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Air Preclearance

U.S. preclearance operations are currently in place at foreign airports in six countries (nine of these airports are located in Canada). At these locations, travelers undergo U.S. CBP inspections prior to departing foreign soil. This process accomplishes three main goals:

1. Arrival in the U.S. is expedited, and congestion is reduced.
2. International travelers can arrive at airports that do not have full customs facilities.
3. Threats to national security are identified before departing foreign soil.

Preclearance sites are located at international airports in the following locations:

Canada: Calgary, Edmonton, Halifax, Montreal, Ottawa, Toronto, Vancouver, Victoria, Winnipeg

Caribbean Region: Bahamas (Freeport and Nassau), Bermuda, Aruba

Ireland: Shannon, Dublin

United Arab Emirates: Abu Dhabi

Introduction. On March 16, 2015, the U.S. and Canada signed a Preclearance Agreement.¹ The Agreement gives both countries the authority to implement passenger preclearance beyond the air mode (see sidebar) and expand to the land, rail, and marine modes of transportation. In addition, the Agreement enables Canada to request the U.S. to regularize existing U.S. immigration pre-inspection sites, namely at cruise, rail, and ferry terminals in British Columbia. This Border Policy Brief highlights rail and marine locations in the Pacific Northwest that will be affected by the Preclearance Agreement, and monetizes some of the benefits accrued to both travelers and operators if preclearance is implemented at these sites.

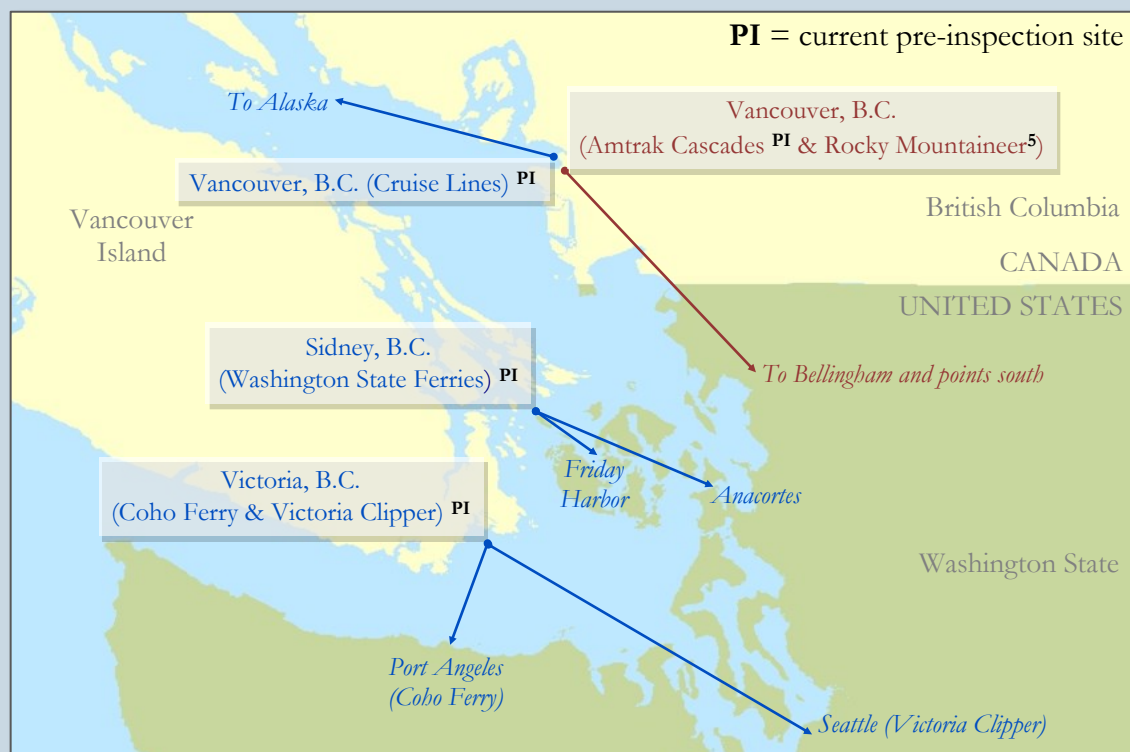
Background. Under the Beyond the Border Action Plan, signed in 2011, the U.S. and Canada agreed to work together to address threats at locations away from our shared border. As the joint declaration states: “we intend to pursue a perimeter approach to security, working together within, at, and away from the borders of our two countries to enhance our security and accelerate the legitimate flow of people, goods, and services between our two countries.”² This shift to a perimeter approach includes expanding preclearance operations to include land, marine, and rail. Although both countries signed the Preclearance Agreement in 2015, neither have enacted the Agreement into law.³

