

**Speech by Ambassador Roger F. Noriega  
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Canadian/American Border Trade Alliance  
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Thank you for that warm introduction. It is a great pleasure to be here with you today. The Canadian/American Border Trade Alliance is one of the clearest manifestations of the close relationship between our two countries and the extent to which our respective interests and economies are linked.

Some 26 years ago, President Reagan said, "Let the 5,000 mile border between Canada and the United States stand as a symbol for the future. Let it forever be not a point of division but a meeting place between great and true friends."

This audience is keenly aware of how important and how vast relations and trade are between our two great countries.

But, as we know, not even the world's longest friendly border has escaped the consequences of September 11<sup>th</sup>. The heightened focus on security today has impacted greatly the livelihood of millions that depend on commerce between our nations.

I know you will be meeting with others who can better address the border security issues, so I will talk about the state of U.S.-Canada relations and the challenges we face in the coming year.

*The State of U.S.-Canada Relations*

President Kennedy spoke a simple truth when he said of our relations in May 1961, "Geography has made us neighbors. History has made us friends. Economics has made us partners, and necessity has made us allies." Because Canadians and Americans know and generally respect each other, because of our geographic proximity, shared history, economic ties, and, yes, even sheer necessity, there can be no doubt that we will continue to be the closest of friends and the friendliest of competitors. There are some issues where we have disagreed in the past, and some where we continue to disagree. It isn't always easy, but the relationship, I believe, remains strong.

We share a continent and therefore the obligation to manage it well. We also share a responsibility to work together in the areas of trade, defense, security, the environment, and human welfare because of our common values and our mutual commitment to the well-being of our peoples and the rest of the world.

We cooperate closely around the globe advancing free trade, promoting democracy and human rights, protecting the environment, preventing the proliferation of weapons of mass destruction, and securing the world against terrorism. I would be remiss if I neglected to acknowledge Canada's strong and effective contribution, for example, to

the International Security Assistance Force in Afghanistan, its generous support for the reconstruction of a democratic Iraq, and its strong efforts in the war on terrorism.

Our close collaboration on all these issues — and many others — is well understood and appreciated here in Washington.

Of course, this is not to say that we will not continue to face challenges and bumps in the road ahead. The very closeness of our relationship virtually dictates that we will have these frictions now and then. In fact, I want to review the principal challenges I see facing our two governments in the year ahead:

## Free Trade

We need to continue to work together to conclude the Doha round at the WTO. We made much progress in Geneva this summer; both the U.S. and Canada have made common cause and for that reason have cause to be pleased that the participating countries have agreed on an agriculture framework.

Now we need to rededicate ourselves to reaching agreement on the details and finalizing this round. We hope that the progress made in Geneva will help reenergize that effort, starting with the Free Trade Area of the Americas.

After fifteen years of free trade, beginning with the Free Trade Agreement in 1989 and now with NAFTA, the United States and Canada know how much trade liberalization helps our economies, helps our companies, helps our farmers, helps our consumers, and helps our workers. Trade has tripled, wages have risen, jobs have multiplied, and hundreds — if not thousands — of new companies have been established as a result. But we still need to do a better job of communicating that message — and those benefits — not only in our own countries, but to other nations in our Hemisphere and to the world.

There are, inevitably, some issues that our free trade agreements simply can't fully resolve. One of those issues is the full restoration of trade in cattle and beef — both between us, and with our common customers around the world. I know that restrictions have caused much pain and aggravation to cattlemen and packers in this integrated market in both our countries. President Bush reiterated his commitment, as the science advances and the regulatory process advances, to restore trade as quickly as possible.

Currently, as the President said in Ohio on Friday, the U.S. Department of Agriculture is reviewing regulations that would allow trade in live cattle to resume. Canadian and U.S. officials have worked closely to harmonize regulations aimed at protecting the human food supply. In both countries, new measures have been put in place over the last year or longer to protect our food supply and our public health.

Another dispute that all the free trade agreements in the world seem unable to resolve is softwood lumber. Canada and the U.S. have been arguing about lumber since the "Aroostook Lumber War" of 1839. The results of multiple challenges Canada has brought under NAFTA and WTO dispute settlement have been rather mixed. They judged that provincial practices can be a subsidy and that individual Canadian firms are selling at unfair prices, but they also question the U.S. calculations with respect to the degree of subsidization or dumping and the threat of injury facing U.S. producers.

Canada's lumber industry has naturally focused on the one ruling that has been most favorable to Canada, the NAFTA injury determination. The United States will abide by its international obligations in this and all cases; but Canada should be under no illusion that the latest decision resolves our differences, because it really doesn't as a practical matter, or that the United States and our firms will forego our rights to see these cases through to their conclusion.

We've said it before, and I'll say it again: the only way we're going to reach a long-term resolution of this dispute is with a negotiated agreement. Our Commerce Department has proposed a formula that we need to continue to work on.

### *Defense and Security*

Canada sent over 2,000 troops to Afghanistan and commanded NATO's International Security Assistance Force for six months to help stabilize that country. Currently, another 700 Canadian soldiers remain there. By the time the next year is out, nearly every Canadian soldier will have served in the region.

Canadian troops were in Haiti to restore order immediately after President Aristide's recent resignation and departure. Canada helped us avoid a real catastrophe in Haiti. Canada has provided training for police from Iraq as well as Haiti.

