

**CAN/AM BORDER TRADE ALLIANCE**  
**SEPTEMBER 17-19, 2000 WASHINGTON, D.C. CONFERENCE SUMMARY**

The CAN/AM Border Trade Alliance Board of Directors thank the participants and speakers for making the 2000 Washington conference such a success. The Board of Directors especially wishes to recognize the Canadian Embassy and very professional staff for honoring CAN/AM BTA with the memorable rooftop garden terrace reception at the embassy. Improving our shared U.S./Canadian Border and enhancing our bi-lateral relationship is key to both our countries continued economic success. CAN/AM BTA's Board urges your participation in the issues and actions essential to maintaining the largest trade relationship in the world.

CAN/AM BTA is an organization with a far-reaching beneficial impact on the important issues of trade, travel and business between Canada and the United States.

**CAN/AM BTA 2000 WASHINGTON, D.C. CONFERENCE HIGHLIGHTS**

The reception hosted by the Canadian Embassy on the rooftop garden terrace on a beautiful night allowed attendees to enjoy the magnificent view of the city of Washington and to extend relationships between participants and Embassy officials, the highlight of the 2000 conference. CAN/AM BTA highly values its excellent working relationship with the Canadian Embassy. Thanks to all Embassy personnel for according CAN/AM BTA such a great honor.

CAN/AM BTA was acknowledge by Conference Speakers:

**(INS Commissioner Doris Meissner)**

"cited CAN/AM BTA's pivotal role in educating Congress, facilitating the Section 110 amendment agreement process and assisting in efforts to enhance INS performance"

"recognized and stated appreciation for her own personal relationship and that of the INS's, which is a rewarding and extremely productive relationship with CAN/AM BTA. Cited CAN/AM BTA's exceptional leadership"

**(John Lampman, Chief of Staff to Congressman Lamar Smith)**

"cited CAN/AM BTA's leadership role and extensive involvement in process to amend Section 110"

**(Stuart Anderson, Director Immigration Policy for Senator Spencer Abraham)**

"cited CAN/AM BTA's leadership in facilitating the agreement to amend Section 110"

**(Congressman John LaFalce)**

"I posed this question to U.S. Customs: who is the most knowledgeable person on Northern Border Issues? Written response received from Customs: Jim Phillips, Executive Director CAN/AM BTA. Cited as an example of one of the strengths of the CAN/AM BTA organization."

**(Bill Crosbie, Minister-Counsellor Economic and Trade Policy, Canadian Embassy)**

"recognized CAN/AM BTA for the important work it has accomplished on the border"

**(Congressman Jack Quinn)**

"it is essential that private sector border users' concerns be made known to

Washington and Ottawa"

### **CONFERENCE SPEAKERS AND THEIR MESSAGE**

#### **Gary MacNew, CAN/AM BTA Executive Board Member - Opened Conference**

Welcomed attendees. Focused on CAN/AM BTA's purpose to promote the effective and efficient legal flow of goods and people across the U.S./Canada Border. Provided a number of interesting specific examples of manufacturing integration of U.S. and Canadian steps in producing a product or providing a service. All have in common a dependence on the Border crossing process functioning effectively. Making the Border work is complex, a truck crosses every 3 seconds and 6 people cross every single second (7 days a week 24 hours a day). Canada and the United States, working together, must find 21st century solutions to a better Border.

### **U.S. DEPARTMENT OF TRANSPORTATION**

#### **Jim Hochman, Director Intermodal and Statewide Programs**

U.S. and Canada international interests require efficient transportation and a seamless border. Provided an excellent overview of the USDOT vision relating to trade, its new activities affecting freight. Commented on specifics, i.e. size and weight/hours/trade corridors. USDOT strategic vision involves conducting trade easily at low cost and encompasses safety, productivity, environment, mobility and National Security. The Federal Highway Administration must work to remove transportation barriers. It is projected by 2010 that the Western Hemisphere would be a larger market for U.S. than Europe and Asia combined. The U.S. and Canadian economies are woven together in both competition and cooperation. USDOT priorities: abolish obstacles at border crossings; improve multi-modal capability; instituted new office of freight operations with an analysis framework; multi-state corridors; resolve or remove gateway impediments; determine which border and corridor components are ineffective. Cited border station improvement partnership and transportation planning activities as cooperative, continuous and comprehensive. Overlooked the hours of service Rule Making (docket 2350) and size and weight in the U.S. stable for last 10 years (53 foot trailer is defacto standard) and recent changes have been small and U.S. state specific. Provided profile of fiscal year 1999 and 2000 awards by corridor and gateway categories and for U.S./Canada and U.S. Mexico borders. Advised the fiscal year 2001 awards would be announced the first week of October, 145 project applications received requesting \$2 billion vying for the approximately \$122 million available less any "earmarks".

