

CAN/AM BORDER TRADE ALLIANCE

MAY 3 - 5, 2015 OTTAWA 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 US/CANADA BORDER.”

Future Can/Am BTA Conferences:

Big Sky, MT (w/PNWER)	July 12-15,	2015
Washington, D.C.	Oct. 4-6,	2015
Ottawa, Ontario	May 1-3,	2016

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

“Thanked Can/Am Border Trade Alliance for its momentum improving the border.”

Hon. Steven Blaney, Minister of Public Safety

“Acknowledged Can/Am BTA for its major contributions and keeping the Governments' feet to the fire.”

Hon. Lisa Raitt, Minister of Transport

“Can/Am BTA builds effective bridges to get things done.”

David McGovern, Deputy National Security Advisor to the Prime Minister

“Thanked Can/Am BTA for its long standing effective leadership.”

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Luc Portelance, President, Canada Border Services Agency

“Can/Am BTA brought a lot of leadership and expertise to the Beyond the Border initiative and contributes highly to its progress.”

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

Senator Daniel Lang, Vice Chair Canada-U.S. IPG

“Value the effective working relationship with Can/Am BTA that is a great forum to discuss and act on important issues.”

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 2015 Ottawa Conference!

INTRODUCTORY REMARKS

Solomon Wong, Executive Vice President, InterVistas Consulting

Can/Am BTA Executive Board

Welcomed all on behalf of Can/Am BTA to the 21st annual conference. Urged all to continue to focus on the importance of fluidity of lawful people and goods. Reminded us that: 60 years ago U.S. Officers arrived in Toronto to perform preclearance; 40 years ago U.S. officers were given 90 days to leave Canada; 20 years ago Shared Border Accord vision and mission was developed and signed and this year the Land, Rail, Sea and Air monumental Pre-Clearance Agreement was signed. Urged thinking in terms of broad changes to achieve needed paradigm changes.

VIEW FROM THE BRIDGES

Lew Holloway, General Manager, Niagara Falls Bridge Commission

Natalie Kinloch, Chief Operating Officer, Federal Bridge Corp.

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 providing overviews of each crossing. Facilities are kept to the highest standard, investing in safety and self financing capital improvements. There are no U.S. federal funds available for Northern Border major Port of Entries reconstruction projects that need to move forward. Credo is “help people and goods get there efficiently.” Focuses are: risk management regime (ongoing vigilance); proactive traffic management and client payment choice technology.

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Ambassador Bridge categories of cargo, dollar value of each, traffic volumes, analysis of delays and their impact on the U.S. economy were described. The Peace Bridge \$167 Million capital improvement plan well underway was described: bridge approach widening to U.S.; commercial warehouse, environmental landscaping; bridge lane widening into Canada commercial turnoff; bridge re-decking (Oct 2016-May 2019); radiation portal monitor upgrade completed and the successful pre-inspection pilot meaningful proofs of specific improvements that will now be instituted to eliminate **3 current 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 often setting off multiple units causing adjoining lanes to be shutdown.**

A BORDER CROSSING ENVIRONMENTAL NEW REALITY**Ron Rienas, General Manager, Peace Bridge**

Environmental landscaping and connecting road rerouting projects are underway. An analysis of truck engine environmental discharge improvements show that heavy duty diesel trucks since 2007 have reduced Nitrous Oxide (NOX) and Particulate Matter (PM) by 98%. One 2014 truck is equal to eliminating the emissions of 60 1988 trucks. 29% of all heavy duty trucks on the road are 2007 or newer. Heavy duty trucks manufactured in 2010 or since have near zero NOX and PM emissions and make up 11% of the trucks on the road. More than 70% of trucks crossing the Peace Bridge are 2007 and newer. World Health Organization Ambient Air Pollution PM 2.5 ug/m³ levels have an Environmental Protection Agency (EPA) standard of 12. Peace Bridge actual is 8.2 well better than standard with Buffalo at 9.6 and New York City at 14. Clean diesel car volumes increasing.

BEYOND THE BORDER ACTION PLAN**ON PERIMETER SECURITY AND ECONOMIC COMPETITIVENESS****Hon. Steven Blaney, M.P., P.C., Minister for Public Safety**

U.S./Canada are working very well together. The goal is crystal clear: to streamline the movement of low-risk people and goods while maintaining appropriate security. March 16 Preclearance Agreement was signed in Washington a major breakthrough and milestone that is now moving forward to deliver results. The Agreement has been tabled to put in place legal aspect legislation of the Agreement. Highlighted CBSA enhancements: online Trusted Trader portal; NEXUS eGate process at the Peace Bridge with NEXUS membership exceeding 1.2 million; and eManifest. Cited concern of citizens becoming radicalized and then returning to Canada. We must mitigate travel and transportation threats. Criminalizing terrorism. A lot happening and improving at the border. There are a lot of challenges and they are being worked on as we move forward. Cited Can/Am BTA for its major contributions to Beyond the Border.

