

**CAN/AM BORDER TRADE ALLIANCE  
SEPTEMBER 23-25, 2001 WASHINGTON, D.C. CONFERENCE  
SUMMARY**

THE CAN/AM BORDER TRADE ALLIANCE BOARD OF DIRECTORS THANK THE SPEAKERS AND PARTICIPANTS FOR THEIR SUPPORT OF THE 2001 WASHINGTON CONFERENCE DURING THIS TIME OF CRISIS WHEN OUR COLLECTIVE EFFORTS AND TALENTS ARE MOST NEEDED AND APPRECIATED.

CAN/AM BTA CONFERENCE PARTICIPANTS WERE HIGHLY COMPLIMENTED FOR HAVING THE COURAGE TO TRAVEL TO WASHINGTON, D.C. AND PROCEED WITH THE SEPTEMBER CONFERENCE TO INTERACT WITH KEY WASHINGTON OFFICIALS WHO HIGHLY VALUE THE RELATIONSHIP AND APPRECIATE THE INTERACTION AND KNOWLEDGE EXCHANGE.

THE BOARD OF DIRECTORS ESPECIALLY WISHES TO RECOGNIZE THE CANADIAN EMBASSY AND VERY PROFESSIONAL PERSONNEL FOR HONORING CAN/AM BTA WITH THE MEMORABLE RECEPTION AT THE EMBASSY.

IMPROVING OUR SHARED U.S./CANADIAN BORDER OPERATIONS AND SECURITY WHILE SIMULTANEOUSLY FACILITATING AND ENHANCING OUR BI-LATERAL RELATIONSHIP IS ESSENTIAL TO BOTH OUR COUNTRIES CONTINUED ECONOMIC SUCCESS.

CAN/AM BTA'S BOARD URGES YOUR CONTINUED PARTICIPATION IN THE ISSUES AND ACTIONS ESSENTIAL TO MAINTAINING THE U.S./CANADA TRADE RELATIONSHIP, THE LARGEST IN THE WORLD.

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SUMMARY**

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

**CAN/AM BTA 2001 WASHINGTON, D.C. CONFERENCE  
HIGHLIGHTS**

The Reception hosted by the Canadian Embassy to experience the warm hospitality and magnificent view of the city of Washington and extend relationships between participants and Embassy officials was again the highlight of the 2001 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.

The Conference opened with a moment of silence in remembrance of those lost or injured on September 11, 2001 and their loved ones.

CAN/AM BTA was acknowledged by Conference Speakers:

*(INS Commissioner Jim Ziglar)*

"congratulated the CAN/AM BTA for forging ahead with this important Conference" stating this was his first official speech appearance outside of INS since his appointment. He "truly appreciated CAN/AM BTA for being in D.C. and looked forward to a close and effective relationship."

*(David Pumphrey, Deputy Assistant Secretary, U.S. department of Energy)*

"The CAN/AM Border Trade Alliance and Secretary Abraham share a longstanding and solid working relationship. The Secretary views your organization as a friend and as an important voice of the U.S./Canadian relationship."

"A great strength in our bilateral relationship with Canada is the role of organizations like Canadian/American Border Trade Alliance, which promote activities to benefit both sides of the border. Jim Phillips came by my office a few months ago to discuss the Border Management Modeling System, which was created by Regal Decision Systems, to reduce waiting times and congestion at the Peace Bridge. This system could be a great example of the benefits of using energy efficient technology and policy changes to bring about a joint solution to a problem that affects us on both sides of the border. As the millions of truck crossings a year continue to increase, we need to work together to find ways to expedite the movement of trucks across the border to minimize congestion, conserve energy and reduce environmental effects."

*(Bertin Cote, Deputy Head of Mission Embassy of Canada-Washington, D.C.)*

"The CAN/AM BTA has been a leading voice of the private sector on the U.S./Canada border file. Your Executive Board has made important contributions to the border debate and we will look to you, as we meet the challenges that tomorrow will certainly bring. Thank you for your work and thank you for your leadership."

