C., M.P.
Chair
Standing Committee on Public Accounts
House of Commons
Ottawa, Ontario K1A 0A6

Dear Mr. Sorenson:

Further to Minister Goodale's letter of September 18, 2017, in which the Government of Canada (GoC) committed to providing the Standing Committee on Public Accounts by January 31, 2018, with responses to the recommendations contained in its report entitled Report 1 – The Beyond the Border Action Plan, of the Fall 2016 Reports of the Auditor General of Canada, please find enclosed the Canada Border Services Agency's (CBSA) report.

Once again, we would like to thank the Standing Committee for its report and for its ongoing focus on improving transparency, accountability, performance measurement, and reporting to Canadians on the outcomes of GoC initiatives. Should the Committee require additional information related to this report, the CBSA would be pleased to provide it.

Yours sincerely,


John Ossowski

JAN 04 2018

Enclosures

Canada

REPORT TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS BEYOND THE BORDER ACTION PLAN

In December 2016, the Canada Border Services Agency (CBSA) launched a review of the key performance indicators in response to the Auditor General of Canada's fall 2016 Report on the Beyond the Border Action Plan, which led to the revision of indicators and the development of new ones that better demonstrate the achievement of outcomes.

Recommendation 1: The CBSA needs to provide the Committee with a report outlining their new performance indicators, baselines, and targets as well as the security benefits achieved. This report should also clearly explain why these performance indicators are appropriate for measuring the expected security benefits.

In his fall 2016 report, the Auditor General of Canada examined the Interactive Advance Passenger Information system and the Entry-Exit initiative. Both of these CBSA-led initiatives contribute to Part I of the Beyond the Border Action Plan, which focused on a bi-national approach to identify and address threats as early as possible.

Interactive Advanced Passenger Information (IAPI)

The IAPI initiative is intended to enhance CBSA's risk assessments in the traveller stream in order to address threats as early as possible. IAPI requires commercial air carriers to electronically transmit traveller information, which is validated to ensure that travellers possess the required Immigration Refugee and Citizenship Canada (IRCC) travel documentation, including visas and electronic travel authorizations (eTA). Under IAPI, Advance Passenger Information (API) and Passenger Name Record (PNR) information will be received as early as 72 hours in advance to initiate targeting and allow the CBSA to issue either a "board" or "no-board" message to air carriers for each traveller.

Since October 2015, the CBSA has certified over 245 commercial air carriers¹ and 18 service providers onto the IAPI platform in order to receive "board" and "no-board" messages from the CBSA. Since its implementation, IAPI has helped identify improperly documented travellers. The IAPI system went live on November 10, 2016; between this date and March 31, 2017, the CBSA issued over 12.6 million "board" and "no-board" messages. Nearly 2 million of these messages informed air carriers of travellers who were not properly documented for travel to Canada.

In early 2018, IAPI will deploy its second major system release, which will allow the CBSA's National Targeting Centre to issue manual "no-board" messages for travellers who are prescribed persons.² Once implemented, the CBSA will be able to report on the number and percentage of "no-board" messages issued for prescribed persons.

In response to the Auditor General's recommendations, the CBSA has included new indicators for the IAPI initiative (outlined in **Table 1.1**) to demonstrate its security benefits. These indicators indicate the number of travellers the CBSA screened and identified as being improperly documented and/or prescribed for travel to Canada and the number that arrived in Canada. Ultimately, the CBSA anticipates

¹ As of November 28, 2017.

² In the context of IAPI, prescribed persons are defined travellers who require an authorization to return to Canada and do not have one, or those who are subject to the Minister of IRCC's Negative Discretion Authority.

that IAPI screening will result in the arrival of fewer of these travellers in Canada and help protect the security of Canadians.