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ENABLING BORDER PROCESSES WITH GLOBAL STANDARDS

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

5 Billion times a day Bar Codes are read using GS 1 standards as the Global Language of Business. Codes are contained in a national registry. Unique codes identify products, locations, shipments allowing full traceability. Global protocols enhance: Free Trade Agreements; virtual electronic trade; cross border internet business, i.e., Amazon; e-data for risk assessment and support Single Window. Showed comparison of activities of a Port with and without the system: with 85% of shipments released versus 30% without it and with only 4% needed to be targeted for further inspection versus 42% without. Business processes that would benefit highly are: APEC Trade increasing Customs efficiency on \$27 Billion; cross border trade product identifiers; Entry/Exit Vicinity RFID cards; Customs Duty processing tied into files; counterfeit goods prevention public member tool with smart phone APP for Customs to identify counterfeits. System is designed as one set of data that is then bundled for each specific need. The more you know the more you can do.

CANADA/US INTER-PARLIAMENTARY GROUP

Gord Brown, M.P., Co-Chair
Senator Daniael Lang, Vice Chair

Senator Lang is Chair of the Senate Public Safety Committee that is reviewing terrorist threats in Canada, U.S. and Mexico. Congratulated Can/Am BTA for its well-known two way information flow. The Inter Parl Executive committee met with Ambassador Heyman on the U.S./Canada common cause and how to best work together. He complimented the Ambassador on his accessibility. Activities of the group include: North American Competitiveness and Cooperation Conference; met with numerous members of the U.S. Senate and Congressman; west coast Governors to discuss energy, environment, security and competitiveness. Meetings are planned with: southern Governors; National Governors sharing the jobs in each state dependent on Trade with Canada; U.S. state legislators south, mid west, east and west groups as well as the National Council of State Governments. Group will be at PNWER, U.S./Canada Provinces Alliance, Great Lakes and Can/Am BTA in Washington in October. In all cases stressing the Canada/U.S. economic connection and shared border.

Ambassador Bruce Heyman, United States Embassy

Canada's relationship with the U.S. is strong, comprehensive and effective. U.S./Canada military stand and serve together. Cited the NORAD command structure. Common interest in the Arctic, water and energy. Highlighted the Canada/U.S. current two-way Trade and Investment of \$1.4 Trillion.

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Canada oil exports to the U.S. are 3 million barrels/day, 40% of U.S. imports. Top primary priority is to improve fluidity of border crossing for low-risk goods and people utilizing technology to enhance processes. Preclearance Agreement signed (a major achievement). NEXUS is used for 13% of shared border crossings. The Regulatory Cooperation Council is a tremendous opportunity to improve Trade. We are working together to utilize opportunities and solve challenges. The Trans Pacific Partnership (TPP) has 800 million consumers and is a great opportunity for Canada. Together, we value diversification as well as expanding our bilateral U.S./Canada Trade.

**FEDERAL BRIDGE MGT. APPROACH-
AMALGAMATION WITH BLUE WATER BRIDGE**

Micheline Dube, President & CEO, Federal Bridge Corporation

Highlighted the changing approach to Bridge Management and the path ahead for federally owned international bridges. The amalgamation in February 2015 added the St. Mary's River Bridge Company and the Blue Water Bridge Authority, the Cornwall Bridge is to follow and the domestic bridges in Montreal were segregated. Objectives to: simplify the number of Crown Corporations involved; unify with one approach; modernize the facilities; further develop partnerships to ensure ongoing cross border fluidity and safety; and enhance operational efficiencies achieving organizational optimization. Corporate culture alignment to operate as "Sum of four parts."

TRUSTED KNOWN EMPLOYER INITIATIVE

Daniel Ujcz, Counsel, Dickinson Wright

Eric Miller, Vice President, Canadian Council of Chief Executives

Currently moving business people across our shared border is a nightmare. We are truly at a tipping point of moving business executives and necessary personnel (selling, installing, servicing specialized equipment and technology). The solution is a TRUSTED EMPLOYER PLAN. At present immigration is a political issue in the U.S. Resource constraints closed the Canadian Consulates in Buffalo and Detroit so now people have to go directly to the border and CBSA and CBP have to handle each case making it very difficult for them. The Trusted Employer Plan involves NO CHANGE in admissibility standards. It involves allowing an employer to apply and register specific certifications of those approved to cross the border and for what purpose. It involves all required information be provided in advance and shared with CBSA and CBP. Once registered and approved appropriate documentation in hand would result in a normal crossing inspection process.

