

CAN/AM BORDER TRADE ALLIANCE
OCT. 4-6, 2015 WASHINGTON, DC CONFERENCE
SUMMARY HIGHLIGHTS

**22ND 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:

Ottawa, Ontario	May 1-3,	2016
Calgary, AB (w/PNWER)	July 17-21,	2016
Washington, DC	Oct. 2-4,	2016

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:

Alan Bersin, Assistant Secretary, US Department of Homeland Security
“Can/Am BTA leadership is truly visionary. The organization continually leads and stays the necessary course.”

Gary Doer, Canadian Ambassador to the United States
“Can/Am BTA’s leadership on the pre-clearance vision and implementation assisted in getting it done. Can/Am BTA is a great team.”

Todd Owen, Asst. Commissioner Field Operations, US CBP
“Can/Am BTA has a strong positive working relationship with CBP. It will assess and criticize, but then offers specific differing solutions to achieve the desired outcome.”

Tom Winkowski, ACommissioner Retired, US Customs & Border Protection
“Can/Am BTA is long known for its consistency and truth.”

Martin Rojas, Senior Advisor, International Road Transport Union
“Can/Am BTA leads the charge in assessing and improving known low-risk inspections and border processes.”

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**Senator Wilfred Moore, Vice Chair, Senator Jane Cordy, Member
Canada-US Inter-Parliamentary Group**

“Can/Am BTA does very effective work with passion and expertise.”

Gregory G. Nadeau, Acting Director, Federal Highways

“Can/Am BTA has and effectively performs a very important role.”

Rich Dinucci, Executive Director, Cargo Conveyance & Security, CBP

“Can/Am BTA is all hands-on to get needed things done. Thanked Can/Am BTA for its leadership that made Pre-inspection happen.”

CONFERENCE SPEAKERS AND THEIR MESSAGES

**Greg Dandewich, Executive Board Member Can/Am BTA
Senior Vice President, Economic Development Winnipeg**

Welcomed participants to our 22nd Annual Washington Conference. Cited the focus on critical issues that the very impressive aggregate of experience in one room at Can/Am BTA Conferences allows the benefit of a myriad of perspectives. Critical needed outcomes for improving fluidity (Trade and People) and connectivity must become a reality and remain “top of mind.” Highlighted the essential importance of growth of US and Canada economies and investment. Exemplified the importance of the Canada/Europe Trade Agreement (CETA) and the ratification of the recently signed Trans Pacific Partnership (TPP).

CUSTOMS AND BORDER PROTECTION

Todd Owen, Assistant Commissioner Field Ops, CBP

Historic Canada/US Pre-clearance Agreement signed March 15, 2015. Legislation in each country needs to be passed. All organizations involved in border crossing our shared land border need to urge passage (covers Air, Land, Rail, and Maritime). Cargo is excluded in this initial agreement. Many positive lessons learned and changes made as a result of the very successful Peace Bridge Pre-inspection Pilot. **CBP needs to get out of:** the Officer cash collection process (and it is); using paper at primary inspection (and it is); upgrade Radiation Portal Monitor equipment to substantially eliminate the majority of false alarms (and it is); and expand use of VicinityRFID documents to reduce wait times and delays (and it is). The Canada-US-Canada In Transit Pilot is commencing early/mid 2016. C-TPAT/PIP Joint Validation and Mutual Recognition implementation process is slow. Gordy Howe Bridge planning involves CBP/CBSA single joint approach and shared facilities wherever practical (for example gun range, NEXUS, canine, etc.) ACE is proceeding, Other Government Agency (OGA) input is slower and essential to Single Window thus implementation dates have been adjusted from Nov. 1, 2015 to Feb. 2016 with a final date of June 2016 for OGAs.

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THE CANADIAN PERSPECTIVE

Ambassador Gary Doer, Canadian Embassy

This past year was both ambitious and productive. The Pre-clearance Agreement was completed and signed. Next, making progress on completing the legal context legislation is essential to realize the cost efficiencies that will result. The new Gordie Howe International Bridge planning and development continues to progress. The Single Window in Canada continues toward finalization. New Rail Regulations developed and US and Canada are working together to coordinate. Trans Pacific Partnership Agreement signed now next to be ratified by Parliament. Canada and the US have a very good working relationship on the Beyond the Border initiative with great cooperation.

