

**CAN/AM BORDER TRADE ALLIANCE**

**MAY 4 - 6, 2014 OTTAWA CONFERENCE**

**SUMMARY HIGHLIGHTS**

**20<sup>TH</sup> 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:**

Whistler, BC (w/PNWER)	July 20-24,	2014
Washington, D.C.	Sept. 28-30,	2014
Ottawa, Ontario	May 3-5,	2015

**Conference Highlights:**

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

**Reception held at the U.S. Ambassador's Residence  
Hosted by Ambassador Bruce Heyman**

**Speakers acknowledged Can/Am BTA's leadership role:**

**Ambassador Bruce Heyman**

"Welcomed Can/Am Border Trade Alliance and its effective work."

**Hon. Steven Blaney, Minister of Public Safety**

"Can/Am BTA is a great forum, keeps its finger on the pulse and makes positive things happen on a daily basis. It assists the Governments getting the Beyond the Border done."

**Hon. Lisa Raitt, Minister of Transport**

"Transport Canada has a long standing effective working relationship with Can/Am BTA. Looking forward to working with Can/Am BTA."

**Kevin O'Shea, Assistant Secretary Border Implementation Team, PCO**

"Can/Am BTA is tireless, innovative and delivers critical ideas and results."

**CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2014**

**Gord Brown M.P., Co-Chair Canada-U.S. Inter-Parliamentary Group  
Senator Michael MacDonald, Vice Chair Canada-U.S. IPG**

“Enjoy the long, valuable, fruitful working relationship with Can/Am BTA. Great work has been accomplished.”

**Richard Wex, Vice President Programs, Canada Border Services Agency**

“Recognized Can/Am BTA’s extensive contributions.”

**CONFERENCE SPEAKERS AND THEIR MESSAGES**

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 2014 Ottawa Conference!**

**Bruce Agnew, Director, Cascadia Center, Seattle, Washington  
Can/Am BTA Executive Board**

Welcomed all on behalf of Can/Am BTA. Urged all to participate in the discussion and benefit from the opportunity to interact with the numerous attendees. Stressed that the Beyond The Border Pre-Clearance Agreement was the absolute key to solving Rail Passenger Inspection crossing the U.S./Canada Border.

**INTRODUCTORY REMARKS**

**Ambassador Bruce Heyman, United States Embassy**

Beyond the Border must be delivered. It has a high level of commitment to achieve efficient Borders. The framework: prioritizes objectives; is resourced; and has metrics to measure progress. Momentum must be maintained. The U.S. has 1,200 employees and 7 Consulates in Canada.

Provided an assessment: Business Travel at Border still difficult; NEXUS crossed 1 million members; and U.S./Canada Trade great economic benefit for both creating and supporting jobs. Very concerned with the new Intellectual Property Rights Bill being considered that in its present form gives counterfeit goods transiting Canada from offshore to the U.S. a FREE PASS as it excludes CBSA from checking and seizing counterfeit goods and will result in more intrusive inspections at the U.S. land border defeating the BtB “check once accept twice” as no check will be made in Canada.

CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2014

BEYOND THE BORDER ACTION PLAN  
ON PERIMETER SECURITY AND ECONOMIC COMPETITIVENESS

Hon. Steven Blaney, M.P., P.C., Minister for Public Safety

Cited Can/Am BTA for being a great broad based bi-national audience. U.S./Canada are BFFs (Best Friends Forever). THE Can/Am BTA Conference is a great forum to discuss and impact U.S./Canada activities. Provided excellent insight into: Phase 1 successful Pre-inspection Pilot at Pacific Highway with CBP in Canada and the Phase 2 Pilot underway at the Peace Bridge the Peace Bridge Authority invested in that is working extremely well reducing GH Gas and getting the trucks down the road. Trusted Traveler and Trusted Trader Programs are key. Reviewed the reconstruction of Aldergrove Land Port and the commitment to improve the 4 Land Ports under the BtB Plan. Highlighted that the DRIC needs to move faster creating jobs and enhancing effective Trade facilitation and services. Phase 2 on Entry/Exit has begun upon the successful completion of Phase 1. Also stated 42% of Canadians victimized by cybercrime in one form or another. Global competitiveness is critical and requires that our shared Border become efficient.

