

**CAN/AM BORDER TRADE ALLIANCE
SEPT. 20-22, 2009 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.**

" MUST INSURE BORDERS ARE NOT BARRIERS"

"Future" Can/Am BTA Conferences:

	Ottawa, Ontario	May. 2-4, 2010
	Calgary, AB (w/PNWER)	July 16-20, 2010
	Washington, D.C.	Sept. 19-21, 2010
<u>Corridors, Gateways & Economies</u>	Port Huron, Michigan	Oct. 17-19, 2010

Conference Highlight: Excellent speakers provided updated insights and areas of current concern including planned present & future actions.

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

George Weise, Past U.S. Customs Commissioner

"I commend Can/Am BTA for its straight forward approach and effective results"

Thomas Winkowski, Assistant Commissioner, Office of Field Ops., CBP

"CBP works closely with Can/Am BTA."

"The Can/Am BTA-CBP Wait-Time and Dwell Time-Task Force is reactivated."

Deborah Meyers, Director Canadian Affairs, International Affairs, DHS

"Secretary Napolitano has committed to meet with Can/Am BTA."

Guy Saint-Jacques, Deputy Head of Mission, Canadian Embassy

"Can/Am BTA provides valuable work on important activities."

Roberta Jacobson, Deputy Assistant Secretary WH, State Department

"Can/Am BTA plays a very critical role."

Gary Mar, Washington Representative, Alberta Government

"Can/Am BTA's valuable work is recognized and appreciated."

Gord Brown, M.P., Co-Chair Canada-US Interparliamentary Group

"Appreciate the long standing valuable relationship we have with Can/Am BTA."

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CONFERENCE SPEAKERS AND THEIR MESSAGE

**Karen Phillips, Vice President, North American Affairs, CN
Executive Board Member CAN/AM BTA**

Welcomed attendees to a “great program” and valuable networking event. This is an important time in the U.S./Canada relationship which is essential to our two countries economic fortunes that are so closely aligned. U.S. and Canada (CBP and CBSA) must work effectively to protect and insure the smooth efficient flow of Trade, the “Dual Mission” that we must have is forged on a risk based system. THE FUTURE DIRECTION IS CRITICAL.

OPENING KEYNOTE

**George Weise, Executive Advisor, Booz Allen Hamilton
Past Commissioner U.S. Customs**

Provided an enlightening perspective of U.S. Customs commencing with the passing of the Canada/U.S. Free Trade Act in 1989, the passing of the Customs Modernization Act and the “sea change” following 9/11. Stressed it is essential for CBP to listen to the Trade and value sensibility, insight and vision to achieve both facilitation of low-risk legitimate Trade and protect against contraband: “bad guys” inserting into the “good guys” supply chain; implications of dirty bombs; explosive devices and anti-smuggling initiatives. Challenges today are much greater!

HOMELAND SECURITY

Deborah Meyers, Director Canadian Affairs, Internat. Affairs, DHS

Provided meaningful insight into the DHS Canadian focus and relationship. Secretary Napolitano is active with the U.S./Canada Border, meeting with and engaging Canadian officials recognizing the long standing inter-related relations and respect between our 2 societies. DHS has the largest (outside the USA presence) in Canada to support this relationship. The Secretary and Minister VanLoan talk and meet regularly. They meet next in November to provide a progress report to the President and Prime Minister. Priorities are: Joint Threat and Risk Assessment; Manage Risk and enhance Trusted Shipper benefits; Share Info; expand integrated Law Enforcement joint operations (ex. ship rider); leverage resources (shared border facilities, sensors) and work in partnership to manage our shared border. Dialogue with attendees resulted in highlighting clearing AMTRAK trains, delivering benefits for C-TPAT and noting the extreme consequences of imposing the LACEY Act that needs to be brought back to Secretary Napolitano’s attention.

