

Canada – United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada – États-Unis
Section canadienne

Report of the Canada–United States Inter-Parliamentary Group

Canadian/American Border Trade Alliance Conference

Ottawa, Ontario, Canada

May 6-7, 2019

Report

DELEGATION MEMBERS AND STAFF

From 6-7 May 2019, the Honourable Wayne Easter, P.C., M.P., and Mr. Brian Masse, M.P., respectively Co-Chair and Vice-Chair of the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG), led a delegation to the 2019 spring meeting of the Canadian/American Border Trade Alliance (Can/Am BTA or BTA) in Ottawa, Ontario. Other delegates were the Honourable Robert Black, Senator; the Honourable Dennis Dawson, Senator; Mr. Vance Badawey, M.P.; Mr. Colin Carrie, M.P.; and Mr. Kerry Diotte, M.P. Mr. Easter and Mr. Masse spoke to the BTA delegates. The delegation was accompanied by Ms. Miriam Burke, Executive Secretary to the Canadian Section, and Mr. Alexandre Lavoie, Advisor to the Canadian Section.

THE EVENT

The Can/Am BTA, a coalition of businesses, public-sector organizations and individuals with an interest in bilateral trade and tourism, holds two meetings each year: in the spring in Ottawa and in the fall in Washington, D.C. Its mission is to maximize commercial activity and ensure continued growth in cross-border trade, as well as efficient and productive border-crossing capabilities.

Attendees at this event included private-sector representatives involved in a number of tourism, transportation and trade-related activities, as well as representatives of a variety of U.S. and Canadian federal departments.

DELEGATION OBJECTIVES FOR THE EVENT

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

At this meeting, members of the Canadian Section benefitted from the opportunity to interact with, and learn from, private- and public-sector organizations and individuals who deal with border issues on a daily basis. Attendance at the BTA meetings also provides members with an opportunity to inform delegates about the range of actions taken by the IPG's Canadian Section regarding shared Canada–U.S. goals, as well as about differences between the two countries. This goal is partly achieved through the invitation extended to the Canadian Section's Co-Chairs and/or Vice-Chairs to make remarks about the IPG's activities and priorities.

ACTIVITIES DURING THE EVENT

Sessions with the following titles were held during the conference:

- Strategic Direction of Canada / U.S. Cooperation for Smart Border
- View from the Bridges and Tunnel Discussion
- Canada / U.S. Border Update
- Canada/U.S. Inter-Parliamentary Group: Canada/U.S. Relations and Cooperation Activities
- Strategic Direction of Transport Policy – National Highway, Rail Air, Maritime, Infrastructure: Specific on Gateways, Trade Corridors and Border Crossings
- The American Perspective
- U.S. – Mexico – Canada Agreement: Update and Insight
- View from Rail: Overview, Update and Issues Effect at Border
- Pre-Clearance Status of Regulations: Canadian Regulation Development and Beyond
- Track and Trace: Battling Illicit Opioids, Fentanyl, and Counterfeit Medicine from Reaching our Border
- CBSA Overview – Strategy, Priorities Key Initiatives, etc.
- View from Air and Airports & Beyond Pre-Clearance: Overview, Update and Issues Effect at the Border
- Canada-U.S. Border Insight and Perspective

This report summarizes selected presentations at the meeting, including the remarks made by Mr. Easter and Masse.

A. Strategic Direction of Canada / U.S. Cooperation for Smart Border

Karen McCrimmon, M.P., Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness

- Section 232 tariffs on steel and aluminum represent a challenge; their removal would facilitate the ratification of the Canada-United States-Mexico Agreement (CUSMA).¹

¹ On 17 May 2019, Canada and the United States agreed to eliminate tariffs the United States imposed under Section 232 on Canadian steel and aluminum, and all tariffs Canada imposed in retaliation on American products.

- The security and prosperity of Canada and the United States are linked and require both countries to work together to protect the long border they share.
- The ratification of the Agreement on Land, Rail, Marine and Air Transport Preclearance between the Government of Canada and the Government of the United States of America should occur during summer 2019, allowing for airport and rail pre-clearance in more locations in Canada and the United States. The federal government is also working to expand pre-clearance to cargo.
- The federal government is working to make regulations that would allow Canada and the United States to share biographical entry/exit information.

B. View from the Bridges and Tunnel Discussion

Ken Bieger, Niagara Falls Bridge Commission

- The Commission is working with the Canada Border Services Agency (CBSA) to install e-gate technology. It is also working to install X-ray technology in collaboration with U.S. Customs and Border Protection (CBP).
- The Lewiston-Queenston Bridge's U.S. Customs plaza will be modernized, with the addition of lanes for cars and trucks, new dedicated lines and facilities for bus and updated border facilities.

