

CAN/AM BORDER TRADE ALLIANCE
MAY 3 - 5, 2009 OTTAWA CONFERENCE SUMMARY
"HIGHLIGHTS"

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

Future Can/Am BTA Conferences **Boise, Idaho (with PNWER) July 12-16, 2009**
Washington, D.C. Sept. 20-22, 2009
Corridors, Gateways& Economies Edmonton, Alberta Oct. 18-20, 2009
Ottawa, Ontario May 2- 4, 2010

Highlights of the Conference included:

Excellent speakers provided current insights, areas of concern with planned present & future actions;
Reception held at the U.S. Ambassador's Residence
Hosted by Deputy Head of Mission Terry Breese
Remarks by Deputy Premier of Alberta Hon. Ron Stevens.

Speakers excerpts acknowledged CAN/AM BTA's leadership role

Hon. Peter Van Loan P.C., M.P., Minister for Public Safety

"Can/Am BTA is an auspicious group with a long effective track record of involvement in improving Border operations."

General Victor Renuart Jr., Commander NORAD & U.S. Northern Command

"I compliment Can/Am BTA on the job it does so effectively."

Stephen Rigby, President Canada Border Services Agency

"Advice from Can/Am BTA is and has been invaluable."

"CBSA's relationship with Can/Am BTA is very important."

Ambassador David Wilkins, Partner Nelson Mullins

"Can/Am Border Trade Alliance understands the Canada/U.S. relationship realities and most importantly the Border."

Senator Jerry Grafstein, Co-Chair Canada-U.S. Inter-parliamentary Group

"Can/Am Border Trade Alliance is a very important organization."

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

"The Can/Am Border Trade Alliance is doing great work providing unique insight."

Hon. Ron Stevens MLA, Deputy Premier Alberta, Minister Gov't Relations

"Alberta supports Can/Am BTA and understands its importance."

Scott Newark, Vice-Chair Operations, National Security Group

"The role of Can/Am BTA is very important in these times."

"Can/Am BTA speaks the truth to those in power."

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CONFERENCE SPEAKERS AND THEIR MESSAGE

Gerry Bruno, President & CEO, InterVistas, Can/Am BTA Executive Board

Welcome to the CAN/AM BTA 2009 Ottawa Conference!

At the last CAN/AM BTA Conference in Washington DC, we saw amazing new technologies for Border wait time monitoring as well as great presentations by CBP's Bob Jacksta among others. Jim Phillips has again advanced a solid agenda for this Ottawa Conference to build on the spirit of innovation to improve US-Canada border cooperation.

There are "no shortage of challenges" we all face. The downturn in the Global Economy and renewed threats to public health further clarify the importance for creative solutions....and solutions that each and everyone of you can bring together from your private/public sector backgrounds.

During this Conference I urge you to think about 3 key themes:

1. Where are we going with Preclearance?
2. Security & Coordination
3. Redefining "Thickening of the Border"

Ambassador David Wilkins, Partner Nelson Mullins
Can/Am BTA Senior Advisory Board

It is great to be back with good friends. Canada and the U.S, is all about relationships. We must not get consumed with irritants. Thanked Canada for its service and sacrifice along side the U.S. with its cooperation on Security and Energy. Believing in Canada means we must avoid protectionism and retaliation. Buy America is about high emotion, flawed economics that will isolate the U.S. economy if pursued. Oil Sands is KEY to future secure supply of energy. The Energy Act is of grave concern and places a great burden on our economy. Instead we should be developing Carbon reducing technology. We need to pay attention and develop a common sense approach.

CANADA/US COOPERATION ON SMART BORDER AND SECURITY

Hon. Peter Van Loan P.C., M.P., Minister for Public Security

"Our **Border is vital to the prosperity and security of both our countries.** It is important that we get Border Management right." Provided extremely meaningful view of direction with the new U.S. Administration. Progress will come from cooperative interaction. Share resources, do things together, ensure joint security and increase Trade ensuring our Border remains open to legitimate businesses and travelers. "Secretary Napolitano and I have agreed to meet at least twice a year to work on Border issues exclusively."

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Knowing that threats to the U.S. are threats to Canada, Canada has demonstrated real commitment to Security. We have had successful prosecution of terrorist threats. Provided overview/status of : Ship rider Initiative; IBETS; WHTI preparation; reducing compliance burden; Risk Assessment; expanding Trusted Traveler and Trader Programs; delivering clear benefits to those who participate in such programs. Those who comply with the rules should be inspected less.