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BROKERS AND LOGISTICS PANEL

Maryann Comstock, US Northern Border Compliance Manager, UPSSCS
Bob Perkins, Customs Trade Advisor, Booz, Allen and Hamilton
Matthew Parrott, Director No. Border Operations, A. N. Deringer

Valuable understanding into the perspective details of Predictive Risk-based Evaluation for Dynamic Import Compliance Targeting (PREDICT) was provided plus why entry data quality will really matter. PREDICT is replacing the FDA admissibility screening portion of the OASIS legacy system. Facilitation of FDA “may proceed” shipments increased from 6% in 2006 to 39% with PREDICT. The critical importance of Port Modernization was presented effectively including 7 specific Guiding Principles to address both static and variable conditions. In addition, 5 step analysis factors were provided resulting in a process solution grounded on blended solutions. This insightful presentation provided critical understanding of the elements, ramifications and consequences of the newly imposed Lacey Act.

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 excellent comprehensive update on: CBP – ACE Carrier Issues involving In-Bond; ACE General Issues involving Reporting Changes also Portal Changes and CBSA – ACI Developments including Timelines, ACI to ACE Data Element Comparison for Highway and Importer Admissibility Data set.

U.S. STATE DEPARTMENT

Roberta Jacobson, Deputy Asst. Secretary WH, U.S. State Dept.

Provided clear and meaningful view of the U.S. Canada relationship with issue clarification. Interesting times for U.S./Canada relations. The President and Prime Minister have met 7 or 8 times with close interaction. SPP has morphed into the NA Leaders Summit finding ways to highlight 3 or 4 of the 300 SPP issues for action at each Leaders meeting. Global economic situation and recovery is a high priority as U.S. can not recover alone. Border is a “mixed bag” i.e. must keep U.S./Canada Trade vibrant and open, WHTI going well but traveler drop-off is a concern, Stimulus Bill gave \$420 million for No. Border infrastructure to move goods and people, the deficit is very significant. Committees on the Hill have heavy Northern Border representation. Buy American is cause of a great deal of consternation. Working on a practical resolution to overcome. Thanked Canada for its actions in Afghanistan.

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LUNCHEON KEYNOTE SPEAKER

Guy Saint-Jacques, Deputy Head of Mission, Canadian Embassy

“The Canadian Perspective”

Effectively presented 3 imperatives concisely and clearly 1) Manage Change, 2) Envision our Future Shared Border and 3) U.S./ Canada Cooperation. 1) The economic impact is profound and very difficult. Cost reduction is critical along with new programs and value added initiatives. Must know what works and utilize Private Sector Partnerships. 2) Must develop a “common vision” of our Shared Border 10 to 15 years out - based on risk management and guide to effective infrastructure and technology investment. Facilitation and security are intimately linked. The Key is to identify and separate low-risk from other. Cited the Gateway Initiative and the Detroit River International Crossing project. 3) Cooperation is expanding at the highest levels. Undertake pragmatic and effective initiatives and discussions, fine tune, streamline and review. Test and introduce new technology. “Time waits for no man or nation”. Thanked Can/Am BTA for its “great help.”

FIELD OPERATIONS – CUSTOMS AND BORDER PROTECTION

Thomas Winkowski, Assistant Commissioner, Office of Field Ops.