## **CONFERENCE SPEAKERS AND THEIR MESSAGE**

*Jim Edwards, CAN/AM BTA Executive Board Member - Opened Conference*

Welcomed attendees stating appreciation for participants being at the Conference. CAN/AM BTA makes objective and factual contributions and the voice of commerce needs to be heard in these difficult times. Many decisions need to be made. This Conference will deal with key and timely subjects and is an opportunity for participants to inform and be informed.

*Mike Dahm, CAN/AM BTA Executive Board Member - Introductory Remarks*

This conference is a unique opportunity to have voices heard. The U.S. and Canada systems are parallel. They need to be integrated. Canada needs to pass legislation to allow U.S. agents to operate on the Canadian side of the ports of entry on the land border . This lack also makes true joint facilities costly and impractical. The U.S./Canada Border suffers from a lack of resources for the Agencies. Staffing has been inadequate for a long time. Business travel is confusing and difficult. The Border Accord was envisioned to solve Border problems long identified and is woefully inadequate to date. 21st century technology is needed and available but not funded for the Border. The situation was critical before September 11, as the U.S./Canadian economies are inexorably linked and integrated.

## **TRADE POLICY**

*Juliet Bender, Director Office of NAFTA, U.S. Department of Commerce*

U.S. /Canada is world's strongest and largest trade relationship of over \$1.3 billion a day. U.S. exports to Canada equal the total of U.S. exports to China, Germany, Japan, Korea and the United Kingdom combined. Not by chance the vast majority of U.S./Canada trade is without incident or conflict. Dispute resolution process is in place i.e. PEI potatoes, 20 year patent term legislation and softwood lumber as work continues to resolve. Tri-laterally working to insure a cohesive, coherent energy cooperation program. Bi-laterally working on pharmaceutical pricing, and Great Lakes water. Desires input on border movement conditions post Sept. 11. The tremendous level of cooperation and U.S./Canada interaction reflect substantial increase in regional cooperation resulting in more jobs, increased opportunities and greater rate of business growth. Free Trade area of the Americas (34 countries) to be achieved by Dec. 2005 encompassing 800 million people. Canada has been instrumental in organizing this hemisphere initiative. Market access negotiations are underway regarding what tariffs to eliminate and when. Commerce wants input from trade. Draft text is available on Ag and export subsidies. Concluded by

highlighting that the U.S./Canada relationships future is bright.

### **CANADA CUSTOMS COMMERCIAL SYSTEM (CSA)**

*Caron Wilson, Manager Implementation, Customs Self Assessment, Canada Customs*

Presented the status and details of the CSA initiative. CSA is an evolutionary process. Re-iterated the focuses of Safety, Security, Maintain Perimeter, identified Low Risk processed efficiently and the system will operate using risk management principles. Reviewed driver registration, commercial re-engineering, Administrative Monetary Penalties, streamlined accounting and monthly reporting. Re-iterated there is no relationship in CSA between clearance process and accounting process. CSA has 4 KEY COMPONENTS: eligible goods, prescreened registered driver, approved carrier and approved importer. New legislative authority is in process. An LTL clearance process using EDI is in progress. Currently 20 importers, 110 carriers and 11,000 drivers are in the approval process. HS code is mandatory as of April 2002.

### **U.S./CANADA ENERGY RELATIONSHIP**

*David Pumphrey, Deputy Assistant Secretary, U.S. Department of Energy*

Described the recently released National Energy Policy and the U.S.'s growing relationship with Canada, which is a key element in assuring energy security. U.S. energy security is intricately linked to the international market, particularly in the Western hemisphere. U.S. oil usage is expected to increase by one third in the next 20 years, yet the U.S. produces 39% less oil than it did in 1970. Development of domestic reserves is critical.

