FREE & SECURE TRADE (FAST) OUTREACH 2008 IMTC FINAL REPORT

Completed by The Whatcom Council of Governments
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www.wcog.org/imtc

1.   Introduction

This report documents work completed as part of the 2003 funding appropriation from U.S. Federal Highway Administration (FHWA) to the Whatcom Council of Governments (WCOG) to perform marketing and outreach for the U.S. and Canadian Free and Secure Trade (FAST) program.

Outreach efforts were conducted in 2003 and 2004 and include advertising, interviews, training seminars, workshops, trade show booths, and the development of materials for distribution to eligible carrier companies.

In 2008, a northbound FAST lane was opened at Pacific Highway port-of-entry in Blaine, Washington. As part of an effort to inform regional carriers about the new lane, and to learn why carrier companies are or are not enrolled in both Canadian and U.S. FAST programs, phone interviews were conducted.

The Target Audience

In October 2006, WCOG worked with U.S. Customs & Border Protection (CBP) to gather cross-border truck freight data from one week's worth of carrier manifests to determine origin-destination patterns, commodity details, and trip frequency of trucking companies crossing the border (southbound only).

These data were used to develop a target audience for FAST marketing efforts, based on the frequency of crossings that the carrier made. The 7,354 estimated truck trips in the survey week (including an estimated 25 percent empty trucks) were made by 891 observed carrier companies. Of those carriers:

- The top 5 percent of most frequently crossing loaded carriers account for a third of southbound truck trips

- The top 13 percent of most frequently crossing loaded carriers account for half of the southbound truck trips

2008 Interviews

In the summer of 2008, WCOG filtered the top 50 carrier companies from the 2006 data. Of these, 33 carriers responded to survey questions, and 28 of the 33 completed interviews. The companies interviewed represent 23 percent of all truck trips observed during the survey week. The objectives of the phone interviews were to:

- Collect basic fleet and travel pattern information

- Determine their enrollment status in or knowledge of U.S. and Canadian FAST programs

- Inform them of the new northbound FAST lane at Pacific Highway and find out if they are interested in joining the program

- Gather general feedback about the FAST program

The questionnaire consisted of general demographic questions and questions on enrollment and feedback

