

*THE BOARD OF DIRECTORS WITH
THE BI-NATIONAL MEMBERSHIP OF THE
CANADIAN/AMERICAN BORDER TRADE ALLIANCE
(CAN/AM BTA)*

*WISH TO THANK THE EXCELLENT SPEAKERS,
THE VERY SUPPORTIVE SPONSORS
AND INTERESTED PARTICIPANTS*

*WE ESPECIALLY ACKNOWLEDGE
AND APPRECIATE*

*CLAUDE CARRIERE
MINISTER ECONOMIC
AND DEPUTY HEAD OF MISSION*

*WITH
THE CANADIAN EMBASSY EXCELLENT STAFF
FOR ARRANGING THE ALWAYS MEMORABLE
CANADIAN EMBASSY ROOF TOP RECEPTION.*

*ALL CONTRIBUTED TO THIS 14TH
CAN/AM BTA WASHINGTON, D.C. CONFERENCE
BEING SUCH A RESOUNDING SUCCESS !*

*Can/Am BTA was especially pleased to have
representatives attend this Conference from the Canadian
Parliament, Canadian Provincial Governments and U.S.
Border States!*

*JIM PHILLIPS
PRESIDENT AND CEO*

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Can/Am BTA opened this year's Conference with a Tribute to the "Victims and Heroes" of 9/11. NORAD, on 9/11 was commanded by a Canadian General Officer. We also recognized the gracious hospitality of so many Canadians who opened their "Homes and Hearts" to the thousands of passengers allowed to land in Canada during such an unexpected emergency !

You may also recall that Senator Grafstein brought thousands of Canadians to visit New York City in a sign of Unity and Support. Can/Am BTA was one of the only organizations to fulfill its annual D.C. Conference date, although a majority of attendees had to drive many hours as they were not able to fly to Washington. Canada is a true good friend and neighbor. Can/Am wishes to "Thank All" on both sides of our shared Border who have worked so hard to prevent another 9/11.

**CAN/AM BTA IS PROUD TO ACKNOWLEDGE
OUR WASHINGTON 2005 SPONSORS**

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**CAN/AM BORDER TRADE ALLIANCE
SEPTEMBER 11-13, 2005 WASHINGTON, D.C. CONFERENCE SUMMARY
HIGHLIGHTS**

CAN/AM BTA is an organization with 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:

Corridors, Gateways& Economies	Winnipeg, Manitoba	Oct. 16-18, 2005
	Ottawa, Ontario	Apr.30-May 2, 2006
	Edmonton, AB (with PNWER)	July 16-20, 2006
	Washington, D.C.	Sept. 10-12, 2006

Excerpts acknowledging CAN/AM BTA's leadership role

(Ambassador Arcos, Assistant Secretary, Department of Homeland Security)
"The Department of Homeland Security views working with the Can/Am Border Trade Alliance of vital importance to achieve both economic and public security."

(Robert Bonner, Commissioner, Customs and Border Protection, DHS)
"The Can/Am Border Trade Alliance is a very important stakeholder group made up of community leaders who fuel both the U.S. and Canadian Economies."

"Can/Am BTA is a key partner with both Customs and Border Protection and the Canadian Border Services Agency to manage, secure and facilitate goods and people movement at the Border."

(Susan Harper, Minister Counsellor Economic/Trade , Embassy of Canada)
"Can/Am BTA brings together the US/Canadian Governments and Private Sectors. Canada appreciates the work that Can/Am BTA does."

(Dr. David Sampson, Deputy Secretary, US Department of Commerce)
"Secretary Gutierrez is pleased with Can/Am Border Trade Alliance's effective direct involvement in the Security and Prosperity Partnership initiative."

(Senator Jerry Grafstein, Co-Chair Canada/US Interparliamentary Group)
"Can/Am BTA is the key knowledgeable organization to get us where we need to go."

(Ambassador Noriega, Ass't. Secretary West. Hemisphere, US Dept. of State)
"The Canadian/American Border Trade Alliance has the proven tenacity, focus and charm to get things done."

(Amy Fuerstenau, Legislative Assistant to Congressman Stupak NorthernBorderCaucus)
"Can/Am BTA is a key resource on the border and the priority organization to interact with."

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CONFERENCE SPEAKERS AND THEIR MESSAGE

Karen Phillips, Vice President, US Government Relations, CN
CAN/AM BTA Executive Board

Welcomed attendees on behalf of CAN/AM BTA. Highlighted the importance of US/Canada Trade and Relations. Especially the free flow of goods and people insuring economic security coupled with heightened public security. Cited the numerous initiatives/programs underway among them : the currently developing “Seal Program” and contingency planning. Noted the excellent US/Canada cooperation and effective “working together” environment.

