

**CONFERENCE SUMMARY  
CAN/AM BTA SEPT. 22-24, 2002 WASHINGTON, D.C.**

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 Two Largest Trading Partners CANADA and the UNITED STATES.

**CAN/AM BTA 2002 WASHINGTON, D.C. CONFERENCE HIGHLIGHTS**  
held at Holiday Inn on the Hill

**The next Can/Am BTA Conference Ottawa, Canada May 4- 6, 2003.  
At the Chateau Laurier**

Conference Speakers acknowledged CAN/AM BTA's leadership role:

**(Chris Hornbarger – Homeland Security)**

"Gov. Tom Ridge appreciates CAN/AM BTA's contributions and work with both the U.S. and Canadian governments to implement the Smart Border Plan, especially the extraordinary contributions of constructive and useful input."

**(Jim Ziglar – Commissioner, U.S. Immigration and Naturalization Service)**

"The CANADIAN/AMERICAN BORDER TRADE ALLIANCE's effective involvement in improving border management is indispensable. Especially it's clear broad vision, innovative ideas and plain common sense."

**(Congressman John LaFalce)**

"Before CAN/AM BTA, there was nothing to represent the U.S./Canada border. Today it is the CAN/AM BTA, who has proven to be very successful and effective. Keep up the great work!"

**(George Person, Act. Director, American/African Affairs U.S. Dept. of Energy)**

"Secretary Abraham sends his personal regards and emphasizes the importance of the CAN/AM BTA."

**(James Derham, Deputy Ass't Secretary Western Hemisphere, U.S. Dept. of State)**

"The State Department appreciates the successful work of CAN/AM BTA to forge deeper effective ties with Canada, keeping both Governments feet to the fire."

**(Yvon Bertrand, Exec. Director Quebec Area, Canadian Food Inspec. Agency)**

"Appreciate CAN/AM BTA's effective proactive efforts in governance of border management."

**(Peter Boehm, Minister Political Affairs, Canadian Embassy to the U.S.)**

"I want to recognize the close working relationship between the Canadian Embassy and the CAN/AM BTA."

**(Bill Heffelfinger, Deputy Ass't Commissioner, Field Ops. U.S. Customs)**

"Recognized the important role of CAN/AM BTA in achieving border improvements."

**CAN/AM BORDER TRADE ALLIANCE CONFERENCE SUMMARY SEPT. 2002**

**CONFERENCE SPEAKERS AND THEIR MESSAGE**

**Gil Duhn, Mgr. Customs, General Motors, CAN/AM BTA Exec. Board – Welcome**  
Greeted attendees and expressed appreciation for their participation. Reiterated CAN/AM BTA's long time record of working closely with both Canadian and U.S. governments, at no time more closely than since Sept. 11. Pledged the continued work of the Alliance on improved border management and practices such as Free And Secure Freight (FAST).

**Jerry Nagel, President, Northern Great Plains, Inc., CAN/AM BTA Exec. Board**  
Advised this was the 9<sup>th</sup> annual CAN/AM BTA Washington, D.C. Conference. Suggested we have a 10 year party next year. Reviewed the intent of the Annual Conferences to bring the highest level of government executives to provide the latest information on critical issues. The agenda provides discussion, and insight with specific dialogue with each speaker. This year Energy and Agriculture are an important key focus.

**HOMELAND SECURITY - CANADA/U.S. COOPERATION AND BORDER MANAGEMENT ACTIVITIES OF A SMART BORDER FOR THE 21<sup>ST</sup> CENTURY**

**Chris Hornbarger, Homeland Security**

Homeland Security views border security and efficiency as 2 sides of the same coin. Open markets, free and efficient movement of low-risk goods and people are essential to revitalize the economy enhancing its continued vitality.

The partnership of U.S. and Canada is strong. The Government of the U.S. is extremely thankful to Canada for its extensive cooperation. Border management was an immediate focus with the successful signing of the U.S./Canada Smart Border Declaration on Dec. 12, 2001. Homeland views the U.S./Canada Smart Border Declaration as making extraordinary progress to date on all 30 points: some are complete; all have progressed and none are stalled. Phase 2 of the U.S./Canada Smart Border Declaration focus include: Efficiently dealing with Statutory Mandate of Entry/Exit; Bio-Health Terrorism Security; Agri Terrorism; cooperation on Scientific / Technical Research; international cooperation on global transport security; traveler documents and Maritime Container Security.

