

Canada - United States
Inter-Parliamentary Group
Canadian Section



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Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
to the Pacific Northwest Economic Region
18th Annual Summit**

Canada-United States Inter-Parliamentary Group

**Vancouver, British Columbia, Canada
July 20 – 24, 2008**

Report

INTRODUCTION

From July 20 to 24, 2008, members of the Canada-United States Inter-Parliamentary Group participated in the 18th Annual Summit of the Pacific Northwest Economic Region (PNWER) in Vancouver, British Columbia. Mr. Rob Merrifield, M.P., Co-Chair of the Canadian Section of the Group led the delegation. The Honourable Wilfred Moore, Senator and Ted Menzies, Parliamentary Secretary to the Minister of Finance also attended the meeting.

PNWER, with its network of private and government officials, now including, as announced at this Summit, the province of Saskatchewan, is a best practice in organized regional cross-border cooperation. PNWER's working groups and members include Premiers, Governors, legislators, private sector leaders, industry associations, countries, and economic development commissions. It provides formal structures for building and enhancing Canada-US relationships and discussing issues on a regional basis. In their discussions with public and private sector PNWER members on both sides of the border, members of the IPG were able to achieve better the aim of finding points of convergence in respective national policies, to initiate dialogue on points of divergence, and to encourage exchanges of information and promote better understanding on shared issues of concern. Throughout this summit, the members of the delegation concentrated their efforts on the border issue and attended all of the symposiums devoted to this issue.

This report serves to summarize the main points made at the Summit and selected concurrent sessions. The Summit itself was comprised of 6 keynote addresses and four individual symposiums related to the following issues:

- Innovation
- Border
- Energy
- Agriculture

Selected sessions of the Summit are highlighted below.

Keynote Addresses

His Excellency David Wilkins, *United States Ambassador to Canada*

Ambassador Wilkins expressed the strength of the relationship that exists between Canada and the United States, and congratulated PNWER for being in the forefront of building and enhancing this already strong friendship. He noted that Canada is the number one foreign supplier of oil, natural gas and uranium to the United States, and welcomes the ramp up in oil production in Canada, while embracing a high

environmental bar. He lauded the Canadian initiative of advancing free trade with Latin America and thanked the Canadian troops for their significant contribution to the war on terror.

The Honourable Stockwell Day, *Minister of Public Safety*

The Honourable Stockwell Day expressed the fact that safe, secure and efficient borders are the priority for Canada. He stressed the challenges associated in establishing the need to strike a balance between keeping the border effective and efficient thereby allowing for the free flow of goods and services while at the same time, dealing with and intercepting any contraband goods or individuals that may pose a threat to the safety and wellbeing of our mutual societies. He noted that Canada shares the terror concerns of the United States and both countries have worked collaboratively towards the goal of having efficient borders. He congratulated PNWER for its work on the border issue, including the Border Charter initiative, and expressed the need for continued vigilance in the run up to the 2010 Olympics to ensure that there are no tie-ups at the border. He praised the ongoing work of the provinces and states, citing most significantly British Columbia and Washington in its pilot project initiative of introducing the enhanced drivers licence (EDL) as a trans-border identity document, providing an acceptable alternative to the passport. In light of this significant effort, Canada has committed \$6 million to the provinces to work within their respective jurisdictions to promote the use of the EDL. Canada has also committed \$14 million to the promotion of the NEXUS card, \$26 million to accelerate visa procedures, and \$29 million to allow for greater efficiency at border crossings. Moreover, \$396 million has been committed to the E-Manifest program, and \$19 million for integrated border enforcement efforts.

The Honourable Gordon Campbell, *Premier of British Columbia*

The Honourable Gordon Campbell congratulated PNWER on its success, attributed in part to the leadership of its founders, who built the organization as a model for collaboration. He welcomed Saskatchewan into the organization and remarked on the continued spirit of cross-border partnership, fuelled by common interests in both Canada and the United States. He remarked upon the efforts of his government with that of Governor Gregoire of Washington State in looking to have the EDL accepted as an alternative to the passport for trans-border crossing. He stressed the importance of the free-flow of goods, services and individuals between Canada and the United States and the strong economic, social and family relationships British Columbia residents share with their Washington neighbours.

