

**CAN/AM BORDER TRADE ALLIANCE  
MAY 2-4, 2004 OTTAWA CONFERENCE SUMMARY HIGHLIGHTS**

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

**Next Can/Am BTA Conferences** **Victoria, B.C. (with PNWER) July 11-14, 2004**  
**Washington, D.C. Sept. 12-14, 2004**  
**Chicago, Illinois Nov. 7-9, 2004**

Speakers excerpts acknowledging CAN/AM BTA's leadership role

**(Canadian Transport Minister Honourable Tony Valeri, P.C., MP)**

"I would like to acknowledge the outstanding work of the Can/Am Border Trade Alliance to elevate border issues to the top of the Public Policy Agenda on both sides of the 49<sup>th</sup> parallel and keep them there."

**(Paul Cellucci, United States Ambassador to Canada)**

"The Can/Am Border Trade Alliance contributes greatly to keeping the border open and efficient." "Input from the Can/Am Border Trade Alliance is highly valued."

**(Alain Jolicoeur, President, Canada Border Services Agency)**

"The Can/Am Border Trade Alliance is a highly respected partner of CBSA."

"The Canada Border Services Agency values Can/Am Border Trade Alliance's advice and counsel."

**CONFERENCE SPEAKERS AND THEIR MESSAGE**

**Hon. Jim Edwards, P.C., Chair, Board of Governors, University of Alberta  
CAN/AM BTA Executive Board**

Welcomed attendees on behalf of CAN/AM BTA with its U.S./Canada transcontinental and bi-national focus and activities. Complimented Prime Minister Martin for already moving vigorously to revive the political relationship with the USA. Reiterated the Washington trip last week had a warm and positive "tone at the top." Cited the appointment of Anne McLellan as Deputy Prime Minister responsible for Public Security. Her senior officials would be with us for this Conference. Highlighted release of the new Canada National Security Strategy with our 2 nations continuing cooperation to reshape the border mechanism.

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

Presented 5 important unresolved Border Management issues:

- Accord Processing Zone - allowing work at either side of a Port of Entry.
- Cross Designation (CBP&CBSA) small Port inspection both directions
- Cross Designation (FDA to CBP) after 5 p.m. and weekends regular inspec. 24/7
- Integrated Maritime Enforcement Teams (IMET) put one Coast Guard Officer on each others (countries) boats for pursuit across boundary lines.
- Critical mass of NEXUS and FAST enrollment must be achieved thru a new initiative by governments, the Trade and Tourism to assure low-risk facilitation.

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“New Bridge and Tunnel Infrastructure and Innovations”

Stan Korosec, Vice President Operations, Blue Water Bridge  
Tom Garlock, General Manager, Niagara Falls Bridge Commission  
Ron Rienas, General Manager, Peace Bridge  
Neal Belitsky, Vice President & General Manager, Detroit & Canada Tunnel

Presented an extensive and knowledgeable view of the improvements in infrastructure, approach and processing layouts underway or to begin shortly at each of these top volume U.S./Canada Border crossings.

**Blue Water Bridge:** highlighted dedicated FAST and NEXUS traffic streaming, designated primary booths and dedicated bridge lane (15% trucks FAST/ queue reductions) operates 24 hours a day 5 days a week; reviewed new plazas plan.

**NFBC:** Whirlpool Bridge designated NEXUS only; 405 widening, Lewiston Queenston Bridge new 5<sup>th</sup> lane (FAST/NEXUS), new Canadian Plaza. Urged implementation of marketing NEXUS enrollment and removal of the fee to increase enrollment as NEXUS actually saves per capita inspection time.

**Peace Bridge:** Improving elements the Authority controls for impact now; adding Truck primaries to the US, new Canada Plaza access for trucks and cars; eliminating standing traffic on the Bridge; new layout for the existing U.S. plaza.

**Detroit&Canada Tunnel:** renovations to the Detroit Plaza; funding received for Windsor Plaza renovations; electronic tolling; considering one way tolling; signage and roadway lane controls.

