

THE CAN/AM BORDER TRADE ALLIANCE
U.S. AND CANADIAN FOCUS

**TRADE CORRIDOR - BORDER GATEWAY AND
BI-NATIONAL REGIONAL ECONOMIES CONFERENCE**

In conjunction with the:

Bridge and Tunnel Operators Association

Council of State Governments East (Canadian Provinces Comm.)

SUMMARY HIGHLIGHTS
BELLINGHAM, WASHINGTON NOV. 12-14, 2006

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

BRIEFING AND WORK SESSION

A unique opportunity for First Hand Interaction with peers involved in Trade Corridors, Border Gateways and Bi-national Regional Economies: Federal Highway Admin.; Transport Canada; General Services Admin.; Infrastructure Canada; U.S/Canada Joint Transportation Working Group; Canadian Border Services Agency and Customs and Border Protection

Focus: Transportation / Trade Corridors /
Border Gateways / Bi-national Regional Economies

plus "Best Practice" exchange of Views and Initiatives between

- Highway, Trade Corridor, Border Gateway
- Bi-national Regional Economies Organizations,
- Provincial Ministries of Transportation
- State Departments of Transportation
- and Economic Development Agencies

**"MARKET ACCESS" DEPENDS ON:
CONNECTIONS + TRANSPORTATION =**

TRADE = JOBS = QUALITY OF OUR LIVES

CAN/AM BTA wishes to thank the Canadian and U.S. Participants and Speakers for their meaningful insights in making this Conference a success.

Recognized Leaders involved with Trade Corridor / Intermodal, Border Gateway and Bi-National Regional Economy activities serve on the Can/Am BTA Council. Collectively, representing 21 Corridors (carrying the predominance of Canada/US two-way Trade), 7 Bi-National Regional Economies spanning the Pacific to Atlantic Oceans plus the Canada /US Border Gateways. The Leaders in attendance were either active participants in Can/Am BTA or associated. The result: an accelerated ability to reach consensus.

BORDER MANAGEMENT TOPIC ISSUES - Emerging Initiatives / Policies / Procedures / Shifts Affecting Border Crossing Practices / Transportation / Critical Border Management Issues Needing Resolution.

BI-NATIONAL “REGIONAL” ECONOMIES

- Pacific Northwest Economic Region,
- Rocky Mountain West Economic Region,
- Northern Great Plains Economic Region,
- Midwest (Great Lakes) Economic Region,
- Ontario-New York Economic Region
- Quebec-New York Economic Region,
- Maritimes-Eastern United States Economic Region,

BORDER GATEWAYS

- Maine / Vermont Border Crossings,
- Champlain Port of Entry,
- MI / NY / Ontario Bridge&Tunnel Border Crossings,
- Int'l. Mobility Transportation Corridor (B.C. /WA),
- Balance of Northern Border Crossings,

TRADE CORRIDORS (Highway and Rail) CONNECTING U.S. & CANADA

I-5 ALASKA / BRITISH COLUMBIA / SAN DIEGO, CA. to MEXICO

395-25 BRITISH COLUMBIA / WASHINGTON STATE

- I-15 ALBERTA / SAN DIEGO, CA. to MEXICO
- I-25 BUFFALO & CHEYENNE, WY. / EL PASO, TX. to MEXICO
(CALGARY VIA LETHBRIDGE I-15 to BUTTE, MT. I-90 EAST to I-25)
- I-29 MANITOBA / KANSAS, KA. (JOINS I-35)
(SASKATCHEWAN VIA PORTAL, ND. 52, I-90 EAST to I-29)
- I-35 ONT./INT. FALLS, MN./SAN ANTONIO, TX.-MEXICO (53 to DULUTH, MN)
- I-69 HURON, MI. / INDIANAPOLIS, IN. (PROPOSED TO LAREDO, MCALLEN
& BROWNSVILLE, TX. to MEXICO)
- I-75 SAULT ST. MARIE, ONTARIO / FLORIDA (WEST COAST)
(I-69 WEST FROM HURON to I-75 TO DAYTON, OH.
40, 70/44 WEST to I-35 TO SAN ANTONIO, TX. I-10 OR LAREDO, TX.)
- 219 FORT ERIE, ONTARIO – BUFFALO, N.Y. – WEST VIRGINIA & SOUTH
QUEENSTON, ONT. – LEWISTON, N.Y.– WEST VIRGINIA SOUTH (to I-80)
- I-81 OTTAWA, ONTARIO / VIRGINIA & SOUTH (CAPITAL CORRIDOR)
- I-87 MONTREAL, QUEBEC / NEW YORK CITY & SOUTH
- I-91/89 QUEBEC CITY, QUEBEC / HARTFORD, CT. & BOSTON, MA.
- I-95 MARITIME PROVINCES / MIAMI, FL.

