

CAN/AM BORDER TRADE ALLIANCE

MAY 5 - 7, 2013 OTTAWA CONFERENCE

“SUMMARY HIGHLIGHTS”

CAN/AM BTA is an organization with beneficial far-reaching impact on the important issues of Border Management, Trade, Travel and Business between **The World’s “2” Largest Trading Partners - Canada and the U.S.**

<u>Future Can/Am BTA Conferences</u>	Anchorage, AK (w/PNWER)	July 14-18, 2013
	Washington, D.C.	Oct. 6 - 8, 2013
Corridors, Gateways & Economies	Chicago, IL	April, 2014
	Ottawa, Ontario	May 4 - 6, 2014

Highlights of the Conference included:

Reception held at the U.S. Ambassador’s Residence
Hosted by Ambassador David Jacobson

Excellent Speakers provided current insights plus areas of concern including planned present and future actions.

Speakers acknowledged CAN/AM BTA’s leadership role:

Ambassador David Jacobson

“The Can/Am Border Trade Alliance and I have accomplished a lot together. Jim Phillips drafted ideas into the Beyond The Border Action Plan. I thank Can/Am BTA for its very positive impact.”

Hon. Vic Toews, Minister of Public Safety

“Can/Am BTA is a great forum to discuss, exchange ideas and create solutions. Can/Am BTA is a key element in improving the U.S./Canada Border.”

Hon. Steven Fletcher, Minister of State (Transport)

“I commend Can/Am BTA and its harnessed effective energy. Transport Canada looks forward to continue working together to maximize the future.”

David Moloney, Senior Advisor to the Privy Council, responsible for Implementation of Beyond the Border.

“Can/Am BTA is the legendary forum for Border Files.”

Malcolm Brown, Executive Vice President, Canada Border Services Agency

“Can/Am BTA is an extraordinarily important partner to CBSA with its dynamic leadership. Conversation with Can/Am BTA is frank and informed.”

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Gord Brown M.P., Co-Chair Canada-U.S. Inter-Parliamentary Group

“Can/Am BTA’s ideas and solutions are extremely valuable.”

Bridget Pastoor, MLA, Member of the Legislature Government of Alberta

“Can/Am Border Trade Alliance has worked effectively for years leading efforts to improve the effectiveness and efficiency of the shared Canada/U.S. Border.”

CONFERENCE SPEAKERS AND THEIR MESSAGE

Can/Am BTA again put together a Program for this Conference with noted Speakers discussing Issues and efforts that are timely, relevant and truly matter.

Welcome to the CAN/AM BTA 2013 Ottawa Conference!

Bruce Agnew, Director, Cascadia Center, Seattle, Washington

Can/Am BTA Executive Board

Welcomed all on behalf of Can/Am BTA. Highlighted the upcoming tour/field trip for Northwest State legislators and Port leaders from Seattle to Vancouver, Prince Rupert/Kitimat, Ketchikan and Anchorage Alaska led by Cascadia Center and Can/Am BTA, sponsored by the Canadian Consul General in Seattle, CN and the Pacific Northwest Economic Region. Stressed that the Beyond The Border Pre-Clearance Agreement was the absolute key to solving Rail Passenger Inspection crossing the U.S./Canada Border.

VIEW FROM RAIL

Bruce Burrows, Vice President, Pub./Corp. Aff., Railway Assoc. Canada

Mike Tamilia, Senior Manager Customs, CN

Ensuring Railways meet the needs of the North American Economy. Provided very meaningful understanding of: Continental Reach; Rail and Logistics Trends (Status Quo not an option); Demand (over 75% of rail activity is related to International Trade); Need for Cross Border Harmonization; Meeting the Challenges at the Border and highlighted the Key Rail Border Crossings. Reviewed emerging Customs regulations affecting Rail: Rail eManifest CBSA; Electronic crew reporting CBSA; Residue reporting CBP and Automated Rail Export reporting CBP. Described Transborder Rail Operations for: Secure Rail Operations; Multi Tiered Security and Container Inspections at the Border (a very costly and difficult process needing an alternative location prior to the Border or at the destination yard). Detailed the exciting Beyond The Border Prince Rupert to Chicago Pilot and Corridor providing the Challenges and Successes.