**TRANSPORTATION**

**PERSPECTIVES ON WHERE CANADIAN TRANSPORT POLICY IS HEADING** particularly as it applies to vital Trade Corridors and Border Crossings with our American friends and neighbors.

The Honourable Tony Valeri, Minister, Transport Canada

“It’s increasingly inevitable that Canadians and Americans will tend to look at border issues through a similar lens – hence the need for a unified focus.”

Provided a valuable and highly pertinent insight outlining specifically the “4 pillars Canadian Transportation Policy must rest squarely on”:

- **A market driven policy** (air- more choices and financial viability; marine- flexibility / capital for ports and the mechanisms to raise it / multimodal capability / assess the idea of short sea-shipping; **freight rail**- encourage private investment and ensure the industry stays competitive and efficient; **passenger rail**- look at more commercial and sustainable alternatives)
- **A multimodal infrastructure strategy** (better connections between the modes / if transportation is to realize its potential as a powerful economic enabler, the policy must support efficient seamless multimodal projects)

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- **An efficient and secure trade corridor policy** February speech from the Throne made this a central priority / investments of \$1 billion announced to make traffic flows more secure and efficient at our key border crossings. He cited a number of specifics with announcements to come shortly.
- **Research and development to support transportation innovation** - focus on leading-edge innovation to make the Canadian transportation system design more productive, competitive and exportable. It has to be about positioning Canada as a global trader.

Highlighted the importance of security citing Deputy Prime Minister McLellan's announcement of the new National Security Policy and the continuing cooperative work with the U.S. on Border Security to insure the reasonable unfettered flow of low-risk goods and people.

### PERIMETER CLEARANCE / NEXUS PLUS

**Sam Barone, Vice President Ottawa, InterVistas Consulting Inc.**  
**Allan Cocksedge, Gen. Mgr, Global Public Affairs, Can/Am BTA Exec. Board**  
**Bruce Agnew, Director, Cascadia Project, Can/Am BTA Exec. Board**

The Perimeter Clearance Strategy is a specific course of action for realizing a smart, seamless and secure border. The development of the strategy commenced in late 2000 - completed in early 2002 and shared with decision makers in Washington and Ottawa. The Perimeter Coalition is comprised of over 400 entities and organizations. Its vision is to strengthen security to beyond external borders and enhance the seamless movement of low-risk goods / people at the Canada/U.S. Border, at the Perimeter (first point of arrival into Canada or the U.S.) also at interior entry points. The strategy "**does not eliminate**" the Canada/U.S. Border, nor create a Customs Union nor require full harmonization of Visas, immigration and import rules between Canada and the U.S. Reviewed Traffic Streaming and government initiatives showing that the strategy is well along into implementation as elements are integral parts of the Smart Border 32 Point Plan. Provided an enlightening insight into key issues that need to be dealt with and included Perimeter Clearance Strategy recommendations for their resolution.

NEXUS PLUS Cascadia Region is a proposed pilot to combine the current low-risk separate traveler programs (NEXUS LAND, CANPASS, INSPASS) adding NEXUS AIR, NEXUS CRUISE, NEXUS FERRY, NEXUS RAIL into a single designated low-risk traveler system with multiple biometrics and a single NEXUS card. The Seattle, Vancouver, Victoria triangle incorporates 8 major modal entry/exit points: Vancouver Int. Airport; Port of Vancouver; Vehicle Land Border Ports, Victoria Ferries; Amtrak Cascades; Alaska Cruise Ships; Port of Seattle and SEA-TAC Airport. Seaplane service carries 60,000 passengers/year. The NEXUS PLUS benefits: increased security; joint expedited US/Canada low-risk process; greater inspection efficiency with lower costs; reduction in delays / queues. It is an essential initiative in preparation for the Olympics in Whistler. Funding for the pilot has been supported. The formal request is in process.