With the lead up to the 2010 Olympics, he acknowledged the focus of the world on those provinces and states that are members of PNWER, and stressed the importance of working with border and security authorities to ensure that travellers are not subject to unnecessary delays at the border.

The Honourable Michael Wilson, *Canadian Ambassador to the United States*

The Honourable Michael Wilson described the effectiveness and appreciation of PNWER as a model for the solid relationship that exists between Canada and the United States. Its success lies in engaging governments and private sector representatives from both sides of the border in regional level discussions of mutual concern

Ambassador Wilson acknowledged the fact that Canada and the United States share the longest secure border in the world, but cautioned that security issues should not impede the economy and tourism in both countries. He went on to state that the North American supply chain relies on the strength and efficiency of the trans-border supply chain, allowing for businesses on both sides of the border to compete more effectively with Asia and Europe. Unnecessary border delays serve only to cost money and jobs in both countries. The effectiveness of the North American supply chain is fundamental to the mutual strength of the economies in Canada, the United States and Mexico. The border should be a true gateway, with unnecessary inspections and fees eliminated.

Ambassador Wilson concluded by congratulating PNWER on its initiative in establishing the Border Charter.

Border

The major participatory focus of the delegation related to the border as divided into the following subjects:

- Border Issues and Transportation Challenges
- Making the Border Work Better
- Roundtable Discussion on the Asia Pacific Gateway, Border Issues and the 2010 Winter Olympics
- Border and Gateway Security: Taking Stock of the Challenges

Border Issues and Transportation and Challenges

Participants:

Ambassador David Wilkins, *U.S. Ambassador to Canada*

John Wagner, *Director of Traveller Programs, U.S. Department of Homeland Security*

Colleen Manaher, *Director of Western Hemisphere Travel Initiative (WHTI), U.S. Customs and Border Protection*

Ambassador Wilkins stated that there exists on both sides of the border an acute awareness of the problems associated with border security. Both countries have a dual responsibility to ensure that while the law is enforced, travellers are allowed to get through as quickly as possible.

In this post 9/11 era, the concept of a North American perimeter will not be realized. However, he suggested that should perhaps security at the perimeter be heightened, it might potentially lead to some small measure of relaxation at the border.

John Wagner of the Trusted Traveller Program discussed the use of the NEXUS card and acknowledged there remains much to be done to promote its use. Presently, only some 200,000 individuals carry these cards. He stated that there needs to be a more focussed outreach to encourage travellers to make use of them, and this effort could be generated both by government and business alike. He stated that there is presently some work undertaken to see if the NEXUS card may have some measure of visibility in other jurisdictions such as Europe and Asia.

Colleen Manaher of the WHTI program stated that the ultimate goals of the program are to decrease wait times, to speed up processing, and to alleviate congestion, all while enhancing security. An extensive outreach program has been initiated entitled: **We are improving to keep you moving**. She noted that there are over 7,000 miles of shared border between Canada, the United States and Mexico, more than 99 land border ports, 186 million crossers, and 120 million cars, trucks, buses, trains, vessels and aircraft in the fiscal year 2007 alone. Bridges, tunnels and border facilities all have to keep pace with the growing demand. In addition, a land border wait time working group has been convened to address all issues related to land border wait times. She was very supportive of the enhanced drivers licence initiative and felt that all provinces and states should embrace the initiative.

Making the Border Work Better

Participants:

Kelly Johnston, *Vice President, Government Affairs, Campbell Soup*

Mike Feniak, *Acting Director General, eManifest, CBSA*

Rob Merrifield, *M.P., Co-Chair, Canada-United States Inter-Parliamentary Group*

Kelly Johnston stated that the Campbell Soup Company is a \$7.8 billion company, and treats North America as a single market. It has 23 facilities in four states as well as in Ontario. They engage 4,500 trucks per year in intra-company trade between Canada and the United States. He noted that there seems to be some measure of disconnect between reality and the political climate in the United States. A prime example of this occurred at the time of the NAFTA debate during the primary in Ohio where it was stated that jobs were being lost, when in fact 200 jobs were created. Mr. Johnston went on to offer the following recommendations to improve the present situation.

