


2012

Forum Proceedings: "Beyond the Border: Making the Action Plan Work for You"

Border Policy Research Institute

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Forum Proceedings:

*Beyond the Border: Making the
Action Plan Work for You*

Hosted by the
Vancouver Board of Trade
October 24, 2012
The Fairmont Hotel
Vancouver, B.C.

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Vancouver Board of Trade Forum Agenda
Beyond the Border: Making the Action Plan Work for You

Wednesday, October 24, 2012
The Fairmont Hotel, Vancouver, B.C.

Executive Summary	1
Breakfast Keynote Address: Chris Sands - Senior Fellow, Hudson Institute, and Visiting Ross Professor, Western Washington University	3
Remarks of Federal Dignitaries	
Speaker 1: Ambassador Gary Doer – Canada’s Ambassador to the U.S.	8
Speaker 2: Jim Nealon – Deputy Chief of Mission at the U.S. Embassy, Ottawa	11
Panel 1: Beyond the Border Action Plan: How Will it Improve the Border?	
Moderator: Don Alper – Director of the Center for Canadian-America Studies and the Border Policy Research Institute at Western Washington University	
Speaker 1: David Moloney – Senior Advisor, Border Action Plan Implementation, Privy Council Office	15
Speaker 2: Bradd Skinner – Department of Homeland Security Attaché, US Embassy Ottawa	18
Speaker 3: Birgit Matthiesen – Senior Advisor, Canadian Manufacturers & Exporters Association	20
Panel 2: Border Impacts in the WA-BC Region	
Moderator: Bill Reid – Executive Director, Cloverdale Chamber of Commerce, Former MLA and Minister of Tourism	
Speaker 1: Jacquie Dawes – Assistant Deputy Minister for Policy and Programmes with the Ministry of Transportation and Infrastructure, B.C. Government	22
Speaker 2: David Davidson – Associate Director, Border Policy Research Institute Western Washington University	25
Speaker 3: Louise Yako – President, B.C. Trucking Association	28
Speaker 4: Mary Mahon-Jones – President, Mahon-Jones and Associates	30
Speaker 5: Diane Butler – Immigration Lawyer, Lane Powell Attorneys and Counselors	34
Luncheon Keynote Address: Honourable John Manley – CEO, Canadian Council of Chief Executives	36
Speaker Biographies	43

Executive Summary

On October 24, 2012, the Vancouver Board of Trade hosted a one day forum to discuss how the new Beyond the Border and Regulatory Cooperation initiatives, announced by Prime Minister Harper and President Obama in December 2011, will improve the border. The plans set out practical targeted measures and implementation timelines designed to make the Canada-US border more secure and efficient. Twelve government, business and academic leaders from both countries, with expertise on border policy matters, were invited to make presentations. The goal of the forum was two fold: first to discuss how the plans will generally improve business and people mobility across the border; and second, to assess how the initiatives will impact the British Columbia-Washington state cross border region. The forum afforded an opportunity for stakeholders to become more aware of the specifics of the initiatives, the progress made to date and the border's effects on business and economic interactions in the world largest bilateral trading relationship.

The Beyond the Border and Regulatory Cooperation plans were viewed as important steps forward in the effort to reduce transaction costs at the border. Several speakers pointed out that added security measures at the border along with regulatory differences were the biggest barriers to trade and market access. Reducing these barriers would help the two economies compete globally.

The Beyond the Border plan is based on the idea that cargo and people should be cleared before they reach the common land border to save time and money eaten up by border delays. With the massive volume of trade flows across the border, even a small amount of time saved could deliver major economic benefits. Easing regulatory barriers also could reduce costs, thereby producing additional economic benefits and improving the international competitiveness of what one speaker called the Canada-US "North American platform."

The British Columbia-Washington State cross border region has been a laboratory for new ideas for border management. Organizations like the Pacific Northwest Economic Region (PNWER) and the International Mobility and Trade Corridor project (IMTC) have taken the lead in finding regional solutions such as the Enhanced Drivers' License (EDL), the Advanced Traveler Information Systems (ATIS) and several initiatives relating to border infrastructure improvement. These organizations have been helped by a robust BC Premier-Washington Governor executive level process of regular meetings where transportation and border-related initiatives have always been key agenda items. The region has also led in regional cross-border law enforcement collaboration and emergency management. Key issues for the region mentioned by the speakers were 1) make border regulations, trusted programs and border infrastructure align better with the character of regional industry and truck traffic; 2) make border improvements to accommodate the large regional tourist industry; 3) make improvements in rules and regulations regarding cross border professional business travel; 4) achieve full preclearance for Amtrak passenger rail clearance in Vancouver; 5) devise metrics geared to understanding and fixing operational problems at the border.

Speakers were insistent that success of the initiatives depends on sustained commitment by top level leaders in both governments and active engagement of stakeholders, nationally and regionally. Concerns were raised that cross border initiatives lose steam after a period of time. Contextualizing

the Beyond the Border and Regulatory Cooperation initiatives in broader trade agreement such as the Trans-Pacific Partnership (TPP) or the Trans Atlantic trade talks could raise their profile and provide momentum for a more ambitious Beyond the Border 2.0.

For their hard work in helping to make this forum a success, we wish to express our thanks to Greg Boos, Attorney, Cascadia Cross Border Law, Jim Pettinger, President, International Market Access, Inc., Marian Robson, Co-Chair, Regional Transportation Task Force, The Vancouver Board of Trade, Heather Sharpe, Events Manager, The Vancouver Board of Trade and Malcolm Smillie, Manager-Partnerships, The Vancouver Board of Trade.

[Back to top](#)

Chris Sands

Senior Fellow, Hudson Institute, and Visiting Ross Professor of Canada-US Business and Economic Relations, Western Washington University.

Breakfast Keynote Address

Beyond the Border, Beyond 2012: The Future of U.S.-Canada Border and Regulatory Cooperation After the 2012 Election

Good Morning. I thought I'd talk a little bit about the U.S. and how our political process, our election this year, affects the topic of today's conference—the Beyond the Border and Regulatory Cooperation negotiations that are ongoing between Canada and the U.S.

It should go without saying, but maybe is worth saying, that regardless of the outcome on November 6th, change is coming to Washington, D.C. Change comes in a couple of ways. First, if we're in a second term of the Obama administration, you'll see personnel changes. We already know a few: Hillary Clinton has indicated that she doesn't want to stay on; Timothy Geithner, the treasury secretary, has indicated he'll not serve a second term; and there are others. Of course, the way that Washington works, we have civil servants in responsible jobs, but a number of political appointments make sure that when the government changes, the civil service moves to the beat of a different drum, and so the Obama administration is likely to change its complexion pretty dramatically in a second term. Not only will there be new faces, but faces that you'll never get to know, and some of those new faces will be working on initiatives like Beyond the Border and Regulatory Cooperation and their attitude toward and aptitude for them could be quite significant in the future success of these efforts. That is the first sort of wave of change.

If we were to find ourselves in a Romney-1 administration, of course there's a whole group of new faces and a unique challenge, because I think that many people in the Romney campaign will look at Canada, and they'll look at this agenda that has been negotiated in the last couple of years, and they'll have to decide: "Do we keep this going? Do we re-brand it? Do we abandon it?" Certainly the Harper government, certainly the people here in Canada, will be pressing to keep these dialogs going. And I predict to you that a Romney administration will keep these talks going. And the reason I'm so confident is that we've been talking about this—and when I say "this," I mean border security-regulatory cooperation—for quite a long time.

In 1980, thirty-two years ago, we had a very interesting set of primaries. Then as now we also had candidates that didn't like each other very much: Ronald Reagan and Jimmy Carter. Of course, Jimmy Carter had a problem in that he had a challenge from his left flank from Ted Kennedy, who was running for the Democratic Party's nomination against a sitting president. And what was interesting about those primaries was that during the course of things, Governor Reagan and Senator Kennedy independently called for the negotiation of a North American Economic Community. The reason they did so was that they were looking at what was going on in Europe in the early 80s, the march towards what we then thought of as EC-92. And they were thinking that if Europe is able to achieve a common market, with three hundred million people, the efficiency they'll get out of that—of having large economies of scale and production within Europe—is going to allow European countries to maintain high wages and low prices. And they will be our future competitor. Both Reagan and Kennedy, recognizing from different ends of the spectrum the challenge that the U.S. was going to face, felt that an economic community was something that the United States needed to have going as well.

The discussion of a North American community was born then, and early in the Reagan administration, of course, the challenge was getting out of a deep recession. But as Reagan moved forward and finally found a counterpart in Brian Mulroney of Canada who was willing to engage in this topic (although the late Trudeau government was at least open under the MacDonald commission to having a conversation about it), we moved first toward Canada-U.S. Free Trade (CUFTA), and then NAFTA. George H.W. Bush's administration negotiated the NAFTA, but Bill Clinton was the president who ratified that agreement. When he did, it incorporated not only the contents inherited from Bush, but also two side agreements on environment and labor, and very importantly, North American working groups—working groups that were built into the agreement, but were established during the Clinton administration to bring civil servants in Canada, the U.S. and Mexico together to deal with regulatory harmonization, common standards, to really achieve a single market. Now, that effort stalled, and some of you will remember that the ratification of NAFTA was not a happy time in the United States. NAFTA created a backlash in the U.S. (similar to the backlash that the CUFTA created in Canada), as Americans worried what this meant for our future. And many civil servants tasked to work together in NAFTA working groups felt that the political support for making concessions to Canada and Mexico was very limited, so they chose to not be very active in these working groups, leaving us with a big problem. We had committed ourselves to a tariff-free single market, but we had a number of regulatory differences. Not only at the federal level, but at the state and provincial level as well, these differences were holding us back from achieving the goal. So the promise of NAFTA was not fulfilled during the Clinton administration, and of course we had Monica Lewinsky and lots of distractions toward the end, which quickly took over some of the energy of that administration.

Then we found ourselves in the George W. Bush administration. George W. Bush was interested in Canada, and he was interested in Mexico. It wasn't his top priority, but both countries became a priority after September 11, 2001, when the United States, after making a commitment in NAFTA and in CUFTA to move away from a heavily secured border and towards a more free and open North American economy, reasserted the salience of borders and brought in new border security measures to keep Americans safe. The logic of that was impeccable, but the consequences of it for our North American integration project were serious. By the time we got to George W. Bush's second term, recognizing the difficult position the U.S. economy was in—the drag that came from these unresolved regulatory differences, and the problems that had been caused by the imposition of new border security measures that had raised compliance costs for business that were hurting our competitiveness and productivity vs. other parts of the world—President Bush invited everyone over to the ranch and launched the Security and Prosperity Partnership of North America. The SPP—twenty working groups: ten on security, ten on prosperity—picked up the work of the old Smart Border agreements which had been launched in response to 9/11, as well as the work of those NAFTA working groups. In that period, George W. Bush and his counterparts in Canada and Mexico tried to make progress on some of these same issues. Now it's no secret they made relatively modest progress. Not none, but relatively modest progress. They set low ambitions for these agreements, working very much on the low hanging fruit, the issues that were in the weeds, that seemed to be the easy confidence builders they hoped would build momentum going forward.

When President Obama was elected, he inherited the SPP, which had become wildly unpopular with both the extreme right and the extreme left in the United States, and to some extent in Canada as well. I think President Obama took a good faith look at this and said: "I'm not going to throw it out just because it was George W. Bush's initiative. I'm interested in these talks with Canada and Mexico, but I need a new approach." Now President Bush had committed President Obama to a trilateral summit in Guadalajara that took place in August 2009. The President went, met with his

Canadian/Mexican counterparts, and began talking about what could be better than SPP. Could we get rid of the SPP and yet still make progress? Initially they agreed to a ten-item agenda at Guadalajara that was going to be a little bit trilateral, a little bit bilateral, with annual meetings, and the leaders would renew that agenda, and we would make progress where we could. No standing working groups, no bubble-up agenda, no nefarious plot to build a NAFTA superhighway through anyone's house. It seemed like the right approach for the times, but it was contingent on the President of the United States, the President of Mexico, and the Prime Minister of Canada meeting to review progress and to charge cabinet secretaries with more work thereafter.

In 2010 it would have been Canada's opportunity to host a North American Summit. That North American Summit did not take place. It was the year that Canada was hosting the G20 and G8, as well as the year of the Olympics here in Vancouver. Canada was going crazy with summits, and it was difficult to squeeze in one more, so the meeting didn't take place. In 2011 there was some hope that the meetings would get back on track, but in the end President Obama chose to have a sidebar discussion in Honolulu at an APEC meeting. The President was very concerned about the progress of the discussions on regulation and border security. He heard from Canadians that it was a concern, and he heard from Americans that it was a concern. The White House worked to establish the Beyond the Border Working Group, as well as the Regulatory Cooperation Council (RCC), which were announced in Washington on February 4, 2011, to push us forward in both of these areas. It's important to mention that we have parallel groups with Mexico. There is a 21st century border management working group, and something called the high level regulatory cooperation council. So the U.S. has these parallel bilateral tracks working upon this agenda.

I predict that if we elect President Obama again, he'll continue these initiatives, but look to see if he can make two important changes. I suspect that he's going to want to see more linkage between the Canadian and Mexican bilateral dialogs, not because they're always the same issues, but because if we're making significant regulatory changes, we ought to be making them in some sort of synchronized fashion, rather than piecemeal with different bilateral partners. There will be pressure to trilateralize this dialog, and pressure to trilateralize some of our border security procedures as well. The other thing I think we would see from President Obama is a real search for talented people to move these initiatives forward. We were fortunate to have Harvard professor and Brookings scholar Cass Sunstein to run the RCC. We've been fortunate on the border initiative to have a very committed DHS secretary in Jan Napolitano. We've had really good people. The President is going to have to make sure he has an equally good team for a second term, because, as you know, in the United States we have a ritual of treating our politicians like dirt, and the first step for a second-term President is that they get named a lame duck. It will be tricky for the President in a second term to maintain momentum moving forward.

Meanwhile, if we elect Mitt Romney as the President of the United States, we face a different challenge. This is the same challenge that we faced with the Obama administration and the Bush administration before that. There is momentum, there are good things on the agenda, serious officials are working on regulatory and border cooperation. We don't want to lose the first 18 months to two years of a new administration while we think about reinventing and rebranding and deciding whether we still want to do this. Time is too precious. But there's a real risk that a President Romney will come in and say "Let me think about this. Maybe we can call it something else... we'll call it the regulatory coordination initiative." And we'll waste time. We did a bit of that with the Obama administration; we did a bit of that with George W. Bush. I'd like to see us maintain momentum, and this is going to depend very much on the engagement of people in communities

like Vancouver who have to send the signal that this is very important. It will be very important for Prime Minister Harper to make it very clear to the new administration that this is very important.

