

CAN/AM BORDER TRADE ALLIANCE
OCT. 1-3, 2017 WASHINGTON, DC CONFERENCE
SUMMARY HIGHLIGHTS

24TH 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 6-8,	2018
Spokane, WA (w/PNWER)	July 22-26,	2018
Washington, DC	Sept 30-Oct. 2,	2018

Conference Highlights:

Excellent speakers provided provocative insights.

The Roof Top Reception held at the Canadian Embassy.

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

Todd Owen, Executive Assistant Commissioner Field Ops., CBP

"Appreciate Can/Am BTA's feedback and common sense ideas."

Brandye Hendrickson, Acting Administrator, Federal Highway Admin.

"Can/Am BTA is an amazing organization."

Ambassador Jim Nealon, Acting Under Secretary Strategy & Plans, DHS

"Can/Am BTA is highly respected and appreciated for its leadership."

"Can/Am BTA was deeply involved in providing the vision for Beyond the Border."

Hon. Wayne Easter, M.P., Vice-Chair Canada/US Interparliamentary Group

"Grateful for the long standing opportunity to exchange views with Can/Am BTA."

Peter Friedmann, Washington, DC International Trade Lawyer

"Can/Am BTA has an array of speakers that is unmatched with tremendous meaningful information they share."

**KNOWN LOW RISK GOODS AND
PEOPLE MUST BE EFFICIENTLY
FACILITATED WITHOUT LOWERING**

PUBLIC SECURITY

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CONFERENCE SPEAKERS AND THEIR MESSAGES

Greg Dandewich, Executive Board Member CAN/AM BTA
Senior Vice President, Economic Development Winnipeg

Welcomed participants to our 25th Anniversary Celebration Annual Washington Conference. Thanked the SPONSORS of Can/Am BTA and the thanked the staff for its excellent preparations and logistics. Stated Can/Am BTA understands, articulates, engages, and gets things done. Can/Am BTA is impactful citing the numerous common sense border practices that have been implemented from its involvement. Success is built around communication, relationships, and respect.

CUSTOMS AND BORDER PROTECTION

Todd Owen, Executive Assistant Commissioner, Field Operations

Teamwork effects change. We must be stronger together with innovative and creative thinking. CBP is very cognizant of enhancing both economic and security missions. Cited Trade enforcement, Intellectual Property, and Centers of Expertise and Excellence activities, Stated a serious “hot wash” was initiated to fix movement of cargo during Automated Commercial Environment (ACE) downtimes. Described the Section 321 increase to \$800 from \$200 for automated release affecting the growth of eCommerce and the shortly forthcoming decision on whether an advanced description or a 10 digit code will be required noting it was a sensitive issue. Shared that several small Ports of Entry with small staffs had become hubs for eCommerce moving 30,000 shipments a day. Shared that Cargo Pre-clearance was now titled Unified Cargo Processing by CBP and is operational on the Mexican Border with Mexican Officers now targeting and inspecting on the US side in Primaries and Cargo Lots jointly with CBP Officers. Cargo pre-clearance requires not only CBP but a number of other agencies, i.e. FDA, USDA, etc., presence before release can be granted and the ability to do investigations are the reasons CBP needs further agreement with Canada once Legislation is passed in both countries. **Editorial Comment:** Unified Cargo Processing was initiated with Mexico quickly solving both of the above issues by the Mexican Officers coming to work at the border on the U.S. side and, I understand, with a very brief Memo of Understanding (MOU). Other subjects discussed: Pre Arrival Readiness; Champlain Rail Pilot with CBSA; Air Cargo processing deterrent (currently 83% of cargo has pre-arrival information provided prior to loading).

INSIGHT AND PERSPECTIVE

Ambassador Gary Doer, Can/Am BTA Senior Advisory Board

Recounted when he arrived in Washington as the new Canadian Ambassador to the U.S. in 2009. It was right after the 2008 economic downturn and home values **CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY OCT. 2017**

were significantly declining at the same time taxes were being increased. Three Canada/U.S. Issues needed resolution: Extra Territorial Authority at our shared land border was handled by sharing information; Buy American was handled by common sense implementing reciprocity as States and Provinces are key and Canada being granted a waiver; the New Detroit-Windsor Bridge agreement was achieved to proceed to build it. Advised that “all of us have done a poor job of stating the benefits of Trade up front.” The bottom line is Canada is the U.S.’s biggest customer. We are allies, friends and neighbors, and a secure source of energy (hydropower, gas, and oil). Currently outcomes will be determined by common sense and meaningful communication and understanding.