Table 1.1 – IAPI initiative and air carrier compliance

Indicator	Baseline/Target	Result
<p>Number and percentage of “no-board” messages for improperly documented travellers.</p>	<p>Baseline: 1,407 “no-board” messages issued per day, representing 1.58% of all travellers.</p> <p>¹(Based on an average of data extracted between November 10, 2016 and March 31, 2017).</p> <p>Target: Average of 1,153 “no-board” messages issued per day, representing 1.17% of all travellers.</p> <p>¹(Based on an average of the number of “no-board” messages issued between January 1 and September 30, 2017).</p>	<p>Between April 1 and September 30, 2017 an average of 1,159 “no-board” messages were issued per day.</p> <p>Between April 1 and September 30, 2017 an average of 1.15% “no-board” messages issued per day.</p>

¹As a new performance measure, the baseline was established following IAPI implementation. While the target is based on data available to date, it is subject to change once the program can validate and report on a full year of data.

Analysis of Results: Though results to date indicate that IAPI is producing a higher average number of “no-board” messages per day than the target, the current reporting period includes the peak summer travel period, in which there is a spike in the number of travellers. Given the results reported in relation to the target, it can be concluded that IAPI is succeeding in identifying improperly documented travellers prior to their arrival in Canada.

The results to date indicate that IAPI is producing a lower percentage of "no-board" messages per day than the identified target. As the percentage calculation accounts for variations in travel volumes, this indicates that IAPI is succeeding in identifying improperly documented travellers and improving traveller compliance with Canada's documentary entry requirements.

Indicator	Baseline/Target	Result
Number and percentage of “no-board” messages for prescribed persons.	Baseline: ² The baseline and target for this indicator are still to be determined.	The CBSA expects to be able to report on this indicator by March 2018.
<p>² The IAPI unsolicited message functionality (manual “no-board” message for prescribed persons) has not yet been implemented and data is unavailable at this time. A target will be established once the baseline value is captured following the first year of implementation.</p> <p>Analysis of Results: Once implemented, this indicator will measure the number of travellers who were screened and identified as being prescribed persons prior to their arrival in Canada, and will demonstrate IAPI’s ability to address threats early.</p>		
Number and percentage of “no-board” messages for a Canadian travel document number match in the Lost, Stolen or Fraudulent Documents Database (LSFD).	Baseline: Not applicable	The CBSA is in the process of de-scoping an LSFD check from the project and is therefore unable to report against this portion of the indicator.
<p>Note: IAPI is unable to deliver LSFD functionality within existing project scope, timeline and budget. The LSFD check that IRCC performs prior to eTA and visa issuance mitigates the absence of this functionality.</p>		
Total number of administration fees issued to transporters who failed to meet obligations under the <i>Immigration and Refugee Protection Act (IRPA)</i> and its regulations	<p>Baseline: 399 (Based on the number of administration fees issued during the 2015-16 fiscal year).</p> <p>Target: 440 ³(Baseline plus additional 10%).</p>	For the 2016-17 fiscal year, 609 administration fees were issued to air carriers for non-compliance.
<p>³This target was developed in order to accommodate new eTA and IAPI measures.</p> <p>Analysis of Results: The IAPI initiative has not yet led to a decrease in the number of administration fees issued to air carriers. The eTA is a new entry requirement and an adjustment period is to be expected for both air carriers and travellers. In addition, since air carriers are not legally bound to follow IAPI “board” and “no-board” messages, they have the discretion to board a traveller who may ultimately be found inadmissible upon arrival at a Canadian port of entry. CBSA and IRCC are working to mitigate this issue through awareness-raising and compliance activities with both travellers and the air industry.</p>		

The Entry-Exit Initiative

The Entry-Exit initiative seeks to establish a coordinated entry and exit information systems between Canada and the United States (US) to exchange biographic information (found on page 2 of a passport) on third-country nationals and permanent residents, such that a record of entry into one country constitutes a record of exit from the other. The objectives of the initiative are to ensure that the whereabouts of persons who potentially pose a security risk are known; to facilitate the efficient movement of trade and travel; and to uphold the integrity of the immigration system.

On June 30, 2013, the Government of Canada implemented the collection of exit information of third-country nationals and permanent residents at all automated land border ports of entry. In 2016-17, virtually all (96.4%) US entry records (exits from Canada) were successfully reconciled to an entry record that CBSA previously collected. Entry-Exit continues to allow the CBSA to close outstanding immigration warrants and reprioritize ongoing investigations for persons identified as having departed Canada. In August 2016, the CBSA signed a Memorandum of Understanding with the US and began one-way sharing of US citizen entry records.

