

January 23, 2009

The Honourable Peter Van Loan, P.C., M.P.
Minister of Public Safety
Public Safety Canada
269 Laurier Avenue West
Ottawa, ON K1A 0P8

Dear Minister:

In October, the Canadian Chamber of Commerce concluded its 79th Annual General Meeting (AGM) in Quebec City. One of the highlights of Chamber's AGM is the Policy Session. It is during the Policy Session that resolutions submitted by local chambers of commerce and boards of trade from across the country are debated and voted on by accredited delegates. Once approved, these resolutions become the policy position of the Canadian Chamber of Commerce for three years. This year our delegates issued a clear and decisive national policy mandate that we intend to pursue vigorously with the federal government over the coming months.

Beyond those issues we have already brought to your attention, our renewed national policy mandate includes a number of additional issues that fall within your portfolio. Accordingly, we would like to discuss these issues with you directly in the near future.

Access to Customs and Immigration Programs: Equitable access to customs and immigration programs at border crossings and points of entry is essential to efficient commercial operations. As a result of the implementation of the Treasury Board External Charging Policy, CBSA was required to "freeze" border services at the level provided at the point the policy was introduced. Any requests subsequent to that policy are treated on a direct cost recovery basis or not provided at all. This applied to new facilities as well as to the expansion of existing facilities. We recommend that the federal government provide equitable access to and provision of CBSA services across Canada. Further, the government should exempt Canadian international crossings and points of entry from the responsibility to pay for the provision and maintenance of CBSA facilities. A federal funding mechanism and a set of criteria should be established for determining where a business case exists for the Treasury Board's External Charging Policy not to apply.

Canada-U.S. Border: A smart and secure Canada-U.S. border is critical to the current and future well-being of the Canadian economy. A major concern for the Canada-U.S. business community is that not all border booths are operational during peak commercial and tourist travel times at major crossings. We recommend that the federal government work with the relevant U.S. government departments with border mandates to provide 24/7 access at all major border crossings. This includes the operation of border booths, secondary inspections, and border-related support services. Further, the federal government should coordinate and extend the operating hours of nearby border crossings to compensate for delays that will result from construction and upgrading of facilities at border crossings and ports of entry. An immediate area of concern is southwest B.C., where the Aldergrove crossing should

become a 24/7 crossing while the Peace Arch border crossing undergoes construction.

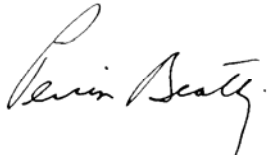
Investing in Border Crossings: The Peace Bridge border crossing between Fort Erie, Ontario and Buffalo, New York is the second busiest crossing, and the busiest in terms of tourist traffic. The bridge is scheduled to undergo an expansion that will twin the current three-lane bridge. We recommend that the federal government, in cooperation with provincial and municipal governments, work with state and federal partners on the U.S. side to expedite the construction process (upon completion of the environmental assessment) of a second bridge between Buffalo, New York and Fort Erie, Ontario. The reconstruction factors should include multimodal solutions, future transportation trends, and tourist and truck traffic needs. Finally, in cooperation with provincial/territorial and municipal governments, the federal government should invest in immediate and ongoing improvements to transportation corridors approaching all border crossings.

Steel Industry Trade: Canadian steel producers are world class and competitive. To fully capitalize on growth opportunities, fair, open, and market-based international competition must exist in the Canadian market. This will ensure that Canadian producers remain competitive. We recommend that the federal government provide an international trade environment that will encourage continued investment in Canada to strengthen the domestic steel industry as it competes globally. Further, we should negotiate for strict trade rules through the World Trade Organization (WTO) and use trade remedy mechanisms in a WTO and NAFTA-consistent manner to assess and respond to threats to the Canadian steel industry.

Illegal Cigarette Trade in Canada: The trade in illegal cigarettes in Canada is booming, resulting in losses for the Canadian economy, not only for retailers, but also for government because unpaid tax on the sale of illegal tobacco diminishes federal and provincial government revenues. The loss was estimated at upwards of \$2 billion in 2006. Given the substantial increase in this criminal activity and the involvement of organized crime, the Canadian Chamber recommends that the federal government implement adequate enforcement measures and collaborate with the provinces to ensure compliance with legislation. In addition, the federal government should establish a closer link with the Aboriginal communities in border areas to work together in halting this illegal and dangerous activity.

The full text of these resolutions is attached and we hope that we will have an opportunity to discuss these with you in the near future. My assistant will be calling your office to set up a meeting.

Sincerely,



Perrin Beatty
President and CEO

Attachments

CC: Suzanne Hurtubise, Deputy Minister of Public Safety, Public Safety Canada
Stephen Rigby, President, Canada Border Services Agency
Dave MacKenzie, Parliamentary Secretary to the Minister of Public Safety