That goes to the next big challenge that we face—the challenge of engaging Congress. This is not a universally held opinion, but it's my view that one of the weaknesses of our discussions on regulatory cooperation and border security is that whether it was the SPP under George W. Bush or now the BTB and RCC under President Obama, we have not done a good job of engaging congressional leaders in this fight. Congress is an important branch of the U.S. government; it's also a very difficult one. I sometimes refer to the President and the Prime Minister in the Canada/U.S. relationship as being the firemen of the relationship; they're not there for day to day management of the relationship, but when something goes wrong, we call them in and they're able to put out the fire and keep things running smoothly. Well, Congress is sort of the arsonist gang of the relationship. Their job is to pour some fuel on the fire, start some fires, cause trouble. Many Canadians, I think rightly, look askance at involving Congress in anything important, and yet the reason that we have duplicative regulation and regulatory overlap, the reason that we have many of the regulations we do have in particular areas in the U.S., is the influence of a particular congressman, committee chairman, or senator. If we don't engage them, there's every opportunity for Congress via future legislation to undermine the gains that we're making. At the same time, many of the things that we're beginning to want to do—beyond very simple things that don't cost money—will cost money. Pilot projects are great, but at a certain point you have to invest in technology, you have to have the money to carry these regulatory harmonization negotiations forward, and the money comes from Congress. I think we need to engage Congress more effectively. I think engaging Congress will help us with these presidential transitions by keeping this at the heart of American discourse.

One last point challenge that we face in keeping these initiatives going: that is contending with the United States that tends to think global and act local. For the United States, these negotiations are one of many. We're not only talking about these issues with Canada, we're talking about these issues with Mexico. They are at the center of an agenda for the Trans-Pacific Partnership (TPP), which Canada and Mexico have also now joined. They are part of our trans-Atlantic economic dialog, with which we're trying to negotiate with the European Union. The reason for that is that as we removed tariffs in the 20th century, the biggest barriers to trade, the biggest barriers to market access, became regulatory differences, and the challenge of providing security across supply chains that are increasingly global. The United States is doing now what it did after World War II when it pursued tariff elimination at the GATT and then the WTO, when we pursued tariff negotiations bilaterally, multilaterally, all in the interest of creating a new world economy that worked on American principles. We're doing the same thing now. The premise of our Canada's/U.S. talks has been that Canada is our best friend and ally around the world, that Canadians are simpatico with Americans, that our businesses are often tightly linked in supply chain networks, the we—Canada and the United States—can do more together than the U.S. and Mexico, than the U.S. and its Asian partners, than the U.S. and Europe. That's the premise of these talks. The challenge for us is whether we've really achieved that, have we been ambitious enough bilaterally to justify keeping bilateral negotiation going. Or will pressure mount to trilateralize, or to set this aside and deal with Canada/U.S. regulatory and security concerns in the context of the TPP, which will be slower because it involves more partners and because it's a very different environment. Will this continue to be the leader, or will this will be an initiative that is renamed, rebranded, and left at the side of the American agenda? I think both futures are possible, just as both election outcomes are possible. I think it's a very challenging time. I predict we'll be talking about this in the future, but the shape under which we talk about it is very much up in the air. So as we proceed with the discussion today, what I'm hoping that all of you will be able to do is first engage in these two initiatives, find ways to

get personally involved, if you have a story of what is either working or not working in our regulatory system, in our security system, we need to bring those stories to the floor. Your diplomatic representatives are here; they need the anecdotes with which to tell the story to convince the congressman – to convince the new administration – that this is worth keeping. We also need to figure out how to make it better because we’re going to have a chance in a second term—or a first term, depending on what happens—to revisit some of these structures and maybe give them a bit of a turbo boost. This matters to us, because in an era of globalization, supply chains, and global markets, those who can produce a product in a very large volume have an advantage. We’ve all heard of the miracle of compound interest—well it’s the miracle of economies of scale that we now face. Whether your regional economy is British Columbia/Washington/Oregon/California, or whether your regional economy is North America, or whether your regional economy is the Pacific Rim you need to reach the right number of customers to allow you to produce at the most efficient scale possible: that is the secret to competitiveness in the global economy. The European Union, despite its other problems, has achieved a single market that offers scale and diversity enough to sustain a world class economy and generate innovation. China and India manage this within their own borders. Now, nearly 20 years after NAFTA took effect, we still have work to do to realize a single market in North America that can attract investment and create jobs and get the economy moving again.

Ronald Reagan and Ted Kennedy and Jimmy Carter launched us on this path so many years ago. We must complete this mission, and we will complete the mission, along the lines that we’ve already started or “under new management” and a new acronym. Thanks very much.

[Back to top](#)

Gary Doer
Canada's Ambassador to the United States

Consul Generals, friends, it's great to be here this morning. I had the privilege of being with Anne Callaghan and a number of forestry executives yesterday talking about the softwood lumber arbitration case, the extension of the softwood lumber agreement (which we worked on together with our American friends), and where I thought the market was going relative to the US economy. I'm here to report that we very definitely believe the US economy is going to be coming back over the next period of time. We're going to have energy development in Canada, the United States, and Mexico; less reliance on the Middle East; lower cost and more reliable energy in the US; and a return of some of the manufacturing jobs. If you look beyond the "fiscal cliff," you've got housing values starting to finally go up, you've got household debt in the United States going down, and we're now starting to see a return of housing starts in the US. So my advice to you, after listening to the advice from our forestry sector: continue to diversify your markets the way that you have successfully done in the past, continue to do that in the future, continue to diversify the use of the products, and I think the market itself is going to fix some of these things we've been dealing with in the last number of years. It will continue to be challenging, but I'm an optimist when it comes to the next period of time in terms of the US economy, notwithstanding the election and developments that may occur in the so-called "fiscal cliff."

In terms of "Beyond the Border" and regulatory reform, I think questions were raised quite accurately by Chris (*Sands, breakfast keynote speaker*) about what the election results might mean for Canada, US, and Mexico and what our relations are. I think reference was also made about the importance of individual people. We do know a lot of the people in both administrations, depending on what happens in the election campaign. We know some of the former governors that are now challenging the President, and we know a lot of people working with the President that were also former governors. Chris mentioned Janet Napolitano, former governor of Arizona. The head of the transition committee for the Romney team is a former governor from Utah; I think he actually spoke to the Vancouver Board of Trade about his experience in the Olympics, before the Olympics were here in Vancouver/Whistler. So certainly we will respect the democratic process in the United States, but we are preparing for all potential scenarios in the congress, the senate, and the executive branch. Unlike Canada, when governments change in the U.S., it's like a huge exchange of prisoners occurs in Washington, D.C. (*i.e., the change-over of political appointees*). But having said that, there are thousands of people in these think-tanks, lobbyists that are ready to go that we know, and they know us. The relationships will matter over the long haul and we can deal with whomever the public elects in the senate, congress, and in the administration.

I do very much believe, when I was Premier and now as Ambassador, that Beyond the Border makes a lot of sense. To have a perimeter security vision between Canada and the United States makes a lot of sense. We've had a security vision in NORAD, in Colorado Springs, dealing with the threat of the Soviet Union for 54 years. Why shouldn't we use the principles of that success in managing risk "beyond the border" to apply to managing our border? When you look at the Olympics that took place here in Vancouver, there was a perimeter security approach applied to the Olympics. We had Shiprider programs going on between our two countries, we had air-perimeter protection run out of Colorado Springs, and of course we had a cooperative approach at the Vancouver/Whistler sites. So this is what informs us moving forward with the agreements the President and Prime Minister signed on Beyond the Border and on regulatory reform.

Talking about regulatory reform, just one example of working together on aligning our regulations is to take all the jurisdictions' proposals for tailpipe emission standards—California, BC, Manitoba,

Québec, New York State, Michigan, Maryland—take all of those together and have one improved energy-efficiency standard for light vehicles that results in having cleaner air, cleaner water, and the ability to sell more cars. We actually announced that regulatory change on the same hour of the same day with the United States. We work with the US to align our regulations, and we believe, with big industries, that we can do it. All these thousands of nit-picking differences in small industries, we can align ourselves. Will it be trilateral with Mexico? I'm not sure. Obviously aligning with the United States makes sense. We support the North American Leader's Summit in a trilateral way, but I very much believe that that is still a work in progress, but we are continuing to make sure that we can align our regulations. I think David Jacobson, a great ambassador from the United States to Canada, always talks about Cheerios, having two different kinds of Cheerios on either side of the border. We apparently have two different kinds of inspection systems for deodorant! If you can give me a better West-coast example of trade between the United States and Canada, I'll drop the deodorant example and use your new example on why we should align our regulations.

On BTB, it is a bilateral process, and we think that some of the challenges and opportunities are of a bilateral nature. We are pleased that we finally have a plan announced by the President and the Prime Minister. Announced in the Oval Office, it is a plan which has dates, times, and accountability for us to implement this "Beyond the Border" plan between our two countries. And we are rolling it out basically on time. Do you know that aligning cargo inspections is very important for both our countries? How inspections occur in order to have integrity on both sides of the border? Luggage... right now we have a small difference in luggage inspection equipment, which means if you are flying from here to Atlanta through Denver, your luggage might get unloaded and inspected in Denver, even after it was inspected once here. So obviously the concept of "inspect once, accept twice," be it for luggage or cargo, food or products is sensible, even as we retain sovereignty and the right to do additional random checking. If you have a NEXUS card you still can be randomly checked, but "inspect it once, accept it twice" is the principle under which we are working. It also requires us to come to an agreement on what risk information we are sharing and under which privacy rules we will exist. And we have now an agreement in principle on insuring that the only risks that are being shared are ones that represent a risk to life and limb to either one of our countries, a protocol that we have already been working with the Five Eyes countries: the UK, Australia, New Zealand, Canada, and the United States. But we also have a legal framework on protecting privacy on both sides of the border as part of that agreement. So it's not just "nudge nudge, wink wink, might happen/might not happen" in terms of risk information. Obviously the goal of both of our countries is to protect our citizens within our respective borders and, at the same time by managing risk outside of the continental perimeter, make the shared border much more efficient.

We've had announcements just the last couple of weeks, our Consul Generals announced with Minister Toews, an agreement on the Shiprider program. Now this relates to the issue of budgets. Why buy two ships, when one ship will do? Why not have RCMP, Coast Guard, and Border Security staff trained together, as they are right now in Charleston, South Carolina, on the same ship, where they can share information? But also there are seamless law enforcement strategies in place on the waterways just outside of Vancouver at Blaine. We think that is a good idea, and we are implementing it in the Great Lakes. We've got three oceans and 20 percent of the freshwater of the world between our two countries, and it makes sense to go to these Shiprider programs. Chris (*Sands, breakfast keynote speaker*) talked earlier about budget difficulties, and those are real in the United States, and DHS might soon be under pressure due to the sequestration process. I actually believe BTB, with inspecting it once and accepting it twice, is more efficient and saves money. I also think that items like Shiprider save money. And I also think as part of this budget discussion,

because Canada is the United States' largest customer in terms of trade, we have to not only talk in terms of how BTB might reduce expenditures, but we also have to talk about how efficiency at the border can bring greater revenue as part of our trade agenda.

So those are some of the items we are working on. We've got preclearance proposals we are working on at some of our ports; we have entry/exit agreements that are in place and we are continuing to work on a strategy of managing risk in a more efficient and safer way for both our countries, with clear direction from both the Prime Minister and President. I absolutely believe that this is crucial to make it work. We made NORAD work, we can make this work, and we can make it work for you as well as for the safety of people on both sides of the border. Finally, Chris mentioned in his speech the NHL lock-out. I just want you to know we want to get this thing settled. The Prime Minister said to me when I took this job that my mandate was to take goods, services, and energy from North to South, and bring hockey teams from South to North. That's my mandate and that's what we are going to keep working on. Thank you very much.

[Back to top](#)

Jim Nealon

Deputy Chief of Mission at the United States Embassy, Ottawa

It's great to be in Vancouver—and to be here with our partners and friends at the Vancouver Board of Trade to speak about the Beyond the Border Initiative between our two great countries. Before I start I'd like to mention how saddened we all were by the tragic shooting of the CBSA officer at the Peace Arch crossing last week. We're doing everything we possibly can to cooperate with your authorities on the investigation, and our deepest condolences to the officer, her family, and to all of you. It's a special honor to share the podium with Ambassador Gary Doer. You probably know that Ambassador Doer has won the Distinguished Diplomatic Service award in the U.S. for being the most effective Ambassador in Washington. Congratulations Mr. Ambassador. And our guy in Ottawa is no slouch either. Ambassador Jacobson will be honored by Hillary Clinton next month with an award for his distinguished service as US Ambassador to Canada. So we have two Hart Trophy-winning Ambassadors, if I can make a hockey joke during a strike. And the friendship between our Ambassadors is a metaphor for the great relationship that the US and Canada currently enjoy, the closest and most meaningful bilateral relationship on the planet, and One that delivers prosperity and security to Canadians and Americans.

A few facts and figures that demonstrate the enormity and importance of our relationship:

- The United States and Canada enjoy the largest trading relationship in the history of the world. Over \$1.9 billion in trade crosses our shared border each day.
- Canada is the top trading partner for 35 of the 50 U.S. states
- Canada is one of the largest sources of foreign investment in the U.S. economy (and the U.S. is the largest source of foreign investment in Canada)
- When U.S. small businesses expand internationally, Canada is the first place they look.
- Canada is America's largest foreign source of energy, including the number one supplier of oil, of natural gas, and of electricity.
- Our supply chains are integrally linked, with a single good often crossing the shared border multiple times during its production cycle, until often we can't call the product American or Canadian, so we call it North American.
- In addition, over 350,000 people cross our shared border each day for work, school, tourism, and to visit family and friends. Or to buy milk in Bellingham
- Our economies and communities are so intricately linked that an emergency on either side of the border necessarily impacts the other side.
- We share critical infrastructure, including bridges, tunnels, electricity grids, and pipelines, and both rely on the security of our cyber infrastructure.
- We also face shared health threats, such as pandemic influenza, and shared threats to our agriculture and natural resources from pests and invasive species.
- We have a history of security partnership, not only at our border, but also through the North American Aerospace Defense Command (NORAD) and NATO.

