

**CAN/AM BORDER TRADE ALLIANCE
SEPT. 10-12, 2006 WASHINGTON, D.C. CONFERENCE SUMMARY
HIGHLIGHTS**

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

Future Can/Am BTA Conferences:

<u>Corridors, Gateways& Economies</u>	Bellingham, WA	Nov. 12-14, 2006
	Ottawa, Ontario	Apr.29-May 1, 2007
	Anchorage, Alaska(w/PNWER)	July 2007
	Washington, D.C.	Sept. 9-11, 2007

One highlight of the Conference was the Reception held on the Roof Top of Hotel Washington overlooking the White House.

Speakers excerpts acknowledging CAN/AM BTA's leadership role (pgs 7-9)

(Secretary Carlos Gutierrez, U.S. Department of Commerce)

"Thanked Can/Am Border Trade Alliance for its leadership and effective contributions to SPP and North American Competitive Council prioritization."
"Like the way you think."

(Congresswoman Louise Slaughter, Ranking Member, Rules Committee)

"I am proud to represent constituents like you who have worked so hard on U.S.-Canadian Border issues." I introduced comprehensive legislation called the Secure Traveler Improvement Act. A lot of its provisions reflect feedback from Can/Am BTA and a NEXUS forum that Jim hosted with CBP in January." "Can/Am BTA will play a leading role in reshaping the Western Hemisphere Travel Initiative (WHTI)."

(Congressman Tom Reynolds, House Administration, Ways & Means Comm.)

"I commend the Can/Am Border Trade Alliance for the great work it does."

(Senator Jerry Grafstein, Co-Chair Canada/US Interparliamentary Group)

"The Can/Am Border Trade Alliance is one of the most eminent organizations on the Canada/U.S. Border and Canada/U.S. Relations."

(Bill Heffelfinger, Deputy Assistant Commissioner, Office of Field Ops., CBP)

"The Can/Am Border Trade Alliance is one of Customs and Border Protection's most important customers telling it like it is and stating specific solutions."
"CBP holds high mutual respect for Can/Am BTA."

(P.T. Wright, Acting Deputy Director, US-VISIT, Dept. of Homeland Security)

"The Can/Am Border Trade Alliance is a candid friend with effective and open communication skills and most important has solutions."

(Claude Carriere, Deputy Head of Mission, Canadian Embassy)

"The Embassy encourages our relationship with the Can/Am BTA."

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CONFERENCE SPEAKERS AND THEIR MESSAGE

Bob Perkins, Executive Board Member CAN/AM BTA
Vice President, Meridian/IQ, YRC Worldwide

Welcomed attendees. Can/Am BTA is organized, engaged and very effectively focused. It has led the effort to meet the needs of the paradigm shift resulting from "9/11/2001." Can/Am BTA embodies a dynamic schedule to create effective interaction and solutions for bi-national Border Management. As a founding Board member of Can/Am BTA, having just relocated to the Northern Border it is rewarding to see the vision realized.

Jim Phillips, President & CEO CAN/AM BTA

Requested a moment of silence to reflect on "9/11 plus 5 yrs" to remember all who died and all who responded and continue to do so.

BROKERS AND LOGISTICS PANEL

Chip Bown, Managing Director, Regulatory Compliance, FEDEX-
Amgad Shehata, Vice President, Strategic Dev. & Public Affairs, UPS
Candace Sider, Manager, Regulatory Affairs, Livingston International
Matthew Parrott, District Director No. Border Mgr., A. N. Deringer

Provided excellent insight into Border Crossing issues and recent developments such as commerce facilitation moving to the forefront as a twin goal with security, Canada has provided funds for the Border, PIP and C-TPAT will be harmonized, ACE E-manifest is in phased implementation, Infrastructure enhancements made.

Challenged all to look at customer's experiences, issues, needs. Think "what if" to do better. Border is getting more difficult. Need is to create a seamless process to provide high velocity crossing for known low-risk goods/people. Need to closely bond industry with regulators and eliminate redundancy.

Provided status of ACE Phase 4 E-manifest to become mandatory in 2007. Articulated the changes to BRASS under ACE and the importance of coordinated effort by all parties in the Supply Chain. Highlighted critical need for: Less Than Truckload and Small Package facilitated processes. The new APHIS collection of fees at the Border is counter to the direction of the Smart Border initiative.

