

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
to the Canadian/American Border Trade Alliance Conference
and Congressional Meetings**

Canada-United States Inter-Parliamentary Group

**Washington, D.C., United States of America
September 9 – 12, 2007**

Report

From 9-12 September 2007, members of the Canada-United States Inter-Parliamentary Group held meetings with their Congressional counterparts and attended a conference held by the Canadian/American Border Trade Alliance in Washington, D.C. This report summarizes the general nature of the Congressional meetings and presents the main points that were raised at selected sessions of the Border Trade Alliance conference.

CANADIAN/AMERICAN BORDER TRADE ALLIANCE CONFERENCE

The Canadian Perspective

Ambassador Michael Wilson, Canadian Embassy

- obstacles to the free flow of traffic must be removed
- the August 2007 Montebello Summit among the leaders of Canada, the United States and Mexico was a tremendous success; as leaders talk to each other, it becomes increasingly clear how much they have in common
- five priority areas were identified at the Montebello Summit:
 - the global competitiveness of North America
 - safe food and safe products
 - sustainable energy and a sustainable environment
 - smart and secure borders
 - emergency management and preparedness
- regarding efficient and secure supply chains, care must be taken with border initiatives in order to ensure that they “do not kill the goose that lays the golden egg”
- the Western Hemisphere Travel Initiative is the top border and bilateral issue for the Canadian government; priorities include adequate acceptable documents, phased-in implementation, a full economic impact analysis, and a communication and marketing plan
- trade in merchandise and services, as well as levels of investment, have increased greatly among Canada, the United States and Mexico since the signing of the North American Free Trade Agreement
- management of the shared border is a very important element of the bilateral trade and investment relationship
- economic objectives and security objectives must be balanced
- unnecessary regulation and fees should be avoided
- the principle of risk management should be applied at the shared border, and resources should be focussed on goods and people of unknown or high risk

- the focus should be a border that is open to trade and closed to terrorists and terrorism

The Importance of U.S./Canada Relations

Ambassador Roger Noriega, Tew-Cardenas LLP

- Canada and the United States have an extraordinarily important relationship; it is the most massive commercial relationship on the planet
- the United States, which is the world's most dynamic economy, relies on Canada; Canada is the largest foreign source of energy and a key partner in the war on terror
- in the future, Canada and the United States must work together in order to maximize joint competitiveness vis-à-vis China; we can re-tool our capital markets, regulatory schemes and tax systems to ensure ongoing competitiveness
- the shared border must be seen not as something that divides us, but rather as the place that we are joined together for our common good
- insecurity has a devastating impact on our common well-being
- it is hard for the North American Free Trade Agreement (NAFTA) countries to compete with the low wages and production of low-end consumer goods in China; however, the NAFTA countries can work together in order to improve the situation for residents of all three countries
- all nations are rightly protective of their sovereignty
- looming issues include:
 - trade – the U.S. government is divided, and there is uncertainty regarding the fate of agreements pending with Colombia, Panama and Peru
 - the Americas – a network of democratic, viable states is needed
 - terrorism and peace in the Middle East – every bomber who crosses the Canada-U.S. border must be captured, recognizing that we are in this together and depend on one another
 - elections in the United States
- the bilateral relationship will always be important, and the best days will always be ahead of us

Coordinated Clearance-Point of Departure Determination

Jim Phillips, Canadian/American Border Trade Alliance and Solomon Wong, InterVistas Consulting

- any checks of people and goods should occur at the point of departure rather than at the point of arrival
- coordinated clearance involves:

- point of departure determination
 - integrated entry/exit tracking
 - common processes within Canada and the United States
- Canada and the United States must work together in order to:
- strengthen border security
 - use the principle of risk management at the point of departure
 - expedite the movement of known low-risk people and goods at the point of entry
- there is a need to coordinate:
- within and between governments
 - public sector and private sector activities
 - transportation and border security efforts
- multi-modal movements of people and goods must be accommodated
- investments in infrastructure are key
- radio frequency identification has a tremendous ability to reduce queues
- unnecessary re-screening requirements must be removed
- the twin goals of security and trade are really one goal; with one you get the other, and there is no need to give up one to get the other

Observations and Priorities of the Canada-United States Inter-Parliamentary Group

Senator Jerry Grafstein, Co-Chair, Canada-United States Inter-Parliamentary Group

- our bilateral relationship spans just under 9,000 kilometres of land and three oceans; our countries share the longest undefended border in the world, as well as the largest trading relationship, with about \$1.9 billion worth of goods and services crossing the border each day
- it is important that we have a seamless shared border that is secure but that permits the fast and low-cost movement of low- and no-risk passengers and goods across the border
- Canadians shares the concern of Americans about the need for proper identification to authenticate citizenship and identity, and about a high level of security for the benefit of citizens