Full implementation of the Entry-Exit initiative, including performance information collection and reporting, will depend having enabling legislative and regulatory authorities in place. On October 30, 2017, Bill C-21, *An Act to amend the Customs Act*, was reported back to the House of Commons by the Standing Committee on Public Safety and National Security. Full implementation will allow the CBSA to measure the number of permanent residents who have failed to satisfy established residency requirements; the number of individuals who have overstayed their legal authorization to remain in Canada; and the number of individuals subject to an active removal order or immigration warrant who have departed the country.

Recommendation 2: CBSA needs to explain to the Committee how it has used the results of its consultations with stakeholders to ensure that the Trusted Traders programs and the Single Window Initiative better meet their needs.

Echoing recommendation 1.56 of the Auditor General's report, in which he counselled the CBSA to engage and consider stakeholder views on Trusted Trader programs and the Single Window Initiative (SWI), the Agency regularly consults with stakeholders to validate the enhancements identified in the Beyond the Border Action Plan and to ensure that they meet the needs of the trade community.

The CBSA has consulted with industry stakeholders through its Border Consultative Committee and will continue to do so. The sessions to date have provided the CBSA with valuable feedback and confirmed ongoing industry support for progress to date and the path forward – such as implementation of Customs Self-Assessment Platinum (a new trusted trader portal) and the expansion of Free and Secure Trade (FAST) lanes to expedite border clearances at Pacific Highway and Fort Erie.

With the addition of FAST to Fort Erie (along with Windsor, Sarnia, and Pacific Highway), the CBSA now offers FAST at the four busiest commercial highway border crossings in Canada. The CBSA also installed lighting and queuing technology at Pacific Highway to control the flow of commercial traffic and to offer priority passage for trusted traders through the existing FAST lane. Based on the successful system already in place for south-bound trucks, the new "FAST 1st" model, launched in February 2017, allows the CBSA to offer benefits to low-risk program members and use resources more efficiently. The CBSA will continue engagement with the trade community on key modernization efforts for Trusted Trader

programs, including a more efficient program delivery model, additional benefits, greater use of technology, and enhanced marketing.

With respect to the SWI, the CBSA consulted members of the Border Consultative Committee in fall 2016 on its implementation. Trade chain partners requested information on the trade benefits of onboarding to the SWI; the rationale for prescribed data elements; and the timelines for the CBSA's testing of clients who apply for the SWI.

In March 2017, the CBSA provided this information to the Border Consultative Committee and updated its website to reflect both the benefits of SWI (which include a simplified import process, reduced paper burden, and decreased cost of doing business) and the Agency's rationale for data collection. In September and November 2017, the CBSA hosted several workshops with trade chain partners to discuss the application process, technical requirements, and the method of transmitting electronic information. In addition, the CBSA reached out the Canadian Association of Importers and Exporters and to trade chain partners to encourage application to the SWI and initiate the testing and certification process.

Taken as a whole, this collaboration with stakeholders resulted in the development of an on-boarding strategy that will maximize use of the SWI and help bring legacy paper-based processes to an end. Notably, more than 66 trade chain partners have now been certified to use the SWI.

Recommendation 3: CBSA needs to provide the Committee with a report outlining its new performance indicators, baselines, and targets as well as trade benefits achieved. This report should also clearly explain why these performance indicators are appropriate for measuring the expected trade benefits.

The Auditor General examined the "Enhancing Benefits for Trusted Trader programs" and the SWI. Both of these CBSA-led initiatives contribute to Part II of the Beyond the Border Action Plan, which is focused on trade facilitation, economic growth, and jobs.

Enhanced benefits for Trusted Trader Programs

The Beyond the Border Action Plan committed Canada and the US to align and enhance the benefits of Trusted Trader programs to further facilitate the cross-border movement of low-risk trade and reduce the costs of compliance with customs requirements. Therefore, trade benefits will be measured in time savings (through expedited border crossings for trusted traders) and time and efficiency gains (through streamlined processes for submitting documentation).

