

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation respecting
its participation at the 4th Annual Conference of the
Southeastern United States - Canadian Provinces (SEUS-
CP) Alliance
Canada-United States Inter-Parliamentary Group
Fredericton, New Brunswick, Canada
June 12-14, 2011**

Report

DELEGATION MEMBER AND STAFF

From June 12-14, 2011, the Honourable Wilfred P. Moore, Q.C., Senator from Nova Scotia, represented the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) at the fourth annual meeting of the Southeastern United States-Canadian Provinces (SEUS-CP) Alliance in Fredericton, New Brunswick. He was accompanied by Ms. June Dewetering, Senior Advisor to the Canadian Section.

THE EVENT

The Southeastern United States-Canadian Provinces Alliance is a trade- and investment-focused partnership among six southeastern US states – Alabama, Georgia, Mississippi, North Carolina, South Carolina and Tennessee – and seven Canadian provinces – Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Prince Edward Island. The group was established in 2007 to serve as a forum through which common interest in enhancing economic ties between the two regions could be advanced.

The theme for the 2011 conference, which was hosted by Premier David Alward of New Brunswick, was “Innovate – Connect – Compete.” Governor Nathan Deal (Georgia) attended the conference, as did Premiers Jean Charest (Quebec), Darrell Dexter (Nova Scotia) and Robert Ghiz (Prince Edward Island).

Alabama, Mississippi, North Carolina, South Carolina and Tennessee were represented by Seth Hammett, Secretary of Commerce, Whit Hughes, Deputy Director of the Mississippi Development Authority, Dana Hicks, Canada’s Honorary Consul, David Wilkins, former US Ambassador to Canada and Claude Ramsay, Deputy Governor, respectively.

Manitoba, Newfoundland and Labrador, and Ontario were represented by Peter Bjornson, Minister of Entrepreneurship, Training and Trade, Susan Sullivan, Minister of Innovation, Trade and Rural Development, and Monte Kwinter, Parliamentary Assistant to the Minister of Economic Development and Trade (Investment Attraction and Trade), respectively.

The SEUS-CP Alliance will hold its fifth annual conference in Myrtle Beach, South Carolina in May 2012.

DELEGATION OBJECTIVES FOR THE EVENT

This conference marked the second occasion on which members of the Canadian Section of the IPG have attended a meeting of the SEUS-CP Alliance. In some sense, the Alliance is the eastern counterpart to the Pacific NorthWest Economic Region – PNWER – that involves representatives of the public and private sectors but that typically does not include participation by US governors or Canadian premiers.

The Canadian Section continues to note the practical nature of the Alliance's conference and the attendance of a number of US governors and Canadian premiers, which – from one perspective – indicates the stature of the SEUS-CP Alliance and its accomplishments.

The Canadian Section intends to attend future annual meetings of the SEUS-CP Alliance and to continue its work in advocating Canadian interests, particularly with US governors and business interests.

ACTIVITIES DURING THE EVENT

The 2011 SEUS-CP Alliance conference was comprised of business-to-business matchmaking meetings and the following plenary sessions:

- Opening Comments by the Heads of Delegations
- Town Hall Session
- Executive Discussion on Innovation, Sustainability and Prosperity
- Discussion on Innovation 2.0 – Defining the Next Version of Innovation
- Keynote Presentation – So you really want to be successful?
- Discussion on Innovation 2.0 in Action – Best-in-Class Innovators.

This report summarizes the presentations that were made at the sessions.

OPENING COMMENTS BY THE HEADS OF DELEGATIONS

David Alward, *Premier of New Brunswick*

- New Brunswick has many opportunities in terms of trade, innovation, green energy, etc.
- in order to have economic growth, it is important to connect markets and partners around the globe
- as soon as an organization is innovative, another organization is working hard to make that innovator obsolete
- international investors are investing in New Brunswick, where “the competitive spirit is alive and well”
- although everyone is focused on fiscal challenges at this time, it is important to take advantage of opportunities

Haley Barbour, *Governor of Mississippi*

- the SEUS-CP Alliance is a great partnership that builds on long-standing ties as well as shared interests and opportunities
- US states and Canadian provinces in the SEUS-CP Alliance have opportunities for new trade, investment, research and development, job creation, etc.
- Canada is Mississippi's primary foreign export market