Canada and the U.S., of course, share responsibilities for North America's defense. Since 1958, the principal expression of that common defense is the North American Aerospace Defense Command (NORAD), into which both U.S. and Canadian personnel are fully integrated. In fact, on September 11 a Canadian general was in command.

NORAD has been tremendously successful for over 45 years in its mission of defending North America against air attacks. But 9/11 revealed new threats to the security of North America, and so, as we enter upon talks aimed at renewing NORAD for the eighth time, our two governments need to further its modernization to deal with these new and emerging threats. For example, one very salient area is improved surveillance of the maritime approaches to North America.

Last year, Canada requested consultations with the United States on our missile defense program and we are very pleased we have reached an agreement to assign the aerospace warning mission to NORAD in support of Missile Defense.

Whether or not Canada desires to participate more broadly in the missile defense program is a decision that, clearly, only Canada can make and will make. The U.S. deployment schedule is not dependent on Canada's decision and is being implemented in accordance with President Bush's directive.

You have heard and will hear from other speakers about border security. The big issue is of course how we counter the terrorist threat. Canada has been extremely supportive of U.S. efforts to protect our homeland and we recognize both the political commitment and the resource commitment. It is very important to keep the border open to commerce and legitimate trade.

But again, as we look forward, we both need to do a better job on keeping our respective publics safe from terrorist attack. We know there are people in our midst, in both

countries, who mean to do us harm. We need to find them — and we need to stop them.

#### *OUR SHARED ENVIRONMENT*

The environment is another area where we have a history of outstanding cooperation, both bilaterally and in the international arena, including on such difficult issues as climate change.

Although we have taken slightly different paths to address it, the U.S. and Canada have a shared goal in dealing with this important problem through mutual cooperation. In fact, we are partners in several multilateral initiatives that address climate change.

And, just recently, Environment Minister Dion was here in Washington to meet with Administrator Leavitt at the Environmental Protection Agency and Undersecretary of State Paula Dobriansky to discuss the issue of climate change and how we can meet our common objectives.

We explained to Minister Dion the steps the U.S. Government is taking to reduce emissions — such as our Methane to Markets Partnership, which President Bush announced in late July. This initiative will focus on cost-effective, near-term methane recovery and use as a clean energy source.

Our two governments have agreed on the need to review the Great Lakes Water Quality Agreement, which for three decades has guided our efforts to clean up the world's largest fresh water resource.

The Great Lakes support our transportation, industry, fishing, and tourism in both countries, generating economic growth and countless jobs on both sides of the border. We want to make sure that the agreement remains a strong guide, a strong framework for our shared future.

Our governments need to work together to prevent and control the entry and spread of alien invasive species — a problem that causes our two economies billions of dollars in lost revenue and environmental damage each year. The U.S. already has its own National Invasive Species Action Plan, and Canada is developing its own at this time. But we need to do more in this area, considering the degree to which agriculture, biodiversity, and human health are potentially affected by this problem.

As neighbors, it is certainly not uncommon to have recurring environmental disagreements along our border that need to be addressed and resolved. These issues can sometimes be the most difficult to resolve because they often involve tradeoffs with tangible impacts on the lives of people, their homes, and their families. It is therefore crucial that we get it right and find sustainable solutions and mechanisms for pursuing them. To help us manage these issues we have created effective bilateral institutions, like the International Joint Commission and its regional watershed boards.

#### Border Infrastructure

I know you're all concerned about transportation delays on the border and so are we. I want to address the ways that changes in Ports of Entry may impact the transportation

system. I wish I could tell you the situation will improve quickly, but you know that is unlikely to be the case.

I can, however, assure you that the State Department is working closely with the States, our other Federal agencies, and Canadian authorities to determine what can be done, what should be done, and what will be done — by whom and by what time — to increase the capacity and security of existing border crossings and to use risk assessment tools to effectively target the significant threats while facilitating trade.

The FAST and NEXUS programs offer pre-approved shippers, truckers, and travelers expedited processing. New FAST lanes have been installed across the country, and more are on the way.

We are even working to create new border crossings. More specifically, we are working with the State of Maine to finalize plans for a new border crossing between Calais, Maine, and St. Stephen, New Brunswick.

We are also working together with the State of Michigan, Transport Canada, and the Ministry of Transport in Ontario on environmental reviews for five potential locations for a new border crossing between Detroit and Windsor. A new crossing there is much needed to help alleviate delays.

We all hope that construction at the Calais crossing can be finished in 2007 or early 2008, once the funding is in place. The timeline for a new crossing at Detroit-Windsor is longer, of course, because we are not as far along in the process of identifying where that crossing will be.

#### CONCLUSION

These, then, are our challenges: expand the benefits of free trade throughout the Hemisphere, enhance North American and world security, protect our shared environment, and ensure that our shared border facilitates trade and people-to-people exchanges while enhancing security for both countries. Our governments have regularly rededicated themselves to the goal of working together to resolve our differences and enhance our cooperation. With your support our governments will succeed in that objective.

When he met with Prime Minister Martin in April, President Bush said, in his very plain spoken way, “We’ve got a good friend in Canada. It’s an important relationship; it’s a crucial relationship; and it’s one that I look forward to continuing to nurture with this Prime Minister.” You can’t put it any more directly or succinctly than that. Our fates and our fortunes are inextricably linked and it is in all our interests to make our relationship the very best it can be.

Thank you for your attention. I would be pleased to address your questions at this time.