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

Provided an excellent handout to all attendees that detailed "Solving Business Process Problems at the Border with a Single Source of Data." The purpose of the Single Window Initiative Proof-of-Concept is to showcase how the Global Trade Item Number (GTIN) can expedite and improve upon the process of sharing product data between regulatory agencies and importers. The following Canadian departments and agencies have expressed interesting participating along with the Canadian Border Services Agency; Foreign Affairs; Health; Natural Resources; and Transport. It is projected to be completed in 6 months from start date and the expected outcomes should closely reflect those produced by the US ITDS proof in 2011: reduced toy products previously subjected to examination by 75% or more; the use of GPC codes with GTIN's reduces examinations by an additional 5% for a total of 80% reduction in examinations and holds at the border; the savings for toy manufacturers was \$16.8 Million for toy importers alone saving small and mid-size importers \$30,000 each a year. The estimated Return on Investment (ROI) is over \$8 for every dollar invested.

FEDERAL HIGHWAY ADMINISTRATION

Gregory C. Nadeau, Administrator, FHWA

Cited the importance that US Department of Transportation (DOT) and the Federal Highway Administration (FHWA) understand the impact transportation has on our economy and every day life and the importance to every citizen. FHWA is committed to border issues. Stated the critical need for a long term transportation plan. Presented the results of a detailed projection of the year 2045 (30 years out): US will have added 70 Million people; freight volume will have increased 45% from today. Shippers today spend \$27 Billion a year on extra shipping costs because of delays on the road.

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The US/Canada border, which last year saw almost 32 Million passenger vehicle crossings and almost 6 Million commercial trucks. Borders can divide or unite countries – depending on the relationship, goals and values of the people on either side. For more than a decade, the Transportation Border Working Group has been the main point of interaction between the United States and Canada when it comes to border transportation issues. Introduced David Kim, the FHWA Associate Administrator for Policy and Governmental Affairs, who he has appointed to be the Group’s chairman. **Keys to border transportation improvements are money and focused priorities. Identify critical needs and provide the investment to solve. Choice is choke point or economic opportunity.** We have made tremendous progress in the US to reduce the number of deaths and serious injuries on our roads with more improvement to come.

VIEW FROM TRUCKING

Martin Rojas, Senior Advisor, International Road Transport Union

Many issues from the mid-1990s are still there while many others have been solved. Some specifics discussed: biometric entry/exit at the land border cannot cause any delay; re-positioning empties conflict (equipment can, driver can’t); the positive steps in mutual recognition; C-TPAT suspension process has been formalized and improved; eManifest when successfully fully operational will be very positive; Single Window will be a tremendous improvement. **Bottom line, we need to achieve a fully automated common sense border process.** Stated high level of concern should the proposed APHIS Fee increases be implemented.

CUSTOMS BORDER PROTECTION Single Window Initiative

Amy Magnus, Member of C.O.A.C. A.N. Deringer

Very insightful. Bottom line, focused on tell it like it is highlights:

DATA SYSTEM MUST BE PAPERLESS.

AUTOMATE OR PERISH.

ALL OTHER GOVERNMENT AGENCIES’ NEEDS MUST BE FROM A SINGLE ENTRY TO ELIMINATE AT BORDER HOLDS AND INSPECTIONS.

DISCUSSED CBP AUTOMATED COMPUTER ENVIRONMENT (ACE) STATUS AND THE 9 COMMERCIAL OPERATIONS ADVISORY COMMITTEE (COAC) RECOMMENDATIONS.

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Rich Dinucci, Executive Director, Cargo Conveyance & Security, CBP

ACE is a work in progress. Success is critical. Single Window involves 47 Federal Agencies and is very complex and challenging. **Discussed Peace Bridge Pre-inspection Pilot and its many successful findings and contributions of improvements that were incorporated in US side operations.** Advised that the Radiation Portal Monitor improved technology when incorporated along the border will save 88 Officers and Millions of dollars. Reiterated Cash collection by Officers is being phased out and will end. Reviewed IN Transit starting test function before close of 2015 and operating early 2016. Automating DTOPS collection of fees. Centers of Excellence and Expertise once online become virtual Ports of Entry and are and will have a lot to do with how cargo moves.

MONTREAL-US RAIL PRE-CLEARANCE

Ambassador Raymond Chretien, Partner Fasken Martineau
Emissary Dept. of Transportation Government of Quebec

Brian Searles, Ret. Secretary of Transportation, Project Consultant Rail
Vermont Transportation Agency

Management of the shared land border is a top priority. Rail Pre-clearance is a top priority. Studies and plans for the Montreal Station have been completed and discussions begun for acceptance. **Quebec also has expansion of Air Pre-clearance has a very high priority.** Rail service was described (St. Albans to Washington, DC) and the Montrealer that ceased operation in 1995, as stop at the border for crew change took as much as 4 hours, needs to be reinstated as Pre-clearance would eliminate excessive stop time. The operating agreements with CT and MA and the Northern New England Inner City Rail Plan were cited. Vermont enjoys one half Million overnight visits from Quebec generating \$300 Million economic impact.

