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REPORT:

A. Border Related News Media

Officials: grain, iron ore boosting Seaway traffic
Watertown Daily Times – May 21, 2011

Increased grain and iron ore shipments may be driving an increase in shipping traffic on the St. Lawrence Seaway. Although the St. Lawrence Seaway Development Corp. does not have updated cargo figures for the season to date, spokeswoman Nancy Alcalde said Tuesday that iron ore, grain and project-related shipments such as windmill components are strong. "The improving economy continues to be reflected in an increase in Seaway transits and cargoes for the 2010 navigation season, compared to 2009," she said in an email. "We are cautiously optimistic that we'll see a continued upward trend during 2011." The Canadian St. Lawrence Seaway Management Corp. has predicted an increase of 7 percent in Seaway cargo this year, compared with 2010, citing iron ore and grain projections. The agency also predicts increases in shipments of road salt, as supplies are rebuilt after a tough winter. A recently released traffic report for 2010 reflects increases in traffic. Systemwide, in 2010 there were 3,925 total vessel transits carrying nearly 42 million tons of cargo. That was an increase from 3,631 vessel transits with just over 37 million tons in 2009. Shipping on the Seaway tends to be an indicator of the economy generally but particularly of manufacturing, since goods such as iron ore are a reflection of demand for goods used in manufacturing, Ms. Alcalde said.

Hochul gains odds-defying victory **Buffalo News – May 26, 2011**

Kathleen Courtney Hochul, the Erie County clerk and longtime Democratic figure who defied political experts who had given her little chance of success, ground out a stunning and surprisingly comfortable victory Tuesday in the special election for the House seat in the predominantly Republican 26th Congressional District. Hochul defeated Republican Jane L. Corwin, a Clarence assemblywoman, 47 percent to 43 percent, with 97 percent of election districts reporting, while the Tea Party's Jack Davis mustered only 9 percent in his fourth try for the seat. Ian L. Murphy of the Green Party recorded 1 percent, while overall turnout was about 25 percent. The results marked a stunning defeat for the GOP in a contest that garnered intense national attention as the first competitive race following the Republican takeover of the House in last November's elections. And as a jubilant Hochul took the stage at her headquarters at the UAW Hall in Amherst at about 10:30 p.m., she reminded supporters about the core of her campaign — controversial proposals by the GOP to revamp Medicare. "We had the issues on our side," Hochul said. "We can balance the budget the right way and not on the backs of our seniors. "It's the future seniors they went after," she added. "They didn't like that, did they?" And her victory was duly noted in statements by President Obama and Vice President Biden. "I want to extend my congratulations to Congresswoman-elect Kathy Hochul for her victory in New York's 26th Congressional District. Kathy and I both believe that we need to create jobs, grow our economy and reduce the deficit in order to out-compete other nations and win the future," the president said. "Kathy has shown, through her victory and throughout her career, that she will fight for the families and businesses in Western New York, and I look forward to working with her when she gets to Washington." Biden called to congratulate Hochul, the vice president's office said, adding that he and Hochul would meet for a discussion soon. Hochul later told reporters that the voters cast ballots for the person and not the party in the primarily Republican 26th District. "The voters of this district have sent me to Washington because I said I'm willing to fight for them on Medicare, make sure the lobbyists pay for their fair share and get our budget under control," she said. "Whatever happens nationally, I'm very focused on my new district. "The question is: Did I have the confidence and faith of Republicans, Democrats and independents who listened to our message loud and clear? We're going to protect seniors, we're going to protect the middle class and small businesses." Hochul, who lives outside the district, in Hamburg, has said she plans to move into a suburb within the district as soon as possible. While the seat has a long GOP pedigree, it became vacant on Feb. 9 when Rep. Chris Lee, R-Amherst, abruptly resigned after a gossip website posted photos of him posing shirtless while seeking dates on the Internet. After Republican proposals to overhaul Medicare made the race a focus of national attention, Hochul began inching past Corwin in the polls, and Davis' strong 23 percent support withered considerably. By Monday, Corwin seemed to acknowledge what Election Day would bring when she said she should have countered the Democratic assault on her Medicare stand earlier. Corwin offered a concession speech late Tuesday at her headquarters on Transit Road in Amherst, which will apparently render moot a court order she sought earlier in the day to impound voting equipment. "I told her I would be happy to help in any way I can to help Western New York," the Republican said in her concession speech. Corwin made a point of expressing unhappiness with the negative tone of her race with Hochul. "The discourse in this election leaves me concerned," she told the crowd of supporters. The national implications became apparent only minutes after The Buffalo News and other news organizations declared Hochul's victory when House Minority Leader Nancy Pelosi, D-Calif., welcomed the new congresswoman as an "independent, strong, passionate voice." "Kathy Hochul's victory tonight is a tribute to Democrats' commitment to preserve and strengthen Medicare, create jobs, and grow our economy," Pelosi said. "And it sends a clear message that will echo nationwide: Republicans will be held accountable for their vote to end Medicare." But Rep. Pete Sessions, R-Texas, chairman of the National Republican Congressional Committee, said the nation should not make too much out of a three-way race. "To predict the future based on the results of this unusual race is naive and risky," Sessions said. "History shows