EAST /WEST

- I-94 DETROIT, MI. / CHICAGO, IL. (I-75)
- I-94 WI./MN. / MT. (I-29 / I-35)
- I-90 WI. / MN. / SD. / MT. (CONNECTS I-15 / I-25 / I-29 / I-35)
- I-90 NEW YORK STATE (CONNECTS to 219 / I-81 / I-87)
- I-80 CHICAGO, IL. / INDIANA / OHIO / PENNSYLVANIA / NEW YORK CITY
- I-80 WYOMING (CONNECTS I-15 to I-25)

HEARTLAND CORRIDOR (INDIANAPOLIS, IN. - TOLEDO, OH.)

GREAT LAKES TRADE CORRIDOR

-TRUCKING

-RAIL CORRIDORS AND INTERMODAL

-CORRIDOR FOCUS NEW YORK STATE DEPARTMENT of TRANSPORTATION

Sunday night was a “working dinner” with in-depth briefing (several hours) on Canada/US Border Initiatives, Issues and Realities, WHTI given by Jim Phillips, President & CEO of Can/Am BTA. Power point presentations were utilized covering: USCBP ACE; NEXUS improvements and near future announcements; including the 7 Bi-national Regional Economies presentations given in Ottawa to the PCO/PRI also before the Senate Banking and Trade Committee; an update on the continuing implementation of the Perimeter Clearance Strategy for US/Canada plus a review of the Alberta Oil Sands status / development.

Council co-chairs **Bruce Agnew, Director Cascadia Center, Greg Dandewich, Director Economic Development Destination Winnipeg, Garry Douglas, President & CEO Plattsburgh Chamber and Quebec/NY Corridor** Welcomed participants to the 2006 Conference.

Bruce, as Host Co-chair, reviewed some of the Region’s priorities i.e., preparing for the 2010 Olympics, the “TWO” Nation Vacation, the West Coast Corridor Coalition (Alaska to California), and the Pacific Gateway project.

Greg Dandewich discussed Mid-Continent activity on “value added” upgrades, described the Meadowlark Project (developing scenarios for the region), the initiation of a Private Sector Investment Council, envision the Big Picture-develop actionable items-prioritize. Relationships are key. We must all work together.

Garry Douglas reminded all “where things move is where prosperity is” Transportation is the core. Having many years of Senior Staff experience in the Congress, he gave an insightful assessment of the likely changes in the 110th US Congress come next January. Overall outlook is beneficial to US/Canada Border Issues while tougher on Trade.

Monday the Conference participants traveled to four US/Canada Border Ports, viewing the Sumas/Huntingdon, Lynden/Aldergrove, Peace Arch crossings, We were given in-depth tours of the Pacific Highway Port of Entry by the Canadian Border Services Agency and U.S. Customs Border Protection respectively.

Monday Evening PRESENTATIONS:

FEDERAL HIGHWAY ADMIN./U.S. DEPARTMENT OF TRANSPORTATION

Michael Brower, P.E., Federal Highway Administration

Reviewed SAFETEA-LU funding through 2009 (\$244.1 Billion).

Gave specifics of the Coordinated Border Infrastructure Program (Section 1303) described the formula and the Authorizations(by year) for the Northern Border States.

Discussed the Projects of National and Regional Significance, the National Corridor Infrastructure Improvement Program, the Truck Parking Facilities Grant Initiative and the Freight Intermodal Distribution Pilot Grant Program.

STRATEGIC INFRASTRUCTURE CANADA

Mimi Sukhdeo, Reginal Director Coordination and Policy, Transport Canada

Infrastructure Fund 2006 Budget is \$16.5 billion. Shared Principles of Investment Focus – Provided detailed updates of the British Columbia Border Projects including status and

progress of each.

4

TRANSPORT CANADA

Mimi Sukhdeo, Regional Director Coordination and Policy, Transport Canada

Reviewed status of Bill C-3, International Bridges and Tunnels Act, and Bill C-11 Amendments to the Transport Act. Discussed the Asia Pacific Gateway and Corridor Initiative involving \$321 million in immediate measures.