- we believe in the need to find solutions that balance border facilitation with security
- the bad guys are few and the good guys are many, yet both are being punished with the same severity; we need to treat the good guys better
- problems at the border are getting worse rather than better; the border is a chokepoint affecting trade between two friends
- the cost of doing business in North America is rising, in part because of border delays and costs
- a couple of years ago, the Ontario Chamber of Commerce estimated that the American economy was losing \$4.13 billion annually in economic potential because of clogged borders into Canada, which is about \$471,461 per hour, each hour of each day
- the Ontario Chamber of Commerce also estimated that the Canadian economy was losing \$8.34 billion each year that the borders in Ontario continued to be clogged with trucks trying to cross the border, which is an average of \$952,055 per hour
- while border delays result in serious economic costs, there are also environmental and health costs that must be considered; idling vehicles cause pollution, with environmental and health consequences, and health care costs are higher than they need to be
- the real benefits of the North American Free Trade Agreement will only be realized if goods and people who are, in fact, low- or no-risk can move easily across what should be a seamless border
- just-in-time inventory systems have been replaced by just-in-case inventory systems, with negative consequences in terms of greater stockpiling of goods and attendant higher costs
- a June 2007 report concluded that the post-911 security environment is changing the way in which Canadian companies are trading with the United States
- we must achieve efficiency if North American businesses and citizens are to compete effectively with countries in the European Union and in Asia; our shared border must cease to be an obstacle to growth and prosperity
- the management of our shared border is a shared responsibility, and our shared border must be a shared priority; the border is important for trade, family relationships and friendships, and travel and tourism
- there are at least 44 different agencies in our countries that have jurisdiction over border operations; all stakeholders – federal, state, provincial and local governments in both countries, as well as the private sector – must work collaboratively toward the development of short-, medium- and long-term actions that will result in the border we not only want, but the border that we need and with the level of security our citizens expect

- one solution to the ongoing problems at the border would be the appointment of two shared border management “czars,” one in each country

Observations and Priorities of the Canada-United States Inter-Parliamentary Group

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

- 7.1 million U.S. jobs are supported by trade with Canada, and Canada is the most important export destination for more than 70% of U.S. states
- Canadian members of the Canada-United States Inter-Parliamentary Group are lobbying U.S. federal and state legislators, as well as governors, on border issues, including border infrastructure, border pre-clearance, enhanced drivers licences and the Western Hemisphere Travel Initiative (WHTI)
- at the Group’s most recent annual meeting, all delegates demonstrated their commitment to working together in an effort to resolve issues on which – at least initially – we may not agree, and in looking outward to the global factors that affect our bilateral relationship and North America’s place in the world
- our fundamental goal is to ensure that actions are taken to ensure a high quality of life and a rising standard of living within a secure and prosperous North American space
- regarding the WHTI, we continue to press for implementation in a manner that minimizes delays, harm and inconvenience, and that provides a range of mutually agreeable documentation requirements; we are hopeful that President Bush will sign a Department of Homeland Security appropriations bill that will extend the deadline for implementation of the land and sea aspects of the WHTI until no earlier than June 2009
- we have long-supported – and continue to support – the notion that WHTI-compliant documents must be affordable and convenient as well as secure
- the majority of adults crossing the shared border have a drivers licence in their pocket, and enhancing drivers licences with security features is a move in the right direction
- members of the Group are also continuing to support land pre-clearance, which we believe is a valuable tool in helping to expedite legitimate traffic across the shared border; we view the failure to provide pre-clearance at the Buffalo, New York-Fort Erie, Ontario bridge, the second busiest crossing for vehicles and the third busiest in terms of trade, as a step in the wrong direction
- if low- and no-risk travellers and goods are to move efficiently across the shared border, it is important that there be enough border points, and that these points have adequate infrastructure and personnel
- shared border management should be the goal; while there are always problems in trying to reconcile the differing laws, rights and obligations in our two countries, negotiations must continue
- the bilateral relationship is strong and must continue to grow for our joint benefit

- as we move forward, we must always recognize that – in some sense, and whether we are talking about business relationships or personal relationships – we are in this together
- security and prosperity for citizens and businesses in both of our countries are common priorities, and both the public and private sectors have a role to play in helping to ensure the security and prosperity that will lead to a higher standard of living and a higher quality of life in both Canada and the United States

Issues Affecting the U.S./Canada Border

Representative John McHugh, Co-Chair of the Northern Border Caucus of the U.S. House of Representatives

- there is a need to help people understand that the United States has two distinct land borders, one with Canada and the other with Mexico; each border is unique and should be treated uniquely
- the Western Hemisphere Travel Initiative is one area in which the United States' border with Canada should be treated differently than the border with Mexico
- in the District of Columbia, it takes 536 people to tango

The PACT Act Essentials

Alan Snyder, Office of Representative Louise Slaughter, U.S. House of Representatives

