

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
(CAN/AM) Border Trade Alliance Conference**

Canada-United States Inter-Parliamentary Group

**Ottawa, Ontario, Canada
May 2-4, 2010**

Report

DELEGATION MEMEBERS AND STAFF

From May 2-4, 2010, Mr. Phil McColeman, M.P. and Mr. Claude Bachand, M.P. represented the Canada-United States Inter-Parliamentary Group (IPG) at the spring meeting of the Canadian/American Border Trade Alliance. The delegation was accompanied by June Dewetering and John Christopher, Analysts to the IPG.

THE EVENT

The Can/Am Border Trade Alliance (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.

During the meeting, sessions were held on such topics as:

- Strategic Direction of Canada/US Cooperation for a Smart Border for the 21st Century and Beyond
- View from the Bridges
- Detroit River International Crossing
- Canada/US Relations and Parliamentary Cooperation Activities
- The American Perspective
- View from Trucking
- View from Trade of e-MANIFEST AC I
- Overview and Issues Canada/US Trade Relations, including “Buy American”
- Strategic Direction of Transport Policy: National Highway, Rail, Air, Maritime Infrastructure: Specifics on Gateways, Trade Corridors and Border Crossings
- Canada Border Services Agency Overview: Strategy, Reorganization, Priorities, Key Initiatives
- Quebec/New York Relations: Summit Success, Economic Impact, Corridor Status.

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 US and Canadian federal departments and the US Embassy in Ottawa.

DELEGATION OBJECTIVES FOR THE EVENT

The IPG has a long association with the BTA, and typically attends both the BTA's fall and spring meetings. Given the BTA's focus, attendance at the meetings provides IPG members with an important opportunity to gain insight about 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.

In particular, the IPG's Co-Chairs, Senator Janis Johnson and Mr. Gord Brown, M.P., had the opportunity to tell meeting participants about the IPG's activities since the BTA's 2009 fall meeting and to indicate the nature and scope of the Group's summer activities, including the 51st Annual Meeting and meetings with US governors and state legislators. Other members of the Canadian Section of the IPG spoke with meeting participants, including His Excellency David Jacobson, US Ambassador to Canada.

At this meeting, as at other BTA meetings, IPG participants benefit from the opportunity to interact with, and learn from, private- and public-sector organizations and individuals that deal with border issues on a daily basis. Attendance at the BTA meetings also provides IPG members with an opportunity to inform others about the range of actions taken by the IPG in respect of shared bilateral goals as well as differences, especially through the invitation that is typically given to the Co-Chairs to make remarks about the Group's activities and priorities.

ACTIVITIES DURING THE EVENT

As noted earlier, a variety of sessions were held. As well, US Ambassador His Excellency David Jacobson hosted a reception at the home. At the meeting and the reception, members of the Canadian Section of the IPG were able to speak with attendees about the problems being encountered at Canada's shared border with the US and to share with them the efforts being taken by members of the Canadian Section of the IPG to ensure the existence of an efficient, cost-effective and secure common border.

This report summarizes selected discussions at the meeting, including the remarks made by the IPG Co-Chairs.

STRATEGIC DIRECTION OF CANADA/US COOPERATION FOR A SMART BORDER FOR THE 21ST CENTURY AND BEYOND

Honourable Vic Toews, P.C., M.P., *Minister of Public Safety*

- Canada and the United States share the largest and closest two-way trade relationship in the world, and cross-border trade is critical to the prosperity of both countries
- the common border between Canada and the US should be secure against threats yet open to the movement of legitimate goods, services and people
- Canada and the US should adopt a risk-management approach in assuring the physical safety and security of citizens as well as to protect their economic well-being

- there are a number of areas and ways in which Canada and the US cooperate, including in respect of the shared border, aviation security, terrorism and integrated border enforcement teams
- long wait times at the shared border are never acceptable, and operational improvements are needed at the ports of entry; a commitment to service standards should occur
- ideally, Canada and the United States should work together in order to identify and intercept threats before arrival at our borders, and security should be focused on our perimeter rather than the 49th parallel; a threat to either country is as well a threat to the other country
- trusted traveller and shipper programs should be expanded
- pre-clearance makes sense from the perspective of both security and efficiency
- since paperwork takes time and time is money, a reduced paper burden is a Canadian federal priority
- the use of biometrics can enhance passenger processing
- Canada and the US should create and implement a vision for the long term while continuing to focus as well on the short and medium term
- everything that happens at the border should be consistent with the goal of accelerating legitimate cross-border trade and travel

