

**CAN/AM BORDER TRADE ALLIANCE
OCT. 6-8, 2019 WASHINGTON, DC CONFERENCE
SUMMARY HIGHLIGHTS**

26TH 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 U.S./CANADA BORDER.”

Future Can/Am BTA Conferences:

Ottawa, Ontario May 3-5, 2020
Big Sky, Montana (w/PNWER) July 19-23, 2020
Washington, DC September 27-29, 2020

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:

DHS Assistant Secretary Michael Dougherty

“I thank Can/Am BTA for its passion and dedication to the U.S.-Canada Relationship and cross-border Travel and Trade. The Government appreciates your ideas.”

U.S. Department of Commerce Deputy Assistant Secretary Ana Guevara

“I congratulate Can/Am BTA on 26 successful years of conferences that benefited border management, trade, business, and travel between the U.S. and Canada.”

Senator Michael MacDonald, Co-Chair Canada/U.S. Interparliamentary Group

“I know I speak on behalf of all members of my Group's Executive Committee when I say this is an excellent Organization to help strengthen the Canada-U.S. Bilateral relationship and ensure continued growth in cross-border trade.”

**MARKET ACCESS DEPENDS ON:
TRANSPORTATION PLUS CONNECTIONS =
TRADE = JOBS = QUALITY OF OUR LIVES**

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Candace Sider, VP Regulatory Affairs NA, Livingston International Executive Board Member CAN/AM BTA

Can/Am BTAs conferences are designed for participants to learn, share, and collaborate. Trade is challenging at most times. Industry is tackling tariffs that change supply chain dynamics. It is imperative that USMCA be implemented and become a reality. Safety, security and facilitation of lawful trade and travel are of utmost importance. Challenges offer opportunities. Policies and procedures need to be developed that improve the ability to reduce barriers and inefficiencies to increase fluidity and cost effectiveness of Canada/U.S. cross-border low-risk activity.

CUSTOMS AND BORDER PROTECTION

Brenda Smith, Executive Assistant Commissioner, Trade, CBP

Trade environment is in a time of change requiring: data sharing; strong partnerships (Canada-U.S.); implementation of USMCA that CBP is ready to implement; and, as importantly, an active trade policy agenda that works collaboratively to maximize lawful trade and travel.

The migrant situation at our southern border is extremely serious. March 2019 100,000 arrived (3,000 a day) versus 1,850 in all of March 2017. All 731 CBP Officers assigned to temporary 30 day rotating duty to the southern border have been returned to their regular station duties.

CBP is developing 21st Century Trade Processes that utilize the Internet and Blockchain for unified and streamlined data collection; that define Customs responsibilities and enhance Trusted Trader and Trusted Traveler programs; enhances data sharing and automated capability to minimize unpredictability (between Government agencies within and Canada/U.S.); develop enforcement to enhance supply chain credibility and to insure ability to verify; secure trade infrastructure to support ACE and expertise and experience of personnel.

BEYOND PRECLEARANCE INITIATIVE

Jim Phillips, Introduction, President & CEO, Can/Am BTA
Solomon Wong, CEO InterVistas, Can/Am BTA Executive Board
Gerry Bruno, Vice President, Vancouver Airport Authority

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Provided history of authoring the 2002 detailed North American Perimeter Advantages versus Disadvantages concepts used in the Ridge Manley report and the 2008 Coordinated Clearance Point of Departure Determination concepts utilized in the Beyond The Border Action Plan. These led to the current essential importance of a New Border Vision to continue the “unfinished business” of transforming the U.S./Canada Shared Borders. Beyond The Border activity has diminished. The Beyond Preclearance Initiative raised \$500,000 dollars, has 54 primary Organizations as members and has formed 10 specific Work Groups that are staffed with volunteers with appropriate expertise. These Work Groups have developed 54 specific recommendations. The U.S. Chamber held the initiatives Transportation Summit in Washington. Beyond Preclearance is dedicated to identify problems and develop effective alternative solutions including applied research and present them to Government decision makers. Intent is to focus, be agile and flexible to lead positive change to serve the future.

