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## U.S. Passport Rule Delayed Again

A requirement from the Bush administration is that all air travelers entering the United States carry passports beginning in early January must be pushed back again because the Department of Homeland Security has missed a crucial deadline in the run-up to the new security program.

January 8<sup>th</sup> was the date Washington had initially set for when the new program would begin, but on November 16<sup>th</sup> Homeland Security acknowledged that it missed a requirement that the final rules governing the program be published 60 days before implementation.

It did not announce the delay, spokesman Joanna Gonzalez said on the 16<sup>th</sup>, "because we don't want people to disregard the January deadline."

She says, that the rules will be published in the "very, very near future."

This marks the second time that the air requirement has been set back and is just the latest hiccup in the department's spotty implementation of the new security rules.

The original date of January 1<sup>st</sup> was pushed back to avoid potential mass confusion over the holiday season.

The January 1<sup>st</sup>, 2008, deadline requiring travelers at land border crossings to carry passports, or similarly secure identity cards, has also been pushed back largely because Homeland Security could not meet its own deadlines for creating a low-cost, secure identity card.

Information extracted from November 17, 2006 edition of Toronto Star.  
Information extracted from CSCB email from November 17, 2006.

## U.S. Moves Up Passport Deadline for Border Truckers

The requirement for truckers carrying shipments into the United States from Canada and Mexico may be occurring earlier than first planned.

In a federal notice on the 23<sup>rd</sup>, The U.S. departments of State and Homeland Security disclosed that the deadline requiring passports could be moved up to January 1<sup>st</sup>, 2008 for all U.S., Canadian and Mexican citizens entering or re-entering the United States.

The deadline for land and sea passport entry to June, 2009 was extended in October by congress. Although the final rule published Friday now states that these departments "are working to meet all requirements as soon as possible" to implement the Western Hemisphere Travel Initiative for land and sea travel. Target date is now "as early as January 1<sup>st</sup>, 2008."

An estimated 21.9 million a year air travelers enter and re-enter the U.S. from Canada, Mexico and Bermuda, must present their passports on arrival starting January 23, 2007. Members of the armed forces traveling on active duty, merchant mariners on maritime business and travelers who present a Nexus Air car are the only exceptions for U.S. citizens.

The Nexus pilot program now running at Vancouver, British Columbia, uses iris-scanning to verify pre-screened U.S. and Canadian travelers.

Originally the arrivals by sea were to have come under the air deadline, but was shifted to the land border deadline when it was decided that an alternative to passports for sea travel could be the Passport Card being developed by Homeland Security for land borders.

Historically, Canadians have been exempt from having to present passports on arrival into the U.S., instead using their drivers' licenses or other photo identification. An estimated 90 percent of Canadian citizens already carry passports says State and Homeland Security.

There had been some requests, for truckers driving to and from U.S. seaports, that the U.S. Transportation Workers Identification Card be accepted in lieu of a passport, since card holders are pre-screened. Since TWIC does not establish citizenship and can be issued to non-U.S. citizens, was the reasoning behind why the requests were rejected.

Washington is estimating a cost of U.S. citizens obtaining passports in the first year of the rule at \$649 million, then dropping to \$92.9 million in the second year.

Information extracted from November 28, 2006 edition of The Journal of Commerce Online written by Courtney Tower.

## The Government Proposes to Boost Airport Security with Biometric Technology

The Minister of Transport, Infrastructure and Communities, Honorable Lawrence Cannon, announced on the 10<sup>th</sup> the proposed amendments to the Canadian Aviation Security Regulations to support the implementation of the new Restricted Area Identity Card by Transport Canada and the Canadian Air Transport Security Authority (CATSA).

The card, through the use of biometrics, will enhance the restricted area pass system currently in place at Canada's twenty-nine major airports for airport personnel, including flight crews, refuelers, caterers and others who require access to restricted areas. The Restricted Area Identity Card will incorporate unique human characteristics, such as fingerprints and iris patterns, and leading-edge technology to accurately identify individuals accessing restricted areas at airports, and is the world's first-ever dual biometric airport identification system.