Demand for electricity will rise 45% and natural gas usage 62%. Conservation and energy efficiency are strongly promoted. Nuclear power effort to contribute to future needs is under review. Energy transmission and infrastructure must be revamped using new technologies. A North American Energy Working Group has been formed. The oil and gas sector industry in Canada is \$28 billion (U.S.). \$14 billion (U.S.) was invested in year 2000 in exploration, development and field equipment "Energy has integrated our two economies, much as oil and natural gas pipelines and electric transmission lines have integrated our energy systems." Today, there are 35 cross-border natural gas pipelines and 51 cross-border electric transmission lines that bind and secure both of our countries as well as shared hydropower facilities on the Western border. We are working together to harness Northern Gas and the massive reserves of oil sands in Alberta estimated to contain seven times the energy equivalent of Saudi Arabia reserves. Cross border

electricity flows in both directions and our seamless border allows us to assist one another in times of need. U.S. and Canada have a 10 year Memorandum Of Understanding on collaboration of Energy Research and Development Cooperation. Cited that both countries take a very light hand in the regulation of U.S./Canada energy trade. We have a strong vibrant energy policy with Canada and are connected to serve our citizens and promote economic prosperity for both countries.

### **THE CANADIAN PERSPECTIVE**

*Bertin Cote, Minister Economic and Deputy Head of Mission,  
Canadian Embassy*

September 11, the world changed. Canada shares the loss and pain of its American colleagues. Appreciated the true cooperation and efficient communication of U.S. and Canadian Border Agencies. The need to safeguard our Borders while not allowing disruption of trade and continuing the competitive advantage the U.S. and Canada receive from our relationship presents challenges and opportunities for Government to Government ACTIONS and cooperation. Industrial alliances involvement is key. Can/Am BTA is recognized as a leading voice. An option to be assessed is the "perimeter" approach where we do as much as possible at points of origin and first arrival to reduce duplication activities at the 49th parallel while increasing advance information utilizing EDI. We must look at proven track records of those in the Trade community and concentrate on unknown and high risk by using risk management techniques. The Border we share is a symbol of the relationship the U.S. and Canada have shared for many years. Let it be a symbol of our mutual commitment.

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

*Rich Biter, Acting Assoc. Deputy Secretary, U.S. Department of  
Transportation*

Impacts of September 11, the reality of transport being used as a weapon instead of a target, short and long term systematic changes, high level state of alert, shutdown of national airspace. The key consideration trade versus security - need they be different? Travel is up 72% (1980-98) while road miles only increased 1%. Travel rate congestion index increasing in all sectors with freight expected to double again by 2020. Projected container capability by 2020 reflects Long Beach and New York ports to increase 300-400 %.

Faster turnaround in all legs of transportation is critical. Intermodal linkages need to become seamless. Safety and environment are receiving a higher focus. Reviewed the Memorandum Of

Understanding signed in October 2000 between the U.S. and Canada Transport leadership which specifies JOINT: planning (border and corridor projects); mapping of freight flows; development of common North American ITS; unified approach to expedite movement of low risk cargo processing and improvement of communications. Reviewed the NCAP pilot at the Ambassador Bridge, the ITDS pilot at the Peace Bridge and the Transponder testing in Washington State. ITDS is the front end of ACE and utilizes the internet.

## **IMMIGRATION AND NATURALIZATION SERVICE**

*Jim Ziglar, Commissioner Immigration and Naturalization Service*

Advised Can/Am BTA that this was his first speech outside of INS since being confirmed as Commissioner. Introduced Stuart Anderson, Executive Associate Commissioner for Policy and Planning, and Joseph Karpinski, Director Congressional Relations and Public Affairs. Congratulated Can/Am BTA and stated his appreciation for going ahead with this important Conference and for coming to Washington. He stated that the U.S. and Canada are the BEACONS OF FREEDOM AND HOPE FOR THE WORLD. Border management issues are now at the forefront. September 11, DID NOT CHANGE CORE FOCUS - PROTECT PUBLIC AND FACILITATE COMMERCE. There is pressure of demands for a quick fix but we must not over react. No fortress mentality. We must carefully strengthen but not undermine commerce. WE NEED TO PROTECT THE ECONOMY AS WELL AS PEOPLE AND INSTITUTIONS. U.S. and Canada must continue to work together to identify "low risk" and facilitate its movement so we can focus on "other". BUILDING A WELL MANAGED BORDER MEANS FULL COOPERATION (U.S. AND CANADA) WITH A JOINT STRATEGY AND ACTIVITY. NORTHERN BORDER IS NOT UNDEFENDED OR UNPROTECTED. It is "UNDER RESOURCED". We need to do more. The civilized world needs to act in concert against terrorism. The Administration is committed to improve the INS. A reorganized approach to its service and enforcement missions is underway. The Southern Border is very different from the Northern Border. We must build policy around what works.