TRANSPORTATION BORDER WORKING GROUP (Bi-national U.S./Canada)

Mimi Sukhdeo, Regional Director Coordination and Policy, Transport Canada

Presented overview-Focus-Action Plan for 19 Border States and Provinces. U.S. and Canada are committed to working closely and continue to do so. Reviewed the Oct. meeting: the Border Infrastructure Coordination Subcommittee; the Policy Subcommittee; the ITS Subcommittee on Border Info-Flow Architecture. A Border Infrastructure Compendium being produced. Urged review of website (www.thebtwg.org).

GENERAL SERVICES ADMINISTRATION

Ralph Scalese, Northern Border Program Coordinator, GSA

Provided cost and status of GSA Northern Border Projects including details of projects, recently completed, as well as those under construction plus those for which construction starts are planned for 2007. Described the "Port of the Future" initiative underway by GSA and CBP to identify innovations of Process, Program, and Product to serve the increased demands on the Border Station Program. Reviewed the infrastructure and facility support GSA is providing to the US-VISIT Program.

U.S. CUSTOMS AND BORDER PROTECTION

Peg Fearon, Port Director, CBP

Ken Williams, Chief of Cargo Area, CBP

Provided comprehensive overview of the activity levels at the crossings. NEXUS enrollment here is 57 thousand who make 26% of the trips at Peace Arch. FAST is 7% of trucks at Pac Highway. Process 1300 trucks a day VACIS'ing on average 250 – 280 with the VACIS II Cobalt machine taking about 1½ minutes to do cab and trailer. (Just made Ecstasy seizure of \$6.5 million). Reported opening of the Seattle and Vancouver off Border NEXUS Urban Interview Sites.

CANADA BORDER SERVICES AGENCY

Jim Phillips for CBSA

Reviewed plans for ACI E-Manifest and pre-arrival notice by mode (harmonized with U.S. requirements). Discussed the 2006/7 budget funding AIR NEXUS roll out. Reiterated the activity / status facts described by Doug Clarke, Acting District Director, CBSA on the excellent tour Doug Clarke provided earlier in the day.

NEW YORK STATE CORRIDORS INITIATIVE

Ken Carlsen, Associate Transportation Analyst, New York State DOT

Provided detailed insight into the New York extensive Corridor Program and its economic contributions. Described focus and strategies being utilized (bottleneck analysis). Shared impactful 21st Century Global Vision including mapping the Distribution Cluster

Companies active in New York State. Reviewed the Niagara Gateway activity with Canada.

5

TUESDAY PRESENTATIONS:

Introduction

Bob Frazier, VP External Affairs, Western Washington Univ, Chair Can/Am BTA

Shared his concerns, priority needs and points to remember. Border happenings make it appear there is a loss of focus on the Harmonization of people. Too many cards cause confusion. Priorities should be: TRUE Shared Facilities; SPEEDY IMPLEMENTATION of the US/Canada Perimeter Clearance Strategy as outlined in 2002; GOOD INFORMATION is essential. We must work together “focusing less on differences and more on similarities” or we will have “The Longest Encumbered Border.” Overviewed the WWU Border Policy Research Institute.

Don Alper, Director, Border Policy Institute, Western Washington University

The Institute is funded and compliments the WWU long standing Canada/US Study Program. Issue bi-monthly “Border Briefs” as a communications tool. Currently the Institute is working on 15 major Research Reports, two of which were presented at this Conference.

“Regional Effects of Liberalizing NAFTA Rules of Origin”

Paul Storer, Associate Professor, Economics Dept., WWU

Rules of Origin provide access to NAFTA Tariff Preferences. Compliance costs are non-trivial. Liberalization of Rules of Origin (ROO) are a priority of the SPP initiative as NAFTA is a highly restrictive Trade Agreement. Research is undertaken to determine Trade volume impact and whether regional differences occur on utilization of the benefits. Great variability in Regional (ROO) utilization rates were found ranging from 32% in Seattle to 72% in Detroit. Low utilization may result from Tariff Preference “benefit” too low or costs to comply too high. Size of company and commodity mix are possible explanations. Research continues in order to quantify reasons and factors.

“Understanding Impact of Variability in Border Crossing Times on Region Supply Chains On US/Canadian Border”

Anne Goodchild, Assistant Professor, University of Washington

“Congestion delay costs” at the Border are a costly major problem. Solutions require performance measurements to make data driven decisions. Research goal: to understand the impact of variability to guide decisions on investment and operational changes having the most positive impact on cross-border freight transportation. 12,000 data points from FAST, probe vehicles, reflect average crossing time at Pac Highway is (23 minutes southbound to US) (with a 90th percentile of 47 minutes) with (17 minutes northbound to Canada). Factors being looked at are: increasing buffer time; increasing safety stock, changing logistics structure of distribution center locations.