Nathan Deal, *Governor of Georgia*

- the 2011 meeting of the SEUS-CP Alliance is the continuation of a great tradition that started in 2007 and was continued in 2008 when Savannah, Georgia hosted the annual conference
- in 2010, the 13 SEUS-CP Alliance partners had bilateral trade valued at \$42 billion
- like Mississippi, Canada is Georgia's primary foreign export market
- at present, there are 260 Canadian facilities operating in Georgia, and more than 80 Georgian companies have operations in Canada

Jean Charest, *Premier of Quebec*

- the SEUS-CP Alliance is characterized by friends, allies and neighbours that are important trading partners and that too often take each other for granted
- it is in the joint interest of SEUS-CP Alliance members to work together for common benefit

David Wilkins, *Former US Ambassador to Canada*

- each year, 500,000 Canadians enjoy holidays in South Carolina, and – in March each year – Can/Am days are celebrated
- on an average day, trade between Canada and South Carolina is valued at \$14 million
- relationships matter, and US states and Canadian provinces should work together in order to accomplish great goals

Darrell Dexter, *Premier of Nova Scotia*

- Nova Scotia places great value on relationships, including those it shares with other Canadian provinces and US states
- each year, Nova Scotia exports more than \$550 million in goods to the southeastern United States
- renewable energy is important in Atlantic Canada, including the hydroelectricity associated with the Lower Churchill River that has enormous export potential

Dana Hicks, *Canada's Honorary Consul in North Carolina*

- the United States and Canada share a history, a language and a geographic space

- North Carolina has a presence in Toronto, Ontario, and more than 115 Canadian companies operate in the state
- Canada is North Carolina's primary foreign export market
- North Carolina has helped lead the way out of the recession in the United States
- strong exports may be the fastest way out of a recession
- it is important to make strategic alliances and partnerships
- the world is constantly changing: politically, economically, climatically, etc.
- as recovery from the most recent global recession continues, an important question is: is this the Great Recession, or is this the recession that will make us great?

Robert Ghiz, *Premier of Prince Edward Island*

- there are great opportunities for US states and Canadian provinces, including those in the SEUS-CP Alliance, to learn from each other and grow together
- Prince Edward Island is known for fish, seafood, potatoes, aerospace, biosciences, information technology, renewable energy, beaches, golf courses and Anne of Green Gables, among other attractions

Claude Ramsey, *Deputy Governor of Tennessee*

- the southeastern United States and Canada share a special relationship
- Canada is Tennessee's primary foreign export market
- 84 Canadian companies operate in Tennessee
- US states and Canadian provinces need to think strategically; job creation is not limited by international or state/provincial borders
- economic development is a "relationship business"

Peter Bjornsen, *Minister of Entrepreneurship, Training and Trade of Manitoba*

- the theme of the 2011 SEUS-CP Alliance conference is particularly timely for Manitoba, which – in 2009 – established an Innovation Council and a five-year, \$30 million program to support business innovation
- the National Export Initiative announced by President Obama in the 2010 State of the Nation address will be beneficial for Canada
- according to the most recent data, Canada is the primary foreign trading partner for 34 US states, including five of the six SEUS states
- Canadian provinces and US states want to create the conditions that lead to more jobs

Seth Hammett, *Secretary of Commerce of Alabama*

- Canada has economic, social and political ties in Alabama
- Canadian companies are making investments in Alabama
- a stranger is a friend who you have not yet met

Susan Sullivan, *Minister of Innovation, Trade and Rural Development of Newfoundland and Labrador*

- Newfoundland and Labrador is a successful competitor in the global marketplace
- the hydroelectricity associated with the Lower Churchill River is clean, reliable and green

Whit Hughes, *Deputy Director of the Mississippi Development Authority*

- US states and Canadian provinces in the SEUS-CP Alliance have shared interests and shared opportunities
- the theme for the SEUS-CP Alliance conference this year – Innovate, Connect, Compete – is very important
- states and provinces should work individually and collectively to unleash individual and collective potential
- as noted by Governor Barbour, Canada is Mississippi's primary foreign export market