Editor's note: New York also has a key interest in the rail service (Montreal to New York City) that will be vastly improved with Pre-clearance. Garry Douglas has reached out to Brian and the Ambassador and Can/Am BTA is supporting this Quebec/Vermont/New York Pre-clearance Task Force initiative. A like Rail Pre-clearance initiative is active for the Pacific NorthWest (PNWER) rail service Vancouver – Seattle and Can/Am BTA is also participating in and supporting that important initiative.

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VIEW FROM THE HILL and WHITE HOUSE ON CANADA/US

Peter Friedmann, Washington DC International Trade Lawyer,

Provided insightful and fresh view of what is going on in Washington, fascinating times. Leadership contest in the House; Senate majority outcome; major individual focus is to get elected. Putin and Iran are taking over Syria. Trans Pacific Partnership is ongoing and will take a year or more for the ratification process (has tough sledding with Union and Environment interests). China-US West Coast cargo benefitted from Vancouver and Prince Rupert opening salvation to the US Midwest destinations. Now south of Hong Kong will use Suez and cargo will go to East Coast Ports predicting less to Vancouver and Prince Rupert and more to New York/New Jersey. Current US/Canada Trade disputes are meat labeling and Truck Weight Limits (US is 82,000 pounds and Canada is 96,000 pounds). If US weight was increased to 96,000 pounds, **30 percent less trucks would be on the roads carrying the same amount of cargo.** Provided insight into five specifics:

- 1) Democrats tend to tilt Liberal. Republicans tend to tilt Conservative. Predicted House would stay Republican as only 10 to 15 of the 435 seats are really contested.
- 2) Upcoming Senate election: Democrats need to defend 5 seats and Republicans 14 seats.
- 3) Is President lame duck? Internationally, yes. Domestically, no. Has an environmental agenda: war on coal; Keystone, air emissions, clean water and using Executive Orders where Congress has no say as a Presidential veto needs 60 Senate votes to override and the votes are not there.
- 4) International: void created in the Middle East.
- 5) Issues likely to derail TPP: dairy; sugar; autos; so lots more negotiations to come.

BEYOND THE BORDER – WHAT IT CAN DO

Alan Bersin, Assistant Secretary, US Dept. of Homeland Security

Canada/US relations positively moving forward. Sovereignty protected. Pre-clearance involves officer Privileges and Protections. The signed agreement creates uniform approach of process of people. Cargo to follow. Needs legislation passed. Currently contained in the Leahy CEJA Bill that needs an activated North/South support in the Senate/House. Fall back will have to be a separate Bill if the current Leahy Bill does not move. **Time is Dollars so need to pre-clear away from the Border. Emerging eCommerce growth is exponential “sell the world” and border processes need to accommodate this future.** North America century is just beginning and the NA continental block shared production platform emerging (one half Billion people, \$ one Trillion in trade (\$3 Billion a day), energy independence (Mexico conventional oil, Canada Oil Sands, US Shale) Bottom line, drive down costs and increase efficiency at the Canada/US shared

land border and in North America.

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CANADA-US INTERPARLIAMENTARY GROUP

Senator Wilfred Moore, Vice Chair

Senator Jane Cordy, Member

The Interparliamentary Group members continuously speak and meet with US Government elected official groups, both state and federal, and interact with the private sector. We speak with US governors and state legislators about the nature and depth of the Canada-US relationship and the relationship that Canada has with their states. Since our Ottawa Conference, they have attended: South Eastern US (SEUS) Canadian Province Alliance (6 states/7 provinces); PNWER Summit; National Governors meeting; Western Governors meeting and the National State Legislators meeting along with the Southern, Western and Eastern Council of State Governments Conferences focusing on the mechanics of Trade and integrated strategies for economic development. **Buy American and Country of Origin Labeling (COOL) are continuing major concerns.** Meetings with US Senate and House members are planned.

VIEW FROM QUEBEC

Jean-Claude Lauzon, Quebec Delegate General

Quebec Government officials have been present at Quebec House in New York City for 75 years. The US/Canada and the US/Quebec business relationship within are essential. 4,500 Quebec companies conduct business with and in the US. Quebec Trade with Delaware is greater than with France. Quebec Trade with New York is greater than with France, Germany, and China combined. Northern Quebec (Plan Nord area) is 2 times the size of Texas with just 100,000 residents. It is mineral rich and contains 50% of the world's known rare earth deposits. Investment plans project \$20 to 50 Billion over the next 20 years. Quebec has 3% of the total fresh water in the world that currently generates 99% of electric production in the Province. **The border must be fluid and responsive to legal business while also being secure. Pre-clearance is critical and must be implemented for day-to-day effective border operations.**

KNOWN EMPLOYER UPDATE

Daniel Ujcz, Counsel. Dickinson Wright

Laurie Tannous, CEO, Cross Border Institute

Building upon the foundation of this proposed initiative first presented at our 2015 Ottawa Conference in May, reiterated the movement of employees across the border for training and conducting of normal functions within a company (internal employees Canada/US locations) and the availability of post sale service of

equipment and support systems is critical to businesses.