- Move custom processes and congestion away from the border
- Consider the establishment of a new Joint Canada - United States Commission on the border

- Move quickly to electronic data processes, harmonize documentation requirements and create a common customs system
- Reconsider the structure, mission and composition of the 5 year old Department of Homeland Security
- Find ways for the travel and tourism sectors to collaborate with the manufacturing, services sectors

Mike Feniak stated that the eManifest program is designed to modernize and enhance how CBSA processes and screens commercial goods coming to Canada. With a budget of \$396 million, it is designed to ensure that risk assessments are performed on all goods prior to their arrival in Canada, to ensure that high risk shipments are sufficiently examined and low-risk shipments cross the border without delay. EManifest is the third phase of the Advance Commercial Information program and focuses on highway and rail transportation, an initiative of the Security and Prosperity Partnership (SPP), established between Canada, the United States and Mexico to increase security while at the same time enhancing North America's economic prosperity.

Rob Merrifield, M.P. began by highlighting the resolutions of the 49th meeting of the Canada-United States Inter-parliamentary Group, stating that each resolution has named an IPG member from each side of the border to champion its progress. He stated that the IPG has had a very solid working relationship with PNWER, and congratulated the organization on its can-do attitude, noting in particular its success in promoting the use of the NEXUS card and the EDL. He cautioned however, that a tremendous amount of work needs to be done in anticipation of the 2010 Olympics to ensure that travellers are not subjected to unnecessary delays at the border. Moreover, he stated that the IPG will continue to monitor the situation and will vigorously oppose the implementation of the June 2009 WHTI deadline for passport compliance at all land crossings unless significant improvements are realized. Efforts leading to tangible results are urgently necessary, and the IPG will continue to work with PNWER and their American counterparts to monitor the development and implementation of border policies. He highlighted the meeting in April with the Speaker of the House of Representatives, Nancy Pelosi, and Member of Congress Louise Slaughter, whereby it was proposed that representatives on both sides of the border work to develop a plan addressing border issues to present to the new administration.

Roundtable Discussion on Asia Pacific Gateway, Border Issues, and the 2010 Winter Olympic Games

James Moore, Secretary of State, (Asia-Pacific Gateway), (2010 Olympics) stated that over 80 countries will participate in the 2010 Olympics and over 40 countries in the Para-Olympics. There has been an unprecedented allocation of resources, \$645 million of Federal money for issues related to security. The world will be watching, and Canada's hosting of these Games has pushed many debates on border and security issues to the forefront. Both he and Al Martinez-Fonts, Assistant Secretary to the Department of Homeland Security (DHS), expressed a strong spirit of collaboration in intelligence matters and site assessment issues leading up to the Whistler Olympic

Games. Moreover, U.S. Customs and Border Protection is working closely with the Olympic Planning Committee to ensure the development of a comprehensive strategy.

John van Dongen, Minister of Public Safety and Solicitor General for the Government of British Columbia stated that for PNWER, border management is one its principal issues. The Border Charter, an initiative of PNWER, looks to three principal strategies: first, to seek to solve border issues in the lead up to the Olympic Games to ensure that the necessary security and infrastructure measures are in place in anticipation of the huge influx of athletes and visitors; secondly, in the recognition that delays at the border are hurting competitiveness in both Canada and the United States, to streamline clearance strategies to ensure legitimate trans-border trade and travel; and thirdly, to build greater critical mass, encouraging travellers to make greater use of RFID technology, NEXUS, Passcards, or EDL's to alleviate delays at the border. Other discussion issues of note are the following:

- EDL's be recognized for air travel
- under the auspices of the US Direct Program, tour companies arrange for pre-cleared clients to board bonded buses;
- construction is underway to increase the number of lanes from 4 to 10 at the Peace Arch, with one full-time NEXUS lane. The expectation is that 2 lanes will be devoted to the card.
- Urging CBSA and CBP to work together to facilitate the low-risk movement of people without compromising the security bar.

Border and Gateway Issues: Taking Stock of the Challenges

Professor Don Alper, *Professor and Director, Centre for Canadian-American Studies and Border Policy Research Institute, Western Washington University*

Honourable A. Anne McClellan, *Distinguished Scholar in Residence, Institute for United States Policy Studies; Counsel, Bennett Jones LLP*

Margaret Purdy, *Resident Scholar, Centre for International Relations, University of British Columbia*

Professor Alper commented on the enormous diversity that characterizes the Canada – United States border; composed from coast to coast of 121 points of entry, 17 bridges, 1 tunnel, and one even trail, located in Glacier National Park. He noted that 52% of all truck trade passes through border crossings in the province of Ontario. He expressed the differing nature of regional economies and commerce and the pressures placed on regional border crossings as a result; with auto, manufacturing trade and commerce occurring for the most part in Ontario, and lumber and energy trade and commerce characterizing the border crossings to the west. Moreover, he noted that the post 9/11 border experience is not uniform border-wide.