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**THE AMERICAN PERSPECTIVE**

**Paul Cellucci, United States Ambassador to Canada**

Excellent insight. Reiterated the many accomplishments of Canada/U.S. cooperation and shared goals in the Smart Border Joint Initiative/ mandatory reliability on the electric grid / insuring the border facilitates low-risk goods and people / Integrated Border Enforcement Teams (IBET'S) truly working together / overseas passenger interdiction to prohibit inadmissible people physically arriving in our countries / the sharing of "watch lists" and the cooperative Maritime Security each reflect that for the U.S. to do its job of protection needs Canada. Cited Canada's efforts in Afghanistan and the rebuilding of IRAQ.

Discussed Prime Minister Martin's recent visit to Washington, his new National Security Policy, cooperating / working together on our collective National Security and on improving international prosperity. Stated that Prime Minister Martin feels the threat to Canadian cities is the same as to U.S. cities. Cited Prime Minister Martin's stated belief that Trade and Investment lift people not just Foreign Aid. In closing advised that the U.S. has spent \$4.5 billion on Global warming (more than any other country in the world) to get the science right. Commended Can/Am BTA for its effective presence.

**SECURING AN OPEN SOCIETY: CANADA'S NATIONAL SECURITY POLICY**

**Graham Flack, Director Operations, Borders Task Force, Privy Council Office**

"Security is the most fundamental right of a citizen. Canada shall not be a base for threats to its allies." Cited and described the three core national security interests of Canada: protecting Canada and Canadians at home and abroad; ensuring Canada is not a base of threats to our allies and contributing to international security. It isn't possible to guarantee stopping 100% of threat events. Intent is to mitigate and respond to any that may occur. Canada has invested \$8.3 billion since 2001. This is a national integrated strategy embodying: Intelligence as the backbone of deterrence; creation of a single integrated Government operations center; an effective infrastructure protection strategy and a cyber-security protection strategy. Reviewed the functional elements of the strategy: strengthening intelligence; Emergency Planning and Management; Public Health; Transport Security; Border Security and International Security. In closing made a key point that current Canadian Legislation prohibits the Government from providing funds to Port Authorities, this is being rectified. Provided hard copy books of the new National Security Policy.

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**U.S. CUSTOMS AND BORDER PROTECTION  
CANADA BORDER SERVICES AGENCY**

**“NEXUS operation technology, status and future enhancements”**

**George St Clair, NEXUS Program Officer, USCBP Washington, D.C.  
Mark Cluthe, Director Travellers Division, Canada Border Services Agency**

**“FAST operation technology, status and future enhancements”**

**Keith Fleming, Director-Cargo Verification, USCBP Washington, D.C.  
Mike Feniak, Director Customs Self Assess/FAST, Canada BSA**

**“ACE and ACI Program Overviews, status of implementation, mandatory EDI  
Truck Manifest, objectives, timing, expected impacts and benefits”**

**William Inch, Act. Dep. Director, Modernization Office, CBP Washington, D.C.  
Rick Dale, Manager, Advance Commercial Information (ACI), Canada BSA**

**NEXUS:**

Provided a detailed depiction of the NEXUS system, booth and data technology. NEXUS is a privilege intended to facilitate low-risk designated people crossing the U.S./Canada land border. It is operational at 11 Ports-of-Entry and 5 Enrollment Centers. While there have been several minor delays, Can/Am BTA has subsequently been assured that the U.S. and Canada jointly are fully committed to NEXUS, consider it the “future of processing Trusted Travelers” and working very hard to make it a success. Very shortly the database will be centralized to allow use of NEXUS cards at any of the Ports where it is operating. Radio frequency technology installation will be achieved at Canadian entrances to those Ports. NEXUS enrollments are meeting the initial objective of increasing 2% per month or 25% per year. Can/Am BTA had recommended that combination NEXUS lanes be installed at most Ports with adjustable signage to allow 24/7 operation at the lane that is always open at each respective Port. This objective was acknowledged.