Provided comprehensive and excellent insight on CBP realities. A lot is happening on Land Borders - in this unique time. Stimulus provided \$420 million to CBP and \$300 million to GSA. Attention is on importance of land borders. Wait-time is down as is traffic volume. Difficult times ahead for budgets (CBP had great budgets in FY 07,08,09). FY10 is transitional and FY11 tough times with reductions. Current User Fees are down 10% (1% funds 95 positions thus 10% equals 950 positions). Working to minimize operational impacts. WHTI successful implementation (8,000 documents reduced to 6) with 98% compliance on the U.S./Canada Border (spent \$352 million). We need to saturate Land Border with Vicinity RFID vs Passports to achieve throughput facilitation improvements. Currently 23% are Vicinity RFID travelers. Implementing electronic signage at U.S. entries to provide flexible lane designations to maximize Vicinity RFID and isolate Passports (Traffic Streaming). Ten million Border Crossing Cards are going to RFID on the Mexican Border. Obtaining time and motion actual data to match with pre-WHTI processing-times at the volume ports. Interagency agreement (CBP, CBSA, Transport Canada and USDOT) for wait time measurement technology. Pilot test Spring 2010 (2 ports Niagara and Cascadia) Announced INTRANSIT PILOT IN BOTH DIRECTIONS WILL BE OPERATIONAL OCT. 2009 FOR TESTING and FAST TO ACE SYSTEM OCT. 2009. Streamlining access cards. CBP has formed a Land Border Modernization Office including Operational impacts, Footprint and Technology maximizing Primary and Secondary flow processing. Responsibility placed in the WHTI current management. Reactivated the Can/Am BTA-CBP Wait-Time and Dwell-Time Task Force to interact to maximize WHTI processing throughput benefits and optimize Commercial Primary and Secondary Dwell Time processing.

WHTI AND NEXUS

Colleen Manaher, Director, WHTI, Office of Field Ops., CBP
John Wagner, Director, Trusted Traveler Programs, Field Ops., CBP

Excellent presentations. Quote from the 9/11 Commission “On June 1, 2009 WHTI, with incredible success, became the first fully implemented 9/11 Commission Border Recommendation.” No negative impact on border operations, 98% compliance on the Northern Border since essentially day one. Currently 23% trips made using Vicinity RFID documents using (1.9 million PASS Cards issued, 380 thousand Enhanced Drivers Licenses issued, 93 thousand FAST Cards issued and 360 thousand NEXUS Cards issued). Targeted outreach continues to provide facts and assistance to minimize non-travel by those who normally would participate in cross border activities. We remain in Informed Compliance with no U.S. citizen ultimately denied re-entry into the U.S. from Canada. Presented the stats of what a day in processing by CBP involves. Excellent description of the Global Entry Program (free to all US NEXUS Card holders with discussions underway to include Canadian Citizen NEXUS Card holders).

TRANSPORTATION CONSIDERATIONS – MAJOR EVENTS
A VIEW OF VANCOUVER 2010 WINTER OLYMPICS

Mark Camillo, Director, Public Safety & Security, Lockheed Martin

Mark was Olympic Security Coordinator for the 2002 Salt Lake Winter Olympics. Presented a riveting view of what has to be considered, envisioned and planned for in preparing for this major event. Reviewed the multiple modes of transportation in play. Described how risk can be proactively mitigated. Reviewed the challenges of closures, rerouting and adjusted scheduling. Reviewed potential threats for each mode of transportation. Described identifying choke points to avoid “single points of failure.” Clarified fusing multiple data domains. Discussed accountability of identifying individuals who are traversing the roads. Key is to attain a Common Operational Picture. Bottom line “plan now and avoid collision later.”

SUPPLY CHAIN EFFICIENCY AND SECURITY –
STRATEGIES FOR DEPLOYMENT AND IMPLEMENTATION

John Mohler, Senior Program Manager, Lockheed Martin Corp.

Provided an excellent in-depth description of the Lessons Learned from a major North American Trade Corridor experience. Discussed the critical need to deal with 3 nations numerous protocols.

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The essential outcome is “seamless movement” of commerce and cargo. Effort took almost 4 years to track flow and velocity of trade and create measurable business value of enhanced Supply Chain Security and Efficiency. Problems encountered were: info sharing proved very difficult; lack of trust among partners was substantial; defining business value (specifically difference in making money or saving money); theft and product safety.

