

Canada – United States  
Inter-Parliamentary Group  
Canadian Section



Groupe interparlementaire  
Canada – États-Unis  
Section canadienne

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**Report of the Canadian Parliamentary Delegation  
respecting its participation at the  
Canadian/American Border Trade Alliance (Can/Am BTA)  
Conference**

**Canada–United States Inter-Parliamentary Group**

**Ottawa, Ontario, Canada  
7–9 May 2017**

# Report

## DELEGATION MEMBERS AND STAFF

From 7–9 May 2017, the Co-Chairs of the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG) – Senator Michael L. MacDonald and the Honourable Wayne Easter, P.C., M.P. – led a delegation to the 2017 spring meeting of the Canadian/American Border Trade Alliance (Can/Am BTA) in Ottawa, Ontario. The other delegates were Senator Terry Mercer, Mr. Kerry Diotte, M.P., Ms. Karen Ludwig, M.P. and Mr. Brian Masse, M.P., Vice-Chair. Senator MacDonald and Mr. Masse spoke to the BTA delegates. The delegation was accompanied by Ms. Miriam Burke, Executive Secretary of the Canadian Section, and Ms. June Dewetering, the Canadian Section’s Senior Advisor.

## THE EVENT

The Can/Am BTA holds two meetings each year: in the spring in Ottawa and in the fall in Washington, D.C. It is a coalition of businesses, public-sector organizations and individuals with an interest in bilateral trade and tourism. Its mission is to maximize commercial activity and ensure continued growth in cross-border trade, as well as efficient and productive border-crossing capabilities.

Attendees at the event included private-sector representatives involved in a number of tourism, transportation and trade-related activities, as well as representatives of a variety of U.S. and Canadian federal departments.

## DELEGATION OBJECTIVES FOR THE EVENT

The IPG’s Canadian Section has a long association with the BTA, and members of the Canadian Section sometimes attend both the fall and spring meetings of the BTA. Given the BTA’s focus, attendance at the meetings provides members with an important opportunity to gain insights about trade- and tourism-related problems being experienced by businesses and individuals, as well as about efforts and actions by governments in both countries to address these problems.

At this meeting, as at other BTA meetings, members of the Canadian Section benefitted from the opportunity to interact with, and learn from, private- and public-sector organizations and individuals who deal with border issues on a daily basis. Attendance at the BTA meetings also provides members with an opportunity to inform others about the range of actions taken by the IPG’s Canadian Section regarding shared Canada–U.S. goals, as well as about differences between the two countries; this goal is partly achieved through the invitation that is typically extended to the Canadian Senate and House of Commons Co-Chairs and/or Vice-Chairs to make remarks about the Canadian Section’s activities and priorities.

## ACTIVITIES DURING THE EVENT

Members of the IPG's Canadian Section spoke with BTA meeting attendees about the problems being encountered at Canada's shared border with the United States and about the efforts being taken by them to ensure the existence of an efficient, cost-effective and secure common border. Senator MacDonald spoke about the Canadian Section's fall 2016 and winter 2017 activities, while Mr. Masse spoke about its upcoming spring and summer 2017 activities.

Sessions with the following titles were scheduled to be held at the meeting:

- Strategic Direction of Canada/U.S. Cooperation for a Smart Border and for the Beyond the Border Perimeter Action Plan
- View from the Bridges Discussion
- Beyond the Border Perimeter Plan Implementation Status
- Canada/U.S. Relations and Cooperation Activities
- Strategic Direction of Transport Policy – National Highway, Rail, Air, Maritime Infrastructure: Specifics on Gateways, Trade Corridors and Border Crossings
- View of Canada/U.S.
- View from Rail: Overview, Update and Issues Effect at Border
- Proof of Concept: RFID for Product Identification and Traceability
- The Positive, the Needs and What Must be Changed
- CBSA Overview – Strategy, Priorities, Key Initiatives, etc.
- Tourism and Visitation – A Critical Economic Driver: Overview, Update and Issues Effects at Border
- The American Perspective.