Figure 1: Percentage of Southbound Truck Trips Accounted for by Carriers (by frequency of arrival) Pacific Highway Port-of-Entry, 2006
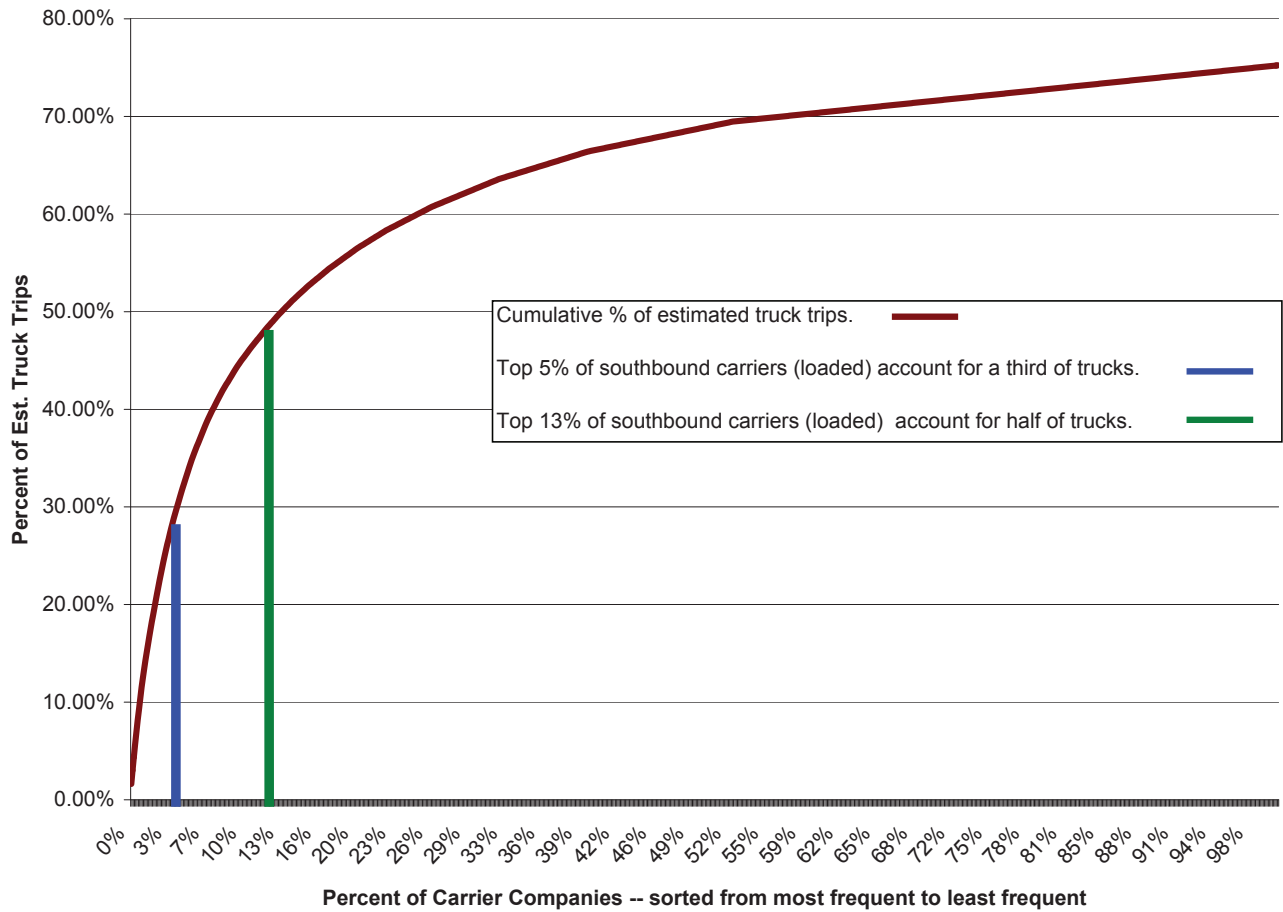
about the FAST, C-TPAT, and CSA programs. Companies interviewed represented a wide range of fleet sizes (from less than ten trucks to companies with fleets over 2,500 vehicles). Most of the respondents were based in Canada (predominantly in Surrey, B.C.).

2. Survey Questionnaire

The following questions were asked of the 33 participating carrier companies:

1. Company name, interviewee name, interviewee title, date
2. Fleet size
3. Percentage of fleet used in cross-border trade
4. Primary commodities carried cross-border
5. Base of operations (city)

6. Do you primarily carry goods northbound, southbound, or both?

7. Vehicle types used

8. Approximate number of cross-border shipper clients

9. Is your company enrolled in any of the FAST programs? If so, which ones?

Enrolled in C-TPAT only

10. What percentage of your cross-border shipper clients are C-TPAT/PIP enrolled?

11. What percentage of your drivers are FAST enrolled?

12. When your company's trucks use the FAST lane to enter the U.S., are they usually loaded or empty?

13. Have you considered enrolling in CSA to make empty returns easier? Why or why not?

FAST or CSA only

14. What percentage of your cross-border shipper clients are C-TPAT/PIP enrolled?

15. What percentage of your drivers are FAST enrolled?

16. When your company's trucks use the FAST lane to enter the U.S., are they usually loaded or empty?

17. Have you considered enrolling in C-TPAT to make empty returns easier? Why or why not?

Both

18. What percentage of your cross-border shipper clients are C-TPAT/PIP?

19. What percentage of your drivers are FAST enrolled?

20. When your company's trucks use the FAST lane to enter the U.S., are they usually loaded or empty?

21. When your company's trucks use the FAST lane to enter Canada, are they usually loaded or empty?

22. Which program was easier for you to understand/apply to?

Application in Process

23. Where is your application for each program at present?

24. If you are only considering applying for one direction, why have you made that decision/ why are you not interested in joining the other program?

None

25. Has your company considered C-TPAT or CSA? Which? Why or why not?

26. Do you have any other feedback on ways to make either the northbound or southbound programs more attractive?

3. Summary of Responses

Of the 62 companies contacted, 28 completed the survey, 9 answered only a few questions or refused to be surveyed and the rest were either unreachable or did not return messages.

