

CAN/AM BORDER TRADE ALLIANCE  
SEPT. 28-30, 2014 WASHINGTON, D.C. CONFERENCE  
SUMMARY HIGHLIGHTS

**21st 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,	2015
Big Sky, MT (w/PNWER)	July 12-15,	2015
Washington, D.C.	Sept. TBA	2015

**Conference Highlights:**

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

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

**Gil Kerlikowske, Commissioner, U.S. Customs and Border Protection**

"Can/Am BTA is much appreciated providing excellent ideas."

**Tim Skud, Assistant Secretary, U.S. Treasury Dept., Chair ITDS Board**

"Thanked Can/Am BTA for its continued long time support of ITDS."

**Gilles Gauthier, Minister Economic, Canadian Embassy**

"Can/Am BTA is respected by the Canadian Embassy for its input and ideas. Thanked Can/Am BTA for its BtB Phase 2 Book that is excellent work and will be looked at carefully."

**Congressman Bill Owens, Co-Chair Northern Border Caucus**

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

**Congressman Bill Huizenga, Co-Chair U.S./Canada Inter-Parliamentary Group**

"Can/Am BTA is a great organization."

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

“I and my colleagues benefit from Can/Am BTA shared information and from our discussions here with those who deal with Border issues on a daily basis.”

**Gregory G. Nadeau, Acting Director, Federal Highways**

“It is a great pleasure to work with Can/Am BTA on a long standing basis. The work Can/Am BTA does that brings all sectors together to effectively focus priorities and ideas is very effective.”

**John P. Wagner, Acting Assistant Commissioner Field Ops., CBP**

“Thanked Can/Am BTA for its many contributions and holding CBP accountable.”

**Peter Friedmann, Washington, D.C. International Trade Lawyer**

“Can/Am BTA is an impressive organization.”

**CONFERENCE SPEAKERS AND THEIR MESSAGES**

**Karen Phillips, Executive Board Member CAN/AM BTA  
Vice President, Public/Government Affairs, CN**

Welcomed participants to our 21st Annual Washington Conference. Stated the many important developments occurring since our 2013 Conference on Beyond the Border progress: Prince Rupert Pilot success; Pre-Inspection Pilots success; work on Regulatory Cooperation Council initiating actions to align regulations. Cited Can/Am BTA’s constant involvement in improving fluidity for legitimate Trade and Travel at our shared Border without lessening security.

**BEYOND THE BORDER PERIMETER VISION**

**CUSTOMS AND BORDER PROTECTION**

**Commissioner Gil Kerlikowske, CBP**

Security is CBP core mission. (Security against threats and Economic security.) Must cut red tape and increase effectiveness. Cooperation in Managing the Border is critical. Working hard to harmonize, simplify, and be smarter. Other Government Agencies (OGAs) must work together for a national strategy (described the Interagency Executive Council). Trade Facilitation is key. Described: Global Entry; Automated Passport Control (APC); Centers for Excellence and Expertise (CEE); unified approach at the Border; Trusted Trader to move expeditiously; World Customs Organization harmonization globally; mutual recognition; critical importance of Single Window. Stated infrastructure funds availability is very tight. Summarized the great cooperation and accomplishments on Beyond the Border Action Plan: Integrated Cargo Strategy; development of partnerships is a priority; pre-inspection pilots being evaluated. CBP is listening.

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**INT. TRADE DATA SYSTEM, OGA'S SINGLE WINDOW INITIATIVE**

**Brenda Smith, Ass't Commissioner for International Trade, CBP**

Provided an excellent overview of the full cooperation of Treasury and CBP on Single Window execution. Single Window facilitates Trade and enhances Security. Economic prosperity is key and Trade Facilitation plays a priority role in achieving that objective. We are focused on doing the right things for the right reasons. Presidential Executive Order provided a finite completion date. CBP is working to deliver the remaining core trade processing capabilities in the Automated Commercial Environment (ACE) and decommission corresponding capabilities in legacy systems by the end of calendar year 2016. The various specific elements of ACE completion and their respective status and steps for completion were very effectively and specifically reviewed.

**Tim Skud, Assistant Secretary, U.S. Treasury Dept., Chair ITDS**

We are moving into production mode of the International Trade Data System (ITDS). Key focus is automation of 140 Import forms and 40+ Export forms. Currently 25-30 Agencies require paper forms at the Border. ITDS eliminates redundancy, (single who, what, why), makes process efficient and improves enforcement while saving Trade expense and duplicative effort as it identifies compliant shipments and aids that they don't hold at the Border. Cited World Customs Organization's (WCO) data model for electronic processing. Complemented Canada for being at the head of the pack on electronic processing. Described how RFID can geometrically reduce Border crossing costs, processing costs, expedite release and eliminate holds at the Border. Utilizing GS 1's Data Dictionary, Government gets bar code data and has needed unique identifier of product and company. "Very, very interesting."