## **NEXUS PILOT STATUS**

*Beverly Boyd, Director, Travellers Re-engineering, Canada  
Customs & Revenue Agency-Bob Coulter, U.S. Customs*

The NEXUS program, operating since November, 2000, as a pilot at the Blue Water Bridge was described and the results presented in detail. NEXUS is the first true joint program between Immigration and Customs Agencies of both countries. U.S. and Canadian citizens apply, go through extensive background checks in both countries, if record is clear are interviewed and then accepted or

rejected. Approved individuals are given special car and personal NEXUS identification. When used NEXUS provides facilitated streamlined access to dedicated primary booths for entry into either country. The Canadian and U.S. agencies are pleased with and proud of NEXUS.

EDITORIAL NOTE: Misconceptions have arisen from the term "Low Risk traveler system" and a few uninitiated have labeled it as lowering the bar of security which is exactly opposite from the truth. We have therefore developed a clear definition: NEXUS IS A SECURITY SYSTEM WHICH ENFORCES IDENTIFICATION OF LOW RISK INDIVIDUALS AND FACILITATES BORDER CROSSINGS OF THOSE WHO ARE PREVIOUSLY APPROVED TO ALLOW HEIGHTENED FOCUS ON THOSE NOT IDENTIFIED AS LOW RISK. The NEXUS pilot is being evaluated by an outside consultant. Can/Am BTA has provided the consultant with the Border Analysis Management Model which factually quantified the benefit of NEXUS at the Peace Bridge/U.S. side if it were implemented. NEXUS can process 6 to 8 cars in the same time as one car at a regular primary lane and do so with an improved security assurance. Can/Am BTA has urged that the consultant evaluation be completed ASAP and Agencies agreement reached to implement NEXUS at applicable land border ports of entry in early 2002. NEXUS moving passenger traffic is an absolute prerequisite to reduce truck congestion, environmental discharges and reduce commercial delays at the U.S./Canada Border.

TUESDAY MEETINGS HELD ON CAPITAL HILL AT CONGRESSIONAL OFFICE BUILDINGS (Morning RAYBURN-HOUSE OFFICE BUILDING) Agency speakers were invited by our Northern Border Caucus Co-chairs Congressman LaFalce and Congressman Nethercutt who also invited their Northern Border House colleagues/staff to attend and interact with Can/Am BTA participants. The Northern Border Caucus was formed by Congressman LaFalce in 1994 at the request of the CAN/AM BTA. Representatives LaFalce (D-NY), Nethercutt (R-WA) Istook (R-OK), Dunn (R-WA) and Larsen (D-WA) participated. A number of other House members were represented. Speakers for U.S. Customs and INS heard presentations by Can/Am BTA panels as well.

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

*Congressman John LaFalce, Ranking Member House Financial Services Committee, Chair Northern Border Caucus*

Required resources for border operations must be provided. The Perimeter approach (doing the right things in the right places i.e. reviewing people offshore at their point of origin and goods at point of first arrival will result in substantially improved security while allowing avoidance of duplication at the internal border which will

reduce congestion, air pollution and delays there). The Shared Border Accord as originally envisioned is currently bogged down. Several difficult issues are in slow motion for some time. September 11, magnifies the need to move, to make laws, enforcement, best practices and policies of Canada and the U.S. integrated wherever possible. Managing the Border requires an intelligent and discerning approach. An immediate need is to provide appropriate increased resources for staff, equipment and technology.