### **MEDIA PANEL - WHAT IS NEWSWORTHY AND WHY AND HOW**

**Bonnie Bomier, CAN/AM BTA Executive Board Member - Moderator**  
**Henry Champ, Senior Correspondent, Canadian Broadcasting Corporation (CBC)**

**Meredith Battle, PR Newswire, Washington, D.C. Office**

Who, what, when, where, how and why - powerful words in any language but especially in the news reporting arena. The provocative article by Steven Pearlstein, Washington Post Foreign Service writer, "O Canada! A National Swan Song" published September 5, 2000 was cited and some of its salient points presented. Judged to be thought provoking. U.S./Canada relations and activities are primarily positive and good news so that they are below the "radar screen" for coverage to the U.S. public. There needs to be a "crisis" before items are newsworthy for the Canadian public. Harmonization of the U.S. and Canadian

economies and their integration is not a threat to Canada so not a "crisis" nor newsworthy. We are two separate countries, both different and remain so even as we both grow closer. Canada has bed rock beliefs in social and national health programs to the extent that programs are equalized by the "winner" provinces British Columbia, Alberta and Ontario providing funds for the programs in the other provinces. Canadian media's job is to report: (1) on American events from a Canadian perspective and (2) bi-lateral issues which affect Canadians (need a "crisis" attached). There aren't many in trade issues. An example of a newsworthy situation was Section 110 which had a serious negative issues attached and thus Canadian media played a strong role in energizing the Canadian public. The Canadian Embassy was cited as being proactive and effective.

Extremely pertinent and helpful "HOW" specifics were presented. The challenge is how do you reach the media by standing out from the 5000 other items received that day? Need targeted delivery to the proper journalist in formats they desire, i.e. E-mail, fax or wire. Establishing a personal relationship is extremely helpful and worthwhile. Do your homework. Viewing wire copy is a 15 second window to "using or losing" a story and often depends on the headline to get attention. The copy must include source, topic, interest to viewer and why it is important for them to cover for thier constituents. Full text can be placed on the Internet. E-mail press releases use Associated Press wire routed to targeted journalists. Photos help. Timing: daily news is before 10 a.m., feature stories after 3 p.m.

### **THE CANADIAN PERSPECTIVE**

#### **Bill Crosbie, Minister-Counsellor Economic and Trade Policy, Canadian Embassy**

Cited important economic levels and factors resulting from the stronger-than-expected relationship between Canada and the United States. Stated that never before has there been such an awareness of the border, its role in the economic and social well-being of our nations and the need to ensure that the border is managed in a manner consistet with long term interests and how the Border affects competitiveness. Most importantly the border process must reflect business realities. Trade facilitation does not mean lowering our guard on the enforcement front, in fact better trade enforcement means better trade facilitation. The need is to catch the "bad guys". The challenge is to know the "good guys" and implement policies that streamline border procedures for the "low risk" in order to concentrate on the "high risk". Presented 6 goals: Tariff simplification; elimination of reinspection; electronic filing; shared statistics eliminating duplicate reporting; proven complaint companies should have separate speedy release requirements and finally look at "what" is actually being done at our ports of entry and "why" to reduce to the essentials. CAN/AM BTA will continue to have an important role in translating these challenges into opportunites. Urged that CAN/AM BTA must stay in the game and tell governments what is needed and what works best.

### **IMMIGRATION AND NATURALIZATION SERVICE**

#### **Doris Meissner, Commissioner Immigration and Naturalization Service**

Thanked CAN/AM BTA for the rewarding relationship she had with it during her tenure and especially for CAN/AM BTA's exceptional leadership. Reiterated that the border is not static, but dynamic and that it affects the lives of all. Must develop border processes that work while achieving both facilitation and enforcement. It is a difficult challenge to maintain openness while preventing threats and illegal activities. U.S. and Canada have a mutual obligation to defend

our peoples and are progressing in systematically developing joint look outs, sharing of information, harmonizing inspection, offshore interdiction, and exciting NEXUS project (low risk traveler system for U.S. and Canadian citizens entering either Canada or the U.S. ONE system, ONE background check, ONE card). U.S. northern border has a proportional share of INS personnel but not all operations are adequately staffed. INS has completed a staffing model reflecting resource allocation which shows equal understaffing of about 30 percent. Over time the U.S. experiences a volatility of attitude toward immigration. Discussed the current actions on H1B's for high end software engineers, 60% expected to come from India and China. A very real need for the high tech sectors but certainly begs the question, what is the U.S. education system doing to prepare our own citizens for this critically important opportunity. Cited CAN/AM BTA's critical involvement in increasing resources for INS and pivotal roles in educating Congress and facilitating the Section 110 amendment process and its assistance in enhancing the performance of the Immigration and Naturalization Service.