VIEW FROM THE BRIDGES

Glenn Hewus, Sr. VP Eng. & Construction, Federal Bridge Corp.  
Lew Holloway, General Manager, Niagara Falls Bridge Commission  
Stan Korosec, Canadian Gov't. Relations, Canadian Transit Company  
Ron Rienas, General Manager, Peace 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 3 Bridges including the new Queenston Canadian Plaza and highlighted the need for a new Lewiston U.S. Plaza. Cited that Trade Facilitation and Security are both critical and Trusted Trader and Travellers must achieve fluidity in crossing. Reviewed the Federal Bridge Corporations 2 Seaway Bridges, the Thousand Island Bridge and the Sault Ste. Marie Bridge. A detailed view of the initiatives and plans at the Ambassador Bridge was provided for new Plaza plans, a new CBSA commercial facility, a new future bridge and a new auto inspection facility. Provided details of the Peace Bridge \$157 Million investment 5-year plan 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.

**Cited the current 3 major barriers to efficient processing into the U.S.: CBP Officers collecting cash instead of electronic collection; 30% of trucks crossing are empties using paper manifests with no pre-arrival notice and the outdated gamma radiation portal monitors that give false positives and when an alarm occurs often set off multiple units causing adjoining lanes to be shutdown.**

CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2014

ALBERTA'S OIL SANDS

David Kettles, Director, U.S. Relations, Alberta Intergov. Relations

Presented a slide show of the Alberta Oil Sands: Resourceful, Responsible-- courtesy of David Manning, Alberta's representative in Washington. An excellent detail of the size, scope, the various mining techniques, the massive technology investment in Alberta primarily Carbon Capture Storage and the Climate Change and Emissions Management Fund that has collected \$398 Million of which \$213 Million has been committed to support 51 Clean Tech Projects resulting in a reduction of 1.7 Mt/year.

SINGLE WINDOW INITIATIVE

Ryan Eickmeier, Senior Director Gov't. Relations, GS 1 Canada

The focus was on Implementing Global Standards at Border Crossings. Involves an ID Key Barcode for any product or service priced, ordered or invoiced at any point in the supply chain. System Identifies, Captures, and Shares Customs' Needs and Industries' Needs meeting challenges across the entire supply chain. Provides access to real time information about the flow of products and transactions. Precise tracking of shipments, vehicles, containers and warehouses. Results in crossing Borders seamlessly, securely and efficiently. Applies to the Single Window initiative. ITDS ran pilots and released findings presenting the Business Case for using GS 1 Standards: can reduce the U.S. Consumer Product Safety examinations of toy products by 75% or more.

CANADA/U.S. INTER-PARLIAMENTARY GROUP

Gord Brown, M.P., Co-Chair  
Senator Michael MacDonald, Vice Chair

Highlighted the essential Canada/U.S. relationship and 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; efficient Border Operations; transportation; healthcare; education; the Pre-clearance Agreement; workforce partnerships, skill set development; water; the importance of Intellectual Property Rights; and the critical importance of the new Detroit River International Crossing (DRIC). Voiced serious concern with the Country of Origin Labeling. Discussed the recent Nevada first ever Canadian Trade Mission led by Gov. Sandoval citing in the past year 1.7 million Canadians visited Nevada spending \$1.4 Billion. Annual Trade with Nevada is \$2 Billion and 60,300 jobs in Nevada depend on Trade with Canada. Cited the essential focus on bi-lateral relations, the importance of working together (noting the future meetings the Inter-parliamentary Group has scheduled) to focus on realistic and practical solutions.

CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2014

LUNCHEON KEYNOTE SPEAKER

VIEW FROM THE TOP

Hon. John Manley, President, Canadian Council of Chief Executives  
Member Can/Am BTA Senior Advisory Board

who was to speak was with family as his father-in-law passed away the day before.

Eric Miller, Vice President, Canadian Council of Chief Executives delivered  
John's Remarks

Cited the high value relationship the Canadian Council of Chief Executives has with the Can/Am BTA. Shared concern that the U.S./Canada bi-lateral relationship is adrift. Specifically: progress on the U.S. Plaza for DRIC; completing the Pre-clearance Agreement; Country of Origin Labeling of beef and pork is a serious problem with Canada and Mexico as well; Trade Policy need the Trans Pacific Partnership; biggest irritant is approval of the Keystone Pipeline and its treatment is deeply personal (there are currently 84 pipelines connecting Canada and the U.S.); Keystone is a key to U.S. and North American energy security. In the past, our leaders were great friends. Today, with a great deal of politics and partisanship, it is the closest of relationships. It ebbs and flows, but it must never be forgotten. We make things together. We sell each other each others' stuff. Canadians spent a half a million hotel nights in Florida last season. 540,000 tank cars hauling oil are taking up the slack of the Keystone delay. All politics are local. Canada should not have closed the Consulates. We must work constructively: "Don't Get Mad; Don't Get Even; GET SMART!" Canada knows what it wants and must go for it. State and Provincial relationships are very important. Work at it every day. Take the initiative using Patience and Perseverance.