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VIEW FROM THE BRIDGES

Lew Holloway, General Manager, N.F. Bridge Commission

Stan Korosec, Can/Am Border Trade Alliance

Ron Rienas, General Manager, Peace Bridge

Rik Saaltink, General Manager, Seaway Bridge

Provided excellent insight into the Needs, Issues and Concerns of the entire array of Bridge and Tunnel Crossings that carry a majority of Canada/U.S. Border 2 way crossing activity. Presented a visual tour of the new Queenston Canadian Plaza and highlighted the need for a new Lewiston U.S. Plaza, the new Seaway North Channel Bridge (low-level and wide deck) and the new South Approach under construction, a view of the 4 projects in progress at the Peace Bridge (3 on the U.S. side and the fourth CBP Pre-inspection in Canada for the benefit of the U.S. side) and the future planned “Redecking” of the span. A detailed view of the Disney approach to efficient movement of vehicles and people suggested to be applied to Border crossing. Specifics: 3 lane approach road stream; variable message signs; cameras to monitor; design maintenance from “under the bridge span”; one third of Primaries be high/low (able to handle cars or trucks for flexing to demand); dynamic active lane management; VicinityRFID technology; wait time measurement accurate and real time and one-way toll electronic collection.

TRANSPORTATION

Hon. Steven Fletcher, M.P., Minister Of State (Transport)

Provided a clear and meaningful view of Transport Canada’s focus and objectives. Reiterated the critical importance of the shared Border to Economic Activity and People Movement. Summarized the status of the new Detroit River Bridge: Presidential Permit signed; design proceeding and property acquisition starting. To further the commitment to improve the flow of goods: cited the announced \$127 million for 4 Port construction; detailed their efficient and adaptive Gateways and Trade Strategy; the coordinated approach to Marine, Road, Rail and Air as a single connected network. Highlighted the successful 2007 Build Canada Fund, the 2013 Fund to spend \$70 Billion over the next 10 years, the Community Improvement Fund that determines what stakeholders “need and want” and the \$1.2 Billion P3 (Private Public Partnership) Fund all focused on shaping the future.

VICINITY RFID “NEW TYPE” CARD FOR CAN. PASSPORT CARD

Kathleen McManus, Senior Director Public Policy, GS 1 Canada

Jim Phillips, President & CEO, Can/Am BTA

Presented an excellent understanding of Identifying Privacy Enhancements for Standards-Based Vicinity RFID Cards plus the established and proven GS1 development and governance in Border Processes (US ITDS, Canadian Single Window, US TSA, USCBP and CBSA RFID Tag formatting and document identification integrated into WHTI compliant Enhanced Drivers Licenses. In 2009 the Prototype Project to develop a chip/card that only sent a signal when touched in a certain spot when actually approaching the reader at Primary Inspection was launched to satisfy Privacy Commissioner concerns. Upon its successful development, the new chip/card was first demonstrated at the Can/Am BTA Washington Conference in Sept, 2010. It is imperative that a VicinityRFID be made available to a majority of Canadians who cross the shared Canada/U.S. Land Border to geometrically reduce their current delay and wait time from using Passports at the Land Border. Presented a Video Demonstration of the Chip.

Beyond the Border Action Plan

“Success of this initiative for the CBSA is dependent on the number of Vicinity RFID enabled Documents used on both sides of the border.”

- **NEXUS and all EDL's in Canada (the only Vicinity RFID documents currently available to Canadians) reach less than 2 percent of the Canadian population. Canadians make about 70 percent of the border crossing trips.**
- **USING A PASSPORT, “THE MOST INEFFICIENT DOCUMENT AT THE LAND BORDER”, RESULTS IN MOST CANADIANS BEING IN THE LONGER WAIT-TIME OTHER INSPECTION LINES UNTIL A CANADIAN PASSPORT COMPANION CARD IS ISSUED BY PASSPORT CANADA.**

RECOMMENDATION: Passport Canada implement a Vicinity RFID Passport Companion Card.

