

Using Marketing and Education to Reduce the “Border Effect’s” Impact on Freight Traffic Routing

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Today’s Presentation

- What is the “Border Effect”?
- Who Cares? We’re Building a Gateway!
- Approaches to Reducing the “Border Effect”
- Applying Intelligent Transportation Systems
- Regulatory/Program Trends
- Big Oops - Marketing & Education Forgotten
- Findings & Suggestions
- Future Work - Just Scratched the Surface
- Importance - The Coming Shippers Time Bomb



What Is The Border Effect?

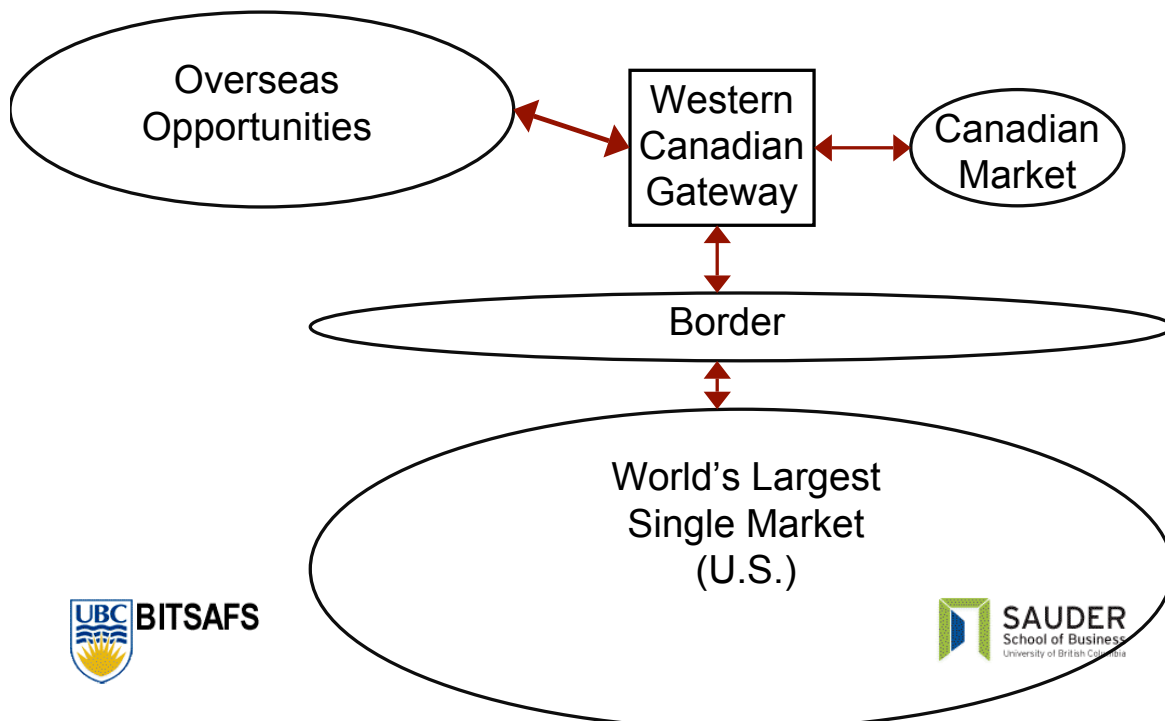
Whenever it is, or is *perceived* to be, more difficult to move freight across the Canada-U.S. border than between Provinces/States, freight will bias towards staying on its side of the border.

Does this really exist?

Just ask anyone trying to hire long-haul truckers!



Who Cares? We're Building a Gateway!



Approaches to Reducing Border Effects

- Enhance Infrastructure
- Improve Policies, Regulations, Programs
- Efficiency/Capabilities of Human Resources
- Evolve Organizations & Institutions
- **Apply Intelligent Transportation Systems**



Apply Intelligent Transportation Systems

ITS encompass “a broad range of diverse technologies applied to transportation to make systems safer, more efficient, more reliable, {more secure,} and more environmentally friendly, without necessarily having to physically alter existing infrastructure. The range of technologies involved includes sensor and control technologies, communications, and computer informatics and cuts across disciplines such as transportation, engineering, telecommunications, computer science, finance, electronic commerce ...”