one important fact: The results of competitive special elections from Hawaii to New York are poor indicators of broader trends or future general election outcomes. "If special elections were an early warning system, they sure failed to alert the Democrats of the political tsunami that flooded their ranks in 2010." Tuesday's election was the first congressional special election in Western New York since Stan Lundine's Southern Tier district victory in February 1976. Republican National Chairman Reince Priebus, who campaigned locally for Corwin earlier this month, also sounded a GOP response. "If we have learned anything from these results, it is that Democrats will stop at nothing to preserve the status quo in Washington, which is propelling our country towards bankruptcy," he said. "Kathy Hochul's reckless disregard for the looming insolvency of critical government programs and our crushing debt will allow her to feel right at home in Nancy Pelosi's Democrat caucus. "There is no question Kathy Hochul will have a tough time holding onto this seat in 2012, with Barack Obama and his failed economic leadership weighing heavily on the minds of Western New York voters when they return to the polls," he added. The results forced Davis to make a concession speech for the fourth time in the last nine years at his Brennan's Bowery Bar headquarters in Clarence. He said he will continue to fight against free trade and "take the battle to Washington." "The country needs me," he said. "We're leaving our children in debt and poverty, and people are eventually going to get the message that the present politicians in Washington are being bought by the free traders and the Wall Street bankers and the multinational corporations. "I didn't get the message out this time," he added. "I'll keep shouting it. I love America." When asked about another future run for office, Davis was noncommittal, saying that regardless of his position, he'd continue to preach his message to whomever will listen. He also said that despite the "lies" and underhanded tactics in this campaign, he feels spending \$3 million as a candidate for the congressional seat was worth it. Hochul's election means a vacancy occurs in the County Clerk's Office, which Gov. Andrew M. Cuomo could opt to fill with an appointment. A special election to fill the balance of the three-year term would occur in November. One prominent name being mentioned is Assemblyman Dennis H. Gabryszak, D-Cheektowaga.

Schumer pushing to end tariff affecting Medina plant
Rochester Democrat & Chronicle – May 26, 2011

Sen. Charles Schumer, D-N.Y., is trying to end new import duties affecting a pair of upstate New York rag manufacturers. In a letter to U.S. Customs and Border Protection Commissioner Alan Bersin that Schumer's office released Wednesday, Schumer said the tariff clarification issue is threatening two firms that make rags from used clothing imported from Canada, including Breutex LLC of Medina, Orleans County. According to Schumer's letter, Breutex and Rick's Rags of Madison County recently reclassified that imported old clothing, which makes it subject to a 32 percent duty, even though rags imported directly from Canada carry no tariffs.

Nova Bus contract expected to return workers to full time
Plattsburgh Press Republican - May 27, 2011

Nova Bus has been awarded a contract worth an estimated \$231.2 million by the Metropolitan Transit Authority. The low-floor, articulated, clean-diesel buses will undergo final assembly at the company's plant in the Town of Plattsburgh. The buses are to be delivered between this coming August and April 2013, which secures employment for the approximately 220 employees in Plattsburgh. For awhile now, those employees have been working reduced hours and receiving unemployment benefits for the lost time under the New York State Department of Labor's Work Share program. Nova Bus spokeswoman Nadine Bernard said while she didn't think there would be new hires as a result of the contract, it would likely increase hours for workers. "Our goal is to bring everybody back on board full time," she said. 'MAJOR SUCCESS' - North Country Chamber of Commerce President Garry Douglas welcomed the news. "The chamber was very pleased to work actively with Nova and with Gov. Cuomo and Lt. Gov. Duffy in support of the earliest possible finalization of this important procurement action," he said. "We thank them for their commitment to sustaining jobs in the North Country, and we congratulate Nova Bus on this major success," he said. UPLIFTING - Town of Plattsburgh Supervisor Bernie Bassett said he was ecstatic to hear of the new contract, which will keep jobs at the plant. "This helps identify that facility as a quality producer of mass-transit vehicles." Bassett said he always enjoys seeing Nova Bus equipment in operation when he travels. "I think that's very positive for our ongoing marketing." The announcement provides some relief from the depressing news about flooding throughout the region, he said. "This is some reason for optimism and encouragement." The Metropolitan Transit Authority formally announced the contract on its website Thursday afternoon. "This bus procurement tells a very exciting story about the impact that our Capital Program has on economic development across New York State," said MTA Chairman Jay Walder. "Thanks to the steady work from the MTA Capital Program, Nova now operates a facility in Plattsburgh, creating jobs and economic activity that would not be in New York without the MTA Capital Program."

NON-COMPETITIVE - According to documents on the MTA website, Nova Bus is the only manufacturer whose low-floor, articulated bus design has been structurally qualified by MTA, which resulted in a non-competitive bid process. This news comes after Nova received a 2009 contract to build 90 of the same type of buses for test and evaluation as part of the MTA's New Bus Qualification Program. It states the result of the evaluation was "very favorable," and the bus "has been deemed qualified." Each bus will cost \$703,874, a price that was negotiated down from an initial Nova proposal of \$717,933. That saved the MTA more than \$4 million. The 62-foot-long buses feature a hinged center section to make them more maneuverable. Each vehicle can seat up to 62 people.

CONTENT COMMITMENTS - Nova has committed to include at least 38-percent New York content and to try to achieve 39.5 percent. Such provisions and U.S. content provisions in other contracts are the main reason the company built its Plattsburgh plant. The majority of the buses will be used to replace high-floor, articulated buses that have reached the end of their 12-year useful life, including 20 that have been in service since 1998 and 260 since 2000. The remaining 48 will be used to expand articulated bus service across New York City's five boroughs. Converting a route to articulated buses has an immediate impact on operating costs because three of those buses can replace four standard buses. That results in reduced operation costs, fewer miles driven and fewer buses needed during peak hours of operation.

COMPETITOR - New Flyer of America, with locations in Canada and the United States, is testing its own version of a low-floor, articulated, clean-diesel bus model. Once that testing is successfully completed, the MTA plans to purchase 90 of those buses later this year for tests and evaluation. It will then conduct a competitive request for proposals for additional articulated buses.