HOMELAND SECURITY/CANADA/US SMART BORDER

Ambassador Cresencio Arcos, Assistant Secretary, Dept. Homeland Security

Secretary Chertoff planned to speak here but had to cancel Friday as Katrina required his full attention. Expect he will be here next time. DHS initiatives coupled with leading the security pillar in the Security and Prosperity Partnership initiative / heighten the respect / importance of Private Sector input to keep both industry / the economies vibrant and the Borders secure. Cross Border **preparedness and cooperation** are key as an incident will have wide effect. Described the envisioned traveler screening program to prevent “people of risk” from obtaining Visas and entering the country. Adding biometrics will facilitate approvals and processing. The Trusted Traveler Program will have 1 card, all modes, all ports incorporating NEXUS AIR, NEXUS LAND, NEXUS MARINE/SEA etc. The Integrated Border Enforcement Team initiative with Canada is a tremendous success incorporating Federal, State, Provincial and Local partners. Clearance Away From The Border at the Peace Bridge and Thousand Island Bridge has been agreed to in principle. This is no small feat. It requires Legislative Amendments. Cited the 25% Challenge with Michigan/Ontario crossings to implement stakeholder ideas.

US-VISIT IMPLEMENTATION STATUS

Jim Williams, Director, US-VISIT, Department of Homeland Security

Per usual provided an excellent concise status of this critically important program. The US/Canada relationship is “**key**”. In reality it is a bright light of friendship. US-VISIT recognizes the extreme importance of open dialogue with stakeholders and appreciates it. Described the emergence of US-VISIT of today from the original entry/exit start. After extensive completed transactions (millions) US-VISIT DOES NOT IMPEDE OR NEGATIVELY IMPACT LEGITIMATE TRAVEL. It insures integrity of the Immigration System, enhances security and facilitates legitimate travel (a win-win not a trade-off). It has room to increase its leveraging of technology.

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P.T. WRIGHT, Director, Mission Operations, US-VISIT

Effectively presented the realities of "where we want to go together". Pilots being introduced at 5 crossings of Radio Frequency (RF) Technology. Pilot tests were fully successful reading up to 55 cards (a bus load) at 50 miles per hour without accuracy degradation. View of future: 1 card, 1 fee, all modes. Looking at drivers licenses, biometrics, RF chip etc. Cost and convenience are "key". Integration, harmonization, cooperation.... **MUST KEEP PEOPLE FOCUSED ON THE BORDER TO SIGNIFICANTLY IMPROVE FACILITATING LOW-RISK ACTIVITY TO CROSS EASIER, FASTER, SAFELY.** Privacy will be protected.

CUSTOMS AND BORDER PROTECTION

NORTH AMERICAN SECURITY ZONE OFFSHORE INTERDICTION

Robert Bonner, Commissioner, Customs and Border Protection

Can/Am BTA appreciates the Commissioner's exemplary leadership and vision.

"It is good to be here with so many friends from both the US and Canada."
"9/11 was the worst terrorist attack in world history and I say NEVER AGAIN".
It strengthened our resolve around the world to stop future attacks. The threat of global terrorism is with us as they plan to kill and disrupt economies. Canada and the U.S. are working together closely and effectively to keep ports fluid and open. CBP's mission is to prevent terrorist weapons from entering the U.S. and to not impede legitimate economic activity. Stated Trusted Traveler and Trusted Shipper designations are key to facilitation. We must develop a mutual "Security Zone" around U.S. and Canada based on Smart Border and offshore interdiction initiatives. SPP is working on a future North American zone. Cited FAST, C-TPAT, NEXUS, transponder trucks, looking at PIP for FAST and Canadian Manufacturers for FAST. Described Container Security Initiative (CSI) advance info, risk assessment and checking of non-low risk at the originating ports.

We are "moving the Borders out resulting in less to do at our physical borders **ESPECIALLY THE INTERNAL BORDER**" (with Canada). Stated that the SPP Border Management and Border Security are being folded into the Smart Border Initiative. Described the World Customs Organization framework going worldwide to better manage our supply chains globally. In closing, reiterated we've accomplished a lot but have lots more to do.