DIGITAL IDENTIFICATION SECURITY AND VERIFICATION

Sonny Reid, President, Carillon Federal Services, Inc.

Provided an insightful and educational view of building and using Digital Trust. Serving Aerospace and Defense as well as the Federal and corporate sectors, discussed a complete spectrum of digital identity management solutions that support secure identification, communication, and validation to build trust in a digital world. Described use to secure diverse cases from perimeter entry for individuals with high assurance credentials to emails to software loaded on a digitally enabled aircraft. Essentially assures trust that allows a person or transaction to proceed.

CANADA/US INTERPARLIAMENTARY GROUP

Wayne Easter, M.P., Co-Chair

The Group continues to focus on regional meetings with Council of State Governments, Council of State Legislators, and Governors as well as the National Conferences of these numerous organizations. I can report “that in all the U.S.-Canada relationship is strong and the appreciation of our two-way Trade is solid.” We also are having very positive meetings with our U.S. Congress counterparts in the House and Senate discussing: biometrics; lumber; transportation; and border issues. Provided a detailed insight of the NAFTA negotiations and the need to update, improve and continue the integrated supply chains in the nature of both bi-lateral and tri-lateral important economic activities. Stated the strong support the Canada Section of the Interparliamentary Group has for the Senate to pass Pre-clearance Bill C-23.

THE CANADIAN PERSPECTIVE

Marvin Hildebrand, Minister Economic, Canadian Embassy

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U.S./Canada have experienced a four-fold increase in Trade since the Canada/U.S. Free Trade Agreement was signed. The U.S. currently has an \$8 Billion surplus. It is imperative that we get the operation of our shared border right. The government of Canada is providing necessary resources for important border infrastructure, electric grid, and the new Gordie Howe Bridge investment. Cited the importance to economic growth and increased competitiveness of the Pre-clearance Bill C-23. Described Bill C-21 Entry-Exit and the exchange of information on Canadian citizens crossing the border with the U.S. and vice versa. Described the importance of Regulatory Reform Cooperation. Stated Canada fully committed to NAFTA negotiations and undertaking extensive outreach. Encouraged our input to the Government on what is needed to improve border crossing and to achieve smooth transparent Canada/U.S. border operations and continue to build a 21st Century border.

CUSTOMS AND BORDER PROTECTION

Colleen Manaher, Executive Director, Planning, Program Analysis and Evaluation, Office of Field Operations, CBP

Detailed a number of exciting initiatives and accomplishments of “Innovation in the CBP Office of Field Operations” that are impressive, doable, and exciting to enhance security while actually achieving fluidity of known low-risk goods and people and substantially reducing the stakeholders cost and delay while crossing the border. Specifics described: Ready Lane; Small Vessel Future Vision; Facial Biometrics Solution Airports; Facial Recognition with Body Worn Cameras; Cargo driver Face Recognition; Land Border Vehicle At Speed Entry/Exit Facial Recognition, Cargo Automated Traffic Management; and Pedestrian Entry Exit Operation. Stay Tuned as this dynamic and effective leadership unit in CBP and with the full cooperation of CBP is truly making a difference with “sea change” initiatives that are being implemented.

Manuel Garza, Director, Manifest and Conveyance Security, CBP

Provided the requested “what is needed by CBP to implement Cargo Pre-clearance” that is now termed Unified Cargo Processing. People clearance processing at the border is solely performed by CBP. Cargo clearance processing at the border is performed by CBP on behalf of 47 Federal Agencies that have the ultimate decision of cargo under their jurisdiction, i.e. FDA. USDA, Consumer Safety, etc. These agencies operate at the border for clearance and they and CBP need to do inspections and investigations as well. These are the two issues that affect cargo pre-clearance done in Canada. Currently there are several pilot operations of Mexican officers conducting cargo pre-clearance in the U.S. functioning in Primary and Cargo Lots. Both of the above 2 issues were solved for Unified Cargo Processing in a short Memo of Understanding (MOU) by the Mexican Officers coming to the U.S. Port facilities to perform their clearance processing. It is planned to have 8 to 10 other like Port operations in early 2018.

