

Meeting with Premier Couillard

Items that may be discussed:

Preclearance – Please see attached memo prepared by Karen Songhurst of VTrans. Karen has provided specifics on where we are in the process and Senator Leahy's efforts.

- VT Preclearance "Ambassador" to keep focus on preclearance– Sue has spoken with Brian Searles about this, but still needs to complete their FY15 budget to consider how to fund this in 2016.
- As mentioned in Karen Songhurst's memo, Ministère des Transports du Québec (MTQ) is considering engaging an emissary for the Province to move this forward (you will recall that former Ambassador Raymond Chretien served in this role when Charest was in office).
- Sue Minter feels it would be helpful for you to bring this up with the Premier to see if he agrees that emissaries/ambassadors would be helpful. She is not interested in coordinating with NY at this time as they are undergoing a transportation leadership change and which will complicate things.
- Opportunities to engage other Governors: I have discussed with Aly the idea of raising the issue of preclearance at the CONEG meeting this August. Karen Songhurst is looking for opportunities through NASTO (National Association of State Transportation Officers) where Sue Minter serves as President.

Fall Visit

- We have been working with Marie-Claude Francoeur, Quebec's Delegate to New England, and her staff to find a date for a fall visit. It is likely to be end of October or November.
- U.S. Consul General Nina Fite and her team at the Consulate in Montreal are very interested in assisting with a "trade mission." Kiersten and I had a conference call with them, and will follow up once we confirm a date

with the Premier. U.S. Ambassador Bruce Hyman has expressed an interest in coming to Montreal for your visit, and may bring it up during your meeting in Toronto.

Pre-clearance Update
June 29, 2015

Prepared by Karen E. Songhurst
Policy Analyst, Vermont Agency of Transportation
(802) 828-1078

While we had hoped that the March 16th of a signing of a Preclearance Agreement between the US & Canada would boost Vermont's efforts to move forward with a preclearance facility in Montreal, it appears that a good deal of work has yet to be completed by the various players in both federal security agencies before a "final" program can be established. With assistance and urging from Senator Leahy's office, we were able to get US Customs and Border Protection personnel to meet with Amtrak, but have yet to receive any commitment to the facility plans or preliminary design concept. At least, CBP now has them in hand at a senior level and we are hopeful that more direct engagement will be forthcoming as they approach final negotiations with CBSA, which we understand is not too far off. Unfortunately, the flurry of people and entities that hosted presentations by CBP and subsequently put forward their version of "commitments" erroneously in most cases has caused a bit of a retreat from the DHS hierarchy in willingness to engage in any public meetings. Apparently this is particularly true for expansion of the Air Preclearance and has resulted in many requests to CBP for new facilities in advance of any final program protocols being completed.

In the US, Senator Leahy has reintroduced his legislation from last year that is required to enable CBP to operate across the border and for CBSA and CBP to develop joint facilities and it is included in the Senate Appropriations bill. Similar legislation is anticipated to move in the Canadian Parliament this fall without incident, despite their looming federal elections, and the expanded provision of the existing Air Preclearance Act and a new preclearance act for rail, marine and surface transportation is also anticipated to make it through the Parliament. In the recently passed Senate Commerce bill for rail authorization, we succeeded in getting specific language that will enable use of federal funds awarded under that bill to finance projects, and possibly even some operations costs, for intercity passenger rail services that cross international borders, something we have not had in the past. I have made Senator Leahy's office aware of that, as it is likely that the Senate and House rail bills will go to conference later this year and we need that language - and funds - to stay in place.

In the meantime, our partners at MTQ, Amtrak & NYSDOT continue to discuss next steps on various needs for improved operations and to review preliminary facility designs completed in the fall of 2014. We had hoped to have a meeting of partners in Montreal, but with travel restrictions for the States and the departure in March of MTQ's rail section chief, those were postponed. We learned this past week that a new section chief at MTQ has been named and he will be on-board in mid-July and we look

forward to holding a meeting of the group, at least by teleconference, shortly thereafter. MTQ Rail staff are also beginning development of the parameters for the next phase of work that must be completed for projects to advance in Quebec, and they have reached out to all the partners for updates and additional thoughts on what issues must be addressed by the study in order to begin operations of full preclearance in Montreal Central Station. They are also considering a mandate to engage an emissary for the Province who will assist in keeping this file in forward motion – a la the former relationship with Mr. Chretien and his firm, Fasken Martineau.

Sorry not to have cheery news for you, but most of my colleagues from US & Canada are still confident that the preclearance agreements on development of actual protocols for new facilities and operations will move- the question is when and how much added intervention is helpful versus overkill is the \$64,000 question. Certainly, a joint commitment from Governors of the US-Canada border states and Canadian provincial Premiers to stay engaged with both federal governments is crucial. In addition to Vermont, the States of New York, Michigan and Washington are all directly engaged in this dialogue for passenger rail preclearance, with existing or planned services.