Monte Kwinter, *Parliamentary Assistant to the Minister of Economic Development and Trade (Investment Attraction and Trade) of Ontario*

- partnerships are critical for success in a knowledge-based economy
- Canadian businesses are being affected by falling US demand, rising energy costs, a strong relative value of the Canadian dollar, etc.
- Ontario has regained every job that was lost during the recent recession
- US states and Canadian provinces need to build on their strengths
- Ontario is committed to green energy and water conservation

TOWN HALL SESSION

Robert Hatheway, founder of the Hatheway Group and Chair of the New Brunswick Innovation Foundation, moderated a question-and-answer session with the heads of delegations.

Question: Many jurisdictions have had profound economic changes. What comments do you have about these changes in your jurisdiction?

Answers:

David Alward, *Premier of New Brunswick*

- New Brunswick has experienced significant changes in its resource-based industries, including agriculture and forestry
- in New Brunswick, much work is being done to innovate and to use technology to be more competitive
- the New Brunswick Innovation Fund takes an equity position in start-up companies and helps businesses access financial capital
- New Brunswick has invested in complete broadband coverage across the province, believing it to be a necessary business tool; the province is the only North American jurisdiction that can claim such coverage

- in terms of venture capital, Nova Scotia and New Brunswick are joining to bridge the gap in order to facilitate commercialization
- it is important that academia, the private sector and governments collaborate

Dana Hicks, *Canada's Honorary Consul in North Carolina*

- North Carolina's visionary leaders have built a "new North Carolina," with leading sectors, the research triangle, etc., and the state is trying to capitalize on new opportunities
- North Carolina is working to attract new businesses to the state and to help existing businesses grow
- the coast of North Carolina has opportunities for wind power
- most importantly, North Carolina is investing in people and trying to capture the innovative minds of the future

Question: Innovative solutions for alternative energy will affect gasoline prices. What are your comments?

Answers:

Nathan Deal, *Governor of Georgia*

- the Georgia Centre of Innovation for Energy focuses on commercialization
- Georgia wants green, clean economic development
- Georgia has great biomass opportunities given its forests, cropland and other possibilities for feed stock

Jean Charest, *Premier of Quebec*

- Quebec is the fourth-largest producer of hydroelectricity in the world and has the smallest carbon footprint in Canada
- the "new economy" will be increasingly "decarbonized"
- by 2015, Quebec is expected to be the second-largest producer of wind power in North America
- Quebec is committed to being the leader of lower-carbon economies

Question: Industries are recovering from the recent recession at various rates. Which industries are recovering quickly and what is being done to assist those industries?

Answers:

Darrell Dexter, *Premier of Nova Scotia*

- the government should not pick winners and losers; instead, it should focus on the fundamentals of economic development
- Nova Scotia has a "Jobs Here" strategy that is focused on:
 - learning
 - innovation

- competitiveness
- it is not possible to implement a strategy without proper investments
- Nova Scotia's leading industries include information technology, financial services, insurance, renewable energy and aerospace
- broader and deeper markets are needed in order to grow

Seth Hammett, *Secretary of Commerce of Alabama*

- Alabama is focused on innovation, entrepreneurship and commercialization, among other priorities
- in Alabama, the automotive sector is leading the state's recovery, with Honda, Mercedes-Benz, Hyundai and Toyota operating in the state
- with fiscal constraints, it is important to learn how to do more with less

Question: Innovation, especially with respect to energy and infrastructure, can create jobs and a positive path for the future. What are some examples of this phenomenon?

Answers:

Whit Hughes, *Deputy Director of the Mississippi Development Authority*

- energy, infrastructure and connectivity are key drivers when positioning for opportunities
- the United States is focused on renewable energy
- Canada is the US' primary supplier of foreign oil
- at one point, the question may be one of energy availability rather than energy affordability
- Mississippi has a continuous-improvement mindset

Susan Sullivan, *Minister of Innovation, Trade and Rural Development of Newfoundland and Labrador*

- Newfoundland and Labrador has put innovation at the forefront of its approach to any economic or business development
- an aggressive innovation strategy was launched in Newfoundland and Labrador in 2006, with a research and development corporation, an ocean technology strategy, a genetics research facility and an energy plan
- broadband access is being expanded in Newfoundland and Labrador; at present, 80% of Newfoundland and 95% of Labrador is connected

Question: The advanced manufacturing, information and communications technology, and clean technology industrial sectors are a focus in some US states and Canadian provinces. How should government support the adoption of technology by businesses?