U.S. DEPARTMENT OF COMMERCE INSIGHT AND PERSPECTIVE.

Ana Guevara, Deputy Assistant Secretary, U.S. Operations, U.S. DEPARTMENT OF COMMERCE

The U.S. Commercial Service, through its 106 domestic and 75 international locations including offices in Ottawa, Toronto, Montreal, and Calgary, facilitates economic prosperity through customized solutions for U.S. exporters in a variety of areas including export counseling, market intelligence, business matchmaking, trade advocacy and diplomacy. The Commerce Department also plays a role educating the business community about how trade agreements facilitate the export of U.S. goods and services.

Through our many outreach efforts, we work to inform industries on how to capitalize on the benefits of trade agreements like the United States-Mexico-Canada-Agreement. As of this week, the Department of Commerce has conducted 100 USMCA outreach events. The Administration is bolstering the economy by implementing a coordinated set of pro-business economic policies that are sustaining job growth throughout the United States.

USMCA eliminates many trade barriers that are unfair to businesses. The Agreement includes chapters updated from NAFTA, new chapters with provisions that were topically non-existent in 1994, and chapters that address unfair trading practices. Each Chapter was described. The agreement significantly increases transparency and provides mechanisms for accountability.

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In conclusion, *trade* is vital to the United States and Canada. We negotiated USMCA with the intent of preserving Canada and Mexico as the largest export markets for U.S. products. Let's all work together in getting it signed, sealed, and delivered.

CANADA/U.S. INTER-PARLIAMENTARY GROUP

Senator Michael MacDonald, Co-Chair
Senator Paul Massicott

The IPG has had a busy summer travelling across the continent to further its goals: finding points of convergence in our national policies, exchanging ideas with fellow legislators, and promoting a better understanding of the issues we share. The Section 232 tariffs imposed on Canadian steel and aluminum imports, thankfully, was resolved. It is this kind of market integration that makes North America a more competitive trading block; one that can out produce, outclass and outcompete other economic regions.

Our main focus going forward is the ratification of the USMCA by the United States Congress. Our government is moving in tandem with Congress, avoiding the need to backtrack if Congress pushes for changes to the agreement. We are hopeful that any additions can be accomplished through side letters.

- On a more positive note, technological advancements can and are improving border crossings. Biometrics, multi-energy cargo scanning, electronic manifests and payment options are some of the ways that are helping to streamline the border crossing process.
- With respect to border and trade issues, regional solutions between individual states and provinces – or larger sub-national economic regions – are becoming more innovative and can often be enacted more swiftly than policy at the federal level. These solutions should be pursued whenever possible.

FEDERAL RAILROAD ADMINISTRATION

Luncheon Keynote

Michael Lestingi, Director, Policy and Planning
Federal Railroad Administration, U.S. Department of Transportation

An excellent description and discussion of the U.S. Department of Transportation and Federal Railroad Administration Priorities, i.e., Safety, Infrastructure, Innovation, and Accountability, was provided.

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The Federal Railroad Administration Mission “to enable the safe, reliable, and efficient movement of people and goods for a strong America, now and in the future” is comprised of four major focus areas: Infrastructure Investment; Safety Innovation; AMTRAK Reform; and Project Delivery Streamlining. Described in detail: U.S. Canada Rail Ports of Entry, 5 Class 1 Railroads that Interchange, Cross-Border Passenger Rail Ridership by location, facts of Freight Railroad Industries, Rail Freight Traffic, Cooperation on Rail Safety and regulations including Mutual Recognition and Seamless Operation where possible maintaining regular communication.