### **U.S. CUSTOMS SERVICE**

#### **PORTS OF ENTRY INFRASTRUCTURE NEEDS STUDY**

**Renee Smoot, Director Logistics Division, U.S. Customs**  
**Tom Diaforli, Deputy Director Logistics Division, U.S. Customs**

Presented an overview of the Ports of Entry infrastructure (facility and equipment) needs of the 141 U.S./Canada border crossings and 56 U.S./Mexico border crossings. Presented the growth of vehicle categories processed from 1995 to 1998, U.S./Canada overall +38%, U.S./Mexico overall +15%. The average northern border Port of Entry facility age is 30 years, the facilities are strained and in need of replacement and repair. The southwest border facilities require repairs due to capacity and security requirements. Overall 340 projects are identified, 29 replacement Ports of Entry, 63 expansions, 132 housing (new or upgrades) at remote locations and security upgrade projects.

Customs is partnering with GSA in assessing, coordinating, developing priority criteria, prioritizing the projects and preparing budget quality justifications by Nov. 15, 2000. Specific dollar needs by project description will be released upon completion of the report. Editorial note: Indications are that the cost of needs on the U.S./Canada Border are in the magnitude of \$700 million.

#### **NORTHERN BORDER FACILITATOR**

**Bill Heffelfinger, Assistant to Commissioner, U.S. Customs Service**

Having just had this responsibility added to his job, he welcomed and desired a very close working relationship with CAN/AM BTA. Reiterated Commissioner Kelly's instructions placing a high importance on the northern border and the high level of cooperation and communication in the U.S./Canada border relationship. The unprecedented growth of trade and traffic creates complex problems with the need to maintain enforcement which expediting lawful trade. Currently on the U.S./Canada border there are 20 million shipments of merchandise with a 3% inspection rate. By 2005 there will be 35 million entries which with the current and the expected continued static growth in staff, due to appropriation limits, will result in the inspection rate falling to 1%. This requires risk management techniques and the need to identify how low risk compliant shipments rapidly so as to concentrate on high risk. Cited the extreme importance of Customs Modernization, Automated Customs Environment (ACE) system implementation, pre arrival processing (PAPS), ITDS, NCAP, entry process revision (do business as business does it), periodic billing, use of credit cards, a joint low risk highway traveler system with Canada (NEXUS), introduction of license plate readers (19

new sites to be added by 7/2001), Vehicle and Cargo Inspection Systems (3 to be operational 7/2001 on the U.S./Canada border at Champlain, Lewiston, Queenston and Detroit.) The resource allocation model projecting staffing needs by Port of Entry has been completed and run and is being reviewed by Treasury and the Office of Management and Budget. Customs will advise results when the review is completed. EDITORIAL NOTE: This model was promised by the fall of 1999 and was completed but has since been held under review by the organizations above the Commissioner. CAN/AM BTA publicly and privately urges the release of the findings which we predict will show Customs is 35% understaffed at the northern border and a comparable % at the southwest border thus resulting in half of the existing primary lane booths on the northern border and are not open due solely to lack of Customs and INS staff. Release of this model should provide concrete analysis to the appropriators in Congress for additional critically needed resources.

### **SECTION 110 AMENDMENT**

#### **John Lampman, Chief of Staff to Congressman Lamar Smith**

Was recognized by CAN/AM BTA for the critical leadership role John provided in the compromise amending of Section 110 resulting in a win/win outcome by Senator Spencer Abraham and Congressman Lamar Smith and the Senate and House Immigration Sub-committees. John cited the role of CAN/AM BTA and the essential contributions it made in achieving the final outcome. Stated his appreciation of the relationship he personally has with CAN/AM BTA and looks forward to continued interaction on applicable border related issues.