Transport Canada and CATSA have been working in partnership with airport authorities to develop and deploy this enhanced card system, which uses biometrics to support the issuance, verification, cancellation and tracking of restricted area identification cards. To gain access to an airport's restricted area, cardholders will be required to have either their fingerprint or iris scanned by biometric readers at individual airports.

This new card system is scheduled to be deployed at Canada's twenty-nine major airports for approximately 120,000 aviation workers by December 31, 2006.

Information extracted from a news release issued by Transport Canada on November 10<sup>th</sup>, 2006, which can be found on <http://www.tc.gc.ca/mediaroom/releases/nat/2006/06-h137e.htm> in its entirety.

Information extracted from CSCB email from November 13, 2006.

## Ottawa to Explore Private Help at Border

To help construct a new Windsor-Detroit crossing, Ottawa wants to listen to pitches from the private sector, although the owner of Ambassador Bridge, Manuel Moroun, was conspicuously absent from talk about a new partnership.

Reaffirming the federal Tory government's plans, Transport Minister Lawrence Cannon plans to evaluate a wide range of options to reduce trucking congestion at North America's busiest commercial crossing.

He said on the 20<sup>th</sup> of November, "we have to make sure that there is value for money," noting that public-private partnerships, or P3s, will be held accountable. "I'm not announcing that we're going to do it. We're going to

explore this possibility.”

Previous Liberal government had also backed P3s as a potential model, endorsing a bi-national study group’s governance statement in August, 2005, saying that Ottawa is open to the idea of the private sector’s involvement.

Border Transportation Partnership, a study group, was found in 2000 by governments in Canada and the United States. A “preferred location,” with details of routes leading to the proposed new bridge, is expected to be announced by late 2007.

The group recommended, one year ago, that a new border crossing be located west of the 77 year old Ambassador, which is privately owned by a reclusive Michigan billionaire, Mr. Moroun.

The group rules out Mr. Moroun’s proposal to build a new crossing parallel to the existing bridge, but he has submitted his plans to the Canadian Environmental Assessment Agency for review.

A Windsor lawyer and blogger who has been tracking the Ambassador Bridge’s expansion plans, Ed Arditti, said he believes that Mr. Moroun still has the upper hand, even though Ottawa is no fan of having the billionaire strengthen his hold on the border.

Ottawa will have to deal with Mr. Moroun, one way or another, for he has assembled properties on both sides of the border.

Mr. Arditti said he doubts any P3 will be able to work more efficiently than Mr. Moroun, who is seen by some observers as having the lead in the race to build a second bridge across the Detroit River.

Yesterday its project remains alive, says the Detroit River Tunnel Partnership on the 20<sup>th</sup> of November, noting it recently won an endorsement from the Windsor and District Labor Council.

Mr. Cannon flatly rejected reports that Ottawa had already backed plans for a new Windsor-Detroit infrastructure mega-project in concert with the private sector.

Mr. Cannon acknowledges that there is a “great deal of wariness” about having the private sector help build public projects, but the council released a survey yesterday that suggests Canadians are warming to the notion of private investment playing a key role in improving public infrastructure.

Ottawa favors greater private investment for much-needed infrastructure spending, broadly speaking, Mr. Cannon said.

Information extracted from November 21, 2006 edition of “globeandmail.com”.  
Information extracted from CSCB email from November 21, 2006.

## China Pulls Ahead of Canada in Exports to United States

Figures show that China is surpassing Canada as the United States' biggest supplier of imports.

The emerging industrial powerhouse has been the United States' biggest supplier for three months running and could soon fully supplant Canada, said Douglas Porter, deputy-chief economist at BMO Nesbitt Burns.

The forecast comes as Statistics Canada reported on the 16<sup>th</sup> of November that the manufacturing shipments plunged 3.3% to \$47.9 billion in September, which is the biggest drop in more than three years, as the strong dollar and struggling auto industry continue to pummel the sector. Mr. Porter says, competition from China may prove to be a bigger long-term threat.

