

CAN/AM BORDER TRADE ALLIANCE
OCT. 6-8, 2013 WASHINGTON, D.C. CONFERENCE
SUMMARY HIGHLIGHTS

20TH CONSECUTIVE YEAR OF THIS CONFERENCE

Can/Am BTA is an organization with far-reaching beneficial impact on the important issues of Border Management, Trade, Business and Travel between **The World's 2 Largest Trading Partners (Canada/United States)**.
"MUST INSURE EXPEDITED SECURE FLOW AT THE US/CANADA BORDER"

Future Can/Am BTA Conferences:

Ottawa, Ontario	May. 4-6,	2014
Chicago Trade Corridors	Apr, 22-25,	2014
Whistler, BC (w/PNWER)	July 20-24,	2014
Washington, D.C.	Sept. TBA	2014

Conference Highlights:

**Excellent Speakers provided provocative insights;
The Roof Top Reception held at the Canadian Embassy.**

Conference Speakers acknowledged CAN/AM BTA's leadership role:

"Can/Am BTA was thanked for 20 years of great service to the countries of US and Canada making the Border better and governments listen."

"Can/Am BTA is listened to as its advice and counsel is respected."

David Moloney, Senior Advisor, Border Action Plan Implementation, and Regulatory Cooperative Council, Privy Council Office, Canada

"Can/Am BTA keeps government's feet to the fire to deliver concrete results."

Gilles Gauthier, Minister Economic, Canadian Embassy

"Can/Am BTA is an important partner for Canada."

Gord Brown, M.P., Co-Chair Canada-US Inter-parliamentary Group

"Our long standing productive relationship with Can/Am BTA is appreciated."

Congressman Bill Owens, Co-Chair Northern Border Caucus

"Thanked Can/Am BTA for its excellent work."

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CONFERENCE SPEAKERS AND THEIR MESSAGES

Pat Whalen, Executive Board Member CAN/AM BTA
Chief Operating Officer, Buffalo Niagara Medical Campus

Welcomed participants to the 20th Annual Washington Conference. Reminded all that Can/Am BTA was one of the few who held its scheduled Washington Conference as planned immediately following 9/11. Can/Am BTA makes the Border work and continues its focus on fluidity for legitimate Trade and Travel. Articulated a very meaningful remembrance of Helen Phillips, who unexpectedly passed away in July, noting several personal stories of her positive impact on Can/Am BTA.

BEYOND THE BORDER PERIMETER VISION

CUSTOMS AND BORDER PROTECTION

CBP View from Interactions and Discussions with Jim Phillips

The shutdown resulted in 6,300 personnel being furloughed. Frontline operations are operating “business as usual.” Upcoming budgets will be constrained setting a new paradigm and Sequester will cost CBP \$600 million. A new Commissioner has been named and is awaiting the confirmation process. He appreciates the importance of Trade and has established relationships with “the Hill” that is so very important. CBP continues to redefine Border management with interaction with Can/Am BTA and others. CBP is active with Mexico with the 21st Century Strategy that, coupled with Beyond the Border, could lead to a single North American Economic Strategy. Beyond The Border is a great blueprint that when completed is intended to reduce transaction costs by 20% to enhance Canada/US global competitiveness. Progress is being broadly made piece by piece including the view that like entry/exit for people one country’s exports at the Land Border are the other country’s imports.

INT. TRADE DATA SYSTEM, OGA’S SINGLE WINDOW INITIATIVE

Bruna Rados, Director General CBSA

Provided an excellent joint presentation on behalf of Brenda Smith CBP who was affected by the Shutdown. Single Window facilitates Trade and enhances Security. Paper documents are minimized. Increases Other Government Departments in the US and Other Government Agencies in Canada conducting business electronically. Harmonizes input data for the US and Canada. A Joint Trade Outreach Strategy has been initiated “One Document, One Declaration. Use of Commodity/Product identifiers are being reviewed to improve data and process efficiency.

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FEDERAL HIGHWAY ADMINISTRATION

Remarks Provided By Gregory Nadeau for delivery
Deputy Administrator, FHWA

- The second year of the Beyond the Border Initiative has witnessed extensive cooperation and communications between Canadian and the United States governments.
- FHWA has participated with others in the development of the Beyond the Border, 2013 - Border Infrastructure Investment Plan in draft form and will include all Border Crossing investments both for transportation and Border Security Agencies for the next 5 years.