## **U.S. CUSTOMS DISCUSSION**

*Can/Am BTA Panel: Gil Duhn, General Motors, Jim Wiser, PBB Logistics, Pat Whalen, FSI a UPS Company, Mike Dahm, A.N Deringer, Jim Phillips, Can/AmBTA*

The background facts on the longstanding lack of providing the requested additional resources for Customs on the Northern Border were presented. Customs was thanked for their post 9/11 efforts under very trying circumstances. GM moves 600 trucks and 4 trains a day, people couldn't get to work, plants shutdown and production of thousands of vehicles lost. Need to insure that we continue to protect both people and commerce. Can't deal with low risk until it actually accesses the primary booth. Funding for staff and ACE are essential. Security of bridges and tunnel, at risk with line ups across it in both directions awaiting primary check. Equipment repair service people for cross border machinery repairs have been impaired after NAFTA instead of assisted. More inspectors and better technology and systems are needed. Line Release, PAPS, BRASS work well but are impeded as 12 of 15 passenger booths are continually unstaffed thus closed. Low risk vehicles, cars and trucks, must get access to primary booths. Just in Time is key. Pre Arrival Processing System (PAPS) should be border-wide. September 11, magnified the long standing widely known Customs resource shortages since trade has grown (entries 6 times 1980's level) yet Customs has same number of inspectors as 1980's. The Border Accord is languishing and the respective champions in both Governments have been lost.

Can/Am BTA presented 9 specifics for the U.S./Canada Border requiring immediate action cooperatively or individually by the U.S. and Canadian Governments.

## **SHARED BORDER ACCORD**

### **BORDER VISION**

### **BORDER MANAGEMENT**

### **CANADA/UNITED STATES PARTNERSHIP**

### **(CUSP)**

Can/Am BTA has published a specific Shared Border Accord Action Plan for 2001 and beyond. WE BELIEVE FACTS



RELATING TO EFFECTIVE MANAGEMENT OF THE  
U.S./CANADA BORDER REQUIRING IMMEDIATE ACTION ARE:

1) Implement an integrated LOW RISK TRAVELER SYSTEM (NEXUS) where appropriate Border-wide by JANUARY 1, 2002. NEXUS IS A SECURITY SYSTEM WHICH ENFORCES IDENTIFICATION OF LOW RISK INDIVIDUALS AND FACILITATES CROSSINGS OF THOSE WHO ARE PREVIOUSLY APPROVED, TO ALLOW HEIGHTENED FOCUS ON THOSE NOT IDENTIFIED AS LOW RISK.

2) We must EXTEND CANADIAN PRE-CLEARANCE LEGISLATION TO LAND BORDERS and reach agreement by both Canadian and U.S. Governments to fully operationalize.

AS AN INTERIM: STEP ALLOW THE COMMERCIAL PRIMARY INSPECTION BOOTHS OF EACH CUTOMS SERVICE TO BE PLACED AT THE ENTRANCE OF A BORDER CROSSING IN THE OTHERS COUNTRY TO ALLOW STREAMING OF AUTHORIZED SHIPMENTS FROM OTHER. APPROXIMATELY 80% OF TRUCKS CLEAR AT PRIMARY AND CAN PROCEED IF THEY HAVE ACCESS TO THE PRIMARY BOOTH. THIS WOULD ALSO INSURE THAT TRUCKS NEEDING SECONDARY PROCESSING WOULD BE THE ONLY ONES IN THE QUEUE, THUS THE CONGESTION WOULD BE "BEFORE THE CROSSING" AND NOT ON THE BRIDGES/TUNNELS THEMSELVES. TRAFFIC MANAGEMENT COULD BE UTILIZED TO SEPARATE THE TYPES OF SHIPMENT (PRECLEARED OR NOT) ON "SEPARATE APPROACH ROADS" SO THEY DID NOT DELAY THE PRECLEARED TRUCKS ACCESS TO THE CUSTOMS PRIMARY BOOTHS. THIS WOULD ALSO ALLOW ONE COUNTRIES OUTBOUND TO BE INTEGRATED WITH THE OTHER COUNTRIES ENTRY PROCESS.