This report summarizes selected presentations at the meeting, including the remarks made by Senator MacDonald and Mr. Masse.

## **STRATEGIC DIRECTION OF CANADA/U.S. COOPERATION FOR A SMART BORDER AND FOR THE BEYOND THE BORDER PERIMETER ACTION PLAN**

**Mark Holland, M.P., *House of Commons***

- Pre-clearance is a critical step in advancing the Canada–U.S. relationship; it enhances security while facilitating movement.
- The border between Canada and the United States should be as efficient and secure as possible; there need not be a trade-off between security and efficiency.

- An open and secure shared border is a valuable asset for both Canada and the United States; the countries should continue to collaborate with a view to improving the legitimate flow of goods and people.
- The Canada–U.S. “border management relationship” has a solid foundation.
- The sharing of information between Canada and the United States in accordance with each country’s privacy laws and policies, and with the Beyond the Border privacy principles, is important.

## **VIEW FROM THE BRIDGES DISCUSSION**

### **Lew Holloway, *Niagara Falls Bridge Commission***

- International border crossings are vital to the economies of both Canada and the United States.
- Along the Canada–U.S. border, some inspection points – which were costly to construct – are underutilized.
- It is critical for bridges to be both adequate and in good repair.

### **Natalie Kinlock, *Federal Bridge Corporation Limited***

- At this point in time, passenger traffic is declining while commercial traffic is rising.
- Building a bridge is a complex project, and fewer and fewer companies are performing this type of work.

### **Stan Korosec, *Canadian Transit Company***

- Dedicated lanes for traders and travellers who hold FAST and NEXUS cards are important.
- Ensuring efficient movement across secure, shared borders is not just a question of infrastructure.

### **Ron Rienas, *Peace Bridge Authority***

- The staffing of inspection booths at the border between Canada and the United States is important to ensuring the efficient movement of people and goods.
- “Pre-arrival readiness” reduces the amount of time required to cross the border between Canada and the United States.
- Traffic volume has fallen since the terrorist attacks in September 2001, and building more infrastructure is not the solution to reducing border delays; instead, the focus should be e-manifest requirements, pre-payment of fees that would

otherwise be collected at the border, appropriate staffing, enhanced use of trusted trader and trusted traveller programs, and the operation of inspection booths commensurate with the value that governments place on each of them.

## **CANADA/U.S. RELATIONS AND COOPERATION ACTIVITIES**

### **Senator Michael L. MacDonald, *Canada–United States Inter-Parliamentary Group***

- The first activity for the IPG's Canadian Section following the BTA's October 2016 meeting was the annual national conference of the Council of State Governments (CSG), which was attended by state legislators from throughout the United States; at the conferences' many sessions, Canadian parliamentarians were able to gather information that will inform their legislative work.
- A number of the sessions at the CSG's annual national conference were focused on the future of trade agreements, including the *North American Free Trade Agreement* (NAFTA); as well, the sessions on data-driven decision making, autonomous vehicles and the importance of the knowledge economy in bringing about economic development were useful.
- In February 2017, the Canadian Section of the IPG attended the annual winter meeting of the National Governors Association (NGA) in Washington, D.C.; as the chief executive officers of their state, the U.S. governors are key to ensuring a successful Canada–U.S. relationship because they are instrumental in advancing policies, including in areas that are important to Canada, such as trade.
- The presentations made to the U.S. governors – and thereby all other attendees – at the NGA's February 2017 meeting were topical for both the United States and Canada; in particular, presentations were made on such topics as cybersecurity and infrastructure.
- Members of the IPG's Canadian Section returned to Washington, D.C. in March 2017 for meetings with more than 80 members of the U.S. Senate and House of Representatives, and their staff; during these meetings, members focused on four main areas where there is scope for ongoing or new bilateral cooperation: a range of natural resources; trade between Canada and the United States; joint economic prosperity; and international armed conflicts.
- The Canadian Section's March 2017 Congressional meetings were the first following the election of President Trump; as such, they were particularly valuable in gathering information about the U.S. President's priorities, and about those of Congress.
- Finally, in early May 2017, the IPG's Canadian Section hosted an event with Congressional Fellows from the American Political Science Association; these individuals, who work in the offices of U.S. Senators and members of the House

of Representatives, provided an opportunity to share information about Canada–U.S. relationship.

