

**CAN/AM BORDER TRADE ALLIANCE
SEPT. 14-16, 2008 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 & the United States.**

"Future" Can/Am BTA Conferences:

<u>Corridors, Gateways & Economies</u>	Buffalo, New York	Oct. 19-21, 2008
	Ottawa, Ontario	May. 3-5, 2009
	Boise, Idaho (w/PNWER)	July 12-16, 2009
	Washington, D.C.	Sept. 13-15, 2009

Highlights of the Conference included:

Excellent speakers provided current insights, areas of concern with planned present & future actions; Reception held at the National Press Club overlooking the White House courtesy of Sponsor: GS1 Canada.

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

Thad Bingel, Chief of Staff, U.S. Customs and Border Protection

"CBP values its partnership with Can/Am BTA."

Gary Mar, Washington Representative, Alberta Government

"Can/Am BTA manages issues, discusses problems and provides solutions."

David Winstead, Commissioner Public Buildings Service, GSA

"I appreciate the constructive partnership General Services Administration has with the Canadian/American Border Trade Alliance."

Mark Camilo, Director, Physical Security, Lockheed Martin Corporation

"I wish to recognize the thoughtful leadership provided by Can/Am BTA."

Robert Jacksta, Deputy Assistant Commissioner, Field Ops., CBP

"CBP appreciates the working relationship it has with Can/Am BTA."

Senator Jerry Grafstein, Co-Chair Canada-US Interparliamentary Group

"Invited Jim Phillips, Can/Am BTA, to brief the U.S. Northern Governors on Border Issues at a meeting he is developing."

Jim Phillips **highlighted some of the activities and developments of members:** the issuance of the PNWER Border Charter; Procter and Gamble training CBP Laboratories on identifying counterfeit consumer products (liquids, gels); the importance of the developing CN rail purchase in Chicago; the announcement of a new major Bridge in Montreal for the Federal Bridge Corporation; the CP rail purchase in the US; the CanAm Northern Border University Research Consortium will present its first joint study at The Can/Am BTA October Buffalo Conference.

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CONFERENCE SPEAKERS AND THEIR MESSAGE

Pat Whalen, Executive Board Member CAN/AM BTA

Chief Operating Officer, Buffalo/Niagara Medical Campus

Welcomed attendees. Highlighted the Conference with excellent speakers who focused on timely issues that Can/Am BTA actively engages throughout the year. Reminded all of the coming elections and the need to prepare and act proactively. Highlighted the “upcoming” Can/Am BTA Trade Corridor, Border Gateway and Bi-National Regional Economies Council Annual Conference and Work Session to be held in Buffalo, New York October 19-21, 2008.

CUSTOMS AND BORDER PROTECTION

Thad Bingel, Chief of Staff, Customs and Border Protection, DHS

Noted the 7th Anniversary of 9/11 and the major repercussions required to protect the homeland. Specified the dual importance of our facilitating low-risk goods and people. Reiterated the “5 priority SPP focuses”: Competitiveness; Food Safety; Energy; Smart Border and Emergency Preparedness. Provided excellent insight into the importance to CBP of improving intelligence, information sharing, staffing, technology and infrastructure in minimizing delays and wait times. Stressed the importance of the US/Canada bi-national joint approach to transportation connections to Land Ports (TBWG). Cited 2/3’s of US Land Ports are at or beyond capacity needing substantial funds to be provided by Congress to rectify funding. The CBP Northern Border Strategy involves enhancing partnership with Canada i.e. looking at: regional grid approach to Border crossing; WHTI public education and awareness; Enhanced Drivers License (EDL) expansion; NEXUS; information sharing; passenger lookouts; C-TPAT/PIP mutual recognition and Intellectual Property (IP) enforcement. Reminded all that Terrorism is a Global serious Threat.

BROKERS AND LOGISTICS PANEL

Matthew Parrott, District Director No. Border Mgr., A. N. Deringer

Chip Bown, Managing Director, Regulatory Compliance, FEDEX

Maryann Comstock, US Northern Border Compliance Manager, UPS

Bob Perkins, Customs Trade Advisor, Booz, Allen and Hamilton

Candace Sider, Manager, Regulatory Affairs, Livingston International

Insightful details of the Single Window International Trade Data System (ITDS) involving 43 Participating Government Agencies (PGA’s) were presented. The landscape and challenges were described including successfully reducing the original 10,000 data elements to a standard data set of 389. Provided enlightening review of e-Manifest link to ACI, the Carrier, Importer/Broker and Freight Forwarder environment, next steps and estimated deployment.