C-TPAT APPLICATION TO APPROVAL PROCESS EXPERIENCE

Gary MacNew, Vice President Cust. Service and Logistics, Rich Products
John Meenaghan, Manager U.S./Canada Transportation, Rich Products
Charlene Zawadski, Transportation Coordinator, Rich Products

This was a unique insightful presentation with detailed practical description and lessons learned from applying and achieving C-TPAT designation by the people who actually manage and performed the entire process.

In a “hands on depiction” of the comprehensive steps taken, the panel described the Company’s history and objectives, rationale for C-TPAT Certification, Team assignments / approach, the process experience/challenges/AND MOST IMPORTANT solutions including ongoing C-TPAT Certification Maintenance.

THE CANADIAN PERSPECTIVE

Susan Harper, Minister Counsellor Economic/Trade, Canadian Embassy

Provided an in-depth overview of current issues and events. Alberta has opened a Washington Office at the Canadian Embassy. “Katrina” is the issue of the day. Canada is giving support of all types: 4 ships; 40 divers; Joint Ops.; public health supplies; contributing oil. Provinces are making notable contributions. Lesson to be learned: Is Canada prepared for impact of a like event i.e. economic effects, fuel prices and trucking availability? Highlighted the North American Perspective, Port operations, product distribution, advised that Secretary Gutierrez and Minister Emerson meet today in Washington. Bi-lateral security cooperation with the U.S. Stated the SPP must deal with “**business issues**” and be both realistic and useful. Urged all to write in their comments on the Western Hemisphere Exclusion Removal in the 60 day comment period now underway (300,000 people cross the U.S./Canada Border every day). Reiterated infrastructure and processes at the Border are critical and a top priority. **It must be remembered that 96% of Trade activity is dispute free.** Softwood lumber is emotional and incites anger. It is a long standing as the US enacted its first levy in 1792. With regard to BSE, U.S./Canada beef is an integrated industry and closing borders diminishes its Global Competitiveness.

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BORDER AND TRANSPORTATION INFRASTRUCTURE

Jim Oberg, Director, Northern Border Station Program, GSA

GSA builds and houses Federal Agencies at the U.S. Borders with an average annual capital budget of \$200 million. The normal time frame from when a specific project is identified to when the Agencies move in and operate equals 5-7 years. Guided the attendees thru an excellent informative presentation of active projects planned for FY 2006:

<u>Location</u>	<u>Amount</u>	<u>Start</u>	<u>Completion</u>
Calais, ME	\$36 million	3/07	9/08
Massena, NY	\$59 million	8/06	9/09
Champlain, NY (Phase 3)	\$39 million	5/06	8/08
Ambassador Bridge, MI Cargo	\$35 million	8/05	9/07
Portal, ND	\$25 million	4/06	5/08
Peace Arch, WA	\$42 million	3/07	9/09

Raymond, MT completed
 Sault St. Marie, MI to be completed 12/05

Roger Petzold, Office of Interstate and Border Planning, FHWA

Provided detailed insight into the SAFETEA-LU (increases spending 38% over previous authorization) including Borders and Corridors programs. Reviewed transportation spending authorization, Border and Corridor Programs, Border Crossing Projects, U.S.-Canada Transportation Border Working Group, the Security and Prosperity Partnership for North America. Created a new Coordinated Border Infrastructure Program (must be within 100 miles of the border) to improve safe movement of vehicles at land borders with Canada and Mexico (\$833 million over 5 years distributed by use of a formula to 15 Border states). Earmarked projects for Northern Border are nearly \$340 million. National Corridors (of significance) Infrastructure Improvement Program is \$1.9 billion over 5 years distributed on a discretionary basis.

CAN/AM BTA TECHNOLOGY AT THE BORDER MONITORING

Brian Bowen, President, Bowen Enterprises, Inc.

Provided meaningful highlights, analysis and issue identification of Technology at the Border developments (Power Point slides were included in the handouts to the attendees). Discussed: CBP Connectivity Options; Release Processing Today and in the Future also discussed the U.S. User Fee Decal Program.