US-VISIT IMPLEMENTATION STATUS

P.T. Wright, Acting Deputy Director, US-VISIT, Dept. of Homeland Security

US-VISIT approach is foundation to the 21st Century Border Crossing Process that has processed 64 million individuals while reducing delays utilizing "innovative ways" to achieve specified objectives. Moving from 2 index prints to 10 fingerprints

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to increase factor of deterrence matching with latent fingerprints from around the world. Verification at the port will be less than 10 fingerprints.

Excellent description of the RFID testing and modeling carried out that showed just a 3 second addition per person at primary, resulted in an 8 hour wait for the end of the line at San Ysedro. At Peace Arch the 24/7 average wait time of 20 minutes was reduced to 4 minutes. **Exit solution is at speed.** Responding to a question reported that new technology “allows the chip to match the fingerprint of the person holding the document” to eliminate use by any other individual thus solving the assurance of who has exited at speed. Discussed the published Alien Rule and Pass Card architecture.

CUSTOMS & BORDER PROTECTION

Deborah Spero, Deputy Commissioner, Customs & Border Protection
Dept. of Homeland Security

Commissioner Basham would like to have been here but is in New York City. Five years after 9/11 the intent to attack the U.S. remains. We must safeguard the Homeland and protect our economy by using a Smart Border layered approach to achieve the “twin goals” of securing the border and facilitating legitimate trade.

Provided an enlightening summation of the CBP Pillars. **Cargo** requires earlier specific information and from the source. Container Security Initiative currently at 44 Global Ports that process 75% of all containers shipped to the U.S.(increasing to 50 ports by year end). Containers carry 90% of Global Trade and number 200 million containers/year. Currently FAST Trucks operate at 28 Border Ports and on the Northern Border carry 25% of the truck freight. “Green Lane” for CSI and FAST has more to be done on container securing device, and is probably a year away. **Targeting and Analysis** utilizing the National Targeting Center screening 100% of shipments utilizing Link Analysis to discern patterns. **Technology** utilizing ever new screening developments, radiation monitors, analysis equipment etc. **Partnerships** with Private Sector and other Governments such as C-TPAT to “Trust but Verify.” Described Premier Trusted Trader Program (Tier 3). **Passenger** Advance Passenger Info is needed “15 minutes before take off not after wheels up.” Trusted Traveler system (NEXUS, SENTRI, FAST) are excellent and need to be expanded. NEXUS AIR is being rolled out. We must “push the Borders out” and are doing so with our “interdiction at origin initiative” named the Immigration Advisory Plan at off shore locations.

Our relationship with Canada is extraordinary as each country continually learns from each other. Have set 5 priorities: harmonize C-TPAT/PIP; expand AIR NEXUS; harmonize cargo processing; API & PNR and development of effective Business Resumption Contingency Plan.

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CAN/AM Border Trade Alliance TECHNOLOGY MONITORING

Brian Bowen, President, Bowen Enterprises, Inc.

Provided a comprehensive and enlightening review of technology enhancements including: User Decal Program; ACE Update including Real Life Experiences; ACE Filing Options; Supply Chain Communications (shippers, brokers, carriers) and Review of 2006 Implementation. Brian was complemented for his many efforts on behalf of Can/Am BTA as our designated member of the CBP Trade Support Network (TSN).

THE CANADIAN PERSPECTIVE

Claude Carriere, Deputy Head of Mission, Canadian Embassy

Remembered those who died on "9/11" ... Stated the new Canadian Government is committed to root out terror as the threat is real. We cannot relax. Ambassador Wilson has arrived with a clear focus / priority to improve relations with the U.S. Jon Allen is now the Ambassador to Israel - Kevin O'Shea has replaced Jon Allen. Reiterated that the Canada/U.S. relationship is unique. It is a top priority of the Prime Minister and Cabinet. Not to be taken for granted. Provided an insightful summation of "Good News" i.e. the softwood lumber settlement, broadening of open skies, NEXUS AIR, SPP harmonizing, liberalizing and prioritizing through the North American Competitive Council (NACC) with rapidly increasing freight volumes. On the other side "Concerns" he stated are WHTI and (its effect on Tourism), with only a limited economic analysis study, inclusion of Canadian Visa Holders in US-VISIT and with the new APHIS fee collection at the Border (a return to cash collection making change for fee collection at primary).

