

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 3<sup>rd</sup> Annual Conference of  
the Southeastern United States - Canadian Provinces  
Alliance (SEUS-CP)**

**Canada-United States Inter-Parliamentary Group**

**Biloxi, Mississippi, United States of America  
April 11-13, 2010**

# Report

## **DELEGATION MEMEBERS AND STAFF**

From April 11-13, 2010, Mr. Gord Brown, M.P., Co-Chair of the Canada-United States Inter-Parliamentary Group (IPG), led a delegation to the Third Annual Conference of the Southeastern United States-Canadian Provinces (SEUS-CP) Alliance in Biloxi, Mississippi. Other members of the delegation included the Honourable Wayne Easter, P.C., M.P., Vice-Chair and the Honourable Richard Neufeld, Senator. The delegation was accompanied by Jim Latimer, Acting Executive Secretary, and June Dewetering, Advisor to the IPG.

## **THE EVENT**

The SEUS-CP 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 group will hold its fourth annual conference in New Brunswick in June 2011.

Governors Haley Barbour (Mississippi), Sonny Perdue (Georgia), Mark Sanford (South Carolina) and Phil Bredesen (Tennessee) attended the Alliance's third annual conference, as did Premiers Danny Williams (Newfoundland and Labrador), Robert Ghiz (Prince Edward Island) and Jean Charest (Quebec). Alabama and North Carolina were represented by Secretary of Commerce Neal Wade and Lieutenant Governor Walter Dalton respectively, while Manitoba, New Brunswick and Nova Scotia were represented by Ministers Peter Bjornson, Victor Boudreau and Percy Paris respectively.

## **DELEGATION OBJECTIVES FOR THE EVENT**

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

Members of the Canadian Section of the IPG regularly attend PNWER meetings, and delegates were interested in comparing PNWER and the SEUS-CP Alliance, and in taking advantage of the opportunity to speak with governors, premiers, and representatives of the public and private sectors about issues that are important to Canada and/or to the Canada-US relationship.

Delegates noted 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. At the conference, delegates were able to speak with the governors and premiers, as well as with American and Canadian business interests, about the IPG and federal actions that

are being and might be, taken to support the bilateral relationship. Among the specific business sectors examined (indicated below), advanced manufacturing and energy are particularly important in light of the integrated nature of the Canadian and US economies, and Canada's role as a stable and secure supplier of energy to the US.

On balance, the delegates found the event to be useful, particularly in terms of the ability to speak with governors and premiers as well as to inform Americans about Canadian priorities. Feeling that delegates were able to achieve their objectives for the event, the IPG intends to participate at future annual meetings of the SEUS-CP Alliance and to continue its work in advocating Canadian interests, particularly with governors and US business interests.

### **ACTIVITIES DURING THE EVENT**

At the conference, a townhall meeting moderated by Shepard Smith, Fox News Anchor, was held with governors and premiers, or their designated officials. As well, concurrent workshops were held on three business sectors:

- advanced manufacturing
- geospatial technologies
- energy.

In respect of each of these business sectors, three perspectives were examined:

- trade
- research and development
- investment.

Consequently, during the conference, a total of nine workshops were held in addition to more than 300 business-to-business meetings and four concurrent technical tours:

- Keesler Air Force Base Cyber Security Center
- Trinity Yachts
- Northrop Grumman Unmanned Systems Center
- Marine Mammal Institute/Katrina Recovery.

This report summarizes the discussions that were held at the townhall meeting and selected concurrent workshops.

### **TOWN HALL SESSION**

Fox News Anchor Shepard Smith moderated a discussion with Governors Haley Barbour, Sonny Perdue, Mark Sanford and Phil Bredesen, Secretary of Commerce Neal Wade, Lieutenant Governor Walter Dalton, Premiers Danny Williams, Robert Ghiz and

Jean Charest, and Ministers Peter Bjojnson, Victor Boudreau and Percy Paris. Mr. Smith posed questions to each of the participants.

**Question for Governor Barbour:** What are the guiding principles for governments during a recession?

**Answer:** Governments should be sure not to spend money that they do not have and they should be sure not to spend all of the money that they do have. The US states have had a huge infusion of federal funds. State government revenues typically trail the economic recovery by 12-18 months.