Forming Homeland Security involves about 100 federal agencies from every Cabinet sector and almost 87,000 local institutions involving a comprehensive policy, from law enforcement to public health to border management. The Homeland Security blueprint provides overarching guidance, stressing low-risk trade facilitation. Authority is with the Secretary – who delegates. Homeland consolidates port-of-entry inspection for efficiency / security together and separates low-risk from high-risk utilizing risk management to focus on high-risk.

Administration priorities for FY '03: First Responders; Bio-Terrorism; Information Sharing; and Implementing the 30 Points from the U.S./Canada Smart Border Declaration to actually achieve tangible positive change on the border.

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**TRADE POLICY – IMPORTANCE OF U.S./CANADA TRADE AND RELATIONS**

**William Lash III, Ass't Secretary Market Access/Compliance, Dept.Commerce**

The U.S. Commerce relationship with Canada is the model and lynch pin. The U.S. trade relationship with Canada is the basis upon which the U.S. builds other trade relationships. It has an open investment policy. Disputes, except for a few, are solved by dialogue with Canada. Softwood lumber is one of the few and hopefully positive dialogue is commencing.

The U.S. takes complaints of its friends seriously. Most complaints with Canada are worked out utilizing dialogue and discussion. He discussed: pharmaceutical patents; generics; Canada's great innovative scientists; audio visual Canadian content; how free trade can work multilaterally; bilateral problem solving and joint bilateral cooperation. He stated Canada is in the top 5 in the World in transparency status of doing business. He discussed the Free Trade of the Americas Agreement (FTAA) development involving 34 democracies, with 800 million consumers and a \$17 trillion market.

Introduced Juliet Bender,NAFTA Office Director / Carlos Busquets, Canada Desk.

**ENERGY - IMPORTANCE OF THE U.S./CANADA ENERGY RELATIONSHIP**

**George Person, Act. Director American/African Affairs, U.S. Dept. of Energy**

The U.S. and Canada are closely linked in energy systems, integrated into a continental energy market. Canada is the "largest energy supplier" to the U.S. (Canada supplies 10 % of U.S. oil consumption, 100 % of imported electricity and 94% of imported natural gas). Canada, post 9/11, has become a most important bilateral and regional focus especially the underdeveloped resources and the Alberta Tar Sands whose oil content surpasses Saudi Arabia. Consumption in the U.S. in 20 years is forecasted to increase 33% in oil, 45% in electricity and 62% in natural gas from today's levels.

In 1979 the U.S. formed an extensive and effective formal relationship with Energy Canada initiatives include: full and free trade; R&D, Science & Technology; Fuel Cell Development; the North American Working Group augmenting strong U.S./Canada bilateral, Bio Energy, Fossil Fuel efficiency, Oil Tar Sands commercial viability; Common Methodology (Canada leads the Electrical Regulations effort); Harmonizing Energy Standards (not imposing single standard); critical infrastructure protection and enhancing energy security. Hemisphere Energy Commission, involving 84 countries, is underway.

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**THE CANADIAN PERSPECTIVE**

**Peter Boehm, Minister Political Affairs, Canadian Embassy to the U.S.**

There are extensive comprehensive links between the U.S. and Canada. The management of our Shared Border is a priority. The desire is to have 130 controlled "gates not fences" at the Canada/U.S. crossings. 90% of trade activity occurs at 20 of those crossings and 65% at 4. The objective is to expedite low-risk goods / people. Canada in its Dec. 2001 budget specified \$5 billion for the border and security. Canada is committed to the Smart Border Declaration with the U.S. and beyond. Reviewed and highlighted the '89 FTA, '94 NAFTA, '95 Shared Border Accord, '97 Border vision and the political resolve resulting from 9/11. Canada's important interests are heard and understood. The rule of law and unfettered commerce equal opportunity.

Defined Homeland Security as the interlocutor of the border. "One size does not fit all for all ports on the Northern Border." The U.S. Northern Border is not the Southern Border. It is very different. Recognized the role of first responders, cooperation with other governments (state , provincial, municipal, local) and between the U.S. and Canada. Highlighted the need for communication involving the introduction of unexpected measures i.e. snow birds, part time students, Canadian citizens from specific countries and Entry/Exit.