BEYOND THE BORDER IMPLEMENTATION

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

“Introduction”

**David McGovern, Deputy National Security Advisor to the Prime Minister,
Beyond the Border and Regulatory Cooperation Council**

Beyond the Border (BtB) initiative resulted in a high level of Canada/U.S. cooperative commitment the last 3 years to achieve it. The recent Canada Budget supports BtB and Regulatory Cooperation Council (RCC). Security aspects have become more challenging and developed: perimeter approach; shared screening; pre-boarding no load system; sharing on 3rd country nationals; entry/exit at shared land border (phase 2 all non-Canada/U.S. citizens and phase 3 to follow all crossers by 2016); now coordinating on National Security issues; \$300 Million for counter terrorism intelligence; \$100 Million for Cyber security initiative; enhance and align Trusted Trader and Traveller programs; Single Window; Preclearance agreement signed and pre-inspection along with it are now realities being developed leading to joint operations and shared facilities and integrated cargo security systems being tested. We are focused on pushing all of the items across the finish line to complete the first Beyond the Border Action Plan. That means completing: In Bond/In Transit; Single Window; Entry/Exit final phase; RFID; Business Traveler; Trusted Trader and implementation of Preclearance. The third year BtB report to be issued shortly. More to follow. Stay tuned.

CANADA-U.S. INSIGHT

Bill Owens Esq., Stafford, Owens, Piller, Murnane, Kelleher & Trombley

Can/Am BTA Sr. Advisory Board – Former Co-Chair House Northern Border Caucus Senior Strategic Advisor McKenna, Long and Aldridge

Canada/U.S. Trade is up. Manufacturing volume is up. Preclearance and Single Window on plan to become realities. Keystone is not done and needs to be. The attention in Washington, D.C. on the southern border is very high versus the U.S./Canada border. U.S./Canada border focus is on making things work better while U.S./Mexico border focus is fixing something to solve problems. Need to push Government to pay attention. One must ask why TPA is stalled over perception of job loss. In U.S. it is difficult for the public to understand how trade does not cause job loss and in fact creates better paying jobs. The reality in the U.S. Congress is the critical importance of “what is happening in my district” top of mind of each elected official.

TRANSPORTATION

Honourable Lisa Raitt, M.P., P.C., Minister of Transport

Canada/U.S. supply chain and Trade processes evolving. Transport Canada is very busy on the Border File. Provided highlights by mode: RAIL: new safety methods being introduced; manufacturing new tank car standards; must phase out date for old cars and discussing new braking systems. ROAD: assessing vulnerabilities of national bridges; new Detroit Windsor Bridge crossing project proceeding without delay; Public Private Partnership user pay toll to repay construction and Crown Corporation formed and working. AIR: NEXUS a great benefit and focused on levels of service to scan high risk. TRANSPORTATION SYSTEM: Canada/U.S. companies working together; lining up and streamlining the two transport networks; harmonizing with increasing economic growth and job creation the objective.

INTEROPERABLE VOICE AND DATA TECHNOLOGY
FOR COMMERCE AND SECURITY

Matthew Swarney, Director Gov't Relations, Motorola Solutions Canada

At and beyond the border, First Responders in the past used narrow band voice and data equipment (robust voice limited data). Presently and into tomorrow using broad band, cameras and devices of all kinds. Broad band provides real time response for law enforcement and emergency personnel to gather, transmit and share in times of stressful situations. INTEROPERABILITY IS KEY. Developing structure and culture for data sharing is a concentrated and cooperative effort. Smart Phones are not the answer. While convenient and numerous, they become overloaded in emergency situations and cannot connect. Fleet communications are needed with priority and encryption capability. Devices must withstand weather and very rough treatment. CRITICAL ELEMENTS NEEDED ARE: multi agency delivery and collaboration; scalability; mutual aid; ability for system to accommodate pursuit and roaming; greater efficiency to provide situational awareness and networking problem solving. LESSONS LEARNED NEED TO DRIVE BETTER OUTCOMES. Challenges are funding, sharing data and privacy.

CANADA BORDER SERVICES AGENCY BEYOND THE BORDER

Luc Portelance, President, Canada Border Services Agency
Richard Wex, Vice President Programs, Canada border Services Agency

Introduced Richard Wex CBSA Vice President for Programs and leading force in developing partnerships.

