

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
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Section canadienne

**Report of the Canadian Parliamentary Delegation
respecting its participation at the 7th Annual Conference of
the Southeastern United States-Canadian Provinces
(SEUS-CP) Alliance**

Canada-United States Inter-Parliamentary Group

**Raleigh, North Carolina, United States of America
May 4–6, 2014**

Report

DELEGATION MEMBERS AND STAFF

From 4–6 May 2014, Mr. Peter Stoffer, M.P., Vice-Chair of the Canada-United States Inter-Parliamentary Group (IPG), led a delegation from the IPG's Canadian Section to the seventh annual meeting of the Southeastern United States-Canadian Provinces (SEUS-CP) Alliance in Raleigh, North Carolina. The other members of the delegation were Senator Terry Mercer and Mr. Larry Miller, M.P. The delegation was accompanied by Ms. June Dewetering, the Canadian Section's Senior Advisor.

THE EVENT

The SEUS-CP Alliance is a trade- and investment-focused partnership among six southeastern U.S. states – Alabama, Georgia, Mississippi, North Carolina, South Carolina and Tennessee – and seven Canadian provinces – Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Quebec. The group was established in 2007 to serve as a forum through which common interests in enhancing economic ties between the two regions could be advanced. The delegations are often led by state governors and provincial premiers, and include business and industry leaders.

The eighth annual meeting will be held from 28–30 June 2015 in Prince Edward Island, Canada.

DELEGATION OBJECTIVES FOR THE EVENT

Canada and the six states in the SEUS-CP Alliance share a mutually beneficial relationship. More than 8 million U.S. jobs depend on Canada–U.S. trade, and it is estimated that more than 1.06 million of these jobs are in the six SEUS-CP Alliance states. Canada is the largest trading partner for most of the SEUS-CP Alliance states. With bilateral merchandise trade valued at US\$50.3 billion in 2013, goods valued at US\$31.7 billion were exported from the SEUS-CP Alliance states to Canada, and those states imported goods valued at US\$18.6 billion from Canada. Recent data suggest that, in a

12-month period, more than 3.8 million Canadians visited SEUS-CP Alliance states and spent US\$728 million, while residents of those states made more than 650,000 visits to Canada and spent US\$370 million.

This conference marked the fifth 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 but with leadership provided by U.S. governors and Canadian premiers.

The Canadian Section continues to note the practical nature of the Alliance's conference and the attendance of a number of U.S. governors and Canadian premiers. From one perspective, the participation of governors and premiers 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 U.S. governors and senior members of the executive branch, and with business interests.

ACTIVITIES DURING THE EVENT

At the seventh annual meeting of the SEUS-CP Alliance, more than 900 business-to-business "matchmaking" meetings were held and the following plenary discussion fora occurred:

- How New Technologies Promote Cross-Border Trade between the U.S. and Canada;
- Cleantech and How it Impacts Our Environment and Our Economies; and
- Achieving Economic Prosperity Through Advanced Manufacturing.

This report summarizes the presentations and discussions at the 2014 annual meeting.

HOW NEW TECHNOLOGIES PROMOTE CROSS-BORDER TRADE BETWEEN THE U.S. AND CANADA

Brooks Rainford, of the North Carolina Technology Association, posed questions to Steve Huettner of Nuvotronics, Glenn Flaherty of ERD Ltd., Inc. and Steve Chase of Alphanumeric Systems, Inc.

Question: What regulatory and legal differences exist across the border that is shared between the United States and Canada?

Steve Huettner, Nuvotronics

- Intellectual property is protected differently in the United States than in Canada; companies and individuals in both countries should be familiar with intellectual property protection.
- International Trafficking in Arms Regulations restrictions need to be understood, especially with respect to dual-use technologies.

Glenn Flaherty, ERD Ltd., Inc.

- Customs requirements can be complex.
- Paperwork needs to be completed correctly and completely.

Question: What comments are relevant in respect of labour laws in various countries?

Steve Chase, Alphanumeric Systems, Inc.

- Labours laws differ across countries, as do requirements in such areas as health care.
- Consular offices help in understanding labour law differences.
- Companies may face language barriers, time-zone challenges and cultural differences when operating in foreign countries.

Question: How can technology facilitate communication when companies operate in foreign countries?

Steve Huettner, Nuvotronics

- Communications software has had a significant impact on the ability of people to communicate with each other across time and space.
- There are security challenges with communications software.