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BRIDGE AND PLAZA IMPROVEMENTSRon Rienas, General Manager, Peace BridgeTom Garlock, General Manager, Niagara Falls Bridge CommissionStan Korosec, Vice President Operations, Blue Water BridgeNeal Belitsky, Vice President General Manager, Detroit Canada TunnelRay Mantha, Ontario Ministry of Transport, Detroit Windsor Crossing Study

Impressive and extensive descriptions of improvements and initiatives underway were presented for each of the above high volume crossings. **Peace Bridge** U.S. bound commercial primary booths being added to increase processing capacity by 75%, relocation of duty free increasing car access, all tolls have been relocated to the Canadian side, direct access for FAST trucks and controlled metering of non-FAST trucks during peak periods Canada Bound – relocation of CBSA car primaries and extension of truck access off the bridge span also the layout plan for U.S. Inspection to operate on the Canadian side. Electronic envelope designed to provide accurate “wait times” was presented that is in operation at both the Peace Bridge and the Lewiston Queenston Bridge. **Lewiston Queenston Bridge** full description of the new 5th lane on the Bridge dedicated to give direct access for FAST trucks and in future NEXUS cars (completed by 2005 year end). Described the proven benefits of the totally dedicated to NEXUS Whirlpool Bridge. **Blue Water Bridge** Reviewed U.S. bound – new plaza proposals and 25% challenge ideas Canada bound – new Tourist Info Centre, new truck ramp direct to 402 and plaza reconstruction. **Detroit Canada Tunnel** Reminded that the Tunnel is 2 lanes on a 4 acre plaza located downtown in both Detroit and Windsor. Overlooked the numerous improvements made including live video of the tunnel lanes. Cited that the total traffic at the Bridge and Tunnel crossings between Canada / Michigan / New York was down 10 million vehicles from 1999 levels. **Detroit River International Crossing Partnership Study** Currently identified 15 options that will be narrowed down to a few by year end 2005. The option of choice will be selected by Spring 2007 and submitted for approval December 2007. New crossing will have public oversight. Goals, Governance models, end-to-end illustrative alternatives, balancing of social, environmental / engineering factors, proposed evaluation methods and key milestones were described.

THE CANADA-U.S. INTER-PARLIAMENTARY GROUPGreg Thompson, M.P., Co-Chair

Provided insightful background on the Canada-US Interparliamentary Group formed in 1958. It currently has 240 Members of Parliament and Senators as active members. This group meets with its U.S. counterparts each year in alternating countries, Legislator to Legislator. Politics is minimized to every extent possible. There are 3 Committees: Trade and Economic; International Issues and Border Related Issues. Current priority issues are CBSA staffing, U.S./Canada Inspection allowed to be performed in each others country (Peace Bridge pilot in Canada plus the Thousand Island Bridge in the U.S. and the Western Hemisphere Exemption Removal documentation. Works closely with Can/Am BTA.

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Senator Jerry Grafstein. Co-Chair

Presented a meaningful view on a number of issues. Highlighted assistance to “Katrina” both the people and area affected. Cautioned danger of “silos” in Government and the critical need for institutional re-direction. While good work is being done, the Border improvements are too slow. Border related delays negatively impact our integrated economies (passport perception not reality, line-ups, serial strikes, lack of officers and resources). In reality Security cannot be allowed to trump Trade but must be achieved with economic security jointly. In both Governments “Trade” is dispersed among a number of Legislative Committees. Problems (softwood lumber) cannot be allowed to overwhelm the norm (96% of Canada-U.S. Trade is dispute free). We must focus on cooperating so that together we can be competitive with the EU, Asia, India and China. Reiterated his suggestion to form a U.S.-Canada Border Modernization Joint Commission headed up by the U.S. Vice President and the Canadian Deputy Prime Minister.

FIELD OPERATIONS – CUSTOMS AND BORDER PROTECTION

Robert Jacksta, Executive Director, Border Security/Facilitation, CBP

John Wagner, Director, Passenger Automation Projects, CBP

Louis Samenfink, Executive Director, Modernization Office, CBP

Michael Denning, Director, Cargo Verification, CBP

Conducted an innovative “Interactive Session” with Conference attendees. Rules for the session were that all problems, issues, concerns, recommendations ideas, articulated to the panel were noted. The panel was not expected to answer “all items” posed but did respond wherever possible or appropriate.

Jim Phillips opened the segment introducing priority issues needing resolution: (Editorial comment: Believing that Trusted Traveler will be the new DHS low-risk program name (NEXUS is used as synonymous with Trusted Traveler).

Questions For Bob Jacksta:

CBP is not yet operating all existing Primary Booths at peak demand periods.

