

**CAN/AM BORDER TRADE ALLIANCE  
SEPT. 9-11, 2007 WASHINGTON, D.C. CONFERENCE SUMMARY  
HIGHLIGHTS**

CAN/AM BTA is an organization with a far-reaching beneficial impact on the important issues of Border Management, Travel, Trade and Business between **the World's "2" Largest Trading Partners** Canada and the United States.

**Future Can/Am BTA Conferences:**

|   |                         |                            |
|---|-------------------------|----------------------------|
| <b><u>Corridors, Gateways &amp; Economies</u></b> | <b>Montreal, Quebec</b> | <b>Oct. 28-30, 2007</b>    |
|   | <b>Ottawa, Ontario</b>  | <b>Apr. 27-29, 2008</b>    |
|   | <b>Vancouver, BC</b>    | <b>(w/PNWER) July 2008</b> |
|   | <b>Washington, D.C.</b> | <b>Sept. 7-9, 2008</b>     |

**Highlights of the Conference included: Excellent speakers provided current strategies, areas of concern with planned present and future actions; Reception held on the Roof Top of Hotel Washington overlooking the White House; plus the unique opportunity to Tour Border Technology and SBlnet at UNISYS Center of Excellence .**

Speakers excerpts acknowledging CAN/AM BTA's leadership role:

**Secretary Michael Chertoff, U.S. Department of Homeland Security**

"I appreciate Can/Am Border Trade Alliance's fine work."

**Ambassador Michael Wilson, Canadian Embassy**

"Can/Am Border Trade Alliance does such a great job to achieve Smart and Secure Borders."

**Sam Boutziouvis, VP, Can. Council Chief Executives, Canada Secretariat**

**Adrean Rothkopf, Managing Director NA, U.S. Chamber, U.S. Secretariat**

"The professionalism and expertise of Can/Am BTA is recognized and appreciated. Can/Am BTA and its members were thanked for advice given to the Security and Prosperity Partnership and the North American Competitive Council."

**Tom Winkowski, Assistant Commissioner, Office of Field Operations, CBP**

"As AC, I will continue close working relationship with Jim Phillips/Can/Am BTA."

"I invite Can/Am Border Trade Alliance to join a group of Port Directors to focus on land border primary inspection causes and solutions for dwell and delay times."

**Ambassador Roger Noriega, Senior Advisory Board, CAN/AM BTA  
Director, TEW CARDENAS, LLP**

"Can/Am Border Trade Alliance focuses on "nuts and bolts" to provide solutions to real concerns."

**Congressman John McHugh, Co-Chair Northern Border Caucus**

"The Can/Am Border Trade Alliance does great work. It has highly respected and valuable leadership. Complimented Garry Douglas from his constituency."

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**David Coutts, MLA, Alberta Government**

“Can/Am BTA plays an important role in keeping our shared Border open.”

**CONFERENCE SPEAKERS AND THEIR MESSAGE**

**Karen Phillips, Executive Board Member CAN/AM BTA**

**Vice President North American Affairs, CN**

Welcomed attendees. Reminded all that we must keep vigilant. Highlighted the priority objective that we must assure a smooth flow of legitimate trade and people while assuring public security. Provided an excellent rationale for the critical need to utilize the risk management approach. Provided a very insightful Overview of the importance of the Security and Prosperity Partnership and the North American Competitive Council initiatives that were further discussed in detail. An impressive array of speakers and subjects were organized for you at this Conference.

**Bob Frazier, Chair, Executive Board CAN/AM BTA**

**Vice President External Affairs, Western Washington University**

Reported on the formation of the Can/Am Northern Border University Research Consortium associated with Can/Am BTA. Making one of our original visions a reality. The Consortium consists of 6 primary Universities from across the entire Northern Border: Western Washington University; University of Montana; University of North Dakota; Michigan State University, State University of New York at Buffalo and University of Maine. Details provided in the Conference Book.

**THE NORTH AMERICAN COMPETITIVE COUNCIL STATUS**  
**THE LEADERS AUGUST SUMMIT**

**Sam Boutziouvis, VP, Can. Council Chief Executives, Canada Secretariat**  
**Adrean Rothkopf, Managing Director NA, U.S. Chamber, U.S. Secretariat**

Provided an insightful view of the process, preparation and progress to date. North America must step up to remain competitive globally. The North American Competitiveness Council is designed to be the voice of businesses, who drive growth/provide jobs, to be heard by the Ministers and Leaders directly. It paired down the 300 SPP identified initiatives to less than 50 and classified them in timeframes of immediate, 2008 and 5 years plus. There are 3 main categories: Harmonizing Regulations; Border Issues and Energy. The Leaders meeting in Canada was very positive acknowledging: the importance of focus; recognizing an effective/flexible agenda to reduce both waste and excessive cost. It now must be backed up with timely execution, deliverable milestones and monitored progress. Next Leaders meeting is in Texas in 2008 and Mexico in 2009.