"It's pretty clear China is on the edge of surpassing Canada," Mr. Porter said. "What's phenomenal is how quickly it's happened."

Canada has only been surpassed by China on a monthly basis once, in July, 2005. In July, August, and September this year it pulled ahead again. In September, the United States imported US\$27.6 billion worth of goods from China versus US\$24.9 billion from Canada.

Part of the reason for lower value of imports from Canada was due to lower oil prices over the past couple of months, but China continues to grab market share in many other sectors and climb higher up the value chain.

Mr. Porter noted U.S. media company Tribune Co. will start shipping newsprint from China for its Orlando Sentinel newspaper in December rather than its usual Canadian suppliers due to the lower cost, according to a report in the Financial Times.

"If China can win market share in newsprint, one can only wonder what product is safe from the Chinese competition."

Information extracted from November 16, 2006 edition of National Post.  
Information extracted from CSCB email from November 16, 2006.

## Canada Seeking 'Plan B' for Global Trade

In the wake of collapsed global commerce liberalization talks, Canada accelerates a drive for international trade deals, signing an agreement with Peru on the 14<sup>th</sup> of November and signaling it's keen on a Asia-Pacific free-trade zone if worldwide negotiations can't be revived.

"For us, Plan B could well be an Asia-Pacific free-trade area," International Trade Minister David Emerson told reporters during a telephone call from an Asia-Pacific Economic Co-operation meeting in Hanoi.

“The centre of economic gravity is shifting inexorably toward Asia.” He said the United States and Australia are enthusiastic backers of an APEC free-trade zone, adding that Canberra plans to lobby for the idea when it takes the helm of the 21-country body this year.

APEC membership represents close to 50 per cent of world trade and the forum could serve as an alternative to World Trade Organization’s Doha round of talks that fell apart in July if those negotiations cannot be restarted, Mr. Emerson said.

He said that Ottawa is also talking with Peru, Colombia and Ecuador about launching full-fledged free-trade negotiations and hopes to resume stalled talks on a bilateral deal with Singapore next year.

Mr. Emerson’s push to secure access in market around the globe is a change of pace for Ottawa, who was previously focused on WTO talks, which the negotiations collapsed after five years in July.

As the WTO talks lost momentum Canada’s new track mirrors many other countries. Those negotiations show few serious signs of reviving before next summer, when U.S. President George W. Bush’s fast-track authority expires.

Information extracted from November 15, 2006 edition of globeandmail.com.  
Information extracted from CSCB email November 15, 2006.

## Regulators Take Aim at Sarbanes-Oxley Excess

Democratic-controlled Congress and U.S. securities regulators are scrambling to ease tough Sarbanes-Oxley laws that are costing American and Canadian companies millions of dollars in auditing fees.

The next Democratic Speaker of the House of Representatives, Rep. Nancy Pelosi, has served notice she plans to introduce changes to the controversial 2002 law designed to crack down on corporate abuses following the collapses of Enron Corp. and WorldCom Inc.

Rep. Barney Franks, a Democrat who is taking over as head of the powerful financial services committee, thinks the Sarbanes-Oxley law is too expensive for U.S., according to Dealogic. Before Sarbanes-Oxley went into effect, in 2002, nine of the top 20 IPO’s took place in the U.S.

Regulators from the U.S. Securities and Exchange Commission and its Public Company Accounting Oversight Board met over the weekend to try to develop less onerous rules before the deadline next month, to head off a political confrontation.

Regulators are seeking ways to make it easier for smaller publicly traded companies – those with market capitalizations of between US \$75 million and US \$700 million – to comply with the tough auditing rules designed to weed

out corporate fraud.

Larger companies have complied with the new rules.

But smaller publicly traded companies, both foreign and domestic, were given until the end of this year to comply.

Information extracted from November 14, 2006 edition of National Post.

Information extracted from CSCB email November 14, 2006.

## MONTHLY SIMA INDEX FOR DECEMBER 2006

The monthly SIMA index for December, 2006 is available on the CBSA web site, at:

<http://www.cbsa-asfc.gc.ca/sima/monthly-e.html>

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