On December 7th we'll mark one year since the Beyond the Border action plan was announced by the Prime Minister and the President in Washington. Sometime in December the two governments will issue a Report to the Leaders which catalogs the successes we've made during the past year. I don't want to get out ahead of that report, but I do want to tell you that we're deeply engaged with each other, across both governments, to meet the ambitious goals that the leaders laid out. So let me make a couple of points to mark our progress:

- First, Beyond the Border represents a paradigm shift in the U.S.-Canada relationship and how we manage borders.
- For the first time, we are viewing the perimeter, and not our shared border, as the starting point for our cooperation
- Beyond the Border addresses matters that had been deferred in the past, because they were "too hard," ranging from information sharing to the pre-inspection of cargo and the reciprocal carrying of weapons by law enforcement personnel stationed in each other's country.
- By working together to identify and address threats at the earliest point possible, whether they are within, at, or away from our border, we are able to segment and facilitate the lawful flows of goods and people across our borders.

The Beyond the Border Action Plan was released by the President and Prime Minister on December 7, 2011. The Action Plan's initiatives are organized under four key areas of cooperation, which you've all heard before, but which are worth repeating:

- Addressing threats early
- Facilitating trade, travel, and economic competitiveness
- Integrated cross-border law enforcement
- Cybersecurity and Critical Infrastructure (as well as resiliency to disasters and emergencies)

So let's talk about what we've accomplished over the last 10 months and what we're going to do in the future. When I reflect on the early accomplishments, certainly the progress regarding providing meaningful new benefits to NEXUS card holders comes to mind. In February, Canada began recognizing NEXUS members for trusted traveler lanes at passenger pre-board screening points for flights from Canada to the United States, decreasing screening time for trusted travelers departing Canada for the United States. And just last month, the TSA pre-check program, began providing a similar benefit to Canadian NEXUS travelers in the United States. I think we can all appreciate the idea of being able to avoid lines at the airport and not having to remove our coats, shoes, and laptops from their cases.

In addition to NEXUS, we are also working to facilitate cross border business travel by providing enhanced training and guidance to CBP officers regarding petitions made by employers, business visitors, and other applicants for admission. This will make it easier for business travelers to cross the border – a long-standing bone of contention as the people in this room know well.

Of particular interest to this group, there are a number of action items which will address the flow of cargo:

- We have completed the Mutual recognition of air cargo security programs – saving shippers and consumers time and money. Air cargo is now checked once, accepted twice.
- We are implementing an Integrated Cargo Security Strategy – we are developing joint screening methods for goods and cargo so we can resolve security and contraband concerns as early as possible in the supply chain. We rolled this out here in Vancouver on October 21 with Minister Fast. This will speed up the supply chain, again saving companies and consumers’ time and money.
- Anyone changed planes in the United States recently? We’ve also begun implementing a program to screen checked baggage only once. In other words, if you’re flying from a pre-clearance airport to Miami, and changing planes in Chicago, your bags will be screened in Canada and are good to go for Miami. This saves the airlines time and money and gives your bags a good shot at arriving on the same plane that you do.
- The United States and Canada are committed to exploring the feasibility of pre-inspecting truck cargo before it reaches our shared border – so-called pre-inspection. With pre-inspection, border officials can give a green light to low-risk cargo and expedite their movement across the border, saving companies time and money, and at the same time giving Customs officials the time to focus attention on the small percentage of high-risk shipments.
- We are working on enhancing the benefits of Trusted Trader Programs -- Both our countries have trusted trader programs and businesses love them, but like so much about Canada and the United States, there are similarities and differences. We are working to adopt a common framework to align trusted trader program requirements, enhance member benefits, make the program accessible to a variety of industry sectors and get to a situation where if you want to join one program, you end up applying for both through one process so that the benefits are the same whether you want to go North or South.
- We are Coordinating border infrastructure investment and upgrading physical infrastructure at key border crossings.
- We are implementing border wait-time measurement systems at the top twenty border crossings. For example, there are four crossings in British Columbia (Peace Arch, Pacific Highway, Aldergrove, and Huntingdon) that now post wait times on digital road signs and websites so that you can plan your travel better.
- We’re working towards providing a single “window” for importers to submit information needed to comply with customs and other regulations.
- We are harmonizing low-value shipment thresholds to \$2,500. This is great news for shippers and for consumers – low-value shipments will flow across the border at a much faster rate.
- We are also working together to strengthen the resiliency of our critical infrastructure.

I think our next panel of speakers will get into more detail on some of these points but one of the key takeaways is we are working together to do things smarter and more efficiently. So, a great deal of work which has been accomplished during the first ten months of Beyond Border will reduce transaction costs, eliminate redundancies, and reduce wait times and uncertainty.

British Columbia is in a great position to benefit if we can make the BTB initiative work. Two-way trade in goods between the United States and British Columbia totaled \$31.7 billion in 2011, an increase of \$3.5 billion or 12.4% compared to 2010.

And 2010 to 2011 wasn't an anomaly -- over the past two years (2011 to 2009), total two-way trade in goods between the United States and British Columbia increased \$7.6 billion or 31.5%. In fact, British Columbia exports more goods to the United States than the province's next five largest export markets combined (China, Japan, South Korea, Taiwan, and Brazil). If we can increase the efficiency of our border we can increase the flow of trade even further, and create more jobs for Canadians and Americans.

We have a great deal of work ahead of us but I am confident we are up to the challenge. I want to thank you for the invitation and please know that you have partners in the U.S. Embassy and our consulate here in Vancouver who are working very hard to ensure the continued success of the Beyond the Border Action Plan.

[Back to top](#)

David Moloney

Senior Advisor, Border Action Plan Implementation, Privy Council Office, Ottawa

Thank you all for your interest and attendance this morning. As mentioned, I'm Senior Advisor at the Privy Council Office and my specific role in respect to these action plans is to guide and coordinate their overall implementation across our government and to insure close continuing cooperation between our government and our counterparts who work in the White House. As you've heard, 18 months ago there was an announcement by Prime Minister Harper and President Obama of what then was referred to as a "Shared Vision for Perimeter Security and Economic Competitiveness." I'm not going to repeat what you've heard in terms of the details of that vision, but just to help clarify for those of you who don't spend your lives inside the minutiae of government, there were two different initiatives that comprise that shared vision. One of them we refer to as the "Regulatory Cooperation Council." This council is a group of senior officials from the regulatory agencies of our two governments. So we are talking about agencies in the Canadian government like Health Canada, the Canadian Food Inspection Agency (CFIA), Environment Canada. In the United States we are talking about the regulatory arms of the US Department of Agriculture (USDA), the Food and Drug Administration, and so on. These people collectively were tasked with developing a specific action plan, as Chris Sands has well laid out for you.

There was a second group set up, the "Beyond the Border Working Group." Much of the discussion today has been about this group. This was a group coordinated by a gentleman by the name of Simon Kennedy, Senior Associate Deputy Minister in Industry Canada. And just announced, in a couple of weeks he will be the Deputy Minister of International Trade for Canada. So this group, again a bi-national group, people in Canada from the Canadian Border Services Agency, Public Safety Canada, Transport Canada, Citizenship and Immigration Canada, and again CFIA, are negotiating with counterparts at Homeland Security, the Customs and Border Protection Service, as well as other parts of the US government, USDA and others, to bring forward an action plan which will really live up to the vision, the level of ambition, that the two leaders brought forward 18 months ago.

So last December we had two action plans brought forth in parallel. We had what we refer to loosely as the BTB Action Plan, formal title "The Action Plan on Perimeter Security and Economic Competitiveness." That action plan sets out 32 initiatives, as has been described earlier, time-bound initiatives, with clear accountabilities identified—you can see which organizations in each of our two governments have the accountability to drive forward those deliverables. I think, and I can say this because I live inside the system, it is very unusual for one government, and extremely unusual for two governments, to set out in one place, against the norm, what we aim to do, and that we'll get something done by a certain date. This gives you ways to hold us to account— what we will do, by when, how we will measure success, and a commitment to report on that success.

There was a second plan released at that time, the "Joint Action Plan on Regulatory Cooperation." That plan has 29 specific initiatives, areas where we have had, as you've heard, various misalignments between regulations and standards that our two governments establish for goods to enter and be sold within our two economies. That regulatory cooperation plan really was an agreement to drill further. To look at existing misalignments, but importantly to build a platform for ongoing future cooperation so that down the road rather than perpetuate continuing new misalignments, we align our approaches as we renew existing regulations and standards, or we look at new areas. Technology would be an example out here, certainly in the Northwest and BC. What should be the standards for the hydrogen filling stations in the transportation sector? What should be the standards for plugs and recharging of these new electric cars? With all of those things, of

course, as you in business know well, there will be regulations and standards that will be adopted. You can't just come up with your own: "hey, this is a cool plug, let's try this one!" Those have to be approved, and we should certainly align those approaches from the start between our two economies so we don't create further misalignments.

So what's been going on since December of last year? You've heard a number of the examples, and I'll try not to repeat them. On the regulation side the plan that came out last December basically committed our two governments to develop more detailed work plans. So between about April and the end of September we put a work plan out in public for every one of those 29 action areas. These are set out basically in agriculture and food, in environmental areas, in consumer products, in transportation safety, with two cross-cutting lenses: nanotechnology, and a small-business lens, thinking about small business systematically as we think about each of these regulatory areas. So we encourage you to look on the websites of the Commerce Department in the US, or the Privy Council Office in Canada, of the various regulatory agencies. www.borderactionplan.gc.ca has every one of these work plans on there. We require these working groups bi-nationally to reach out to affected firms and stakeholders, and they are driving out with plans, so you'll see their deliverables in a three to six month period, six to twelve months, eighteen months and beyond. Already, new regulations are being posted for notice and for comment—in transportation security areas, for example—and you will see other regulations come forward.

In the BTB area you've already heard a number of the specifics. In terms of screening for threats, addressing threats early—what that really means when you drill into it is that whether a person or cargo, plant, animal, or food product comes into either Canada or the US, our ambition is to insure that any risks associated with those things, whether they be finished or primary goods or individuals, are assessed and treated in exactly the same way. This means we need to have common data that we are looking at, whether it be Canadian or US. We need to be assessing threats and to have a common understanding of the threat environment, be it in land, marine, or rail modes. We need common scenarios and approaches for targeting and risk assessment, we need to inspect in similar ways, we need to be inspecting at the same rates. So we are systematically working through the individual commitments in the plan and determining how do we make that real. In the marine mode, some of you know a container does not get on a ship bound for either Canada or the US without that container having had a risk assessment done and authorization being given to the ship owner. That container can get on the ship and head for Canada or the United States. We are in a pilot putting that same approach into place for air cargo coming from beyond our shores. We also have a pilot that Jim Nealon announced last Sunday at Prince Rupert. Containers that come into Prince Rupert as of now are being assessed there for security risks and certain kinds of plant risks, for example pests that might be present in the wood packaging. After being screened there, they get on a CN train that goes through International Falls, Minnesota, and they will not be rescreened for those same threats at the border unless there is a new source of those risks that has been identified.

We've heard about airline baggage. The air transportation industry tells us that there will be savings in the tens of millions of dollars each year simply by lifting that rescreening requirement that had been in place. We are a quarter of the way through the work required to eliminate the rescreening of passenger baggage. We have launched, as you have heard here, in terms of the joint management of threats between our common border. We want to thin the requirements at the border, but we also want to develop enforcement and security in a more common way. So Shiprider, which literally means law enforcement officers from one nation riding on ships of the other nation, being given Peace Officer status, is no longer a pilot, with four of those operations now running.

We will be exchanging more information. The government of Canada will be informing the US what people leave the US and come into Canada. Initially, four pilots are underway involving people that are not Canadian citizens or US citizens—so foreign nationals or permanent residents of either Country. As we do this, we've agreed and published a statement of privacy principles, how we will manage information, when we will exchange information, what will be done with it.

Finally, I'll just say that in Cascadia we are adding more NEXUS lanes. A new NEXUS lane is going into the Sumas/Abbotsford crossing. For the entry/exit pilot, two of the four sites across the country, Pacific Highway and Peace Arch Crossing, are now up and running. It was PNWER, a Canadian/US regional organization, which has been a huge supporter and also leader in these areas, that led the Maritime Commerce Resumption Planning agenda, so that we can ensure that in any disaster—natural or as a result of human intervention—we actually understand how we will work. And finally, I'll just say in terms of NEXUS, I did check, and SeaTac Airport is one of the 27 where you will be able to join the pre-check security screening line, which will save considerable time and attention.

We will be announcing more pilots under the Integrated Cargo Security Strategy. We've committed to one in Montréal, and the US will launch one for the port and the air mode. Finally, I'll just say that in both of our governments we are aware that many travelers are not just going back and forth to buy milk or go on vacations. Business travelers have had considerable problems over the years. Both sides, going both ways across the border, have run consultations. We are working closely with officials on both sides of the border, CBSA and CBP, to ensure we have up-to-date protocols and also manuals and training—inspectors really understanding what are the rules. Consistency of application is of course critical in this area. We're aware of it, but we do need to hear the stories of what is still taking place from time to time, so we can make sure we work through what is at the root of things. I'll repeat what the Ambassador said: just because a firm is a trusted trader and an individual is a trusted traveler, there is still random screening, and even NEXUS cardholders get random screening, it's just at a materially lower rate. I'll stop here and leave time for others....

[Back to top](#)

Bradd Skinner

Department of Homeland Security Attaché, US Embassy, Ottawa

On behalf of the Department of Homeland Security, I appreciate the opportunity to be with you today. Deputy Assistant Alvarez asked me to share his regret for not being here but his schedule was overtaken by events.

I have the unique perspective of having been on the ground floor developing one the BTB initiatives ---Harmonizing Trusted Trader Programs---as well as having the opportunity to observe many of the working sessions across all 32 action items. I can attest to the earlier comments regarding the tremendous amount of work taking place as I have been there.

Our earlier speakers outlined some of the high points regarding BTB and I would like to drill down a couple of notches on a few of the points.

Early Accomplishments:

- Integrated Cargo Security Strategy. The United States and Canada will release an Integrated Cargo Security Strategy that will guide joint screening methods for goods and cargo with the intent of resolving security and contraband concerns as early as possible in the supply chain, possibly prior to departure from foreign ports bound for the United States or Canada.
 - We will launch pilots intended to validate and shape the implementation of the Strategy. U.S. pilots are still being finalized while Canada's pilots will be:
 - A Canada Border Security Agency (CBSA)-Transport Canada Cargo Targeting Initiative involving pre-load information and targeting in the air mode;
 - Perimeter vetting and examination of inbound marine cargo at Prince Rupert destined for Chicago by rail and of marine cargo arriving at Montreal destined to the United States by truck.

(Embedded within the strategy will be other pilots to secure and facilitate trade such as a wood packaging material study and tests of tamper evident technologies).

- Harmonization of commercial low value shipments threshold.
 - Increase and harmonize the value thresholds to \$2,500 for expedited customs clearance from the current levels of \$2,000 for the United States and \$1,600 for Canada.
 - Currently in the final stages of clearance with a final rule to be issued soon.
 - Facilitate trade for low value shipments, estimates importers will realize an annual benefit of approximately \$13 million.