U.S. DOT Program Insight, Freight Trends and Border Congestion

Tony Furst, Director Freight Management and Operations, FHWA

Exceptional presentation on the focus and measurements of and by the Federal Highway Administration. Reviewed: National Truck Network, Emerging Mega-regions; Freight Volumes (Truck, Rail & Water); Major Freight Corridors; High Speed Rail overlaid with Major Freight Corridors; Truck Flows, Agricultural Commodity Flow by Corridor; (FHWA receives 500,000 GPS individual truck feeds of location, travel time and speeds) Truck Velocity for 25 major Corridors; Border Performance Measurement; Border Crossing Time and Delay; Data Collection schematic; Truck Speed traversing International Bridges and approaches (15 mph segments form zero to plus 50 mph) and Partnership / Research (to harmonize data elements, develop freight data architecture and align GIS networks).

CANADA/US INTER-PARLIAMENTARY GROUP

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

Presented extensive insight including observations and priorities. Canada-US Interparliamentary Group has continued to extensively participate this year in numerous events with Governors, State Legislators, Federal Elected officials (with both Democrat and Republican counterparts). There are substantial issues being focused on (many with negative impacts and consequences). Stressed the importance of providing facts to Local and State Government elected Officials so they can voice their opinions to Washington. Currently the border disrupts efficient Supply Chains affecting jobs, adding: costs; environmental discharge and theft. Senator Grafstein is retiring. This was his last appearance as an active Senator with Can/Am BTA closing a 15 year continuous productive relationship. The audience applauded his accomplishments and wished him well. We look forward to working with his Senate co-chair replacement in a equally effective relationship.

Gord Brown, M.P., Co-Chair, Canada-US Inter-parliamentary Group

Effectively shared the current years focus and activities of the Group including observations, views and priorities. The 50 year history of meeting and working with U.S. counterparts has led to better understanding, shared values and developing solutions. Current focus includes: the shared Border, concern with added costs (especially in this time of economic downturn); need to harmonize regulations

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wherever possible; eliminate duplication; the need to solidify responsibility for border operations; insure use of risk based approach to facilitate known fully compliant low-risk Trade movements and shift the focus outward and off the 49th parallel. Buy American Protectionism is not the answer. It is outright dangerous negatively affecting the economy and opens up retaliation and pushback. The U.S. and Canada should be the model of coordinated cooperation.

NORTHERN BORDER CAUCUS

Congresswoman Louise Slaughter had to cancel her participation at the last minute and was represented by her Chief of Staff Greg Regan. Canada is the U.S.'s most important Trade Partner. Congresswoman Slaughter, Chair of the Rules Committee, is monitoring WHTI's actual experience. She has a priority of keeping U.S. talking with Canada to insure the Border is fluid. There are clear distinguishing differences between the U.S. Northern and Southern Borders.

ALBERTA OVERVIEW AND OIL SANDS INSIGHT

Gary Mar, Washington Representative, Alberta Government

Provided extensive and meaningful insight into describing Alberta, the impactive changes in 2009 and the need to insure that Borders are not barriers. Reiterated most of Alberta's economic vibrancy is tied to the U.S. Alberta is a trusted neighbor, friend and environmentally responsible energy supplier. Alberta committed \$2 billion to Carbon Capture Storage to cut Greenhouse Gas (by 2015 that will be the equivalent of taking 1 million cars off the road), is developing wind and biomass and is also consulting on nuclear. Oil Sands are critical to the future of both countries economic vitality and quality of life. Alberta is the first to Legislate Green House Gas limits. Alberta carefully monitors water and air quality. An effective Border and Transportation Corridor are key priorities. Canada and the U.S. can "count on" Alberta.

Summary Remarks

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

This Conference is a great combination of excellent speakers, networking and sharing of Can/Am BTA's extensive knowledge on issues and the dynamics of the Border. Progress was reported but lots left to do (i.e. Port Modernization, Buy American, future budgets, provided clarity on WHTI). We must manage current Border realities, agree on a way forward, remain vigilant and continue to develop and expand the U.S./Canada relationship. Recognized / complimented / thanked the impressive group of Speakers and attendees who participated in this Conference.

Jim Phillips, President & CEO
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