Carolyn Brown, Windsor Detroit Border Link

- Renovations of the Detroit-Windsor tunnel are still ongoing but nearing the end. In addition, the shopping area on the U.S. side of the tunnel is being rebuilt.
- The Windsor Detroit Border Link will be undertaking a project to determine how to handle driverless vehicles in the future.

Natalie Kinich, *Federal Bridge Corporation*

- A new President and Chief Executive Officer has been appointed and the Board of Directors membership has been renewed
- The Federal Bridge Corporation Limited (FBCL) is experiencing a traffic decline on its bridges, despite the increased value of trade between Canada and the United States. This may be caused by better shipping management and heavier truck loads. This situation puts a financial pressure on the FBCL since bridges' revenues come from the number of vehicles, not the value of trade.
- Limited resources at the CBSA's Sault Ste. Marie Bridge office have resulted in increased delays at the crossing. E-gates might help improve the situation.
- Several projects on FBCL's bridges are underway:

- \$51.6M Canadian Plaza Redevelopment project at the Sault Ste. Marie Bridge, financed through the Government of Canada's Gateways and Border Crossings Fund.
- Redevelopment of the Canadian Plaza at Blue Water Bridge.
- A new Canadian Plaza at the Thousand Islands Bridge opened in June 2018. Redevelopment of the U.S Port of Entry is expected by 2022.
- The North Channel Bridge of the Seaway International Bridge has been replaced.

Stan Korose, *Canadian Transit Company*

- The decline of the automobile industry in the Windsor-Detroit region has had an impact on traffic on the Ambassador Bridge.
- The CBSA is testing the Secure Corridor Concept at its Ambassador Bridge Port of Entry with selected commercial carriers. The concept would reduce the entry process time to 20-30 seconds, instead of the actual two minutes.
- A new plaza is coming on the Canadian side of the bridge, with possibly two or three e-gates.

Ron Rienas, *Peace Bridge*

- Peace Bridge rehabilitation includes a 2-year painting project that will begin in June 2019.
- All lanes are now ready for Radio Frequency Identification (RFID) technology; now awaiting Passport Canada to issue RFID passport.
- A pre-clearance project with the U.S. CBP began in May 2018. This could reduce crossing time by 50%.
- As with other Canada-United States bridges, the Peace Bridge is experiencing a decline in commercial crossing.

C. Canada / U.S. Border Update

Jim Phillips, *Can/Am Border Trade Alliance*

- Biometric identification is the future. The U.S. CBP has been using it for air travel; it is now coming to land crossings.
- For commercial crossing, biometric identification would allow to almost double the speed of crossings.

Pat Whalen, *Can/Am Border Trade Alliance*

- Discussions to have pre-clearance facilities in the Niagara region and to have the Toronto Go-Train into Buffalo are ongoing.
- These discussions are held under the auspices of the Can/Am BTA, which is trusted by authorities of both countries.

D. Canada/U.S. Inter-Parliamentary Group: Canada/U.S. Relations and Cooperation Activities

Wayne Easter, *Member of Parliament*

- The Canadian Section of the Canada–United States IPG participated in several activities since the BTA’s fall 2018 conference:
 - In November 2018, the IPG’s Canadian Section travelled to Washington, D.C. for meetings with U.S. Senators and members of the House of Representatives.
 - In December 2018, members of the IPG’s Canadian Section travelled to the annual national conference of the Council of State Governments.
 - In February 2019, the IPG’s Canadian Section again travelled to Washington, D.C. for meetings with U.S. Senators and members of the House of Representatives.
- These activities allowed the IPG’s Canadian Section to advance the importance of trade between Canada and the United States, the ratification of CUSMA and the removal of U.S. tariffs on Canadian steel and aluminum.

Brian Masse, *Member of Parliament*

- In the coming months:
 - The IPG’s Canadian Section members intend to take part in several state level conferences, including the Western Governors' Association Conference in June and the National Governor Association’s Conference in July. The Section also hopes to receive invitations to the annual conference of the New England Governors and Eastern Canadian Premier’s Conference in the fall.
 - The IPG’s Canadian Section plans to send delegations conferences held across the United States by the Council of State Government and its four regional groups.
 - The IPG’s Canadian Section plans to participate in the Southeastern United States–Canadian Provinces Alliance Annual Conference in June, the Pacific NorthWest Economic Region Summit in July the National Conference of State Legislators Summit in August.