(Single Window: A business to government electronic environment where the trade supplies transactional information required by the Federal government only once to Customs and the information is made available to the federal agencies that require it. This will eliminate the necessity for the submission and subsequent handling of paper documents at the border, less opportunity for human inputting error and delays).

- In May, we released on-line a guide that outlines best practices and considerations for border traffic management in the event of an emergency – helping cross border flows resume faster.

- This guide will help make communities on both sides of the border more secure and resilient, and border agencies in both countries are working with local officials on both sides of the border to ensure the Guide is useful.
- Aligning Trusted Trade programs and expanding benefits. Efforts are underway to adopt a common framework to align trusted trader program requirements, enhance member benefits and harmonize processes where practicable.
 - This will include harmonizing C-TPAT and PIP (common application and security criteria, one validation, one set of follow-up recommendations, reduce redundancies). Also align each country's trade compliance programs (CBSA's Customs Self Assessment program and CBP's Importer Self Assessment).
- Preclearance. Preclearance is the process of conducting customs and immigration inspections at the foreign point of departure, rather than upon arrival in the destination country. As many of you know, the United States has conducted preclearance operations at airports in Canada since the 1950s.
 - The Beyond the Border Action Plan commits our countries to negotiate a new preclearance agreement to allow for preclearance operations in the land, rail, and marine modes, as well as negotiate a few updates to the existing air preclearance agreement.
 - By negotiating a preclearance agreement for the land, rail, and sea modes, we will be able to apply the same process that already exists at several Canadian airports. Passengers would be cleared by U.S. CBP officers before boarding a U.S. bound train, ferry, or cruise ship.
 - Preclearance can make travel more predictable, and provides important security benefits in terms of addressing problems prior to travel.
 - Importantly, the land, rail, and sea preclearance agreement we are negotiating, as well as the air preclearance agreement in place, are fully reciprocal. So, both the United States and Canada will have the ability to conduct preclearance operations on the other country's soil.
 - CBP is also looking to stand up a truck cargo pre-inspection pilot in Canada by this fall. Essentially, we would conduct the initial inspection on the Canadian side of the border, with any additional inspections that might be required taking place on the U.S. side of the border.

The success of the Action Plan depends on accountability – each of the initiatives in the Action Plan has a stated due date and a named department or agency that is responsible for its implementation. We are accountable to both our leaders, all the way up to the President and the Prime Minister, and to the public. A Beyond the Border Executive Steering Committee, composed of leaders in both countries, was created and met in June to discuss progress on the Action Plan. An end-of-year report is due to the President and Prime Minister in December which will be made public.

Check our website at www.dhs.gov/beyond-the-border for the latest announcements and updates, and provide your input and feedback on the Action Plan by emailing beyondtheborder@hq.dhs.gov.

[Back to top](#)

Birgit Matthiesen
Senior Advisor, Canadian Manufacturers & Exporters Association (CME)

I guess that I'm the private sector business voice on this panel. I'd like to thank Don (*Alper, panel moderator*) for his gracious invitation. I'd also like to give a shout out to Heather Sharpe (*VBOT event coordinator*), who I hope is in this room, and who has been wonderful to work with. I'm very cognizant of the fact that I'm speaking to the same audience and I'm in the same room as Ambassador Doer. I see John Manley in the room this morning, and Mr. Moloney. I'm a little humbled, my mom would be proud, so thank you very much for the opportunity. I want to start by quickly telling you why CME has me in Washington, D.C. I think we're the only trade association in Canada that has a fulltime Washington presence. It is a reflection of the vibrancy of Canada/US trade. A lot of the members of our association have significant US business operations in the United States and vice versa. We are a bilateral relationship and therefore everything the United States does on their regulatory and legislative agenda, or even in the political realm, is extremely important and of interest to our members. I often tell them "you may not like the news I have to tell you, but you will hear the news and plan accordingly." We've talked an awful lot about the Border Action Plan, the Regulatory Cooperation Council. I would prefer in the next round that we call it the Canada/United States Jobs Plan, because that's what it is. It's about the future of our workers and our communities. CME, along with a number of our sister associations in Canada and the United States, including the Chamber, NAM, etc., are highly supportive of both these initiatives because we see where the future is going. And that's why we are always pleased to be invited to speak about these initiatives, whether it be with US or Canadian government officials or the trade community.

Why now and what's at stake? I'm going to give you my off-the-cuff view of why this is so important to both Canada and the United States. I'm going to quickly give you a look back, to give you a timeline of what we are facing today, particularly in the North American manufacturing sector. Back when we signed the NAFTA, the average tariff was 3 percent. Everybody hates tariffs and duties, but I long for the days when the only problem we had on the Canada/US border was a bloody 3 percent duty! Duties are transparent, they're visible, they are easily calculated, you can pass the cost on to some of your supply chain. Today, the average cross-border transaction cost is in the double digits. We've heard this morning about all the action plans we've had since NAFTA, but I want to emphasize events that occurred in 2001. Bradd (*Skinner, prior speaker in this panel*) and I were talking over breakfast about how all of us know where we were on the morning of 9/11. But 2001 also brought the membership of China in the WTO. That is the year that we started seeing a surge of imports from the third countries, particularly the Pacific Rim, arriving at our seaports. That competition—those products that came in and continue to come in to Canada and the United States—is our members' direct competition. With respect to free trade agreements, one often hears about export growth and export opportunities, but they also result in import penetration. There are lots of competitive forces lining up against North American manufacturing. Canada recently signed, I think, six or nine free trade agreements. The United States signed and ratified three last year, one of which is particularly important to us, Korea. Next year it will probably be TPP. Everyone is lining up to sign agreements with the EU and China. In 2014 it is expected that the first post-Panamax container ship will arrive somewhere on North American shores. I understand that for an entity like the Port of Vancouver, this might be very good news. For North American manufacturing, this is something we will be watching.

So this "bling with China," as I call it, this fascination with China, has been going on for years for very understandable reasons. But in the last year there has been in the United States, hopefully in

Canada, a push to bring manufacturing back home. That is exactly the thing we need to do. We need to bring manufacturing back home to North America, because it is your children's next jobs, and it is the revenue base that is going to keep the quality of life in our communities. But we have to do it with our eyes wide open and understand what our challenges are. I think what every businesswoman will tell you, including the president of Weyerhaeuser, the very first thing I always hear when I talk to any of our members, is "I need business certainty in making investment decisions for my company and my supply chain," whether it be regulatory certainty or legislative certainty. In terms of the context of this morning's conversation, I would say border certainty and regulation certainty. Next would be competitive production and logistics cost: "I've got to get my product somewhere, I'm got to get my product to my assembly plant, how can I do it in the most efficient way possible?" Diesel fuel costs are cranking up, we know where the price of a gallon of gas in the US is going, we know where California is going with respect to trucking hours-of-service regulations. The clock keeps ticking and costs keep going up.

The other issue that every businesswoman mentions is the term "scaled workforce," which I think of as "best available minds." Canada and the United States are still working under a twenty-year-old chapter of NAFTA that pertains to business travel. We need to have our executives able to cross the border to get to meetings in a much more modern, realistic way. The border cannot be a barrier to our best ideas. We need to have our technicians and our production workers able to get to where they need to be to fix what is needed so that the production assembly does not stop. We need better-educated workers in the future, and we need to understand that manufacturing today, and the manufacturing of tomorrow, is not the hardhat jobs of old—it is so much more exciting.

That brings me to the main point I want to make today; innovation. You hear it... what does it mean? It means the next product line. You know China is capable of making 40,000 drinking glasses for you in a one-day production run, specific to your demands, at a cost of 30 cents a glass. They'll get to your plant two or three months from now. But we in this room know that where the next market share is, is the next product line. If you call your plant in China—I'm being overly simplistic, but you'll get my point—to say "you know that clear glass that I ordered? I want it in blue because my teenager told me that for the coming Christmas season the big thing is going to be blue glasses," you won't get blue glasses, you'll get the clear glass that's in the production pipeline. So when a Canadian company asks me, "Birgit, what do I do, how do I create a competitive advantage?", I respond "phone your American business partner." Not the customs broker, not the warehouse manager—the CEO. Ask them, "You know, I've been doing business with you for 20 years, been pretty good, making that clear glass. What's your supply chain telling you? What are your customers and your retailers telling you about the glass we're making together?" That conversation will lead to innovation and the next product line. If it's now a \$12 million business relationship, it's probably going to be a \$22 million relationship next year.

This is what's important for Beyond the Border and Regulatory Cooperation Councils: transparency; reduction of transactional costs (a hundred cargo data elements doesn't seem like a lot but it's extremely expensive); bottom-line manageable benefits; and the ease of business travel for our workers. You know you guys in the Pacific Northwest have been such a laboratory for the best new ideas. We need you now, we need those best new ideas, we need your energy. You need to stay tuned. We certainly are! And on behalf of CME and all of our member companies, let me say to the government officials in the room "go forth and do good work!" Thank you.

[Back to top](#)

Jacquie Dawes

**Assistant Deputy Minister, Transportation Policy and Programs, Ministry of Transportation,
Government of British Columbia**

Thank you very much for the opportunity to speak with you today at this important event. The Government of British Columbia has been a strong advocate of improved border management and we are very supportive of the Beyond the Border Action Plan, which builds on the initiatives BC has championed over the last ten years, working closely with Washington State and other regional partners such as the Pacific North West Economic Region (PNWER) and the International Mobility & Trade Corridor (IMTC).

Today I would like to talk to you about the excellent relationship we have with Washington State, and the joint work we undertake on cross-border transportation initiatives including those under the Beyond the Border Action Plan.

The BC/Washington State relationship and cross-border initiatives such as “Beyond the Border” (BTB) are important for many reasons.

Improving the legitimate flow of people and goods to, and across, our border will help support and create jobs in both countries. The Canada/US ports-of-entry between BC and Washington State are the window through which goods and people move across our border throughout the Pacific Coast, including BC, Washington, Oregon and California.

In fact, over \$19 billion in two-way trade crossed the BC/Washington State border in 2010, and the Pacific Highway port-of-entry, connected by Highway 15 and State Route 543, is the 4th busiest commercial crossing along the entire Canada/US border.

From a passenger movement perspective, almost 12 million automobiles crossed the Canada/US border at our four Lower Mainland border crossings in 2011, with the Peace Arch/Douglas port-of-entry being the 3rd busiest passenger vehicle crossing along the entire Canada/US border.

These passenger movements include valued overnight tourists. In 2010, there were 1.1 million overnight visitors from Washington State to BC and about 2 million overnight visits from BC into Washington State.

BC and Washington State are leaders on cross-border transportation cooperation.

BC's Premier and Washington State's Governor have held annual BC/WA Joint Cabinet Meetings for the past 6 years, and transportation and border-related initiatives have always been key agenda items. At the 2009 Joint Cabinet Meeting, the BC/Washington State Joint Transportation Executive Council, co-chaired by BC's Minister of Transportation and Washington State's Secretary of Transportation, was established to identify and implement annual joint cross-border transportation priorities.

The 2010 Winter Olympic Games provided an excellent opportunity for BC, Washington State, Canada and the US to work cooperatively on cross-border initiatives, and helped lay the groundwork for future cross-border cooperation.

Other key partners include the Pacific Northwest Economic Region (PNWER) and the International Mobility and Trade Corridor Initiative (IMTC), which are both actively engaged in advancing cross-border transportation initiatives from a regional perspective, with both public and private sector involvement.

If you are not already involved in these organizations, I strongly encourage you to participate in their activities which help shape the region's priorities for border management and cross-border transportation infrastructure needs.

BC and Washington State, in partnership with federal agencies, have accomplished much over recent years.

We have improved the movement of people across our border.

The 2010 Winter Olympic and Paralympic Games truly showcased many of these improvements, with significant numbers of people moving across our border with minimal queues or security issues.

BC and Washington State now have Enhanced Drivers Licenses (EDLs), which are an accepted alternative to Canada/US passports at land and marine border ports of entry in both jurisdictions. BC and Washington State have also invested in Advanced Traveler Information Systems, providing real time northbound and southbound vehicle wait times for all four Cascade Gateway border crossings. Further, BC and Washington have worked closely to establish the 2nd daily Amtrak passenger rail train between Seattle and Vancouver.

We have also worked cooperatively to improve the movement of goods across our border. One recent example is the significantly improved commercial operations southbound at the Pacific Highway port-of-entry. Average southbound truck delay has been reduced from 52 minutes to 16 minutes, while still retaining preferred access for FAST trucks.

From a law enforcement perspective, the 'BC-Washington Cross-Border Law Enforcement Forum' in Surrey in June 2012 brought together senior officials from a wide range of law enforcement agencies to discuss cross-border organized crime in the Pacific region. Participating agencies are now meeting to share information and develop strategic approaches on these issues, and are scheduled to meet again in 2013.

BC and Washington State cooperation also extends to the Canada/US "Beyond the Border" (BTB) initiative.

BC/Washington State cooperation enabled us to identify joint priorities for consideration by our respective federal governments prior to the drafting of the BTB Action Plan. Governor Gregoire and Premier Clark held the 6th Annual BC/WA Joint Cabinet Meeting earlier this year. One of the outcomes was a joint letter drafted from the Governor/Premier to President Obama and Prime Minister Harper supporting the Beyond the Border initiative and re-iterating joint BC/Washington State priorities. Further, it was agreed that we would work together in coordination with our federal agencies, border communities and businesses to ensure that our strong partnerships in cross-border transportation, law enforcement and emergency management were maintained in order to complement and support new federal initiatives.

Beyond the Border is consistent with many initiatives in our BC Jobs Plan:

- We have invested over \$5m on further transportation/border-related improvements.
- Border improvements are important for BC exports to United States.
- Border improvements are also extremely important to our tourism industry.
- In general, improving the legitimate flow of people and goods across our border will help support and create BC jobs

Our Canadian and US federal colleagues have consistently indicated that they would like us to help them meet the deliverables set out in the BTB Action Plan. Some of the key Beyond the Border deliverables from BC's perspective include the following:

- The implementation of a common approach to screening cargo and travelers inbound for North America and the expedited movement of secure cargo across the border through the principle of "cleared once, accepted twice." The integrated cargo security pilot project in Prince Rupert that was announced this past week is of significant interest to BC.
- The expansion of integrated customs and immigration pre-clearance to the land, marine and passenger rail modes. We look forward to completion of the overarching pre-clearance agreement for these modes shortly, and to the specific commitment to implement full pre-clearance for Amtrak passenger rail service in Vancouver soon after.
- Improvements to trusted traveler and trader programs. This includes expansion of NEXUS to the Huntingdon/Sumas port-of-entry (recently completed) and to the Aldergrove/Lynden port-of-entry.
 - Initiatives to facilitate business travel across the border, and,
 - Greater cooperation in areas such as cross-border law enforcement, including the recent announcement that Vancouver/Blaine would be one of the first two regularized locations for the Shiprider program.

