Defining the Soft Infrastructure of Border Crossings

Donna F. Davis
Associate Professor, Marketing
Georgie G. Snyder Professorship
North American trade

Primarily raw materials and components

Complex cross-border production system

We don’t sell to each other; we build together.

2010 Bureau of Transportation Statistics
Dual purpose of border management

Bridges to *trade facilitation* and fences for *regulatory control*
Canada is the #1 customer for US goods.

The US is the #1 customer for Canadian goods.

2010 US Census Bureau

2010 Statistics Canada
US/Canada trade faces hard infrastructure challenges

...and soft infrastructure challenges.
Improving trade facilitation by half would increase world trade by nearly 10% (over $900B in 2010).

Largest potential gain (40%) is in improving the service structure.

*Wilson, Mann & Otsuka 2001*
Can changes in the soft infrastructure lower barriers to legitimate trade while maintaining necessary control at the border?

**Soft infrastructure** is defined as *the capabilities embedded in human resources, social structures, and business and regulatory environments of border crossings that facilitate or impede international trade.*
Wildhorse

* 3rd most heavily used

* Hwy 41 from Medicine Hat to S-232 in Havre

* Rural 2-lane roads

* Open 8:00 am – 9:00 pm (close at 5:00 in winter)
Coutts/Sweetgrass

* Largest, most heavily used (80% of crossings)

* Hwy 4 in Lethbridge to I-15 in Shelby

* Rural divided 4-lane

* Open 24/7

* Joint facility
“It makes a difference if it’s somebody that wants to live in this part of the country, rather than someone who is forced to live in this part of the country. That guy who lives in Wild Horse is probably one of the nicest ones in the country.”

Even so, customs and other border management agencies in many countries pay no more than lip service to trade facilitation.

Service orientation

* Flexible
* Responsive
* Focused on outcomes (not outputs)
The European Union’s target is to cut red tape by 25% by 2012.

“The vet comes in at 8:00 and goes home at 5:00.”

Interagency coordination

* Mission alignment
* Knowledge-sharing culture
* Information integration
“It’s hard to know who to talk to ... you keep getting passed around from one agency to another.”

A comprehensive collaborative business architecture – one that defines the best capabilities, organization structures, processes, competencies, technologies, and infrastructure – is required.

Visible architecture

* Simplified
* Transparent
* Stable
“That’s probably been our hardest blockage - the political will to listen to what the ‘grass roots’ people know.”

Collaborative border management can transform how border management agencies do their business ... to deliver enhanced services to compliant customers.

**Collaborative Capability**

* Common goals
* Attitude toward change
* Leadership
SHIFT from ... 

- Regulatory control toward compliance management
- Multiple agency databases toward single view of the trade customer
- Transactions toward trusted partnerships
- Bottlenecks at the physical border toward seamless clearance at the virtual border
Can changes in the soft infrastructure lower barriers to legitimate trade while maintaining necessary control at the border?

**Improve the soft infrastructure**

- Service orientation
- Interagency coordination
- Visible architecture
- Collaborative capability

**In order to ...**

- Focus on risk-driven intervention
- While facilitating legitimate trade
Donna.Davis@TTU.edu