The CBSA has two trusted trader programs: Partners in Protection (PIP) is a co-operative, voluntary program between private industry and the CBSA aimed at enhancing border and trade chain security, while the Customs Self-Assessment (CSA) program simplifies import requirements for low-risk, pre-approved importers, carriers, and drivers.

The CBSA has achieved its commitments to adopt a common framework and align (where possible) the benefits and requirements of the PIP program with those of US programs. As **Table 3.1** illustrates, this has resulted in a growth of Trusted Trader program members who experience reduced rates of examination of their shipments. This expedited flow of legitimate goods in turn allows the CBSA to place greater focus on shipments of high or unknown risk.

In addition to the FAST lane expansion, the CBSA committed to extending FAST lane eligibility to members of a single Trusted Trader program, rather than requiring membership in both the PIP and CSA programs. This expansion requires modifications to the CBSA's information technology systems; once launched, the CBSA will have increased the number of trusted traders that have FAST access.

Table 3.1 – Trusted Trader Programs

Performance Indicator	Baseline/Target	Result
Value for Duty (VFD) of Trusted Trader members (PIP/CSA) as a percentage of total commercial VFD.	Baseline / Target: 27% (Based on 2012-13 data)	In 2016-17, the VFD for Trusted Trader members was 34.5%.
Analysis of Results: VFD percentages of Trusted Trader members demonstrate the economic and trade benefits of streamlining commercial imports into the Canadian economy. As the value for duty of imports can fluctuate based on economic factors that are out of the CBSA's control, the target rate has been set at the lower baseline value reflective over historical fiscal year figures. It will be revised in the future.		
Trusted Trader imports as a percentage of total commercial imports.	Baseline / Target: 13.5% (Based on 2012-13 data)	In 2016-17, Trusted Trader imports accounted 13.9% of all imports.
Analysis of Results: Providing the import percentages of Trusted Traders demonstrates the economic and trade benefits of streamlining commercial imports into the Canadian economy as well as mitigating lower risk goods in order to focus operations on areas of higher risk. As import trade volume can fluctuate based on economic factors that are out of the CBSA's control, the target rate has been set at the lower baseline value reflective over historical fiscal year figures. It will be revised in the future.		
Ratio of regular commercial (non-Trusted Trader) examination rate compared to Trusted Trader examination rate.	Baseline: 3.6 to 1 (Based on 2013-13 data) Target: 2.1 to 1	In 2016-17, the ratio of regular commercial examination rates to Trusted Trader examination rates was 2.3 to 1.
Analysis of Results: The ratio of Trusted Trader versus regular commercial examinations demonstrates the reduced probability of Trusted Traders having their goods being examined. Trusted Trader members benefit from reduced cost per exams and an increased certainty of facilitated goods entry.		

Performance Indicator	Baseline/Target	Result
Number of new Trusted Trader (PIP/CSA) memberships.	Baseline: 197 (Based on 2012-13 data) Target: 155	In 2016-17, the CBSA welcomed 259 new Trusted Trader members.
Percentage growth of Trusted Trader (PIP/CSA) memberships.	Baseline: 5.9% (Based on 2012-13 data) Target: 1.2%	In 2016-17, memberships in Trusted Trader programs grew by 3.8%.
Analysis of Results: Trusted Trader memberships reflect industry’s interest in the program. The target rates have been set at the lower baseline value reflective over historical fiscal year figures. They will be revised in the future.		

In June 2014, the CBSA launched a Trusted Trader Portal through which clients may submit applications and membership updates electronically. This in turn allows the CBSA to process applications more efficiently. **Table 3.2** outlines performance indicators and current status.

Table 3.2 – Trusted Trader Portal (TTP)

Performance Indicator	Status
Adoption rate as a percentage of eligible PIP migrated members in the TTP.	Work continues on streamlining system enhancements to the TTP and on further development of a Trusted Trader Performance Reporting tool. Data collection, measurement, and reporting on new indicators are expected in 2018.
Time savings in PIP application processing as a result of TTP implementation.	