- In addition, the IPG's Canadian Section is working with its U.S. counterpart to find a venue in the United States to organize the IPG's annual meeting in the fall.

E. Strategic Direction of Transport Policy – National Highway, Rail Air, Maritime, Infrastructure: Specific on Gateways, Trade Corridors and Border Crossings

Michael Keenan, *Transport Canada*

- The Minister of Transport published its strategic transportation plan, called Transportation 2030, in 2016. Since then, many initiatives to accelerate Canada's transportation system have been made.
- Transportation 2030 includes initiatives to accelerate shipping of goods to outside markets through trade and transport corridors.
- The Trade and Transportation Information System will make transportation information and data available to shippers and carriers to help them move goods efficiently across the supply and distribution chains.
- The National Trade Corridors Fund provides funding for strategic infrastructure projects that will address transportation problems, such as bottlenecks and congestion on Canada's trade corridors. Projects include:
 - Leveraging technologies, such as RFID implementation and toll system replacement;
 - Transportation innovation, such as regulations for autonomous vehicles and truck platooning;
- Transport Canada is also working on initiatives to accelerate delivery of authorization through digitalization.

F. The American Perspective

Richard Mills Jr., *U.S. Embassy in Ottawa*

- There is no deeper and comprehensive relationship than the one between Canada and the United States.
- The shared understanding regarding the rule of law, the role of governments, and the necessity to protect labour and the environment has allowed for a fast negotiation of CUSMA
- CUSMA modernizes, strengthens and rebalances the rules of trade between the three countries.

- The U.S. Administration wishes for a bipartisan and quick approval of the agreement. It is also ready to make the case in favour of the agreement to Americans.
- The United States will soon focus on the free flow of goods at the border by identifying and working to address potential threats, and on building the 21st century border with the sharing of entry/exit information, the expansion of pre-clearance and by facilitating cargo crossing.
- The United States also wants to reduce regulatory burdens and duplication between Canada and the United States that negatively impact businesses with the revitalization of the U.S.-Canada Regulatory Cooperation Council.

G. Canada-United States-Mexico Agreement: Update and Insight

Dan Ujcz, *Dickinson Wright PLLC*

- While a number of U.S businesses planned for the imposition of section 232 steel and aluminum tariffs by buying goods and raw material in advance the introduction of tariffs, other businesses requested an exemption.
- The current U.S. trade policy is greatly influenced by the U.S. Administration's desire to address its trade with China.
- For CUSMA to be approved by Congress, labour reforms will need to be approved in Mexico. Issues raised by Democrat Members of Congress related to labour and environmental enforcement and to pharmaceutical drug prices will also need to be addressed.

H. View from Rail: Overview, Update and Issues Effect at Border

Allan Sheppen, *Canadian Pacific Railways*

- Railway companies are advocating for the replacement of paper documents to be submitted to the CBSA by electronic documents.
- In particular, the re-manifest process is of concern for railway companies as this paper-based process long, cumbersome and labour-intensive. Railway companies would like the re-manifest process to be automated and electronic.
- Packing made of foreign wood is of concern to the CBP because of the contamination risks. Rail carriers bear the cost for treating such packages when they are initially rejected by the CBP.

Mike Tamilia, *Canadian National Railway*

- The Canadian National Railway and the Canadian Pacific Railway started a pre-clearance project with the CBSA and the CBP at Lacolle (QC) in 2017. As part of

that project, CBP officers can scan trains before they cross the border and compare their content with the manifests. That procedure allows trains to be vetted by both the CBSA and the CBP prior to entering Canada or the United States; this helps reduce risk and expedite shipments.

I. Pre-Clearance Status of Regulations: Canadian Regulation Development and Beyond

Mark Potter, *Public Safety Canada*

- Canada and the United States signed the Agreement on Land, Rail, Marine and Air Transport Pre-clearance in 2015. Among other things, the agreement provides for a new cost recovery mechanism and allows CBP officers to be armed in Canada where CBSA officers are armed.
- The United States Congress passed the agreement's enabling legislation in December 2016.
- The Preclearance Act, 2016, which implements the agreement in Canada, received Royal Assent in December 2017, but is not yet in force as regulations are being finalized. Public Safety Canada expects the Act and the regulations to enter into force in summer 2019.
- Additional regulations may be required in the future to allow for the pre-clearance of specific sites or transportation modes. Additional regulations may also be needed to implementation shared facilities at border port of entries.
- Canada and the United States will continue working on the implementation of the Beyond the Border initiative.