A rail pilot is also being initiated. A like MOU is being negotiated between Canada
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and the U.S. to initiate Unified Cargo Processing by Canadian Officers performing at U.S. Ports. A rail pilot is developing at Champlain with Canadian Officers and U.S. imaging northbound trains.

FEDERAL HIGHWAY ADMINISTRATION

Brandye Hendrickson, Acting Administrator,
Federal Highway Admin.

We are cutting Red Tape. Priority from Transportation Secretary Chao and The White House is to insure we regulate and simplify processes to enhance economic activity and improvement. We are firm advocates of Trade. Transportation projects are the lifeblood of our nation. 2018 Budget has \$500 Million for U.S.-Canada and U.S.- Mexico Land Border enhanced infrastructure. Key to the border is bi-national cooperation. Importance of Trade is a mutual priority with security. Success needs Federal resources supplemented by State and Private Public Partnerships participation. Border congestion is costly and a distraction that negatively impacts economic competitiveness. Technology has great promise. Overall we must streamline the process to deliver intended positive outcomes that are essential to communities, people, and prosperity.

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

Peter Friedmann, Washington, DC International Trade Lawyer,
Lobbyist and Insider

The President's 2017 agenda of priorities is very ambitious. The President has been very active in making numerous changes within his authority. Reviewed the status of: Supreme Court appointment achieved; Health Care; Southern Border Wall; Immigration; Tax Reform; International Trade (NAFTA, CHINA); Infrastructure Investment. Noted the last Tax Reform was passed in 1986; the last Infrastructure Bill was 1992 and gas tax revenue has sharply declined and no headway has been made in Immigration for the past 16 years even when President Obama had a democratic Senate and House for 2 years. Highlighted the additional unexpected situations that have arisen: North Korea; Russia; Canada softwood lumber, and Boeing/Bombardier. The successful increasing of the Debt Limit with democratic cooperation may signal The White House and Congress beginning to work together and if so Infrastructure Bill might happen.

HOMELAND SECURITY

Ambassador James Nealon, Acting Under Secretary,
Strategy, Policy, Plans, DHS

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Partnership with Canada is extremely important to the U.S. The flow of people, capital, and ideas need an efficient border process. U.S. and Canada cooperate on shared threats and opportunities. Together we are making significant progress on implementing the Shared Border Accord: Entry-Exit; mutual recognition Air Cargo; Trusted Traveler, and Trusted Trader programs; Pre-clearance agreement signed and enabling legislation passed in the U.S. Congress and Canadian Parliament and proceeding through the Canadian Senate; integrated emergency management and communication; and mutual security. Things to do: full implementation of Entry-Exit with Bill C-21; Canadian Senate passage of Pre-clearance Bill C-23; re-imagine and re-invent our shared border; improve information sharing especially on domestic terrorists; implement biometric facial recognition identification; increase advance traveler information; VRFID documents on shared land border instead of Passport; and implement Pre-clearance.

PROOF OF CONCEPT FOR Product Identification and Traceability

Alex Greco, Public Affairs Manager, GS 1 Canada

CBSA proof of concept underway. Identify, capture, share data to Track and Trace products utilizing global standards for interoperability. Single source of data able to share with other Agencies. Increases accuracy and eliminates holds at the border resulting in major improvement in product release efficiency and cost reduction. Testing the National Products Registry. Allows thinking of “what is possible?” and refocus of CBSA’s resources. Results of the Pilot will be discussed at our Ottawa May 2018 Conference.