- **Saves 24 seconds per person inspection time. Equates to saving 200,000 hours wait-time by Canadian cardholders plus 200,000 hours reduced Officer inspection time EACH for CBSA and CBP Primary Inspection Booths.**

New Chip Plain Card estimate \$3 each in minimum quantity of 20,000

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CANADA/US INTER-PARLIAMENTARY GROUP

Senator Michael MacDonald, Vice Chair

Gord Brown, M.P., Co-Chair

Highlighted the essential Canada/U.S. relationship, the numerous gatherings attended with U.S. counterparts, stressing specifically: the number of jobs directly dependent on Cross Border Trade; the critical importance to both Countries of approving and constructing the Keystone pipeline; the importance of Intellectual Property Rights and that “one size does not fit all” in managing the U.S. Northern and Southern Borders. Reiterated the importance of the integrated supply chain reality in Canada/U.S. cross Border activity. Cited the essential focus on bi-lateral relations, the importance of working together (noting the scheduled future meetings the Interparliamentary Group has scheduled) to focus on realistic and practical solutions. Closed by stating “See you in Washington, D.C. in October.”

LUNCHEON KEYNOTE SPEAKER

THE AMERICAN PERSPECTIVE

Ambassador David Jacobson, United States Embassy

Shared exceptional understanding of the Beyond The Border real consequences and transitional effect on National Security, Jobs and Economic Vitality. Must not make a false choice between Security and Trade (we must have both). The reality of dealing with the Border is to do more “smart stuff” and less “dumb stuff.” NEXUS is a great joint program and a real advantage to the participant. The Regulatory Coordinating Council has a very positive impact in increasing the volume and quality of U.S./Canada Trade. The U.S. announced priority to double U.S. Imports 2009-2014 (as of early 2013 is on track to be accomplished). 25% of Canada’s global Trade is U.S. content. 2012 U.S./Canada 2-way Trade reached \$709 Billion, increasing \$210 Billion or 46% from 2009. NAFTA is the World’s largest Trade Zone. Beyond The Border is seeing real progress. It is dealing with some challenges on real change items. The ultimate successful conclusion of the stated objectives is absolutely critical. **In closing David was given a standing ovation for the contributions he has made as U.S. Ambassador to Canada.**

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eMANIFEST ACI “View from Trade”

(Overview) Candice Sider, Director Regulatory Affairs, Livingston Intl.
(Highway) Michel Vallee, VP Operations Northern Border UPS-SCS
(Air) Presented on Behalf of Renate Jalbert, FEDEX Canada

Provided a very important necessary view of the status and concerns with this major and “critically important initiative” by the Canada Border Services Agency. Viewed the movement of data and documents, the relationships, who will transmit and the need to develop a contingency plan for systems outages. Highlighted unresolved issue of B3B on a consolidation and multiple BOL’s/vendors without which multiple additional fees will occur for the Importer. Discussed Compliance, Complexity and Cost associated with modernization and how it will impact a business. The opportunity is now – Be Proactive not Reactive. Reviewed the history and development along with exemptions and exceptions to submitting electronic cargo and conveyance data. Highlighted Impacts (reduced paper, RMD versus PARS, quicker release at Border for LTL moves) and Issues (delayed implementation due to lack of procedures for Couriers also CBSA IT constrained resources). Solution at the Border is managing Traffic Streaming. eManifest Air Admissibility functions already implemented, 2013 scheduled introductions and 2014 scheduled introductions were reviewed. **Ten** separate Admissibility Challenges were identified needing effective resolution and solutions.

**BEYOND THE BORDER ACTION PLAN
ON PERIMETER SECURITY AND ECONOMIC COMPETITIVENESS**

The Honourable Vic Toews, M.P., P.C., Minister for Public Safety

Thanked Can/Am BTA for the meaningful discussion it encourages. Thanked Ambassador Jacobson for his effective fostering of Canada/U.S. relations. Cited the CBP/CBSA immediate coordinated response post Boston Bombing. It is a trusted 2 way relationship that acts in concert. Provided excellent insight of the solid progress being made on implementation of Beyond The Border. To clarify the importance reiterated that **8 million U.S. jobs depend on Trade with Canada and that 1 in 7 Canadian jobs are tied to Exports.**

The Integrated Cargo Strategy is moving forward very well. Single Window success is key. Prince Rupert pilot going very well and the Montreal pilot will start soon. The Pre-Inspection Agreement is signed and Phase One is commencing. FAST Pilot at Blue Water Bridge is being evaluated. NEXUS has 800,000 plus members and continues to expand. Canada and the U.S. make things together so Trusted Trader Programs must continue to be expanded. **Pre-Clearance is a key element to the Beyond The Border.** The Canadian Infrastructure Plan has been announced. Counterfeit Goods threat is being addressed. In many ways U.S. and Canada sovereign issues coincide.