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Proposal is to allow a Company to provide required data on its employees it wishes to enroll in the program to both countries' Customs agencies to register them. Each employee will receive a document to present when arriving at the border that will preclude Officer from having to conduct the current extensive interview questioning of the purpose of the visit and instead just focus on the person. It is being recommended that companies make application for NEXUS a requirement for employment. The same enrollment would apply to essential supplier personnel required to service its purchased equipment and systems. Additionally, it was proposed that the same process be applied to known life saving essential products such as Nordian's Radioactive Isotopes that need as seamless as possible border crossing. A very excellent and insightful presentation on the various current procedures and experiences of business visitors, work permits, immigration questions, etc., was most beneficial. We will revisit again at the 2016 Ottawa Conference.

VIEW FROM CONGRESS

Northern Border Caucus

Congressmen Brian Higgins, NY

Congresswoman Elise Stefanik, NY

Congressman Bill Huizenga, MI, Co-chair IPG

Bill Owens Esq., Moderator, Can/Am BTA Senior Advisory Board

An excellent dialogue occurred that was most insightful and benefitted all. Canada is uniquely loyal to the US. Interconnectedness with Canada is a reality with Michigan and New York. Plattsburgh, New York also considers itself a southern suburb of Montreal. Canadians hold 20% of the Buffalo Bills season tickets, 25% of the Sabres season tickets and are 38% of the visitors to Niagara Falls, New York. Southern Border is predominately focused on the press and average American. It is critical the elected officials in Congress understand the reality of the very different set of conditions and needs at the US/Canada and US/Mexico borders. Must continue to highlight the importance of Canada to the US as a whole to raise awareness. The US Administration and elected officials should travel to Canada to show importance and reflect public acknowledgement. Congressional fact finding visits to the Northern Border will be developed. Specific issues discussed included: continued defeat of biometric entry/exit and land border crossing fee proposals; **must pass Pre-clearance authorization legislation; must pass a long term Transportation Bill** (US is 5% of the world's population and 24% of the world's economy); transportation is essential to constituency economic viability and the US infrastructure needs to be rebuilt and a fair way to finance the funds needs to be found.

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**Tom Winkowski, Can/Am BTA Senior Advisory Board
Retired A Commissioner US Customs and Border Protection**

Complimented Congressman Higgins and retired Congressman Owens for truly understanding the US/Canada shared border and its critical importance during his tenure at CBP. Described the big decision of retirement and his acceptance to join Can/Am BTA's Senior Advisory Board and his intent to be active and involved in its excellent work having had a lengthy productive working relationship. Provided a very interesting and insightful comprehensive view of reality. These are dangerous times. Borders and Immigration are front and center domestically in the coming election process. Both are complicated to fix. North America strategy requires an efficient flow of people, goods, and information with required security essential. A recent study reflects that India is and will experience 1 Million additional people seeking work every month through 2034. Specifics for Can/Am BTA: must educate on the impact of the Canada/US Border on the US economy and security; continue to provide factual information to assist decision makers to make informed choices; continue providing data driven ideas/solutions support as knowledge leads to expediting gains without lessening and, in fact, enhancing security benefit. Single Window is a critical improvement to advance one face at the border. A major paradigm shift improvement at the border to approach an efficient and effective managed border would be to merge Other Government Agencies, i.e., Food and Drug, Ag., etc., into CBP so all needs were met in a single communications and operational mode attaining a single input border process.

**Pat Whalen, Executive Board Member Can/Am BTA
Chief Operating Officer, Buffalo Niagara Medical Campus**

In conclusion stated:

**GET GOING. FIX THE ISSUES.
GET IMPATIENT AS ENDING CASH COLLECTION BY OFFICERS AND
ELIMINATING PAPER MANIFESTS FOR EMPTY AND OTHER EXCEMPTED
TRUCKS IS TAKING FAR TOO LONG TO HAPPEN.
ACE REFOCUS TO DELIVER AND GET IT DONE.**

Thanked the excellent speakers and participants that together made this Conference highly successful.

Jim Phillips, President & CEO
canambta@aol.com

Future Can/Am BTA Conferences:

Ottawa, Ontario May 1-3, 2016
Calgary, AB (w/PNWER) July 17-21, 2016

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