Inland Border Issues: The Alberta-Montana Region

Geoffrey Hale

University of Lethbridge // Borders in Globalization Project

Presentation to:
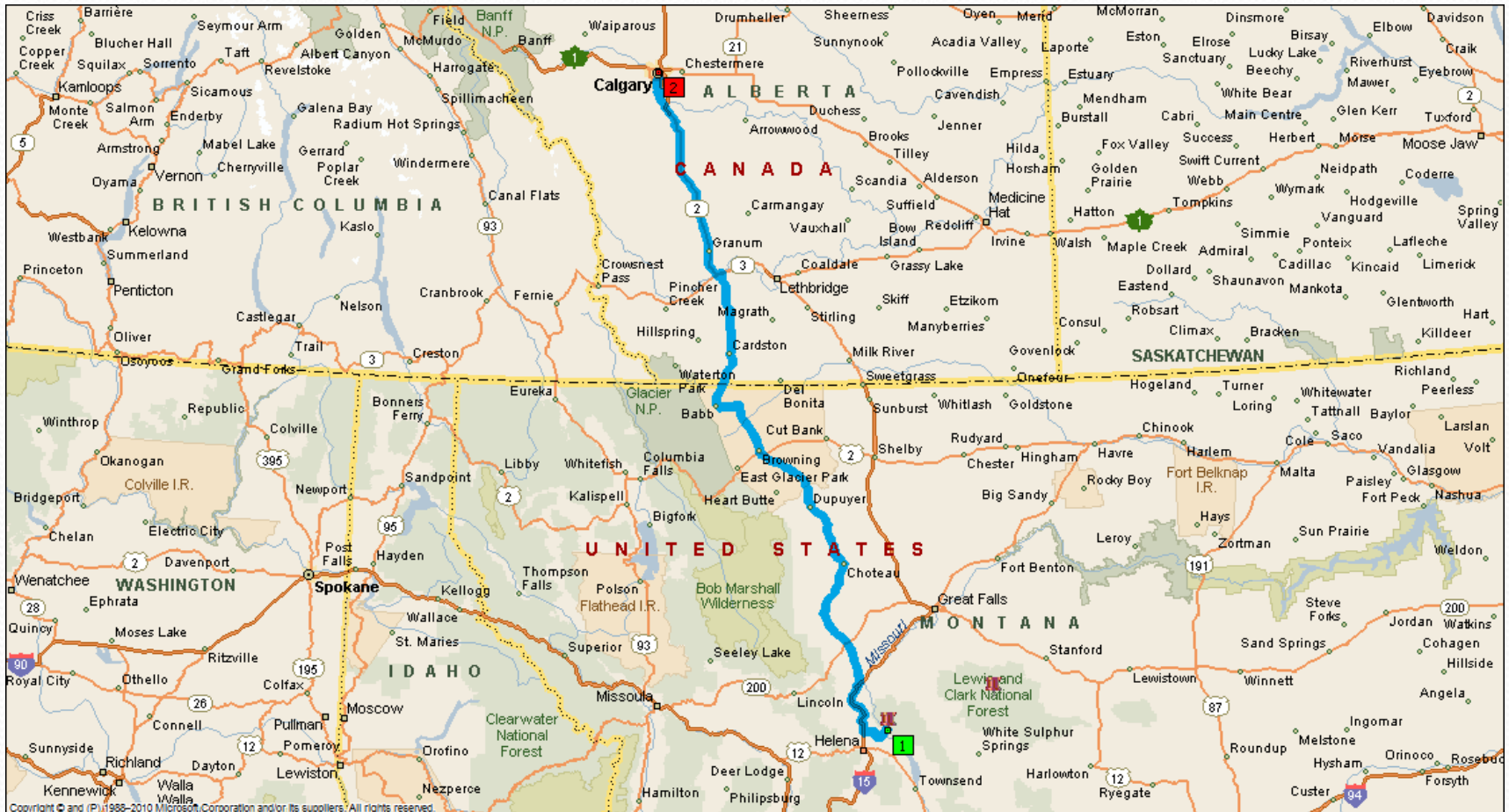
PNWER Annual Summit, Big Sky, MT, July 14, 2015

Overview

- The Prairie/Plains / Trans-Mountain Region (Alberta-Montana plus)
- Trends in Trade-Travel Flows in broader AB-MT region
- Major issues and recommendations

Border Perspectives
Dispersed territory, population . . .