VIEW FROM THE BRIDGES

Lew Holloway, *Niagara Falls Bridge Commission*

Stan Korosec, *Blue Water Bridge*

Ron Rienas, *Peace Bridge*

Rik Saaltink, *Seaway Bridge*

- many of the bridges at the shared border between Canada and the US are being upgraded or renovated, or are awaiting funding approval or agreement prior to changes being made
- changes at the bridges have included deck replacement, painting, construction of new bridge plazas, increases in the number of lanes, bridge widening, the construction of high-low booths, etc.
- adequate infrastructure is meaningless without adequate staffing; staffing is a particular concern on the Canadian side of the common border
- while Canada has done a good job in improving its ports of entry, there is insufficient radio frequency identification (RFID) technology, which limits the

benefits of the NEXUS, Free and Secure Trade (FAST) and enhanced driver's licence measures

- NEXUS and FAST are useful in reducing border delays as well as increasing safety and efficiency, but the governments have done a bad job in marketing those programs; consequently, the private sector is spending tens of thousands of dollars on marketing
- a number of the largest bilateral border crossings have no US funds committed for improvements
- there are operational concerns in relation to Canada Border Services Agency operations, including in respect of elimination of the student program, inadequate staffing of primary inspection lanes, weak supervision, a lack of RFID-enabled inspection booths in Canada, insufficient NEXUS services, etc.
- traveller declaration cards should be eliminated for NEXUS users
- automobile traffic affects commercial traffic if automobiles face long wait times
- Canada and the US have completely different funding models
- tolls must not be a disincentive to travel
- security requirements implemented since the terrorist attacks of 11 September 2001 have resulted in a doubling of the time required for processing

CANADA/US RELATIONS AND PARLIAMENTARY COOPERATION ACTIVITIES

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

- since September 2009, the Canada-United States Inter-Parliamentary Group (IPG) has been actively delivering the Canadian message to federal and state legislators, as well as to governors
- in October 2009, a member of the IPG attended a meeting of western state legislators where he spoke with participants about the bilateral trade relationship, the importance of a smoothly functioning and secure shared border, and the energy relationship that is important for both countries; each year, this meeting holds a North American Summit, and in October the summit focused on strengthening regional security and economic competitiveness
- also in October 2009, members of the IPG attended the Leadership Forum and Legislative Academy of the Pacific NorthWest Economic Region, which includes five US states, three Canadian provinces and two Canadian territories; at the meeting, economic recovery, energy, and border issues and trade policy were among the topics discussed

- in November 2009, the IPG attended the annual meeting of the Council of State Governments, which represents state legislators from all 50 states; two governors – West Virginia Governor Joe Manchin and South Dakota Governor Mike Rounds – attended the event
- IPG efforts continued in February 2010, when members attended the meeting of the National Governors Association (NGA) in Washington, D.C. and spoke to governors about issues of Canadian and/or joint interest, including the “Buy American” provisions in the US stimulus package and other measures, border crossings and a variety of trade issues; for the first time, and in recognition of the fact that our nations share a dynamic and expanding relationship with integrated industries, North American supply chains, a shared border, and common security and prosperity priorities, Canadian premiers participated with governors in a special session to discuss issues of common concern, such as the border as well as energy and environmental challenges
- following the NGA meeting, members conducted a two-day Congressional visit; IPG members met with more than 15 US Senators and about 35 members of the House of Representatives and/or their staff
- IPG members told members of Congress that trade, which benefits both countries, is facilitated by a smoothly functioning, seamless shared border, and that our countries should work together to lower barriers, reduce costs and eliminate unnecessary requirements at the border; members also indicated that while Canada too is concerned about security, it is not always clear that the new security measures are resulting in increased safety
- Congressional visits enable IPG members to reach out to a large number of US federal legislators in a very short period of time for concentrated one-on-one meetings; particular efforts are made to meet with members of the US Senate and the US House of Representatives who do not attend the IPG’s annual meeting, and thereby to inform them about – and gain their support on – critical issues affecting both countries
- since the meetings with US federal legislators are designed to be “off the record,” the report on Congressional visits that are tabled in Parliament summarize the general nature of the issues that were raised by Canadian and American legislators