Answers:

Robert Ghiz, *Premier of Prince Edward Island*

- Prince Edward Island is working on transforming the province's existing industries and on attracting new industries, such as bioscience, that can collaborate with traditional industries, such as agriculture and fishing
- education is always key in terms of technology, since technology is always changing; the workforce must change its skills as technology changes
- the University of Prince Edward Island and Holland College are working with the private sector in order to ensure that training is aligned with the needs of business

Claude Ramsey, *Deputy Governor of Tennessee*

- Tennessee has abundant natural and human resources
- it is not the role of governments to create jobs; rather, governments should create the business environment that will lead to jobs

Question: A perimeter security and economic competitiveness agenda was announced by Prime Minister Harper and President Obama in February 2011. How can, and should, the SEUS-CP Alliance contribute to the dialogue on the agenda?

Answers:

David Wilkins, *Former US Ambassador to Canada*

- since the terrorist attacks on September 11, 2001, many stakeholders have become involved in the dialogue about security
- trade and security are not mutually exclusive; it is possible to have both simultaneously
- it is possible to improve the ease of trade and travel without compromising security
- contributions by the SUES-CP Alliance to the dialogue about the perimeter security and economic competitiveness agenda are valuable: when governors and premiers speak, people listen
- in order for the perimeter security and economic competitiveness agenda to be effective, the "deliverables" need to be specific and limited in number

Peter Bjornsen, *Minister of Entrepreneurship, Training and Trade of Manitoba*

- every second, \$17,000 worth of goods crosses the shared Canada-US border; the two countries must work together
- economic partners must have a shared vision
- Manitoba welcomes the removal of barriers to trade, efforts to reduce border delays and the movement of inspection away from the shared border

Question: International trade is important to US states and Canadian provinces. Do the Canadian provinces have a documented international strategy?

Answer:

Monte Kwinter, *Parliamentary Assistant to the Minister of Economic Development and Trade (Investment Attraction and Trade) of Ontario*

- Ontario's priorities include export development, international marketing and foreign direct investment
- Ontario has offices abroad, including in Germany, India, France, the United Kingdom, Japan, the United States, China, Mexico, Brazil and Chile
- the automotive, aerospace, information and communications technology, and renewable energy sectors are important to the United States and to the SEUS-CP Alliance

EXECUTIVE DISCUSSION ON INNOVATION, SUSTAINABILITY AND PROSPERITY

The business moderators of the conference – Andrea Feunekes, of Remsoft Inc., and Stephen Johnson, of SmartSynch Inc. – moderated a discussion with executives.

Question: How has J.D. Irving Limited been able to adapt to foreign competition?

Answer: Jim Irving, *J.D. Irving Limited*

- J.D. Irving Limited's focus is not just foreign competition, but also domestic competition
- there are challenges in addition to foreign competition, such as the high relative value of the Canadian dollar
- the mantra is "faster, better, cheaper," but "sustainable" must be an element as well
- although J.D. Irving Limited has always focused on adding value to products, adding value is no longer enough; people, technology and productivity are also important foci

Question: How has McCain Foods Limited been able to develop and participate in foreign markets?

Answer: Allison McCain, *McCain Foods Limited*

- McCain Foods Limited is in the export industry; the company exports from Canada and operates internationally
- McCain Food Limited's forte has always been developing new markets from the supply side and the demand side
- a key to success in foreign markets is hiring local managers
- the export business is riskier and more challenging than is the domestic market; the company needs to be clear on what it is selling and what the customer is about

Question: As a large-scale energy provider, how is Emera Newfoundland and Labrador finding new renewable resources?