Deal helping digital printer to expand reach into Canada
Rochester Democrat & Chronicle – May 25, 2011

CatPrint.com LLC, a Rochester-based digital printer, has expanded to Canada through a partnership with Hume Intermedia of Toronto. The partnership allows U.S. customers to efficiently ship to Canada, and Canadian customers to use the CatPrint Web portal to price and buy print products.

Reception previews war commemoration
Buffalo News - May 22, 2011

Previews of upcoming War of 1812 bicentennial events and other updates were revealed Saturday during a Buffalo reception hosted by the Canadian consul general.

Among the highlights:

- "The War of 1812," a documentary, will air on PBS stations this fall, with special screenings in Toronto and Washington, D.C.
- U.S. and Canadian naval ships will sail the Great Lakes, docking at key War of 1812 sites for special events. Sen. Kirsten E. Gillibrand and other elected officials joined heritage and cultural representatives from the U. S. and Canada for the preview reception, held in the official Buffalo home of Marta Moszczenska, Canada's consul general. The War of 1812 involved the burning of settlements on both sides of the border, a striking contrast to the peace and friendship currently embraced by the United States and Canada. "We'll be commemorating the 200 years of peace, security and prosperity," Moszczenska said. "There were 1,000 days of war, and we hope to have an activity each of those days," she added. Gillibrand announced that New York Council for the Humanities will offer special minigrants to fund events. "This is a great investment that can help us engage more of our community, our state and both our nations to celebrate these two full centuries of peace," said Gillibrand, who added that the funding will "promote tourism, attract more visitors to enjoy this incredibly beautiful and history-filled area and all it has to offer to help us grow our economies." So far, Canada has a jump on the celebration. The Canadians have raised more than \$20 million, compared with "thousands of dollars" in the U. S. Niagara Falls Mayor Paul A. Dyster, who was on hand for the reception, called it a "massive disparity of funding and event planning" but noted things are improving. The gap, he noted, is perceived in Canada as a lack of interest by the United States. Thomas E. Schofield, chairman of the War of 1812 Bicentennial Legacy Council, the binational group coordinating the observations, noted new infrastructure and sites are being established in Canada, while established historical sites will be used here — a big reason for Canada's bigger bank account. The WNED-TV documentary is set to debut Oct. 10 — Columbus Day here and Thanksgiving Day in Canada.

1812-style schooner to visit 2 NNY communities
Watertown Daily Times – May 25, 2011

Firing a salute from a battery of 6-pounder carronades, the Lynx — a 122-foot square top sail schooner replicating a privateer, or naval schooner, from the War of 1812 — will make its grand entrance to the port of Ogdensburg at noon Thursday, June 9. It will continue June 14 to the Thousand Islands Regional Dock at Frink Park in Clayton, for "Sailing Seaway Clayton," a new, week-long event. The celebrated privateer square topsail schooner has arrived from Hawaii and California for a five-year voyage along the east coast of the United States, the Great Lakes and Canada, helping celebrate the 200th anniversary of the War of 1812 and "The Star-Spangled Banner." Lynx is based on an actual privateer named Lynx built by Thomas Kemp in 1812 in Fell's Point, Md. It was among the first ships to defend American freedom by evading the British naval fleet then blockading American ports and serving in the important privateering efforts. Flying pennants and flags from the 1812 era, the 114-ton Lynx is fitted with period ordnance. The crew wear 1812-style uniforms and operate the ship in keeping with the maritime traditions of the era. Lynx represents a "letter of Marque" Baltimore Clipper, considered to be among the finest privateer schooners ever built. Because of their swiftness and maneuverability, these ships were most effective as blockade runners and offensive weapons of war. Educational early-American-history and science programs taught aboard Lynx meet specific state standards. The Lynx, whose personnel were hired to train the cast and crew of the hit movie "Pirates of the Caribbean," offers educational tours and trips. For information on availability and ticketing, call 1 (866) 446-5969 or visit www.privateerlynx.org. The Lynx operates under the auspices of the Lynx Educational Foundation, a 501(c)(3) nonprofit organization, dedicated to hands-on programs that teach early-American history.

War of 1812 documentary puts Sackets Harbor, Kingston in the spotlight Watertown Daily Times – May 26, 2011