**VIEW FROM U.S. CUSTOMS**

**William Heffelfinger, Deputy Ass't Commissioner, Field Ops. U.S. Customs**

Commissioner Bonner had agreed to speak at this conference but was called to Asia to sign up the ports of Singapore and Hong Kong into the Container Security Initiative (CSI). He wished to thank CAN/Am BTA for its positive relationship with U.S. Customs. Bill asked that the Canada Customs and Revenue Agency (CCRA) representatives in the audience be recognized as he voiced his personal thanks for their efforts and actions as a partner with the U.S.

U.S. Customs shares interests with the trade community, supports the efficient flow of trade/unfettered movement of legal people and must understand trade stakeholders needs. CSI, NEXUS and FAST all got their starts from cooperative Canada/U.S. initiatives. Customs not interested in looking at every shipment but must think in terms of known low-risk programs using risk management to achieve security. If terrorist threats stop or cause delays in trade, they win. If we can move 95 % as low-risk and focus on the 5 % potential high risk, we can achieve security and improved facilitation together.

Advised he had ordered an Outbound Report to be completed to objectively evaluate ending, changing or continuing the initiative. Advised increased training slots had been scheduled for 1,728 new Customs personnel.

Edit note: Bill is now responsible for approximately 13,500 Customs personnel.

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**TRANSPORTATION / CORRIDORS / GATEWAYS TEA 21 REAUTHORIZATION**

**Cynthia Burbank, Associate Administrator, Federal Highways, U.S. DOT**

Introduced Jill Hochman, Director Office of Intermodal, Roger Petzold, FHWA and Stephanie Roth, FHWA. Reported that only \$62 million of the TEA 21 \$700 million Border and Corridors program was spent on Northern Border projects. Highlighted the Transportation Joint Working Group focusing on: compendium of border needs; financing sources; acting as a clearinghouse; coordinating technology development/utilization; cargo seal technology and improving clearance times. The objective is to assist in the implementation of the surface elements of the Ridge/Manley Smart Border: infrastructure; dedicated lanes; border modeling; interoperable ITS technology; electronic seals; transponders and critical infrastructure protection.

Presented excellent description of upcoming 6 yr. reauthorization priorities /approach. Since big dollars are involved, there is lots of interest. Described the “3 key” priorities and percent of effort each receives: #1 -how much money to appropriate (90%), #2 -who is to get the money (distribution formula) (9%) #3 - what can the money be used for (1%). Proposal is to be to Congress Feb. 2003. It is to provide efficient and sound infrastructure and will support U.S./Canada and U.S./Mexico trade. Predict in this bill “Borders and Corridors” will be funded from 2 separate pots as opposed to 1 shared pot in TEA 21. Total dollars appropriated for the overall program will dictate the amounts ultimately designated for Borders and Corridors. Determination of total dollars will be affected by priority given to Transport in the overall budget plus the actual collection of gas tax revenue.

Advised border improvement focus is increasing in Congress and Government as well as heightened emphasis on freight issues.

Recommended frequent visits to web site [www.fhwa.dot.gov/reauthorization/](http://www.fhwa.dot.gov/reauthorization/)

**VIEW FROM U.S. IMMIGRATION AND NATURALIZATION SERVICE (INS)**

**James Ziglar, Commissioner, U.S. Immigration and Naturalization Service**

Introduced Joe Karpinski, Director Congressional Relations and Bob Mocny, Deputy Assistant Commissioner.

The Commissioner reiterated that speaking to the CAN/AM BTA was his first public appearance last Sept. 21, 2001 after having been confirmed as INS Commissioner. He was delighted to be with Can/Am BTA again.

Highlighted the long standing friendship with Canada noting that no two countries enjoy a closer relationship. Our two countries’ economy and future are intertwined. With regard to the shared U.S./Canada border we must protect the public and facilitate low-risk legal people and commerce.

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Swift and dramatic reaction could hurt the economy and must not. Fears are not unfounded but solutions must be effective. Many quick fixes only make the uninitiated feel better. We must avoid the “fortress mentality.” We must insure that ineffectual, impractical untested security mandates don’t become a reality. Zero risk mentality must be avoided as it is not realistically achievable. Reasonable risk through risk assessment results in maintaining a vibrant economy. If you shut the border, you wouldn’t achieve “no risk.” Some have said “look at everything” which can’t and shouldn’t be done. Legitimate entry for nefarious purposes can’t be detected or stopped. Risk management identifying and facilitating low-risk succeeds.

Good intelligence and vigilance are important as human beings are connected to terror. Effective border control for the U.S. and Canada originates overseas. We must get away from the mind set “we do it this way because we have always done it this way.” We are improving relations with Canada through the Smart Border process.