3) A MAJOR INTEGRATED APPROACH is needed.

4) We must take BORDER REFORM to a higher plain.

5) We must re-conceptualize BORDER MANAGEMENT not just tinker with it.

6) DEAL with PROBLEMS "BEFORE" they get to our physical Border at the SOURCE.

7) Develop evolutionary PERIMETER CONTROLLED movement & first point of arrival review. (Requires number 9).

8) Determine what our COMMON THREATS are, where they originate and

## DEVELOP JOINT PLAN FOR USE OF STRATEGIC RESOURCES .

9) Government to Government work as one SHARING DATA & INTELLIGENCE

### **Bill Heffelfinger, Assistant to Commissioner, Northern Border Coordinator, U.S. Customs Service**

September 11, was a wake up call. Will be the impetus to do some things. The trade community needs to help U.S. Customs push through needed initiatives which have been languishing. Stated the close cooperation and support by Denis Lefebvre and Canada Customs giving examples such as the Peace Bridge where Canadian officers performing their outbound, adjusted so it also became U.S. inbound. We must stay focused, do the Accord as it should be done and "think beyond today." U.S. still on high alert, must have high concern for U.S. and Canada to accommodate one another's needs. MAKE IT HAPPEN. Enforcement (security) and facilitation are tied together and must be served. There are two options; fortress America or an effective efficient Shared Border Accord. Got to deal with international (Accord) zone, guns, immunities, refine and identify low risk and restore confidence in the traveling public. The Executive Branch of the U.S. and Canadian Governments need to deal directly with each other.

Congressman John LaFalce interjected: U.S./Canada Border has two stark repeating realities: SECURITY and TRADE FACILITATION. BOLD THINKING is needed. Resources need to be increased, Canadian Legislation needs to be passed to allow pre-clearance on the Canadian sides of the Land Border, cross designation, perimeter approach defined (where, how, who) and identify low risk by providing info earlier. Urged all involved to "act as most solutions are known" and "have been talked to death".

### **IMMIGRATION AND NATURALIZATION DISCUSSION**

*Can/Am BTA Panel: Allen Cocksedge, Global Public Affairs, Jerry Nagel, Northern Great Plains Inc, Bruce Agnew, Discovery Institute.*

In the handling of people U.S. and Canada processes are parallel and are not integrated or joint as much as they could be. Legislative barriers prevent zones which would provide improved security, facilitation and efficiency. Goods and people processes are not integrated. Resources at the border in both countries are inadequate. Intelligence is under resourced. We must reconceptualize the border management process to reflect the needs driven by the critically important Security and Trade

Facilitation dimensions. Develop the specifics of a joint bi-lateral perimeter and the improvements gained as a result. NEXUS is the only travelers joint cross border process, it enhances security and should be implemented border-wide ASAP. The temporary shutting down 9/11 of the NEXUS pilot, CANPASS etc. to redeploy the inspectors actually reduced security and these processes should be reopened immediately. NAFTA business traveler process is more difficult and needs to be rethought. We must act on short term solutions that are known and will work and develop strategies for specifics for mid and long term. We must make the border work - not be a barrier. The border has a major affect on rural America and Canada as well and the movement of people. INS needs to receive appropriate resource levels to function on the Northern Border.

Linda Loveless, Chief Inspector, U.S. Immigration and Naturalization Service

September 11, had a major impact on Ports of Entry and INS operations. INS is hoping for the needed appropriation of additional resources for staff short-term and the extended term for funding technology needs. Issues of recruiting, retaining and location assignment of personnel are difficult. The needs of the Northern Border are recognized and known. It is hoped the needed resources will now be funded. INS knows it must provide both security and facilitate movement of low risk people and do so without sacrificing one for the other.

