

# Canadian Border Issues Threaten Tourism in Sunset Country

*\$71 million in revenues lost since 2001*



Almost 100% of tourists who come to Sunset Country to enjoy its many resource-based tourism experiences come from the U.S, with these visitors contributing 79% of the region's total tourism revenues. In Sunset Country, U.S. overnight visitors spend almost \$650/person/visit (1.5 times the Ontario average) and almost \$4500 for every resident of the region (16 times the provincial average).



Since 2000, U.S. visitor numbers at the Fort Frances/Rainy River border crossings have declined by close to 30%. Research has clearly shown that minor criminality issues, along with concerns about the time and cost of crossing the border and fears about how U.S. visitors will be treated, are at the root of this alarming situation. This is further corroborated by the fact that Northeastern Minnesota resort sales within a 200 km radius of Fort Frances have grown by 12%-14% annually since 2001.



## No fishing

Often, rules handed down by governments to its citizens are, by the best compliment, ludicrous. This past week, six of us U.S. citizens were intending to enter Canada via Baudette to fish Lake of the Woods.

One of our group, however, had a "driving under the influence" infraction in the U.S. a few years prior. When this was discovered, he was not allowed into Canada.

As a result, all six of us went to a resort near Baudette where we spent our money and had a great time. Also, as a result, none of us has any intentions of entering Canada in the foreseeable future.

I am having difficulty in attempting to figure out what the Canadian government is attempting to accomplish with this rule. The individual was not driving and had no intention of driving.

Oh well; we made lemonade out of the lemon served up to us by the Canadian border patrol, and we now know where we will stay in the future if we choose to fish Lake of the Woods.

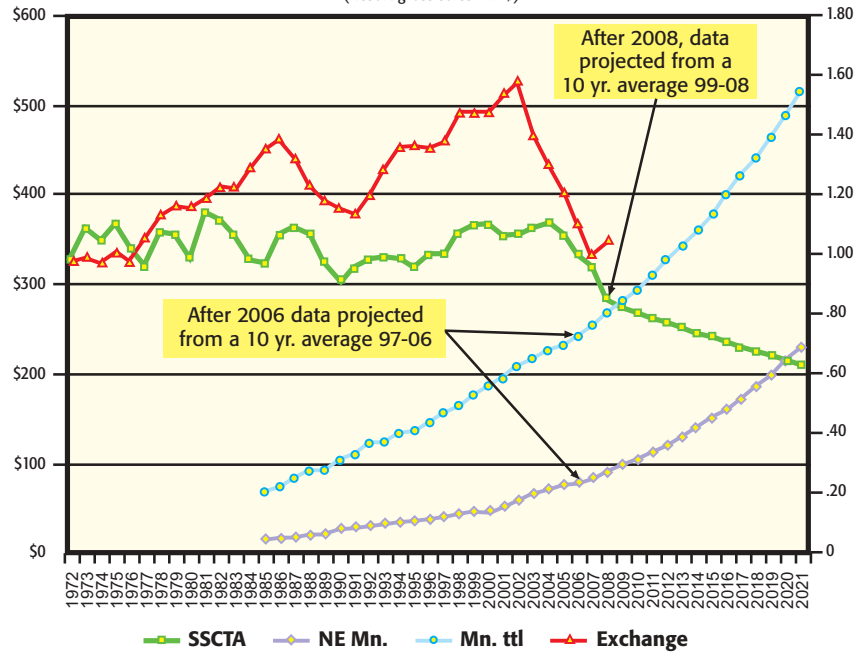
It's the Canadian resort owners who are paying the price for such nonsense.

KEN BAUER  
Barnesville, Minn.

In 1985, Sunset Country gross resort revenues were 4.6 times that of Minnesota and 18.4 times that of Northeastern Minnesota. By 2006, this difference had dropped by more than 70%. During that same time, Minnesota revenues had climbed by 6.1% and Northeastern Minnesota by 7.3% while Sunset Country resort businesses fell by 1%. Northern Wisconsin revenues have also grown by 7.2% from 1994 to 2006.