**CANADA/U.S. INTER-PARLIAMENTARY GROUP**

**Congressman Bill Huizenga, Michigan, Co-Chair IPG**

Just completed a very productive Canada/U.S. Inter-Parliamentary Group meeting in Ottawa. Held discussions with Ambassadors on U.S./Canada Border, Country of Origin Labeling (COOL) and the Buy American legislation inserts. Looking at the possible formation of a North American Inter-Parliamentary Group.

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FEDERAL HIGHWAY ADMINISTRATION

Gregory C. Nadeau, Acting Administrator, FHWA

Pleased to be here representing Secretary of Transportation Fox with whom he has a very productive working relationship. The U.S./Canada relationship is taken very seriously. Mobility of Border Operations and Infrastructure are very important. The U.S. needs a long-term investment plan with its 50 State Department of Transportation partners in its \$42 Billion funding program. States need to know future to undertake and complete projects. FHWA has a State-based plan on National Innovation and deployment. It has introduced a \$302 Billion 4-year Reauthorization Transportation Bill. We must focus and commit to a long-term rebuilding program. We are facing a tsunami of future freight growth. We need strategic investment in a seamless system. Cited excellent U.S./Canada relations and the U.S. Export growth initiative that require the effective movement of freight. The first ever comprehensive National Freight Plan for the U.S. is being developed and looking at an overall North American Freight Transportation Plan. There are a lot of challenges ahead in the Build America Program and we must meet them.

VIEW FROM ALBERTA

**Rob Merrifield, Senior Representative to the United States,  
Government of Alberta**

Canada and the U.S. share integrated supply chains. In this unstable world, we must make sure Canada and the U.S. stay close and cooperate as we are each far better together. We supply energy independence and security of supply to sections of the world allowing building of their middle classes. Alberta provides 25% of Canada Trade in livestock, energy, plastics, and oil by truck, rail, and pipe. Pipeline is the safest and most efficient. MANUFACTURING DEPENDS ON ENERGY AS ITS CATALYST. Oil sands through the Keystone Pipeline results in less Green House Gas (GHG) than the current use of Venezuela oil in the U.S. that it would replace. For every \$1 of oil cost for Canadian Oil, 90 cents returns to the U.S. versus 33 cents return from Saudi Arabia. Oil from the Keystone Pipeline will contribute \$529 Billion to the U.S. economy over 20 years. In Alberta, environmentally responsible development of energy projects are well underway. Alberta appreciates Can/Am BTA's efforts on changing the Country of Origin Labeling (COOL) currently in force. The growing market for beef and pork is not in North America as a result of COOL.

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LUNCHEON KEYNOTE SPEAKER

Gilles Gauthier, Minister Economic, Canadian Embassy

Provided a very effective and interesting Canadian perspective on specific areas of interest. North American Competitiveness agenda and the U.S. Chamber urging need to focus and work on a North American Platform. Manufacturing Clusters and how policies can be developed to work better. Requires a broader vision of North America. Beyond the Border (third year report to be issued late this year will note those items completed and on all others what is required to complete each). Pre-Clearance agreement for land, sea, rail, and updated air is in the home stretch of completion and is the backbone of the new Border dynamic. Taking BtB recommendations seriously. Regulatory Cooperation Council Forward Plan issued with a sector focus and joint approach. Highlights Joint U.S./Canada Transportation Plan, Rail Safety, and Petroleum Products. New International Crossing making tremendous progress: Board formed to oversee construction; RFIP to be issued in 2015 on Private Public Partnership approach. Cited COOL as a serious disruption of the long established North American Meat Business. Stated concern for the proposed massive APHIS Fee increases. Buy American limitations in legislation are a serious concern.

FIELD OPERATIONS – CUSTOMS AND BORDER PROTECTION

John P. Wagner, Acting Assistant Commissioner. Field Ops. CBP

Highlighted membership levels achieved and described the Trusted Traveler processes for Global Entry and NEXUS (join one, get both) and Automated Passport Control. Mobil phone AP is the next step beyond Kiosks. It will identify the passenger, assign the inspection type and lane (capability will change future airport construction and design). Air travel is growing 5% a year from the 100 million in 2013. A change in inspection affects flow at baggage pick up and even surge exiting the airport. C-TPAT has 10,756 industry partners shipping 54% of volume. CBP envisions co-creating the Trade Transformation underway. BtB Pre-inspection Phase 2 Pilot at the Peace Bridge very successful and will wrap up in December 2014. Cost evaluation and modeling underway to maximize benefits and most beneficial approach. Thanked Can/Am BTA for its work on the Pre-Inspection concept. Coordinated In Transit fully automated electronic manifest system being finalized. Cash collection by Officers needs to end.