- 90 percent were Canadian-based and 40 percent of those were based in Surrey
- Fleet sizes ranged from 10 - 2,500 trucks (*see Figure 3*)
- 75 percent of drivers in these companies are FAST enrolled. Many companies make it mandatory for the job
- Approximately 50 percent of companies carried assorted goods and are less-than-truckload (LTL) shipments
- 80 percent of the companies carry goods in both directions
- Most of the companies use standard tractor-trailer trucks
- 25 percent of the companies were unsure of the exact number of cross-border shipper clients they had. The average number of clients was approximately 100.
- For almost all of the carrier companies, less than 10 percent of their clients are enrolled in C-TPAT or CSA programs.
- 40 percent of companies reported they rarely use the FAST lane despite being FAST and C-TPAT/CSA enrolled because so few of their shipper clients are enrolled as well.
- 80 percent of companies were enrolled in C-TPAT and 60 percent were enrolled in CSA.
- The CSA program was favored three to one over C-TPAT in terms of ease to understand/apply for (note: most of the companies interviewed were Canadian based).
- All companies enrolled in CSA are also enrolled in PIP, and only one company is enrolled in PIP and not in CSA.

4. Common Feedback

Based on responses, the majority of comments can be sorted into a few main themes:

Too few shippers enrolled

This was by far the most common complaint of carriers because they were not able to use the FAST lane despite being enrolled in the program themselves. Shippers in this region don't experience any benefit from joining C-TPAT or CSA. And, if carriers were to charge a higher rate to non-FAST shippers, they would simply lose that business.

Not worth the time and effort

Due to the low participation rate of regional shippers, many companies felt that enrollment in the FAST programs was not worth the considerable effort it takes.

Difficult to comply

Some companies found the various requirements for enrollment in both programs to be unreasonable. The costs of upgrading accounting programs, adhering to specific security requirements, and the cost in staff-time to retrain and update protocols proved to be too burdensome to make FAST a viable option. This was especially true for smaller companies.

It was also noted that carriers who want FAST-lane access both directions must apply twice; once for the Canadian program. And both programs have different requirements.

FAST lane backups

Some companies reported that either the FAST lane isn't quicker than regular lanes, or that regular lane backups block access to the FAST lanes.

Northbound backups not a problem

Some companies said they were not interested in joining the northbound FAST program because backups northbound at Pacific Highway are currently not bad enough to justify the time and expense of joining the Canadian program.

Had no complaints

Although many companies gave feedback on why they had challenges using the existing programs, some were content with the program as it is. Most companies stated that the C-TPAT and CSA programs were a good idea in principle; however they believed that all programs could be improved to better benefit regional carriers.

5. Conclusions

The main challenges to greater FAST usage in the Cascade Gateway are:

• Lack of shippers enrolled in the program

• Frequency of LTL shipments

• Cost/hassle of joining both programs, especially for small companies

Given that the FAST program works effectively in other U.S. - Canada border regions, effecting changes that might make the lane more usable in this area would require a strong case. However as long as shippers do not receive a benefit from joining the C-TPAT/CSA programs, the program will likely continue to see low usage in this region.

Initially, one would expect to see greater use of the northbound FAST lane for empty trucks. Since there is no shipper involved only the driver and carrier company need to be enrolled. However the difficulties and cost of complying with the Canadian program outweigh the time savings they would gain northbound. Unless the program is simplified or the queues northbound grow substantially worse, this region is unlikely to see a large increase in northbound FAST lane usage.

Because FAST is a binational program that operates effectively at other high-volume U.S. - Canada border crossings, changes to the program will require appreciation for regional differences and careful explanation of the key industry attributes that don't fit. Nevertheless, based on the feedback from these interviews, here are the changes that could help make the program more successful in this region:

Create one unified program

If the FAST program, like NEXUS, required only one application for one, unified U.S. - Canadian program, there would be greater usage of the northbound lane, more uptake, and it would be simpler to apply and understand the rules. Currently, there are numerous aspects of each national program and they are unified mostly by name, and by the FAST - driver portion of the program. A single binational program would reduce duplicate processes and restore more balanced market access to smaller companies.