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**SECURITY CHALLENGES AT AIR, LAND, SEA CHECKPOINTS**

**Luc Perron, Vice President Product Management, OPTOSEcurity**

Provided an excellent understanding of critical objectives related to check point challenges. It is essential to improve the flow of low-risk people and goods. We must improve threat detection without disruption utilizing a network of connections and links globally. The challenges are: delivering consistent interpretations; timely response to new threat introductions; employee corruption; operational sensitivity/cost/complexity and improving threat detection without reducing flow. The key is to extract, analyze and interpret. Presented a view of technology products that identify weapons and unassembled components in different luggage. Also equipment with the ability to determine contents of liquid containers in luggage. Objective is to improve decision capability of screeners.

**CAN/AM Border Trade Alliance TECHNOLOGY MONITORING**

**Brian Bowen, President, Bowen Enterprises, Inc.**

Brian is Can/Am BTA's designated member of the CBP Trade Support Network (TSN). Earlier this year we formed a Can/Am BTA ACE E-Manifest Focus Group composed of experienced members from Carriers, Logistics Providers, Brokers and Companies who are heavy commercial shippers using ACE. Brian is the Chair. The purpose was to provide input from the users of the system to identify problems/issues and provide solutions with recommendations. The unique benefit is that we had participation from all segments of the process providing an ability to look at each item from all viewpoints. Thus, in discussing each item, we had a walk through with all elements of the supply chain contributing their experiences, actions and reactions to arrive at an understanding from each others perspective. The report was in the Conference Book. We will have a discussion by the Focus Group with the ACE Managers in CBP. Brian was recognized in appreciation for his many contributions.

**THE CANADIAN PERSPECTIVE**

**Ambassador Michael Wilson, Canadian Embassy**

Advised he looked forward to addressing Can/Am BTA as its Agenda is very much his priorities as well. He provided an insightful view of his participation with the Leaders meeting at Montebello that was a great success. The Border is of key importance and a major challenge. Stated meaningful need to educate the public and officials at all levels to enhance: food safety; sustainable energy and environment; smart secure borders and emergency management. Reviewed the main points of the Canadian Government response to the WHTI Land and Sea Rule. Expressed concern that we all do not experience a thickening of the Canada/US internal border. Urged our continued attention to the big picture.

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Canada has announced a \$33 billion Infrastructure Investment Program that includes the \$2.1 billion Gateway Border Fund. This is the largest announced investment since World war II. The Canadian government is taking a systematic approach to Borders, Infrastructure and Trade. The Canada/US Trading relationship is the envy of the World.

**HOMELAND SECURITY**

**Secretary Michael Chertoff, U.S. Department of Homeland Security**

The U.S. has a terrific relationship with Canada both in geography and as friends. He stated Terror is very much a North American issue. The bottom line is - Terrorists are at war with Western Civilization. Both security and resilience are needed for protection. We are cooperating with Canada to protect our shared border and intend to do so without obstructing legitimate Trade and Travel. We share critical infrastructure with Canada. Reiterated that "SPP and NACC are NOT a North American Union nor a giant superhighway from Canada to Mexico City." It is about neighbors working together by sharing information and joint law enforcement. New Border Crossing Documents will use NEXUS technology (RFID chip). It is the way of the future. Secure Travel Documents are key. False documents are the path of access for undesirables. The Public desires secure document identity. Enhanced Drivers License Plan and Architecture are issued. Washington State pilot development is underway. Other States are pursuing agreements and Provinces are as well. NEXUS and FAST are accepted. Anticipates introduction of PASS Card in Summer/Fall of 2008. Process will use a disciplined approach, metrics and milestones and an RFID chip.

The Land and Sea implementation will be secure, synchronized and efficient. It will be in stages and not in a hasty fashion. The Windsor/Detroit 25% improvement challenge was exceeded. We must insure maximum use of existing infrastructure capability.

In response to a request by Jim Phillips to clarify the status of Land Pre-clearance at the Peace Bridge since some reports of discussions at the Leaders meeting in Montebello, Secretary Chertoff advised as announced in April we are "not doing pre-clearance at the Peace Bridge." As he was present at Montebello, he clarified what the President actually said which applied to FAST Cargo, not people.

Secretary Chertoff was recognized and applauded by Can/Am BTA for his dynamic, effective leadership and candid remarks.

**Jim Phillips, President & CEO CAN/AM BTA**

Requested a moment of silence to reflect on ("9/11 plus 6 yrs") and remember All who died and All who responded and continue to do so.