Please let me know if I can be of further assistance.

Karen E. Songhurst
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(802) 828-1078

Ambassador Hyman and Consul General Dickmeyer:

- You and the Ambassador corresponded when he took the post – the letters are attached for your reference. See bios for Ambassador Hyman and Consul General Jim Dickmeyer (Toronto) below.
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- FYI – re. Quebec Visit - U.S. Consul General Nina Fite and her team at the Consulate in Montreal are very interested in assisting with a “trade mission.” Kiersten and I had a conference call with them, and will follow up once we confirm a date with the Premier. U.S. Ambassador Bruce Hyman has expressed an interest in coming to Montreal for your visit, and may bring it up during your meeting in Toronto.

AMBASSADOR



Bruce A. Heyman, Ambassador to Canada.

Bruce Heyman presented his letter of credence to the Governor General of Canada on April 8, 2014, having been confirmed as President Obama's personal representative to Canada on March 12, 2014, and having been sworn in on March 26, 2014. He is a 33 year veteran of Goldman Sachs, where he served as a regional managing director of the Midwest private wealth management group, which covers 13 states and half of Canada, from 1999 until December of 2013.

Mr. Heyman has served as a board member for the Chicago Council on Global Affairs and the Northwestern Memorial Hospital Foundation. He also served as an advisor to the Fix the Debt CEO Council of the Committee for a Responsible Federal Budget. He has been a member of The Economic Club of Chicago, The Executives' Club of Chicago, and the Facing History and Ourselves Chicago Advisory Board.

A magna cum laude graduate with both a BA and an MBA from Vanderbilt University, Mr. Heyman continues to maintain close ties to his alma mater. He is past president of the Alumni Board and a former member of the Board of Visitors at the university's Owen Graduate School of Management.

He is married to the former Vicki Simons of Ashland, Kentucky. They have three grown children, David, Liza, and Caroline, and two grand-children, Emma and Clara.

Consul General Jim Dickmeyer



Consul General Jim Dickmeyer

Jim Dickmeyer arrived in Toronto on August 9, 2012 to take up his duties as Consul General of the United States of America. A career member of the Senior Foreign Service, Mr. Dickmeyer has served in six countries during his 29 years of diplomatic service. Most recently he was a faculty member at the National Defense University in Washington, D.C., where he taught national security studies. During this latest tour in Washington, Mr. Dickmeyer also served as Director of the Office of Policy, Planning and Resources of the Undersecretary for Public Diplomacy and Public Affairs, and for two years was Director of the State Department's Foreign Press Centers located in Washington, D.C. and New York City, serving over 3000 foreign journalists based in the United States.

In his most recent overseas assignment, Mr. Dickmeyer was Minister Counselor for Public Affairs at the U.S. Embassy in Mexico. In his other foreign postings he served in press and public affairs positions at U.S. diplomatic missions in Brazil, Bolivia, Paraguay, and Guatemala.

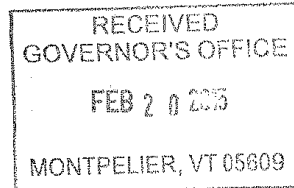
Jim earned a Masters degree in History from the Ohio State University and completed his undergraduate studies at Coe College in Cedar Rapids, Iowa. He is married to Heather Dickmeyer. They have two grown sons.



AMBASSADOR OF THE UNITED STATES OF AMERICA
OTTAWA, CANADA

February 13, 2015

The Honorable Peter Shumlin
Governor of Vermont
Pavilion Office Building
109 State Street
Montpelier VT 05609



Dear Governor Shumlin:

As the U.S. Ambassador to Canada, I have traveled across this economically vibrant country and met with hundreds of government and business leaders, as well as citizens from all walks of life. In my travels, my main objective has always been to strengthen further our great bilateral relationship that delivers so much every day to millions of people on both sides of the border.

Vermont plays an important role in America's economic relationship with Canada and I want you to know that I am eager to help enhance that role in any way I can. Vermont exported almost \$1.6 billion dollars' worth of goods to Canada in 2014. This trade creates jobs and supports economic growth in both our countries. I hope you will consider visiting Canada in the near future to identify ways to expand Vermont's trading relationship with our closest international partner.

Should you decide to visit, I would be pleased to meet with you, and to offer the support of all of us at the American Embassy to make your visit more productive. Should you be interested in visiting Canada, or if you have any questions that I can answer, I hope you won't hesitate to contact me.