CUSTOMS AND BORDER PROTECTION

Rose Marie Davis, Director, Planning, Program Analysis and Evaluation, Office of Field Operations, CBP

Mathew Schneider, Director, Land Border Integration & Biometrics

Dan Randall, Director, Cargo and Conveyance Security, CBP

Provided a detailed insightful Overview of New CBP Approaches, Biometric Technology, and Land Port Initiatives.

CBP is radically changing the way we travel. It is a revolutionary reform resulting in fluid processing eliminating delays while achieving enhanced security utilizing: existing traveler biometrics; matching one-to-few in the cloud; integrated into airport infrastructure; trusted source of identity identification; and no traveler enrollment required. Current full test at Detroit airport resulted in each CBP Officer processing 2.7 times the passengers as the existing process. To date with 194,388 air entry and exit flights processed at numerous airports, the biometric match rate is 98.3% on air exit and 99.1% on air entry. Privacy and Security are protected by design.

Land Border Biometrics are being developed and tested at several pilot development locations with location biometric gallery including all previous crossers in the past 90 days being matched with current passenger car vehicles proceeding at 15 miles per hour. The camera system for pilot pedestrian crossing is very successful with a 99.9% match rate and has identified 191 imposters.

Land Border Cargo developments at pilots were discussed and the Peace Bridge Pre-Arrival Readiness Evaluation (PARE) operation was presented. Unified Cargo Processing, Contactless Payment, Non-Intrusive Technology developments, reduction of cash collections, increased use of DTOPS Transponders to speed primary processing and elimination of Section 321 Trucks from not requiring eManifests, and the piloting Port of the Future were described.

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EDITORIAL NOTE---THE FOLLOWING IS PROVIDED BY JIM PHILLIPS:

PARE is made up of 3 stages: PARE 1 provides a red/green light for all trucks insuring payment of fees and having an eManifest; PARE 2 added License Plate Readers and Biometric camera capture identifying the driver (PARE 1 and 2 are operational); PARE 3 planned, expected to be operational end of 2020, will have the Radiation Portal Monitors currently in the U.S. Plaza installed on the Canadian side; and, in addition, the newest large imaging Non-Intrusive Inspection NII technology that can process 2 to 3 times the trucks per hour versus the current rate of less than 30 trucks/hour. When completed, this fully Pre-Inspection process allows a CBP Booth on the U.S. Plaza to make a red/green light release decision for each truck as it approaches. FDA, USDA and other Government Agencies with specific Release authority will continue to function on the U.S. Plaza with their receiving a red light to be reviewed at the Plaza if required. The PARE process will be translatable to other commercial ports especially an early review for operation at the Pacific Highway Port. At some Ports it could be installed on the U.S. side of a Bridge prior to the CBP Primary Inspection Booths with a distance to allow communication time to initiate a red/green light decision at the Release Booth.

KNOWN LOW RISK GOODS AND PEOPLE MUST BE EFFICIENTLY FACILITATED WITHOUT LOWERING PUBLIC SECURITY

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

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

The Number One Issue in Washington for each elected official is getting reelected for another term. The House is increasingly tense. Democrat odd dynamics and conflicted opinions on impeachment push. Bipartisan work is continuing quietly below the radar. Obama people still there liked the EPA agenda and very unhappy with change. Leads to whistleblowing. President needs 4,000 loyal to his agenda people to function. Obama people were in those staff jobs, most stepped down, are not available, continuity is lost, and those who stayed are not necessarily committed to the new agenda.

China is primarily a self-interest actor. Democrats in Congress support the President's stand and tariff war. Tariffs may not be the answer to achieve the desired results and perhaps controlling and stopping Investments may be the answer.

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USMCA will be brought to vote or not solely by Speaker Pelosi making the decision. Most Democrats in the House are saying it needs to be improved—NOT NEEDED TO BE CHANGED. Need to negotiate to address concerns such as Pharmaceutical patent protection too long and insuring compliance and enforcement of the labor agreements.

HOMELAND SECURITY.