We need to know who we are, how we got here and what we stand for.

Can/Am BTA honored Jim Ziglar for his leadership, which truly made a difference, during this very difficult time.

**AGRICULTURE**

**JOINT PANEL U.S. DEPT. OF AGRICULTURE/CAN. FOOD INSPEC. AGENCY**

**Yvon Bertrand, Executive Director Quebec Area, CFIA**  
**Dr. Richard Dunkle, Deputy Administrator, USDA**  
**Bill Teeter, Executive Director Ontario Area, CFIA**  
**Dr. Leann Thomas, Director Veterinary Medicine, USDA**  
**Fred Thomas, Import/Export Spec., Phytosanitary Issues Mgt., USDA**  
**Mark Willcox, National Manager, Import Programs, CFIA**

This was a special occasion as these two agencies USDA and CFIA, who have cooperated and achieved joint efforts over a number of years, came together to discuss what they have done and what they further intend to do.

The Canadian Food and Inspection Agency is Canada’s largest scientific based regulator with 5,000 people, 180 field offices and 22 laboratories. It is one of the 3 Canadian organizations functioning on the border with Customs and Immigration.

Accomplishments: Risk Based Management; created 3 Import Service Centres (Montreal, Toronto, Vancouver); improved transparency of regulations; developed an Import Policy and strong relationship with U.S. including joint shared facilities.

Future specific objectives with U.S: Risk Pathway Analysis; enhance targeting; enhance information sharing; bio-security cooperation (including offshore); joint program design (same criteria); cross designation and data sharing.

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The U.S. Department of Agriculture (USDA) conducts inspections with 3,000 people. USDA has a solid history of proactive cooperation with Canada CFIA. U.S./Canada trade is important. Stated that risk scenarios change over time and adjusted programs are harmonized with Canada.

Detailed numerous established programs for inspection and certification so that pest and disease clearance occurs at origin and not performed at the actual border. Highlighted facility sharing, origin risk detection, bilateral agreements on harmonization, joint risk assessment, joint targeting, information sharing and extensive smuggling interdiction activity.

**VIEW FROM U.S. THE DEPARTMENT OF STATE**

**James Derham, Deputy Ass't Secretary, Western Hemisphere, Dept. of State**

The State Department is doing extensive work on the border with Homeland Security. The U.S./Canada global partnership is to identify problems and threats on foreign soil resulting in less problems at our borders. The U.S. has no more steadfast partner than Canada: the 9/11 air landings; the Sept.18th 100,000 people Memorial Service on Parliament Hill; ground troops, naval and air side by side with U.S.; a long tradition of military cooperation; 500 defense and security bilateral agreements; participation in NORAD and now Canadian participation in the new Northern Command. Highlighted global trade security initiative jointly led by U.S./Canada, and reviewed multilateral initiatives from APEC to G8.

Cited the Perimeter Clearance Strategy to focus "offshore and at point of first arrival" which also allows the internal 49<sup>th</sup> parallel U.S./Canada Border to be much more facilitative and efficient.

Highlighted that the media market appears to be for bad news (response to ... Canada is the U. S. greatest and most trustworthy friend, rates only a ... "so?")

**RAIL ISSUES AND OTHER KEY BORDER ISSUES**

**Congressman Jack Quinn, Chair House Trans. & Infra. Rail Subcommittee**

Complemented Congressman John LaFalce as a good friend and a strong Canada/U.S. advocate who will be missed. Urged CAN/AM BTA to keep a high profile.

Highlighted and discussed the needed transparent reality of the U.S./Canada border. Cited the Homeland Security Bill, when passed, could take several years to implement. Ultimate outcome at the U.S./Canada border "must not be" at the expense of commerce. In fact must improve the ability to facilitate low-risk cargo and people.

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Summarized Rail Issues; committee meeting with employees and rail company executives on security (discuss what we do now and what else to do) to form a working group, Amtrak Bill re: People Moving process/security. Key is discussion and interchange.

Can/Am BTA honored Jack for his high priority effective efforts on U.S./Canada border issues.