**Brian Masse, *Canada–United States Inter-Parliamentary Group***

- The main priority of the IPG's Canadian Section is relationships with members of the U.S. Congress; plans are underway to identify dates when the Canadian Section will be able to host members of the U.S. House of Representatives in Canada in 2017.
- While annual Congressional meetings on Capitol Hill are always important from an advocacy perspective, a more intensive two-day meeting with U.S. Senators and members of the House of Representatives are also critical for advancing the Canada–U.S. relationship, resolving problems and developing cooperative solutions; these meetings generally reflect the current priorities and difficulties between the two countries, and often include a range of economic, defence and environmental issues.
- Just over a decade ago, the IPG's Canadian Section started to attend various summer meetings of state legislators; in that regard, the annual legislative summit of the National Conference of State Legislatures (NCSL), as well as the annual regional and national meetings of the CSG, are particularly valuable.
- At meetings of state legislators, Canadian parliamentarians hear presentations on a variety of public policy issues, and have the opportunity to speak with U.S. legislators about the nature and scope of the Canada–U.S. relationship and the relationship between Canada and their state.
- At the NCSL meeting, in addition to attending concurrent sessions on a very broad range of public policy topics, Canadian parliamentarians generally participate in the International Program, thereby benefiting from discussions with foreign legislators; in general, about 25 countries send delegates to NCSL's legislative summit.
- Regarding the CSG, three of its four regions – the east, the midwest and the west – have a committee that is Canada-focused; at those meetings, Canada's federal parliamentarians have an opportunity to interact with the country's provincial legislators who are members of the committees focused on relations with Canada, and the meetings are often a forum in which resolutions that could be beneficial for Canada are discussed.
- The Canadian Embassy's Rising State Leaders Program brings together state legislators who are viewed as being future leaders within their state, and they travel to various locations in Canada; if they are in Ottawa as a part of their Canadian tour, as they are expected to be in June 2017, the Canadian Section meets with them, partly in recognition of the possibility that some of these state legislators will – in future – become the Congressional legislators that are the Canadian Section's primary focus.

- The Canadian Section's attendance at meetings of U.S. governors – the western governors, New England governors and national governors – is always beneficial in communicating the nature and scope of Canada's relationship with their state; efforts will be directed to forming and nurturing relationships with U.S. governors during those upcoming meetings of governors.
- The IPG's Canadian Section will be attending the next meetings of the BTA, the Pacific NorthWest Economic Region and the Southeastern United States–Canadian Provinces Alliance, all of which provide Canadian legislators with an opportunity to speak to private-sector representatives who deal with trade, border, security and other matters on a daily basis.
- Members of the Canadian Section are among those who are awaiting the arrival of the next U.S. Ambassador to Canada, and an early opportunity to meet thereafter will be sought in order to begin the conversations that will help Canada and the United States to prosper together.

## **VIEW OF CANADA/U.S.**

### **John Manley, *Business Council of Canada***

- NAFTA has been beneficial for all three signatory countries; that said, it is 25 years old and should be updated.
- It is not realistic for the United States to expect to have a trade surplus with every country with which it trades.
- No successful trade agreement has one party "winning" everything.
- North America is an "economic space," and needs to compete with other regions throughout the world; regulatory harmonization would be helpful in that regard.
- Any protectionist measure is a trade-off between domestic consumers and domestic producers.
- The border between Canada and the United States should be fluid; otherwise, unnecessary costs, burdens and complexity exist.
- Canada and the United States have had softwood lumber disputes for more than 100 years.