Sincerely,

Bruce A. Heyman

PETER SHUMLIN
Governor



State of Vermont
OFFICE OF THE GOVERNOR

February 27, 2015

The Honorable Bruce A. Heyman
Ambassador of the United States
United States Embassy Ottawa
P.O. Box 5000
Ogdensburg, NY 13669

Dear Ambassador Heyman,

Thank you for your letter informing me of your objectives as U.S. Ambassador to Canada. I appreciate you reaching out.

As you know, Quebec is Vermont's largest trading partner, and we work hard to support this important economic relationship. Relations between the United States and Canada are extremely important and I appreciate your willingness to work with the State of Vermont to enhance partnerships on both sides of the border.

Again, thank you for your letter.

Sincerely,

Peter Shumlin
Governor

Porter Airlines

Summer Service to Vermont - Bob Deluce mentioned during your February call that he would like to expand to summer service. He remains committed to the expansion, but it is contingent on preclearance being approved.

Winter Season and VDMT Marketing – It was not necessarily a successful season for the flight (number of operations were up, but the load numbers were down), so VDMT has committed in partnership with BrandUSA for next winter's season. BrandUSA is putting in \$25,000 to add to the Porter and VT investments of \$50,000. Ski Vermont also continues to work with Porter on marketing.

Preclearance - Preclearance remains a priority for Porter, and they are grateful for the support you have provided (you have reached out to Customs and Border Protection (CB) to encourage movement forward). They have also worked closely with Senator Leahy on this.

While they wait for the final agreement to be approved, Porter relies on a waiver from CBP that has allowed them to use preclearance at the Billy Bishop Airport. Megan Smith has been working with Maggie Gendron in Leahy's office to ensure the waiver is extended for next year's service. Megan says CBP has been very receptive and feels this will happen.

Bob Deluce's son – just a reminder that Bob Deluce mentioned that one of his sons now lives in Vermont.

Background notes on preclearance effort at Billy Bishop Airport (BBTCA)
Provided by David Rocchio on behalf of Porter Airlines

US preclearance at top airports in Canada is a long-established and successful program (Customs and Border Protection have provided waivers).

BBTCA (while still growing) has recently emerged as a critical link between US and Canada (see attached graph).

Meeting Attendees: PortsToronto CEO Geoff Wilson and Porter Airlines CEO Bob Deluce will each make short presentations and then there will be general discussion.

David offers these basic points in support of preclearance at BBTCA: Adding BBTCA to preclearance system in Canada is only rebalancing a highly successful system. Further, Toronto is unlike any other international gateway served by a CBP preclearance facility:

- Canada is the United States largest trade partner and a critical US ally.
- Direct foreign investment from Canada is strategically important to the United States, totaling over \$289 billion in 2012
- Canadian-owned companies operate in 17,000 locations across the US and employ more than 619,000 Americans
- Over 8 million US jobs depend on trade and investment with Canada

Most of Canadian investment in US flows from Toronto and:

- Toronto *itself* is the top trade partner to 39 US States and
- Toronto is home to ¼ of the population and nearly half of the wealth in Canada.

BBTCA is tailor-made to serve important regional US markets, such as Vermont, with high value business and leisure customers, creating new opportunities for expanded trade between the United States and Canada. Clearing immigration is critical barrier.

Preclearance will stimulate passenger flow to existing markets and allow service to expand. In Burlington, this means moving the arrival process to domestic terminal. Will arrive and depart at a gate very close to JetBlue (with whom Porter has an interline). With strong marketing support, Porter could add meaningful summer/foilage service (Fourth of July – Canadian Thanksgiving) to start.

JetBlue supports preclearance at BBTCA.

Process points: Canada formally asked US to add BBTCA to preclearance system pursuant to bilateral agreement between US/Canada. CBP and BBTCA are working closely on technical design and staffing model. New bilateral preclearance agreement executed and going through ratification process.

For winter 2015/16, Porter Airlines has again formally asked CBP for a waiver to arrive at General Aviation Facility at Heritage Aviation terminal. Hope to have preclearance for winter 2016/17.

Background on US Carrier issue for meeting at Billy Bishop Airport:

CBP is cautious about moving forward with a facility where there is no US carrier present (CBP got burned by US carrier backlash when opened Abu Dhabi facility because perceived as support government-sponsored global carrier and hub). Toronto is different:

- Flights from BBTCA to the United States feed US domestic carriers
- When airlines from BBTCA enter US markets fares drop and passenger flows increase (good for consumers)
- BBTCA would welcome a US carrier when slots are available. In fact, assigned slots to a US Carrier in the past. The airline chose not to use them.
- US carriers already have tremendous access to Toronto through Pearson (over 30,000 operations annually to US on US carriers from Pearson International)
- JetBlue supports adding preclearance at BBTCA.