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Meaningful presentation of the 2008 Softwood Lumber Act included specifically covered Lumber products, excluded articles and what is required to comply. A detailed explanation of the Importer Security Filing (10+2) was most helpful. A critically important detailing of the onerous Lacey Act, dealing with the new import declaration requirement for “ALL” plants and plant products (i.e. lipstick, wine with corks, anything that comes with an instruction booklet or hang tag) was most beneficial. A critically important update on the First Sale Rule was presented describing the issues and their impact. The Transaction Value assumptions and relevant documents were described and discussed.

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). He presented an effective concise update of CBSA Partners in Protection (PIP) Security Profile including application process, security review and additional requirements. Described the PIP/C-TPAT differences in the application processes, business sectors and sealing. Provided in the Conference Book the Can/Am BTA ACE e-Manifest Focus Group status.

RADIO FREQUENCY IDENTIFICATION STANDARDS

Eileen MacDonald, Chief Operating Officer, GS1 Canada

Bernie Hogan, Sr. Vice President Chief Technology Officer, GS1 U.S.

Presented an extremely interesting and educational insight into the organization and importance of Bar Code and Radio Frequency Identification (RFID) standards and standard setting. GS1 is comprised of 108 organizations covering 147 Countries. GS1 has one million members using GS1 standards processing 5 billion transactions a day. **The absolute essential is interoperability.** Bar code requires direct line of sight while RFID does not. RFID provides a unique identifier capability of reading at up to 30 meters at a rate of 1000/tags per second. Provided an overview of the Gen2 Standards for Vicinity RFID Border Crossing Documents. Described the operational difference between Proximity and Vicinity RFID. Standards insure solutions to exciting opportunities.

LUNCHEON KEYNOTE SPEAKER

Marc Camilo, Director Physical Security, Lockheed Martin Corporation

Jim Phillips introduced Marc, representing Lockheed Martin our Conference Sponsor. Prior to joining Lockheed Martin, Marc served 21 years in the Secret Service as a Special Agent culminating in his being Deputy Assistant Director under Ralph Basham. Marc served the White House detail protecting 4 Presidents.

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He then became a Senior Policy Advisor to Homeland Security Secretary Tom Ridge. Marc was responsible for the Salt Lake City Olympics.

He described the role of Lockheed Martin as a systems integrator. Cited Lockheed Martin's commitment / ability to "understand the users needs and wants." Further highlighted the critical importance of achieving "velocity" in the facilitation of low-risk goods and people while maintaining security.

Provided an intriguing insight into the reality of his experiences. Cited Ralph Basham then Director of the Secret Service and currently Commissioner of Customs and Border Protection as a gentleman and great leader. Stated the critical importance of protecting against loss of life "you elect them, we protect them." Stressed the great bond enjoyed between Canada and the U.S., the importance of Industry/Government partnership and the importance of the risk management approach to both the economy and security.

THE CANADIAN PERSPECTIVE

Unfortunately, due to the Canadian Election Call, Canadian Officials were precluded from speaking at events such as ours much like in the U.S. during the Public Comment Period in the Rule Making Process. Regrets were received and plans made to resume normal practice at our 2009 events.

FIELD OPERATIONS – CUSTOMS AND BORDER PROTECTION

Bob Jacksta, Deputy Assistant Commissioner, Office of Field Ops.

Welcomed the opportunity to dialogue. Provided an excellent situational awareness overview. Reviewed: recent Field Ops management changes; involvement of 1,150 CBP personnel in Houston with hurricane Ike; several huge drug interdictions; the importance of planning and executing the 2010 Olympics border crossing needs; provided CBP Field Ops staffing at 19,400 Officers with 1,100 to be added in this years budget (of which 3,500 Officers and 340 of the new 1,100 are assigned to the Northern Border); 105 new Ag Inspectors being added of which 34 to be assigned to the Northern Border. Stated after a very bad summer experience in 2007 CBP committed to insuring 2008 would reflect staffing of all lanes as demand required and did so. CBP monitoring of documents being presented results in 96% of US citizens and 98% of Canadians have proper documents. Participation in NEXUS is currently at 226,000, SENTRI at 174,000, FAST at 96,000, PASS CARDS 450,000 and Washington State Enhanced Drivers Licenses 25,000 plus. Highlighted issues being worked on: Wait Times and the reduction due to Vicinity RFID implementation; stack booths; US/Canada Cargo Work Group; In Bond Movements; C-TPAT/PIP; 10+2; Cargo Seals October 15, 2008; General Aviation Advance Passenger Notice "ONE HOUR" prior to arrival and Radiation Portal Monitors at airports.