- although the shared border has been a key priority within the Security and Prosperity Partnership, it appears to have “fallen off the table”
- with Democratic leadership in the U.S. Congress, there is a greater willingness to take the border between Canada and the United States seriously and to slow down implementation of the Western Hemisphere Travel Initiative
- increasingly, the border between Canada and the United States is seen as a valuable conduit for tourism and trade
- the PACT Act, which was introduced in February 2007, provides a framework for successful and delayed implementation of the Western Hemisphere Travel Initiative; it would withhold some funding until the Department of Homeland Security takes certain actions
- many of the PACT Act's elements are also in the House of Representatives appropriations bill for the Department of Homeland Security
- the U.S. Administration has issued a veto threat regarding the spending to be allocated to the Department of Homeland Security, but no threat has been issued in respect of the delayed implementation of the Western Hemisphere Travel Initiative that will likely be included in the reconciled appropriations bill following conference between the Senate and the House of Representatives
- even if implementation of the land and sea aspects of the Western Hemisphere Travel Initiative is delayed, problems at the border will still exist

Oil Sands Overview and Insight

Dave Coumts, MLA, Alberta Legislative Assembly

- ongoing dialogue leads to positive results
- among Canadian provinces, Alberta has the fastest-growing, youngest population and the best-educated workforce
- the economy in Alberta is thriving, reflecting – in large part – the prosperity in the oil and gas sector; that being said, the economy is diversified since, in addition to energy, the tourism, agriculture and forestry sectors are important
- Alberta is second only to Saudi Arabia in terms of proven oil reserves; the province's oil sands represent Canada's largest and greatest energy treasure, with huge recoverable reserves of oil
- Alberta is key to helping the United States meet its energy needs; the province is a secure and reliable supplier of energy
- the province of Alberta is debt-free, and has the lowest tax levels in Canada, with no sales tax
- the province of Alberta supports free trade as well as open foreign investment policies

CONGRESSIONAL MEETINGS

Members of the Canada-United States Inter-Parliamentary Group met with the following U.S. Senators and members of the House of Representatives:

- Senator Lindsay Graham
- Senator Amy Klobuchar
- Senator Lisa Murkowski
- Representative Don Manzullo
- Representative Michael Michaud
- Representative Jim Oberstar
- Representative Collin Peterson
- Representative Louise Slaughter
- Representative Cliff Stearns.

At the meetings, the following topics were discussed:

- a variety of trade, prosperity and border-related issues, including:
 - the notion that the Canada-United States border is a shared border, rather than the U.S. border
 - the number of U.S. jobs supported by bilateral trade with Canada
 - the importance of Canada as an export destination for selected U.S. states
 - Presidential trade promotion authority

- the rise of protectionism
- the importance of free and fair trade
- the prospects for delayed implementation of, and selected other issues regarding, the Western Hemisphere Travel Initiative for land and sea crossings
- the implications of the Western Hemisphere Travel Initiative for businesses and people in both Canada and the United States
- initiatives related to enhanced drivers licences
- land pre-clearance
- the NEXUS and Free and Secure Trade (FAST) programs
- North American competitiveness
- manufacturing job losses
- the Windsor-Detroit bridge crossing
 - such energy, environmental and agricultural issues as:
- the 2007 U.S. Farm Bill
- bovine spongiform encephalopathy
- World Trade Organization consultations in respect of support for U.S. corn growers
- country-of-origin labelling
- the loss of Canada's exemption in respect of the United States Department of Agriculture's Animal and Plant Health Inspection Service fee
- biofuels
- the importance of Canada as a secure and reliable supplier of energy to the United States
- the Alberta oil sands
- liquefied natural gas
- carbon capture and storage
- nuclear energy
- clean coal and coal gasification
- the Mackenzie and Alaskan pipelines
- climate change
- the polar bear as an endangered species and the loss of arctic habitat
 - a number of other issues, including:
- intellectual property, including the passage of Bill C-59 in Canada regarding movie piracy in theatres

- Canadian immigration policy
- China, including currency reform and product safety
- Canadian efforts in Afghanistan
- the resolutions passed at the Group's 48th Annual Meeting in May 2007 and issues related to the Group's upcoming 49th Annual Meeting.

Respectfully submitted,

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

Rob Merrifield, 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 Conference and Congressional Meetings
DESTINATION	Washington, D.C., United States of America
DATES	September 9 – 12, 2007
DELEGATION	
SENATE	Hon. Jerry Grafstein, Senator, Co-Chair
HOUSE OF COMMONS	Rob Merrifield, M.P., Co-Chair Pat Davidson, M.P. John Maloney, M.P. Brian Masse, M.P.
STAFF	Daniel Charbonneau Executive Secretary June Dewetering Analyst
TRANSPORTATION	\$3,637.43
ACCOMMODATION	\$5,378.66
HOSPITALITY	\$Ø
PER DIEMS	\$1,356.57
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$3,768.92
TOTAL	\$14,141.58