## **VIEW FROM RAIL: OVERVIEW, UPDATE AND ISSUES EFFECT AT BORDER**

### **Gerald Gauthier, *Railway Association of Canada***

- Canada's rail sector is highly automated; as well, it depends heavily on network fluidity and efficiency to meet commitments.

- Rail is a secure mode of transport, and rail carriers were early adopters of security programs; all of Canada's Class I railways participate in the U.S. Custom and Border Protection's (CBP's) Customs-Trade Partnership Against Terrorism, and the Canadian National Railway Company and the Canadian Pacific Railway are also certified with the Canada Border Services Agency's (CBSA's) Partners in Protection and Customs Self-Assessment program.
- Specialized infrastructure and heavy equipment are needed to manage rail conveyances.
- Rail shippers use "just in time" inventory methods.
- All of North America's rail cars and locomotives are tracked continuously with radio frequency identification technology.
- Large-scale imaging for rail should be strategically located to avoid serious operational delays.
- A truly seamless rail operation at a border requires joint agency systems and the integration of technologies; the independent development of systems by the CBSA and the CBP creates inefficiencies and unnecessary costs for governments, shippers and customers.
- The CBSA and the CBP should collaborate on ways to share data and use technology optimally.

## **PROOF OF CONCEPT: RFID FOR PRODUCT IDENTIFICATION AND TRACEABILITY**

### **Alex Greco, *GS1 Canada***

- Technology can increase the efficiency of cross-border trade.
- The national product registry and Global Trade Item Numbers can be used to do the following:
  - expedite clearance;
  - facilitate trade compliance;
  - reduce administrative costs;
  - enable more effective and efficient deployment of resources;
  - increase the transparency and predictability of government processes; and
  - ensure more consistent application of regulatory requirements.
- The manual entry of information increases the risk of data errors.
- Global supply chain standards are needed.



- Interoperability is critical for e-commerce.
- Trust is a pre-condition for engaging in digital trade.

## **THE POSITIVE, THE NEEDS AND WHAT MUST BE CHANGED**

### **Jim Phillips, *Canadian/American Border Trade Alliance***

- Efforts should be directed to managing the Canada–U.S. border more effectively and at lower cost.
- Excessive border regulations should be streamlined.
- The movement of low-risk cargo and individuals across the Canada–U.S. border should be expedited.
- Low-volume rural crossings along the Canada–U.S. border should have cross-designation for two-way inspection.
- The CBP’s Customs-Trade Partnership Against Terrorism and the CBSA’s Partners in Protection should be joint measures.
- Containers should be inspected at the point of loading or at their destination, not at the border.
- Joint Canada–U.S. inspection teams are a “good idea,” as is the notion of “inspect once, accept twice.”
- Canada and the United States should work together in the following areas:
  - enhanced and effective intelligence;
  - accurate data that are provided in advance;
  - information sharing;
  - interoperable technology and equipment;
  - harmonized regulations; and
  - “one face” for the CBSA and the CBP at the Canada–U.S. border.

## **CBSA OVERVIEW – STRATEGY, PRIORITIES, KEY INITIATIVES, ETC.**

### **John Ossowski, *Canada Border Services Agency***

- Canada and the United States have common interests that are worth protecting.
- Security and efficiency go hand in hand, and Canada and the United State need to work together in identifying solutions; that said, the right balance between security on one hand, and facilitating the movement of people and goods across the shared border on the other hand, must be struck.
- Information requirements that are redundant should be eliminated.

**Martin Bolduc, *Canada Border Services Agency***

- A number of years ago, the Canada–U.S. border was a purely “transactional environment”; now, for a variety of reasons, the border is more complex.
- Harmonization of the CBP’s Customs-Trade Partnership Against Terrorism and the CBSA’s Partners in Protection remains a priority.