Passenger Preclearance vs. Pre-Inspection. While the U.S. has conducted preclearance operations at major Canadian airports for over 60 years, preclearance does not currently exist in other modes. However, there are rail and marine operations that operate as *pre-inspection* sites for U.S.-bound travelers departing Canada. Under pre-inspection, travelers are processed by U.S. Customs and Border Protection (CBP) in Canada for immigration purposes only and must undergo customs and agriculture inspections upon arrival in the U.S. Pre-inspection provides benefits in terms of advanced security screening, yet for individual travelers, delays associated with customs inspections still exist and can be unpredictable. Pre-inspection operations are conducted at a number of locations and are negotiated on a case-by-case basis, as no national framework exists in either Canada or the U.S. for these operations. If and when the Preclearance Agreement is enacted, existing pre-inspection facilities may either transition to full preclearance or eventually cease pre-inspection operations and transition to post-clearance, with all customs and immigration inspections occurring upon arrival in the U.S.

Pre-Inspection in the Pacific Northwest. The Pacific Northwest is home to a number of cross-border passenger operations between British Columbia, Washington State, and Alaska. The passenger operations displayed in Figure 1 focus on the rail and marine modes and include four ferry routes, one cruise route (used by multiple companies), and two rail operations. Collectively, these operations transport more than 1.3 million passengers across the border every year. Currently, pre-inspection operations in the region operate at four locations in British Columbia and include: 1) a ferry from Victoria to Port Angeles and from Victoria to Seattle; 2) a ferry from Sidney to Friday Harbor and/or Anacortes; 3) the Amtrak Cascades train from Pacific Central Station in Vancouver to Bellingham and points south, and 4) cruise ships from the Port of Vancouver to Alaska.

Benefits of Preclearance. Because preclearance occurs *prior* to the initiation of travel, any delay associated with customs and immigration inspections is distributed on an individual basis, rather than to the entire group of travelers.⁴ This is not the case with pre-inspection operations. On the Amtrak Cascades route, for example, the train stops at the U.S. border and CBP officers board the train to conduct customs inspections. This additional stop is applied equally to all travelers on the train and, if CBP officers identify something inadmissible, additional delays are possible and, more importantly, *unpredictable*. Similarly, travelers on Black Ball's Coho Ferry are processed by CBP *en masse* upon arrival in Port Angeles, Washington. With preclearance, the possibility of unpredictable delays is minimized.

Figure 1. Marine and Rail Cross-Border Passenger Operations between British Columbia, Washington State, and Alaska