Filming is scheduled to begin this spring on a television documentary exploring the key role Sackets Harbor, Kingston, Ontario, and surrounding areas played in the War of 1812. Kenn M. Feigelman, director of operations for Kingston-based Deep/Quest 2 Expeditions, visited this area the second week of March to sign contracts and to scout filming sites. Deep/Quest 2 Expeditions is the main producer, but Mr. Feigelman also plans to work with Watertown-based WPBS. Mr. Feigelman expects the documentary will be shown nationally. It will focus on the eastern end of Lake Ontario. "Depending on Mother Nature and all other glitches, filming will take the better part of a year-and-a-half," Mr. Feigelman said at the Times offices. The film will be a slight departure for Deep/Quest 2, which Mr. Feigelman founded in 1973 in Montreal and relocated to Kingston in 1979. His company is an internationally acclaimed underwater and film documentation organization. His Deep/Quest 2 projects have ranged from coral reef studies off the island of Barbados in the eastern Caribbean to documenting the plight of the endangered and highly toxic St. Lawrence River beluga whales off Tadoussac, Quebec. The one-hour War of 1812 documentary will be the first time Deep/Quest 2 has been involved with a production not aimed 100 percent underwater. "The bulk of this will be shot above water," Mr. Feigelman said. "Our mandate and our license is not to be looking for anything. It's simply to document and put together a production on the naval history of this region using re-enactments, re-enactors, topside filming of battlefields and underwater filming." Mr. Feigelman, who has been diving for 51 years, said underwater shots of shipwrecks from the War of 1812 on the bottom of Lake Ontario aren't visually appealing. "There's only so much underwater you can film and look at," he said. "And it's not very pretty. It's pretty spooky, green and grotesque. After a few minutes, they all look the same and scuzzy looking. It's not the coral reefs and shipwrecks like in the Caribbean." But the few underwater shots in the documentary will feature at least one of the ships Deep/Quest 2 "rediscovered" in 2008 near Kingston. Mr. Feigelman, 63, prefers to use the term "rediscovered" and not "discovered." "We have no evidence that we're the first ones to discover these vessels," he said. "We stumbled literally upon four of them while testing out a new sidescan sonar unit." The discovery of the vessels started the War of 1812 documentary plan in motion. "Deep/Quest had been talking about producing a documentary on the local shipwrecks of the War of 1812," Mr. Feigelman said. "A highly regarded fellow in Kingston said, 'I want you to meet my friend Tom Hanley.'" Thomas F. Hanley is president and general manager of WPBS. Mr. Feigelman intends to co-produce the documentary with the Watertown station. Mr. Feigelman is waiting for a marine archaeological permit from the Ontario Ministry of Tourism and Culture to film the 1812 wrecks off Kingston. He has a permit from New York state to film on land and below the waters near Sackets Harbor. "To film shipwrecks (in Canada), if you are a professional, you have to have an underwater archaeological permit, which is kind of weird because we're not doing any of the type of work," he said. "An amateur diver can go down with no problem." Mr. Feigelman said Deep/Quest will be just filming and documenting some of the vessels that were rediscovered a couple of years ago. "These are the laws in Ontario," he said. "They are very anal about the way things are done." Mr. Feigelman said he has a verbal OK with Canadian authorities about the underwater permit, but not the written OK. He said the project will start regardless of the written approval, which he expected within days. Mr. Hanley declined to comment for this story about the station's involvement on the documentary until Deep/Quest received the written archaeological permit from Canadian authorities. Mr. Feigelman said he thinks it's important to document a war that many people know little about. "We're documenting

this forgotten war; a very stupid war, actually," he said. "This was neighbor versus neighbor, brother versus brother across the border. It was a war of opportunity and never really should have occurred." The war's causes included American resentment over British harassment of its shipping. "We'll touch on what precipitated the war, the naval action and shipbuilding," Mr. Feigelman said. As the war progressed, it became a shipbuilding race between the U.S. and Britain, with Sackets Harbor and Kingston playing a key role. "Whoever controlled Eastern Lake Ontario, which starts at Kingston, basically controlled what was going to happen on the Great Lakes west of here," Mr. Feigelman said. "The gateway to a good chunk of North America is right here in this region where the St. Lawrence becomes Lake Ontario or vice versa." Mr. Feigelman believes the four ships Deep/Quest 2 rediscovered off Kingston in 2008 are ships that were scuttled by the British after the war. Deep/Quest 2 will be working with the Sackets Harbor Battlefield Alliance for the documentary. Producers also hope to film aboard the USS Niagara based at the Erie Maritime Museum in Pennsylvania. The Niagara, built in 1990, is a reconstruction of Commodore Oliver Hazard Perry's victorious warship. "They'll see this beautiful ship, totally intact, and identical to the vessel as it existed 200 years ago," Mr. Feigelman said. "And then we'll cut to show how some of the shipwrecks look pretty sad under Lake Ontario today." Mr. Feigelman said Deep/Quest 2 will work with an American marine archaeologist and crew this summer, filming them looking for remnants of the War of 1812. "But unlike off Kingston, where we have rediscovered intact vessels, such hasn't happened off Sackets Harbor," he said. Greg Hancock, who serves as Deep/Quest 2's director of documentary film production, will help Mr. Feigelman produce the documentary. "He'll be the main thrust for this project," Mr. Feigelman said. Mr. Hancock is founder of Figments of Imagination studios in Huntsville, Ontario. His diverse credits include directing and writing the television documentary "Daring to Die: The Story of the Black Devils", produced for History Television that concerns a Canadian/American commando unit in World War II; directing, writing and producing "Safe Deliverance," about non-invasive birthing options, and directing and writing "Waiting at the Edge," a look at a seal hunt from an Inuit point of view. "We could have been dealing with commercial companies in Canada, which was tempting," Mr. Feigelman said. "We were wooed by some companies when they first heard about these warships." But he said such commercial partners would seek more control in the production. "Whereas WPBS, being a nonprofit organization, they don't think and work that way," Mr. Feigelman said. "They are more open-minded, and personally I just like the PBS network. I'm a major viewer and supporter." Mr. Feigelman said Deep/Quest 2 is looking for "local participation" for the War of 1812 documentary. "We looking for local people who are cognizant of relevant areas that could be used as film sites, above and below water," he said. Deep/Quest 2 also is looking for American airplane pilots to assist in aerial filming. Those with information or with interest in flying for the documentary can contact Mr. Feigelman at 1 (613) 331-1044 or email him at kenn@deepquest2expeditions.com.

