

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

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

Canada-United States Inter-Parliamentary Group

**Ottawa, Ontario, Canada
4–6 May 2014**

Report

DELEGATION MEMBERS

From 4–6 May 2014, Mr. Gord Brown, M.P., Co-Chair and three Vice-Chairs – Senator Michael L. MacDonald, Mr. Brian Masse, M.P. and Mr. LaVar Payne, M.P. – represented the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) at the spring meeting of the Canadian/American (Can/Am) Border Trade Alliance (BTA) in Ottawa, Ontario. Mr. Brown and Senator MacDonald provided remarks at the meeting. The delegation was accompanied by Mr. Pascal Tremblay, Advisor to the Canadian Section.

THE EVENT

The Can/Am BTA holds two meetings each year: in the spring in Ottawa and in the fall in Washington, D.C. The BTA 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 transportation and trade-related activities, as well as representatives of a variety of Canadian governmental departments and the United States' Embassy in Ottawa.

DELEGATION OBJECTIVES FOR THE EVENT

Members of the Canadian Section sometimes attend both the spring and fall meetings of the BTA. Given the BTA's focus, attendance at the meetings provides members with an important opportunity to gain insights about the problems being experienced by businesses and individuals in respect of trade and tourism, as well as about efforts and actions by governments in both countries to address these problems.

Attendance at the BTA meetings also provides members of the Canadian Section with an opportunity to inform meeting attendees about the range of actions taken by them in respect of shared bilateral goals, especially through the invitation that is typically given to the Canadian Senate and House of Commons Co-Chairs and/or Vice-Chairs to provide remarks about the Canadian Section's past and future activities and priorities. As noted earlier, Mr. Brown and Senator MacDonald provided remarks at this meeting.

ACTIVITIES DURING THE EVENT

Members of the Canadian Section were able to speak with meeting attendees about the problems being encountered at Canada's shared border with the United States, and to share information about the efforts being taken by the Canada-United States Inter-Parliamentary Group to ensure the existence of an efficient, cost-effective and secure shared border. The Canadian Section's House of Commons Co-Chair, Mr. Gord Brown,

M.P., spoke about the Canadian Section's activities since the BTA's fall meeting in 2013, while Senator MacDonald discussed the Canadian Section's upcoming activities.

Sessions with the following titles were held:

- Introductory remarks by the U.S. Ambassador to Canada
- Beyond the Border Action Plan on perimeter security and economic competitiveness
- View from the bridges
- Alberta's oil sands
- Single Window Initiative
- Canada-United States Inter-Parliamentary Group
- View from the Canadian Council of Chief Executives
- Shale oil and gas: overview
- View from the rail
- Transportation
- Beyond the Border implementation
- Canada Border Services Agency: Beyond the Border
- View from Can/Am BTA
- Canada Border Services Agency: information technology and "exponential technology"
- Oil sands and energy: overview and their importance to U.S. and Canada.

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

INTRODUCTORY REMARKS BY THE U.S. AMBASSADOR TO CANADA

Ambassador Bruce Heyman, *U.S. Embassy*

- The goals and objectives in the Beyond the Border Action Plan must be realized; momentum must be maintained, and a high level of commitment to achieve efficient borders is needed.
- Since its inception, NEXUS has enrolled 1 million members, but wait times at the border shared by the United States and Canada can still be significant.
- U.S.–Canada trade leads to significant economic benefits, including jobs in both countries.
- The United States has concerns about the intellectual property rights bill being considered by the Canadian Parliament, as it would not stop foreign

counterfeit goods from transiting through Canada to the United States; a failure to address the issue of in-transit counterfeit goods could result in more intrusive inspections at the shared land border.