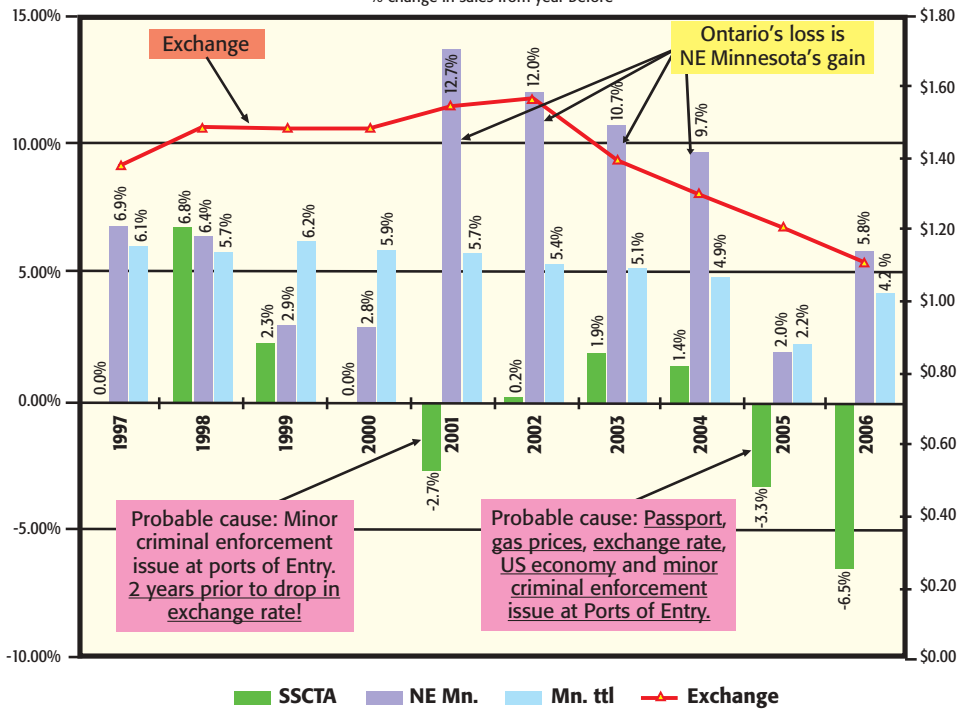
## Sunset Country Travel Area vs NE Minnesota

(Resort gross sales Mil. \$)



## Sunset Country Travel Area vs NE Minnesota

% change in sales from year before





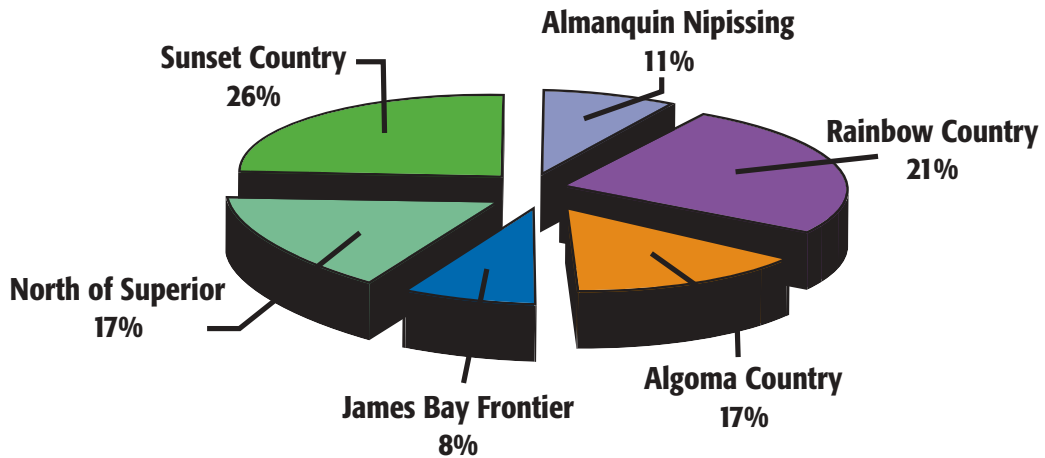
Visitor				
Region	#1	#2	#3	#4
Other Countries	0.7%	1.2%	0.8%	1.8%
U.S.	58.8%	22.3%	13.0%	17.7%
Canada	40.5%	76.5%	86.2%	80.4%

Visitor Spending				
Region	#1	#2	#3	#4
Other Countries	1.2%	2.1%	2.1%	15%
U.S.	80.8%	23.1%	19.9%	24.3%
Canada	18.8%	74.9%	78.0%	60.5%

MTR research site 2004 data

### % of total tourism expenditures, Northern Ontario Travel Regions

MTR research site 1999 data



U.S. visitors are clearly either not choosing to cross our border or are being turned away due to minor criminality issues or other minor infractions and are instead opting to vacation on their side of the border.

The losses to Sunset Country and Northwestern Ontario are staggering—with no end in sight. In a 2001 economic impact study, tourism was shown to account for \$451 in economic activity in Northwestern Ontario. 79% came from U.S. visitor spending. It is estimated that since 2001, the economy of Northwestern Ontario has lost over \$71 million.

Clearly this is a region in crisis, with both its vital tourism sector and the region's ability to attract foreign investment in jeopardy due to minor criminality issues and other concerns among would-be American visitors about crossing the border. What is needed to turn this alarming trend around? The following actions are required:

1. Since Canada is the only country in the world that screens visitors for minor criminality issues, it is recommended that this policy be reviewed to better determine what constitutes a security risk.
2. Institute a review of procedures within the Canadian Border Services Agency (CBSA) to ensure:
  - a) Consistency of enforcement across the country;
  - b) High standards of customer service through training;
  - c) A monitoring procedure to ensure correct interpretation and enforcement of CBSA policy;
  - d) Clear communications with tourism stakeholders about changes in policy and procedures that will impact on visitors to Canada; and
  - e) A return to the practice of welcoming visitors to Canada.

Until these actions are undertaken, there will be no resolution to the issues facing Sunset Country's rapidly-declining tourism industry.