

Presentation to the Senate Standing Committee on National Security and Defence regarding Bill S-2 An Act to amend the Customs Act

Jim Facette
President and CEO
Canadian Airports Council

Thank-you for the opportunity to address you on Bill S-2, An Act to amend the Customs Act – a piece of legislation Canada’s airports strongly support as a way to modernise the day-to-day provision of border services at Canada’s airports.

The Canadian Airports Council (CAC) is the voice for Canada’s airports. Our 45 members represent 180 Canadian airports, including all of the National Airports System (NAS) airports and most passenger service airports in every province and territory. Together, CAC members handle virtually all of the nation’s air cargo and international passenger traffic and 95% of domestic passenger traffic.

The CAC is a strong supporter of this proposed legislation, which we believe is essential to modernising the provision of border services at Canada’s airports. In particular, the amendments that will allow for the practical implementation of Customs Controlled Areas represent a natural progression for the border agency, allowing officers to exert control over a much wider area. For airports, we see this extension as both an improvement in security and an improvement in service efficiency.

These amendments will allow for the designation of CCAs, the restricting of access to CCAs, and require travellers within a CCA to report to a CBSA officer upon request. They also will allow for the examination of goods and

search of travellers within a CCA or upon exit of a CCA. As officers today can only question travellers or examine baggage when one leaves the customs area, this change represents a significant increase in security.

These changes will operationally benefit both the CBSA and travelers as they will allow the CBSA to focus its efforts on the areas of risk and people of interest, as well as enable travellers to attend to their business as usual without being stopped and questioned every time they exit the area.

There has been tremendous growth in both passengers and cargo travelling internationally over the past decade. The current economic crisis is impacting traffic negatively but the overseas segment is Canada's strongest and we anticipate the international traffic to continue for years into the future. Without changes such as those proposed in Bill S-2, Canada's border system simply will not be able to keep up with the pace of business. These amendments will provide the CBSA with the flexibility it needs in this busy operating environment to perform its crucial role more effectively.

The implementation of CCAs also are considered a crucial step in the creation of Arrivals Duty Free, which currently is being considered by the federal Department of Finance. Arrivals Duty Free – the ability for international travellers to purchase duty free goods on arrival into Canada - is a win win for government.

Based on the experience in Australia, which has had ADF for many years, we believe implementing ADF in Canada would simply repatriate sales currently lost to foreign countries, resulting in the creation of jobs and increased federal tax revenue here in Canada. In fact, an estimated \$61 million in revenue would be repatriated to Canada through ADF, resulting in nearly 400 new jobs and just under \$4 million in increased federal tax revenue.

In closing, we encourage this committee to swiftly pass Bill S-2. We strongly feel that the reforms are overdue and essential to modernising the provision of border services in Canada for the 21st century. They will improve both the efficiency of border services, but also the security of our nation.