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Border Infrastructure: Getting to Yes on Bridges, Tunnels, Roads and Rail: Customs and Immigration Challenges Proceedings of the Canada-United States Law Institute Conference on Multiple Actors in Canada-U.S. Relations: Border Infrastructure: Getting to Y

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BORDER INFRASTRUCTURE: GETTING TO 'YES' ON BRIDGES, TUNNELS, ROADS AND RAIL: CUSTOMS AND IMMIGRATION CHALLENGES

Rocco Delvecchio
Introduction

MR. DELVECCHIO: First of all, my name is Rocco Delvecchio. I am Canadian Consulate General for Canada in Detroit. I had the pleasure of being here last year at this time but sitting in the audience and not having the opportunity to speak. So I thank Henry and the organizers for this opportunity. I want to congratulate Henry and his small team on their successful leadership of the Institute in making it such a success over the last number of years.

I would also like to recognize the Rt. Hon. Herb Gray who is the Leading Chair of the International Joint Commission. He spoke earlier and in asking questions related the IJC, but he's a politician that had a remarkable career in Canada and we're honored to have him not only here today, but also leading on the Canadian side with the International Joint Commission. Of course, as a Consulate, we're delighted to be sponsors of the conference and of the Institute.

I would just say when I arrived in my present job in January of '03, it became quite evident to me very early on what my priorities would be and you can pretty much sum it up in one word, and that is border.

We have concerns about trade and investment, which, for example, the auto industry. We have a strong interest in the Great Lakes issues, but, clearly, the borders are our number one priority, our number one preoccupation, and in many respects, a big part of the issues we deal with in the auto sector. As you folks would know, prior to 9/11, the border was not exactly working as well as some thought it should. Therefore, there was some frustrations with what we might do to make the border work more efficiently.

Of course, 9/11 comes along, and of course, the concern is not so much efficiency, but of security and so there's a renewed focus on border and border issues and the Windsor/Detroit corridor in particular where there is such a heavy concentration of commercial traffic.

I gets some of would view 9/11 created some additional disruptions in terms of border crossings, but also created a focus, which, in some respects, some viewed as a catalyst to get some things done that we were having difficulty getting done prior to the events on 9/11.

Having said that, let me talk about why, from our perspective, the border is such a critical issue for us. You heard some statistics I think earlier on today about the relationship between Canada and the United States about the trading relationship in particular. Let me set the context by providing a few facts.

First, is two-way trade between Canada and the United States is 1.3 billion dollars U.S. per day.¹ Therefore, it is a huge trading volume. 37 U.S. States count Canada as their No. 1 export market, which, again, surprises a lot of folks.² Eighty-seven percent of our exports go to the United States.³ Therefore, clearly, the United States, by far, is our most important trading partner.

When you look at the border as part of this trading relationship, something like 43 percent of the trade between Canada and the United States crosses the two border crossings, two Michigan/Ontario border crossings, Sarnia, Port Huron, and Detroit/Windsor.

In fact, the Detroit Windsor corridor is the one that attracts the most attention because it is the biggest by far; I think it is the busiest business crossing in the world. A full 25 percent of our trade crosses on one bridge.⁴ The famous Ambassador Bridge and volume are upwards to 10,000 to 12,000 trucks a day.⁵ We are talking about a huge volume of commercial activity.

If you overlay the security concerns resulting from 9/11, you can see we have some enormous challenges here ahead of us.

Having said that, again, as one of the earlier questions remarked, we have this Smart Border declaration, which was put together by John Manley and Tom Ridge. It is a 32-point plan, which sets out a very robust framework for dealing with border issues and includes for example the FAST and NEXUS Programs, which are programs that have been put in place to expedite both commercial and personal traffic across the border.

However, again, and it rather enshrines the principle that efficiency and security are not trade-offs.

¹ Denis Coderre, What Canada does in Continental Security (Sept. 1, 2003) in CANADIAN SPEECHES.

² Press Release, The U.S. State Department, Commerce Official Call NAFTA's First Decade a Resounding Success (April 21, 2004) (available at 2004 WL 59151668).

³ George C Myles & Matthew Cahoon, *Canada and NAFTA: a 10-year Measure of Success in Canadian-U.S. Agricultural Trade*, AGEXPORTER, Jan. 1, 2004, at 11.

⁴ See http://www.aucmi.org/engineering1.asp?projectid=8&s_projectName=& (last visited Oct. 24, 2004).

⁵ Robert Ficano, Senate Commerce Committee Hearing Remarks Jan. 20, 2004, available at: <http://www.thejobstunnel.com/pdf/Ficano%20remarks,%20updated.pdf> (last visited Oct. 24, 2004).

In other words, an efficient border, which works well and is transparent in respect to transactions, is an important part of a secure border. I heard Tom Ridge who was in Detroit two or three weeks ago, speaking at the Detroit Economic Club, and that was fundamentally his major point, that the border has to work well to be able to manage our security concerns; and, in particular, to be able to focus our resources on high-risk transactions and spend less time and less resources on those we consider or know to be low risk.

Now, I make one final point and that is when we talk about the border declaration and various elements of it, there is a tendency for some policy makers to conclude that - been there, done that and so we are okay and we are onto the next issue.

Well, the reality is that the declaration has to be implemented. When we look at what goes on in the ground in terms of the border crossings in our region, there is a huge amount of additional work that needs to be done.

I think the speakers that we have here today will speak to various aspects of that. The point is that the border is a system. One of the things we have as a challenge is to make the border work; every element of the system has to work. We need infrastructure. We need processes in place, all approaches and exits to the various crossings. They all have to work. If one element does not work, the border does not work. There is no organizational structure that allows us on both side of the border to manage it in a way to meet the stated objectives of the declaration, which is a secure and efficient border. Therefore, I think there is a governance, organization, or management challenge here among others that we need to deal with as well.

With those brief introductory remarks, let me go on to introduce our two speakers here today.

First, Jim Phillips, who is currently President and CEO of the Canadian/American Border Trade Alliance and a Board of Directors for the American Chamber of Canada. Distinguished businessman and speaker and holds degrees in accounting and MBA in corporate management and Honorary Doctor of Commercial Science.

He has been the CEO of the Alliance since its foundation in 1992. The foundation or Alliance is a transcontinental binational broad based organization with participation from all 27 states, which include Washington to Maine, but also includes Alaska. And these are principally the states that have a strong interest in the border because of their proximity to Canada.

Of course, the Canadian provinces are members as well. The combined network the Alliance represents includes over 60,000 companies and organizations in their individual memberships.

Second, Michael Nobrega is the Chief Executive of Borealis Infrastructure Management, Inc. Borealis Infrastructure is controlled by two large Canadian pension funds and Michael is responsible for originating, structuring and financing infrastructure assets on behalf of these pension funds.

He brings with him experience and leadership he developed as Chief Executive Officer of Borealis Infrastructure. Borealis Infrastructure is recognized as the market leader in infrastructure financing in Canada.

So without further introduction, Jim Phillips.