

May 19, 2017

Honourable Scott Brison
President of the Treasury Board
90 Elgin Street, 8th Floor
Ottawa, ON K1A 0R5

Honourable Ralph Goodale
Minister of Public Safety and Emergency Preparedness
House of Commons
Ottawa, ON K1A 0N5

Honourable Francois-Philippe Champagne
Minister of International Trade
House of Commons
Ottawa, ON, K1A 0A6

Honourable Marc Garneau
Minister of Transport
330 Sparks Street
Ottawa, ON K1A 0N5

Honourable Bardish Chagger
Minister of Small Business and Tourism
House of Commons
Ottawa, ON K1A 0A6

Honourable Bill Morneau
Minister of Finance
90 Elgin Street
Ottawa, ON K1A 0G5

Dear Ministers,

Re: Investments in Our Borders

Together, our associations represent the business sectors that comprise the backbone of the Canadian economy. Our members employ millions of Canadians who are a vital part of the US-Canada trade relationship.

Uncertainty surrounding the future of NAFTA and cross-border commerce in general has grown rapidly since the inauguration of a new administration in Washington. While we will all closely watch the evolution of the Canada-US trade relationship in coming months, we also want to bring to your attention problems within our own borders that demand urgent attention.

Over the last several months, our members have experienced serious issues with the processing and release of cross-border goods as a result of technical issues and frequent outages related to the Canada Border Services Agency's IT system.

The hardware that supports this electronic system is antiquated and requires major upgrades to meet the demands of today's cross-border trade. This system is crashing on a regular basis. When these outages occur, trade at the border slows down to a trickle. We estimate the border has experienced system shutdowns about thirty times since January 1. At times, border trade is delayed for several hours.

We understand that CBSA has announced plans to replace its border IT infrastructure through the CBSA Assessment and Revenue Management (CARM) project. There are indications that CARM is at least three years away - perhaps longer. We simply cannot afford to wait this long. This problem urgently needs to be resolved as these system crashes are costing Canadian businesses millions of dollars in lost productivity.

We believe the issue can be resolved by investing capital in the CBSA IT systems and additional staffing. We realize the funding required to upgrade these outdated systems is significant. However, such an investment to keep the border open for business is dwarfed by the immediate and long-term damage the economy will suffer if these outages continue at the current pace.

Unfortunately, the systemic problems at CBSA are not restricted to IT issues. Staffing shortfalls, which have been an ongoing challenge to the trade community, appear to be getting worse. Simply put, the border is thickening because of a lack of staff to facilitate cross-border commerce, coupled with these

system crashes. As a result, the Canadian cross-border business community is forced to brace for unprecedented disruptions that will impede commerce and weaken the Canadian supply chain.

In addition, Canada Tourism is spending \$210 million to promote tourism to Canada from the U.S. and around the world for Canada's 150th birthday. If travellers face extensive wait times and delays at the border because of staffing and IT issues, this may cause irreparable damage to our nation's tourism, economy and reputation.

The Canadian government's policies and investment priorities must ensure the efficient facilitation of cross-border trade. We understand that government resources are in high demand. However, until these problems are resolved, Canada, which is deeply dependant on cross-border trade, will face the economic consequences of an unreliable, inefficient and faulty border. Our nation's competitiveness is a stake.

We request the Treasury Board of Canada increase CBSA's budget as soon as possible to fix CBSA IT issues and add the staff required to help facilitate trade at the border.

We would be pleased to provide any further information you may require concerning why we believe action is urgently needed and would welcome the opportunity to work with you to ensure that Canada's borders can efficiently meet the needs of Canada's businesses.

Sincerely,



Ron Rienas, General Manager
Buffalo and Fort Erie Public Bridge
Authority



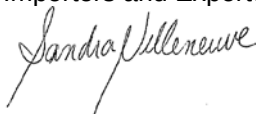
Joy Nott, President and CEO
Canadian Association of
Importers and Exporters



Stephen Laskowski, President
Canadian Trucking Alliance



Mark Fisher, President & CEO
Council of the Great Lakes Region



Sandi Villeneuve, President
Association of International
Customs and Border Agencies



Bob Ballantyne, President
Freight Management Association of
Canada



Gerald Gauthier, Vice President
Railway Association of Canada



Cathy Campbell, President
Responsible Distribution Canada



Perrin Beatty, President and CEO
The Canadian Chamber of Commerce



Mark Nantais, President
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Jim Manno, President
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