NEXUS is critical to facilitate low-risk (yet enrollment needs to be increased to critical mass), NEXUS booths are “not open” i.e. Detroit Windsor after 8 p.m. so nurses use NEXUS at 3 p.m. and can’t return using NEXUS at 11 p.m., at many crossings the benefit of NEXUS is not evident (access to dedicated primary), fees, lack of Marketing, plus other barrier removal initiatives. FAST and NEXUS enrollment “locations” are sparse / not user-friendly located. Benefits of the FAST and NEXUS programs are not delivered yet. Users wait in line behind others who are not in program before they get to dedicated lanes. Phillips advised that Can/Am BTA had a host of specifics on NEXUS to make it better. Collectively we need to do something immediately and dramatically in light of NEXUS being the “preferred intended document” to satisfy both Western Hemisphere

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identity and citizenship plus also determine low-risk travelers before they arrive at the border. We must reach critical mass and deliver the benefits envisioned by completing this initiative.

RESPONSE: CBP looks at peak staffing every day, resource availability to provide staff is key. We monitor “wait times”. They are an important indicator. (Peace Bridge/Niagara Falls Bridges has a new accurate electronic envelope system to accurately measure “wait times” and offered it to CBP for use).

NEXUS is “the way to do business” and is essential to facilitate low-risk through the plazas and dedicated primaries to allow focus on non low-risk crossers. (Also with cars out of the plazas and off the approach roads, trucks will be able to approach their primaries and use streaming for FAST trucks in the left lane of approach roads). Bob then asked Jim Phillips if he would convene Can/Am BTA key players in the NEXUS process as a focus group (bridge operators, users, organizations who have marketed NEXUS i.e. IMTC, knowledgeable experts) to meet with CBP management in Washington, D.C. to lay out the changes needed. Jim Phillips immediately said yes and the process will be initiated.

Questions For John Wagner:

NEXUS cards are not able to be used outside the issuing port area. Multiple cards are being issued for each program **Need one card for “all modes”** the individual is approved for. Need to add NEXUS cruise, rail, ferry, bus. I (Phillips) have been advised you have a very positive status report on these elements for us today.

For information Can/Am BTA has recommended that combination NEXUS lanes be installed at most Ports with adjustable signage to allow 24/7 operation at the lane that is “always open” at each respective Port.

RESPONSE: In the Department of Homeland Security Second Stage the Trusted Traveler Program is a PRIORITY (combines all current and new low-risk programs). A single combined TRUSTED TRAVELER global enrollment program encompassing NEXUS, FAST, SENTRI etc. will be deployed at all land borders. It has been piloted at Blaine, WA and El Paso, TX. Hardware is acquired and software written to be introduced in Buffalo and Detroit by Dec. 2005 and Champlain by Spring 2006. NEXUS AIR and MARINE will be merged as well. The system will be harmonized with Canada. On-line application and fee payment is planned (paperless). After vetting an email will be sent to the applicant advising them to make an online appointment to schedule interview and receive their card. ONE CARD - ALL MODES – ALL PORTS. Expand NEXUS AIR to all pre-clearance airports in Canada. Ferries, Rail, Cruise can be added.

Jim Phillips “John, I’ve looked forward to your message today. You are to be complimented. Can/Am BTA is committed to be there to help and do it right. It’s a homerun start. We have and need a few more adjustments to win the game.”

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Questions For Lou Samenfink:

There is concern with the “dwell time” for PAPS processing in the Primary Booth with ACE 4 in operation.

Entities entering electronic manifests using CBP software find it a very lengthy process (taking 20 to 40 minutes).

RESPONSE: Lou provided an excellent background for ACE commencing with the 1993 Mod Act designed to make ACE real with the enforcement of the Trade Act 2002 mandating truck manifests. ACE links to 7 current systems. ACE 4 is carefully being implemented in stages, making necessary changes to insure proper and efficient operation before it is introduced in Detroit. Once it is operational in Detroit completing the major commercial crossings, electronic truck manifests will be mandated.

Start-up changes were needed in the screen process in the Primary Booths during the pilots that have been made so “dwell time” should not exceed normal PAPS processing “dwell time” without ACE 4. Electronic manifest input comment noted.

Questions For Michael Denning:

In-Transit trucks that have green light on shipper, carrier and driver need to be included in FAST. This is critical as a large majority of the 25% challenge improvement at the Blue Water Bridge rests on In-Transit being included in FAST.

RESPONSE: One problem is CBP gets less information on In-Transit (does not know importer). CBP is looking at the In-Bond process. In-Transit is paper based now and would like to have fully automated process to share with CBSA since every In-Transit requires a crossing in each direction.