Highlights of MAP-21

- MAP-21 - Moving Ahead for Progress in the 21st Century Act was signed into law on July 6, 2012 funding Surface Transportation Programs at over \$105 Billion for fiscal years (FY) 2013 and 2014
- The Coordinated Border Infrastructure (CBI) Program is now part of the Surface Transportation Program to give the States more flexibility in how they spend Federal Highway Funds. From FY2005 to FY2012 the Coordinated Border Infrastructure (CBI) Program has provided approximately \$1.5 Billion to the states' DOT departments for Border Transportation improvements.
- Highlights of Freight Provisions of MAP-21 - Goal - Improve the condition and performance of the freight framework and support investment in freight-related surface transportation projects.
 - Development of a National Freight Strategic Plan. (sec. 1115). This multi-modal Plan will be the first ever plan to identify a range of freight consideration including: existing network, Major Trade Gateways, and strategies to improve the multi-modal freight network. This will be developed in consultation with our State Transportation Partners, Private Sector and other Freight Stakeholders.
 - Establish a National Freight Network (Sec. 1115) to assist the states in strategically allocating their resources to improve the movement of freight and goods on highways.
 - Encourage states' DOT departments to develop State Freight Plans (sec. 1118) for freight planning and investment
 - Expand eligibility under current grant and loan programs to allow truck parking and surface transportation infrastructure improvements in port terminals for direct intermodal, transfer, and port access.
 - Specific reporting requirements to Congress on the Comprehensive Truck Size and Weight Limit (sec. 32801) that must be undertaken in consultation with the states and other relevant federal agencies Due Nov. 14, 2014

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CAN/AM Border Trade Alliance TECHNOLOGY MONITORING

Brian Bowen, President, Bowen Enterprises, Inc.

Brian is Can/Am BTA's Designated Member of the CBP Trade Support Network (TSN). He provided a set of slides in the Conference handout book detailing CBP ACE Issues and a CBSA eSPN Update.

Energizing Sustainable Trade Corridors Across North America

Intro: Bruce Agnew, Executive Board Member CAN/AM BTA

Leslie Blakey, Executive Director, Coalition America's Trade Corridors

This coalition was formed to advocate for Federal Freight Infrastructure utilizing Hubs and Corridors. Develop a holistic approach to freight movement. A Conference is being held in Chicago April 2014 as a Trilateral summit to review what NAFTA has accomplished and what NAFTA is missing. It is critical to tie transportation and energy future outlooks together to develop effective conclusions and options. The Can/Am BTA Trade Corridors, Border Gateways and Bi-national Regional Economies Council will hold its 2014 meeting in conjunction with the Coalition in Chicago.

LUNCHEON KEYNOTE SPEAKER

Gilles Gauthier, Minister Economic, Canadian Embassy

Provided a very effective and interesting Canadian perspective about the US and Canada being respectful partners. Stated a North American approach makes both countries stronger. Beyond the Border making excellent progress citing the positive outcomes of a number of pilots to contribute to reducing transaction costs. Highlighted the progress of the RCC initiative citing excellent cooperation in aligning future regulations to achieve convergence. Described the new Border Crossing Bridge in Detroit as being Canada's top priority reporting that environmental approvals have been received and the Presidential Permit issued. Stated firm opposition to any new Land Border crossing fees. Outlined serious impact of the mCOOL situation and the strong pushback to change it. Canada and the US have a long positive history and cooperative relationship to work out irritants and unintended consequences.

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BTB PERIMETER ACTION PLAN VIEW FROM CAN/AM BTA

Jim Phillips, President & CEO, Can/Am Border Trade Alliance

Provided an extensive and comprehensive specific description of the “Critical MUST HAVES Beyond the Border Must Deliver and Essential Questions that must be answered.” Included are:

OPERATION ON EACH OTHER’S SOIL

NEW PARADIGM FOR ALL SMALL/RURAL PORT INSPECTION

END OF DUPLICATE INSPECTIONS AT SHARED LAND BORDER

CANADA VICINITY RFID PASSPORT COMPANION CARD

ENTRY/EXIT (PEOPLE AND IMPORT/EXPORT OF GOODS)

USDA & FDA CROSS-DESIGNATION TO CBP FOR 24/7 SERVICE

DIRECT STREAMED ACCESS TO PLAZA AND PRIMARY CUSTOMS INSPECTION BOOTHS FOR TRUSTED TRADER TIERS (ISA/CSA) (FAST) (C-TPAT/PIP TIER 2) (C-TPAT/PIP)

The current Monte Carlo uncontrolled random arrival (first come, first served) of trucks approaching Land Border Port Plazas and Primary Inspection Booths within prohibits optimizing the Border Crossing process and penalizes those who have made the considerable effort and investment to comply with specified Trusted Trader programs to achieve known low-risk status that promised, but have never yet delivered, meaningful reductions in their Border Crossing process. Can/Am BTA has developed solutions.