NY seeks to lure vacationers for cheap thrills Buffalo News - May 26, 2011

New York is promoting itself as a cheap date this holiday weekend. The state known for its high taxes and high costs is promoting itself as a vacation destination for Canadians and residents of neighboring states by promising more smiles to the gallon. An online guide has been created to lure summer travelers with cheap thrills at New York state destinations within the range of a tank of gas. Links will be provided for restaurants, lodging and summer events and special packages. The "smiles per gallon" effort augments the state's I Love New York tourism campaign that includes broadcast ads in nearby states and Canada. Online: <http://thebeat.iloveny.com/>

Fight over Canadian oil pipeline moves to Congress Buffalo News - May 23, 2011

A dispute over a plan to send oil from western Canada to the Texas Gulf Coast moved to Capitol Hill on Monday, where a House panel debated whether to speed a decision by the Obama administration. Republicans on the House Energy and Commerce Committee are backing a bill that would set a Nov. 1 deadline for the State Department to decide on the \$7 billion project. A Canadian company wants to build a 1,900-mile pipeline to carry crude oil extracted from tar sands in Alberta, Canada, to refineries in Texas. Rep. Fred Upton, R-Mich., who chairs the energy panel, said it makes sense to pursue reliable and affordable energy in North America. The proposed Keystone XL pipeline would create thousands of jobs and help cut \$4-a-gallon prices at the pump, Upton said. "We need to act soon as China is very interested in pursuing the same resources," Upton said. "If we don't say yes soon, China will lock it up." But environmental groups say the pipeline would bring "dirty oil" that requires huge amounts of energy to extract and could cause an ecological disaster in the event of a spill. The pipeline planned by Calgary-based TransCanada would travel through five U.S. states - Montana, South Dakota, Nebraska, Kansas and Oklahoma - before reaching refineries in Houston and Port Arthur, Texas. The

project would double the capacity of an existing pipeline from Canada, and supporters say it could significantly reduce U.S. dependence on Middle Eastern oil. The State Department said last month that a new environmental study on the pipeline revealed no new issues since a similar report was issued last year. The State Department has authority over the pipeline because it crosses an international boundary. Officials have pledged to decide on the project by the end of the year. Environmental groups said the State Department report glossed over crucial issues such as pipeline safety and the risks posed by the proposed route over the massive Ogallala Aquifer, which supplies drinking water to people in eight U.S. states. The environmental group Friends of the Earth filed suit against the State Department last week, seeking details of any communications between a TransCanada lobbyist and the Obama administration. The lobbyist, Paul Elliott, was a top aide in the 2008 presidential campaign of Secretary of State Hillary Rodham Clinton. Friends of the Earth said it wants to learn whether Elliott's role in the project has resulted in a possible conflict of interest at the State Department. Democrats on the energy panel, meanwhile, questioned whether energy giant Koch Industries could profit from the pipeline's approval. The Kansas-based company, owned by billionaire brothers David and Charles Koch, has said it has no financial interest in the pipeline. But Reps. Henry Waxman of California and Bobby Rush of Illinois said news reports indicate that the company is developing projects to refine oil produced from the pipeline and would be a potential buyer for crude shipped through the pipeline. Liberal groups have targeted the Koch brothers because of their prominent support of conservative political causes, including fights against legislation that targets industrial emissions blamed for global warming. Republicans called Democratic claims about the Koch brothers a sideshow. "This is not about personalities," said Rep. Ed Whitfield, R-Ky., chairman of the energy and power subcommittee. "This is about the project and its benefit or lack of benefit to the American people." Waxman said Congress should not pass a law merely to satisfy a foreign company. An executive for TransCanada responded that the company had no role in the legislation and did not have an opinion on it. A State Department spokesman did not return messages from The Associated Press.

B. Border Communications

May 24, 2011

Higgins, Homeland Security Dems Call for Committee & Field Hearings on Security Cuts

Leaders Invite Committee to WNY, Other Regions for First-Hand Look at Impact

Congressman Brian Higgins (NY-27) and his Democratic colleagues on the House [Committee on Homeland Security](#) sent a [letter](#) to the Committee Chair requesting oversight hearings to further examine the cuts to homeland security grant programs and the impact on preparedness and safety in Western New York and communities across the nation. In addition to a traditional hearing, members are requesting field hearings in Buffalo and other cities eliminated from the Urban Area Security Initiative (UASI) program.

"Arbitrary cuts in the area of homeland security can result in much greater costs in human lives, community devastation and first responder safety down the road," said Higgins. "Neglecting to recognize the unique risk features in some smaller communities like Buffalo-Niagara is reckless and irresponsible."

Congressman Higgins, a member of the Committees on Homeland Security and Foreign Affairs and Subcommittees on Border and Maritime Security and Counterterrorism and Intelligence, sent a [letter](#) to the Department of Homeland Security (DHS) Secretary expressing concern about the Buffalo-Niagara region's elimination from the UASI program. He also recently [stood with local leaders](#) along the community's international border warning of the potential impact of reductions in anti-terrorism efforts.

Higgins added, "The impact of preparedness is hard to quantify and at the same time invaluable. You don't get credit for what doesn't happen, but the need to be ready when something does is still just as critical."

Congressman Higgins also [led a bipartisan effort](#) in March opposing an amendment which would have removed the Buffalo-Niagara region from UASI eligible cities and was successful in blocking the measure.

Higgins was an original co-sponsor and strong supporter of the Fire Grants program and aggressively pursues federal funds for local fire companies by hosting Fire Grant workshops, which has resulted in over \$13 million dollars to fire

departments in his district over the last 5 years.

Congressman Higgins represents Western New York which includes portions of Erie and all of Chautauqua Counties. The greater region is home to four international bridge crossings; the Niagara Power Project which serves as the largest electricity producer in New York State; and the homegrown al-Qaeda terrorist cell, the Lackawanna Six. It also sits along two Great Lakes which represent the largest fresh water supply in the world and serves as the center point of a 500 mile radius that includes approximately 55% of the US population and 62% of the Canadian population.