From the floor (Blue Water Bridge has 400 In-Transit trucks cross each day). (A major manufacturer needing to get massive volumes from their NY plant to their Michigan plant advised that not only is fuel and time saved by transiting Canada but the load limit in Ohio precludes cost effective loads taking the U.S. route from NY to MI). (Finally from the floor a blunt question, Is In-Transit being included into FAST, a priority at CBP? ANSWER: it was not a top priority but have now heard the need from the Trade here today). Can/Am BTA will follow up with Michael to supercharge the elevation of In-Transit to “**get it done**”. NOTE: since CBSA also needs to be involved, we ask that this be put on the Smart Border Accord Agenda for timely unified action.

From the floor (Certificate of Origin practices should have a priority review for simplification under SPP Response request noted) (Universal Port Code does not work when ACE is on Response - Lou will look into that). (Will ACE “test bed” be live? Response - Lou, No). (CBP was highly complimented by several participants for their operations at the Ports).

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SECURITY AND PROSPERITY PARTNERSHIP

The U.S./Canada Border and Economic Security

Dr. David Sampson, Deputy Secretary, U.S. Department of Commerce

David provided an excellent view of the Commerce perspectives.

“Secretary Gutierrez is pleased with Can/Am BTA and is truly sorry that he had to change plans this morning to focus on national economic impact of “Katrina”.

“He thanked Canada for its “Katrina” support and “for being a great neighbor”.

Economic interdependence and mutual need for security is reflected in the cooperation on border issues with Canada. Cited President Bush’s beliefs “American people make good decisions for themselves, people need to keep more of their own money and decide how to spend it, the Private Sector is best at making capital investments and creating jobs”. The key is building regional strengths since borders are political boundaries that should not limit the natural market place definition. North America must become the best place to do business, to innovate and to develop. We must close the borders to terrorism and open borders to Trade. Free Trade is a great success by lowering barriers and improving mutual success of countries involved. Western Hemisphere cooperation is very important. To keep the North American Market as the best place to do business we must not feel threatened by other countries emerging. “Katrina” has heightened the need for a coordinated response to man made and natural disaster events i.e. review building codes, low sulfur coal. Why do U.S. and Canada medical devices have to be tested twice? SPP is to make commerce safe and seamless. Must identify sector drivers i.e. steel, automotive and reduce costs and improve competitiveness. U.S. and Canada cooperate on a regulatory regimen by 2007. Create collaborative market strategies and work together to reinvigorate our approaches with low tolerance for turf protection.

From the floor: (FDA should be specified to cooperate and adjust under SPP).

(Allowing In-Transit trucks into FAST would be a major benefit and cost reduction. Should be looked at under SPP too).

CRITICAL ISSUES REVISITED – U.S. DEPARTMENT OF STATE

Ambassador Roger Noriega, Assistant Secretary, Western Hemisphere

Recognized Ambassador Frank McKenna as highly thought of and expanding focus on Canada. Stated “There is no better friend to the U.S. than Canada”.

Cited an open letter from U.S. Ambassador David Wilkins “Canada left no stone unturned to aid the U.S. with the after effects of Katrina”. Stated appreciation for Prime Minister Martin’s 9/11 remembrance at the U.S. Embassy on Sunday.

Roger is leaving government service shortly for the private sector. He provided an insightful and meaningful reprise of the highpoints of this last year of his Canada responsibilities. The highs: President Bush’s first trip to Canada 2004 seeing the waving Canadians from the cavalcade, the Presidents speech in

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Halifax that encapsulated the U.S. relations with Canada, March 2005 SPP launch was “bold” and working well to harmonize and break down barriers, strengthen border security / law enforcement, the hopeful cooperative implementation of the Western Hemisphere Exemption Removal, the draft agreement on Devil’s Lake to protect both parties, cooperation with Canada on foreign policy is great as is the Canadian law enforcement leadership in Haiti and the Canadian leadership in Afghanistan. Sovereign nations, independent views sometimes legitimately disagree. Disagreements: softwood lumber (3% of trade) (Canada has a \$66 billion favorable Balance of Trade and \$7 billion is softwood lumber both sides have strong views needing to be heard / we need permanent peace on this not a truce) and (missile defense – U.S. regrets but it was Canada’s decision to make). Two current developments: NORAD is being renewed and strengthened and a view of a peaceful and democratic Iraq is jointly held by Canada and the U.S.

WESTERN HEMISPHERE EXEMPTION REMOVAL

Frank Moss, Deputy Assistant Secretary, Consular Affairs, U.S. State Dept.