**Question for Premier Williams:** What is the role of North American governments in facilitating clean energy resources?

**Answer:** Governments have a significant role to play in facilitating clean energy resources and the transition from traditional to renewable energy sources. As well, governments have a role to play in ensuring the existence of the infrastructure that is needed for all regions to access energy. In Canada, some of the federal stimulus “shovel-ready” funds should have been allocated to green projects; since they were not, an opportunity has been lost.

**Question for Premier Ghiz:** In light of the globalized world, what factors make a region stand out as the number one place in which to do business?

**Answer:** The “new economy” presents huge opportunities and, with technology, geographic location is relatively less important since business can be conducted from anywhere in the world. In order to attract businesses, it is critically important to have a well-educated, skilled workforce and to have a competitive tax structure. Provinces and states should establish the right environment, and then “get out of the way” so that businesses can “do their thing.”

**Question for Governor Perdue:** What are the two most important components of international economic development?

**Answer:** The role of government is to facilitate business-to-business opportunities. With Canada serving as the primary foreign export market for a number of southeastern states, a focus should be the establishment of synergies, with the strengths of the provinces combined with the strengths of the states. Recognizing that the current economic downturn will pass, it is important to take a long-term view, and to establish person-to-person and leader-to-leader relationships.

**Question for Premier Charest:** What trade, investment and scientific exchange opportunities are likely to arise as a consequences of the SEUS-CP Alliance?

**Answer:** Canadians pay attention to what happens in the United States, which is particularly important in light of global supply chains and integrated industries; Canada is a trade-dependent nation. Increasingly, states and provinces will be called upon to act, and governors and premiers will play a larger role in the future than they have in the past. The core of the Canada-US relationship is energy. Finally, there is a question looming on the horizon: with the US deciding to spur economic growth and job creation through exports, where does that leave Canada?

**Question for Governor Bredeesen:** In light of the historic nature of the relationship that is shared between the US and Canada, how can the relationship remain relevant?

**Answer:** Like any relationship, the two countries must continue to “work at it.” The two countries need a long-standing commitment to doing things together in good years and in bad years. That being said, it should be recognized that the bilateral relationship is asymmetric because of the relative size of the nations. Finally, it is important to take the time to go to Canada and to educate American businesspeople about the nature and extent of the bilateral trade relationship.

**Question for Minister Bjornson:** What are the opportunities for the SEUS-CP Alliance to expand trade and investment?

**Answer:** In order to expand the nature and scope of bilateral trade and investment, the current bilateral relationship must be understood clearly. The global economic recession has affected integrated industries and supply chains, and protectionist measures must be avoided. The SEUS-CP Alliance is an institutionalized method of cooperation, and the provinces and states should create a business-friendly environment where businesses can flourish.

**Question for Governor Sanford:** How do you create an opportunity where the economy and the environment are not in conflict?

**Answer:** Some hypothesis that the environment and the economy are in conflict should be rejected. Locations that offer a high quality of life attract people, and environmental sensitivity attracts people.

**Question for Minister Boudreau:** What is New Brunswick’s contribution to the energy that Canada exports to the United States?

**Answer:** New Brunswick is the only Atlantic Canadian province that shares a border with the US; consequently, New Brunswick and the US northeast are involved in a number of projects. New Brunswick’s diversified energy sources include wind, hydroelectricity, and oil and gas; tidal and biomass energy are being explored.

**Question for Lieutenant-Governor Dalton:** How can the SEUS-CP Alliance support the strength of the manufacturing sector as a means of maintaining jobs?

**Answer:** The roots of the knowledge-based economy are in manufacturing. Manufacturing will continue to be important, but the focus will be advanced manufacturing – which leads to a need for more highly skilled employees – rather than traditional manufacturing. In this regard, innovation, advanced manufacturing and technology, and a highly qualified workforce are important.

**Question for Minister Paris:** What efforts are needed in order to ensure green jobs and a green economy?

**Answer:** It is crucial to be inclusive and to not act in isolation. Stakeholders must keep each other informed and focus on the “larger picture.”

**Question for Secretary of Commerce Wade:** How is a focus on the environment and a reduced carbon footprint leading to job creation?

