

SPEAKING NOTES

Hon. Halvar Jonson
Minister
International and Intergovernmental Relations

Canadian Association of Importers and Exporters
Western Canada Conference
(Keynote Address)

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Speaking time: 13 minutes

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Thank you for that warm introduction, Mr. Bell. Good morning ladies and gentlemen ...

It is an honour to have been invited to speak here this morning, to help set the stage for two days of discussions about how importers and exporters can meet the challenges they face in an environment of enhanced border security.

Meeting those kinds of challenges head-on is nothing new to your association, or its members.

For more than seven decades, your organization has provided valuable and timely information to businesses and individuals that make a living from importing and exporting, so they can remain competitive in the global marketplace.

Your group has also built a solid reputation as a body that helps governments make sound decisions about issues affecting trade.

Alberta's government appreciates your hard work in this area. Our government has always strongly supported initiatives to tear down barriers to trade and promote the freer flow of goods and services across international borders.

I would like to focus this morning on a challenge that is currently of great concern to both your association and our government. That challenge is how do we maintain a positive and productive trading relationship with our largest trading partner, the United States, in an era of enhanced border security measures?

I am sure everyone here appreciates why it is so important that we maintain an effective and efficient trading relationship with the U.S.

Global exports are the lifeblood of the Canadian economy. That is particularly the case in Alberta.

- Nearly 90% of what Alberta exports abroad is bound for the U.S. In fact, 21 of our top 25 export markets are U.S. states.
- Alberta ranks third highest among all provinces and territories in the total value of goods and services exported internationally. Only Ontario and Québec export more.
- Also, about one third of all economic activity in Alberta is linked to international trade – especially trade with the U.S.

As such, it is not difficult to understand why our province has such a strong interest in continued efforts to reduce trade barriers and promote trade

liberalization – on our continent, in our hemisphere, and around the world.

And it is also apparent how crucial it is to us that programs and policies on both sides of the border do not threaten our ability to export to, or import from, the U.S.

The terrorist attacks of September 11, 2001 shocked all of us. They caused governments to look very seriously at their vulnerability to such attacks and to take action to improve security.

However, these actions also had an impact on every day border activities with countries reassessing and revamping their border security.

That brings us to a dilemma we have faced since September 11.

How do we achieve the delicate balance between the need to ensure our citizens and infrastructure are protected and the need to make sure that goods and services can flow across the border efficiently and effectively?

I believe that developments since the terrorist attacks have confirmed that we can achieve these goals by working on two fronts, in conjunction with each other.

First, when jurisdictions enhance their border security, they need to work with their trading partners to make sure that “business-as-usual” can continue, unimpeded.

Second, we should look at opportunities to maintain and improve the flow of commodities and people over international borders, under current trade agreements, like the NAFTA.

Alberta has had great interest in the discussions about border security initiatives currently being pursued by Canada and the U.S.

For reasons relating back to the statistics I cited earlier, we are very interested, considering the volume of commercial traffic at the Coutts, Alberta – Sweetgrass, Montana crossing.

Transport truck traffic at that crossing has increased over most of the last decade at an annual rate of over 9% - the fastest growth rate of any Canada-U.S. border crossing.

Since September 11, there has been a great deal of cooperation between federal, provincial, and state governments on Canada-U.S. border issues.

I am very interested in these discussions, as the chair of the Alberta Government's Ministerial Task

Force on Security, and the Minister responsible for Alberta's relations with the U.S.

Past discussions have centred on the need to make progress in several key areas, including the Canada-U.S. Smart Border Accord.

The impact of the Smart Border Accord is significant. Alberta has always supported initiatives in the Accord aimed at preserving market access between Canada and the U.S.

One of these initiatives is the implementation of FAST. As many of you know, this is a program for commercial border traffic that tries to make the clearance process easier for pre-determined goods destined for pre-authorized importers, carriers, and drivers.

Steps taken under the program include reducing information requirements for customs clearance,

dedicating special lanes for customs activities, and conducting compliance checks away from the border.

We support this program not only because it paves the way for shipments to be cleared with greater speed and certainty, but because it does so at reduced cost.

Another initiative that we believe will prove beneficial is the Intelligent Transportation System.

One important advantage of this system is that it allows trucks to be tracked through the use of radio transponders.

I would also like to highlight another border initiative, which involves more than just Canada and the U.S.

Alberta is among those working on a coordinated permit system for a stretch of road known as the “CANAMEX Corridor”. This is a highway corridor running from Northern Alberta to Mexico City.

The goal of this initiative is to increase efficient hauling by truck, by standardizing weights along the corridor.