Senator Janis Johnson, *Co-Chair, Canada-United States Inter-Parliamentary Group*

- the summer activities of the Canada-United States Inter-Parliamentary Group (IPG) will begin in May 2010 when about 20 Canadian Parliamentarians will participate in the IPG’s 51st Annual Meeting in Louisiana for very comprehensive and solution-oriented debates with their American counterparts

- at the IPG's annual meeting, members of the Canadian and US delegations will be split into three committees, where a variety of bilateral and multilateral issues will be discussed; Committee One will be focused on North American financial and trade issues, including the shared border as well as trade irritants and trade agreements, Committee Two will be focused on bilateral cooperation on such international issues as Afghanistan, the North Atlantic Treaty Organization, nuclear non-proliferation and human rights, and Committee Three will be focused on energy, environmental issues and water
- throughout the summer, members of the IPG will be travelling to various locations in Canada and the United States as we meet with state legislators and governors as well as with US private-sector business interests
- as IPG participation at regional and national meetings of governors and state legislators continues, we will be focused on delivering the Canadian message about such topics as the need to work together in the development of a North American energy strategy that includes responsible use of traditional energy sources and the promotion of renewable energy, Canada's continued role as a secure and reliable supplier of energy to the US notwithstanding American efforts to avoid "foreign" oil, the requirement for a secure and efficient common border with the United States that is jointly managed, and the need to ensure that actions in both countries support the integrated industries and North American supply chains that contribute to prosperity for businesses and – by extension – both nations
- members of the IPG will be doing what they can to ensure that supportive and positive actions are taken; Canadian presence at the meetings of governors and state legislators are an ongoing and visible reminder that "we are in this together"

VIEW FROM TRUCKING

David Bradley, *Canadian Trucking Alliance*

- trucking "hit bottom" in fall 2009; while truck traffic is still 30% lower than it was at the beginning of the recession, it is slowly coming back
- the lack of reliability and the high degree of uncertainty at the border are significant concerns
- an integrated approach to security and trade at the border is needed

VIEW FROM TRADE OF E-MANIFEST ACI

Michelle Bunbury, *UPS-SCS*

Allan Schepens, *Canadian Pacific Railway*

Renate Jalbert, *FEDEX Canada*

- there have been challenges associated with moving shippers from paper processes to electronic processes

- at times, there are problems associated with getting correct information on the e-manifest
- the e-manifest for shippers should follow the model used by airlines for gathering information electronically
- a realistic timeline for full implementation of the e-manifest initiative is 12-18 months

OVERVIEW AND ISSUES CANADA/US TRADE RELATIONS, INCLUDING “BUY AMERICAN”

Gerald Keddy, M.P., *Parliamentary Secretary to the Minister of International Trade*

- Canada and the United States have the largest trading relationship in the world, as well as integrated supply chains, shared history, personal relationships, etc.
- bilateral trade between Canada and the US is responsible for more than 8 million US jobs
- the true test of a partnership comes not when times are easy, but when times are tough; Canada and the US should never take the bilateral partnership for granted
- the “Buy American” provisions in the *American Recovery and Reinvestment Act of 2009* threatened integrated supply chains and integrated economies; a Canadian exemption from these provisions has been secured and work is under way on a more comprehensive bilateral procurement agreement
- recently, it was announced that Canada’s Minister of International Trade will hold a trade summit with the US Trade Representative twice each year; it is hoped that the summits will help in resolving trade challenges
- security concerns must be balanced with an efficient border that functions well from the perspective of both countries
- enhanced driver’s licences are available in a number of US states and Canadian provinces
- vehicle traffic is expected to double in the next 30 years while truck traffic is expected to triple
- the three North American Free Trade Agreement countries must work together in order to make the Agreement even more effective than is currently the case
- a sophisticated trade relationship needs to go beyond tariff reductions and elimination, and focus on non-tariff barriers to trade