Further to the alignment of program requirements, harmonization of the PIP and the US Customs Trade Partnership Against Terrorism (CTPAT) programs in the areas of policy, procedures, and processing practices has progressed and will enable eligible highway carriers to apply to both programs using a single application process through one portal. A pilot to test the business readiness and the interoperability of Canadian and US portals was launched in fall 2017. It is anticipated that the pilot will conclude in early 2018, at which time results (**Table 3.3**) will be jointly assessed to determine next steps.

Harmonized members or applicants will also benefit from having only one site validation to maintain their membership in both programs. The CBSA signed an information sharing Memorandum of Understanding with the US in 2014 to formalize the exchange of program-related information in order to fully administer harmonized memberships.

Table 3.3 – Harmonization of PIP and CPTAT

Performance Indicator	Status
Number of new PIP and/or CPTAT members as a result of harmonization.	PIP/CTPAT harmonization has yet to be fully implemented. This is a new indicator against which progress will be reported, beginning in 2018.

Enhancing Facilities to Support Trusted Trader Programs

This Beyond the Border initiative aims to increase facilitation and expedite border clearance, and save time for businesses. It is supported by two CBSA-led programs: the Free and Secure Trade (FAST) is a commercial clearance program that uses dedicated lanes (where available) to expedite border passage, while the Commercial Driver Registration Program (CDRP) makes it easier for commercial freight transporters to pass through customs into Canada from the US.

As part of the FAST expansion, the CBSA opened a new dedicated FAST lane and booth at Fort Erie, Ontario, and modified the existing FAST lane at Pacific Highway, British Columbia to be available 24/7. The opening of a FAST lane in Emerson, Manitoba is scheduled for late 2018 or early 2019.

Table 3.4 outlines performance measures, targets, and results to date on FAST membership and FAST lane use. Increased participation in FAST will facilitate low-risk trade and travel and allow CBSA officers to focus on travellers and traders of higher or unknown risk.

Table 3.4 – FAST

Performance Indicator	Baseline/Target	Result
Number of new FAST applications and percentage change in FAST membership.	Baseline: 7,114 (Based on applications received in 2012-13) Target: 7,202	In 2016-17, 7,210 were received, which represents a 0.3% increase in total membership.
Number of FAST lanes at Canadian ports of entry	Baseline: 3 (Established in 2012-13) Target: 5	In 2016-17, four (4) FAST lanes were operational at Canadian ports of entry.
Percentage reduction in port passage time for FAST lane users; FAST lane use as a percentage of total commercial traffic.	Data collection for these indicators requires installation of performance measurement technology. The CBSA recently implemented this technology at Fort Erie, and will do so at Pacific Highway, British Columbia and Emerson, Manitoba in the near future.	

Single Window Initiative (SWI)

The SWI provides a means through which importers can electronically submit all information to comply with customs regulations and those of other participating government departments and agencies (PGAs). The SWI aims to eliminate redundant processes at the border and provide consistent application of the Government of Canada’s commercial import reporting requirements. It also aligns with international standards and enhances government service delivery for the trade community through simplified border processing.

The SWI went live on March 29, 2015 and since that time, the CBSA has incorporated 38 programs from nine PGAs. SWI has made Canada-US trade more efficient: 96% of data elements of Canada’s Integrated Import Declaration (IID) align with those of the US. Please refer to **Table 3.5** for indicators and results achieved to date.

In fall 2017, the CBSA announced a strategy to decommission two legacy service release options for goods that other departments and agencies regulate. The CBSA is conducting outreach activities in collaboration with participating departments and agencies to encourage trade chain partners to on-board to the SWI in advance of the targeted decommissioning date of April 1, 2018.