Border Perspectives
Dispersed territory, population . . .

Alberta- SE British Columbia

Medium-sized urban (2011)
- Lethbridge CMA 106,000
- Medicine Hat CMA 73,000

Rural and small urban (2011)
- South-eastern AB 30,800
- South-western AB 55,400
- Cranbrook CA (BC) 25,000
- East Kootenays (BC) 31,700

Total 321,900

Calgary CMA 1,215,000

Source: Statistics Canada, 2011 Census.

Montana

Western Border Counties
- Flathead (Kalispell) 94,000
- Lincoln (Eureka) 20,000

Central Montana
- Cascade (Great Falls) 83,800
- Hill (Havre) 17,000
- Glacier (Cut Bank) 13,800
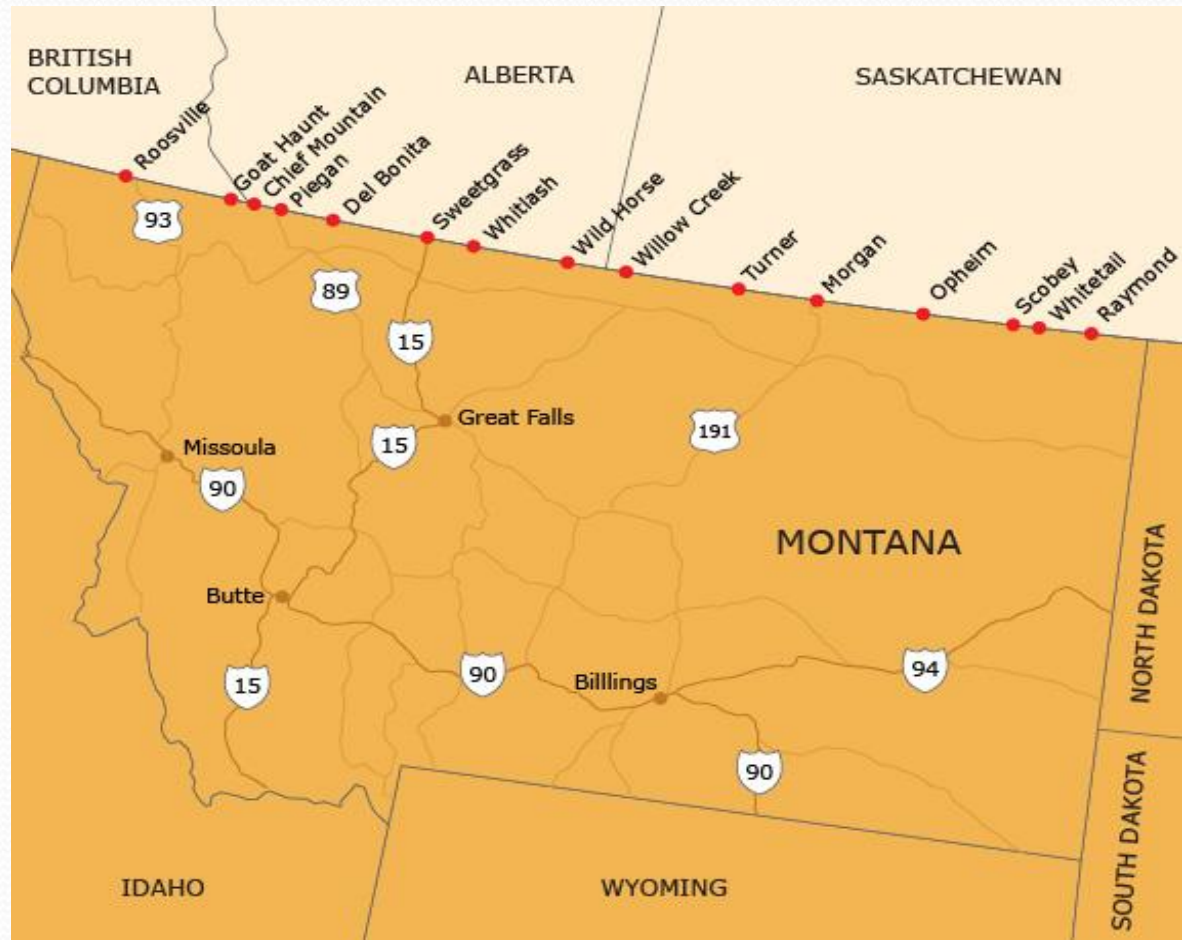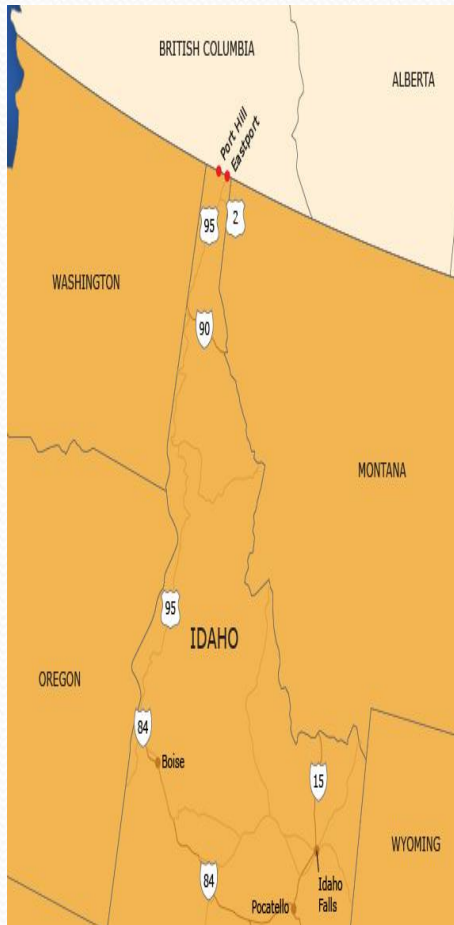- Five other counties 26,200