When these initiatives were developed, consultations between the jurisdictions took place. These talks helped mitigate the possibility that the initiatives would inadvertently create roadblocks in our trading relationship.

There do remain programs with the potential to negatively affect the free flow of goods and services between our countries – programs like entry-exit legislation and advance notification.

Decisions about these initiatives must be made carefully, since the effects could be more damaging to our economies than they are effective in meeting border security needs.

Alberta has been involved in a coordinated effort to press the federal governments on both sides of the border to ensure steps to enhance border security under these programs do not hamper the efficient flow of goods and services.

We are already seeing the fruits of our efforts in the exemption of Canadians from U.S. registration requirements when they cross in to the U.S.

Also, the final rules requiring advance notification to the U.S. Customs Service of shipments crossing the border reflect the concerns brought forward by Canadian governments.

We also provided input to the U.S. Food and Drug Administration about the implementation of U.S. Bioterrorism Act regulations.

Although problems have been identified in some areas, adjustments to the advance notification rules are more likely to ensure successful “just in time” deliveries to the U.S.

Our province is going to advocate similar cooperation when discussions about the next generation of the Smart Border Accord begin.

It is promising that food safety and animal health issues will likely be on the agenda during these discussions.

Common standards in areas like trucking, pesticides, and labour qualifications can further enhance cross-border mobility, while preserving the need to be vigilant in the area of security.

An integrated set of rules in these and other areas would benefit all of North America.

Steps in this direction, on food safety and animal health, will help put us in a position to more rapidly address economic impacts when one of our countries faces a challenge, such as the discovery of BSE.

As an MLA representing a rural constituency in Alberta, I can tell you first hand about the ripple effect that BSE has had on businesses, both large and small, throughout Canada and the U.S.

That brings me to my earlier point about using existing trade agreements to foster stronger trade relationships, in an era punctuated by the need for enhanced border security.

Alberta firmly believes that we can make progress in striking the right balance between security and trade needs, by building on existing NAFTA institutions.

Alberta supports rejuvenating discussions about NAFTA –working with other governments and industry to explore areas where the agreement can be improved and expanded.

Alberta has already put forward its positions in this regard to the Canadian federal government.

We are encouraging the federal government to speak to our NAFTA partners about:

- Harmonizing external tariffs and eliminating rules of origin;
- Enhancing market access in energy and agricultural trade;
- Reforming trade remedy rules, such as countervailing and anti-dumping measures, and

- Facilitating regulatory cooperation by working toward harmonization of standards, or considering mutual recognition agreements.

Many working groups and committees established under NAFTA are underused.

We can use these mechanisms to address issues that we did not solve when NAFTA was first negotiated. We can also use them to address newer issues, like bioterrorism and food safety.

To do this, we need a clearer vision of what it will take to promote the growth of North America as an integrated economic unit.

We need to hear the voices of the private sector. I encourage you to pursue these issues with the federal government.

It is an ambitious agenda, but it is one that the Alberta government supports.

Our province believes that we can achieve our goal of balancing border security and trade needs by making sure the implementation of border security measures is done wisely, while at the same time revitalizing discussions about the future of existing free trade agreements.

I have already mentioned the ongoing commitment that our provincial government has to creating an environment where both border security and trade needs are met.

Over the next couple of months, our government will be unveiling parts of a 20-year plan for the future, focused on building what we call the “Alberta Advantage”.

The plan includes strategies involving international trade – making sure that mechanisms in place create a playing field for business to reach its full potential and maintain an edge in the increasingly competitive world marketplace.

Among the things we will be looking at is working with the U.S. to take down barriers to growth and trade.

We have seen signs that the federal government under Prime Minister Martin's leadership is serious about promoting Canada's priorities through a more positive and productive relationship with the U.S.

Provincial governments and associations such as yours must play a role in ensuring that we do not lose the momentum we generated when it comes to implementing the Smart Border Accord.

This is especially important at this time, since there is a risk of resting on the laurels of what we have done to date, and both Canada and the U.S. will be preoccupied with federal elections.

I assure you that Alberta will continue to do all it can to make sure that Canada-U.S. priorities remain on top of the Canadian government's agenda.

I would like to conclude by thanking you again for inviting me to speak here this morning.

I have looked at your agenda for the next couple of days and am truly impressed with the quality of experts assembled here. I have no doubt that discussions will be interesting and lively.

Also, congratulations to your association for organizing its first-ever two-day conference in Western Canada.

Judging by how important importing and exporting are to the economic wellbeing of all the western provinces, I am confident this conference will be the first of many to come.

Thank you.