

goods within North America, keeping our border open for business but closed to terrorism. On March 23, 2005, the NAFTA leaders met in Waco, Texas and announced the Security and Prosperity Partnership of North America, which builds on the New Partnership Initiative and constitutes a trilateral effort to increase the security, prosperity, and quality of life of North Americans. This work will be based on the principle that our security and prosperity are mutually dependent and complementary, and will reflect our shared belief in freedom, economic opportunity, and strong democratic values and institutions. It will also help consolidate our action into a North American framework to confront security and economic challenges, and promote the full potential of our people.

The Prime Minister and the President also agreed to expand economic opportunities by making businesses more competitive in the global marketplace. Today's economy increasingly reflects a model where design and production are managed on a global platform and where imports, driven in part by direct investment abroad, are critical inputs to exports. Given the integrated nature of Canadian and American industries, Canada and the United States must work together to reinforce North American competitiveness in this new economy.

While the vast majority (96%) of Canada-U.S. trade moves freely across the border each day, the relationship is not without its challenges. Given the amount of trade between the two countries, it is not surprising that disputes occur. But a few of these trade disputes pose serious concern for Canada, including softwood lumber and the Byrd Amendment. Trade irritants have negative impacts on both sides of the border.

Increasingly, companies—whether Canadian, American or Mexican—operate continent-wide supply chains and distribution systems. Approximately one-third of Canada-U.S. trade is “intra-firm,” that is, between two branches of the same corporation. The Government of Canada is committed to doing everything it can to respect and foster this trading relationship.

Market Access Results in 2004

- During President Bush's visit to Ottawa on November 30, 2004, the Prime Minister and the

President announced a New Partnership to lay out an agenda designed to increase the security, prosperity and quality of life of citizens on both sides of the border.

- On December 17, 2004, Canadian Deputy Prime Minister Anne McLellan and U.S. Secretary of Homeland Security Tom Ridge announced a framework to establish a land pre-clearance site at the Fort Erie-Buffalo Peace Bridge Crossing. Other announcements included an expansion of air pre-clearance to include Halifax airport, the finalization of regulations to implement the Safe Third Country Agreement and further expansion of the FAST (Free and Secure Trade) program.
- At the same time, Canada also committed to partner with the United States in the Container Security Initiative, which will include the deployment of Canada Border Services Agency officials to a foreign marine port by April 2005 to assist in the targeting and verification of shipping containers destined for North America.
- On November 30, 2004, the joint NEXUS Air pilot program was implemented at the Vancouver International Airport. The NEXUS Air project, which employs biometric technology and is open to citizens and permanent residents of both Canada and the United States, expedites clearance through customs and immigration.
- Canada and the United States are also moving forward with plans to open NEXUS Urban Enrollment Centres in Seattle (Washington) and Vancouver (British Columbia).
- The Government of Canada has supported the FAST program through the creation of two new dedicated FAST lanes: southbound at the Pacific Highway (British Columbia)-Blaine (Washington) crossing (October 20, 2004); and in both directions at the Windsor-Detroit Ambassador Bridge on November 1, 2004. The FAST program is currently operational at the 12 highest-volume commercial border crossings.
- On November 7, 2004, the U.S. Food and Drug Administration (FDA) announced the full enforcement of the interim final rules for prior notification and registration under the Bioterrorism Act. Implementation of the staged enforcement schedule had begun on December 12, 2003, and been accompanied by education and awareness activities