**Answer:** Research and development provides new approaches to renewable energy. Job creation must be an ongoing focus.

## **KEYNOTE LUNCHEON**

### **Michael Ducker, *FedEx Corporation***

- FedEx Corporation is very excited about the US-Canada relationship, which is mutually beneficial, and sees lots of business opportunities
- the economies of the SEUS-CP Alliance members are important to each other
- Canada is the largest energy supplier to, and trading partner with the US
- trade among the three North American Free Trade Agreement (NAFTA) countries has more than tripled since the Agreement's inception; NAFTA created the world's largest free trade area
- despite its success, NAFTA continues to be maligned, and there are efforts under way in Congress to repeal the agreement
- there are a variety of myths about NAFTA, including:
  - NAFTA has not achieved the goal of increased trilateral trade and investment
  - NAFTA has resulted in job losses
  - NAFTA harms workers by eroding labour standards and reducing wages
  - NAFTA does nothing to help the environment
- as economies in Asia and Europe continue to integrate, it is increasingly important that the three NAFTA countries continue to work together and strengthen their trade relationships
- protectionism is a step in the wrong direction; in that regard, the February 2010 agreement between Canada and the US in respect of the Buy American provisions in the US stimulus package is a step in the right direction
- Canada and the US must work together to create opportunities for both countries, and can collaborate in such areas as:
  - carbon capture and storage
  - trade
  - investment
  - the electricity grid and smart meters

- renewable energy
- aviation security
- Canada and the United States:
  - work together
  - trade together
  - invest in each other
  - create jobs together
  - promote trade liberalization together
- economic ties strengthen political partnerships

## **ADVANCED MANUFACTURING: TRADE PERSPECTIVE**

**Paul Graham, *Graham Capital Partners, LLC***

- in a globalized system, location and who you were do not matter; what matters is what you are, and what you are depends on whether you make choices for prosperity
- advanced manufacturing is associated with high levels of design or scientific skills to produce products and processes; it usually involves high value, multiple commercial applications and innovation
- it is a myth that Canada and the US can no longer compete in manufacturing
- in March 2010, the US manufacturing sector expanded at its strongest level in the last five and one-half years, with increased exports and inventory levels
- since 1947, value-added manufacturing in the US has grown seven-fold, the same rate of growth as in gross domestic product
- 57% of all US exports are manufactured goods
- 56% of all private-sector research and development is found in four sectors:
  - computers and electronics
  - chemicals
  - aerospace
  - automotive
- the United States is a preferred destination for foreign direct investment

- the global economy is expected to double over the next decade, and growth sectors are likely to include:
  - plastic electronics
  - industrial biotechnology`
  - composites
  - electronics
  - information and knowledge management
- significant growth is expected to occur in such existing sectors as:
  - energy
  - aerospace
  - automotive
- challenges to future growth are likely to include:
  - access to information
  - adaptation of new technologies
  - access to capital
  - expanded capital markets that support innovation
  - the pace of change

**Cindy McGuire, C-Vision**

- it is important to:
  - recognize a client need
  - build a cost-competitive, high-quality product
  - get the product to the client before competitors do so
- global competition has resulted in increased demand for customized, high-quality, cost-competitive products
- the model for an advanced manufacturing facility starts with a product or a product design; work then occurs with designers to ensure a simple, repeatable design that can be manufactured



- to ensure success, suppliers to an advanced manufacturer must also be advanced manufacturers and advanced thinkers
- quality and repeatability are key

**Ted Traynor, *Liburdi Turbine Services, Inc.***

- the US can benefit from advanced manufacturing through:
  - new technology
  - complementary technology
  - flexibility
  - expanded market reach
  - future expansion opportunities

**ENERGY: R & D PERSPECTIVE**

**Louis Circeo, *Georgia Institute of Technology***

- plasma arc technology is ideally suited for waste treatment since, with the application of temperatures from 4,000° Celsius to more than 7,000° Celsius, hazardous and toxic compounds are broken down into their elemental constituents
- with plasma arc technology, organic materials are gasified or melted and residual materials, such as inorganic materials and heavy metals, are immobilized in a rock-like mass that is highly resistant to leaching
- with plasma arc technology, municipal solid waste can become gravel, sand, insulation or soundproofing
- plasma arc technology:
  - accepts all solid and liquid wastes without pre-processing, including hazardous or toxic materials, medical waste, asbestos and tires
  - is a closed-loop system, with no direct gaseous emissions to the atmosphere and no landfill requirements
  - involves total waste reclamation, with the fuel value of wastes recovered and the process resulting in salable residues, such as metals and aggregates
- plasma processing has unique treatment capabilities that are unequalled by existing technologies