BEYOND THE BORDER ACTION PLAN ON PERIMETER SECURITY AND ECONOMIC COMPETITIVENESS

Honourable Steven Blaney, P.C., M.P., *Canadian Minister for Public Safety*

- The flow of goods and services, and the movement of people, across the Canada–U.S. border support jobs and the economy in each country; for most U.S. states, Canada is the main trading partner.
- It is critical to move forward with efforts to make the Canada-U.S. border more reliable in order both to ensure mutual security and to benefit from bilateral trade.
- Trusted traveller and trusted trader initiatives are key initiatives to facilitate crossings at the border between the United States and Canada.
- A number of initiatives, including preclearance pilot projects, are critical to enhance and facilitate Canada-U.S. trade.
- In 2013, Canada and the United States released the first-ever joint Canada-U.S. Border Infrastructure Investment Plan; the plan aims to facilitate crossing of the border while enhancing security.
- Global competitiveness is critical, and requires that the border shared by Canada and the United States become more efficient.

ALBERTA'S OIL SANDS

David Kettles, *Government of Alberta*

- Alberta's oil sands generate jobs and wealth for Alberta, Canada and the United States; suppliers on both sides of the shared border benefit from the development of the oil sands.
- Alberta is investing in carbon capture and storage projects in order to reduce greenhouse gas (GHG) emissions.
- Companies that are required to meet the provincial reduction target for GHG emissions pay, to the Climate Change and Emissions Management Fund (CCEMF), \$15 for every tonne of GHG emissions that exceed the reduction limit.
- The CCEMF has collected \$398 million since 2007; this money is being invested in GHG emissions reduction projects.

SINGLE WINDOW INITIATIVE

Ryan Eickmeier, *GS 1 Canada*

- The GS 1 barcode system identifies, captures and shares information on products across the entire supply chain, and helps respond to businesses' logistical needs and challenges.
- The GS 1 barcode system's standards facilitate logistics, bring about increased supply-chain efficiency, and help to move products across the Canada-U.S. border.
- The GS 1 barcode system allows access to real-time information about the flow of products and transactions, enables precise tracking of shipments, vehicles, containers and warehouses' inventories, and results in border crossings that are seamless, secure and efficient.
- The GS 1 barcode system is harmonized with the Single Window Initiative.
- According to findings from a pilot project, using GS 1 standards can reduce U.S. Consumer Product Safety examinations of toy products by 75% or more.

CANADA-U.S. INTER-PARLIAMENTARY GROUP

Senator Michael L. MacDonald, *Senate of Canada*

- The first meeting attended by the IPG's Canadian Section since the BTA's fall 2013 meeting in Washington, D.C. was a meeting of the Council of State Governments' Eastern Regional Conference, which had the theme of "Succeeding in a Time of Austerity"; discussions occurred about a number of resolutions that affect Canada, including the United States' country-of-origin labelling requirements and the need to expedite customs preclearance agreements.
- The next activity for the Canadian Section was the winter meeting of the National Governors Association (NGA) in Washington, D.C., which had the theme of "America Works: Education and Training for Tomorrow's Jobs"; at the NGA meeting, members of the Canadian Section spoke with U.S. governors about issues that are important to both Canada and the United States, including the scope of the Canada-U.S. trade relationship, the Keystone XL pipeline proposal and other energy issues, financing of the new Detroit-Windsor international crossing, abuse of prescription medicines, the benefits of early learning for children, and a range of water issues.
- Following the NGA meeting, members of the Canadian Section took advantage of their time in Washington to meet with representatives of the Canadian American Business Council (CABC), and to discuss such issues as the Keystone XL pipeline application, the U.S. customs plaza at the

Detroit-Windsor crossing and other shared border topics, the safety of the transportation of goods by rail, truck pre-clearance at the Peace Bridge, regulatory cooperation between Canada and the United States, and the importance of North American supply chains.