Answer: Rick Janega, *Emera Newfoundland and Labrador*

- one key to Emera Newfoundland and Labrador's success is its ability to build relationships and ensure that development is not one-sided
- Emera Newfoundland and Labrador has delivered on its goal of more renewable energy and a smaller carbon footprint
- Emera Newfoundland and Labrador has invested in innovation

Question: How is Unique Solutions Design Ltd. expanding its niche products to a wider audience?

Answer: Tanya Shaw, *Unique Solutions Design Ltd.*

- Unique Solutions Design Ltd. is laser-focused on its ultimate vision
- Unique Solutions Design Ltd. looks for creative ways in which to use technology; it also looks for easy access points for service
- it is important to hire the right people and to invest in them; as well, it is important to listen to customers

Question: What steps should be taken by Bluedrop Performance Learning to advance innovation and increase productivity?

Answer: Emad Rizkalla, *Bluedrop Performance Learning*

- innovation is about creating value and increasing productivity
- the Auditor General and the media are enemies of innovation; it should be recognized that mistakes happen, and that – on occasion – it is okay to make mistakes
- large organizations need to promote some “cowboys and cowgirls”
- employee training is important

Question: With centralized decision making, how can communication with managers and workers be assured at Bell Alliant?

Answer: Karen Sheriff, *Bell Alliant*

- people cannot do 100 things well, so they need to focus on perhaps five key priorities
- it is critically important that top management take responsibility for communication and not delegate this task; as well, top management should always tell the truth

- senior leaders should be part of the communication strategy and communication should be part of their accountability; senior leaders should “sell” the company strategy
- communication should not be a one-way endeavour; instead, people should be engaged

Question: How should innovation be promoted and rewarded?

Answers:

Jim Irving, *J.D. Irving Limited*

- innovation goes from the top to the bottom
- celebrate all “wins”

Allison McCain, *McCain Foods Limited*

- in large organizations, keep pushing down; as well, invite bottom-up ideas
- people like being recognized, and not just financially

Emad Rizkalla, *Bluedrop Performance Learning*

- employees need to know that it is okay to fail every now and again

Karen Sheriff, *Bell Alliant*

- an organization should have a culture that encourages some risk-taking

Rick Janega, *Emera Newfoundland and Labrador*

- an organization should remove the fear of being wrong
- an organization should allow employees to take risks

Question: How can commercialization and manufacturing be financed in an effort to get the product to market?

Answers:

Tanya Shaw, *Unique Solutions Design Ltd.*

- an organization should have the right business model

Karen Sheriff, *Bell Alliant*

- organizations should focus on fewer ideas and work to ensure that more of them succeed

DISCUSSION ON INNOVATION 2.0 – DEFINING THE NEXT VERSION OF INNOVATION

Christian Couturier, *National Research Council Institute for Information Technology*

- innovation is the price that must be paid for full participation in the knowledge economy
- innovation should be used to address global challenges
- it is important to bring research to business and individual users, and to bring timely solutions to the market
- business investment in research and development is declining or, at best, stable; there is a need to invest in research and development
- public funding in research and development is haphazard and curiosity-driven
- 2% of the investments made in academic research and development makes it to the market; actions need to be more deliberate
- research should be managed as a project, with clear goals, designated time lines, clear performance metrics, etc.

Leslie Boney, *University of North Carolina*

- a key question is how jobs might be sustained; training is important in this regard, since existing employees need different skills and must work in a different way in light of changing technology
- although a great deal can be discovered with research, much research goes nowhere
- since product cycles are becoming shorter, businesses need to be relentless innovators
- Innovation 2.0 has three elements:
 - need to “coopetate,” or cooperate/compete – governments should either support innovation or “get out of the way”
 - need to involve universities – universities should align with businesses so that they know what to do with what they discover
 - need to collaborate
- relentless innovation is difficult, but it must be done in order to avoid being poor

Anthony Williams, *Researcher and Consultant*

- there are “pockets” of innovation globally in all sectors
- with the advent of the worldwide web, everyone can participate, communicate and collaborate, and transaction costs are lower than they were
- increasing proportions of the world are connected and educated; the pool of talent is growing
- there are three key principles:
 - collaboration
 - openness

- sharing

Louis Zacharilla, *Intelligent Community Forum*

- innovation is “economic oxygen”
- technology should be used to connect to the global economy
- society needs to be increasingly creative
- ideas are power

Patrick Horgan, *IBM Canada*

- innovation leads to prosperity
- innovation comes together best in a community; thus, people should work together and collaborate
- collaboration can build better communities
- in 2010, more people lived in cities than anywhere else, and every city has aging infrastructure
- data can be used to predict outcomes and deploy resources
- innovation must be an ongoing process

KEYNOTE PRESENTATION – SO YOU REALLY WANT TO BE SUCCESSFUL?