“Secretary Napolitano assured the Minister that Canada remains a trusted security partner with the U.S, and that our common goal is to strengthen our joint security while ensuring that security measures “do not impede” the critically important Trade links between our countries.” “Secretary Napolitano has assured me that both our governments can and will continue to move forward to ensure that we approach Border Management in an intelligent way.” The Minister believes now is the time to establish a common vision for where we see our Border in the future, easing the burden on cross-border Trade. A vision grounded on simultaneously advancing both security and facilitation through the right investments in infrastructure, leveraging technology and through applying risk management. It is important that we hear Can/Am BTA’s thoughts on where our 2 governments can focus their energies.

RAIL UPDATE

Bruce Burrows, Vice President, Railway Association of Canada

Provided a very helpful detailed view of the status of Railroad activity and their efforts to ensure they meet the needs of the North American Economies. The Railway Association of Canada represents 55 Railroads and an affiliation with over 500 Rail industry suppliers. Never have we seen such uncertainty and volatility. Added fees and inspections at the Border are driving up cost. Need to pursue opportunities is intense: Governments to harmonize regulations; Private Sector to develop efficiencies/modernize government and private sector to collaborate to develop “Thinner Borders.” Rail Business is 45% cross border, 23% domestic and 32% off-shore. 65% of Rail crosses at 3 Border Crossings: Sarnia, Windsor and Fort Erie. Current **obstacles of Border intervention** are: APHIS Fee collection; Wood packaging Materials; CBSA Automation and CBSA Passenger Customs inspection. Complimented Canada on its Corridor Partnership and Gateway Initiatives.

TRANSPORTATION

Brian Jean, Parliamentary Secretary
to the Minister of Transport, Infrastructure and Communities

Provided excellent insight into Transport Canada’s focus on: capacity; pinch points; and Build Canada and Gateway and Corridor Strategies.

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Canada will be ready for a vibrant recovery following a strategy of building competitive infrastructure utilizing the \$33 Billion Build Canada funds and the more recent \$12 Billion stimulus whose impact **must be felt over the next 2 construction seasons**. Canada is also cutting project red tape through regulatory simplification, condensing Provincial and Federal environmental processes also focusing on value impact. Discussed the Strategic Gateways and Corridors initiatives to meet long term needs utilizing targeted investment, legislation and regulation. Highlighted congestion priority in Urban areas. Stressed “working together” to achieve efficient multi-modal transport system. How well we manage our shared Border is critical. Detroit River International Crossing project is key to the future.

CANADA/US INTER-PARLIAMENTARY GROUP

Senator Jerry Grafstein, Co-Chair Canada-U.S. Inter-parliamentary Group
Gord Brown, M.P., Co-Chair Canada-U.S. Inter-parliamentary Group

Excellent in-depth insight into the critical importance of Canada/U.S. relations. Highlighted IPG’s extensive interaction with U.S. counterparts at many levels and their priority effort to find points of agreement and dialogue. **An effective secure Border creates jobs**. Micro regulations create barriers. Instead of reducing cross-border costs, activities across our internal shared Border are being burdened with increased fees and demands. IPG is focusing on State and Local Officials to work together. More technology, innovation and effectiveness are needed. **Reviewed key subjects:** substantial differences in U.S. North and South Borders; Climate Change; Shared water; need to Harmonize Regulations; NAFTA; WHTI; Disputes; Intellectual Property and Arctic Cooperation. Voiced support of integrated supply chains noting there are 3,469 established supply chains. Regulations are “busting” those supply chains. Stressed essential need for bi-lateral cooperation and urged “all” to pay close attention.

THE AMERICAN PERSPECTIVE

Terry Breese, Deputy Chief of Mission, United States Embassy

Provided a very clear and effective overview of Canada/U.S. cooperation and relations. The U.S. and Canada are family with very deep connections. **The shared Border is a key issue that affects our lives and economies**. Summarized the historical and current cooperation and our ability to follow parallel paths as sovereign nations “that do not” let this come between us. Cited US/Canada Trade, NORAD being 52 yrs old, Prime Minister Harper’s statement that a threat to one is a threat to the other. Challenge is to make the Border work. U.S. accepts Canada’s ideas. PASS Cards have 1 million issued, are increasing by 40 thousand a month. Vicinity RFID is well proven by long time use in the NEXUS Program. U.S. will be fully ready for WHTI by June. 80% currently crossing our Border with compliant documents. A smooth transition is anticipated.

CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2009GENERAL MOTORS Material Off Shore Sourcing InitiativesMichael Comerford, Project Manager, Global Commerce Systems

Provided the results of this very important initiative, including the elements, specific issues, detailed approaches and metrics of outcomes described at this Can/Am Conference last year. The MOSS Automotive Industry Action Group Project for Ocean Freight meets all data requirements for the World Customs Organization, the U.S. and Canada. **It delivers the FAST Lane for Ocean Freight.** Currently use of emails, phone calls, paper and faxes cause 91% of the errors since 97% of the transactions use a paper invoice. Today 79% of all data used is re-keyed multiple times. In MOSS single input electronic information Data Matrix drives the supply chain. As a result of the successful Korean pilot analysis projects savings for a single Origin/Destination Pair to be Inventory Value reduction of \$1.8 million. Projected savings for a single OEM are Inventory Reduction of \$48.6 million and recurring savings of \$5.25 million with direct shipment cost savings of \$657 thousand. System is planned to be deployed in 3rd or 4th Quarter 2009.

BUSINESS TRAVELKevin Maguire, President & CEO, National Business Travel Assoc.Tanya Racz, President, National Business Travel Association Canada
and Chair of NBTA Global Affiliates

Provided meaningful understanding and insight into the Business Travel Business that manages expenditures of \$170 Billion a year. NBTA has operations in 30 nations worldwide and 42 Chapters in the U.S. One out of every 42 jobs is in travel. One out of every 7 jobs is in travel and hospitality. U.S. Business Travel has a positive GDP impact of \$208 billion, creates 3.3 million U.S. jobs, generates \$82 billion in tax revenue for State, Local and Federal governments and comprises 2.4 % of the U.S. GDP. Managed travel in the last 15 years has provided the most efficient use of a Company's Travel Budget. Airline capacity today has been cut 30%. NBTA keeps Company Travel Managers informed. 60% of Companies are cutting meetings. Recovery in business travel is forecast most likely in 2nd Q 2010. NBTA Government Relations monitors: WHTI, Congressional restricting of Meetings and Conventions; FAA Reauthorization; Passenger Prescreening; Registered Traveler Programs; Secure Flight; Security Funding; Travel Taxes and Visa / Passport Rules. NBTA Canada monitors: Canadian Taxes and Fees; NEXUS and registered traveler programs; WHTI, Canadian dollar exchange rates; member demographics and develops well managed meetings and Business travel programs. 90% Of NBTA member Companies fund NEXUS cards for employees.

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BORDER ISSUES BRIEFING

Jim Phillips, President & CEO, Can/Am Border Trade Alliance

Provided comprehensive briefing on the essence and status of the following: U.S. Congressional mandates: Lacey Act; COOL Meat Labeling; Global Warming; Buy American; cited David Bradley's Trucking Overview, C-TPAT 2008 and Inspection Status, the 2 Northern Border University Research Consortium Reports all contained in the Conference Book; Oil Sands and Alberta's positive Green Report Card; discussions on Canada Entry to be also U.S. Exit noting this was first recommended in the 2003 DMIA process; trends in Logistics Crimes; CBSA staffing shortfalls; WHTI implementation and the problem with processing difference with Passports holding up Vicinity RFID (describing the need to stream them separately) and the Can/Am BTA-CBP Wait Time Delay Time Task Force, the Lewiston/Queenston Wait Time Pilot and the CBP RFI that was issued.

NORAD – U.S. NORTHERN COMMAND

General Victor Renuart Jr.
Commander NORAD & U.S. Northern Command

Provided an excellent and dynamic insight into NORAD with the superb integrated operation and Canadian/U.S. cooperation. Described it as 2 nations joined together virtually, literally, militarily and economically. Described operation of Maritime and Airspace NORAD (U.S. and Canada), U.S. Northern Command, Border Security and Trade support and preparation for 2010 Vancouver Olympics assistance. Detailed how he wears 2 hats everyday uniquely advising and serving 2 countries through formal separate U.S. and Canadian Chains of Command. NORAD is the sentinel of warning and sovereignty protection of Air and Maritime space. (Described the NORAD annual Santa Tracking program that this year received 8 million hits on the website and fielded 80,000 phone calls from children around the world that is the human side of NORAD). The General's responsibilities include a variety of diverse missions comprising a complimentary mission set. The Northern Command comprises homeland defense and civil support (gave examples of each). The Canada/U.S. partnership is long and fruitful. The 2 nations have a long history of facing threats together. Cited collaboration as KEY. Discussed Ship rider, thwarting cyber attacks, Border security IBET's, Threat Assessment Centers, Civil Assistance in human and natural disasters, Canada Migration Detection Officers, U.S. and Canada CSI, and assisting Customs. Bottom line is to insure that the U.S. and Canada are safe and secure each day.