Simplify the shipper component

FAST lane use is restricted to carriers who are C-TPAT/CSA enrolled, have FAST-approved drivers, and whose freight is from C-TPAT/CSA approved shippers. Since this region's shippers see no benefit from the program, few join. Given the competitive nature of cross-border trucking in this region, no carriers are willing to charge an additional fee to non-C-TPAT/CSA enrolled shippers.

If there is no financial incentive for shippers to join, then enrollment must be something that can be done simply and affordably. By simplifying the shipper process, more companies may be willing to opt in, and therefore more of the carrier companies that move their goods could use the FAST lane.

Honor reciprocal FAST program enrollees

If simplifying the application to one binational program is not feasible, then perhaps the northbound FAST lane could honor southbound-enrolled FAST carriers and drivers if they are empty, and vice versa. It would allow greater use of the FAST lanes and the companies and drivers have already been vetted by the other nation's inspection agency.

Appendix: Data

Data from the interviews is displayed below. For a more detailed look at actual responses, contact the Whatcom Council of Governments (360-676-6874) to receive a copy of the interview database.
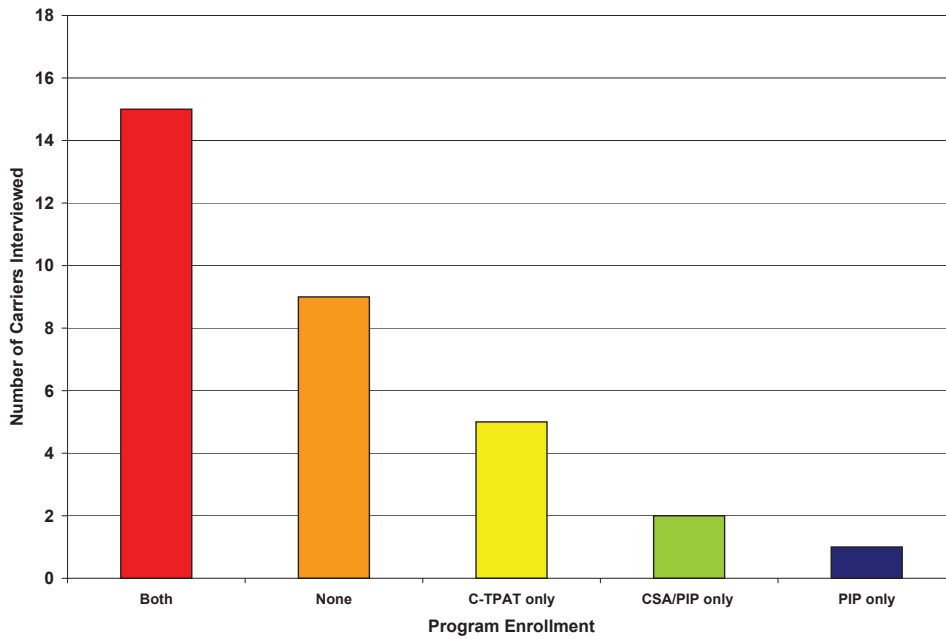
Figure 2: Interviewee Enrollment Status
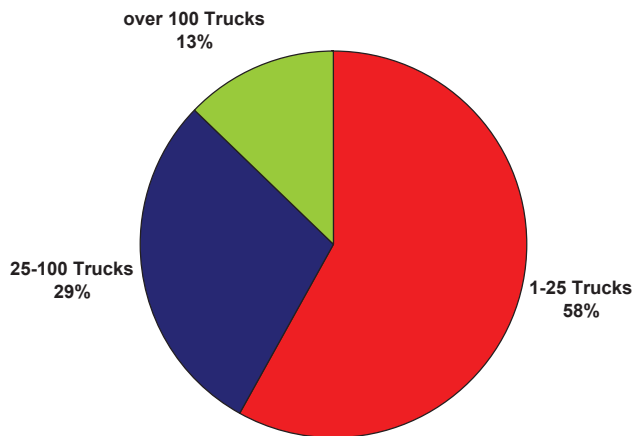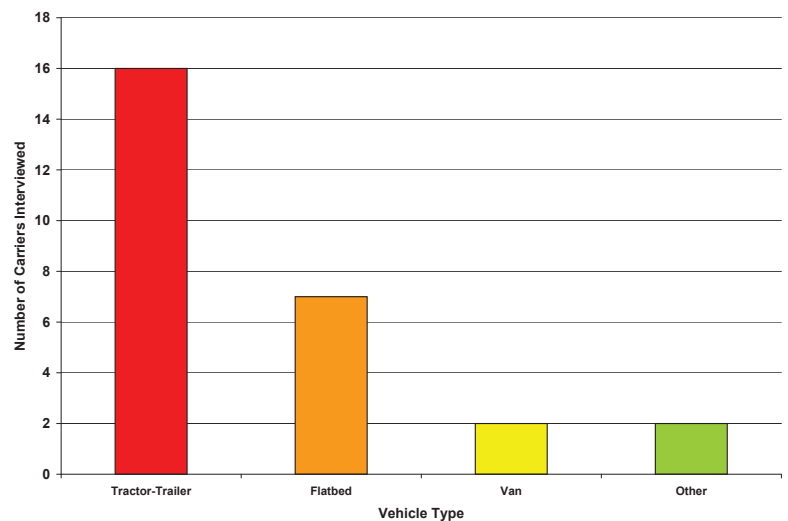