Below is the text of the [letter](#) sent by Congressman Higgins, Ranking Member Bennie Thompson and their Democratic Colleagues on the Homeland Security Committee:

Dear Chairman King:

We are writing to request that the Committee on Homeland Security conduct oversight hearings to examine the cuts to homeland security grant programs for fiscal years (FY) 2011 and 2012 and preparedness and response gaps that are likely to result on the State, local, and tribal levels.

Since the beginning of the 112th Congress, we have vigorously opposed reductions, as proposed by the Republican leadership, to vital homeland security programs, most especially grant funding to first responders. First, in February 2011, the House passed H.R. 1, the "Full-Year Continuing Appropriations Act of 2011," which called for cutting homeland security grant funding for FY 2011 by approximately \$900 million. Then, in March, the Congress passed the Further Continuing Appropriations Amendments of 2011 (P.L. 112-4) that cut first responder grants funding for FY 2011 by \$125 million. Finally, the Congress passed the last continuing resolution for FY 2011, the "Department of Defense and Full-Year Continuing Appropriations Act of 2011" (P.L. 112-10), which will result in preparedness and response grants being cut by at least twenty percent. We opposed each of these reductions. Of further concern is the forthcoming FY 2012 Department of Homeland Security (DHS) appropriations bill that was recently approved by the House Homeland Security Appropriations Subcommittee. It would reduce homeland security grant programs by \$2.1 billion below the FY 2011 level. Taken together, these cuts undermine critical preparedness and response capabilities throughout the Nation.

This Committee has steadfastly supported the Nation's capability, capacity, and preparedness for catastrophic incidents, both terrorism-related and natural disasters. Because of our record on these issues we cannot remain silent. Our strategic perspective on first responders and the grant programs that allow them to serve must become a part of the decision-making process.

To bring into focus the capabilities that may be lost, as a result of these cuts, we would like to present you with a few specific examples of the diversity of the homeland security risk.

- A recent "lone wolf" scenario that is worth noting occurred in February of this year, when Khalid Ali-M Aldawsari, a resident of Lubbock, Texas, was arrested by the Federal Bureau of Investigations (FBI) in Lubbock for purchasing materials to make an improvised explosive device with the intention of bombing potential U.S. targets. Lubbock is not an Urban Areas Security Initiative (UASI) jurisdiction and therefore relies heavily on the State Homeland Security Grant Program (SHSGP) funding for preparedness and response capabilities.*
- Preparedness funding under the Transit Security Grant Program (TSGP) is essential to help secure our mass transit systems and potentially prevent a domestic attack, as occurred in Moscow in March of 2010, when terrorists bombed multiple targets within the Moscow subway system in quick succession. Accordingly, the \$53 million reduction in TSGP funding in FY 2011 could not come at a worse time, given that the threat to our Nation's mass transit and rail systems is at its highest level since when.*
- Buffalo, a community that is slated to be cut from the UASI program, was the site of the "Lackawanna Six" prosecution in 2002. The elimination of funding of over thirty jurisdictions from this critical program, including Buffalo, is shortsighted and fails to recognize the geographically diverse nature of the terrorism risk.*

While we have limited the above examples to the importance of grant funding under SHSGP, TSGP, and UASI, we would highlight that the Assistance to Firefighter grants program, is also slated for significant reductions under the proposed FY

2012 DHS appropriations bill.

It is imperative that our State, local and tribal first responders maintain a heightened state of readiness and vigilance towards man-made and natural threats. This requires that they have a full partner, at the Federal level, through grant programs such as UASI, SHSGP, and TSGP. Yet, the grant guidance for FY 2011, as recently released by the Federal Emergency Management Agency, would reduce the number of eligible jurisdictions to participate in UASI significantly, even as al-Qaida recently vowed to carry out attacks in retaliation in the killing of Osama Bin Laden.

In closing, while we all agree on the need to be fiscally responsible, we cannot afford to shortchange the Nation's preparedness by making arbitrary funding cuts. To that end, we request a Full Committee hearing that brings together leaders from States, urban areas, and first responder groups and provides an opportunity to hear from those on the frontlines. Additionally, we strongly believe that the Committee would benefit from conducting a series of field hearings in jurisdictions that were eliminated from the UASI program under the FY 2011 grant guidance such as Buffalo, Sacramento, New Orleans, Kansas City, and Tucson. At these hearings we can see firsthand the security challenges these grant cuts will create across a diverse range of communities.

If you have any questions, please contact Lanier Avant, Staff Director, Committee on Homeland Security (Minority).

FOR IMMEDIATE RELEASE: May 25, 2011

**SCHUMER: UNWARRANTED TARIFF COULD FORCE ORLEANS & MADISON COUNTY
BUSINESSES TO SHUT THEIR DOORS, PUTTING DOZENS OUT OF WORK – URGES US
CUSTOMS TO REVERSE DECISION IMPOSING STEEP TARIFFS ON WORN CLOTHING FROM
CANADA**

Out of the Blue, U.S. Customs Has Slapped a 32% Tariff On Breutex LLC's and Rick's Rags' Raw Material Imports

Breutex and Rick's Now Owe Import Duties on Previously Duty-Free Imports Due to CBP Reclassification, While Canadian Competitors Have Free Access to U.S. Markets

Schumer Calls on Customs to Lift Unjustified Tariff Immediately, Before Extra Costs Force Companies to Lay Off Workers or Shut Down

Today, U.S. Senator Charles E. Schumer wrote a letter to U.S. Customs and Border Protection (CBP) urging corrective action on behalf of two upstate New York rag manufacturing companies, Breutex LLC and Rick's Rags, that are being hit with a 32% duty on imported worn clothing from Canada. The bulk worn clothing imports are being classified by CBP as wearable apparel, which carries a 32% tariff. Worn clothing imported in bulk normally enters the United States duty-free. In 2007, Schumer worked successfully with Customs to correct the same tariff misclassification problem. Recently, a 32% tariff has been put back in place by CBP despite the fact the companies continue to import worn clothing in bulk from Canada which they then process into rags for sale in the United States. Schumer wants Customs to correct the misclassification, as the duty threatens to drive both companies out of business and put Upstate New Yorkers out of work.