Eastern Border Counties
- six counties 34,800

Total 289,600

Source: U.S. Census Bureau, 2014.

Prairies / Plains / Trans-Mountain Region "Alberta-Montana Plus"

The Land Border
A Border Security / Service Agencies View

CBP Oversight (Great Falls):   Montana and Idaho (14 land POEs)
U.S. Border Patrol: Havre (Montana east of Continental Divide); Spokane (E WA, ID, W MT)
CBSA Oversight (Coutts):   Alberta / Saskatchewan

	Km	Mi.	Major	Medium	Small/Remote
Alberta-Montana	298	185	1 Sweetgrass-Coutts	0	6*
BC-Montana	144	89		1 Roosville	0
BC-Idaho	72	45	1 Eastgate/ Kingsgate	1 Porthill/ Rykerts	0
Saskatchewan-Montana	435	271	1 Raymond/ Regway	0	5
Saskatchewan-N. Dakota	197	122	1 Portal / N. Portal	0	5
Total	1,146	712	4		

* Includes seasonal port / crossing at Chief Mountain

Border Perspectives
Different Interests, Different Borders

AB-NW MT Tourism Border   Trucking Industry View

The Trade Border

- Southbound trade dominated by bulk commodities
  - widely distributed
  - I-15 corridor (Sweetgrass / Coutts) principal N-S corridor for trucks
  - Other major truck corridors through Portal (ND/SK), Eastgate (ID/BC)
  - 9th, 10th, and 15rd busiest Can-US truck crossings (of 83)
  - Major rail corridors from Blaine (WA) through Int'l Falls (MN)
  - Raymond / Regway secondary gateway (after Portal) for SK trade with Western states (# 23)
- Northbound trade
  - I-15 corridor dominant corridor, followed by US/BC 95 through N. Portal, SK, Kingsgate, BC Higher volumes of truck freight for northbound crossings
  - Little correlation between number of truck shipments, freight value
  - Growing volume of "empties" crossing border southbound in recent years
- Smaller crossings (ex. Raymond, Roosville)
  - main importance for local shippers / customers

The Trade Border

Alberta

- Widely dispersed shipments (2014) (billions of US dollars)
  - Pipeline $74.2 bn.   78.0%
  - Rail $ 13.7 bn. 14.4%
  - Truck $ 7.3 bn.   7.6%
- Major truck freight shipments
  - Montana $ 4.2 bn.   58.3%
    - Sweetgrass
  - N. Dakota $ 1.6 bn.   22.7%
    - Portal
  - Idaho $ 650 mm 9.0%
    - Eastgate

Source: U.S. Bureau of Transportations Statistics

Montana

- Exports to Canada (2014) $ 549 mm

	$ mm.	% by truck
Alberta	$ 223.3	76.1%
Saskatchewan	92.3	94.7%
B.C.	47.4	72.1%

- Value of Truck Freight through Montana POEs – 2014 (USD)