Figure 3: Fleet Size of Interviewed Companies

Figure 4: Predominant Type of Vehicle

Figure 5: Commodities Carried by Interviewees

Approximately 50 percent of all carriers surveyed are LTL.

Number of Carriers Interviewed

Commodity Type: Assorted Wares (12), Lumber (6), Building supplies/machinery (2), Concrete (1), Containers (4), Hazmat (2), Paper (4), Retail goods/consumer electronics (3), Steel products (5), Food (2)
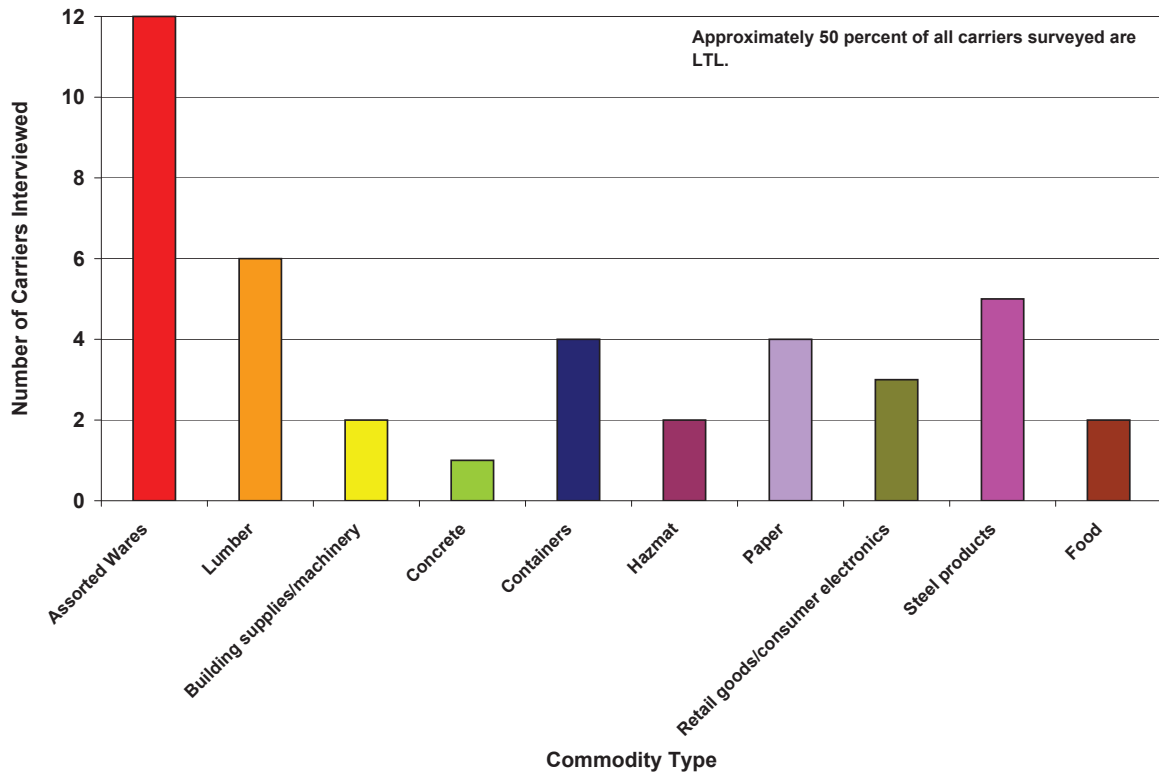
Figure 6: Percentage of FAST-Enrolled Drivers