"It is simply unfair for CBP to slap a crushing 32% tariff on Breutex and Rick's Rags imports out of the clear blue sky, especially after this battle has already been fought and won in favor of New York rag manufacturing companies," said Schumer. "For years both Breutex and Rick's have employed Upstate New Yorkers by taking unusable worn clothing and making it into rags, fulfilling a unique service and acting as an economic engine in the region. This unwarranted tariff classification decision could shut the entire operation down, as every penny extra they must pay on raw materials drastically eats into their profitability and threatens to drive them to lay off workers or go out of business."

Breutex and Rick's Rags buy worn clothing in bulk from Canada, and recycle, cut and process the worn clothing into wiping rags, towels, and cloths for various industrial sectors like furniture refinishing, automotive

detailing, industrial cleaning, hotels & restaurants, and more. U.S. Customs and Border Protection recently reclassified these materials under a catch-all apparel category (6110.30.3059) which carries 32 percent rate of duty. The additional, unanticipated duty costs for raw materials threaten the economic viability of these small businesses, and Schumer urged CBP to immediately correct this misclassification, to ensure that Breutex and Rick's are not forced to lay off workers or go out of business.

Breutex LLC, employs between 8 to 15 employees at their Medina rag manufacturing and cutting facility. Breutex purchases their raw material from Weisman Exports in Canada, the costs of which have increased by 32% due to this unjustified tariff. Schumer states that every extra penny that Breutex must pay on raw materials drastically minimizes their profitability and threatens to drive them to lay off workers or go out of business.

Established in 1984, Rick's Rags in Canastota produces over 30 different grades of cleaning rags for industrial and residential use. The company has 16 full time employees. A large part of the company's bulk raw material comes from recycling several tons of waste material that would otherwise be landfilled. Rick's Rags has seen a great deal of growth in recent years, but the recently imposed 32% import duty is eating into their profits. Rick's Rags also uses Weisman Exports in Canada as their supplier, and joins Breutex in pursuing the removal of this unjustified tariff.

Schumer also notes that while Breutex's and Rick's rag materials imports are now subject to a 32% duty, their Canadian competitors have free access to the U.S. market because there is no U.S. duty on imported cut and finished rags from Canada. This means that Breutex's and Rick's Canadian competitors can sell their rags in the U.S. without a duty, but these U.S. companies are being charged 32% to import raw materials from Canada.

A copy of Senator Schumer's letter to Commissioner Alan Bersin appears below:

The Honorable Alan Bersin
Commissioner, U.S. Customs and Border Protection
1300 Pennsylvania Avenue, NW
Washington, DC 20229

Dear Commissioner Bersin,

I write today to express my concern regarding a tariff classification issue that threatens to drive two New York companies out of business. The companies – Breutex, based in Medina, and Rick's Rags, based in Canastota – import worn clothing from Canada which they then process into rags for sale in the United States. After years of importing rag materials under HTS subheading 6309.00.0010, with a zero rate of duty, CBP recently reclassified these materials under a catch-all apparel category (6110.30.3059) with a whopping 32 percent rate of duty. The additional, unanticipated duty costs for raw materials threaten the economic viability of these small businesses, and I respectfully request that CBP work with Breutex and Rick's to ensure that this tariff classification issue does not force them to lay off workers or go out of business.

Moreover, while Breutex's and Rick's rag materials imports are now subject to a 32 percent duty – the highest ad valorem rate of all the rates applicable to the hundreds of categories of textiles and clothing – their Canadian competitors have free access to the U.S. market. Specifically, it is my understanding that there is no U.S. duty on rags imported from Canada. So Canadian companies can sell their rags into the United States duty-free, but U.S. companies are being forced to pay a 32 percent duty just to import the worn clothing they turn into rags. Breutex and Rick's Rags already face significant competition from duty-free imports from Canada; continued imposition of an unwarranted 32 percent duty will drive these small American businesses to lay off workers or go out of business.

Breutex and Rick's employ over two dozen workers in Western and Central New York, regions still struggling with high unemployment levels. CBP's reclassification of Breutex's and Rick's worn clothing imports, after

agents looked at perhaps a few worn garments pulled from thousand-pound bales each containing thousands of individual worn garments, is putting these two small U.S. businesses and their workers at risk. I respectfully request that CBP work with Breutex and Rick's to expeditiously resolve the tariff classification issue. Perhaps viewing Breutex's and Rick's facilities and production processes – from unpacking the thousand pound bales, to cutting the materials into rags and wiping cloths – would help CBP with proper classification of the worn clothing imports.

Thank you for your attention to this request. I look forward to working with you on this issue.

Sincerely,

Charles E. Schumer
United States Senator

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CBP Offers Tips for the Summer Travel Season

(Thursday, May 26, 2011)

Washington — As the summer travel season approaches, U.S. Customs and Border Protection is providing summer travelers with travel tips to assist with cross border travel.

CBP has implemented many important initiatives designed to facilitate travel while, at the same time, improving U.S. border security.