### **SHARED BORDER ACCORD AND BORDER VISION ACTION PLAN STATUS**

#### **Mike Cronin, Assistant Commissioner Immigration and Naturalization Service**

Acknowledged frustration on ability to achieve some elements envisioned in the Accord. Factually highlighted the progress and achievements that are being made. Basis for information sharing between the Customs Services reached. Pre-clearance at airports agreement negotiations active but not completed and should have been. The Accord aim is to make border security processes transparent by sharing best practices between Canada and U.S. Agencies, progress made on joint facilities with hard work but legislation is needed to allow introduction of intended true joint facilities, consistent practices on NAFTA business movement provision by Immigration Services needs yet to be fully accomplished, outreach programs are being instituted. The Border Vision agreement resulted in a high level of cooperation and sharing on security threats, illegal migration, overseas interdiction, harmonized immigration policies, information exchange and is meshing U.S. INS and Citizenship and Immigration Canada operations. Cited CAN/AM BTA's high priority and involvement in the Border Accord since its enactment in 1995. Acknowledged agencies must keep plugging on achieving the original objectives.

#### **Birgit Matthiesen, Commercial Officer Economic Section, Canadian Embassy**

Welcomed participants to Tuesday proceedings held at the Canadian Embassy. Recognized attendees as the very people who really know what goes on at the border. Stated the private sector border users role to educate governments and agencies on "real world" of current situations needs. The cost of cross border transactions is increasing. Urged the private sector to quantify the mostly hidden costs of compliance, conformance to regulations, user fees, congestion/waiting costs and the resultant costs from delays and interruptions. Such factors

negatively affecting end user costs and both countries ability to compete globally.

### **TRANSPORTATION, TRADE CORRIDORS AND BORDER GATEWAYS**

#### **Congressman Jack Quinn, House Transportation Committee**

A regional cooperative approach on issues is a key element to successful outcomes. Trade is a way of life especially to border region economies and its true impact needs to be more widely understood especially by those not geographically located near the border but who benefit from such activity. Shared his experiences and service on the Transportation Committee since 1993. High priority and extensive effort focused on successful development and completion of the TEA 21 Bill and insertion of the corridor and gateway elements. The ability to realize this essential legislation required and was the result of a coordinated bi-partisan/non partisan effort. Discussed border issues and the need for open discussion and communication. Reiterated reasons why it is essential that private sector border users concerns be made known to Washington and Ottawa as well. Cited examples and the absolute underlying need to deal logically with what we can get done.

### **SENATE IMMIGRATION ISSUES**

#### **Stuart Anderson, Director Immigration Policy and Research for Senator Spencer Abraham**

The U.S. and Canada have interconnected economies and a highly cooperative relationship. Traced the key happenings in the Section 110 story. Stated it is very difficult to undo things once acted on by Capitol Hill. Senate repealed Section 110 (3 or 4 times) without corresponding action on the House side. Senator Helms support on the State Department bill forced Section 110 to leadership attention and the need for a solution not a delay. Congressman Fred Upton (MI) and John LaFalce (NY) provided strong leadership in the House which ultimately transformed Section 110 to a data systems bill of currently collected data from the original bill which would have essentially shut down the border. Cited CAN/AM BTA's specific leadership in facilitating this outcome through its individual relationship with each of the involved key players. Highlighted future challenges; more inspectors for the northern border, more inspectors at airports that is tied into fee issues (predicted fees will come to a head in the next year or so) and provided an overview of the H1B status.

### **U.S./CANADA RELATIONS AND BORDER ISSUES**

#### **Congressman John LaFalce, Ranking Member House Banking Committee, Chair Northern Border Caucus**

To emphasize one of the strengths of CAN/AM BTA he told of asking U.S. Customs to provide him with the name of the individual they believed most knowledgeable about northern border issues who could provide advice and counsel. He received the answer in writing - the Executive Director of the CAN/AM BTA. Urged that we must nurture the relationship with Canada both the benefits and the difficulties. Provided overview on the 95 Accord, 97 Border Vision, 97 Cross Border Crime Forum and 99 Canada U.S. Partnership (CUSP) and the need for a practical vision of totality of government actions needed to achieve the intended objectives. Described the intended concept of commercial vehicle processing centers (CVPC), where it is today at the Peace Bridge, where it needs to go to get where it should be and that the ultimate border processing zone CVPC needs Canadian legislation. Cited milestones of his vision of the steps toward an ultimate border: SMART BORDER - apply resources and technology for best possible operation under current constraints, SEAMLESS

BORDER - achievement of the original envisioned objectives of the Accord; and ultimately an essentially open internal border on the 49th parallel (U.S./Canada movement same as U.S. state to state). The Interstate Commerce Act was the key to U.S. development. Need to harmonize, mesh, make comparable U.S. and Canadian Customs, Immigration and other Federal agencies procedures for a unified border management capability. Stated Congress needed to receive education on the border and its issues and will work with Jim Phillips to incorporate into CAN/AM BTA's 2001 Washington conference to have a day of exchange by inviting members of Congress to join the CAN/AM BTA audience and arrange for Executive Branch agency officials to present what they are really doing at the border. With all parties represented (private sector, elected officials Senate and House and Agency officials) an action plan and key specifics should certainly emerge.