Input from attendees reiterated strongly the need for a major NEXUS cooperative marketing effort, insuring access to booths, officers providing applications to those in regular lines, consideration for removing the fee. When critical mass is achieved inspection efficiency and security will substantially increase plus the importance of providing enrollment access at appropriate urban off-border centers on a one-day a month appointment basis (initially Seattle and Vancouver).

**FAST:**

Canada/U.S. jointly developed harmonized commercial process (approved Carrier and Importer in each respective country) providing added security of driver approval and incorporating the Customs-Trade Partners Against Terrorism (C-TPAT) and Partners In Protection (PIP) / is currently operational at 12 Ports-of-Entry and 11 driver enrollment centers / is to be expanded to every commercial land Port-of-Entry.



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Provided comprehensive depiction of the FAST technology utilized, the release system and the Pre-Arrival-Processing-System (PAPS). Discussed future technology deployment: layered Electronic Seals; dedicated lanes and enhancing communication between Federal Transportation/State DOT's/Provincial MOT's and Carriers. Reiterated that FAST carriers use dedicated lanes (where available); traffic streaming on approach highways (left lane with cars); expedited processing at primary booths; fewer examinations; "front of the line privileges" if exam or screening is required and increased security through knowledge of supply chain. Reported that Canada is doing a FAST Importer Marketing Research analysis to determine impediments to enrollment and utilization of FAST; suggested program enhancements and priority segments to identify improvements in the application process. The U.S. is encouraging account based declaration / management and considering utilization of Debit Cards to collect merchandise processing fees vs. Officers having to operate cash registers as is the present practice.

### **ACE:**

Provided a most enlightening insight into this major undertaking. The Automated Commercial Environment (ACE) is intended to assist in the Targeting, Expediting and Investigating operational decisions involving daily 1,131,000 passengers, 92,600 trucks and containers, 70,100 entries, 327,500 vehicles and 1,900 aircraft. This modernized system is a multi-year initiative with a number of specific releases through 2007. Account creation and periodic releases have been made operational in a designated pilot group. e-Manifest Trucks will be operational Fall of 2004. System involves single secure data portal view. ACE releases remaining are e-Manifest All Modes Spring 2005, End-to-End e-Processing Summer 2006 and ACE Wrap-Up Summer 2007. Cited that 1000 importers to U.S. comprise 60% and 3000 companies comprise 70% of the \$1.2 trillion Trade activity in the U.S. Ace includes 91 accounts that make up 20% of the Trade into the U.S. ACE will have 1100 accounts operational as of 12/31/2004. ACE will be piloted in Blaine, WA and Buffalo, NY then tested in Port Huron, MI, Detroit, MI and Champlain, NY.

### **ACI:**

The presentation provided valuable understanding of this major and important undertaking. The Canadian Advance Commercial Information (ACI) system under development addresses sensitive health, safety and security issues prior to the first point of arrival in Canada to achieve effective Risk Management using sophisticated Targeting allowing advance decision-making. Canada has announced it will harmonize advance cargo reporting for all modes with the U.S. Phase 1 - Marine implemented April 19, 2004. Phase 2 - Air and Rail Cargo and Marine Cargo data loaded in the U.S. will become operational May 2005. No legislative change is required. The Customs Notice for Phase 2 will be issued in May 2004. Phase 3 - Highway Cargo, Secondary Cargo All Modes and Importer/Release Data is planned for implementation Fall of 2005. Phase 3 requires some legislative change. Internet option for electronic transmission is planned.