Anne McClellan began by stating that the Canada-Pacific Gateway is all about the Canada-United States border and maintaining connectedness and competitiveness. It's about putting buyers and sellers together, by putting people and processes together, and by developing new markets to be more competitive. Moreover, she noted that so much of what comes into Canada is destined for the United States. As an example, she noted two usual Pacific Gateway supply chains routes of Shanghai – Prince Rupert – Chicago or Shanghai – Prince Rupert – Edmonton – Chicago.

Ms. McClellan went on to suggest that while there is a real psychology associated with seeing the border slammed shut post 9/11, the idea of securing the North American perimeter would answer many of the problems associated with securing connectedness and competitiveness in the gateway. One should consider the notion that Shanghai be considered part of Canada's border perimeter. The eManifest program is a good beginning and suggested that while the United States should investigate the perimeter concept, the reality is that such a debate is too highly politically charged to be viable in any way. It is the United States alone that trusts itself to deal with its own security issues. The question was posed: What do we need to overcome the fear and rebuild the trust?

And why could we not envisage an integrated security transportation system? Ms. McClellan warns that if we don't, the rest of the world could well steal the competitive edge from North America. With protectionism on the rise in the United States, it serves to undermine the effectiveness of our gateways and corridors. Moreover, she states that the Department of Homeland Security (DHS) has become a huge super-department within Washington, and would like to see changes in DHS under the new administration.

Margaret Purdy began by stating that the Asia-Pacific Gateway is a bold notion that requires an equally bold security strategy and suggests that an integrated security approach would be a competitive asset. She went on to state that Canada is meeting United States security standards and is moving beyond them in creative and innovative ways. She believes that an extension of the pre-clearance structure is essential and that security issues be viewed from the overall gateway corridor perspective, to shared threats and risks, complex linkages and interdependencies, and the sharing of the most pertinent security information and assessments. While the NEXUS card, the eManifest programme, and the Fast card have been successful, she urged both Canada and the United States to build on their success and to develop a higher level and trust within these processes. She suggested that borders in the supply chain not be necessarily defined from a geographic perspective, but rather from a stance of mutual economic advantage. The Asia-Pacific Gateway corridor may well be a potentially comfortable example to entertain the discussion. Improving security while enhancing the supply chain efficiency can only improve competitiveness in both Canada and the United States.

The Border Charter – a PNWER initiative

During the conference, a press conference was held to introduce the **PNWER Border Charter**, which focuses on practical recommendations to ensure that the border

becomes a model for the world with its ease of flow of goods and services, thereby increasing the security and prosperity in both countries. The Charter itself focuses strongly on the Report released by the Canadian Chamber of Commerce and the U.S. Chamber of Commerce in April 2008, entitled, **Finding the Balance: Reducing Border Costs while Strengthening Security**. It calls for the establishment of a Border Solutions Coordination Council, to give input to both Washington, DC and Ottawa as well as from the regions. The Council is to be composed of key stakeholders working on border issues as well as high level regional and federal officials.

Respectfully submitted,

Hon. Jerahmiel Grafstein, Senator
Co-Chair
Canada-United States
Inter-Parliamentary Group

Dean Del Mastro, M.P.
Acting Co-Chair
Canada-United States
Inter-Parliamentary Group

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Pacific Northwest Economic Region Annual Summit
DESTINATION	Vancouver, British Columbia, Canada
DATES	July 20 – 24, 2008
DELEGATION	
SENATE	Hon. Wilfred Moore, Senator
HOUSE OF COMMONS	Mr. Rob Merrifield, M.P., Co-Chair Mr. Ted Menzies, M.P.
STAFF	Ms. Elizabeth Kingston Executive Secretary
TRANSPORTATION	\$424.29
ACCOMMODATION	\$2,884.57
HOSPITALITY	\$Ø
PER DIEMS	\$715.66
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$2,010.55
TOTAL	\$6,035.07