BC is pleased to support the Beyond the Border initiative and we will continue to work with Washington State and our federal agencies on implementation. Already, BTB has spurred discussions about possible future initiatives that might contribute to a subsequent iteration of BTB. Our positive cross-border relationship with Washington State and federal border agencies have allowed us to move forward on many initiatives of mutual benefit, and we look forward to the successful implementation of the remaining BTB initiatives to further improve the movement of people and goods between our two countries.

[Back to top](#)

David Davidson

Associate Director, Border Policy Research Institute, Western Washington University

Performance Metrics: Beyond the “Beyond the Border Action Plan”

The Border Policy Research Institute is housed at Western Washington University, in Bellingham. We’ve been in existence for seven years, with a mission of undertaking evidence-based research on issues related to the Canada-US border, and then providing our results to policy makers at the state, provincial, and federal level on both sides of the border.

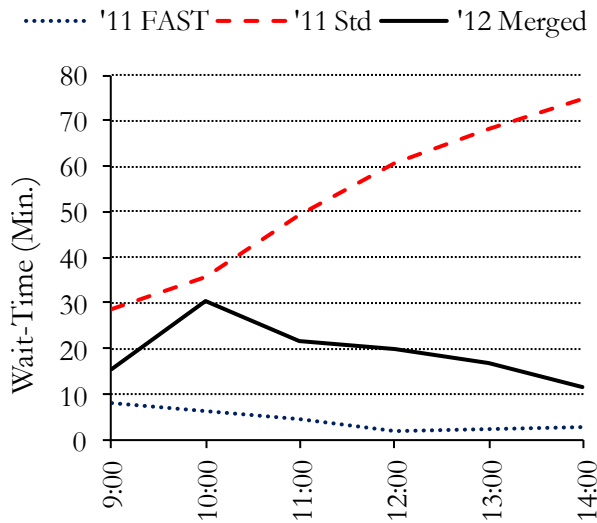
My talk is about metrics of the border’s performance, which are a key part of the BTB vision. The public and the agencies alike want to be able to see measurable differences at the border as a result of the actions taken pursuant to BTB. I’m going to talk about what kinds of things underpin the metrics specified in the Action Plan – to deliver what’s mentioned in the plan, it’s necessary to go beyond “Beyond the Border.”

Here are some excerpts from the part of the BTB Plan that deals with trade facilitation at our border crossings.

- DHS & CBSA will measure and compare wait-times between NEXUS and non-NEXUS...
- DHS & CBSA will report on reductions in wait-times for travelers and cargo and increases in throughput for commercial traffic
- Wait-time service levels at key crossings will be published jointly...

Prominent emphasis is obviously given to one key metric—wait-times. It’s intuitive that good mobility at the border will result in reductions in delays that are encountered today by travelers and freight. But while wait-times are a great metric of overall health, they are a poor metric for the purpose of diagnosing what ails a particular border crossing. Think of a doctor examining a group of patients. He examines the first patient—pulse 64, respirations 18—this patient is OK—on to the next. The second patient has pulse 26, and no signs of breathing. This patient is dying! But at that point, what has the doctor learned, other than that the patient needs major help? The doctor has to diagnose the underlying ailment—he has to go beyond the superficial metrics of pulse and respirations. In the same way, we might observe that wait-times for trucks are acceptable at one border crossing and unacceptable at another one. The issue is how to fix the problem, which requires a deeper understanding of what’s happening at and near the crossing.

This situation is what was going on in 2011 at the Pacific Highway port-of-entry, the major freight crossing serving Highway 99 and Interstate 5. The graph shows average southbound wait-times at Pac Highway over the course of the day for trucks participating in the FAST program (*dotted line*). FAST is a so-called “trusted shipper” program. To enroll in FAST, the driver, the trucking company, and the shipper must all be vetted and audited by U.S. and Canadian border agencies. In return for taking those steps, a qualified truck arriving at the border gets preferential access, which results in shorter wait-times. The wait-times for FAST trucks are great—less than 10 minutes at 9 in the morning, and tailing off to less than 3 minutes later in the day. But the other trucks (*dashed red line*) encountered 30 minute delays in the morning, and wait-times just kept rising, reaching a peak of over 70 minutes by early afternoon. But what was causing this situation? To answer that question we had to go beyond wait-times and look at other kinds of metrics. In cooperation with US Customs and CBSA, my institute gathered field data, monitoring the progress of hundreds of individual trucks as they approached and moved through the crossing. The table shows the kinds of



Truck Type	# Booths	Arrivals per Booth	Sec. to Service Truck
'11 FAST	1	62	79
'11 Standard	2	128	102
'12 Merged	3	134	86

operational metrics that allow a diagnosis of the situation. One is the traffic burden that the port must accommodate, expressed in terms of the trucks that must be handled per booth. At Pacific Highway in '11, there was a single booth dedicated to the FAST trucks, and there was an average of about 62 trucks making use of that booth over the peak 5-hour period of the day. A second metric is the amount of time it takes to process a single truck at the inspection booth. It took 79 seconds, on average, to process each FAST truck. There were two booths available to standard trucks, but even so, on a per-booth basis the burden was twice as great. And the amount of time spent processing each truck was also larger, because those trucks posed more risk—they are not “trusted” shippers and had not been subject to extensive vetting prior to arrival.

Our operational data was then used to develop a simulation model of the crossing, which was used for “what if” analysis. One proposal was to stop dedicating one booth for the FAST trucks—to use all three booths to handle a merged stream of FAST and non-FAST trucks. The simulation model suggested that overall mobility would be greatly improved, although at the expense of the FAST trucks. US Customs launched a successful pilot test in the spring of 2011, and in spring 2012 the BC Ministry of Transportation completed construction of a new configuration of the approach lanes to the crossing. My institute collected field data again in summer 2012, and our observations are included in the table and graph. First, the burden of traffic per booth had grown, as the US and Canada continued to recover from the economic meltdown. And, the average service time per truck improved, as compared to what the non-FAST trucks used to experience. Looking at the situation through the lens of wait-times (*solid line in graph*), a real reduction in delay had been achieved.

My point is that metrics other than wait-times are needed in order for the BTB vision to be achieved. In this example, my institute went out and collected detailed data that was used to diagnose the problem at Pacific Highway. But even without detailed field data, there are ways that existing datasets can be used to look beyond wait-times. For instance, both CBSA and US Customs keep count of traffic volumes at the border, and that data is aggregated to monthly values that are available online. It’s possible to use that data to develop an understanding of the traffic burden per booth at various ports-of-entry. For instance, Pacific Highway can be compared to Alexandria Bay, the site where the Thousand Islands Bridge connects Ontario and New York. Each crossing has three booths, but with peak-month traffic that is twice as large, Pacific Highway faces a greater per-booth burden (10,102 at Pacific Highway, vs. 5,536 at Alexandria Bay). This kind of metric helps

agencies quickly diagnose the situation at crossings along the breadth of the border. And though it's not mentioned specifically in the BTB Plan, I assume that facility planners at CBSA and US Customs make use of these kinds of metrics as they develop the 5-year infrastructure plan that is being completed pursuant to the BTB.

In summary, I've tried to show that a variety of metrics are needed if we aim to understand and fix the operational problems existing at the ports-of-entry. After corrections are in place, then we'll observe the reduced wait-times for both travelers and freight that are the goal of the BTB Plan. There's a need for the kind of applied policy research and analysis that is undertaken by my institute.

The latest issue of the *Border Policy Brief* relates to this topic of border metrics and is available online (http://www.wvu.edu/bpri/files/2012_Fall_Border_Brief.pdf). My Pacific Highway example is summarized near the back of the article. There are about 80 other articles and reports posted on our website, all focused upon issues at the Canada-US border (www.wvu.edu/bpri/publications). Last but not least, we received support from Western Economic Diversification Canada and the Pacific Corridor Enterprise Council in the development of the briefing paper—thanks very much to both.

[Back to top](#)

Louise Yako
President, B.C. Trucking Association

Thanks to the Vancouver Board of Trade for the invitation to speak to you. I'd also like to thank David (*Davidson, the prior panelist*) for talking about truck wait-times, so that I don't have to. I should start by telling you why it is that the BC trucking association has such a keen interest in BTB. There are three reasons. About half of our 1,200 member fleet cross the border, and the industry's ability to serve its customers is absolutely affected by border wait-times. An efficient border supports a strong economy, which benefits us all. So that's why we're at the table, participating in various working groups through our national organization, the Canadian Trucking Alliance, because we think this is a very important initiative that will help not only our industry, but our customers.

I'm going to tell you a little about our association. We are a voluntary industry advocacy association. We keep our members informed about new or changing government regulations, we offer training, education, and networking opportunities, and we sell truck safety and compliance products, because safety, and certainly environmental emissions, are two of our highest priorities in the trucking industry. I'll now tell you a bit about the industry in BC, and perhaps you can draw conclusions about why it is that this initiative is particularly important for us here in BC. The industry in BC is both large and small. I say large because there are over 20,000 trucking companies in BC, and I say small because 85 percent of those trucking companies are one- and two-truck operators. So you can understand the implications... We have an extremely competitive industry. They don't have sophisticated back offices, and in a cross-border context they struggle with new or changing cross-border regulations, programs, and requirements. In part it explains why there has been such small uptake of security programs such as FAST. And I think it's part of the context that we have to consider going forward.

The BTB program is particularly important to the trucking industry here in BC because 70 percent of the trips crossing the BC - Washington border are made by Canadian registered trucks. We are far more represented at the border than are US companies. In 2011, trucks transported almost \$11 billion in goods through the Cascade border crossings, which is what we call the three border crossings consisting of Pacific Highway, Lynden/Aldergrove, and Abbotsford/Sumas. There were over 1,000,000 truck trips crossing the BC - Washington border in 2011. That works out to almost two trucks per minute crossing a Cascade border crossing every minute of every day—fairly significant traffic.

Notwithstanding any of those figures, none of the BTB trucking initiatives are being tested here. And hopefully for those government officials that are in the audience, you may want to consider using us as a testing opportunity, because as you've heard from the various speakers throughout this morning, we've been very successful in partnering across the border and developing new and innovative ways to really make the border as seamless as possible, given the constraints that are in place today. I was going to spend some time talking about the various initiatives, like the "inspect once, accept twice" and the Port of Huron/Sarnia project, where they're trying to make better use of dedicated infrastructure for FAST trucks. But I think you've heard enough about that, you understand the implications of that. And David's presentation (*Davidson, the prior panelist*) certainly highlighted the fact that we have a huge opportunity in terms of time saving if we can migrate those kinds of initiatives here to BC.

I'm going to talk about a couple of other initiatives that could be implemented in the trucking mode that have not yet been. One has to do with RFID. That is being tested here, between BC and Washington, but it is only being tested for automobiles. I suggest that it might make sense to test

with trucks northbound, and the reason for that is that trucks going southbound already have RFID tags. With that the case, why don't we try testing it northbound? The equipment is already in the vehicles, and it would be a fairly simple thing to do. I see David (*Moloney of the Privy Council Office*) nodding his head, so I'm assuming that means "yes," and we will get to test that. Single-window reporting is huge for our members as well, because many of their customers are required to use single-window reporting, and if you could reduce the data elements even further, that would be wonderful.

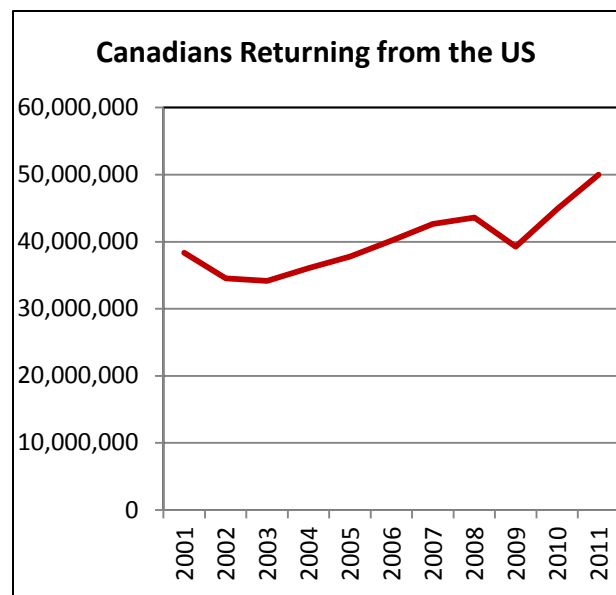
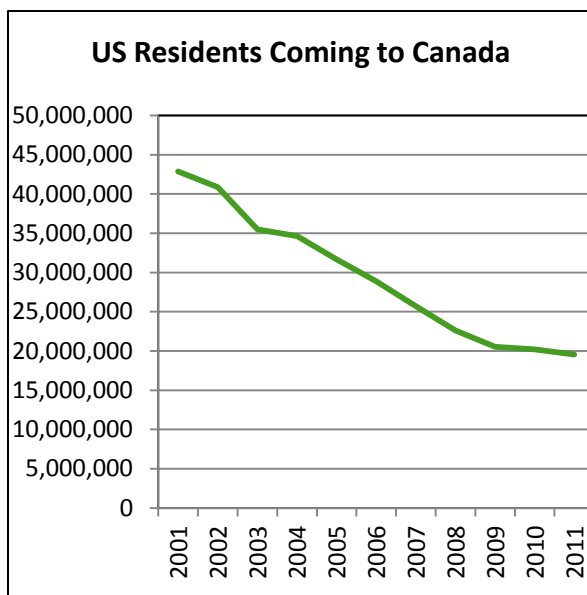
So, for the trucking industry, the bottom line is that the BTB plan is very important. As we know from Jacquie's (*Daves, speaking earlier in this panel*) remarks, the BC - Washington border is the fourth busiest truck crossing across the 49th parallel, so we want to make sure we are as efficient as possible. BTB is very ambitious, not only because of the scope and breadth of the initiatives that are being considered, but also because it's over a very short timeframe, and I know that there are some concerns that maybe we are not meeting all of the timeframes as well as we could. For all of the doubters that may be in the audience, I'm going to suggest that we should just "hang tight," because there is a huge payoff, not only for our industry, but for our customers and the economy. Shaving even a few minutes off each truck crossing could result in significant savings. In our region alone, if we could save 10 minutes per truck, we're talking about 10 million minutes a year. What would you do with that much time? Thanks very much.