Michael Dougherty, Assistant Secretary, Border, Immigration, Trade Team, DHS

It is no secret that the United States and Canada maintain a partnership that is of unparalleled breadth and depth. This massive cross-border flow of people—and the capital, ideas, and aspirations that they bring with them—is critical for our mutual economic vitality and the future of our partnership.

Today I'd like to talk about some DHS priorities and ways that the U.S. and Canada are working together. Facilitating secure and lawful trade and travel between the United States and Canada is an important and enduring priority for Canadian and U.S. policy makers. In June 2018, former Secretary Nielsen issued an updated Northern Border Strategy, which establishes a clear vision and discrete actions that will collectively improve DHS's efforts to safeguard the Northern Border. The three goals of the strategy are to: 1) Enhance Border Security Operations; 2) Facilitate and Safeguard Lawful Trade and Travel and 3) Promote Cross-Border Resilience. Each goal includes sub-objectives that will help us identify milestones and measure our success. DHS has completed an internal implementation plan as well. The plan identifies Component equities, success criteria, and key activity milestones over the next five years for achieving Departmental goals as stated in the Northern Border Strategy.

The Department is improving data collection and upgrading targeting systems for enhanced risk assessments to identify the eCommerce shipments that pose the same health, safety, and security risks as containerized shipments. We are pleased with the implementation of Single Window and are in the process of defining operations & maintenance, and enhancements, developing a model and process to prioritize new requirements and enhancements for the Single Window.

Biographic/Biometrics to Secure and Facilitate Travel

CBP has developed a Traveler Verification Service that leverages existing advanced passenger information and existing traveler biometrics. On the land border, RFID technology has begun to revolutionize cross border trade and travel. More RFID-enabled traffic lanes, along with more vicinity RFID-enabled travel documents that

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are accepted as entry documents, will facilitate travel by making border crossing faster and more efficient thereby increasing the economic advantages to both countries. Further, the use of vicinity RFID-enabled documents for border crossing also supports the implementation of the Entry/Exit Program as it will allow for the accurate capture of biographic data.

Preclearance

The Land/Rail/Marine/Air Agreement (LRMA) entered into force on August 15, 2019. As the agreement is fully reciprocal, we encourage Canada to utilize the agreement to initiate preclearance operations in the United States. **In addition to supporting preclearance, the legal framework enables the U.S. and Canada to proceed with co-location of officers at small and remote ports of entry. This could lead to efficiencies and cost savings in both countries. Officials already are in discussion about potential locations to test this approach in the future. We know there has been stakeholder interest in this as well.**

Terrorism

The terrorist threats our two nations face have not diminished, but rather metastasized and decentralized. In fact, just last month Acting Secretary McAleenan released the new DHS Strategic Framework for Combating Terrorism and Targeted Violence.

VIDEO REMARKS BY CONGRESS WOMAN ELISE STEFANIK

Congresswoman Stefanik created an excellent video that will be available on our web site www.canambta.org shortly.

‘Hi, I’m Congresswoman Elise Stefanik and I represent New York’s 21st District in Congress. My district proudly shares a border with Canada. Thank you to Jim Phillips, President and CEO of the Canadian/American Border Trade Alliance, for inviting me to address you all this morning at your annual Conference. I’m disappointed I could not be there in person, but I want to take a few minutes to talk about Northern Border issues and recognize all of your great work.

I have been honored to partner with the Canadian/American Border Trade Alliance since my first term representing the North Country in Congress. Your advocacy for improved and increased transportation and infrastructure across the Northern Border has done incredible things for our economy, and your work has a direct impact on my constituents. In short, your Alliance is the leading force in all matters related to our shared border, and I couldn’t ask for a better partner in you.

I have always enjoyed hosting meetings with the Canadian/American Border Trade Alliance to talk about our shared interests: unification of U.S./Canada border issues country-wide, improved border clearance processes, and issues relating to the Plattsburgh - Montreal business community.”

