

Could Canada's hi-tech border controls provide the answer to Britain's customs union dilemma

Canada's fast and fuss-free system could be a solution for post-Brexit Britain

[Ben Riley-Smith](#), us editor 10 FEBRUARY 2018 • 7:15AM

For Matt Marchand, the border between Canada and America never meant that much. Born and raised in Windsor, Canada's most southern city, the lights of Detroit could be seen just across the river.

Despite the two cities being in different countries and separated by half a mile of water, he saw them as part of one whole.

"It is very similar to going from the north side of the Thames to the south side," he says, recalling nipping into America for dinner in the evening or to meet friends. "If you've lived here and grown up here, going to Detroit is not necessarily viewed as going to a foreign country."

As Britain's political class grapples to define its new trading relationship with Europe after Brexit, attention has been drawn to the Detroit-Windsor crossing.

David Davis, the Brexit Secretary, visited last year and returned preaching how new technology could be harnessed to create a "very open border" – triggering eye-rolls from critics.

Assembly line

Canada, like the post-Brexit Britain that Theresa May envisions, has no customs union with its largest trading partner but keeps tariffs low with a trade deal.

According to Mr Marchand, the 50-year-old president of the Windsor region's chamber of commerce, that arrangement has proved pretty effective.

"One hundred per cent it works well," he says. "The economies of Windsor and Detroit are linked on a daily basis. It is just natural here to pop across the border.

"We have 10,000 trucks a day going across. If it was a nightmare, they wouldn't be crossing. We wouldn't be building another bridge or maybe even two."

The numbers appear to support his case.

The Ambassador Bridge, which carries four lanes of traffic each way between the cities, is North America's busiest trading crossing. Some 25 per cent of all merchandise trade between Canada and America goes over the suspension bridge, with an estimated \$400 million (£290 million) generated each working day.

It is not uncommon for trucks to cross the border four times a day, while thousands of commuters make the same journey – not least the Canadians who help keep Detroit's hospitals running.

The relative ease of border crossing has allowed manufacturers, especially the car industry, to set up hubs on both sides – in effect creating a single assembly line between two countries. Local businessmen boast that one individual part – such as a widget – can cross the US-Canada border seven times before the product it is used in is complete.

The trick to the Ambassador Bridge's success, according to Stan Korosec, its director of security and Canadian government relations, is found in technology. His team runs a 24-hour operation designed to keep the trucks moving, hitting their 'just in time' factory requirements, while maintaining security.

"The idea is you want that truck to spend as little time as possible at the border," he explains. "It is all about trust and one way of establishing that is to remove doubt before the truck even gets there."

Fast and fuss-free

Canada uses a system called Free And Secure Trade for Commercial Vehicles, or Fast for short, which allows truck drivers to register for "trusted" status.

Once secured, the benefits are tangible. Customs forms only need to be submitted 30 minutes before arrival, done electronically and with payment sorted in advance.

At the customs booth – one of around a dozen when crossing into America – the driver simply holds out a barcode that is scanned, revealing details of the load. The interaction can last just 30 seconds.

Radiation scanners automatically check the vehicle for stowaways, while only a handful of drivers are pulled aside for further x-ray scans or customs spot checks.

All in all it can take five minutes to drive the bridge, clear customs and be back on the road in America – or 15 minutes if it's especially busy.

The system is based on good faith: The cargo will not be checked automatically for correct payment, but punitive fines go to those caught breaking the rules.

"People who have never been to the border, when they come down and see it, their eyes are really opened," Mr Korosec says. "They see the border and go 'oh my god, this is how it works.'"

Thorny issues

Of course the comparison between Canada and post-Brexit Britain is not perfect. Windsor and Detroit are separated by water, unlike the Irish border – the thorniest customs issue for the UK. There are physical border checks, something that would prove deeply controversial if copied in Ireland, perhaps explaining why its leader Leo Varadkar has rejected the Detroit model.

And yet the crossing does provide a glimpse into how a rich Western country can see trade prosper with its closest economic partner without a formal customs union.

Philip Cross, the former chief economic analyst at Statistics Canada - the government statistics body - credits trade deals with helping grease the wheels of cross-border commerce.

The border force run a 24-hour operation CREDIT: MOMENT OPEN

The North American Free Trade Agreement (Nafta), signed between America, Canada and Mexico in 1994, dropped tariffs on vast swaths of goods to zero but also let Canada protect certain sectors.

The country's broadcasting, retail banking, telecoms and dairy industries keep American rivals away with various trade barriers, some because they are deemed of "national importance".

But it is not all milk and honey. Dwarfed by the American economy, Canadian officials find more often than not they adopt US regulations wholesale, Mr Cross says. "The Americans knew they were the 900 pound gorilla," he says, recalling attempts to harmonise statistics method when in his old job.

"They would just say 'This is our position, adjust to it.' I understand Americans are like that in every negotiation. ... It creates a lot of resentment in the civil service."

That may alarm some Brexiteers who hope to ditch Brussels red tape while keeping trade flowing into the EU as freely as before our departure.

And yet Mr Cross believes the Canada-US model - embodied in the Ambassador Bridge - provides a blueprint that Britain can learn from.

"Identify those sectors that are critical to your national sense of identity, those you feel you have to protect at all cost, and just let everything else go to free trade," he advises. "That shouldn't be too hard for a mature society like Britain."