- the Canadian and American economies are integrated to an astonishing degree, and any measure that brings business to Canada will have positive spinoffs for the United States
- a free and open approach to trade is the single best way to create opportunities and prosperity in the global economy
- the “spectre of protectionism” continues to “raise its ugly head”
- Canada and the United States need to have a serious dialogue about what poses threats and what does not; free and fair trade is not a threat

STRATEGIC DIRECTION OF TRANSPORT POLICY: NATIONAL HIGHWAY, RAIL, AIR, MARITIME INFRASTRUCTURE: SPECIFICS ON GATEWAYS, TRADE CORRIDORS AND BORDER CROSSINGS

Kristine Burr, *Transport Canada*

- Canada and the United States have a tremendous trade relationship and a tremendously important economic relationship; transportation exists in order to serve trade and commerce
- more than 75% of the trade between Canada and the US goes through six border crossings
- global supply chains are increasingly important in global relationships
- increasing globalization means increasingly complex trade patterns, and a more global view of the transportation system is needed
- transportation challenges currently exist in such areas as congestion, reliability and infrastructure
- solutions to transportation challenges need to focus on efficiency and competitiveness, and strategic investments and new policy approaches are required
- with Canada’s gateways and trade corridor initiatives, attempts are being made to improve the transportation of nationally significant volumes of trade in specific regions
- infrastructure funding is less population-based and more strategic and merit-based; some funding is allocated to areas where bottlenecks exist, and targeted investments are sometimes made to leverage funds allocated by partners
- rail transport is seen, in part, as a way to alleviate road congestion; as well, it results in lower greenhouse gas emissions for long-haul movements

- there are opportunities to increase the volume of goods travelling to the US by rail
- like rail transport, marine transport is seen – in part – as a way to alleviate road congestion; it too has relatively lower greenhouse gas emissions
- for marine transport to be effective, there is a need to strengthen inter-modalism
- at land crossings, stakeholders have border efficiency concerns about capacity, document requirements, processing and wait times, and NEXUS and Free and Secure Trade (FAST) enrolment
- in respect of marine transportation, stakeholders have concerns about air emission regulations and certain ballast water requirements
- Canada's federal government recently offered to loan up to \$550 million in respect of the Detroit River International Crossing
- everyone should ensure that investments go as far as possible
- for the future, key priorities will include: consideration of future trade patterns; the efficiency of gateways, corridors and border crossings; the use of innovative technology; a focus on environmental responsibility; and partnerships

CANADA BORDER SERVICES AGENCY OVERVIEW: STRATEGY, REORGANIZATION, PRIORITIES, KEY INITIATIVES

Stephen Rigby, *Canada Border Services Agency*

- the Canada Border Services Agency (CBSA) is on a journey, with much change accomplished and much left to do
- common Canadian and American interests regarding national security and commercial facilitation must be brought together in respect of the shared border
- we live in a world of increasingly complex risks and threats, as well as intricate trade issues
- the CBSA has a longstanding role in protecting the nation from external threats
- efforts must be directed toward reducing business costs at the front line of border operations
- fiscal prudence will be needed going forward and resources must be reallocated as priorities change
- resources must be allocated to areas where we will get “the biggest bang for our buck” in respect of both border facilitation and border enforcement
- the CBSA is talking to the US about a vision for shared border management

- a long-range strategic framework is needed, and risk-management tools must be a focus
- a focus on perimeter security provides opportunities for collaboration
- four variables affect wait times at border points: infrastructure, the number of inspection booths, the number of staff and the time taken for processing
- in thinking about the common border, Canada and the US require common evidence and a clear view of available data
- about 80% of crossings occur at about 20% of the ports of entry; these ports “carry the burden” and should be the focus

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 (CAN/AM) Border Trade Alliance Conference
DESTINATION	Ottawa, Ontario, Canada
DATES	May 2-4, 2010
DELEGATION	
SENATE	Ø
HOUSE OF COMMONS	Mr. Phil McColeman, M.P. Mr. Claude Bachand, M.P.
STAFF	June Dewetering, Analyst John Christopher, Analyst
TRANSPORTATION	\$ Ø
ACCOMMODATION	\$ Ø
HOSPITALITY	\$ Ø
PER DIEMS	\$ Ø
OFFICIAL GIFTS	\$ Ø
MISCELLANEOUS/REGISTRATION FEES	\$1,641.38
TOTAL	\$1,641.38