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**Jonathan Fried, Senior Foreign Policy Advisor to the Prime Minister  
Head - Canada-U.S. Secretariat, Privy Council Office Foreign & Defence  
Policy**

Provided valuable insightful comments on the Prime Minister's Washington visit, Key Border Issues and What's Beyond the Border (Domestic Agenda). The Prime Minister and the President established a warm rapport. The new Canada National Security Policy is carefully thought out. It begins with a mindset and reaffirms the Smart Border initiative and expands it to the next phase. The intent is to focus resources on the "bad guys" and foster the facilitation of the "good guys". Domestically intends to focus on integrated industries making US/Canada activities interoperable. Canada is (in business to do business) with the U.S. Committed to make progress on the files that Canada and the U.S. agree on and work to insure continuous engagement. Priority desire is to "remove regulatory incompatibility involving regulations, standards, labeling, certifying (remove causes so no longer requires activity at the border)". Suggested similar Smart Border Declaration agreement initiatives be formalized to jointly focus reviews on regulations, labeling, standards etc. Mutual recognition of different but equal requirements. Work to achieve Mad Cow having "same standard - same result" in both countries so we do not act unilaterally to close our common border. Internally Canada desires input by specific Industry Sectors (Segment Stakeholders) to provide specifics for their respective sector of what government regulations, mandates etc. cost the most, are onerous, duplicative, should be simplified or done a better way in order to result in enhanced global competitiveness. Cited the specific example of the cereal manufacturer who, producing the same cereal run, had to shut the line down three times to produce the different box label requirements for Canada, the U.S. and Mexico.

### **CANADA BORDER SERVICES AGENCY (CBSA)**

**Alain Jolicoeur, President, Canada Border Services Agency  
"Organization and Future Direction of Canada Border Services Agency"**

Provided a valuable understanding of where The Canada Border Services Agency is coming from, why it was created and where it is going. CBSA consolidates all elements concerned with borders composed of approximately 11,000 personnel and adding another 1,000 shortly. It operates at 119 border crossings with the U.S., 200 airports and has staff stationed in 38 countries. Priority intent is to "push the border out." CBSA works very closely with U.S. CBP and ICE. Intend to achieve both security and facilitation of low-risk goods and people. Legitimate Trade and Travel will move freely in enrolled programs. CBSA is utilizing a multi-layer approach to Border Management (responding to threats before they reach Canadian shores, at the source from the factory floor, offshore interdiction of inadmissible people by screening at time of Visa issue and at originating point of trips to Canada. Cited need to move further and faster. Highlighted the Strategic Action Plan approach adapting to changing conditions. Summarized the relationship with U.S. Agencies including National Risk Assessment Center, coordinated sharing of Watch Lists and highlighted the CBSA organization to be announced.

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**“Success In Sight Quebec - NY Corr.-Champlain/Lacolle Port of Excellence”  
Garry Douglas, President Plattsburgh Chamber - Quebec/NY Corridor**

Excellent view of the Montreal-New York City Bi-national Economic Region describing the formalized agreement between the respective Chambers of Commerce in both countries and the Premier of Quebec and the Governor of New York. “U.S./Canada are integrated and cannot be defined as classic traders, the U.S. and Bulgaria are defined as traders. The border, although a reality, is an inconvenience that we need to manage”. Provided excellent documentation on the Quebec-New York Corridor including the formal agreement and structure and the Bi-annual economic report on the Quebec-New York Connection – The Economic Impact of Canada on Clinton County, New York 2002 documented and detailed at \$1,352 Billion U.S. including the fact that 15% of the entire U.S. population are employed by the 160 Quebec based corporations operating in Clinton County, NY. In closing, gave 2 key insights “Insure Strong Communication and Stay on Message”

**BIO TERRORISM FOOD INITIATIVES**

**Paul Haddow, Exec. Director International, Canadian Food Inspection Agency  
“Biosecurity in the North American Context”**