- Following the meeting with the CABC, the Canadian Section's Senate and House of Commons co-chairs led a delegation of their Senate and House colleagues to meetings with more than 50 U.S. Senators and members of the House of Representatives or their staff; key topics discussed during the Congressional meetings included the Keystone XL pipeline proposal, ballast water regulations, the U.S. customs plaza at the new Detroit-Windsor international crossing, U.S. country-of-origin labelling requirements, and Buy American and other measures that harm trade and limit prosperity.
- In April, members of the Canadian Section of the IPG met with Nevada Governor Brian Sandoval, who was leading his state's first-ever official Canadian trade mission; among the topics discussed were the significant levels of tourism and trade between Canada and Nevada.

Gord Brown, M.P., *Canadian House of Commons*

- The IPG's annual meeting will be hosted by Canada in Ottawa, beginning on 6 June 2014; up to 20 U.S. Senators and members of the House of Representatives are expected to attend the annual meeting, whose agenda items are likely to include border issues, as well as other topics linked to growth and prosperity in Canada and the United States.
- Over the summer of 2014, members of the IPG's Canadian Section are planning to attend various meetings of governors and of state legislators, as well as of private-sector/public-sector organizations that involve governors or state legislators.
- The participation of the Canadian Section at meetings of governors and state legislators is an important means by which to learn from the experiences of the U.S. state and federal governments, to find ways of maximizing North American prosperity, and to identify areas where bilateral cooperation would be fruitful.

VIEW FROM THE Canadian Council of Chief Executives

Eric Miller, *Canadian Council of Chief Executives*

- Canada and the United States have a special relationship, but this relationship is facing challenges; challenges in the Canada-U.S. relationship include the slow pace of progress on the U.S. plaza at the Detroit River International Crossing, the completion of a pre-clearance agreement, and U.S. country-of-origin labelling requirements in relation to beef and pork.

- Although there are currently 84 pipelines connecting Canada and the United States, the Keystone XL pipeline approval process has become a significant irritant in the bilateral relationship; the Keystone XL pipeline is key to U.S. and North American energy security.
- The Trans-Pacific Partnership negotiations should be a priority for Canada.
- As American politics are primarily local, Canada should not have closed several consulates in the United States.
- The relationships between U.S. states and Canadian provinces/territories are very important.

SHALE OIL AND GAS: OVERVIEW

Rayola Dougher, *American Petroleum Institute*

- Shale oil and gas play an important economic role in Canada, the United States and Mexico.
- The use of natural gas has increased significantly, and North American shale gas and oil production has changed a lot from 1970 to the present time.
- From 2000 to 2013, U.S. shale oil production increased from 90,000 barrels daily to 1 million barrels a day.
- Economic growth depends on energy growth.

TRANSPORTATION

Honourable Lisa Raitt, P.C., M.P., *Canadian Minister of Transport*

- Transport Canada is actively working to advance the Beyond the Border Action Plan.
- Transport Canada aims to diminish “red tape” and increase efficiencies, including through the removal of bottlenecks and the implementation of online forms.
- Canada is investing in its gateways; the establishment and consolidation of Canada’s gateways transportation network is important, as the integration of railways, roads and ports results in improved efficiency.
- Examples of federal investments in gateways include the Asia-Pacific Gateway and Corridor Initiative, the Great Lakes-St. Lawrence Seaway and the Detroit River International Crossing.
- Having the world’s longest border necessitates having a great working relationship between Canada and the United States.

- Canada and the United States not only trade with each other; they also make things together and sell them to the world.
- The leaders of the three *North American Free Trade Agreement* countries have recently committed to develop a North American transportation plan.
- Effective, integrated North American supply chains are a global competitive advantage; the efficiency of Canada-U.S. supply chains must continually improve to remain competitive.
- Facilitating North American trade is critical, and that trade depends on an efficient transportation system.