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INTERNATIONAL TRADE NEGOTIATIONS AND POLICY

Martin Moen, Minister-Counsellor Policy Eco&Trade, Canadian Embassy

Provided a meaningful insight and excellent summation of Trade views in Washington and actions the U.S. and Canada have undertaken in many ways working closely together. Very important how Congress and the Administration view Trade. Trade is absolutely critical and the importance of the Canada/U.S. relationship can not be overstated. U.S. has a Trade Surplus in Intellectual Property. The economy is a mixed picture and fiscal constraint pressure is a reality for the foreseeable future. U.S. and Canada are ambitious on expanding Free Trade Agreements. EU negotiations underway. U.S. Trade Agreement Fast Track is not currently in place. Buy American legislation worked out for mutual benefit with difficult negotiations. Suggested NAFTA has to be made more relevant. Mutual trust leads to cooperation and then on to create shared approaches.

BEYOND THE BORDER IMPLEMENTATION

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

“Introduction”

Stated Can/Am BTA’s appreciation for the professional and effective leadership David Moloney has shown in his very important responsibility

**David Moloney, Senior Advisor to the Privy Council Office,
Beyond the Border and Regulatory Cooperation Council**

Articulated the essence of Beyond The Border and the Regulatory Cooperation Council with clarity and explained how intricately they are meshed. Segmented his remarks into 3 parts: what takes place “at the Border”; “before the Border at the Perimeter” and “behind the Border” regulatory related issues. Purpose is to improve the functioning of our Shared Border and Shared Shores. “Achieve check once cleared twice.” Regulations cause unintended consequences and impact Trade and availability. Look at differences to harmonize. **80% of inspections are non Customs related regulatory differences.** Single Window facilitates fluidity. Managing the BTB and RCC has challenging time lines and we are making progress. Some issues more difficult than others. Metrics for results comparisons are being developed. Stakeholders are being informed. RCC update dialogue in Washington June 20. Government of Canada is in a tight fiscal approach. U.S. provided funds to CBP to ease the Sequester front line impact. U.S. very committed to BTB and RCC as Canada is as well. Small Ports solutions moving ahead. Trusted Trader benefits are being developed.

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BORDER ISSUES IMPLEMENTATION

CANADA BORDER SERVICES AGENCY BEYOND THE BORDER

Malcolm Brown, Executive Vice President, Canada Border Services Agency

Acknowledged the high level of knowledge of the audience. Appreciates the frank and informed conversation that occurs. It is the 10th anniversary of CBSA and reminded all that you can not plan for the future through the rear window. Cited the top to bottom shoulder to shoulder U.S./Canada Border management efforts. Highlighted CBSA's new approach 6 principles: Push the Border out; facilitate low-risk; effective targeting and enforcement; improve efficiency; increase harmonization and client services. Undertaking common effort with U.S. to enhance economic competitiveness. Identify threats early. Vicinity RFID very important. Provided status on various BTB elements and pilots. ACI eManifest is a cornerstone. Enhance risk assessment and targeting. Remove stakeholder encumbrances. Marine ACI. Resources allocation plan. Wait time has been reduced 26% at key Ports. Described airport electronic kiosks and providing pre-departure info on Custom Declarations so upon arrival you pick up your baggage and go. **The content and breadth of this presentation was most enlightening and the extensive dialogue in Q and A was much appreciated and useful.**

BEYOND THE BORDER – VIEW FROM THE NORTH COUNTRY

Garry Douglas, President & CEO, Plattsburgh No. Country Chamber
Co-Chair Can/Am BTA Trade Corridor, Border Gateway, Regional Economy Council