- Applying Technology (ITS) to Int'l Supply Chains Can Enhance Both Security and Efficiency
- Powerful Tool When Applied to Reducing Border Effect
 - Customs-Trade Partnership Against Terrorism (C-TPAT)
 - Automated Commercial Environment (ACE)
 - Free and Secure Trade (FAST)



Border Regulatory/Program Trends

- Rapid Change Driven By Security
- Pushing Out From Borders Deeper Into Supply Chains
- Increased Bilateral Integration
- Expanding Use of EDI and ITS (Broadly Defined)
- Increasing Private Sector Accountability
- Voluntary Compliance/Adoption***



Big Oops - Forgot Marketing & Education

- Invested Heavily in Border Program Improvement
- “ITS” Border Supported Programs Are Voluntary
- Success Based on Adoption Rate
- Need to Market, Educate, Communicate
- Just as Important as the Programs Themselves
- “No” Research in How Best to Do This
- Our Approach to Researching this Topic:
 - Conducted Major BC-WA “Transborder Issues” Survey
 - Examined 5 Key Stakeholders Types
 - Each Side of the Border
 - Focus on Barriers to Greater ITS Adoption at/near Border



Findings & Suggestions - Highlights

- Communications and Perceptions
- Marketing “ITS” Border Programs
- Approach to Educational Programs



Communication and *Perceptions*

- Preferred Communication Method
 - Customs Website & **E-Mail**
 - Trade Magazine & Customs Newsletter-By Mode
 - Distributed By Association and By Mode
 - Customs Website is “Too Much”
- No User Consultation
 - Form Advisory Board, By Program, With Follow-Through
- Lack of “Customer Service”
 - Especially During Application Process
 - Enhance Application Processing Management Systems
- Treatment & General Attitude
 - Thought Be “Better Treated”, Yet Same-Old, Same-Old
- Users Only Care About Direct Benefit-Costs



Marketing ITS Border Programs

- Core Message: Border Efficiency By Being Secure
- Focus Resource on Key Target Audience
 - Brokers - They Like Complicated Borders
 - Freight Forwarders - Don't Do Transborder
 - **Trucking Firms - Canadian**
 - Importers/Exporters - Not Yet, But It's Coming
- Handbook for Truckers
 - Jointly Developed Customs/Association
- Dedicated Transborder Website
 - Both Customs Agencies + Associations
 - Discussion Forum/Blog Section
 - Inclusion of a "Wiki" - Users Contribute Information
 - Sign Up for Focused E-Mails
 - E-Tutorials
- Dedicated Advanced Query Phone System



Approach to Educational Programs

- Current Perception
 - U.S. CBP Invests Numerous Resources In BCTA
 - Workshops: ACE, C-TPAT, FAST
 - Supply Experts
 - Collect Applications
 - Canada Border Services Agency - Minimal
- Develop a "Check-List" for Applications
 - **"Border Program Application for Dummies"**
- Webcast Workshops & Archive On Website



Future Work

- Keep Programs “Free” - Pricing Optimization
 - Users Don’t Benefit from Positive Externalities
 - FAST Driver ID, Vehicle Transponders
- Financial Assistance & Incentives
 - Not Just “Operational” Incentives
- Research on Promoting Government Programs
 - Huge Private Sector Body of Knowledge
 - Just Waiting there to be Applied to Public Sector
- Adoption Rates vs Benefits
 - Required Marketing Plan & Budget



Summary-Key Messages

- Nobody Cares About Canadian Market
 - Must Build North American Gateway-U.S. Access Is Our Product
- Must **Eliminate** Border Effects
 - Even Any Perception of Border Barriers
 - Border Comes Before All Else When Gateway Building
- ITS is a Powerful Tool to Accomplish This
 - Need to Broaden ITS Definition
 - Supply Chains Start Overseas, Use All Modes, Technologies
- Trend Towards Voluntary Adoption of Programs
 - Means Marketing/Education Just as Important as the Program
- Work’s Just Begun in the Study of Program Promotion
- Critical - Impact Soon Shifting from Trucking to Shipper
 - Since Security Moving from the Border into the Supply Chain



BITSAFS' MISSION:

“To develop a base of expertise, build a collaborative network, and encourage participation from both government and industry...

To effectively conduct and disseminate research in the application of Intelligent Transportation Systems to ensure the secure and efficient movement of freight across international borders.”



Feedback directly to....

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