Research Project Proposal Submitted Under Directed Research Projects in Economics at the University of Ottawa
Economic Impact of Preclearance

Sponsoring Organization

The project is sponsored by Traveller Programs Directorate, Programs Branch, Canada Border Services Agency (CBSA). The CBSA is a federal institution that is part of the Public Safety portfolio. The Agency ensures Canada's security and prosperity by facilitating and overseeing international travel and trade across Canada's border. Our organization is made up of six branches and one group reporting directly to the President. In support of the department, Programs Branch is responsible for the policy and procedures for all CBSA programs delivered by the regions.

Traveller Programs Directorate is responsible for developing, managing, and improving integrated national programs that facilitate the passage of travellers into Canada through policy development, outreach and engagement, business systems integration, performance monitoring, and implementing traveller transformational initiatives.

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Policy Background

Bill C-23: respecting the preclearance of persons and goods in Canada and the United States, received Royal Assent on December 13, 2017. This important milestone brings Canada and the United States closer to implementing the Agreement on Land, Rail, Marine and Air Transport Preclearance between the Government of Canada and the Government of the United States of America.

Once enabling regulations are in place, Canada and the United States can ratify the Agreement and start expanding preclearance operations to other modes of transportation – land, rail and marine – in addition to new locations in the air mode. The regulations for the air mode are expected to be in place by the end of 2018. Expanding preclearance will enable faster travel between Canada and the United States, provide access to more American airports, bolster trade, better protect Canadian rights and increase security.

Such operations can potentially generate significant benefits for governments, users and carriers. Preclearance benefits, however, have not generally been the subject of much measurement.
Objective of the Project

This project is expected to evaluate the social/economic impact of preclearance operations in United States. This project has three objectives:

• To summarize the international literature on the economic and social impact of preclearance operations;
• To gather information through survey and focus group interviews
• To identify/assess impact (positive and negative) of preclearance
• To establish a model to quantitatively measure the benefits to Canada of establishing preclearance operations in different modes.

Benefits to the Student

Through this research project, the student is expected to gain a number of knowledge and skills that are necessary to be a professional economist.

First, the student is expected to gain valuable knowledge of Government of Canada programs/initiatives and their economic impacts. Given the policy and economic relevance of this subject, now and in the coming years, this knowledge will help the student gain practical knowledge that would help him/her progress as professional economist.

Second, the project will provide an opportunity for the student to apply his/her literature review skills beyond the scope of academic research. Through this project, the student is expected to learn how to properly assess the non-academic literature, and the way it can be incorporated into a professional economic analysis.

Third, the student will have an opportunity to apply the knowledge on statistics and econometrics to a practical real-life economic analysis.

Specific Tasks

The project is expected to be completed in English.

The student is expected to produce a report summarizing the economics of preclearance with measurement methodologies. The focus will be on identifying all the benefits and impacts of preclearance operations. The report is expected to include the following elements, although the list is preliminary and could be expanded depending on the results from the search:

1. background (what is preclearance, terminology for preclearance operations, preclearance in Canadian context, stakeholders);
2. preclearance operations in other countries;
3. findings of stakeholder survey and areas of interests;
4. benefits and impacts of preclearance operations by mode; and
5. measurement approaches/methodologies; and
The following tasks are expected to be completed in developing the report:
1. compiling the list of papers (theoretical/applied/empirical) to be reviewed;
2. summary of the relevant papers under each main theme;
3. review and interpretation of the empirical evidence, including compiling and analyzing data, the developing relevant tables, graphs and diagrams;
4. developing a model to calculate the economic impact of preclearance; and
5. drafting the report summarizing the main findings.

Qualifications

- understanding of economics subjects related to Government of Canada and economics of regulations;
- ability to use search engines such as Google and Google Scholar;
- ability to use MS Excel and a statistical software;
- knowledge of econometrics (asset qualification);
- strong research, analytical and problem solving abilities;
- strong writing skills;
- high degree of adaptability, quick learner, hardworking, excellent team worker;
- responsible, thorough and well organized.

Project Deliverables and Timelines

**October 12, 2018:** Annotated bibliography of relevant research (properly sourced)
1-2 paragraphs summarizing key findings, strengths and limitations of research piece

**November 23, 2018** First draft report of major findings for suggested subtopics identified below:
1. Background (what is preclearance, terminology for preclearance operations, stakeholders)
2. Global preclearance operations
3. Benefits and Impacts of Preclearance Operations
4. Measurement Approaches/Methodologies
5. Develop Quantitative Measurement Methodologies for Canada

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<thead>
<tr>
<th>Dates and Deadlines</th>
<th>Fall 2018</th>
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<tbody>
<tr>
<td>Students submit initial findings and progress briefing</td>
<td>November 9</td>
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<tr>
<td>Students submit 1st draft to supervisor</td>
<td>November 16</td>
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<tr>
<td>Student submit 2nd draft to supervisor</td>
<td>December 3</td>
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<tr>
<td>Students submit final draft and report to Director</td>
<td>December 19</td>
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<td>Supervisor submits evaluation to Director</td>
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