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WAIT TIMES, PROCESSING, PORT MANAGEMENT SYSTEM

**Sam Banks, Executive Vice President, Sandler Travis Trade Advisory
Gina Marie Hathaway, Industry Manager, Homeland Security, Microsoft
Glenn Schoonover, Architect for Homeland Security, Microsoft**

Jim Phillips introduced this exciting initiative that builds on input data truck Wait Time reporting developed by Transport Canada, live truck with car vehicle reporting added by Turnpike Global, report formats / related data provided by Can/Am BTA with its associates coupled with Sandler Travis Trade Advisory and Microsoft's Technology. A pilot is operational at the Niagara Falls Bridge Commission Lewiston/Queenston Bridge.

Real positive change is occurring at CBP. Maintaining momentum requires objective factual metrics determining accurate timely measurement of traffic, wait times and processing Dwell Times. Data system then allows ability to determine best approach to Port Plaza Management, Supervision, Operations to clearly maximize what works best. The Microsoft Single View Platform of operational data and information involves collection of scattered data managed for desired output providing factual timely intel, analysis / trending. The system renders solution in a browser, works on limited band width connectivity and is functional for land ports, airports, seaports. The system ties into cameras and license plate readers as desired allowing determination of how many and how long vehicles are in secondary etc. An actual demonstration was conducted of the Lewiston/ Queenston pilot traffic data that reflects, for cars and trucks, actual crossing time, wait time, when delays occur with a report output of crossing time by hour of the day, day of the week and dwell time in individual primary inspection booths each for car and truck. The results reported by this system would constitute a single factual source of Wait Time reporting accepted by all parties for the public.

CAN/AM BTA ACTIVITIES WITH – CBP

Jim Phillips, President & CEO CAN/AM BTA

Presented Overview / Status of Can/Am BTA NEXUS Joint Focus Group, WHTI Interaction, Dwell and Delay Time Joint Task Force plus Other Initiatives including Coordinated Clearance – Point of Departure Determination of which an interactive CD presentation was included in the Conference Book. The essence of CC-PDD 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 / will differ) to finally achieve a smart, seamless / secure internal Border for CC-PDD offshore shipments / known low-risk people / fully complying on-shore shipments.

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Held a further meeting in Washington, D.C. of the Can/Am BTA/CBP Task Force on Dwell Time, Wait Time, Delay Time entering the US at the Northern Border, following up on Task Force previous meeting in Detroit. The very productive Agenda included: Deployment schedule of the WHTI Initiative; Review of CBP WHTI POV Primary Process Analysis of the major Northern Border Land Ports; Wait Time, Primary Process Time and Motion Baseline Studies including documents used by US / Canadians at each Port; Interim POV Wait Time / Measurement Reporting, Update of CBP's 8 Point Plan and exchange of insights on current situation at the Northern Border. Discussed WHTI impact on future POE Infrastructure Planning. Information was reviewed on an "eyes only" basis as agreed. Much progress is being achieved that beginning June 2009 will have major impact on reducing current wait times and patterns. The next meeting of the Task Force will be scheduled in Washington, D.C. later in the Fall.

Held a Can/Am BTA/CBP NEXUS Focus Group meeting immediately following the Task Force meeting. Of the 21 specific items needing to be accomplished to really make NEXUS function as outlined at the first Focus Group meeting in January 2006, all but one item has been implemented. The Enrollment Center opened at the Whirlpool Bridge Sept. 2, 2008. The final item awaits a date for the opening of the enrollment center at Alexandria Bay, NY. This is expected to be accomplished this Fall. No further formal meetings of the Focus Group are expected but the group will remain functional for overview and follow-up as required.

WHTI has initiated its Public Education and Outreach Program. CBP is collecting actual data of current processing times at the 39 biggest volume Land Ports that will act as the "base case". The same data will be collected again about a month after WHTI is implemented June 1, 2009 and again approximately 3 months after WHTI implementation to determine the true reduction in processing times achieved by Vicinity RFID WHTI compliant documents.

Can/Am BTA is pleased and honored to announce that Ambassador David Wilkins will join the Can/Am BTA Senior Advisory Board at the end of January 2009 upon completing his duties in Canada.