J. Track and Trace: Battling Illicit Opioids, Fentanyl, and Counterfeit Medicine from Reaching our Border

Alicia Duval, *GS1 Canada*

- GS1 Canada has developed a barcode national registry, called ECCNet
- ECCNet could be integrated into the border declaration process to improve shipment accuracy and traceability.

Libby Baney, *Faegre Baker Daniels LLP*

- Internet allows drug sellers to bypass national traceability process that currently exists.
- There are three types of drug sellers on the Internet:

- Online pharmacies sell drugs in jurisdiction where they are licensed and where their patients are located.
 - Illegal vendors sell falsified or fraudulent drugs, drugs not approved in the patients' jurisdiction, substandard drugs or prescription drugs without obtaining a prescription from the patient.
 - Drug dealers sell illegal drugs.
- Illegal online sellers can earn between \$1 and 1.5 million each month, and sellers of counterfeit drugs can make up to 10 times more profits than drug dealers.
 - Counterfeited drugs seized by the CBSA is increasing. Improving border enforcement for small packaging would help address this problem. There is also a need to improve Canada – United States cooperation through better information sharing between the CBSA and the CBP, and between border agencies and public health organizations.

K. CBSA Overview – Strategy, Priorities Key Initiatives, etc.

Peter Hill, *Canada Border Services Agency*

- The CBSA has decided to divide its activities into three business lines: commercial and trade, enforcement, and peoples. This division will ensure greater attention from senior management on business and trade issues, provide better support to regional management teams, and ensure more consistent and predictable services.
- Border crossings is constantly increasing, which makes the ways the CBSA is currently delivering its services unsustainable due to human resource constraints. As such, the agency will continue to implement its Single Window Initiative to streamline how business share import data with the federal government.
- The supply chain to manufacture goods imported into Canada is consistently changing, reshaped by technology. For example, e-commerce shipments to Canada grew by 92% in 2018. The CBSA is looking to respond to these changes by developing the Cross-Border E-Commerce Framework of Standards with its international partners.

Fred Gaspar, *Canada Border Services Agency*

- The second phase of the Secure Corridor Concept is set to begin in spring 2019.
- The CBSA is exploring how to implement pre-clearance in the rail sector, allowing for inspection to take place earlier in the supply chain management process.

L. View from Air and Airports & Beyond Pre-Clearance: Overview, Update and Issues Effect at the Border

Gerry Bruno, *Vancouver Airport Authority*

- The Beyond Preclearance Coalition's White Paper was published in October 2018. Covering the air, rail and marine mode of transportation, the paper provides a vision and a strategy to improve efficiency, effectiveness and security at the border.

Daniel Gooch, *Canadian Airport Council*

- The transition from the Canadian Air Transport Security Authority (CATSA), a federal Crown corporation, to a not-for-profit entity led by airports and airlines to administer airport security screening will fix the current deficiencies by allowing for a properly-funded organization. The new organization should be operational by 1 April 2020.

Denis Vinette, *Canada Border Services Agency*

- The CBSA is looking into innovative ways to speed up border crossing, while also ensuring border security. As such, the agency must obtain more information about travelers' identity, such as previous travel, biometrics and entry/exit information.

M. Canada-U.S. Border Insight and Perspective

Bill Owens, Esq., *Can/Am BTA Senior Advisory Board*

- The U.S. International Trade Commission predicts that CUSMA will only have a marginal impact on the U.S. economy. Therefore, businesses from most sectors, with the exception of the agricultural sector, are not applying significant pressure on the government to adopt the agreement. U.S. businesses are primarily concerned with section 232 tariffs on steel and aluminum.
- For CUSMA to be approved by the United States Congress, concessions will likely be needed to satisfy Democrats, such as pharmaceutical or immigration reforms.

Respectfully submitted,

Hon. Michael L. MacDonald,
Senator, Co-Chair
Canada–United States
Inter-Parliamentary Group

Hon. Wayne Easter, P.C., M.P.
Co-Chair
Canada–United States
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Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Canadian/American Border Trade Alliance Conference
DESTINATION	Ottawa, Ontario, Canada
DATES	6-7 May 2019
DELEGATION	
SENATE	Hon. Michael L. MacDonald Hon. Robert Black Hon. Dennis Dawson
HOUSE OF COMMONS	Hon. Wayne Easter, P.C., Mr. Vance Badawey Mr. Colin Carrie Mr. Kerry Diotte Mr. Brian Masse
STAFF	Ms. Miriam Burke Mr. Alexandre Lavoie
TRANSPORTATION	\$ 0.00
ACCOMMODATION	\$ 0.00
HOSPITALITY	\$ 3,058.10
MISCELLANEOUS	\$ 5,630.98
TOTAL	\$ 8,689.08