- with plasma arc technology, it may be more cost-effective to take municipal solid waste to a plasma facility for energy production than to dump it in a landfill
- plasma processing of municipal solid waste has the potential to supply about 5% of US electricity needs, which is equivalent to about 25 nuclear power plants
- when plasma arc technology is fully developed, it may become cost-effective to “mine” existing landfills for energy production
- plasma processing of municipal solid waste in the US could reduce the disposal problems associated with such waste, alleviate the energy crisis and reduce the need for landfills

**Wayne MacQuarrie, *PEI Energy Corporation***

- there are economic and environmental concerns in respect of many energy sources
- Prince Edward Island is Canada’s “green province” and is ideally suited to wind power although, at present, most of its energy is from imported fossil fuels
- wind farms in Prince Edward Island are helping to meet the need for electricity
- wind turbines can be situated along the coast line to take advantage of wind from water
- wind power can be competitive with conventional sources of energy, can lead to more stable electricity prices and can help to meet local energy needs
- wind farms can contribute to renewable energy exports
- wind power is intermittent and unpredictable, and the electricity generated from wind must be used immediately, since it cannot reasonably be stored

**Stephen Spivey, *Santee Cooper***

- US renewable energy resources include solar, biomass, geothermal and wind
- while, at present, most biomass is wood chips or wood waste, landfill gas is a source of biomass

**GEOSPATIAL TECHNOLOGIES: INVESTMENT PERSPECTIVE**

**Joe Davis, *Department of Homeland Security***

- geographic-information-system technology has unlimited possibilities

**Kelly Vodden, *Memorial University***

- the nature of rural-urban interactions is changing

- there is a growing emphasis on regions and regional government
- the terms “rural” and “urban” are interpreted differently by different people
- in some instances, a maze of administrative regions may be formed to meet specific administrative or service requirements, which may not be appropriate for purposes of economic development planning
- using geographic information systems, linkages among communities can be identified and mapped
- as transportation costs rise, the effective size of the local labour market is reduced
- tools to help rural development planners are needed

**David Holdstock, *Geographic Technologies Group***

- everyone wants the same things: accountability and measurable results
- the benefits of geographic information systems include:
  - increased efficiency
  - increased productivity
  - reduced costs
  - higher-quality decisions
  - increased data accuracy
  - improved information processes
  - compliance with government mandates
  - reduced mortality
  - improved communication, coordination and collaboration`
  - improved automation and workflow
  - more effective management of assets and resources

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

<b>ASSOCIATION</b>	Canada-United States Inter-Parliamentary Group
<b>ACTIVITY</b>	Southeastern United States-Canadian Provinces (SEUS-CP) Conference 2010: Shared Interests, Shared Opportunities
<b>DESTINATION</b>	Biloxi, Mississippi, United States of America
<b>DATES</b>	April 11-13, 2010
<b>DELEGATION</b>	
SENATE	Hon. Richard Neufeld, Senator
HOUSE OF COMMONS	Mr. Gord Brown, M.P., Co-Chair Hon. Wayne Easter, P.C., M.P., Vice- Chair
STAFF	Jim Latimer, Acting Executive Secretary June Dewetering, Advisor
<b>TRANSPORTATION</b>	<b>\$6,009.47</b>
<b>ACCOMMODATION</b>	<b>\$1,777.41</b>
<b>HOSPITALITY</b>	<b>\$Ø</b>
<b>PER DIEMS</b>	<b>\$865.18</b>
<b>OFFICIAL GIFTS</b>	<b>\$Ø</b>
<b>MISCELLANEOUS/REGISTRATION FEES</b>	<b>\$3,477.52</b>
<b>TOTAL</b>	<b>\$12,129.58</b>