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Senate Homeland Security Subcommittee on the Efficiency and Effectiveness of Federal Programs and the Federal Workforce

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Thank you Senator Tester and Congressman Daines for inviting me to be a part of this hearing today representing business. I am honored. As the testimony we give today is related to protecting our northern border, a safe border is key to developing economy through trade, tourism and business.

I. Commerce (trade/exports) –

exports bring new money to Montana!

Canada & U.S. – enjoy one of the most prosperous relationships in the world with a huge volume of bilateral trade taking place each year.

- Billions of dollars are traded each year.
- Thousands of travelers cross the border a day.

Montana and Canada have a profitable trade relationship.

- Canada is Montana's most important export destination; purchasing more from Montana than all other countries.
- Top exports include: paper board, autos, electric, generators, crude petroleum, plywood.

Challenges: 60% of this trade moved by trucks.

- This leads to road infrastructure needs and improvements.
- Inconsistent hours at the Wild Horse Port leads to truckers not using Wild Horse.
- Permitting forms have gone from 4 to 14. 72 hours port notification must be gotten and when the broker process breaks down this means delays.
- Delays affect and limit commerce driving cost of goods higher.
- "When a door is not open it is hard to do business."

Alberta & Saskatchewan are growing economies and we are perfectly positioned to benefit. Any barriers on imports and exports between Canada and U.S. need to be removed. Efficiency at the ports will only help to increase trade.

II. Tourism

Montana – In 2012 non-residents – visitors – spent \$3.2 billion. Top categories: retail, hotel, restaurants, gas and groceries is a growing category.

Havre area 2001/2002 – (ITTR) Institute for Recreation Research

- A sample survey of non-residents(4,500). Results showed tourism was a \$12 million economy for Hill County.
- A similar sample survey was done in 2010 resulting in information that tourism had grown to a \$20 plus industry for Hill County. Top categories mirrored Montana's: retail, hotel, gas and restaurant – grocery sales is a growing area.

To drill down further - MTOT/ITTR reported that Canadians in 2011 spent an estimated \$210 million in Montana.

- 28% of the nights were spent in Central Montana.
- 65% of visitors came from Alberta.

Knowing this, the Havre Chamber's Tourism Committee and TBID developed an aggressive marketing plan focused to Alberta year round with some marketing into southern Saskatchewan.

The marketing plan included:

- Partnerships with MTOT – Central Montana Tourism
- Print media ad along with web based media – website and social media placements on Face Book.
- Special inserts to Medicine Hat newspaper done quarterly by Havre Daily News

As mentioned retail being one of the larger categories for expenditures – our local businesses have benefited greatly from the favorable exchange rate for Canadians!

Some businesses reported in two Chamber survey – their business is 25%, 30% to 50% Canadian sales.

Challenges/Opportunities

- Consistent hours at the border with them being extended year around. Inconsistency has the ability to affect business.
- Completing the transaction – cash, debit cards. Soon we will match with the Euro Chip making international shopping easier. The Chamber facilitated workshops to inform and educate businesses (Canada Certified). Canadians use debit cards.

Canadian visitors are important to the health and vibrancy of the area's retail economy whether they come from Medicine Hat, Lethbridge or town in Saskatchewan and whether they come to shop, stay or play in Havre. They bring a high household income of more than \$91,000 per year. And, a keen desire to spend.

All of this cross border commerce (trade/exports, tourism & retail) is simply too great to ignore.

III. Education

This area is also affected when consistent hours are not in place at the Wild Horse border crossing.

Northern has the potential to recruit students to MSU-Northern but when students can't return home after class.... the decision not attend Northern comes into play.