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Attacks on individuals and infrastructure are increasing. Direct terrorist threats to Canada are real. Given that, goods must flow freely with effective security in an ever changing complex reality. CBSA has: centralized situational awareness; developed real time communication; and focused attention on high risk and unknown. Beyond the Border is a most ambitious border modernization effort that will be completed to include: Preclearance; Single Window; predictability for Trusted Traders; streamlining; harmonizing and pushing the border out to enhance facilitation of low-risk goods and people. Future focus: people; processes; technology and partnerships; and shared cooperation agreements with World Customs Organization Americas Group coordinated border management. Continue pushing the border out. CBSA has excellent working relationship with CBP involving true friendship and professional courtesy working together on a broad array of issues. eManifest and CARM will transform Canada border process. CBSA is mapping its future commercial process and developing its Kiosk capability in the airport process developing partnerships and cooperation on solving primary issues. CBSA has a clear mandate and authority and is committed to excellence with a more focused organization.

eMANIFEST ACI “View from Trade”

(Overview) Candice Sider, Vice President Reg Affairs Can, Livingston Intl.
(Highway) Michelle Bunberry Stokes, Mgr. Trade Management UPS-SCS
(AIR) Mark Ouellette, Customs Regulatory Advisor, FEDEX Canada

eManifest when fully implemented is the first step towards a totally integrated electronic platform that will transform how trade chain partners do business that will also enhance supply-chain security. Pre-arrival submission of commercial data allows extension of risk assessment and targeting to all modes prior to arrival at the border, thereby reducing cycle times. CONCERN: linkage does not exist between eManifest and Single Window IID requiring Trade to enter the same data twice that should be fixed. TRUCK CHALLENGES **needing solutions**: excessive penalty structure; outages and contingencies; brokers using arrival messages to query RNS; U.S. loads arriving at U.S. met points out of sequence reported to CBSA require additional input rework to de-link and connect; warehouse exit of consolidations are still paper based and fractured timelines and IT constraints must be solved. AIR CHALLENGES **needing solutions**: RMD's submitted prior to arrival require significant operational intervention by a BSO to release goods; presentation timing of RMD for marine goods; HWB messaging only applies to In Bond or Import and In Transit must be added; SCR and HWB are not linked to a release request and require duplicate Trade input for each shipment that should be eliminated; and document image functionality must be resolved that now unnecessarily limits who can submit images. EManifest has a lot of positives and tremendous improvements but NEEDS TO RESOLVE THE ABOVE ISSUES.

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ALBERTA UPDATE

Rob Merrifield, Senior Representative to The U.S, Government of Alberta

Can/Am BTA’s leadership and work on the Canada/U.S. Border File and the Beyond the Border is significant. These are exciting times. Keystone, lumber, chemicals, agriculture are all central to Alberta. Alberta/U.S. Trade is \$140 Billion accounting for 40% of U.S. oil imports. For every \$1 Canadian oil industry purchases, 90 cents goes back to the U.S. In a recent poll, 72% of U.S. citizens favor the Keystone pipeline. Unfortunately, approval is about politics. Alberta is 1st in class in reducing methane; charges \$15/ton to reduce emissions leading to the current \$1/2 Billion in environmental projects as well as reducing use of fresh water. Alberta has a large natural gas reserve, is developing LNG focusing on Asia as it is the future market demand. TPA and TPP are very important Trade Agreements to reach. The Country of Origin Labeling U.S. requirement of pork and beef has cost Canada a loss of \$1 Billion. World Trade Organization (WTO) ruling is coming May 18, 2015. (EDITORIAL NOTE: WTO rejected the final U.S. appeal on meat labeling. This could pave the way to retaliatory sanctions.)

SUMMARY REMARKS

Dr. Bob Perkins, President and CEO, Global Trade Association Inc.
Can/Am BTA Executive Board

Can/Am BTA’s vision has become institutionalized. Including the critical Canadian and U.S. expertise it has that come together to identify and solve issues and most importantly make things happen. The Beyond the Border achievement is outstanding and reflects the trust and respect Canada and the U.S. have for each other. Think about the value you receive from participating in Can/Am BTA’s conferences that year after year deliver an agenda of speakers’ unmatched anywhere else. Think about the value received from speakers’ messages, the diversity of subject matter, the opportunity to network and form professional friendships to share views, perspectives and needs. Thank you for participating. See you in Washington, D.C. in October.

Future Can/Am BTA Conferences

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Big Sky, MT (w/PNWER)	July 12-15,	2015
Washington, D.C.	Oct. 4-6,	2015
Ottawa, Ontario	May 1-3,	2016

Jim Phillips, President & CEO
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