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

Peter Friedmann, Washington DC International Trade Lawyer,

Provided insightful and fresh view of what is going on in Washington and what is not. Quite a bit happening some good, some bad. Elections in 14 States will decide control of the Senate in November. Elections are very costly. In one, with 1 million voters of which only 300,000 will vote, \$12 million has been spent. When Congress returns they need to pass a budget. Need a Transportation Bill as Highway Trust Fund has no dollars and gas tax that has not been increased since 1991 with cars running more and more miles per gallon cannot fund the needs. EXIM Bank controversy will go away. ISIS engagement vote is central as then Senator Clinton lost to Obama over her war support vote before the last election. Trade Promotion authority is needed but not currently in place. U.S. Tax Code in need of reform as U.S. has highest tax rate in the world for companies. Control of the Senate will determine Keystone. COOL, APHIS, Keystone impediments made by Administration agencies. U.S. West Coast Ports blame Prince Rupert that has just 3 cranes. Liquid Natural Gas – one company has permits in place to export from the U.S.

AIR PASSENGER PROCESSING

Gerry Bruno, Vice Pres., Government Affairs, Vancouver Airport

Airports have a long standing partnership with both CBP and CBSA. Fully support and encourage Screen Once and implement Common Approaches. Unfortunately we are not there yet in either case. U.S. APC very successful open to U.S. and Canadian citizens and most visa holder visitors. Unfortunately Canada Automated Border Clearance ABC is limited to Canadian citizens only. The Canadian Electronic Travel authorization (ETA) and the U.S. Electronic System for Travel Authorization (ESTA) need a Single Window. They are creating a triple hassle for visitors to North America and have separate fees both required to be paid. Security screening, while close cooperation, TSA and CATSA have separate standards for passengers (Canada passenger can carry two lighters while TSA limits to one.) Pre Check is a great initiative for Trusted Travellers. UNFORTUNATELY Pre Check at Toronto Airport is not the same as TSA Pre Check. Phase 2 needs to support Air travel to a larger extent to modernize the Border Process and minimize risk. Technology is the key to the future.

Introduced

**Kevin Burke, President & CEO Airports Council International**  
**Daniel Gooch, President Canadian Airports Council**

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NORTH AMERICA TRADE CORRIDORS COUNCIL

Bruce Agnew, Director, Cascadia, Can/Am BTA Executive Board  
Leslie Blakey, Principal, Blakey and Agnew LLC

U.S. Government puts high priority on moving freight. Transport needs seamless connection. North America market is the largest in the world. Can/Am BTA Trade Corridors Council held an informational discussion at the NAFTA NEXT Conference in Chicago April 2014 to explore the interest in creating a North American Trade Corridors Council to include Canada, United States and Mexico corridors and connections. Terms of reference are being developed including the tie in with Department of Transportation, Energy and Commerce. Another informational discussion will be held in Ottawa on the shoulder of the annual Can/Am BTA Conference to determine if such an initiative has the broad interest and commitment to be organized and implemented.

A BORDER CROSSING ENVIRONMENTAL STATUS -  
NEW REALITY

Ron Rienas, General Manager, Peace Bridge

Truck crossing volumes were shown ranging from 1.5 million in 1999 to 1.1 million in 2008 to 1.25 million in 2013. Car crossing volumes were shown ranging from 6.7 million in 2000 to 4.7 million in 2008 to 4.3 million in 2013. The 2013 levels result in 10,000 vehicles per day compared to the 65,000 vehicles per day at the near by Grand Island Bridges that carry 3 times the Peace Bridge vehicle activity per lane per day. Detailed 9 very specific actions the Peace Bridge has completed to improve air quality and the renovation of CBP secondary, the bridge approach widening, the single point of plaza egress, the Pre-Inspection in Canada all underway to improve traffic flow. Today's diesel truck engines emit 90% less pollutants thus actual comparison finds 60 truck emissions in 2014 are equal to a single truck in 1988. The actual Peace Bridge results of Ambient Air Pollution PM 2.5 Levels is 8.2 versus the EPA Standard of 12 (30 Percent better than standard).

BtB ACTION PLAN, PHASE 2, AND BEYOND

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

Can/Am BTA has published a 41-page book of recommendations and solutions (see copy on [www.canambta.org](http://www.canambta.org)) to be considered in Phase2 after the Action Plan is completed that were inputted from Members and associated Organizations.