### KEY ISSUE BRIEFING

#### **Jim Phillips, Executive Director CAN/AM Border Trade Alliance**

- ε Legislation amending Section 110 was passed and signed by the President on June 15, 2000 which eliminates any new entry/exit documentation or control procedures at the border and creates an improved automated INS Data Management System for presently collected entry/exit data.
- ε Border Vision process between Citizenship and Immigration Canada and U.S. Immigration and Naturalization Service firing on all cylinders. STAY TUNED!!!
- ε Canada Customs and Revenue Agency blueprint funded and Action Plan issued for specific achievements over the next 5 years. Of special note is the commercial Customs Self Assessment (CSA) and the expansion of the low risk traveler program. (CAN/AM BTA urges implementation of a single system for U.S. and Canadian pre-approved citizens traveling in either direction).
- ε CAN/AM BTA applauds the bi-national initiatives on cooperative corridor and gateway planning and assessments being undertaken by U.S. DOT and Transport Canada.
- ε Appropriation of additional resources for U.S. Customs has been stalled in the House over work rule demanded tradeoffs. An obstacle such as this must be overcome as one has little to do with the other.
- ε Automated Customs Environment (ACE) funding is critical as ACS is overburdened and will not support the current needs of the border. \$1.2 billion is required and the current Treasury Bill containing an appropriation of \$130 million has just been vetoed by the President due to counter terrorism and IRS elements of the Bill. A fully funded program to develop ACE is urgent.
- ε Overview of the U.S. Customs Ports of Entry Infrastructure Study was presented at this Conference.
- ε U.S. Customs has completed the Commissioner's Report on Northern Border Trade but it has not been released. CAN/AM BTA urges publication of this excellent and informative document.
- ε A detailed Accord status report and updated CAN/AM BTA recommended course of action will soon be issued and widely distributed. Collectively we need to "walk the walk" on the Accord "tough issues" instead of just "talk the talk". Canadian legislation to create Accord Processing Zones at the crossings is a cornerstone starting point and remains absolutely dormant. An integrated single low risk traveler system is key. A pilot will commence in October. STAY TUNED!!!
- ε CAN/AM BTA believes the time for talk is over and the Airport Pre Clearance agreement must be finalized. We look to Canada to sign the

- agreement without continuing to impose additional required changes.
- ε Achievement of the envisioned joint facilities requires the zone legislation mentioned above and we should not settle for anything less.
- ε CAN/AM BTA will continue its interaction with the CUSP leadership and awaits issuance of their initial report on the proceedings to date.

### SUMMARY REMARKS

#### **Allan Cocksedge, Executive Board Member CAN/AM BTA**

Articulated a brief summary of each speaker's portion at the conference and thanked the speakers for a useful set of briefings. Critical findings: the U.S./Canada border is not on the media interest screen (unless in crisis) particularly in the U.S.; we need to educate the politicians on the border economic issues especially Finance and Industry Ministries are important in Canada. The pace of renewal of the border has ground down. The perception is that the Accord low hanging fruit has successfully been picked and the tough tasks parked. The state and pace of useful change is not near what it must be to meet the needs of border business. CAN/AM BTA has embarked on a better, effective, targeted education and communication process on border issues. We are initiating a strong advocacy initiative to get needed changes made and improvements become a reality. Thank you to all of the speakers and participants for contributing to this successful Conference 2000.

THE CAN/AM BORDER TRADE ALLIANCE ACKNOWLEDGES AND  
APPRECIATES THE WASHINGTON, D.C. 2000 CONFERENCE SPONSORS:

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**THE CAN/AM BTA DEPENDS ON THE PARTICIPATION AND FUNDING  
PROVIDED BY MEMBERS TO ACCELERATE MOMENTUM AND ACHIEVE  
RESULTS.**

**The Ottawa 2001 Unified Focus Conference of the CAN/AM BTA will be held:**

- ε **WHEN: May 6-8, 2001**
- ε **WHERE: Chateau Laurier Hotel, Ottawa, Canada**