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CANADA BORDER SERVICES AGENCY

Stephen Rigby, President, Canada Border Services Agency

Provided excellent insight into CBSA sharing perspectives, issues, priorities, directions and focus. Reiterated he had taken a hard look at CBSA and the number of new initiatives it has launched spanning the Border, Illegal Migration and Health. "Facilitating flow of low-risk goods and people is key to the economy." CBSA and the Border must demonstrate efficiency and innovation, especially as future volumes grow. Cooperation and interoperability with the U.S. at our Shared Border on common challenges is essential. Highlighted 4 segments he is revisiting: 1) How to use information to interdict risks and increase shared intelligence; 2) Where we take risks (tactical targeting) assess off shore with international resource support; 3) Blending of enforcement and facilitation encompassing OGD initiative, efficient processing of goods and people also elimination of paper and duplication; 4) CBSA must be more nimble. Reorganizing with an integrated Business Model that: communicates; explains; is consistent across the country and has national functionality. Cited specifics of Modern Border Management: where CBSA works; efficient people processing; facilitated cargo processing including Less Than Truckload (LTL), small package and Air utilizing advanced technology. Highlighted eManifest i.e. right information at the right time, risk assess and decide before arrival and move low-risk much more quickly covering carriers, freight forwarders and importers. Cited: the Single Window OGD initiative; Customs harmonization WCO; handling Marine joint with the U.S.; PIP – C-TPAT harmonization; the new Customs Bill S2 has had second reading. In closing, stressed the importance of consultation with the priority of engaging stakeholders sharing concerns and cautions.

U.S. / CANADIAN ENTRY DOCUMENTATION

Colleen Manaher, Director WHTI, U.S. Customs and Border Protection

Bruna Rados, Director WHTI Task Force, CBSA

Excellent collaborative presentation to advise and counsel on WHTI. WHTI is designed to address the vulnerabilities of multiple documents by replacing with secure, standardized documentation that provides proof of citizenship and identity thus severely limiting vulnerabilities and substantially improving facilitation. Vicinity RFID infrastructure will be installed in all Primary Lanes at the 39 busiest crossings that process 95% of the traffic by June 1, 2009. It is anticipated that 90% of those crossing the Border June 1 will be WHTI compliant. NEXUS participation, that has reached 290,000, have had 91% of the new Gen 2 cards activated. Personal follow-up contact to activate is being made with the 9% balance. Extensive WHTI communications and outreach is activated. There will be a period of informed compliance after June 1. Canada has undertaken simplified process for Passport renewals. Alternate documents are NEXUS, FAST, Provincial EDL/EIC's and Secure Certificate of Indian Status (SCIS) for Canadians to be WHTI compliant June 1 (90% of Canadians crossing today are compliant).

CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY MAY 2009What Does 2009/2010 Hold for the Canada Side of the Border?Scott Newark, Vice Chair- Operations National Security Group

Provided meaningful insight into notable developments in Canada. Legitimate cross-border activity brings prosperity that is the foundation of our quality of life. **If done right, security is not competing with but in fact enhancing facilitation.** Sometimes government mistakenly thinks more is necessarily better i.e. check everybody versus using risk assessment to identify threat level that does not impede legitimate low-risk activity. Cited that need for change does not signal imperfection. 2009 improvements: Attorney General tracking removal orders; CBSA/RCMP/CCG looking at a Joint Border Patrol Force; International Bad Guy Lookout system being developed and Ship rider commenced. 2010 predict: SBI Net North will be developed for the Great Lakes; Joint Border patrol Force will be operational in the Quebec Land Border areas between Ports and the Ontario Water Border areas; beware of protectionism cloaked in security; Canadian critical facility personnel will be credentialed. In closing, cited Can/Am BTA for its track record of advising Governments of good choices to make of what works and does not work.

Summary RemarksCarl Savarino, President, Speed Global Services
Can/Am BTA Executive Board

We opened our Conference yesterday with Minister Van Loan and his very informative comments on the Canadian view of managing Trade and securing our Borders. His opening set the stage for the number of excellent speakers providing information in support of enhancing Trade between our 2 nations while keeping the public safe. Can/Am BTA's focus is **effective common sense management of our Shared Border** through both the Private and Public sectors bringing positive improvements and change to Border issues to help facilitate Trade between our 2 countries. Can/Am BTA gets down "to nuts and bolts" to get the job done. No one has better knowledge and experience. The strength of the Can/Am BTA is our members for their help and hard work, the Executive and Senior Advisory Boards for their advice / counsel and our Sponsors whose financial support make it all happen. We thank all the participants whose presence and dialogue added so greatly. Thank you to the Speakers for another excellent Can/Am BTA Conference. See you all in Washington in September.

Future Can/Am BTA Conferences

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