Number of Carriers Interviewed

Percentage of Company Drivers Enrolled in FAST: None (2), Less than 50% (6), Over 50% (15)
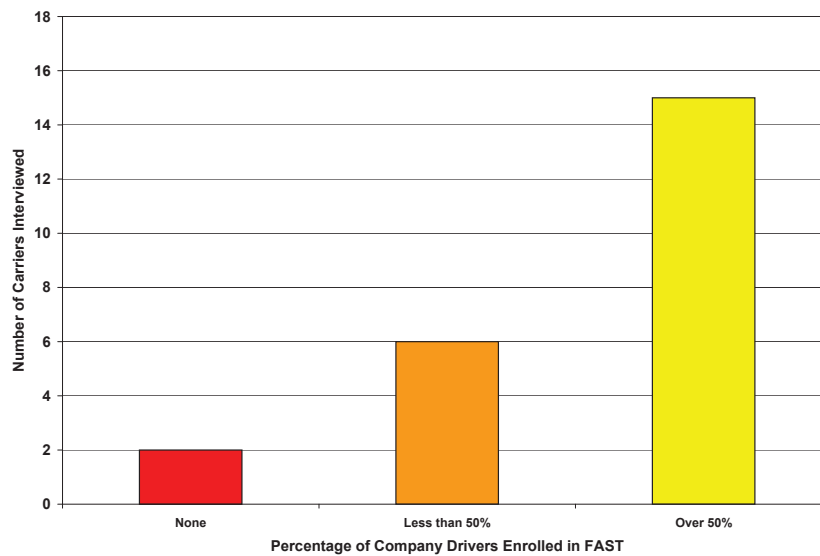
Figure 7: Most Common Concerns about FAST

Company	No Complaints	Too Few Clients enrolled	Not Worth Effort	Difficult to Comply	Lane Backups
1		✓	✓		
2		✓			
3					✓
4				✓	✓
5				✓	✓
6	✓				
7			✓		✓
8					
9			✓	✓	
10					
11				✓	
12					
13					
14		✓			
15					
16		✓	✓	✓	
17		✓			
18					
19		✓		✓	
20	✓				
21				✓	
22		✓			
23				✓	
24		✓	✓		
25			✓	✓	
26		✓	✓		
27					
28		✓		✓	
29					✓
30	✓				
31					
32		✓			

Figure 8: Most Common Concerns about FAST

Feedback on Northbound (Canadian) FAST
A diffiult program to apply to
Issues with fee structuring and dollar parity
Can't qualify
Need more hours of operations
Confusing and complicated
Easy
Can't use it very often
Okay
No advantage in joining
Can't use it
More hours or lanes needed
Program not working
CSA enrollment took 14 months

Feedback on Southbound (USA) FAST
Easy
Lack of help from CBP
Can't use FAST
Receivers are seldom enrolled
Drivers abused by guards
Okay
Okay
Can't use FAST
LTL - can't get all clients enrolled
Can't use FAST

Feedback on FAST in General
Easy
Lack of help from CBP
Can't use FAST
Receivers are seldom enrolled
Drivers abused by guards
No incentive for carriers
Application process takes too long
More trucks need to join
Need uniform standards for the USA and Canada
Backups block FAST lane access
If one component is missing, gain no benefit
Unreasonable demands for enrollment
Application rejected without any explanation
The standard lanes are just as fast
Overall quality of program administration poor
Agencies put all the work onto the carriers
Compliance costs time, money, and staff
Agencies don't care as much about security
Standarrds are too high
Good idea but no benefit
Considering quitting the program
Good idea, but doesn't work
No benefit without the client
Wish north and south had the same requirements
Agencies should use ETA to prepare for rushes
Transponder readers have errors
Inspection times are too long
There are problems with the technology
Border seems understaffed
The programs make things speedier