**“Improving Security and Efficiency on Canadian/US Border:
A Process Mapping Approach”**

**Dr. Garland Chow, Director, Bureau Intelligent Transportation & Freight Security,
Sauder School of Business UBC (joint venture of Transport Canada&BC Transport)**

Purpose: to effectively conduct and disseminate research in the application of Intelligent Transportation Systems to ensure the secure and efficient movement of freight across International Borders. Reviewed the process mapping details and simulation approaches being utilized, as well as the Scope of Scenario Analysis, for each of the modes (Truck, Rail, Air, Marine).

“International Mobility & Trade Corridor Project Update”

Melissa Miller, Project Coordinator, Whatcom Council of Governments

Cascade Gateway is composed of the 4 Land Border Crossings toured by attendees. Reviewed the purpose, initiatives, makeup of the 70 IMTC active participant organizations for the past 10 yrs, the accomplishments/the active projects. Presented a timeline to year 2010 for the completion of the 16 major construction projects currently active. Shared the source of funding for IMTC. Outlined the Bi-national Transportation Model initiative including the authorized use of the Border Wizard Model to which an independent component is being added. Reviewed IMTC active FAST/NEXUS marketing initiatives. Outlined IMTC Short Sea Shipping Study and Advanced Traveler Information projects.

Jim Phillips conducted a Roundtable Request for participants to state their top two Challenges or Concerns. (Advised earlier so time would be allowed to give careful thought to responses).

- Canada and US Labor mobility / Ability to repair equipment in each others Country
- Clarity on WHTI/joint card for Canadians/Border becoming a psychological barrier
- New Dynamic of US Congress
- Regional Empowerment / Federal Rail Policy
- Reality of E-Manifest / Effective Incident Recovery Plan (cooperative US/Canada)
- Coordinated Bi-national Infrastructure Plan / new APHIS regulation
- Collaborative approach / Identify and complete practical short term wins
- Lack of good data / increase acceptance of Regional leadership
- False perceptions of US/Canada Border reality / fix AMTRAK
- Lack of NEXUS FAST (enrollment) to reach critical mass
- GSA funding is inadequate to meet needs
- CBSA staffing of new Land Border Port expansions
- Encourage increased regional bi-national coordination (PNWER political model, IMTC border operations model as best practice examples for other regions)
- Regional funding of priorities / Federal Reauthorization
- Install IMTC for Michigan, New York and Ontario / Complete the Detroit River International Crossing Project
- Manage Border from Advance Information (Cargo is mandatory people are not)
- Much more co-operative Harmonization between US and Canada

- Develop activity patterns and solutions for both North/South and East/West
- Enhance benefit of facilitation for Low-Risk Goods and People
- Timely implementation of Perimeter Clearance Strategy for US and Canada
- Eliminate current excessive “mixed messages” from Gov’t Border Management
- US and Canada are “card weary.” Need “one card” to cover all modes and menu of activities for an individual.

Discussion held and decision made to hold the 2007 Can/Am BTA Trade Corridor, Border Gateways and Bi-national Regional Economies Conference and Work Session in Montreal in November, 2007. Included will be a tour of the new Champlain/LaColle Land Border Port plus a tour of the Montreal Sea Port. Details to follow.

A visit to Washington, D.C. in late January/early February, 2007 will be developed to meet some of the new Congressional leaders and members. Details to follow.

Summary to be distributed to all attendees via our Email Group Communication System.

CAN/AM BTA APPRECIATES ALL SPONSORS

**CONFERENCE SPONSOR : FOREIGN AFFAIRS
AND INTERNATIONAL TRADE CANADA**

PATRON SPONSOR:CEMENT ASSOCIATION OF CANADA

**CANADIAN NATIONAL
BUFFALO AND FORT ERIE PUBLIC BRIDGE AUTHORITY
ERB GROUP OF COMPANIES**

**MERIDIAN IQ YRC WORLDWIDE
NIAGARA FALLS BRIDGE COMMISSION
STANTEC CONSULTING GROUP**

**WHATCOM COUNCIL OF GOVERNMENTS
WILLIAM-LYNN-JAMES. INC.**

Future Can/Am BTA Conferences

:Ottawa, Ontario	April 29-May 1, 2007
:Anchorage, AK (with PNWER)	July 21-27, 2007
:Washington, D.C.	Sept. 9-11, 2007
:Montreal, Quebec	Nov. 2007

Jim Phillips