**DATA MANAGEMENT IMPROVEMENT ACT (DMIA) TASK FORCE**

**Jim Phillips, President Can/Am BTA, DMIA North. Land Border T.F. Co-chair  
Mike Cronin, Ass't Commissioner, U.S. INS, DMIA T.F. Chairman for Att. Gen.  
Dominica Gutierrez, Executive Director, DMIA T.F. Office, U.S.INS  
Bob Mocny, Dep. Ass't. Commissioner, U.S. INS, Director Entry/Exit Office**

The Data Management Improvement Act (DMIA) of 2000 Entry/Exit appointed task force operation was described. The task force is fully formed and will monitor INS progress toward accomplishment and provide recommendations. There are four sub-committees: air; sea; southern land border and northern land border. Reviewed the Task Force first annual report process due to Congress by Dec. 31, 2002. It will be there. Content will be released at that time.

Mike reiterated that Entry/Exit is a balance of enforcement and facilitation. The system is to implement nothing to impede goods and people. It is intended to be a transparent process. There is no preordained outcome of the Entry/Exit process such as exit booths. The system will be an appropriate balance of security and commerce with efficient and free movement of goods and people. Until evaluations and analyses are completed and relevant policy decisions made, the system design is not determined.

Dominica reviewed the DMIA Task Force process to date. She was complemented for keeping the review and deliberations on pace to meet the mandated timeframe.

**HOUSE NORTHERN BORDER CAUCUS**

**Congressman John LaFalce, Co-chair**

Stated his long standing activity in U.S./Canada relations has been very rewarding. He reiterated this as a priority interest. Quoted the famous truth that geography makes us neighbors, history makes us friends, economies make us partners and necessity makes us allies.

Urged us to be smart, to move "low-risk" to facilitate legitimate goods and people, and focus on "unknown and high-risk", avoid frivolous stops and searches.

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Summarized his key priorities yet to be accomplished: implement international zone at the border (Accord integrated processing area); move U.S. Customs commercial primary to Canada to make Commercial Vehicle Processing Center (CVPC) truly efficient as designed; utilize Traffic Streaming for access to primary processing for NEXUS and FAST low-risk vehicles and insure sustainability of initiatives. The Smart Border Plan is a blueprint of action with measurements.

**Congressman George Nethercutt Jr., Co-chair**

The Northern Border Caucus is very effective and will continue to be so. Need to cooperatively look at the U.S./Canada common security challenges. Border improvements need action in 4 categories: technology; manpower; infrastructure and cross border U.S./Canada cooperation.

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Can/Am BTA honored both John and George for their many accomplishments and contributions as co-chairs of the Northern Border Caucus. John formed the Caucus in 1994 at the request of Can/Am BTA to focus U.S./Canada border issues and needs. Caucus leadership has now been expanded to 4 co-chairs. The 3 new Congressmen co-chairs have accepted. We especially wish John good health and good luck upon his announced retirement from Congress at year end.

**CANADA CUSTOMS AND REVENUE AGENCY (CCRA)**

**The Honourable Elinor Caplan, Minister of National Revenue**

Introduced Denis Lefebvre, Ass't Commissioner, Canada Customs & Rev. Agency. Reviewed the critical importance of the border, interagency cooperation and U.S./Canada cooperation. Canada Customs enjoys an excellent relationship working with U.S. Customs. The U.S./Canada border needs to be secure but not locked up or locked down. U.S. and Canada are critical to each others well being. Highlighted and detailed a number of specific initiatives with status of each. Stated that failure is not an option, whether you are an American or a Canadian citizen we are in this together. Reviewed the impressive number of children recovered and criminals detained by CCRA officers.

**SUMMARY AND CLOSING REMARKS**

**Pat Whalen, CAN/AM BTA Executive Board**

Summarized how far Can/Am BTA has come since its inception 10 years ago. After the horrific events of 9/11, decision makers needed advice and counsel on how to keep trade moving without sacrificing security. Can/Am BTA's input helped considerably. We have a long way to go for the U.S. public to become aware of the importance of the Northern Border and Canada relations. Thanked speakers and attendees for their presence and participation. Thanked the members for their support. Look forward to seeing you all at the

Ottawa Conference - May 4-6, 2003 - at the Chateau Laurier.

**CAN/AM BTA THANKS THE SPEAKERS and PARTICIPANTS FOR MAKING THIS A MOST MEANINGFUL AND RECORD BREAKING CONFERENCE**

**CAN/AM BORDER TRADE ALLIANCE APPRECIATES**

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**The OTTAWA, CANADA CAN/AM BTA CONFERENCE 2003 IS MAY 4-6**

**Jim Phillips, President & CEO**

# CAN / AM BORDER TRADE ALLIANCE