BEYOND THE BORDER IMPLEMENTATION

Kevin O'Shea, *Canadian Privy Council Office*

- Canada and the United States have the world's largest bilateral trade relationship.
- Regulatory cooperation is at the core of North American competitiveness; deeper cooperation is necessary in order to reduce transaction costs.
- The Single Window Initiative, which will enable traders to submit electronically all information required to comply with customs and other governmental regulations, is critical to North American competitiveness.
- Border infrastructure investments are important, but it is also essential to innovate and streamline processes (e.g., preclearance, pre-inspection, etc.).
- Canada is concerned about the relatively low level of attention paid to border infrastructure investments in the United States, and about inspection-related border fees.
- The 2014 annual report in relation to the Beyond the Border Action Plan will outline the progress made in a number of areas, although implementation of that plan is behind schedule; for instance, while business travel has been facilitated, some issues continue to exist, and completing pre-clearance agreements for rail, land and marine will require more time.

CANADA BORDER SERVICES AGENCY: BEYOND THE BORDER

Richard Wex, *Canada Border Services Agency*

- The CBSA has a broad and complex mandate; key challenges exist in relation to trade, travel and transnational criminal activity.
- At present, the CBSA employs 13,000 personnel at 1,200 locations, including 7,200 individuals who are in uniform and 4,000 individuals who are armed.

- Operations at the Canada-U.S. border are transitioning from border control to border management, which is based on a risk management-based approach; this approach is focused on the detection and identification of patterns of non-compliance to enable more targeted and effective border controls.
- CBSA programs will benefit from strengthening data analytics.
- The success of border control efforts depends on partnerships; the CBSA aims to improve partnerships with stakeholders, including with private-sector stakeholders, in order to optimize border management.

VIEW FROM CAN/AM BTA

Jim Phillips, *Canadian/American Border Trade Alliance*

- A paradigm shift in border management is needed, and North American competitiveness and an enhanced quality of life depend on it.
- A “pre-clearance paradigm shift” would facilitate border crossings and trade, with benefits for both Canada and the United States.

CANADA BORDER SERVICES AGENCY: information technology and “exponential technology”

Maurice Chenier, *Canada Border Services Agency*

Technology is central to the CBSA, and technological improvements require a good plan and effective direction; the CBSA needs to be more efficient now than it has been in the past regarding its use of information technologies.

The facilitation and security of international trade and travel require technical solutions.

Automation is key in order to make good use of data, and interoperability with the United States must be achieved; in this regard, the Single Window Initiative is a linchpin to an efficient border.

Oil Sands & Energy: Overview and their Importance to U.S. and Canada

Bridget Pastoor, MLA, *Legislative Assembly of Alberta*

Alberta, Canada and the United States have recently experienced robust growth in trade, travel and tourism, and the North American economy requires fluid border processes.

Increasing market access for energy resources is Alberta’s first priority; the province’s oil sands currently produce 1.9 million barrels each day, and this production is expected to grow to 3.2 million barrels by 2024.

Canada and the United States benefit from Alberta’s oil sands sector, as the value of the province’s oil exports to the United States comprise 25% of the value of Canada’s total exports to the country, and 900 U.S. businesses are suppliers to this sector.

At present, about 180,000 barrels per day of Canadian oil are transported by rail in the United States; this figure is expected to increase, as rail transport is a substitute for the Keystone XL pipeline.

North America might be energy independent by 2024, and might become a net exporter of energy products.

Respectfully submitted,

Hon. Janis G. Johnson
Senator, Co-Chair
Canada-United States
Inter-Parliamentary Group

Gord Brown, M.P.
Co-Chair
Canada-United States
Inter-Parliamentary Group

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Canadian/American Border Trade Alliance (BTA) Conference
DESTINATION	Ottawa, Ontario, Canada
DATES	May 4-6, 2014
DELEGATION	
SENATE	Hon. Michael L. MacDonald
HOUSE OF COMMONS	Mr. Gord Brown, M.P. Mr. Brian Masse, M.P. Mr. LaVar Payne, M.P.
STAFF	Mr. Pascal Tremblay, Advisor
TRANSPORTATION	
ACCOMMODATION	
HOSPITALITY	
PER DIEMS	
OFFICIAL GIFTS	
MISCELLANEOUS / REGISTRATION FEES	\$ 3,294.90
TOTAL	\$ 3,294.90