Travel Requirements for U.S. Citizens

U.S. citizens traveling abroad must have approved travel documents when returning home. The Western Hemisphere Travel Initiative (WHTI) requires U.S. and Canadian citizens, age 16 and older to present a valid, acceptable travel document, such as a passport, a U.S. passport card, a Trusted Traveler card (NEXUS, SENTRI or FAST) or an Enhanced Driver's License that denotes both identity and citizenship when entering the U.S. by land or sea. U.S. and Canadian citizens under age 16 may present a birth certificate or alternative proof of citizenship when entering by land or sea.

A radio frequency identification (RFID)-enabled travel document such as a U.S. Passport Card, Enhanced Driver's License/Enhanced Identification Card or Trusted Traveler Program card expedites entry and makes crossing the border more efficient. There are currently 10 million RFID-enabled travel documents issued.

WHTI document requirements for air travel have been in effect since January 2007. Almost all travelers flying back to the United States need to present a passport or NEXUS card.

Requirements for Visitors to the U.S.

All nationals or citizens of VWP countries are now required to have an approved Electronic System for Travel Authorization (ESTA) prior to boarding a carrier to travel by air or sea to the U.S. under the VWP. ESTA applications may be submitted at any time prior to travel, and once approved, generally will be valid for up to two years or until the applicant's passport expires, whichever comes first. Authorizations will be valid for multiple entries into the U.S. CBP recommends ESTA applications be submitted as soon as an applicant begins making travel plans.

Small Vessel Reporting System

CBP now offers a new small vessel reporting system which allows boat operators and passengers an alternative to the current reporting system. By applying online and visiting a customs office in advance, owners and passengers can now obtain entry clearance by phone. The system is available in Florida, Puerto Rico, the U.S. Virgin Islands as well as along

the northern U.S. border. The program will be expanded during the coming year to cover small vessel entries country-wide. For more information, please visit the Small Vessel Reporting System website. ([SVRS](#))

CBP offers the following travel tips for travelers:

- Tip #1 – To avoid fines and penalties associated with importing prohibited items, travelers should familiarize themselves with the “Know Before You Go” section of the CBP website ([Know Before You Go](#))
- Tip #2 – Be prepared to declare all items acquired abroad. Travelers should prepare for the inspection process before arriving at the inspection booth and have their approved travel documents ready.
- Tip #3 – Monitor border wait times for various ports of entry. Travelers can find wait time information at the CBP website. To experience shorter wait times, travelers can use ports of entry during periods of lighter traffic or less heavily traveled ports of entry during periods of heavy travel. ([Wait Times - Airport and Border](#))
- Tip #4 – Build extra time into the trip in the event of crossing during periods of exceptionally heavy traffic.
- Tip #5 – Know the difference between goods for personal use versus commercial use. ([Restricted/Prohibited Goods for All Travelers](#))
- Tip #6 – Do not attempt to bring fruits, meats, dairy/poultry products and/or firewood into the U.S. without first checking whether they are permitted. ([Bringing Agricultural Products Into the United States](#))
- Tip #7 – International border crossers should expect a thorough inspection process, even during busy holiday periods, when entering the U.S. CBP officers are authorized to conduct enforcement examinations, ranging from checking luggage to a personal search, without a warrant
- Tip #8 – If you are a frequent cross-border traveler and haven't already become a member of a trusted traveler program, sign up now. ([Trusted Traveler Programs](#))

U.S. Customs and Border Protection is the unified border agency within the Department of Homeland Security charged with the management, control and protection of our nation's borders at and between the official ports of entry. CBP is charged with keeping terrorists and terrorist weapons out of the country while enforcing hundreds of U.S. laws.

Canada Institute Woodrow Wilson International Center for Scholars

Welcome to the May 26 edition of "Canada Institute News." Our biweekly brief e-mail messages will keep you informed not only about what is happening at the Canada Institute but also in the Canada-U.S. relationship. Thank you for your continued interest and support--please feel free to pass this along to those who might be interested in the programs.

UPCOMING EVENTS

"Securing North America: A Discussion of Canada's First Defense Strategy"

Friday, June 3, 2011, 10:00 am - 11:00 am

Commander of Canada Command, [Lieutenant-General Walter \(Walt\) Semianiw](#) will discuss the progress and challenges of implementing the "Canada First Defense Strategy"-a detailed policy document outlining Canada's plan to modernize its Armed Forces and vision to protect North America. This event is off the record and closed to the media. [RSVP](#) and [read more information](#).

"Whose Logo? Sustainable Consumption and Production in North America"

Thursday, June 23, 2011, 9:30 am - 11:00 am

Stefanie Bowles, 2009-2010 Fulbright Scholar and senior policy researcher with [Policy Horizons Canada](#), will discuss her new research on the drivers of, and current and emerging issues related to "green" products governance in Canada and the United States. The discussion will ask what, if anything, do "green" products mean for Canadian and American trade, environmental, and economic decision-making? [Read event details](#) and [RSVP](#).

RECENT EVENTS

"Cross-Border Extremist Crime Networks: Fact or Fiction?"

(May 11, 2011)

The Canada Institute hosted a meeting with the [National Consortium for the Study of Terrorism and Responses to Terrorism \(START\)](#) that explored new research aimed at tracking the movement and behavior of crime and terrorist networks in Canada and the United States, and the interplay with the border. [Read the event summary](#) and other event materials.

NEWS

Huffington Post launches Canadian Edition

After announcing plans to expand to Canada in April, Ariana Huffington launched the [HuffPo Canada site today](#), with plans to introduce a UK edition this summer. Read [initial reactions](#) in the [national](#) Canadian [media](#) and on [Twitter](#), and [this cartoon](#).

Embassy: Canada's Foreign Policy Newsweekly - <http://www.embassymag.ca/>

- C. Editorials/Columns

- D. Citizens Views (write-in letters)