	Exports	Imports
Total	8.9 bn.	5.7 bn.
Sweetgrass	95.6%	90.4%
Raymond	4.4%	5.7%
Roosville	< 1%	1.4%
MT origin/destin.	2.5%	7.5%

The Trade Border

- Major issues
  - Regulatory coordination issues
    - Transportation . . . Rail safety . . . Agri-food / food safety
    - Addressed primarily in PNWER sectoral committees
      - Transportation / Livestock Health / Agriculture
    - Largely in federal jurisdiction → Regulatory Cooperation Commission
      - Sectoral committees: Transportation, Agriculture: meat + plant health; Processed Food.
      - Work in progress – easier to address new regulations than to revise / harmonize existing ones
      - Process requires proactive public service and industry engagement with U.S. counterparts

Border Traffic: 2000-13 Alberta-Montana Border
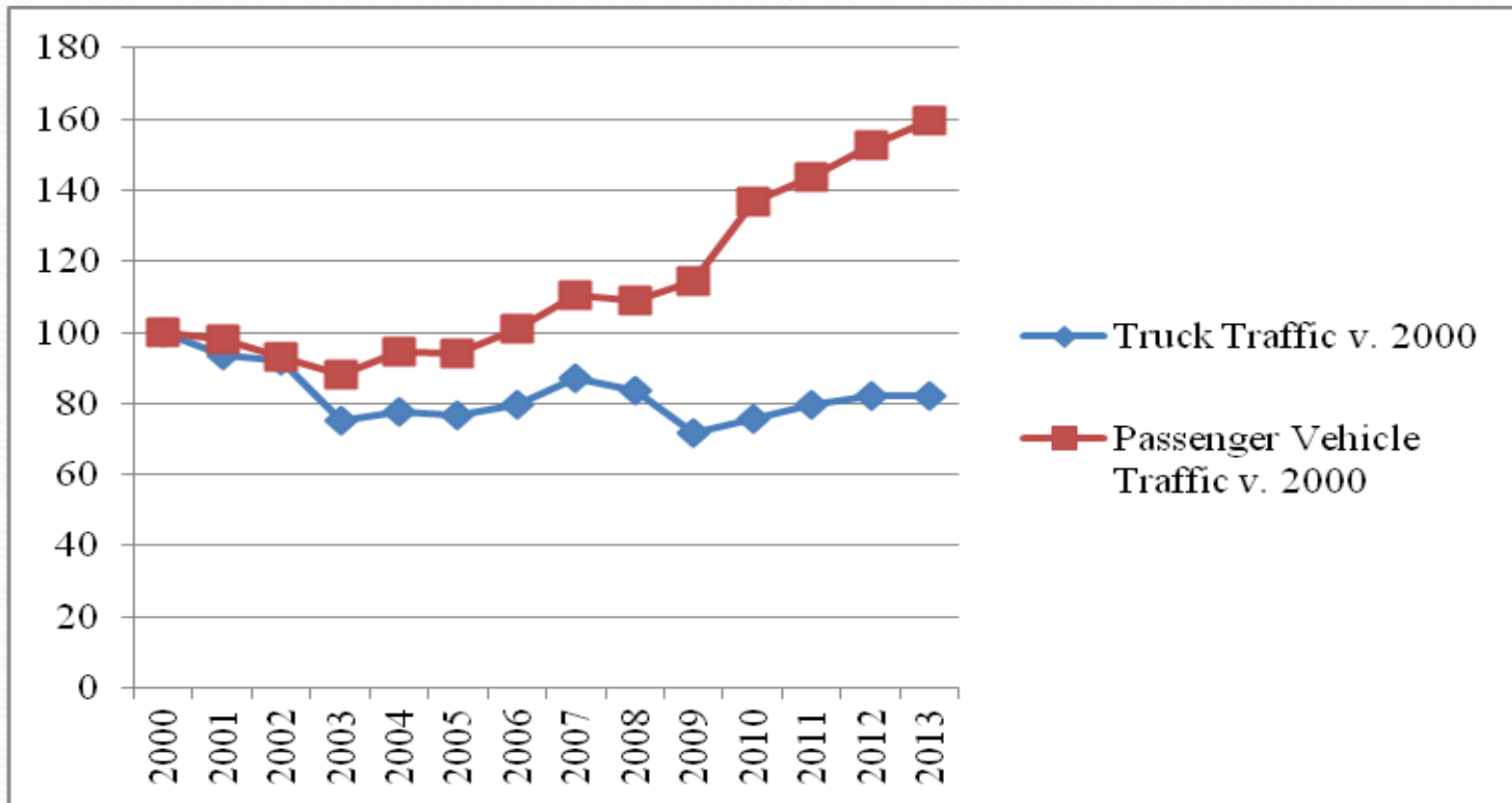
The Travel / Tourism Border