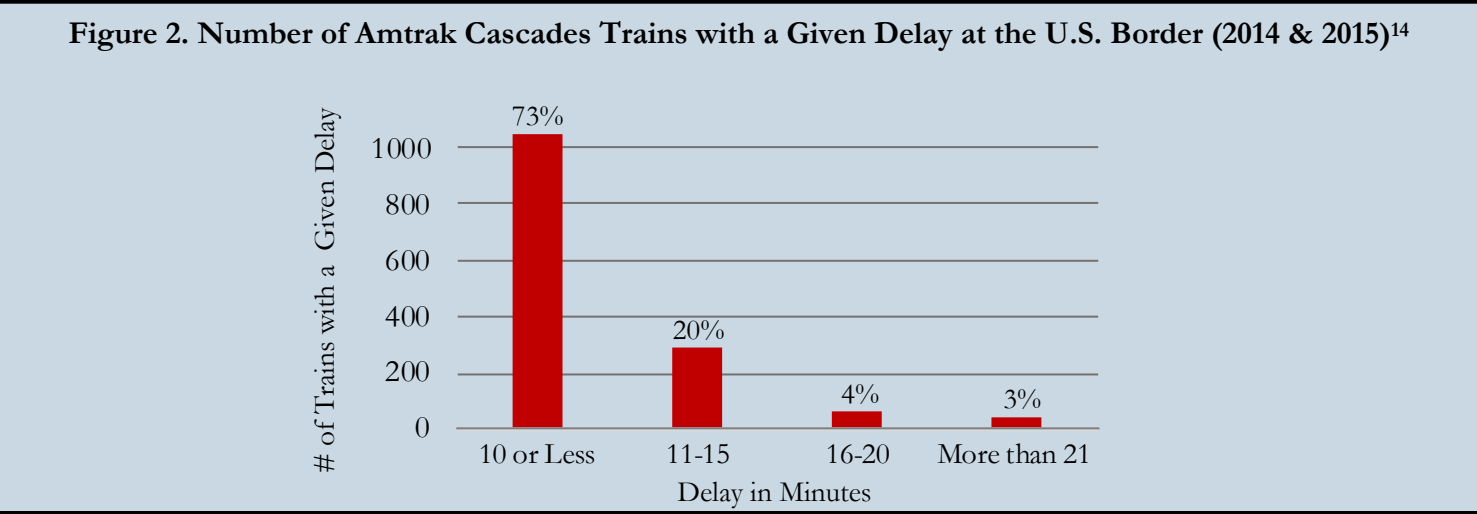


Operation	Round-Trip Cross-Border Volumes (2015) ⁶
Amtrak Cascades	151,000 passengers
Rocky Mountaineer	1,800 passengers (12 round-trip departures) ⁷
Washington State Ferries (Sidney Terminal)	139,039 passengers (47,058 vehicles) ⁸
Cruise Ships	400,000 passengers pre-inspected ⁹
Black Ball Ferry Line's Coho Ferry	413,443 passengers (128,621 vehicles)
Victoria Clipper	250,000 passengers

Table 1 displays the time and U.S. dollar savings associated with a transition from pre-inspection to preclearance for select rail and marine operations in British Columbia. The annual travel time saved represents the average time savings expected to result from preclearance. The annual savings for all travelers is calculated by monetizing the yearly travel time saved.¹⁰ For example, if travelers on the Amtrak Cascades save an average of 14 minutes on each trip, and there are 75,500 travelers, the annual travel time saved equals 17,616 hours, a monetary value of \$315,326. It is important to note that the anticipated time savings from preclearance applies equally to all travelers in the rail mode. However, the travel time saved in the marine mode varies depending on where one is in the queue when disembarking (i.e., only those at the end of the queue experience the full delay). We accounted for this variability by assuming that the delay increases linearly with queue position then summing the estimated delay for each passenger in the queue. The cumulative value of those individual delays equals the annual travel time saved for passengers on Black Ball’s Coho Ferry and the Victoria Clipper.

Table 1. Estimated Time & Dollar Savings from Preclearance in Select Operations					
Operation	Annual South-bound Passengers (2015)	At-Border Delay for Inspection ¹¹	Estimated Savings from Preclearance		
			Annual Travel Time Saved ¹²	Annual Savings for All Travelers	Savings per Traveler per Trip ¹³
Amtrak Cascades	75,500	14 minutes	17,616 hours	\$315,326	\$3.88
Black Ball’s Coho Ferry	212,206	20-30 minutes	44,365 hours	\$794,133	\$7.46
Victoria Clipper	125,000	23 minutes	24,065 hours	\$430,763	\$6.86

In addition to time savings from preclearance, there are multiple benefits associated with increased predictability, both for individual travelers planning trips and for operators charged with fleet management and rail track scheduling. Figure 2 highlights the example of Amtrak Cascades. From 2014 to 2015, 1,431 southbound trains crossed the border into the U.S. on the Amtrak Cascade route. 73% of trips were stopped at the border for 10 minutes or less, which is the amount of time the train is scheduled to stop on the track. However, 20% of trains were stopped for 11 to 15 minutes, 4% for 16 to 20 minutes, and 3% for over 21 minutes. Delays over 21 minutes (which occurred 38 times from 2014 to 2015) tend to accrue with other delays, making it difficult to arrive on time at the end destination. A reduction in unpredictable delays that is likely to result from preclearance may lead to increased ridership and revenue (an analysis beyond the scope of this Border Brief). Indeed, reliability is reported by travelers in the Pacific Northwest as the second most important consideration for long-distance travel. Additionally, there are fuel savings that would result from reduced idling times for trains, ferries, and automobiles that would otherwise be awaiting additional processing upon arrival at the U.S. border.