**SECURITY PROSPERITY PARTNERSHIP
NORTH AMERICAN COMPETITIVE COUNCIL**

Secretary Carlos Gutierrez, U.S. Department of Commerce

The U.S. has no better friend than Canada. Thanked all our Canadian friends. The strength of the relationship is evident. Canada is the U.S.'s major trading partner (\$500 billion plus/year), most of which is dispute free. U.S. and Canadian economies are dynamic. We must seize new opportunities! Cooperate to enhance our Global Competitiveness. SPP is making progress in a number of areas but "results are what counts." We must counter anxieties of what SPP is "rumored to be AND ISN'T." SPP is open / transparent. The Private Sector is the driving force. Counterfeit and Piracy Issues, infectious disease outbreak and reducing cost of trade must be dealt with. We have GOT TO DO "WHTI" RIGHT.

Secretary Gutierrez was recognized and applauded by Can/Am BTA for his dynamic and effective leadership.

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FIELD OPERATIONS - CUSTOMS AND BORDER PROTECTION

Bill Heffelfinger, Deputy Assistant Commissioner, Office of Field Ops., CBP
John Wagner, Director, Passenger Automation Projects, CBP
Louis Samenfink, Executive Director, Modernization Office, CBP
Greg Olsavsky, Director, Cargo Verification, CBP

CBP Field Operations continues to keep moving - making effective progress. Also looking in the rearview mirror to benefit from lessons learned. Specifically highlighted Secretary Chertoff's recent statement that relations with Canada has never been better.

The exciting numerous developments, improvements and implementation timetable for NEXUS was presented in detail. These improvements closely reflected the items and priorities resulting from the Can/Am BTA NEXUS focus group convened in Washington with CBP in January, 2006. A follow-up focus group session is being scheduled for this November. All items are funded and actionable. NEXUS cards are usable at all NEXUS ports as of June, 06. NEXUS AIR is being rolled out in phases. When completed will be merged with NEXUS resulting in "one card/one fee." NEXUS interviews will be conducted at pre-clearance Airports so major Canadian population will no longer have to drive distances to the land border to be approved and receive their cards. Implementing Urban and Mobil enrollment capabilities as well. In the near future NEXUS application is moving to 10 finger prints from 2 index finger prints.

Looking at the FAST card meeting TSA HAZMAT requirements and explosive carrying process. Solid Waste carriers now using PAPS. In-Transit trucks otherwise cleared for FAST who currently cannot use FAST Lanes at the border was mentioned to Deputy Commissioner Spero earlier that morning. CBP Field Ops. brought back a response that CBP is in discussion with CBSA to develop an automated solution for a pilot test in Spring '07.

Reported on the new APHIS rule requiring Fee collection at the U.S./Canada Border by Officers at the Primaries. (Can/Am BTA unanimously voiced its disbelief at this huge "back step" as the whole purpose of the Smart Border is to have common sense facilitation of trade to insure economic security. If you have to raise money do it another way rather than mandating "cashier." (Even worse "making change" at the Primary Truck booths all across the U.S./Canada Border.)

Presented a comprehensive and critically important slide show on the status, specifics and operation of the Automated Commercial Environment (ACE) major undertaking including participation, processing volume growth showing the timetable when its use, will become mandatory.

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Interactive Dialogue Session

Specifics raised:

- *In-transit use of FAST Lanes answered in previous discussion;
- *Unified Trusted Traveler Program merging all existing ones;
- *Add cross designation by FDA to CBP of regular shipments for 24/7 service on other than Bio-Terrorism food items already designated;
- *Status of the JAY Treaty relative to WHTI at the land border;
- *The USDA Aphis rule for collection of fees at the Border is a disaster;
- *Serious question - why are rail and truck moves that “never carry” USDA regulated products subject to paying a fee;
- *Make first year of enrollment in NEXUS “FREE” once the benefits are actually experienced most “will not” give NEXUS up when paying the fee at the start of their second year;
- *Peace Bridge is initiating a Gift Certificate Program to reimburse the NEXUS fee to those who sign-up doing its part to achieve critical mass in NEXUS participation. Both Governments need to provide marketing dollars to reach the public;
- *Why a PASS CARD for WHTI? Response - NEXUS card cannot be acquired by individuals who do not meet the minimum requirements;
- *CBP was thanked and complimented for their revised staffing and operation at Alexandria Bay. This has “sharply reduced” delay queues;
- *With the construction at Champlain of a state of the art Port on the U.S. side, it is a shame that CBSA does not appear to have LaColle (on the Canadian side” on its short list for modernization;
- *Both Governments should have current high profile outreach programs to the public “NO CHANGE in DOCUMENTATION AT THE U.S./CANADA LAND BORDER UNTIL 1/1/2008”;
- *Was modeling of WHTI undertaken? Response – yes and is ongoing (Editorial: This emulates improvements by the NEXUS and US-VISIT programs already fully operational). Decision on the specific process and document needed to model the selected approach that we expect will be strongly impacted by the modeling outcomes);