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**BROKERS AND LOGISTICS PANEL**

**Chip Bown, Managing Director, Regulatory Compliance, FEDEX-**  
**Bill O'Connor, U.S. Northern Border Operations Director, UPS**  
**Candace Sider, Manager, Regulatory Affairs, Livingston International**  
**Matthew Parrott, District Director No. Border Mgr., A. N. Deringer**

Provided excellent insight into Border Crossing issues and recent developments. Reviewed: ACE Current Functionality i.e. Periodic Monthly Statements; BRASS (e-Manifest) and Entry Summary Accounts Revenue. Discussed Future ACE functionality of ACE software and EDIT LITE that is meeting strong Trade opposition. Presented E-Manifest update including Rollout, Phased Enforcement, User Volumes and debugging/issue resolution process in progress. Summarized Border Crossing Issues and Developments highlighting that the backups at the US/Canada Border are the worst since 9/11. At the Border the focus has shifted to Security versus Compliance. Reviewed the Canada announcement of mandatory EDI as of 10/15/07. Discussed the challenges of how to conform without delaying cargo. Reviewed today's Supply Chain Needs. C-TPAT benefits cited survey that 92% would not leave C-TPAT. Discussed the Homeland Security Bill components. Highlighted how this Bill's initiatives impact costs along the Northern Border.

**FIELD OPERATIONS - CUSTOMS AND BORDER PROTECTION**

**Tom Winkowski, Assistant Commissioner, Office of Field Operations., CBP**

He recently was promoted to the position of Assistant Commissioner Field Operations. His extensive background in Air and Sea bring a fresh perspective. Advised a new Deputy Assistant Commissioner Field Ops. would be announced that evening and the Trade would be pleased with the selection. (Editorial note: Bob Jacksta is the new Deputy Assistant Commissioner).

Stated that wait times at the land border are bad. There are disconnects on the facts. Advised query of documents presented in Primary have increased from 14% in April 2006 to 60% in August 2007 (Jim Phillips commented that perhaps query increases should await the introduction of vicinity RFID chip documents to avoid the current huge back-ups now being experienced). 39 Land Border crossings handle 95% of the traffic. Invited Can/Am BTA to join with him and CBP Port Directors in a group to focus on land border primary inspection causes and solutions for dwell and delay times (Jim Phillips accepted the invitation). He also wants to hear about eManifest and whether it is faster. Port Management is key involves knowing flows and anticipating what is needed. Advised that the end product of WHTI at the Land and Sea Ports will utilize facilitating technology. Currently NEXUS is receiving 700+ applications a day. CBP is gearing up to handle surge. Discussed C-TPAT, Container Security Devices (CSD) and CSI reporting that there were now 53 Ports operational. There will be 58 Ports by 12/31/07. Tom was warmly welcomed and assured that Can/Am BTA looked forward to working with him to achieve the needed objectives at the Border).

**IMPORTANCE of U.S./CANADA RELATIONS**

**Ambassador Roger Noriega, Senior Advisory Board CAN/AM BTA**  
**Director, TEW CARDENAS, LLP**

Canada is a key partner with the U.S. and a full partner in NORAD. Provided meaningful in depth insight on the relationship and why we need to work together on mutual competitiveness to enhance both countries Global competitiveness. It is also more effective to defend our shores if we work together. Great partnerships can be built from sheer necessity. It is not about “breaking down barriers” but “leaping over them.”

The U.S. and Canada must perfect the process of moving goods, services and people across our common Border to protect both of our countries quality of life. The current divided government in Washington is sending a shock wave over policies regarding pending Trade Agreements in the Americas. Our hemisphere must reach potential i.e. Bolivia, Argentina, Nicaragua. In developing Democracy, rule of law, open markets and viable free market states, Canada can play a big role. With regard to terrorism in the Middle East Canada’s role is very important in Afghanistan. There is very little national news about Canada since “good news is no news.”

**COORD. CLEARANCE-POINT OF DEPARTURE DETERMINATION**

**Jim Phillips, President & CEO, Can/Am BTA**  
**Solomon Wong, Vice President Security/Planning, InterVistas**

Today marked the unveiling of the Coordinated Clearance – Point of Departure Determination Strategy (CC-PDD) by the detailed approach. The essence is to “prevent inadmissible people and non low-risk goods from reaching the U.S. or Canada” by risk managing and acting at the point of departure. This is coupled with coordinated processes within Canada and the U.S. (sovereign policies can and will differ) to finally achieve a smart, seamless and secure internal Border for CC-PDD offshore shipments and known low-risk people and fully complying on-shore shipments.

Solomon Wong presented an excellent animated Power Point discussion detailing the vision, components, goods, people and streamed traffic flow concepts in detail, with the benefits and specific recommended actions needed to bring the plan to reality. The 66 page hard copy of Coordinated Clearance – Point of Departure Determination has been distributed to both Canada and U.S. decision makers for action.