Costs. Implementing passenger preclearance in the marine and rail modes presents challenges both financially and logistically for some sites in British Columbia. The process for implementing preclearance in these modes is still being developed, and will depend on both CBP and CBSA working on a case-by-case basis with individual operations. CBP is currently in the process of establishing technical design standards for preclearance sites, some of which may not be achievable for all operations that desire to become preclearance sites. For example, requirements for additional physical space may not be feasible at sites that are already in congested locations. In addition, the cost of CBP officers stationed at pre-inspection sites in Canada is currently paid for by the U.S. Department of Homeland Security. With the exception of existing sites, the cost of new preclearance operations for passengers will be born by the operation itself. The costs and benefits of passenger preclearance will thus be distributed differently by different operations.

Policy Status. The benefits described in this Border Policy Brief highlight some of the value of implementing passenger preclearance in marine and rail operations in the Pacific Northwest. Efforts are underway to pass legislation in the U.S. Congress that will enact the Preclearance Agreement into law, and legislation was introduced in the Canadian parliament in June 2016. If and when the Agreement enters into force, operators will have 180 days to indicate their interest in converting facilities to preclearance. At that point, CBP will work individually with each facility to develop a plan to transition to preclearance, recognizing that some facilities will take longer than others to make such a transition. As the Explanatory Memo states, “*expansion of preclearance to the land, rail and marine modes will enable preclearance operations to be implemented where and when it is deemed to be an effective and beneficial border management solution.*”¹⁵ It is important to note that the legislation lays the foundation for a range of possibilities for expanding preclearance operations.

Endnotes

1. Known in full as the *Agreement on Land, Rail, Marine, and Air Transport Preclearance Between the Government of the United States of America and the Government of Canada*, it supersedes the existing U.S.—Canada Air Preclearance Agreement signed in 2001. Although the Agreement has been signed by both the U.S. and Canada, it has yet to be authorized by law and enacted in either country.
2. Full text available at <https://www.dhs.gov/publication/beyond-border>.
3. The Government of Canada introduced preclearance legislation in June, 2016. In the U.S., there are ongoing efforts to introduce and pass preclearance enabling legislation in Congress.
4. While it is possible that preclearance may require travelers to arrive at their point of departure earlier, operators surveyed for this Border Brief did not anticipate a need for arrivals to occur earlier than they already do for pre-inspection.
5. Rocky Mountaineer operates out of its own station when departing Vancouver for Seattle, but returns to Pacific Central Station (also used by Amtrak Cascades) when traveling from Seattle to Vancouver. Southbound trains are not pre-inspected in Vancouver and do not stop at the border. Rather, CBP officers board the train upon arrival in Seattle, and perform inspections by individual train cars, which takes roughly 30 to 60 minutes.
6. Data provided by personal communication with operators unless otherwise noted.
7. Rocky Mountaineer's Coastal Passage route is in its second year of operation and volumes are anticipated to increase.
8. Washington State Ferries traffic statistics, available at http://www.wsdot.wa.gov/ferries/traffic_stats/.
9. Based on available data. See PNWER white paper, “The Benefits of US-Canada Preclearance in the Pacific Northwest.” Available at <http://www.pnwer.org/border-issues.html>.
10. To monetize time savings from reduced delays, we used the median figure from a range of U.S. Department of Transportation estimates for the cost of delay during travel (a per hour value of \$17.90). The range can be found at www.transportation.gov/sites/dot.gov/files/docs/USDOT%20VOT%20Guidance%202014.pdf.
11. The average at-border delay for CBP customs and agriculture inspections was reported by each operation.
12. Amtrak Cascades estimates are calculated by multiplying the number of annual southbound passengers by the average inspection delay at the border. Estimates for marine operations equal the number of southbound trips times the sum of border inspection delays times queue position, divided by queue length. Inspection delays for Black Ball's Coho Ferry vary from 20 to 30 minutes. Our calculations are based on a 25 minute delay.
13. For the Coho Ferry and the Victoria Clipper, savings per traveler represents an average savings distributed equally amongst all travelers regardless of their location in the queue.
14. Data provided by the Washington State Department of Transportation.
15. As stated in the *Explanatory Memorandum on the Agreement on Land, Rail, Marine and Air Transport Preclearance between the Government of Canada and the Government of the United States of America*.