

McKenna Long
& Aldridge LLP
Attorneys at Law

Albany
Atlanta
Denver
Los Angeles
New York

1900 K Street, NW • Washington, DC 20006
Tel: 202.496.7500 • Fax: 202.496.7756
www.mckennalong.com

Philadelphia
San Diego
San Francisco
Washington, DC
Brussels

MARYSCOTT GREENWOOD
(202) 496-7157

EMAIL ADDRESS
sgreenwood@mckennalong.com

July 9, 2007

Ms. Diane Gray
Deputy Minister of Federal-Provincial & International Relations and Trade
Government of Manitoba
Room 343-450 Broadway Legislative Building
Winnipeg, MB R3C 0V8
Canada

Mr. Mario Lavoie
Conseiller Special – Cabinet due premier minister
Government of Quebec
Edifice Honore-Mercier, 3 e'tage 835
Boulevard Rene-Levesque Est
Quebec, G1A 1B4
Canada

Mr. Gerald Butts
Deputy Principal Secretary
Government of Ontario
Office of the Premier
Legislative Building, Room 281
Queens Park
Toronto, ON M7A 1A1
Canada

Re: U.S. Government Relations Representation on the Western Hemisphere Travel
Initiative Renewal

Dear Diane and Gentlemen:

On behalf of Ambassador Gordon Giffin and McKenna Long & Aldridge LLP ("Firm"), I want to express my sincere appreciation that the Governments of Manitoba, Quebec and Ontario ("Provinces") have decided to continue to retain our Firm to provide U.S. government relations services in Washington, D.C. to work on the Western Hemisphere Travel Initiative ("WHTI"). A great deal has been accomplished since we first embarked on this project in September of 2006

2007 NOV 20 AM 10:22
COMMUNICATIONS UNIT

and we appreciate the opportunity to continue working on behalf of the Provinces as the policy continues to evolve.

Since your Governments retained the services of our Firm, progress has been made in raising awareness in the U.S. of Canadian concerns about the new secure document requirements. Actions have included: successfully having the National Governors Association (NGA) adopt a policy position on WHTI which mirrors the objectives identified by the Premiers. In addition, the Governors tasked their Homeland Security Committee to assess the impact that WHTI would have from a security point of view. These results may be announced at the NGA summer meeting currently scheduled for July 21-23, 2007 in Traverse City, MI.

We have also been working with friendly private sector industry groups to help add cosponsors to HR 1061, Protecting American Commerce and Travel Act of 2007: A bill to implement the Western Hemisphere Travel Initiative and other registered traveler programs of the Department of Homeland Security. This bill was introduced on February 14, 2007 and has many cosponsors including significantly several who live a fair distance away from the Canada/US border. Additional progress has recently been made in the Senate Appropriations process to require implementation of the WHTI to occur not earlier than June 2009 or when certain benchmarks are met - whichever is *later*. This is progress.

We have been monitoring and participating in the RealID policy debate to determine if it is useful to merge the RealID with a WHTI passcard in certain jurisdictions. The issue is coming down to timing and funding - to see who will bear the costs of implementing the upgraded (and potentially WHTI compliant) secure drivers licenses. This debate is active and ongoing and one in which the Provinces should actively promote their points of view.

In conjunction with the efforts above, we have built support within American groups including the U.S. Chamber of Commerce, Americans for Better Borders Coalition, U.S. Trucking Association, U.S. Travel Industry Association, Business Travel Roundtable and the President's Export Council, among others, on the WHTI issue. The purpose of the outreach to allies is to continue to build an American constituency for the policy changes that the Provinces seek.

In order to ensure a unified message and coordinated effort on the WHTI, we are in communication with the Canadian Embassy in Washington, and the Prime Minister's Office in Ottawa. We continue to encourage the Government of Canada to advocate a clear policy direction on WHTI, consistent with Provincial goals.

Finally, we participate in meetings and conferences in Washington related to the WHTI to gather information and advance the Provinces' agenda, including meetings hosted by the Center for Strategic and International Studies, the Heritage Foundation, and the Canadian American Business Council. We also meet with Bush Administration officials and Congressional staff to inform and advance provincial strategy on WHTI. Based on our daily

work on the file, we provide the Provinces with on-going counsel and strategic advice about how to pursue the Provincial agenda in the U.S.

However, a great deal of work still lies ahead. We see the challenge as three fold: first, to enshrine the delay from Congress in the implementation deadline into law; second, regardless of delay, to ensure that the regulations are drafted and implemented in a way that does not impede legitimate travel and commerce across the US/Canada border (including assisting you in responding to the Notice of Proposed Rule Making that was announced last week); third, to monitor the actual impact of the regulations once implemented in order to propose any needed revisions in the execution of the program going forward.

Ambassador Giffin and I will continue to have primary responsibility for our conduct of this relationship. We will involve a variety of our professionals, including Alex Albert, Marcia Hale, Ted Van Der Meid and others as necessary to ensure that the Provinces' strategy is developed and implemented in order to achieve your goals with respect to the WHTI.

The length of the continued engagement is seven months (June 2007 - December 2007) and will be reviewed and extended as appropriate after this period to discuss the need for continued services. Our fee for services in this seven months will be \$25,000 US per month, plus actual expenses incurred in connection with the work. We understand that the budget for this project will be shared among the Provinces according to a formula you have worked out among yourselves. We will bill the Provinces on a monthly basis for services performed and costs incurred. Payment is due not later than 30 days following the invoice date.

We will continue to develop and implement the strategy discussed with you, including arranging for and participating in meetings, producing materials, monitoring developments related to the file, providing you with regular updates, and basically performing whatever duties are required to achieve the defined goals.

It is understood that the services performed by McKenna Long & Aldridge LLP for the Provinces pursuant to this engagement letter will not be considered, for conflict of interest purposes, services on behalf of any departments or agencies of the Provinces for whom no work has been performed.

Once again, we are extremely pleased to continue to undertake this responsibility with you and look forward to advancing the Provinces' interests on the Western Hemisphere Travel Initiative here in the United States. Ambassador Giffin and I are available to talk with you about the engagement at your convenience.

Very truly yours,



Maryscott Greenwood
Managing Director

Signed and Agreed:

Province of Manitoba

Date

Signed and Agreed:

Province of Quebec

Date

Signed and Agreed:

Province of Ontario

Date