INSIGHTS AND OPPORTUNITIES

FIRESIDE CHAT CAN/AM BTA SENIOR ADVISORY BOARD

**Ambassador Gary Doer
Lew Holloway,
Hon. Jim Horsman,
Tom Winkowski,**

**Hon. Bill Owens,
Ambassador David Wilkins,
Ambassador Roger Noriega,**

Moderator: Jim Phillips, President and CEO, Can/Am BTA

A dynamic discussion presented timely and important insight into: What is the importance of Canada to the U.S.? What is the importance of the U.S. to Canada? What is the importance of the US to Mexico? What are the keys to maximizing FAIR and FREE Trade? What are the keys to building Private Sector consensus? What are the keys to improving the US/Canada border fluidity of known low-risk cargo and people? What are the top changes needed at CBP at the Port level

where the “rubber meets the road”.?

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Lew Holloway, retired General Manager of the Niagara Falls Bridge Commission offered top changes needed are: effective CBP managers at the border are constrained by bureaucratic mandates from HQ and should have flexibility authority; the Statement of Requirements (SOR) one size fits all has no flexibility for unique Port by Port needs and conditions (actual examples from Lewiston Queenston project: at a non urban location with no surrounding population Officer parking requires a 10-foot non scalable fence with secure gated points of entry with cameras and communication, 25,000 gallons of stored diesel fuel for a generator in case of electrical failure while actual Port usage history shows that this is enough fuel for 10 years; general practice for uninterrupted power supply of an hour to back up computer operation and emergency lighting and exit lights to allow time for the generator to kick in but the SOR requires battery back up to run the entire Port for 24 hours that cannot be met as the size of a battery room to do that is unimaginable.)

VIEW FROM CONGRESS

Northern Border Caucus

Congresswoman Elise Stefanik, NY, Co-chair

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

Seismic shift discussions in how we conduct Trade. The key to NAFTA is the view by individual Congressional District locations. There is a steep learning curve on NAFTA and its benefits. Commerce Secretary Ross and USTR Robert Lighthizer met with the Northern Border Caucus members to hear their insights. NAFTA is able to be modernized by amendment. A withdrawal from NAFTA would have to come from the floor of Congress. In receiving input from Business, Chambers of Commerce, Farms, etc., it is evident that the closer to the border the higher the focus. Business is critical of uncertainty. Tax Reform is a major undertaking. The reduction of the Corporate Rate to 20% is important for a number of reasons. Congresswoman Stefanik was a leading force in getting the Pre-clearance Legislation passed in the U.S. Congress and we thank her for her very successful leadership.

Venezuela and Hurricane Impact on Energy Status and Outlook

**Ambassador Roger Noriega, Can/Am BTA Senior Advisory Board
Managing Director Vision Americas LLC**

Provided an in-depth view of the Venezuela Oil status. They have \$1.4 Trillion in Oil Revenue resource. Their product is heavy oil. Their oil fields require high technology support and their current production is sharply down and declining. Venezuela is cash strapped and took cash loans from China that they are paying off in shipping 400,000 barrels a day for which they now receive no cash. Bills are

not being paid so spare parts cannot be acquired. Production has dropped
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another 5 percent in the first 6 months of 2017. They are importing gasoline. The U.S. and Canada have imposed targeted sanctions that prevent Venezuela from doing any transactions in U.S. Dollars. With regard to U.S. refinery impact from the recent hurricanes, production levels were resumed very quickly without negative impact on the gasoline supply and market.

Summary and Closing Remarks

Solomon Wong, Executive Board Member CAN/AM BTA
Executive Vice President, InterVistas Consulting

Thanked the excellent speakers, the staff for its effective logistics and preparations, and the attendees that make the conference the success that it is. Reminded us all that we need to push **Innovation in Technology** development and use and in **Process** development to achieve the effective outcomes envisioned and in **Policy** to insure implementation and use. And simultaneously push benefits from initiatives like Biometrics and Track and Trace. Regulatory common sense review, eliminations, updates and adjustments are critical and essential. **The key is to determine the “what” and “how” we go forward.** Co-development, Co-creation, Simplify. Public Private Idea Zone.

Can/Am BTA is celebrating its 25th year in 2017.

Jim Phillips, President & CEO
canambta@aol.com

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MARKET ACCESS DEPENDS ON:

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= TRADE = JOBS = QUALITY OF OUR LIVES**

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