[Back to top](#)

Mary Mahon-Jones
Mahon-Jones & Associates

I'm going to talk about the border from the tourism perspective, which on each side of the border is a multibillion dollar industry. There's been a lot of discussion about this since I started to be part of this discussion around 1999. Before 9/11 it started with the "shared border initiative," then the "smart border action plan," the "security and perimeter partnership," and now the "beyond the border plan." It's excellent that this is happening, and the momentum seems to be growing every time I dip into this conversation. When I started out, the goal was to simply have more efficient borders—let's get those tourists back and forth. After 9/11 the game changed very substantially, and the whole issue became security. From then on the big challenge was "how do you marry the concern about security with the ongoing concerns of tourism promotion?" I'm going to show you a 2012 snapshot of the issue from the perspective of the tourism industry, plus provide thoughts on what we might do to move forward.

There's nothing like a graph to give us a snapshot of what's going on. This shows what's happened with the U.S./Canada border in the past decade. It's easy to see that increased security had an impact. However, it's complicated, because there are lots of reasons for what we're seeing. You see here that Canadian travel to the U.S. recovered a lot sooner. It was actually shocking to me when I did this graph to see a 53% decline in U.S. visitation to Canada between 2001 and 2012. Now the Canadian exchange rate certainly has had an impact. It's been the reason why Canadians visit the U.S.—largely outlets and airports. Canadians are also more confident about the economy—they weathered the recession a bit easier and are more confident travelers.



One of my backgrounds is in culture, and I always make the point that one of the cool things about tourism is that it encourages world peace. When someone stands in front of someone else, looks at them and talks to them, it greatly enhances their understanding of that foreign culture. So when you think about that massive drop in American visitation to Canada, think of all the people who are not now doing that one-to-one relationship.

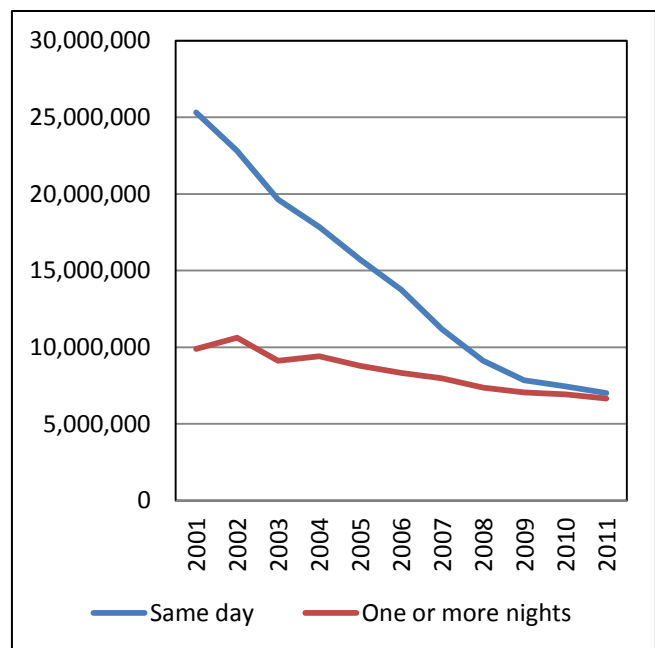
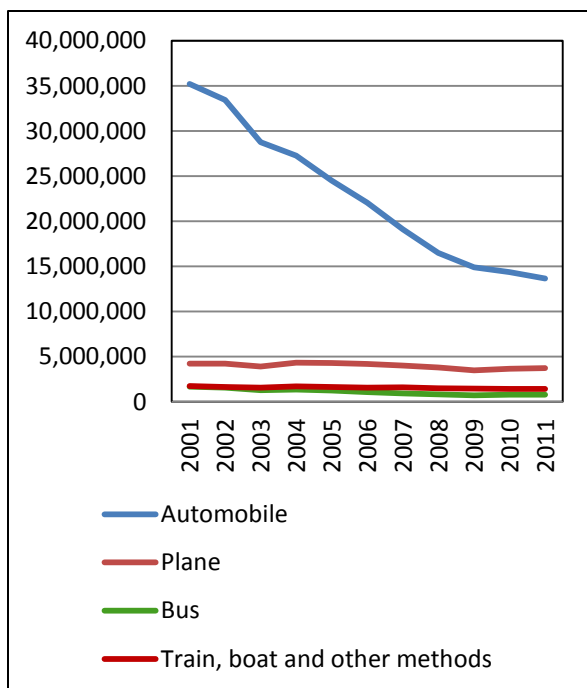
Another factor at play is that competition in the global tourism market is fierce. Almost every country in the world is now involved in tourism because of the economic benefits. In 1950, Canada

was second in the world in terms of the tourist arrivals. By 2009 it had fallen to 15th place. There's a significant drop that we're dealing with right now.

I want to talk a bit about cruises. I can't discuss all the sectors, but I do want to provide a sense of organized travel. Cruise industry passengers are predominately from the U.S. It's a whole lot easier to fly into Seattle and board a ship than it is to fly into Vancouver, clear Canadian customs, then clear U.S. customs as you're boarding an Alaskan cruise. Also at play here is the expense. There are a lot of fees and taxes associated with air travel and cross border travel, particularly Canada. But the good news is that the cruise industry is expecting a 25% increase in 2013, and we have the return of Disney and Holland America cruise lines to Vancouver.

I want to talk a bit about trends in tourism that are really important to this border discussion. One trend is that the demand for experiential travel has skyrocketed. More and more we're finding that travelers want some kind of life changing experience. These are the high-yield travelers as well. Countries like Australia and Canada have become leaders in experiential travel because we are not "fly and flop" destinations. Our advantage is the experiences we can provide. But for a man stuck in a long border wait, that awful experience becomes part of his trip. For many who are traveling, the journey is as important as the destination. The industry is responding to this, and you now see that airports are great places to hang out. There are ancillary services being provided by the industry that make the journey better.

Another thing to remember is that tourists are time stressed. There might be only a short period of time allotted for a vacation, perhaps just a weekend. A long wait at the border just takes that time away. When you analyze which mode has been most affected, it's been automobile travel. Now gas prices have had an effect, but that's also true of airlines, so we're not sure that's the whole story. It could be long line ups, or it could be that people know that jumping on a plane is a lot faster than taking a car. Another interesting thing is same-day travel which has plummeted—bad news for our retailers in Canada. Again, I think people don't perceive it as easy to jump in a car and go to Vancouver for some shopping or for dinner.



Tourists now think about tourism in a global context. “What country am I going to go to next?” It’s not just about staying in Canada or in the U.S. Another trend—young people are very comfortable with technology, having grown up with the internet. They like technology. Have you ever gone to the grocery store and seen the difference between the self-serve line and the regular one? There’s a big line at the self-serve because everybody likes to play with technology.

I’ll talk about how to improve the border experience. Over the last decade there have been a lot of really good bi-national accomplishments in our region (new POEs at Peace Arch and Douglas, more booths at all POEs, upgraded highways leading to POEs, Ready Lane at Peace Arch, dedicated NEXUS lanes, highway signs fed by wait-time measurement technology, automated passport kiosks at YVR, Global Entry kiosks). I put them into two groups—infrastructure and automation. Kudos to YVR that set the stage with their ABC program that uses kiosks to process our passports a little bit easier. A problem is that it works for Canadians coming into the country, but it doesn’t work for Americans. Just a note to all you folks that have an impact on that, that’s something that we need to work on—we need to make it easier for U.S. citizens to enter Canada.

The next issue is documentation options, and again there’s been a lot done in this area. Initially the only trusted document was the passport, the universal document that can be used for all modes of travel. But the problem with the passport is that it’s slow. The border guard has to flip through pages, and passports are processed one at a time. So after concerted industry lobbying and a lot of partnership work between industry and government we see a number of other documents (EDL, NEXUS card, PASS card). Now these cards are great, but one problem is that these cards are only valid for land and sea. We have to change that, they should be valid for air also. Another problem is that there are a lot of them. The variety can confuse the tourist. I advocate strongly that we think about one, and my vote would be NEXUS. Let’s push up those enrollment numbers as much as we can. From my perspective, one of the biggest success stories of BTB is linking expedited security screening (ISA, CATSA) to NEXUS. Another change on the horizon is the advent of the e-passport. RFID embedded in documentation is something that spurs automation and addresses the issue that I’m really pushing here—shorter wait times. However, we need to reduce the cost, make cards valid for air, and converge on a single card of some sort.

Another issue I want to bring up is CBSA cutbacks, not something that folks want to talk about, but it’s certainly impacting tourism, particularly the conference industry. We had one recent incident where meeting-planners coming to Vancouver got caught in a line at customs for an hour and a half. They were planning a meeting of 2,000 people slated for July. These planners are very concerned that their delegates will get caught in the same situation. Those kinds of incidents don’t help. Visas are another issue. In the U.S., visa processing has been facilitated, that’s something we have to continue to work on. Visas can have a major impact on tourism. For example, Canada imposed a visa requirement upon Mexicans in 2009, and annual visitation dropped from over 80,000 in 2008 to less than 50,000 in 2010. I’m not advocating that we not have visas, I know that’s a security issue, but I am saying let’s be cognizant of the fact that smooth processing really helps. Mexican visitation ticked back up to 55,000 in 2011, and that’s because the Canadian embassy in Mexico has facilitated faster processing times for some of the Mexican sectors.

I want to make a point about why we need to keep improving. In 2011, 11.4 million U.S. tourists came to Canada and spent \$7 billion, while 21 million Canadians went to the U.S. and spent \$16 billion. There are over 300 million Americans, 35% of them with passports, and there are 34.8 million Canadians, 64% of them with passports. That’s an enormous market, and it’s a market that’s

recovering from the recession, a market with a lot of pent up energy. Looking at the volume of U.S. visitors to B.C. each August over the past 11 years, there has been a slight uptick in 2012. So the leisure market is coming back, the business market is coming back. Will we have the capacity at our borders? We also know that the U.S. is launching a new “USA Discover America” campaign with a budget of \$200 million, which is quite large compared to CTC’s budget (\$58.5 million). Again, both of these organizations are going to promote Americans or Canadians traveling to each other’s countries. That’s going to have a huge impact. One quick statistic highlights the problem—Canadian Thanksgiving weekend in 2007, the longest wait at the border was 2 hours 30 minutes. Compare it to the 2012 Thanksgiving weekend, we’re still looking at a wait of 1 hour 29 minutes. It’s less, and that’s a good thing, but we still have a problem. Thank you very much for your attention.

[Back to top](#)

Diane Butler

Immigration Lawyer, Lane Powell Attorneys and Counselors

The BTB action plan has several initiatives that address the flow of legitimate cross border business travel between the countries. I'm going to focus on what's in the plan, what's been done so far, and what more could be done, with some ideas for advancements. In terms of looking at what's in the plan, there are three key areas that are receiving the majority of the attention. One is data collection and the entry/exit system, a second is advanced adjudication before you get to the border or the airport, and the third is redress for denials or where there's some sort of mistake in the record. For the entry/exit system, we've touched on that a little bit already today; this is one of the items that has already begun to be implemented at the Blaine ports of entry, where data's being collected from third country nationals and from permanent residents of both countries who are crossing the border. This data will be collected from US and Canadian citizens starting in 2014.

So, that's part of the plan that touches on the security element of the initiatives. In terms of advanced adjudication, to try and resolve issues before you travel, I think there's been less done. What we need to look at is what I call a belt-and-suspenders approach, and "belt" is actually an acronym to help you remember some of the key options for immigration. I'm going to focus mostly on coming into the United States, but many of these will translate to what happens for those who are travelling into Canada as well. So BELT... The B stands for the B-1 business traveler visa—an example would be a president of a company coming into the country, a sales representative, or the after-sales service personnel that we've been talking about. E stands for the treaty-trader, treaty-investor visa. This is not the investor visa that you might have heard about where you invest a million dollars in the U.S., or half a million dollars in an economically depressed area, hire ten workers, and you get a green card. This E-visa for investors is available where there is a bilateral investment treaty, like NAFTA, and persons from one country are coming into the other country to make the investment, or coming as key personnel, executives, managers, or essential personnel. This category of visa provides an option for adjudication in advance. It's one where you require a visa, so you have to visit a consulate to apply for it, but at least you get some level of certainty that when you're coming to the U.S. you should be able to make it past the border.

The L is for intracompany transferees—again this is for executives, managers, and specialized-knowledge personnel, where there is a qualifying relationship between a company outside the US and a company inside the US and key personnel are coming in to work in the company. This is one that also offers advanced adjudication. An L-1 can be processed right at the border, but it also can be processed in advance by a paper filing with DHS U.S. Citizenship and Immigration Services. There seems to be a little more certainty with paper filing, but it takes a little more time. So that's an option for advance adjudication.

The T is for TN—Trade NAFTA. As we discussed earlier today, this is one advancement that's been made, a development under the BTB plan. Previously for an initial TN you would have to travel to the border with your documentation, have it reviewed by an immigration officer who would decide whether or not you qualified under TN, and the TN has a list of designated occupations—for example, engineers, accountants, management consultants, and scientific technicians or technologists. This has been an area where there has been a great deal of uncertainty for folks who are coming into the U.S. on a TN. Many of them have been turned back at the border, being told that they don't qualify or else have been placed into expedited removal proceedings for something as minor as a small discrepancy in a job title. Having the option to paper file a TN is one area where there has been an advancement under the BTB plan.

So the B category is one where there is still work to be done, and this is an area that I really think needs a lot of focus, because if you're coming to the border you want to avoid this four letter word: "work." If you're coming to the United States to work, then you are probably not going to get in. If you're coming for business then the chances are much greater. But there needs to be a lot more focus on the advanced adjudication aspect of the BTB plan to provide a level of certainty and predictability that businesses need.

Now in terms of the third item, the redress for denials or errors in the system, this is another area where there's plenty of room for innovation. There is one DHS system in place, it's a system called TRIP. That's the Traveler Redress Information Program. Under TRIP you can file a web-based complaint, to say "I've been turned away from the border, I keep getting sent into secondary every time I come, why is this happening to me? I think you're wrong." I have found that TRIP produces pretty spotty results—sometimes issues are resolved through TRIP, sometimes you just never get any information back, sometimes there's a bit of stonewalling. So TRIP doesn't work to solve the problems for the redress of denials or erroneous records in the system. Somebody might have a referral code which causes them to be sent into the office every time they come to the border. I've had this occur even when clients have been approved for a TN or an L-1. They keep getting sent to the office. Sometimes it almost seems like punishment for overcoming a denial. So this is an area that needs quite a bit of attention.