- Rapid growth of cross-border travel since 2005
  - Southbound traffic (Montana) – up 55% since 2000
- Reflects population growth, relative prosperity
- Minimal penetration of NEXUS cards, "secure" ID.
- Volumes and seasonality vary widely across crossings
- Limited impact of exchange rate shift in 2013-14
  - Varies by crossing, but flat overall in Montana/Idaho vs. 3.9% decline of Canada-US border crossings.

.

The Travel / Tourism Border

	SB cars/day 2014	% change 2000-14	% chg. 2013-14	Monthly std. deviation (2013)
Sweetgrass, MT	833.5	41.9%	- 2.2%	19.4%
Roosville, MT	647.8	153.4%	+ 2.9%	37.4%
Porthill, ID	483.0	53.0%	- 2.9%	15.1%
Piegan, MT	303.6	5.3%	- 6.1%	86.8%
Eastgate, ID	283.4	10.4%	+ 7.4%	54.8%
Del Bonita, MT	81.1	100.5%	+ 9.5%	36.0%
Raymond, MT	72.6	**- 11.7%**	+ 3.9%	31.4%
Wild Horse, MT	49.3	n/a	- 7.3%	41.0%
5 Eastern MT.	92.0	16.6%	n/a	20-40%
Total: MT/ID	2,848.0	48.7%	- 0.2%	n/a
Canada-US Total	87,615.7	- 13.4%	- 3.9%	20.3%

Key Findings

- Major issues vary by sector, region
  - Many issues addressed by sectoral committees (e.g. transportation / market access / livestock safety) → "Behind the Borders"
  - Meat sector – progress limited by political conflict over regulatory barriers to trade (COOL, duplication of inspection processes + challenges to harmonize new regulatory systems under updated U.S., Canadian food safety regulation.

- Key shared issues (land borders)
  - Predictability (wait times / admin. procedures)
  - Big difference in familiarity, problems between regular, occasional users, whether in trade or travel
  - Sectoral issues highly technical, generally addressed at national level.
  - Major focus on promoting "pre-clearance" among shippers, truckers

Key Findings

- Some progress visible as a result of Beyond-the-Border process
  - Changes to "in-bond, in-transit" rules have reduced barriers
  - Positive expectations for new E-manifest systems → but training critical for both private, public sector employees to achieve consistency
  - "Known employer" pilots *may* help with business staff travel, but jury's still out

Key Findings and Recommendations

- No single focus for coordinating private sector information, advocacy on border issues in Alberta, Montana
  - **Recommend** creation of Border Advisory Councils in Alberta, Saskatchewan, Montana, Idaho – suggests coordination by local governments, Chambers, economic development agencies on major trade and travel corridors, with prov. / state support if possible.
  - Goal: facilitate information sharing, cooperation among major stakeholder groups, interaction with relevant agencies in each jurisdiction, counterparts in neighbouring jurisdiction.
- Virtually all publicly available data available through U.S. government sources
  - **Recommend** that Canada Border Services Agency (CBSA) release online, searchable data (monthly, annual) on northbound freight movements, travel crossings comparable to US Bureau of Transportation Statistics. Data should allow for disaggregation of movements by Canadians, Americans.

Key Findings and Recommendations II

- Occasional and periodic users have greatest challenges with border procedures, requirements → especially small businesses, ranchers and farmers engaged in occasional cross-border shipments.
  - **Recommend** that border region Chambers of Commerce hold periodic information sessions on border processes for small businesses, agri-firms, in cooperation with Border Agencies, proposed advisory councils.
- Frequent reports of inconsistent application of border rules governing trade, business travel, freight shipments
  - **Recommend** that PNWER border issues council commission targeted research project to identify and quantify specific challenges facing business and other service professionals, determine extent to which compliance issues relate to structure of rules, relatively lack of familiarity by border users or by border agency staff.
  - **Recommend** monitoring application of "single trip in-bond highway movements" to identify areas requiring improved public information, training for border users and/or agency staff.
  - **Recommend** review of national criteria for designating commercial ports to promote increased harmonization (facilitate regional trade corridors).