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Congressman Tom Reynolds, House Administration, Ways& Means Comm.

"I am a Free Trader." Our relationship with Canada is tremendous. It is a key relationship. "Daily" activity over our Border is 3.5 million people with \$1.5 Billion of goods. Canada tourism activity with New York is \$667 million/year. "DON'T MESS WITH THE BORDER." Reflecting on the Prime Minister's discussion with the President "WHTI" must be done right. There is growing momentum to extend the mandatory date to insure this outcome while dealing with some stark realities.

Congresswoman Louise Slaughter, Ranking Member, Rules Comm.

She was very happy to see friends from the Canadian Parliament and Senate as she has actively participated with the Canada/U.S. Parliamentary Group for a number of years. Northern Border priorities involve improving some existing programs. NEXUS and FAST are very valuable and should be expanded. Their enrollment process is too cumbersome. The fee is a serious deterrent to expanding participation as well as lack of service and ability to use Border-wide. Recently held an excellent meeting with Minister Stockwell Day in Ottawa. Both Governments need to make "known low-risk traveler programs a bigger priority." Overlooked her Secure Traveler Improvement Act Bill that addresses the barriers to broad improvements.

FDA hours are too limited - 24/7 service capability is needed. The recent APHIS rule to collect fees at the Border is very negative and is counter to the direction the Smart Border is heading. "The big elephant in the room is WHTI. I am dedicated to fixing WHTI." "I am requesting an appropriate economic analysis before DHS can implement any plan."

CANADIAN PARLIAMENTARIANS REMARKS and DISCUSSION

Senator Jerry Grafstein, Canada/US Parliamentary Group Co-Chair

Discussed our integrated economies. Cited the Auto Industry having 26,000 components in a vehicle. Across Border manufacturing on a vehicle in both countries makes the Border KEY. Provided an excellent summation of what really matters: productivity is absolutely essential; educating the grass roots public in both countries; visiting each others key constituencies and interacting with elected officials at all levels; in the long run North America can be energy independent; Cross Border Bi-national regional Economies are the drivers of economic vitality and Agricultural protective interests hurt.

Shared a key piece of common sense advice "Don't let perfect drive out the good." Cited Can/Am BTA's ability to cut through and achieve collaboration.

Introduced the new Co-Chair Member of Parliament, Rob Merrifield complemented his energetic, knowledgeable activities, contributions and effective leadership.

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Rob Merrifield, M.P., Canada/US Parliamentary Group Co-Chair

U.S. and Canada is a natural partner match with the most integrated Border in the World. Posing the question “How do we best look after it?” “WHTI” is a U.S. Congress decision. Extension date will need to come from Congress. Bottom line we must do it right! Concern with APHIS rule etc. creates perception that Border thresholds are getting higher although U.S. and Canadian Administrations are pulling in the same direction, more closely. “We must “not turtle” but link up together.”

Summary Remarks

**Bruce Agnew, Executive Board Member CAN/AM BTA,
Director, Cascadia Center**

These are momentous times with Global effects, paradigm shifts, plus an array of forces moving in all directions. It is a time of opportunity to get the border right and achieve enhanced economic security by “truly facilitating known low-risk goods and people.” In that vein, urged participants to provide their ideas on focus and issues that Can/Am BTA should be monitoring or involved in, if not doing so currently.

Thanked all Speakers and Participants for making this Conference such a great success! Can/Am Border Trade Alliance continues to make a difference. Excellent speakers and involved participants make that success possible.

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CAN/AM BTA THANKS THE SPEAKERS, PARTICIPANTS AND SPONSORS FOR MAKING THIS A MOST EFFECTIVE AND SUCCESSFUL CONFERENCE

Jim Phillips, President & CEO

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