Presented a very refreshing, effective and factual view of the importance of regional bi-national relationships and the important part the Border plays and the effect it has. The Border is a reality. How we manage it is the key. A well managed fence with well oiled gates. Cited the BTB further develops the mind set of pushing the Border out. FTA/NAFTA/BTB are an integrated sphere of economic activity. U.S./Canada border must assist Bi-national Regions. The measured Canadian impact in Clinton County, New York alone is \$2 Billion. 180 Canadian Companies are physically located in Clinton County and 15% of the total workforce work for Canadian Companies. Stated the needs form Border operations: efficient dwell time at the Primary Inspection Booths; eliminate negative attitudes; sensitivity to Business Travelers; pre-clearance at Cornwall; common sense pre-clearance for Amtrak rail passengers; adequate CBSA staff; enhance State/Province cooperation and CBP provide French language skills to Officers in the Region just as they do for Spanish on the US/Mexico Border.

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SPECIFICS BEYOND THE BORDER PERIMETER STRATEGY
MUST DELIVER

VIEW FROM CAN/AM BTA

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

Stressed the following Canada/U.S. Border beliefs that must become reality:
Common sense must prevail; Time for meaningful Paradigm Shifts is now;
We are in this together; Global Competitiveness and Quality of Life depend on it”

Acknowledged and highly complemented David Moloney for his personal contributions and leadership in the implementation of the Beyond the Border Action Plan.

Presented graphics of the 2007 Coordinated Clearance – Point of Departure Determination that reflect the envisioned “End State” of the Beyond the Border Perimeter Action Plan. **Cited the critical importance of the Pre-Clearance successful negotiations and the absolute need for most Canadian citizens to have access to a Vicinity RFID document for crossing the Land Border.** After showing the Beyond the Border specific agreements for Law Enforcement Officers relative to cross-designation, co-location, and working in each others country, posed the very serious question of why not Customs Officers at the Ports of Entry?

**THE PRE-CLEARANCE PARADIGM SHIFTING TREATY PROVIDES
HIGH VALUE DIRECT BENEFICIAL IMPACTS:**

- CORNWALL SOLUTION
- PEACE BRIDGE COMMERCIAL PROCESSING
- SMALL PORTS INSPECTION (JOINT 2 OFFICER TEAMS)
- RAIL PASSENGER EFFICIENCY – QUEBEC-NY AND VANCOUVER-SEATTLE (eliminate stop at actual Border)
- SECURE TRANSIT CORRIDOR (PLANT TO CUSTOMER) (I.E. SAME DRIVERS, SAME PRODUCTS, SAME PORT)
- PORT SPECIFIC SOLUTIONS TO MAXIMIZE UTILIZATION, EFFECTIVENESS AND MINIMIZE NEW INVESTMENT
LEAD TO DEVELOPMENT OF BRIDGE CROSSING PROCESSING ZONES

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LUNCHEON KEYNOTE SPEAKER

**MARKET ACCESS Oil Sands & Energy Overview
and their Importance to U.S. and Canada**

Bridget Pastoor MLA, Member of the Legislature, Government of Alberta

Alberta exports \$75 Billion a year to the U.S.,(its most valued trading Partner). **70% of foreign investment in Alberta is from the U.S. 90% of Alberta’s imports are from the U.S. Alberta is the most stable supplier of energy to the U.S. politically, economically and security wise. Alberta’s energy supplied to the U.S. will add \$521 Billion to U.S. GDP over the next 20 years.** Alberta and the U.S. share a long history of a cooperative and effective relationship. Increasing Market Access is a key economic priority for Alberta. Alberta is communicating its environmental activity, monitoring and policy. Cited Alberta’s \$312 Million Fund that is funding 49 current active clean projects. Described Alberta’s Comprehensive Land Use Policy.

SUMMARY REMARKS

**Gil Duhn, Executive Board
CAN/AM BORDER TRADE ALLIANCE
General Manager Customs Retired, General Motors**

Reminded all that constant changes in Customs and Other Government Departments policies, requirements and regulations make the Border much more difficult and complex sometimes unnecessarily so. “Common sense” prevailing will be most helpful in controlling the future of the Border. Thanked the excellent speakers and the quality of their messages as well as the attendees who made it all happen.

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**Jim Phillips, President & CEO
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