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Provided a specific summary of recent dialogues presented at the recent Detroit Canada/U.S. Border Security Conference.

CBP Commissioner Gil Kerlikowske and CBSA President Luc Portelance: cited the excellent cooperation and working relationship of the two Organizations; key is risk analysis of threats by mode and threat volume patterns; developing use of predictive analysis; reduce transaction costs and achieve increased facilitation efficiency and effectiveness. Information sharing is essential.

DHS Assistant Secretary Alan Bersin and Senior Advisor Border Action Plan and Regulatory Cooperation Council to the Privy Council Office David McGovern: stated Beyond the Border is a comprehensive approach to managing our shared border; high level of commitment and cooperation is resulting in significant strides being made to complete the Action Plan items as they are a true game changer; the Pre-Clearance agreement is close to completion. Six strategies are underway: 1) Risk Management; 2) Segmenting low-risk traffic; 3) Operating on each other's territories (Pre-Clearance agreement); 4) Joint shared command (ship rider is an example); 5) Information sharing and 6) Mutual recognition. Alan Bersin challenged all to be BOLDER.

CBSA Vice President for Science and Technology Maurice Chenier and CBP Assistant Commissioner for International Trade Brenda Smith: presented a comprehensive and detailed view of the Single Window initiative and its geometric impact on improving border crossing; a single point of data entry in an integrated approach that achieves electronic cross reference and link analysis while minimizing paper and "product holds" at the border. Single Window allows release of low-risk in advance, enhances predictability and embodies product identity and traceability that maximizes product releases and results in isolating unknown and high risk for focused action by CBSA and CBP.

I moderated a panel discussing Ports of Entry of the Future with CBP Office of Field Operations Executive Director Planning, Program Analysis and Evaluation Colleen Manaher and CBSA Regional Director General for Southern Ontario Region Rick Comerford: CBSA highlighted Big Data; RFID; Biometrics; large scale imaging; self-driving vehicles; drones; robotics and machine learning for fraud and lie detection. Major projects underway were; Vicinity RFID; automated border clearance; small Port audio and video initiatives and the NEXUS eGate at the Peace Bridge. Next generation and transformation initiatives discussed were: use of mobile technology; Trusted Traveller self service; joint facilities; joint training and more advanced information and information sharing.

CBP stated mission objectives of secure the border and enable legitimate Trade and Travel; improve the economy by decreasing costs and delays and increasing throughput at Border Crossing. Objective is to transform the Border from where it is today.



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CANADA/US INTER-PARLIAMENTARY GROUP

Gord Brown, Member of Parliament, Co-Chair

Wayne Easter, Member of Parliament, Vice Chair

An excellent summation of the wide array of activity by the Canada/U.S. Inter-Parliamentary Group members from the Canadian Government. Highlighted the recent very successful joint meeting in Ottawa hosting the U.S. Senate and House delegation; and the interaction with: the Southeastern States and Canada organization; Pacific Northwest Economic Region (PNWER); 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: Emergency Preparedness; Energy; the Arctic; Work Force Development; Environment; COOL; new Detroit International Bridge Crossing; Infrastructure; concern about APHIS fee increases. Cited the Canada/U.S. economic relationship to enhance prosperity and requires facilitation of low-risk Trade and Travel. Border issues that matter and their solutions are continuing keys to competitiveness and prosperity. Building a relationship with U.S. Ambassador Heyman.

VIEW FROM CONGRESS

Congressman Bill Owens, NY, Co-Chair Northern Border Caucus

Discussed an array of important issues: building of infrastructure citing the substantial increase in fluidity from constructing the Champlain Port; train passenger Pre-Inspection in Montreal; Single Window is key; difficult to get legs for real impact on the Regulatory Cooperation Council (RCC); posed the question how do you posture NAFTA going forward?; where is future Trade security alignment best?; cited China and Asia are projected to need 30% of global food production and that bodes well for U.S. and Canada food exports; urged that we look at technology as the driver and reminded all we must facilitate Trade not bind it up.

Ambassador David Wilkins,

Partner Nelson Mullins, Can/Am BTA Senior Advisory Board

Provided a very interesting and insightful comprehensive view of the upcoming U.S. midterm election alternatives and their respective impacts on Canada.

Pat Whalen, Executive Board Member CAN/AM BTA

Chief Operating Officer, Buffalo Niagara Medical Campus

Urged that common sense and technology be focused on Border issues with Private Sector users input. Thanked the excellent speakers and participants that together made this Conference successful.

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

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