Table 3.5 – Single Window Initiative

Performance Indicator	Baseline/Target	Result
Number of licences, permits, certificates and other import documentation (LPCOs) that are converted from paper to electronic form.	<p>Baseline: 176 out of 206 documents (85%) (Based on 2015-16 actual)</p> <p>Target: 202 out of 206 documents (98%)</p>	In 2016-17, 202 out of 206 (98%) were converted to electronic form.
Number of PGAs that conduct business electronically.	<p>Baseline: 19 PGAs totalling 38 programs (Based on 2015-16 actual)</p> <p>Target: 9 PGAs totalling 38 programs</p>	In 2016-17, nine (9) PGAs, totalling 38 programs, were conducting business electronically.
<p>Analysis of Results: Through the SWI, importers are now able to electronically submit all government import requirements in a single Integrated Import Declaration (IID) to the CBSA. This import process reduces administrative burden and associated costs for importers. 98% of LPCOs were converted to electronic form or can be submitted as a digital image. Four LPCOs remain in a paper format due to international requirements. Similarly, the SWI allows the CBSA to transmit import data electronically to the appropriate government department that regulates the goods; this facilitates real-time admissibility determinations and the electronic transmission of assessment decisions back to the CBSA and enables more timely assessments and decisions on imported goods.</p>		

Recommendation 4: Transport Canada and the CBSA need to explain how the results of their assessment of existing border wait-time technology were used to determine whether future installations of border wait-time technology are warranted at remaining crossings.

Under the Beyond the Border Action Plan, Canada and the US committed to install border wait time measurement solutions at top high-priority land border crossings. In December 2016, Transport Canada established an interdepartmental working group to develop the framework and performance indicators to measure and demonstrate the effectiveness of Border Wait-Time Technology solutions. Transport Canada will submit its report on this topic separately to the Committee.

Recommendation 5: CBSA needs to provide the Committee with the main results of its self-assessment of the outcomes in light of the expected benefits to be generated by radio frequency identification technology, and the main results of its lane-management option analysis paper exploring the feasibility and benefits of enhancing the original Beyond the Border Action Plan commitment.

Please refer to the attached Annex for the following:

- The CBSA's self-assessment of outcomes achieved in light of the expected benefits of RFID; and
- Results of the CBSA's lane-management option analysis paper, which explores the feasibility and benefits of enhancing the original Beyond the Border Action Plan commitment.

Recommendation 6: Transport Canada and the CBSA need to provide the Committee with a report outlining their new performance indicators, baselines, and targets as well as the travel benefits achieved. This report should also clearly explain why these performance indicators are appropriate for measuring the expected travel benefits.

In his fall 2016 report, the Auditor General examined Beyond the Border initiatives aimed at achieving travel benefits, including Increasing harmonized benefits to NEXUS members and installing RFID technology.

Increasing harmonized benefits to NEXUS members

As part of a trusted traveller program, NEXUS members are pre-approved as low-risk travelers who enjoy the benefit of expedited travel. This initiative was designed to increase and retain membership in NEXUS program, which will enable resources at ports of entry to focus more on unknown or higher-risk individuals.

Increasing NEXUS membership has been very successful (**Table 6.1**). The program reached the one million member milestone in July 2014. In 2016-17, there were 1,532,180 NEXUS members. In 2016-17 of the roughly 58M overall travellers crossing the Canada-US land border, approximately 6.7 million travellers took advantage of NEXUS lanes accounting for about 12% of all traveller crossings and some 15% of all vehicle crossings. To respond to increased demand for NEXUS membership, both CBSA and the US have regularly held enrolment blitzes to reduce wait times for applicants since 2012.

Benefits for NEXUS members have expanded under this initiative, and the US now recognizes NEXUS membership for Trusted Traveller lines at pre-board screening points for flights from Canada to the US. An increased number of Canadian airports have designated Trusted Traveller lines or dedicated entrances that allow NEXUS members to proceed directly to the front of the screening line. In addition, there is policy and regulatory coverage to expand NEXUS benefits to third countries.

Furthermore, Canadian NEXUS members are now eligible to participate in the US Transportation Security Administration’s Pre✓™ program, whose members can use this program when booking flights on participating airlines from participating airports within the US and to select international destinations. The Canadian Air Transport Security Authority has adopted some of the TSA’s Pre✓™ program practices at four of Canada’s busiest airports (Vancouver, Calgary, Toronto-Pearson, and Montreal) in order to allow NEXUS members to have access to faster security screening.