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**CANADA/US INTER-PARLIAMENTARY GROUP**

**Senator Jerry Grafstein, Co-Chair, Canada-US Inter-parliamentary Group**  
**Rob Merrifield, M.P., Co-Chair, Canada-US Inter-parliamentary Group**

The Co-chairs presented an excellent and timely insight with observations and priorities. The bilateral relationship is large and growing. The management of our shared internal border needs to find a solution that delivers Facilitation, Modernization of low-risk and Security. Our shared border must “cease to be an obstacle” to growth and prosperity for both our countries. Studies of the cost of border delays have shown the cost to US and Canadian crossers of over \$1 million an hour 24/7. Manufacturing job losses between 2001 and 2006 are 7% in Canada and 13.6% in the U.S. Car travel entering Canada and the U.S. from each others country is down over 7% in both directions reflecting implications for Travel and Tourism. The border is important for trade, family relationships, friendship and travel/tourism. Our borders must not be chokepoints. Instead, they must be a tool that enhances prosperity for low-risk citizens in both of our countries. Jobs directly supported in the U.S. by Canadian trade is not known by the public. Summarized the activities of the meetings of the U.S. and Canada Parliamentarians resulting in “17 specific joint resolutions.” Shared an interesting fact that adds perspective: India has 1.2 billion people in which there are more millionaires than the total population of Canada (33 million plus).

**NORTHERN BORDER CAUCUS**

**Congressman John McHugh, Co-chair, New York**

He recognized Congressman Bart Stupak, the long time Co-Chair, (having known him for 15 years) who puts policy ahead of politics, as a great leader of the Caucus. Stated Congresswoman Slaughter, Chair of the Rules Committee, is a gentle lady who is a fierce lioness about border related issues. John McHugh, who accepted Co-Chair this year, has been an effective member of the Caucus since 1994 when it was formed by Congressman LaFalce in conjunction with Can/Am BTA. It was long established that the Northern Border was far different from the Southern Border. 9/11 changed the focus of the U.S. and its capability. Today the Caucus is fighting to distinguish the vastly different needs and remedies of the two Borders. The Northern Border is extensively rural across the country. In those areas agriculture and tourism are primary factors essential across the entire border. We must all work together to achieve both economic and public security.

**Alan Snyder, Legislative Aide to Congresswoman Louise Slaughter**

Provided an excellent overview of the “landscape of Border issues in Washington.” Reviewed The Protect American Commerce and Travel PACT Act essentials including expanding NEXUS and FAST and improving WHTI implementation.

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**ALBERTA OVERVIEW AND OIL SANDS INSIGHT**

**David Coutts, MLA, Alberta Government**

Provided impressive insight in describing Alberta and its characteristics, a free-enterprise government with a strong diversified economy, with 3.5 million people in an area the size of Texas. Historically resource based (wheat, coal, oil, natural gas), however in last 20 years has focused on value-added elements i.e. Petrochemicals, processed foods, consulting engineering and high tech. Alberta’s proven oil reserves, second largest in the World, are 175.3 Billion Barrels. Alberta owns those resources. Alberta is key to meeting U.S. energy security needs. It is a proven secure and reliable supplier. Planned and potential Oil Sands investment is estimated at \$125 Billion Canadian dollars. The Oil Sands use steel from Oregon, the giant trucks are built in Illinois and the tires for those trucks are made in South Carolina. Earlier in 2007 Alberta announced funding of \$396 Million over 3 years to address needs of Fort McMurray related to oil sands growth. In addition an Oil Sands Sustainable Development Secretariat was established to assist the region.

**Summary Remarks**

**Pat Whalen, Executive Board Member CAN/AM BTA**  
**Trade Consultant, World Trade Center Buffalo/Niagara**

Recognized and complimented both the impressive group of Speakers and attendees who participated at this Conference. Highlighted the excellent opportunity for exchanging views and sharing experiences from all across the Border and bi-nationally as well. Cautioned that it appears momentum may be lessening at the Border when looking at the period of 2006-2007 versus 2001-2005. Reiterated that Can/Am Border Trade Alliance’s influence as a result of its collective expertise and proven track record is Key. Thanked all for participating and contributing their knowledge. In closing, “see you in Montreal in October 2007 and/or Ottawa in April 2008 !”

**Future Can/Am BTA Conferences**

|  |                                |                         |
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**CAN/AM BTA THANKS THE SPEAKERS, PARTICIPANTS AND SPONSORS FOR MAKING THIS A MOST EFFECTIVE AND SUCCESSFUL CONFERENCE**

**Jim Phillips, President & CEO**  
**canambta@aol.com**

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