SECURITY PROSPERITY PARTNERSHIP/IMPORTANCE of TRADE

**John Andersen, Senior Director, Western Hemisphere Affairs,
U.S. Department of Commerce**

Canada and the U.S, enjoy a unique and very special relationship. We share common values, human rights and rule of law. Canada's heartfelt support is noticed and appreciated. Cited that until 1988/89 the Canada Desk in both the Department of State and Department of Commerce did not exist as a separate entity. He was pleased that both the Commerce and State Canada Desk Officers were attending the Conference. Stated that despite "campaign rhetoric" NAFTA was a true success(Trade dollars tripling from \$300 Billion to \$903 Billion and

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jobs increasing from 111 million to 128 million resulting in US manufacturing activity increased 58% from 1993 to 2006. Reiterated that Security and Economic Activity are mutually reinforcing. Provided a wide ranging review of regulatory cooperation, IP Protection, North American “recalls”, Carbon Capture / Storage, Electric Grid, and the critical need to achieve a Border that facilitates as well as secures requiring the elimination of bottlenecks.

GENERAL SERVICES ADMINISTRATION

**David L. Winstead, Commissioner Public Buildings Service,
General Services Administration**

Port facilities are KEY to Border Operations. Currently GSA has a 2 year design approval process. This is too long with the Land Port capacity problem we face. GSA is aware of / concerned with backups and delays. GSA is focused on condensing time-frames from start to finish to meet the urgency of dealing with Port facilities. Currently, on the Northern Border, there are 9 Ports in planning, 7 Ports in design phase with 4 Ports under construction. GSA is currently developing a library of 7 components for standardizing DHS/CBP Port design integration including Transportation elements. GSA is under mandate to have Federal Buildings Carbon Neutral by 2030 and achieve a 3% reduction in energy use each year. Port funding for the past 3 years has been \$130 Million, \$212 Million and \$340 million (a majority of this increase is specifically for one Port). The need for Port facility funding is estimated at a minimum of \$500 million a year for many years to come. GSA has undertaken constructive discussions with stakeholders among the Can/Am BTA for which we voice our appreciation.

CANADA/US INTER-PARLIAMENTARY GROUP

Senator Jerry Grafstein, Co-Chair, Canada-US Inter-parliamentary Group

Senator Grafstein flew down and back just to speak at this Can/Am BTA Conference. We truly appreciate and Thank the Senator for his special effort. Rob Merrifield, M.P., Co-Chair, Canada-US Inter-parliamentary Group was affected by the election call and unable to participate as planned.

He presented an excellent and timely insight including observations and priorities. Canada-US Interparliamentary Group has been hyper busy this year participating in numerous events with Governors, State Legislators, Federal Elected officials and both the Democrat and Republican Conventions. The intent is to find points of Convergence, to initiate dialogue on points of Divergence, to encourage exchange of information and to promote better understanding on shared issues of concern. Special interest is insuring the 2010 Olympics is “secure yet with a light footprint.” Highlighted PNWER Border Solutions Coordination Council of which Can/AM BTA is a member. Discussed the “Border Plan” that is resulting from meetings with

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Speaker of the House Pelosi, Chair of the Rules Committee Congresswoman Slaughter and Republican Governors and Representatives cited that “Democrats and Republicans are working together on a Canada-US Border Management Plan for the next Administration. Canadian Politicians have been asked for their input.” 8 specific problem areas have been identified and were reviewed.

NORTHERN BORDER CAUCUS

Congresswoman Louise Slaughter had to cancel her participation at the last minute as she was required to manage the Energy Bill on the House floor.

ALBERTA OVERVIEW AND OIL SANDS INSIGHT

Gary Mar, Washington Representative, Alberta Government

Provided impressive insight in describing Alberta, its shared Border, values and issues with the U.S. Cited the \$71 Billion of exports to the U.S., primarily energy related. Alberta is a leader in inter-provincial Trade highlighted by the Alberta/British Columbia Trade, Investment and Labor Mobility Agreement that will be fully implemented by April, 2009 and is a model for other Provinces. The Free Trade in energy, seamless by “pipe and wire,” contributes to prosperity and productivity of both Countries. Exports are 90% Oil and Gas and the Oil Sands is a major contributor, with \$173 Billion of planned investment projects that are being developed environmental responsibly. Alberta is the first to Legislate Green House Gas limits and carefully monitors water and air quality. Alberta has committed \$100 Million to study Carbon Cap and Storage, \$2 Billion for Green House gas reduction plus \$2 Billion for the Greening of Public Transportation. The Oil Sands is the “Second Largest” proven reserve in the world. It is an integral part of both the Canada and U.S. economies. Oil Sands is a safe, secure and responsible critical energy source. Canada and the U.S. can “count on” Alberta.

Summary Remarks

Jim Phillips, President & CEO, CAN/AM BTA

Recognized / complimented / thanked both the impressive group of Speakers and attendees who participated in this Conference. Highlighted the excellent opportunity for exchanging views bi-nationally and sharing experiences from all along the U.S./Canada Border as well.

Future Can/Am BTA Conferences

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