Table 6.1 – NEXUS Membership

Performance Indicator	Baseline/Target	Result
Number of new NEXUS applications.	Baseline: 215,598 (Based on 2012-13 actual data) Target: 206,507	In 2016-17, 238,774 new applications were received.
Total number of NEXUS members.	Baseline: 833,295 (Based on 2012-13 actual data) Target: 1,505,083	In 2016-17, there were 1,532,180 NEXUS members.
Percentage change in the number of members for NEXUS.	Baseline: 26.14% (Based on 2012-13 actual data) Target: 10.39%	In 2016-17, there was a 12.38% increase in NEXUS membership.
Percentage of NEXUS applications processed within 4-6 weeks.	Baseline: 99.5%	Percentage of NEXUS applications processed within 4-6 weeks.
Analysis of Results: Increased participation in NEXUS supports facilitated entry for low-risk travellers and allows CBSA officers to focus on those of higher or unknown risk. These indicators demonstrate the overall health of the program, as it continues to grow with new memberships and renewals. Meeting standards for NEXUS application processing demonstrates CBSA’s commitment to client service.		

Enhancing Facilities to Support Trusted Traveller Programs

Steady membership growth in NEXUS can be attributed to initiatives, such as lane expansion, that are designed to enhance member benefits, in tandem with facilitating border processes between Canada

and the US land border. To date, all 14 NEXUS lanes from the Beyond the Border Action Plan have been installed at the following land border locations:

- Abbotsford, British Columbia;
- Aldergrove, British Columbia;
- Douglas, British Columbia (2 lanes);
- Pacific Highway, British Columbia (3 lanes);
- Lacolle, Quebec;
- Stanstead, Quebec;
- Fort Erie, Ontario;
- Queenston, Ontario;
- Sarnia, Ontario; and
- Windsor, Ontario (2 lanes).

Table 6.2 provides an overview of performance indicators, targets, and results for NEXUS lane expansion.

Table 6.2 – NEXUS Lane Expansion

Performance Indicator	Baseline/Target	Result
Number of NEXUS lanes at Canadian ports of entry.	Baseline: 28 (Based on 2012-13 actual data) Target: 36	In 2016-17, 36 NEXUS lanes were available at Canadian ports of entry.
Number of passages in NEXUS lanes versus conventional lanes at each of the 14 expanded locations.	Baseline: Passages in NEXUS lanes: 3,527,678 Passages in conventional lanes: 18,225,910 NEXUS share: 16.22% (Based on 2012-13 data) Target: 17.08%	In 2016-17, NEXUS had a total share of 19.45% of passages at expanded locations (based on 5,727,641 passages in NEXUS lanes against a total of 23,686,965 passages in conventional lanes).
NEXUS passages as a percentage to total passages (all locations)	Baseline: 6.46% (Based on 2012-13 actual data) Target: 9.20%	In 2016-17, NEXUS passages accounted for 9.41% of total passages in all locations.

Installing Radio frequency Identification (RFID) technology

Under the Beyond the Border initiative, Canada committed to installing RFID technology to align with existing American investments and to expedite traveler processing and reduce border wait times.

The CBSA has installed RFID readers in 16 lanes and 8 sites. Both RFID installation and information technology design and development will continue in 2017-18. As it installs RFID readers, the CBSA monitors RFID document presentation to assess their impact on processing time. At this time, assessment is limited to processing times for NEXUS and FAST travellers in conventional (RFID vs non-RFID) lanes at completed sites. As additional card types are read, the assessment will expand to include the impact on processing times for travellers presenting acceptable RFID-enabled documents.

The CBSA will be able to demonstrate the benefits of RFID and report against performance indicators (**Table 6.3**) after the deployment of RFID readers to all identified sites and the installation of information technology upgrades to read RFID-enabled documents are complete. This is expected to begin in late 2018.