Provided essential and critically important input to understand this activity. It is an opportunity to substantially improve the facilitation of legitimate travelers (Canadian/American crossers) while making the border more secure. The timing is now a 2 stage process entry by air/sea (12/31/06) and entry by land (12/31/07). Stated PASSPORT FOR US/CANADA TRAVEL IS NOT THE ANSWER. LOOKING AT A NORTH AMERICAN TRAVEL CARD THAT IS LOW FEE, ABLE TO BE ISSUED IN LARGE VOLUMES AND EASILY ACCESSIBLE. 60 day comment period is underway. He urged everyone to send in their written response, opinion, ideas. A driver’s license is a problem as it is, with biometrics added, a document that can only prove identity but “not” nationality - a critically needed proof. Real ID is an option if enhanced properly (requires biometrics and proof of citizenship to issue) but does “not” provide the necessary low-risk status to effect facilitation when used at the border. Pointed out that 8,000 jurisdictions in the U.S. issue Birth Certificates. There are approximately 50,000 different forms held by individuals. Talked about a border crossing card that had a “second stage of an RF chip” added if you volunteered and were accepted for Trusted Traveler status (NEXUS), form has to be easily accessible. Suggested they be issued by the 7,000 Post Offices around the U.S. and by court clerks all over the country. Before finalizing a cost/benefit analysis must be done by DHS.

Numerous productive comments were made from the floor. Can/Am BTA agreed to set up Field hearings at appropriate selected Border locations from Maine to Blaine (some on the Canadian side). Can/Am BTA would arrange/participate with State Department and Government officials speaking and dialoguing with stakeholders and border crossers to find solutions to achieve the needs of parties.

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**WESTERN HEMISPHERE TRAVEL EXEMPTION REMOVAL
EDITORIAL COMMENT: J. Phillips VIEW**

The WHT Exemption Removal is an opportunity IF DONE RIGHT to achieve the public security intended but more important to introduce improved, facilitated, more seamless movement of people between Canada and the US

There are two levels in the border crossing process 1) proof of identity and citizenship (for every crosser) and 2) predetermined low risk Trusted Traveler status (voluntary currently NEXUS, FAST etc) those in (#2) get expedited process, no queries, special approach lane where possible and a dedicated booth where possible. FACTS: (#2's) can be processed through the inspection booth 5 cars to 1 regular at the land border clearing out the plazas of low risk. Current enrollment 90,000 needs to be substantially increased to achieve critical mass, reduce delays and waiting. THE OPPORTUNITY HERE IS TO CHANGE THE NEXUS PROCESS (PROBABLY TO BECOME KNOWN AS THE TRUSTED TRAVELER ONE CARD -ALL MODES- ALL PORTS, INTERVIEW AND CARD ISSUANCE TO BE USER FRIENDLY, EASILY ACCESSIBLE, EASILY ATTAINABLE IF YOU PASS THE SCREEN AND BACKGROUND CHECKS AND HOPEFULLY AT A LOWER COST). The key is to increase those who enroll in Trusted Traveler to comply with the 2008 land border deadline

With regard to those that opt not to voluntarily join Trusted Traveler WE MUST DEVELOP A DOCUMENT THAT HAS BIOMETRICS AND REQUIRES PROOF OF IDENTITY AND CITIZENSHIP AT LITTLE COST, EASILY ACHIEVED BY PRESENTING PROOF AND HAVING BIOMETRICS TAKEN AND AVAILABLE IN ALL OR MOST COMMUNITIES.

Real ID drivers license with biometrics and proof of citizenship is one way, another was mentioned by State Department Senior Officials at our Washington Conference last Tuesday and that was to have the document issued by all 7,000 U.S. Post Offices throughout the country in a one-stop process with biometrics taken and card issued locally. THIS TAKES CARE OF THE UNINTENDED CONSEQUENCE OF THE PERSON WHO DOESN'T DRIVE OR HAVE A PASSPORT OR WHO LIVES FAR FROM THE BORDER OR LIVES NEAR THE BORDER AND IS THE LAST MINUTE "I THINK I'LL GET A PIZZA OR GO TO A MOVIE IN THE OTHER COUNTRY OR THE HOCKEY TOURNAMENT". POINT IS THIS DOCUMENT ALLOWS ANY INDIVIDUAL WITH IT TO PRESENT IT AT THE BORDER TO PROVE (#1 ABOVE) AND THEN BE QUERIED BY AN OFFICER WHEN CROSSING BUT ASSURES THEY WILL NOT BE REFUSED THE ABILITY TO CROSS THE BORDER AND ENTER THE COUNTRY WITH THE DOCUMENT.