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INSIGHTS AND OPPORTUNITIES FIRESIDE CHAT WITH CAN/AM BTA SENIOR ADVISORY BOARD

Past Responsibilities:

Ambassador David Wilkins, U.S. to Canada

Tom Winkowski, Commissioner, Customs and Border Protection

Lew Holloway, General Manager, Niagara Falls Bridge Comm.

Matt Parrott, Director Transportation, A.N. Deringer, Inc.

Moderator Pat Whalen, Executive Vice President, Can/Am BTA

A very meaningful array of important subjects and insights were shared and discussed. CBP is focused on Northern Border flows. High priority on technology. Preclearance co-location is a new way to do inspection business. PARE 3 approach is very effective and can allow Imaging of all trucks contents. Sharing information by Canada and U.S. is an absolute key and is not fully happening now. eCommerce has serious major growth demand and needs attention. U.S. Postal Service Policy is outdated and needs revamp. Vicinity RFID not utilized broadly by Canada and should be by issuing a VRFID Passport Card. Flag Polling at the border by CBP and CBSA should cease immediately. Neither is in the immigration business. U.S. Immigration system is broken with no political will to fix it. EGATE equipment at Ambassador Bridge did not work as different manufacturer equipment was installed than the system tested and approved at the Peace Bridge that works fine (why did this happen? It should not have).

U.S./CANADA BORDER – THE REALITY

Jim Phillips, President & CEO, Can/Am BTA

Described in detail the various workable forms Preclearance can take Port to Port: away from the actual border; near the actual border in either direction (a la Peace Bridge type location); PARE 3 pre-inspection system; two way inspection at 40 small and remote Ports 1 CBSA and 1 3CBP Officer on same side of border with inspection booth moved from the other country to the exit roadway of the country they are in (estimated 400 Officers could be reassigned to the large Ports where they are needed); leading to a next stage developing at the large Bridge crossing Ports of a Border Processing Zone between the back ends of the secondary processing areas in the two Plazas to allow Officers of both countries to perform their duties in the Zone perhaps with NORAD Model leadership sharing administrative and support functions. Urged ending of Flag Polling and introduction of a Canadian Passport VRFID Card. Use Niagara Falls NY-Niagara Falls Ontario to pilot Rail Preclearance as it is in place to do and can be an early proven win for LRMA.

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

“Overview and Insights”

The U.S.-Canada relationship is a whole lot different since 9/11. It seems every insignificant issue is tied to politics. We must get USMCA passed and right now politics trumps trade. Focus is getting re-elected. In the Senate, 35 seats are up with 23 being Republican and 3 of those are in play while 12 seats are Democrat and 2 are in play. House has 435 seats all being elected, 235 is a majority, Republicans need to gain net 20 seats, 30 Democrat seats elected in 2017 are in Republican previous Districts. To pass USMCA, 218 votes are needed if there is a vote. Unknown answer is will there be a vote? Bottom line, truly believe THE U.S. –CANADA BEST DAYS ARE TO COME.

Summary and Closing Remarks

Solomon Wong, CEO InterVISTAS Consulting

Executive Board Member CAN/AM BTA

I have been with Can/Am BTA for the last 20 years and we have always had meaningful discussions, excellent speakers, and focused on solutions and getting them implemented. Setting up a successful program for increasing use of biometrics is a priority as it simultaneously enhances security and facilitation wherever it is used. Improvement in the border-crossing preparation and crossing involves four key elements (People; Processes; Technology; and Facilities). People is about relationships and partnerships. Processes is about identifying micro changes and improving them to increase efficiency, common sense and accommodate growth. Technology of all types are on fast track developments that need to be known, and tested. Facilities adjusted or new construction planned to be flexible to adjust to changing conditions and demands. We must share practices, identify barriers to eliminate them and determine what works to achieve desired results. Thank you all for your presence and sharing your expertise and experience in the meaningful discussions and networking we have at our conferences. See you in Ottawa next May.

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