Gerald Pond, *Mariner Partner Inc.*

- because talent is important for success, educational institutions are important, as are “smart infrastructure,” patient angel investors, accelerators/incubators and tax incentives that comply with the *North American Free Trade Agreement*
- businesses should have an export mindset, which requires an understanding of the countries to which goods are exported; in terms of the United States, the country is geographically close and friendly, and is a large market
- keys considerations are:
 - understand markets early
 - listen to customers
 - use financial capital judiciously
 - have work teams come together
 - build a critical mass of people and experience

Chris Ramsey, *Radian6*

- there were several key milestones that compelled Radian6 to the next level:
 - the first customer
 - capturing the Fortune 100
 - global leadership
- engage the customer and develop the market really early; understand the customer, undertake in-depth market analysis and determine the company’s value proposition

- it can be hard to recover from an early mistake, so it is important to identify the right customers and to get them to the point where they say: “if you had this product today, I would buy it”
- in terms of early customers, do not be overly tempted by “low-hanging fruit,” since “big” first customers may facilitate access to venture capital financing
- a business should engage the market as early as possible, possibly before it has a product
- critical success factors include market timing, protection of reputation and word-of-mouth advertising
- a business’ key competitive advantage must be sustainable
- research and development should be customer-centric
- for success, a business should solve a very real business problem and should become the de facto standard
- a business should build its brand and its reputation globally
- the mantra is “innovate, innovate, innovate and never stand still”

DISCUSSION ON INNOVATION 2.0 IN ACTION – BEST-IN-CLASS INNOVATORS

Alan Curleigh, *Pyrogenesis Canada Inc.*

- innovation involves new methods and ideas as well as changes
- a business should use innovation to be a differentiator
- it is important to be innovative in international markets
- a business must innovate constantly in order to be competitive
- if a business has to operate “outside the box” in order to succeed, then there is something wrong with the box

Dean Smith, *Intelivote Systems Inc.*

- voting with paper ballots is a method that is two centuries old
- technology can be cost-effective
- electronic voting is about 50% less costly than traditional voting with paper ballots

Thomas Ballard, *Oak Ridge National Laboratory*

- innovation begins with people who are willing to take a risk
- a business’ management team should have a philosophy of simultaneous excellence in:
 - science and technology
 - operations
 - community service
- a business should be an engine of innovation and should innovate in innovative ways

Stephen Johnston, *SmartSynch Inc.*

- when a business starts to take funds from other people, those investors want their original investment plus a return on that investment

Greg Jones, *Nalcor Energy*

- at times, a game changer is needed to bring something to scale

John Rowe, *Island Abbey Foods Ltd.*

- innovation is about a “eureka” moment; it is also about constant discovery
- a business’ employees are a key ingredient for success
- the mantra of “innovate, collaborate or die” is especially true for small businesses
- businesses should protect their intellectual property
- businesses should focus on a limited number of projects

Respectfully submitted,

Hon. Janis G. Johnson, Senator
Co-Chair
Canada-United States
Inter-Parliamentary Group

Gord Brown, M.P.
Co-Chair
Canada-United States
Inter-Parliamentary Group

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Southeastern United States-Canadian Provinces (SEUS-CP) Alliance
DESTINATION	Fredericton, New Brunswick, Canada
DATES	June 12-14, 2011
DELEGATION	
SENATE	Hon. Wilfred P. Moore, Q.C., Senator
STAFF	June Dewetering, Senior Advisor
TRANSPORTATION	\$1,440.29
ACCOMMODATION	\$676.00
HOSPITALITY	\$Ø
PER DIEMS	\$213.60
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$1,073.50
TOTAL	\$3,403.39