Provided essential and critically important understanding of this activity. Biosecurity in Canada involves the Prime Minister, CBSA, CFIA and the Private Sector. An attitudinal change is required along with the organizational changes. Smart Border low-risk facilitation must spread into regulatory agency efforts for operations at the border. Biosecurity is a must for a priority inclusion in Smart Border Phase 2. Canada and the U.S. should synchronize policies involving integrated activity issues (Feed Lot / Foot and Mouth threat - together we should identify nodes of concern and pinch points). We should map relationship between CFIA, AFIS and USDA (specifically agree who to talk with on which subjects). The FDA time of notice, content and method should be harmonized with CBP. We need administrative flexibility versus regulatory change. The use of FAST/C-TPAT approach to food should be incorporated to pre-identify low-risk. Highlighted the re-opening of the FDA BTA comment period as an opportunity to input ideas on risk management, flexible alternatives, harmonization, current impediments and their impacts (cost, delay, spoilage). Feedback by FDA to shippers on their compliance status is critical as finer commence May 13 and refusal of entry to shipments found not to be in compliance will commence August 13, 2004.

**U.S./CANADA WE’RE IN THIS TOGETHER  
“THE WAY FORWARD”**

**Facilitator: Bob Frazier, Exec. VP Univ of Montana, Can/Am BTA Exec. Board**

**Interactive facilitated discussion to explore views, priorities and proposals to further enhance/assist “U.S./Canada We’re In This Together”**



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The Can/Am Border Trade Alliance conducted its second facilitated event to elicit input from Conference participants on the Canada/U.S. relationship. Their counsel was given in providing responses to 4 posed “thought starters”:  
Strengths; Weaknesses; Priorities and Commitments.

The resulting tabulation is attached as well as those from the December 12, 2003 event conducted in Seattle, WA.

### US-VISIT PROGRAM OVERVIEW AND IMPLEMENTATION

**Jim Williams, Director US-VISIT, Department of Homeland Security**

Provided a very valuable contribution to the Conference. “The U.S./Canada relationship is unique and vital.” “The border crossing process determines the quality of life enjoyed.” The U.S. is a welcoming nation. US-VISIT is intended to improve the security of citizens and visitors while also enhancing the facilitation of low-risk legitimate Travel and Trade. In fact US-VISIT intends to actually improve low-risk traveler facilitation. The program is also intended to insure the integrity of the Immigration System by adding biometrics and safeguard privacy. Bottom line “gets the right information to the right people to make the right decisions in a very timely manner.” As of 12/31/03 US-VISIT was implemented at 115 Airports and 14 Seaports for entry / to take available data and provide an integrated matching and reporting system. Exit kiosk pilots were implemented at Baltimore/Washington Airport and the Miami Seaport. On average the process takes less than 15 seconds to obtain 2 index finger prints and a photo. To date 385 serious criminals have been ID'd in the process. The 211 State Department locations issuing Visas are being ramped up to take biometrics at that stage. Currently 110 of those locations are taking biometrics. The “next step” deadlines set during the balance of this year are: Air and Sea will expand to Visa Waiver visitors 9/30/04; biometrics checked at U.S. Posts by 10/26/04; Immigration and Customs Enforcement (ICE) documents will have biometrics checked by 10/26/04 and implement US-VISIT at the top 50 land border Ports (integrated database operational) by 12/31/04. Stated the intent is to have NEXUS in every lane / one enrollment center process for all NEXUS/FAST programs / integrated process with our neighbors / and utilize the Smart Border approach. “Tourism is the key to our economies.” “If we build a fortress America, the terrorists have won.”

### SUMMARY AND CLOSING REMARKS

**Greg Dandewich, Director, Economic Development, Destination Winnipeg  
Executive Board CAN/AM BTA**

Provided an excellent synopsis of the essential points made by the impressive array of speakers at our Conference. “**Can/Am Border Trade Alliance is all about Communication, Coordination and Collaboration and is a most effective organization**”. In closing thanked the participants and speakers for their meaningful contributions to this successful Conference.

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ACKNOWLEDGE OUR OTTAWA 2004 SPONSORS  
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**CAN/AM BTA THANKS THE SPEAKERS and PARTICIPANTS FOR MAKING  
THIS A MOST EFFECTIVE AND SUCCESSFUL CONFERENCE**