Table 6.3 - RFID

Performance Indicator	Baseline/Target	Result
Average traveller processing time for those using traditional document types versus those using RFID-enabled documents.	<p>Baseline: ¹Not available</p> <p>Target: Decrease in traveller processing time for those using RFID-enabled documents.</p>	As of November 2017, traveller processing time for those using traditional RFID documents is 66 seconds compared to 48 seconds for those presenting RFID-enabled documents.
<p>¹ Baseline data is not yet available, as this is a new initiative.</p> <p>Analysis of Results: The significant processing time saving of 18 seconds for an RFID passage at land border crossings results in an increase of client service and contributes to downstream economic benefits for Canadians.</p>		

Conclusion

As it refines its programs and upgrades border infrastructure for both travellers and Canadian businesses, the CBSA will continue to monitor its performance to ensure that these efforts are achieving expected benefits.

ANNEX

Recommendation 5: Radio Frequency Identification Technology

Self-Assessment

The Canada Border Services Agency (CBSA) conducted a self-assessment of the Radio Frequency Identification (RFID) initiative to measure the key performance indicators outcomes against expected benefits. The following table describes the benefits achieved based on the business outcome.

Business Outcomes	Status	Achieved Benefits
Reduce the administration burdens on CBSA border services officers (BSOs) while processing travellers, as they do not have to scan RFID travel documents	✓	An 18 seconds processing time efficiency as tombstone data and risk assessment provided to BSO as soon as vehicle approaches
Contribute to a full and accurate recording of traveller entries into Canada	✓	Tombstone data presented from secure databases increases accuracy of traveller information presented
Expedite or reduce traveller processing times	✓	An 18 seconds processing time efficiency created
Contribute to a complete risk assessment of the traveller presented for processing	✓	Risk assessment conducted and tombstone data retrieved
Promote economic growth	✓	Processing time efficiency creates a potential increase in additional throughput at ports of entry with RFID technology
Increase public awareness of RFID-enabled documents, the availability of RFID technology at the border, and the impacts of RFID technology on traveller processing	✓	Benefits are being achieved through an effective communication plan which includes releasing communication activities to the public via Media Lines, news release, Tweet, Facebook status update, Questions & Answers, Public Notices, and video
Increase the opportunity for BSOs to focus more on the factors associated with traveller interview, behavioral indicators and security risk & effectively make admissibility decisions	✓	18 seconds processing time efficiency allows for BSO to focus on traveller interaction and efficiently make admission decisions

Based on the analyses and the key performance indicators, it has been found that the RFID installation has provided the expected benefits in regards to processing time savings specifically in the lanes that have the RFID equipment. Having a significant processing time saving of 18 seconds for a RFID passage at land border crossings, translates to potentially allowing additional throughput into Canada and a significant economic benefit to Canadians.

Lane Management Options Analysis Paper

A lane management option analysis was conducted to explore the possibility and benefits of expanding the original commitment of installing RFID technology in 2 lanes at 11 ports of entry (POE).

The CBSA should expand the use of RFID technology at large POEs. Traveller processing is reduced by approximately 30% when processing a traveller presenting a RFID-enabled document compared to a non-RFID enabled document. This translates to quicker processing time for all travellers and enhanced border security and officer safety, as the risk assessment information is provided in advance of the vehicle arriving at the primary inspection booth.

In 2016-17, the CBSA processed over 57 million travellers at land POEs with over 40% of those entering at 11 land POEs. At the moment, about 23% of travel documents presented at the land border are RFID-enabled (e.g. NEXUS and FAST cards, Canadian and American Enhanced Driver's Licenses, Enhanced Identification Cards, RFID-enabled permanent resident cards and United States (US) passport cards). As the Canadian Passport has been presented for the majority of passages, offering an RFID-enabled Passport Card, as the US does, could further increase throughput at POEs where RFID technology is deployed in conventional lanes. Alternatively, in an effort to further realize processing time efficiencies, the Government of Canada could explore the issuance of a RFID tag to frequent travellers that would link to a traveller's admissibility document.

In conclusion, increasing the availability and presentation of RFID-enabled documents, coupled with expanded RFID technology at large POEs, would result in a noticeable increase in traveller throughput within existing resource levels and infrastructure, while improving the traveller experience at the border.