The key to achieving public security along with economic security, while substantially reducing congestion and delay, is participation in known low-risk Trusted Trader and Trusted Traveler enrollment processes and pre-arrival information. Access to the Primary Inspection Booths without having to queue using processes such as Traffic Streaming is essential.

THE CURRENT BEYOND THE BORDER ACTION PLAN IMPLEMENTS BORDER ENFORCEMENT SECURITY TEAMS (BEST) EMPOWERING LAW ENFORCEMENT OFFICERS TO WORK IN EACH OTHERS COUNTRY.

WE NEED BORDER ENFORCEMENT FACILITATION TEAMS (BEFT)
CBP AND CBSA OFFICERS EMPOWERED TO PERFORM RESPECTIVE DUTIES WITHIN THE PLAZA TO PLAZA AREAS OF LAND BORDER PORTS
CREATING THE CUSTOMS PROCESSING ZONES
FIRST PROPOSED IN THE 1995 CANADA/US SHARED BORDER ACCORD

ALBERTA OVERVIEW AND OIL SANDS INSIGHT

Bridget Pastoor, Member Legislative Assembly, Alberta Gov't

Relationships work best when everyone benefits. Stated firm opposition to mCOOL and related the havoc it causes on beef and pork industries on both sides of the Border. Thanked Can/Am BTA Board for its resolution in opposition. US imports 25% of its oil needs from Canada. Oil Sands contribute \$15 Billion/year with 89 cents/\$ returning to the US. Oil Sands produces 2.5 million barrels a day and is projected to rise to 4 mm/bd by 2020. Alberta's objective is to be a global leader in Natural Resource Development, i.e., monitoring enviro impacts over long term time frame; specifying land protection areas and developing clean technology. Alberta is expanding market access, attracting foreign investment and creating jobs.

VIEW FROM THE HILL and WHITE HOUSE ON CANADA/U.S.

Peter Friedmann, Washington DC International Trade Lawyer,
Lobbyist and Insider

Provided insightful and fresh view of the Washington scene. Need to get past the blame game and other political games in D.C. Cited the proposed tax on sea containers at the Land Border. Most of the public agree we need to reduce spending and the budget. There is a Grand Bargain on the table to cut Federal Spending. Sequester was supposed to be so terrible that no one would let it happen yet we are now in year 2 having to cut 7% on top of the 7% cut in year 1. The Ted Cruz filibuster gave him name recognition and increased campaign contributions are flowing in for both sides. The Executive Branch is making far reaching decisions by Executive Order. The Trans Pacific Agreement covers 50% of total Global Trade. China manufacturing is migrating to Vietnam. Keystone Pipeline decision is totally political for a specific constituent group. House Speaker and Senate Leader have very contentious relationship. 60% of the public are anti-Obama Care, but 65% are also against a Government Shutdown.

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BEYOND THE BORDER TRADE/COMMERCE INITIATIVES

David Moloney, Senior Advisor, Border Action Plan
Implementation, and Regulatory Cooperative Council,
Privy Council Office, Canada

Canada/US build things together for each other and to export to the rest of the world. Fluid cross-border movement is the key to economic Competitiveness. Input from Can/Am BTA is driving that view. Regulatory outcomes are usually internal country focused. The essence is to align the way we achieve the result. 80% of CBP and CBSA activity is for others. OGA's and OGD's divert resources from CBP and CBSA Missions. Single Window is the answer to solve this situation. RCC impacts behind the Border and needs to avoid unintended consequences. Considerable progress is being achieved in the Beyond the Border Action Plan, i.e., Immigration Info Sharing Agreement signed; Entry/Exit Pilot successful and expanded to all crossings for non US/Canada citizens; Info Sharing is the essence with privacy managed; accord reached on Cross Border Business Travelers; Prince Rupert and Phase 1 Pre-inspection pilots very successful and the Pre-clearance Land, Sea and Rail legal framework being developed while complicated, Canada is committed to its successful outcome.

Alan Bersin's View from interactions and discussions
with Jim Phillips

Beyond the Border Action Plan has timelines and accountability. Key to success is Relationship; Trust; Confidence leading to partnership. Pre-clearance Agreement is progressing. As we are 2 sovereign countries, our relationship is "intermestic." Information sharing is driving insight that Economic and Security are one not a balance or separate objectives. We "get it right," we will have both. Focus on identifying low-risk and stream them through the Border. Using a haystack as an example, the options are: look at every straw (not acceptable); look into the straw and find the needle (at present) OR stream and expedite the low-risk and make the haystack geometrically smaller. Private sector sharing info to identify low-risk will contribute highly to the objective of reducing transaction costs by 20%. Government must assure info is only used for its stated purpose and privacy is protected. North America's combined economic engine is the strongest in the world.