**Maurice Chenier, *Canada Border Services Agency***

- Because Canada and the United States are at a crossroads in terms of major technological change, a key question is the ways in which the two countries can take advantage of that change together.
- Stable systems are important for businesses.

**TOURISM AND VISITATION – A CRITICAL ECONOMIC DRIVER: OVERVIEW, UPDATE AND ISSUES EFFECTS AT BORDER**

**Alroy Chan, *Rocky Mountaineer***

- Tourism is one of the world’s fastest-growing sectors.
- Canada’s tourism sector creates hundreds of thousands of jobs and is a significant contributor to the country’s gross domestic product.

**Greg Wirtz, *Cruise Lines International Association***

- Consumer demand for cruise vacations continues to grow, as does the supply of such vacations; globally, the cruise passenger growth rate exceeds 7% annually.
- “Two-nation vacations” between Canada and the United States are a growth market.
- Border clearance considerations regarding cruise passengers include the following:
  - precise itinerary scheduling;
  - high passenger volume with short turnaround times;
  - relatively low-risk passengers; and
  - the availability of advance information about passengers.

**Pat Whalen, *Niagara Global Tourism Institute***

- Tourism is a fast-growing and enduring sector, and it contributes to rising living standards around the world.
- Tourism is very important to the Great Lakes region.

- In the context of Niagara Falls, it is important to ensure that peoples' memory is of the falls on either side of the Canada–U.S. border, and not of crossing that border.

## **THE AMERICAN PERSPECTIVE**

### **Stuart Dwyer, *U.S. Department of State***

- The U.S.–Canada relationship needs to work in the two countries' collective interests.
- Irritants are inevitable with a relationship that has the size and scope of the U.S.–Canada relationship.
- The U.S.–Canada relationship, which is unique, is as fundamental as any that the world has ever seen.
- In the context of the U.S.–Canada border, efficiency goes hand in hand with security, and a “thin” border is in the interest of both countries.
- Technology and “the best processes” should be used to reduce the time that is needed to cross the U.S.–Canada border.
- Legitimate trade and travel should be facilitated as a means of making more resources available to focus on areas of greater risk.
- Regulatory harmonization between the United States and Canada “makes sense.”
- A negotiated agreement regarding U.S.–Canada trade in softwood lumber products is in the best interests of both countries.
- NAFTA should be modernized.
- NAFTA has led to highly integrated supply chains.
- Cross-border innovation is critical for making productivity gains.

Respectfully submitted,

Hon. Michael L. MacDonald,  
Senator, Co-Chair  
Canada–United States

Hon. Wayne Easter, P.C., M.P.  
Co-Chair  
Canada–United States

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## Travel Costs

<b>ASSOCIATION</b>	Canada–United States Inter-Parliamentary Group
<b>ACTIVITY</b>	Canadian/American Border Trade Alliance (Can/Am BTA) Conference
<b>DESTINATION</b>	Ottawa, Ontario, Canada
<b>DATES</b>	7–9 May 2017
<b>DELEGATION</b>	
SENATE	The Hon. Michael L. MacDonald The Hon. Terry M. Mercer
HOUSE OF COMMONS	The Hon. Wayne Easter, P.C., M.P. Mr. Kerry Diotte, M.P. Ms. Karen Ludwig, M.P. Mr. Brian Masse, M.P.
STAFF	Ms. Miriam Burke, Executive Secretary Ms. June Dewetering, Senior Advisor
<b>TRANSPORTATION</b>	<b>\$ 0.00</b>
<b>ACCOMMODATION</b>	<b>\$ 0.00</b>
<b>PER DIEMS</b>	<b>\$ 0.00</b>
<b>MISCELLANEOUS / REGISTRATION FEES</b>	<b>\$ 5,748.12</b>
<b>TOTAL</b>	<b>\$ 5,748.12</b>