**Editorial Note: Thank you John and Eric for telling it like it is.**

SHALE OIL and GAS OVERVIEW

Introduction:

Daniel Ujcz, International Trade & Customs Attorney, Dickinson Wright  
Rayola Dougher, Sr. Economic Advisor, American Petroleum Institute

We benefitted greatly from this extensive briefing "Shale Overview, Update and Issues" provided by Ray Dougher from the American Petroleum Institute. Details were provided on: gas and oil production 1970 to present; Shale and Tight Oil; Dry Shale Gas; and Crude Oil production explosion since 2007; an extensive view of each of the Shale plays in Canada, U.S. and Mexico; usage of natural gas trends; the timeline and steps of a well; horizontal drilling and fracking techniques; air emissions and water; government oversight; a view of global energy; and how Canadian Oil Sands benefits the U.S. was included.

VIEW FROM RAIL

Gerald Gauthier, V P, Public/Corporate Affairs, Railway Assoc. Canada  
Allan Schepens, Manager Border Strategy, Canadian Pacific Railway

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 or at loading on the train or at the destination yard). APHIS/CBP focus on wood packaging, noxious weeds and actionable pests needs enforcement to be refocused from at the land border to at the Canadian Ocean Ports.** This is in Canada's interest as rejected containers at the land border are railed back across Canada to the Canadian Marine Terminals for return to origin hence any threats are extensively exposed to Canadian soil and population. Rail is highly automated managing locomotives with RFID Tags and Trackside Readers. Intermodal trains are 10,000 feet or longer and carry up to 15 containers on a single car.

TRANSPORTATION

Hon. Lisa Raitt, M.P. P.C., Minister Of Transport

Provided a clear and meaningful view of Transport Canada's focus and objectives. Facilitation of North American Trade depends on an efficient North American Transportation Infrastructure and System. An effective integrated Supply Chain is a global competitive advantage. We must continually analyze and improve the efficiency of our Supply Chains. Reviewed the: Integrated Cargo Strategy; the 5-Year Border Investment Plan; Export/Import Declarations; the \$1.4 Billion Gateway initiative involving Port/Road/Rail elements and the 39 Gateway current investment projects; discussed the East Coast focus, Southern Ontario Gateway and the massive economic asset the St. Lawrence Seaway on which 200,000 jobs depend. Reviewed the Build Canada Plan and the \$4 Billion National Infrastructure Fund. Stressed the importance of DRIC as a key priority and the new Rail Safety Regulations. Transportation has a crucial role in growing the economy.

**CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2014**

**BEYOND THE BORDER IMPLEMENTATION**

**Kevin O’Shea, Assistant Secretary Border Implementation Team, PCO,  
Beyond the Border and Regulatory Cooperation Council**

Articulated with enthusiasm the essence of Beyond The Border and the Regulatory Cooperation Council with clarity and explained how intricately they are meshed. North America is the economic platform in global competitiveness. Progress has been made on the RCC phase 1 work plan with 29 specifics implemented in Agriculture, Environment and Transportation areas. Objective is to get regulations institutionalized with extensive stakeholder engagement. Beyond the Border 2014 Year End Annual report will show much achievement. Extensive effort behind the scenes is resulting in BtB progressing on many fronts. Highlighted where we are behind schedule: Business travel still difficult / improved / but not solved. Completing the Pre-clearance agreement for Rail, Land and Marine and the update for Air has difficult issues that required more time beyond the planned 2012 date, but done flexibly, can lead to shared Border Management. Substantial progress has been made and we are very close to a comprehensive agreement. Discussed the security aspects and the solid approach to Perimeter, Information Sharing and Traveller Screening. We must deliver the original BtB 32 issues in the Action Plan. Then on to BtB 2.0 next to achieve more “oneness” at the Land Border to achieve transformational improvements. This year the Annual report will check off the things done and push the remaining issues to completion.

**BORDER ISSUES IMPLEMENTATION**

**CANADA BORDER SERVICES AGENCY BEYOND THE BORDER**

**Richard Wex, Vice President Programs, Canada Border Services Agency**

CBSA has a broad complex mandate. Key business challenges involve Trade, Travel and Transnational Criminal activity. 13,000 personnel, 7,200 in Uniform, 4,000 armed serving at 1,200 locations. Volume of activities is up 20%. Success depends on partnerships. Must build strong relationships with stakeholders and effective outreach through Border Commercial Consultative Committee (BCCC) and the Air Consultative Committee. The business community is in the forefront of understanding the Border. Common Issues/Objectives and a shared agenda will enhance improvement. Progress and the future supported by organization changes and focus. Programs to benefit from strengthening integrity and data analytics. Realigning all Commercial Programs into a single new directorate. Very pleased with the results of the completed Pre-inspection Phase 1 and the achievements of the Phase 2 Pilot at the Peace Bridge to date.

CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2014

SPECIFICS BEYOND THE BORDER PERIMETER STRATEGY  
MUST DELIVER

VIEW FROM CAN/AM BTA

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

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

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.**

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

- **CORNWALL SOLUTION**
- **PEACE BRIDGE COMMERCIAL PROCESSING LEADING TO STREAMING TRAFFIC TO EXPEDITE TRUSTED TRADER BORDER CROSSING**
- **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 AND EFFICIENCIES OF SHARED BORDER MANGEMENT UTILIZING LESSONS LEARNED FROM NORAD.**

Announced that the Beyond the Border 2.0 Report of issues and solutions to be included should be completed and issued in the fall. It is an assignment accepted from DHS Management and will be provided to DHS, Public Safety, CBP and CBSA and other involved Agency and Department decision makers.



CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2014

CANADA BORDER SERVICES AGENCY IT RESOURCES

Maurice Chenier, Vice President, Information Science, Technology, CBSA

Technology is central. Must have a good plan and effective direction. Facilitated and secure International Trade and Travel is critical and needs to have technical solutions provided to support and enhance them. Pre-clearance technology is critical and the same for U.S. and Canada. Stated he was not a traditional Information Technology Director. Focuses on delivering intended results efficiently and insuring effective future operations. Automation key is to make good use of data. Must achieve interoperability with the U.S. Must extract ourselves from focusing primarily on “what is” and shift to “what can and will be.” Single Window is an absolute lynch pin to the future and an efficient Border. CBSA has 290 Business systems of which 47 run 24 hours a day with a 5 second response required. Strategy is now a Shared Service Canada approach with strategic direction, redundancy and stability. Old style IT stovepipes are very limiting and damaging.

**Editorial Note: CBSA is refocusing IT Resources as part of Border Modernization Efforts in supporting its mission. We applaud the progress, direction and new leadership.**

EXPONENTIAL TECHNOLOGIES – A CONVERSATION WE NEED TO HAVE

Diane Keller, Director General, Information Technology Laboratory, CBSA

This was an inspiring and challenging insight into the reality of exponential technologies and their considerations for application in Border management. Described: Network and Computer geometric developments; 3D printing (96% of hearing aids now produced) and its ability to produce parts and components in house; Self driving cars, trucks, deliver bots, drones, containers and even cargo chips using sensor technology; machine learning artificial intelligence (Watson the IBM computer that won Jeopardy has just graduated with honors from the second year of Medical School); Robotics where artificial intelligence and sensor technology converge. Computation capability is doubling every 18 months and has for the past 25 years and will continue for the next 25 years. Border considerations: use in biotechnology and DNA sequencing; wearable technology; sensors and surveillance uses. We are well on a path to becoming a society of entrepreneurs. ARE WE READY?

CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2014

**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 and Canada and the U.S. share the importance of building bridges with our friends. We appreciate the value of friendship. Robust growth of Trade, Travel, Tourism and the Economy requires a fluid Border process. Growing our market access for energy resources is Alberta's Number One priority. Last year Alberta exported \$92 Billion to the U.S. and this year the level of exports has increased 10%. The Oil Sands produce 1.9 Million Barrels a Day today and will grow to 3.2 Million Barrels a Day by 2024. Currently 900 U.S. businesses supply the Oil Sands activity. Oil Sands must reach markets. Alberta provides 25% of Canada's total exports. Currently rail is transporting 180,000 Barrels a day and growing as a substitute for the long delayed Keystone pipeline. Rail car standards, train speeds and route plans are all being dealt with. The U.S. and Canada have shared an unprecedented 200 years of peace and prosperity. Now projections using new technology predict North America will be energy independent by 2024 and, in fact, become a net exporter of energy and energy products.

**SUMMARY REMARKS**

**Matt Parrott, Executive Board**  
Can/Am BORDER TRADE ALLIANCE  
**Director Transportation, AN Deringer Inc.**

Thanked all attendees for participating in this most interesting and informative Conference. Voiced appreciation for the excellent and strong array of speakers and the thoughtful quality content they provided. Stated his pride of the great job Can/Am BTA continues to do. Urged all to attend the Conference in Washington, D.C.

**Future Can/Am BTA Conferences**

**Future Can/Am BTA Conferences: Whistler, BC (w/PNWER) July 20-24, 2014**

**Washington, D.C.                      Sept. 28-30, 2014**

**Ottawa, Ontario                      May 3 - 5, 2015**

**Jim Phillips, President & CEO**  
**[canambta@aol.com](mailto:canambta@aol.com)**

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