Foreign travelers other than US and Canadian citizens will be enrolled in US-VISIT and have access that way so should not be hampered in visiting the US.

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I worked on this concept before it became public and have said from day one NO ONE WHO IS PLANNING TO TRAVEL BETWEEN THE US AND CANADA SHOULD EVER GET A PASSPORT AND THE LEGISLATION STATED SECURE TRAVEL DOCUMENT WITH THE INTENTION OF MAKING IT EASIER. HOWEVER, IF IT BLEEDS IT LEADS, SO PASSPORT WAS PICKED UP AS THE REQUIRED DOCUMENT WHICH IS ABSOLUTELY FALSE.

My prediction is the Trusted Traveler card will become the Global Travel Document for Americans before this decade is over for US citizens to use all over the world.

NORTHERN BORDER CAUCUS

Jim Phillips introduced the speakers advising that Congressman Sweeney was not in Washington, D.C. Congressman Stupak returned to Washington to be with us since he has spoken to our Conference each of the last 3 years. Unfortunately an emergency arose. It is anticipated that both Congressman Co-chairs will speak at the next Washington, D.C. Conference.

Chris Fish, Chief of Staff, Congressman John Sweeney

We are very fortunate to have Chris share his knowledge of Congressman Sweeney's perspective. The objective is to unite our two countries and strengthen the relationship. The Western Hemisphere Exemption is of extreme concern. The right balance must be found to improve facilitation of legitimate people and security. Advised legislation was being introduced to improve safety and decrease accidents by having all traffic signs bi-lingual within 5 miles of the border. Congressman Sweeney and the Northern Border Caucus are strong on economic concerns.

Amy Furstenau, Legislative Assistant, Congressman Bart Stupak

Amy is the individual who serves as the Caucus Secretariat with whom Can/Am BTA works closely. She provided an excellent insight into the planned priorities of the Northern Border Caucus in this Congress. Western Hemisphere Exemption is an extreme concern and 22 Caucus members signed a letter stating: concern for the effect on border communities; local input is critical and unintended consequences must be minimized or non-existent. Caucus is urging DHS to maximize NEXUS enrollment, is mindful that the business community has made major investments in C-TPAT etc. and benefits must accrue. Caucus is also focused on CBP staff and resources being adequate.

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From the floor: A Can/Am BTA member recalled several years ago when then Northern Border Caucus Chairman Congressman John LaFalce arranged our Conference to go up on the Hill (Rayburn Building) from 10:30 a.m. through a box lunch on Tuesday of the Conference. He had a number of Congressman and Committee Chairs stop in to meet us and speak briefly. Asked if this could be arranged again. Jim Phillips asked Chris and Amy if the current Co-chairs would arrange the same event next year for the participants of our Conference. The answer was “yes” so we will proceed. The date next years is Tuesday, September 12, 2006 commencing at 10:30 on the Hill in a building and room to be determined with a box lunch at noon (provided by Hill caterers and paid for by Can/Am BTA) as previously done. Jim Phillips will work with Amy and Chris to finalize the details.

SUMMARY REMARKS

Jerry Nagel, President Northern Great Plains, Inc, Can/Am BTA Exec. Board

“The Can/Am Border Trade Alliance has become an influential, mature and effective organization”. Cited a very impactive series of observations: we now have a global food system, global environmental issues, global religious divisiveness and China is an economic player. 10 years of NAFTA, since 1995 Netscape to National Science Foundation, dial 1-800 India and get good answers 24/7, Looked at Mexico from a recent summit he attended: 1 in 5 households receive money from a relative in the U.S. (\$18 billion per year), 3 largest economic segments in Mexico 1) oil, 2) money from relatives working in the U.S. and 3) tourism; 4 in 10 people now living in Mexico want to move to the U.S. We need a North American Immigration Policy and do not have one. There is concern Mexico could become a failed state. In closing cited the 5th Discipline “Problem solving is defined as making something you don’t like go away” “Creativity is defined as making something special become a reality”. Thank you all for your participation and sharing your talents

SPECIAL THANKS TO STANTEC CONSULTING GROUP & BILL HOLTHOFF FOR PROVIDING THE CAN/AM BTA MAJOR TRADE CORRIDOR MAP

CAN/AM BTA THANKS BOTH THE SPEAKERS and PARTICIPANTS FOR MAKING THIS CONFERENCE SO EFFECTIVE AND SUCCESSFUL

Jim Phillips, President & CEO