### **HOUSE APPROPRIATIONS FOR U.S. CUSTOMS**

Congressman Ernest Istook, Chairman, Treasury, Postal Service and General Government Appropriations Subcommittee of the House Appropriations Committee had just received a briefing reviewing the short term necessary diversion to investigative and security priorities and the anticipated demand for air marshals and continuing needs. Discussed the fatigue factor and impact of expected traffic volume resumption and the long term implications for security and the critical facilitation of trade. Coupled with the need to provide security and insure facilitation of trade so highly visible after September 11, significant manpower needs will have to be added to the operation of the U.S./Canada Border. He did not want to state specific numbers as yet until they are finalized. However, said they will be big numbers, he does not want to choose between ACE versus staff as we need to do both.

In addition the public wants visible security particularly at airports. Deliberations are occurring to determine what portion of new resources for Customs will come from the supplemental funding package as well as the continuing support needed from FY03 regular appropriations. The Chairman reiterated that normal trade activity must be facilitated and protected as well as provide security

of our Borders for the protection of the public and our economy. Substantial resources will have to be provided for U.S. Customs to meet what is needed to operate the U.S. Northern Border.

Congressman LaFalce thanked Congressman Istook for his important participation at the Conference and invited him to visit the U.S./Canada Border when his schedule permitted.

*Congressman George Nethercutt, Jr., Co-chair Northern Border Caucus, House Appropriations Committee*

The Northern Border Caucus is now the largest Caucus in the House. The Caucus is active and regular in its meetings and activities. "We value the strong long standing relationship with our Canadian neighbors." Chairman Thomas of the House Ways and Means Committee and Chairman Istook of the Treasury, Postal Service and General Government Appropriations Subcommittee will be increasing funds for U.S. Customs staff, infrastructure and technology. He cited both Chairmen and the Caucus for good judgement related to Public Policy.

### **AFTERNOON MEETINGS SENATE DIRKSEN OFFICE BUILDING**

Senate Finance Committee

*Senator Baucus, who has spoken at previous Can/Am BTA conferences, was called to the White House. Angela Marshall, Senior Staff for Senator Baucus, Chairman Senate Finance Committee*

Senate FY02 budget for Treasury was increased 19%. Includes \$230 million for ACE (Automated Commercial Environment) and due to Senator Byron Dorgan's leadership \$25 million for 300 additional U.S. Customs new positions for the Northern Border. This is for inspection on the Northern Border to function 24/7 and for peak periods in 6 designated states Washington, Montana, North Dakota, Michigan, New York and Vermont. Provided an overview on the trade agreement initiatives, labor and environment aspects and fast track. Discussed softwood lumber and stated negotiation is favored versus litigation.

Senate Appropriations Committee

Senator Conrad Burns, who has spoken at previous Can/Am BTA conferences, was called to a hearing. Ric Molen, Legislative Director for Senator Conrad Burns, Member Senate Appropriations Committee

Described the positive bi-partisan environment, since September 11, and the current working together approach. Customs will

receive the resources needed to perform its workload on the Northern Border. Homeland Security is in the process of being defined. Thought Sky Marshals will be moved from FAA responsibility. 13 appropriations bills need to go to conference. Suggested approximately 9 would be individual with a final package of 4 rather than an omnibus bill of all. Discussed the supplemental \$40 billion of which \$20 billion is for New York and the balance for anti-terrorism. It is from that segment that Customs and INS among others should receive the required additional resources.

The Pacific Northwest conducted an information session on initiatives planned and those underway. Organizations participating were the Discovery Institute, the Cascadia Institute, Whatcom County Council of Governments and PNWER, all of whom are associated with the Can/Am BTA. Senator Patty Murray, Representative Jennifer Dunn and Representative Rick Larsen participated.

**THE CAN/AM BORDER TRADE ALLIANCE ACKNOWLEDGES AND APPRECIATES THE WASHINGTON, D.C. 2001 CONFERENCE SPONSORS A.N. DERINGER, INC.**

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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 2002 United Focus Conference of the CAN/AM BTA will be held:

WHEN: SUNDAY MAY 4 - TUESDAY MAY 6, 2002  
WHERE: Chateau Laurier Hotel, Ottawa, Canada

Jim Phillips  
President & CEO