I have some ideas, and I'm sure you do, too, and maybe my ideas will prompt you to raise your ideas as well. For advanced adjudication... We've talked about pre-clearance for goods coming across the border, for example, cargo that comes in at Prince Rupert and has a security seal can make it all the way to Chicago without being opened, unless there's some indication that security has been breached. And we're going to have more pre-clearance opportunities at the AMTRAK stations. So why not have business visitors have the opportunity to go to a pre-clearance site short of the border, to address as many issues as can be addressed? There's a program in China, at the U.S. embassy there, for a type of pre-clearance that maybe we could adopt here, and that is through the American Chamber of Commerce. Companies that are registered there who need to send business visitors to the United States have almost a quasi-trusted business relationship. Why not have something like that, or build on the trusted trader program? If a business is a trusted trader, why not reduce the scrutiny on its business visitors who are coming into the United States? We talked a little bit about the category of after-sales service. There are a couple of us who have been talking about presenting legal analysis that shows you really don't need Congress to act before you can allow less scrutiny on the after-sales service personnel. There's just been an overly restrictive reading of a provision that has been causing so many problems. It just makes sense. There's a Canadian company, they've already sold equipment in the United States, they just need to send somebody in to service it, and there should be a provision for that. Let me suggest that it's not that the after-sales provision must have been written into the contract at the time of the sale; I think there's a way to look at it to interpret it that there was the intention for after-sales service to occur when the contract was executed. So it might mean something like revising a contract to show what the initial intent was. I think there are options here, and I'm sure there are many others that you all can think of as well. If you haven't read the BTB plan, it's not very long, it's pretty easy to read, and it's got some great goals. The working group has urged us to make sure to keep their feet to the fire, and I think we really need to do this. Especially in terms of legitimate cross border business travel that will help to facilitate trade and provide benefit to us all.

[Back to top](#)

John Manley
CEO, Canadian Council of Chief Executives (CCCE)

Luncheon Keynote Address

Thank you very much. I'm delighted to be back at the Vancouver Board of Trade—I guess it's been a couple of years since I was last here. Of course, it's never as much fun now that you don't have the "debt clock" to hammer federal representatives with. I remind you that when I was the finance minister the debt clock was running backwards, because Canada was actually paying down its debt. We had Minister Flaherty out to the CCCE a few months ago, and he made a joke about having debated with Michael Wilson exactly who had delivered the most federal budgets. Minister Wilson was saying "you know, two of yours were really the same budget, because one brought in the election, so really I still have the most." So I said to him, "you know, Minister, it's actually not how many budgets you deliver—it's 'what is your cumulative surplus?'” I don't think Mr. Flaherty is in any danger of catching up to me, but I hope he does, soon. The debt clock actually was a very important innovation, because it focused people on the reality. The United States could use a debt clock, my friends, although I'm not sure where exactly it would fit! I suppose you could round things down to trillions...

So I'm going to put some slides up, but they're not dense. They're really just so that if you get bored while listening you can turn your attention to the slides. I want to first tell you a little bit about who we are—the CCCE. Our council brings together CEOs, and our purpose is to shape public policy, both in Canada and more broadly. We have about 150 CEOs, we keep it at about that level, together with entrepreneurs, and they come from all sectors, all regions of Canada. They're the large companies in Canada. These CEOs administer about \$4.5 trillion in assets and \$850 billion in annual revenues. They employ approximately 1.4 million Canadians. So, they are the large companies, and they do have a significant reach, many of them cross-border as you've heard. Toronto Dominion not only has more branches in the United States, but also has more employees in the United States today than it has in Canada. Many Canadian companies are really North American, and even global companies, and most of those would be members of the CCCE.

It was worrisome to me, when I saw the program for this conference, that you were going to have an array of well informed speakers populate panels, and then I was to wrap up at lunch. I thought first of all that people would have heard all of the detailed stuff in the morning, and secondly that the panelists actually know something about the details, whereas I'm at the 40,000 foot level. So what I really want to do is speak to the broader context—to talk about not just what I would call "beyond the borders," but "beyond the borders 2.0"—where I think we need to be going as we go further. I'm going to start with a few lessons from the Smart Border Accord, which was done about ten years ago in Niagara Falls by Tom Ridge and myself. I've shared some of these lessons with David Moloney in the past. First of all, the Smart Border Accord had the engagement, the active engagement, of both Prime Minister Chretien and President Bush. Now, I visited Tom in his office before he became the first Secretary of Homeland Security. He was the president's White House advisor on homeland security, and I visited his office in the White House. It was roughly the size of one of the tables that you're sitting around; which is to remind you that no matter what kind of real estate you're talking about, it's always "location, location, location," because that tiny office was immediately adjacent to the Oval Office. So Tom had a certain amount of proximity that gave him some influence. He also came from being governor of the state of Pennsylvania. In fact he was from Erie, Pennsylvania, which is right on the border, in the sense that it's on Lake Erie facing north. He knew some of the issues related to Canada. He knew that the largest international trading partner of his state was Canada. We didn't need to recruit him as an advocate for border issues; he

knew instinctively. What I would say is that it is very important to have cabinet level appointees and deputies who can drive the process forward on both sides of the border. It just gives it the necessary kind of attention.

What Tom and I did, we agreed we would meet four times a year, and we insisted that our bureaucrats give us common briefings on the state of play of the Smart Border Accord, which was a 32 point plan. Items in the plan were assigned color codes—sort of reflecting in advance what Tom later did with security levels. So if an item was going well it was green, if another was going badly it was red, if something was just sort of happening without a lot of enthusiasm it was coded yellow. And we insisted that for each of the 32 points, each nation assign the same color to each item. I didn't want to be sitting with Tom Ridge and ask "what about point 8?", and have him say "well, I thought it was done." We had a common understanding. The color scheme drove the process, believe it or not, because officials don't like to come to ministers and say "nothing's progressed since the last time you met." That was a very clear way—I was going to say black and white, but it was a red, yellow, and green—to ensure that progress was actually being made.

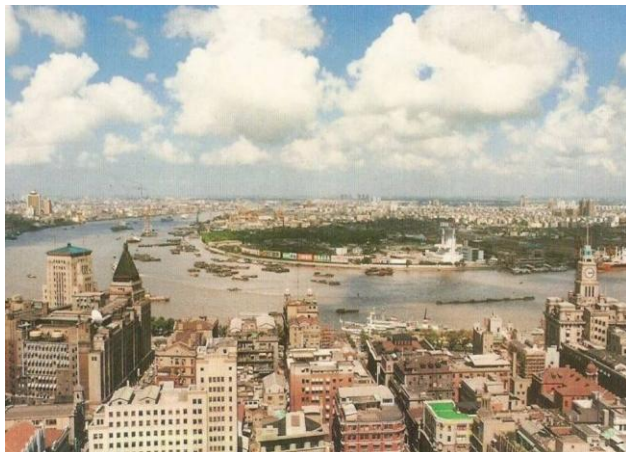
So, Beyond the Border Action Plan... Prime Minister Harper deserves a lot of credit for pursuing this objective with energy and determination. It was announced close to a year ago, last December 7th. The CCCE welcomed it as an impressive range of practical targeted measures that will speed up legitimate trade and travel across the Canada – US border, create jobs, and strengthen economic growth. We also liked that it creates a framework for further progress in the years ahead. What I want to talk about today is what that further progress in the years ahead might actually look like. Where are we going to go from here? Canada has worked hard and invested heartily to satisfy a lot of the very legitimate U.S. concerns about security at the border. I think what we're looking for now is some success on the economic side.

I have to say everybody has their 9/11 stories. I was the Canadian Foreign Minister on 9/11; I was traveling back from meetings in Europe on that very morning. In fact, our flight was, I think, the last that came into North American airspace that day. They allowed us to land in Toronto, although Toronto had been shut down. The Minister of Transport sent a plane to get me back to Ottawa, in part because the Prime Minister discovered that he was the only minister in Ottawa on that particular day, and he was trying to get people back. David Collenette, who was the Minister of Transport, which was a very crucial role, was giving a speech in Montreal—he was able to get back by car. Many others were in various places, Parliament wasn't sitting early in September, and many were at international venues and took days to get back. The U.S. Ambassador to Canada, Paul Cellucci, was in western Canada. A Canadian government plane was sent to bring him back to Ottawa so that he could be close to the Canadian government and able to consult readily. We actually didn't know who our U.S. counterparts were in that time of emergency. It's one of the big things that we advanced with the Smart Border Accord. But to me on that airplane, the first thing that occurred to me was "This is going to give us a lot of trouble. What are we going to do next?"

I want to put this thought in the broader context, and I want to begin by suggesting that we acknowledge that the world is changing very rapidly, and we need to step back a bit and think about the Canada/U.S. relationship—yes, maybe the Canada/U.S./Mexico relationship—in the context of what's happening globally. Here you see the Ambassador Bridge. The largest bilateral trade volume in the world crosses the Ambassador Bridge. Exclude all the rest of Canada/U.S. trade, look just at that bridge, that's more than the trade between the United States and any other country. Which, by the way, is why we need a second bridge, because it's a huge vulnerability—but that's for another plate. My concern, very simply, on that plane on 9/11, was "how do we keep the border open for legitimate trade and travelers?" Now contrary to what is believed, the border never actually closed

on 9/11. The problem was that nobody knew what to do and we had, literally, no one to call. Effectively it closed because the lineups became enormous. There was just no real plan of how to respond to what was clearly a crisis.

Today I think that we have significant new challenges. Particularly, how do we ensure North American prosperity in an era in which the global economy is undergoing a fundamental realignment? I want to talk about that realignment, because I believe that's the context in which we have a real imperative around what we do on the Canada/U.S. border. Right now Asia's share of world GDP is just about a quarter; by 2050 that will grow to about half of global GDP. So right now, Asia punches well below its weight in population terms, in terms of the GDP it produces. Now this transformation is really being driven by three main factors. First, the growth of the middle class, secondly by very rapid industrialization, and thirdly by massive urbanization. This is Asia's industrial revolution. This is the industrial revolution that we saw in the 19th century in Europe, now it's happening in Asia, but it's happening on a size and on a scale and at a speed that are literally unprecedented. The pace of urbanization particularly, is stunning. One and a half million men, women, and children move from the countryside into Asian cities in search of a better life, every week! Here's a pictorial example that you should look at even if you're not yet bored. This is Shenzhen (*top photo pair*). A generation ago, Shenzhen was a quiet fishing village north of Hong Kong, with a few thousand residents. In 1979, Deng Ziaoping decided to make Shenzhen a special

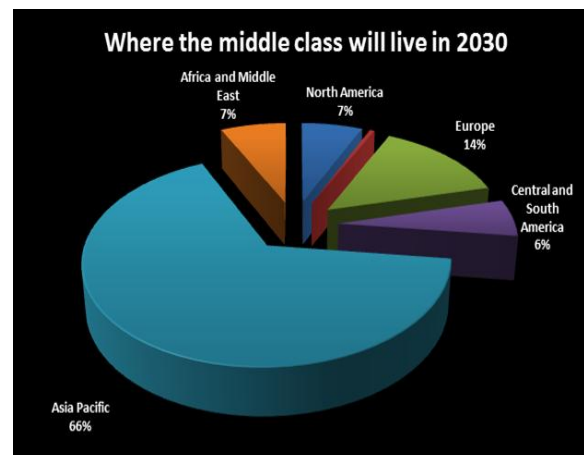
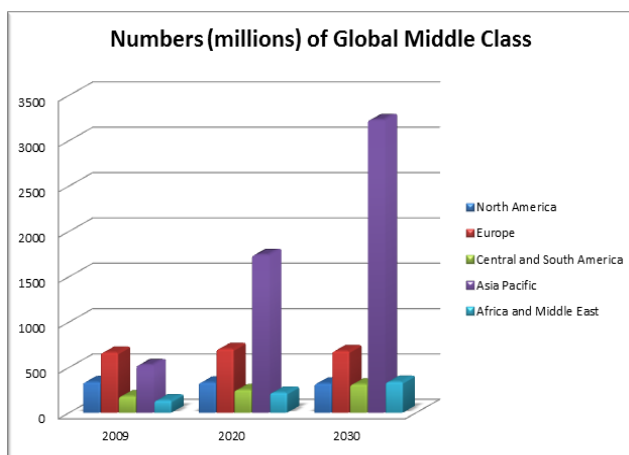


economic zone. Deng's idea was that places like Shenzhen, and there were others, would be experimental ground for the practice of market capitalism. Notice the hills in the background of the 1979 picture, because they're still in this picture of Shenzhen today—actually Shenzhen about two years ago. It's a city of about 8 million people and growing, it's a major manufacturing high tech and financial center. Here's another one (*bottom photo pair*). This (*left picture*) is a picture of Shanghai taken by Dominic Barton, a Canadian, who's the global managing partner of McKinsey & Company. He took this photograph in 1997. At the right you can see a clock tower that's right there on the water front. You see it again in this picture taken seven years later. That's Shanghai today. There's the clock tower, perspective's a little different, a little farther back. That gives you an idea of the speed of change and the degree of growth. It's really all about urbanization in China and in Asia.

When I went to China as Industry Minister in 1988, I visited Chongqing, which was already one of the fastest growing cities on the planet. I was back there a little over a year ago, and at this point Chongqing is in fact the fastest growing city on the planet, with a population which will soon overtake that of Canada. By 2025, China will likely have two hundred and twenty cities with more than one million inhabitants. Over the next two decades China is expected to build 50,000 skyscrapers. Now, put that in context. That's ten New York Cities. By 2030, more than 170 Chinese cities will need subway systems.

But it's not just about China, it's the whole Asian story. And the Asian story is actually six other economies along with China: India, Indonesia, Japan, South Korea, Thailand, and Malaysia. With a combined population of 3.1 billion people in 2010, between 2010 and 2050 these seven countries will account for roughly half of all global economic growth. Therefore, they're not just going to be economic engines for Asia, they will be economic engines for the planet. Now until recently, the world's middle class consumers were concentrated largely in what you might call the triad of North America, Europe, and Japan. Today we're seeing the emergence of a new middle class in emerging markets. In 2015, the middle class population in developing countries will surpass that of the developed world, and the gap will then continue to widen over time. By some estimates there will be 1.7 billion Asian middle class consumers by 2020, more than 3 billion by 2030.

So here's one way to look at what's happened (*bar chart*). Over the next twenty years the number of middle class consumers in North America and Europe is expected to remain roughly flat. In Latin America, Africa, and the Middle East, the middle class will grow and perhaps even double—remember it's important to watch Mexico, in that it's a market with proximity, and it has a very



rapidly growing middle class. In fact the Mexican middle class is equal to the population of Canada. So we sometimes overlook the importance of Mexico. But the really big transformational shift is in Asia. Today there are a few hundred million middle class consumers in Asia. By 2030, it's expected there will be more than 3 billion!