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CHANGING ROLE OF THE BROKER - A US PERSPECTIVE

MaryAnn Comstock, UPS-SCS, Member of COAC

The US Customs Broker plays a pivotal role in Trade Facilitation. Highlighted the history starting with the Second Act on Congress July 31, 1789 establishing the US Customs Service. Regulations set forth licensing, qualifications, duties, responsibilities and disciplining of Brokers. The exam tests knowledge of Classification, Valuation, Entry, Trade Agreements, etc. New duties and responsibilities involve Broker interaction with the CBP Centers for Excellence and Expertise intended to improve Trade Facilitation. Possible regulatory changes include: Confidentiality; Employee Reporting; Power of Attorney; and District Permitting and Waiver Requirements.

CANADA/US INTER-PARLIAMENTARY GROUP

Gord Brown, Member of Parliament, Co-Chair
Senator Michael MacDonald Vice Chair

An excellent summation of the wide array of activity by the Canada/US Inter-parliamentary Group members from the Canadian Government. Highlighted the interaction with: the Southeastern States and Canada organization; Council of State Governments (Midwest, South, West and National); Governors' Associations (South, West, Northeast and National); PNWER; and Can/Am BTA. Interacting on challenges and opportunities for bi-national cooperation. Subjects focused on are: Energy; the Arctic; Work Force Development; Environment; mCOOL; new Detroit International Bridge Crossing; Infrastructure; Manufacturing/making things together and Cyber Cooperation. Cited the Canada/US economic relationship is essential to enhance prosperity and requires facilitation of low-risk Trade utilizing processes that expedite Trusted Trader and Trusted Traveler entities and individuals. Stated they are looking forward to a new US Ambassador to Canada arriving. Border issues and their solutions are continuing keys to competitiveness and prosperity.

VIEW FROM CONGRESS

CO-Chair Northern Border Caucus

Congressman Bill Owens, New York
Congressman Bill Huzeingga, Michigan, US Co-chair of the
Canada/US Inter-parliamentary Group

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Bill Owens, a Democrat, stated that Bill Huzienga, a Republican, and he sitting together here today shows that “we can and do work positively together.” Stated concern for the inappropriate high focus on the Southern Border and the need to recognize the positive importance of the Canada-US Northern Border. Stated firm opposition to the collection of a new fee for crossing the Northern Border. Noted especially since money collected was to go to the Southern Border. Stated the importance of Pre-clearance to co-locate CBSA in Massena on the US side. Highlighted the BtB progress on: Single Window; pre-inspection; NEXUS enrollment and entry/exit. Bill Huzienga, as it was his first appearance with Can/Am BTA, provided a very interesting description of his background, experience and the breadth of industries the major companies in his District are active in. Highlighted the importance of creating jobs and getting a positive decision on the Keystone XL Pipeline.

VIEW FROM THE SENATE

**Introduction – Ambassador David Wilkins,
Partner Nelson Mullins, Can/Am BTA Senior Advisory Board**

In introducing Senator Lindsey Graham, stated his reputation is to seek inroads rather than roadblocks. The Senator serves on Appropriations, Armed Services, Budget and Judiciary Committees. Senator Graham is a great friend of Canada.

Senator Lindsey Graham, South Carolina

Lindsey stated David Wilkins was the best voice for Canada in Washington. Provided a very knowledgeable and interesting assessment. Keystone Pipeline has political resonance as it is about energy not just environment. There are growing votes in the Senate for passage. Suggested Debt Limit deal will include Keystone. Entitlement problems involve retired individuals living longer and less workers. Social Security need to tweak CPI. Need to clean up Tax Code. Income over \$250,000 gets no medical subsidy. One time repatriation of offshore profit dollars at low tax rate to include investing \$30-40 Billion in Infrastructure for Highway, Bridges, Ports, Inland Ports, etc. Last best chance to reach a meaningful deal before the 2014 election cycle. Immigration must be dealt with (40 million baby boomers retiring who will replace them?). US needs gates and specific steps that must be achieved to get a Green Card in 10 years and a path to citizenship 3 years thereafter. Canadian merit based system is great. Stated the world is getting more dangerous and provided specific insights into the situation in a number of countries around the world. In closing, stated the US/Canada relationship truly stands out.

In closing, Jim Phillips thanked the excellent speakers and participants that together made this Conference successful.

Jim Phillips, President & CEO
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