Now, think about it—you're a CEO of a large or maybe mid-size North American company. Where are your customers going to be in 2030? Well, here's the pie chart. You can see at about 1 o'clock there's a thin, red strip—that's Canada. So the challenge for a Canadian CEO is to think about where the market is going to be. You know the old Wayne Gretzky line, "it's not where the puck is, it's where the puck is going, and what's our strategy to deal with that?"

In last week's presidential town hall debate, and then again in this week's debate, both candidates talked about getting tough on China. Well, that is one response; get tough on China. Governor Romney promises on day one to declare that China is a currency manipulator, and he'll use that to justify punitive tariffs on goods coming from China. So if you want to buy a plasma TV, get it now, because prices are going up. When U.S. consumers figure that out, I don't know what their reaction will be. I'm going to blatantly steal from *New York Times* columnist Tom Friedman on this subject. He says think about this: on day one China is declared to be a currency manipulator; that will make day two really interesting. Particularly if on day two China says "OK, we're not going to participate in the next treasury auction that the United States holds." That'll make day three really, really interesting. It's just not that easy, although I understand the politics of it.

But the challenge is not just from China, it's not just about exchange rates and labor costs. It's fundamentally the rebalancing of the global economy that we have to deal with. If we're smart about the way that we respond, then the opportunities created by Asia's rise are every bit as great as the challenges. So, how do we respond? And, you may be wondering, what, if anything, does this have to do with Beyond the Border? First and foremost, I think Canadians and Americans particularly have to stop thinking of each other as competitors and start thinking of ourselves as economies and industries that are closely linked together, that face opportunity within and outside our borders. My friend Jay Myers from the Canadian Manufacturers and Exporters has the best way of describing what we've done to ourselves in the auto sector. This is a really interesting sector because it's the big part of our manufacturing in both countries. And both governments, Canada, U.S., as well as Ontario, were very involved in bailing out General Motors and Chrysler just a couple of years ago. So Jay's statistic goes something like this: an automobile assembled in North America contains parts that are made in all three countries; on average, until they're finally assembled, all those parts cross the border about seven times. Every time one of those trucks goes across the border we do some degree of inspection. You saw interesting statistics today about how much faster it is with FAST as opposed to without FAST, but nevertheless there's a delay, and there are costs associated with that every time. So, a ship full of vehicles comes in from, let's say Korea—four thousand motor vehicles on the ship get inspected at, say, Long Beach in California, or perhaps even in Vancouver. One inspection, four thousand cars. Well, four thousand North American cars times seven, that's 28,000 inspections. 28,000 to one is a really poor ratio if you're trying to build a competitive industry. So that's the point. We need to think about ourselves as supply chains that are closely linked here in North America. One third of all bilateral trade is intra-company. Most of those companies are U.S. based. When we delay or inhibit that trade we weaken the ability of those firms to compete in the global market place. We have to start looking at North America as our base in a rapidly changing world.

Now the progress that we're seeing in Beyond the Border is welcome and much needed, but I'd like to discuss Beyond the Border 2.0. Where do we need to go further? First of all, we need to

transition some of the excellent progress in BTB from pilot projects into full scale national initiatives. We need to negotiate a bilateral labor mobility agreement for short-term stays by professional and technical workers. I believe—and we did a report for the Council of Foreign Relations a few years ago on this—that we should be targeting full scale labor mobility between Canada and the United States. Why would we not want to find and attract the best workers across the border? Mind you, Canada might want to start with inter-provincial mobility just to see how that would work... Sure, we can still do security checks, but there's no reason why we can't have a Canada/U.S. labor mobility agreement. We need to work toward improved mutual recognition of professional standards and degrees. We could harmonize external tariffs on a sector by sector basis to the lowest prevailing rate. That's important because some of my members are telling me "We don't even use the NAFTA tariff rates anymore—it's just too much trouble proving the rules-of-origin. We're better just going with the international rate." If you harmonize external tariffs, you don't need to worry about rules-of-origin within North America. The overall objective being to move toward a single economic space in North America.

But it's difficult to find scope for that bilateral or even trilateral agenda. Some people tell me that we couldn't get NAFTA through the U.S. Congress today if it was being proposed. So, there is another chance, and that's the Trans-Pacific Partnership. This might in fact be the best possible way of modernizing NAFTA. By addressing a wide range of cross-cutting issues, TPP can contribute to the growth of regional supply chains and strengthen the North American production platform, so regulatory coherence, e-commerce, treatment of state owned enterprises (something that's been mildly in the news these days), updated labor mobility provisions, simplified rules-of-origin, updated customs procedures, so that a seamless TPP supply chain could enable the unleashing of growth potential for all businesses by lowering the transaction cost of trade, which would create jobs and promote economic growth. Because of proximity and because of the size of our economies, supply chains within North America would be the first ones enhanced, just as a matter of course. This would put us in a better position to be competitive with the rest of the world, remembering where those middle class markets are going to be. So I think TPP is a very significant development.

We also need to be thinking among our North American partnership about how we adjust to the changes in the global market place. The TPP is especially important for small- and medium-sized enterprises across Canada and the United States. This figure gives you some idea of who's actually doing the exporting out from Canada. Right now, 1 in 100 Canadian small businesses are doing exporting; it's 1 in 5 medium sized firms; and it's almost half of all large firms. The statistics are more worrying than that actually implies, because the truth is there aren't that many large firms. If you break down the numbers another way, and I don't have a slide that shows this, 0.3 percent of Canadian businesses account for 66 percent of our exports. It tends to be the big firms that are doing a lot of the exporting. That's something that has to change rapidly for Canada. Canada's Asia Pacific Gateway initiative is a vital part of our outreach to Asian markets. Given capacity restraints that are faced at all ports, but especially down the U.S. coast, it is also a strategic benefit to U.S. exporters, and both our Canadian railroads have routes from the U.S. to our west coast ports. Currently our ports are two days closer to Asian markets than any other ports in North America. It's a huge opportunity. Now the CCCE recently hosted a conference called Canada Pacific Century, and we're working together with other groups—the Asia Pacific Foundation, the Canada China Business Council—to try to develop some consensus among business, government, educators, and leaders from other sectors. At our conference we discussed a lot of these issues and raised a good deal of awareness on the part of business, but also decision makers, about some of the challenges we're facing. We're now looking to organize a series of regional sessions in partnership with some local business organizations. So the summary of what I've been trying to say today is that the

Border Action Plan is a good one. It's delivering results, we look forward to further progress, but we also need to be thinking about a more ambitious agenda. The world is changing in ways that challenge North America's traditional leadership in the global economy. Asia's rise represents significant challenges. Significant challenges. But also huge opportunities, and we're a lot better off, the U.S. and Canada, if we work together to strengthen the competitiveness of our North American platform. That's what will put us in position not just to face the challenges, but to realize the opportunities. Thank you very much.

[Back to top](#)

Speaker Biographies in Agenda Order

Chris Sands – Senior Fellow, Hudson Institute and Visiting Ross Professor of Canada-US Business and Economic Relations, Western Washington University

Christopher Sands is a Senior Fellow at the Hudson Institute, where he specializes on Canada and U.S.-Canadian relations, as well as North American economic integration. He is recognized as one of North America's foremost experts on Canada-US business and political affairs. He is a professorial lecturer at John Hopkins University's School of Advanced International Studies, an adjunct professor in Government at the American University School of Public Affairs, and guest lecturer at the Foreign Service Institute of the U.S. Department of State and for the U.S. Department of Homeland Security.

Ambassador Gary Doer – Canada's Ambassador to the United States of America

Gary Doer has served as Canada's Ambassador to the United States since October 19, 2009. Before this, he served as the 20th Premier of Manitoba from 1999 to 2009, where he led a New Democratic Party government that introduced balanced budgets while reducing taxes. During that time he worked extensively with US Governors to streamline and enhance Canada-US cooperation on trade, agriculture, water protection, climate change, and renewable energy. He has been named a top international leader on climate change and lives in Winnipeg, Manitoba.

Jim Nealon – Deputy Chief of Mission at the United States Embassy, Ottawa

Jim Nealon assumed his duties as Deputy Chief of Mission at the US Embassy in Ottawa on August 14, 2010. Before this role he served as Deputy Chief of Mission at the embassies in Lima, Peru (2007-2010) and Montevideo, Uruguay (2005-2007). He was also Charge d'Affaires in Montevideo from July 2005 to November 2006. He joined the Foreign Service in 1984 and has the rank of Minister Counselor. He has also served at Embassies in Spain, Hungary, Philippines, Chile and Washington, DC. He has received history degrees from Brown University and Boston College.

Don Alper – Director, Center for Canadian-American Studies and Border Policy Research Institute, Western Washington University

Don Alper has been the director of the Center for Canadian-American Studies at Western Washington University since 1993, and is renowned for his advancement of Canadian Studies in the United States. He is also a Professor of Political Science and director of the Border Policy Research Institute. He has won many awards and is regularly sought out for advice by education, business, and government organizations on both sides of the border. He holds a Ph.D. in Political Science from the University of British Columbia.

David Moloney – Senior Advisor, Border Action Plan Implementation, Privy Council Office

David Moloney was appointed as Senior Advisor to the Privy Council Office by the Prime Minister on January 3, 2012. There he leads the Perimeter Security and Economic Competitiveness Border Action Plan Implementation Team. Previously he was with the Canadian International Development Agency where he was named the Executive Vice-President effective April 14, 2009. Prior to his appointment to CIDA he was the Assistant Deputy Minister, Industry Sector at Industry Canada. His 28 years of federal government experience include appointments with the Research Department of the Bank of Canada, Finance Canada and as Assistant Secretary to the Cabinet as Liaison Secretariat for Macroeconomic Policy. He has degrees in Economics from the University of British Columbia and Economics and Political Science from the University of Western Ontario.

[Back to top](#)

Bradd Skinner – Department of Homeland Security Attaché, US Embassy, Ottawa

In July 2012, Bradd Skinner joined the Department of Homeland Security (DHS), Office of International Affairs as the DHS Attaché to Canada. In this position he serves as the personal representative of the Secretary of Homeland Security in Canada, provides support and advice to the U.S. Ambassador to Canada on issues within the DHS mission, and works with Canadian counterparts on DHS policy initiatives. Mr. Skinner brings to the position the knowledge and expertise gained from more than 25 years of federal service within US Customs and Border Protection, where he served as Director for five years.

Birgit Matthieson – Senior Advisor to the Canadian Manufacturers & Exporters Association

Birgit Matthieson advocates trade and economic issues on behalf of Canada's manufacturing and export interests. She works with the executive branch of the US federal government, the National Association of Manufacturers, the US Chamber of Commerce, and other groups focused on North American competitiveness. She has also worked as a Canada Customs Inspector, in the Economics and Trade Policy Division of the Canadian Embassy in Washington, DC, and with the Canadian Government on the Security and Prosperity Partnership of North America initiative. She received degrees from Dawson College, Concordia University, and George Mason University in International Trade Policy.

Bill Reid – Executive Director, Cloverdale Chamber of Commerce, Former MLA and Minister of Tourism,

Bill Reid has worked in civic affairs in Cloverdale, BC since 1961. He was elected to the Legislative Assembly of British Columbia in 1983 and served as a member until 1991, representing Surrey and Surrey-White Rock-Cloverdale. From 1986-1991 he served as Minister of Tourism for British Columbia. Today he serves as Executive Director of the Cloverdale Chamber of Commerce.

Jacque Dawes – Assistant Deputy Minister for Policy and Programs with the Ministry of Transportation and Infrastructure

Jacque Dawes currently is Assistant Deputy Minister for Policy and Programs with the Ministry of Transportation and Infrastructure in the British Columbia government. She oversees major transportation projects throughout British Columbia, including the new Port Mann Bridge replacement project across the Fraser River. Previously she served as School Finance Director with the Ministry of Education and held senior positions in the Ministry of Agriculture and the Ministry of Advanced Education, Innovation and Technology.

David Davidson – Associate Director, Border Policy Research Institute, Western Washington University

David Davidson has been the Associate Director of the Border Policy Research Institute at Western Washington University since its founding in 2005. He holds a master's degree in public administration from the University of Washington. Prior to working at the Institute, he served for eight years as the City Administrator in Sumas, Washington, a city abutting the Canadian border. David oversees the institute's research program and is the lead researcher/author of the BPRI's quarterly *Border Policy Brief*.

[Back to top](#)

Louise Yako – President, B.C. Trucking Association

Louise Yako is President and CEO of the B.C. Trucking Association (BCTA). She is responsible for the overall management and direction of BCTA and for promoting the interests of its members and the trucking industry to governments, the business community and the public. Louise trained with the Institute of Corporate Directors and holds an MBA from UBC and an Honours Bachelor of Journalism combined with Political Science from Carleton University in Ottawa.

Mary Mahon-Jones – President, Mahon-Jones and Associates

Mary Mahon-Jones worked in the tourism industry for many years before launching Mahon-Jones & Associates in 2007. She has significant experience in project management and sustainable tourism, and publishes a monthly tourism report titled “Tourism One-Minute Report.” In 2010, she earned the designations of Authorized Sustainable Tourism Consultant with Sustainable Tourism International and Authorized Explorer Quotient Trainer with the Canadian Tourism Commission – one of only five such trainers in Canada.

Diane Butler – Immigration Lawyer, Lane Powell Attorneys and Counselors

Diane Butler focuses her practice on business immigration and manages the firm’s immigration and Canada practices. She earned her law degree from George Washington University in Washington, D.C. Diane is rated “AV” by Martindale-Hubbell, which identifies a lawyer with very high to preeminent legal ability, recommended by Chambers USA: America’s Leading Lawyers for Business, Immigration, and was named as a “Top Business Immigration Lawyer” in Seattle Business magazine, as well as a “Top Lawyer” by her peers in Seattle Magazine. She is a member of the American Immigration Lawyers Association liaison committee for Customs and Border Protection issues.

John Manley – CEO, Canadian Council of Chief Executives

John Manley is a Canadian lawyer, businessman, and politician from Ottawa. He served as Liberal Member of Parliament for Ottawa South from 1988 to 2004, Minister of Industry from 1995 to 2000, Minister of Foreign Affairs from 2000 to 2002, and jointly Minister of Finance and Deputy Prime Minister from 2002 to 2003. He is presently President and CEO of the Canadian Council of Chief Executives. In 2007 and 2008 he was appointed by Prime Minister Stephen Harper to head an independent, non-partisan panel reviewing Canada's mission and future role in Afghanistan. He has been the President and CEO of the Canadian Council of Chief Executives since January 2010.

[Back to top](#)