Question: What comments are relevant in respect of the helpfulness of consular offices and multi-tiered economic development organizations?

Glenn Flaherty, ERD Ltd., Inc.

- A range of resources are available for people who want to find and use them.

Steve Huettner, Nuvotronics

- State and federal departments of commerce have very useful resources.

Steve Chase, Alphanumeric Systems, Inc.

- Consular offices can help to identify appropriate people and other resources needed by businesses.
- It is important to learn how to complete required paperwork, such as customs forms.

Question: What methods are used by businesses to identify “talent” and relationships that will “work”?

Steve Huettner, Nuvotronics

- Businesses should work with educational institutions, and should visit those institutions, as well as with students and professors.
- Social media can be a useful tool for making contacts.
- Some businesses identify potential employees early, and stay in touch with them until “the moment is right.”

Glenn Flaherty, ERD Ltd., Inc.

- Educational institutions are a key location in which to identify “talent.”
- Businesses may find it useful to identify people with ability, and then to “mould” them to meet their specific needs.

Question: How can technology be used to “link” the members of a work team, as well as to recruit, retain and develop “talent”?

Steve Chase, Alphanumeric Systems, Inc.

- Turnover can be costly, especially if employees are highly skilled.
- “Learning management systems” should be leveraged to create virtual teams that can assist in the development of employees.
- Employees who “recruit” for job vacancies and recommend a successful candidate should be rewarded for their efforts.

Steve Huettner, Nuvotronics

- Succession planning and knowledge retention are important for business success.
- Information can be shared through internal wikis, sharepoint spaces and other software options.

Glenn Flaherty, ERD Ltd., Inc.

- When expecting turnover, efforts should be directed to retaining as much information as possible.
- A team approach to completing work tasks enables information to be shared, and fewer problems are created if turnover occurs.
- Multiple people should be trained to perform the same tasks.

Question: When considering the U.S.–Canada relationship, what are some areas that require improvement?

Steve Huettner, Nuvotronics

- The rate at which some things change, including regulations, can be problematic.
- Regulatory changes can be time-consuming and costly, particularly for small businesses.

Steve Chase, Alphanumeric Systems, Inc.

- A checklist in relation to minimum labour standards, payroll taxes, benefit obligations and similar requirements would be useful, as they vary across jurisdictions.
- Information about how to complete customs-related paperwork properly and efficiently would be beneficial.

Glenn Flaherty, ERD Ltd., Inc.

- The existence of the *North American Free Trade Agreement* does not make everything “a piece of cake.”
- A series of “how to” primers would be helpful.

CLEANTECH AND HOW IT IMPACTS OUR ENVIRONMENT AND OUR ECONOMIES

Maryann Feldman, of the University of North Carolina, posed questions to Sumesh Arora, of Innovate Mississippi, Mathieu Chagnon of Rackam, and Sean Murphy, Daimler Trucks, North America.

Question: What challenges are faced by businesses that are seeking to commercialize clean technology?

Mathieu Chagnon, Rackam

- Regarding solar power, the main challenge is the price of equipment.

Sean Murphy, Daimler Trucks North America

- One challenge is making needed natural gas-related infrastructure available.

Sumesh Arora, Innovate Mississippi

- Important issues include developing technologies, establishing the proper management team and ensuring the existence of suitable financing mechanisms.

Question: Which industries are being affected by the changing clean technology “landscape”?

Sean Murphy, Daimler Trucks North America

- Manufacturers, distributors and others in the supply chain are affected by changes in relation to clean technology.

Mathieu Chagnon, *Rackam*

- Solar power is complementary to natural gas.
- “Heat-consuming” sectors can reduce their use of fossil fuels and increase their use of solar power.

Sumesh Arora, *Innovate Mississippi*

- The energy sector is the “driver” for many other sectors.

Question: What are the potential risks affecting clean technology businesses?

Sumesh Arora, *Innovate Mississippi*

- Long-term policies provide the certainty that facilitates planning.

Mathieu Chagnon, *Rackam*

- The most significant risk to solar power is the price of fossil fuels.

Sean Murphy, *Daimler Trucks North America*

- The financing required for new technologies can be a risk.
- Businesses may develop products that do not “catch on” with consumers.

Question: What is the likely “face” of clean technology in 2025?

Mathieu Chagnon, *Rackam*

- There is reason to be optimistic about expected growth in the demand for solar power.
- In the future, solar power is likely to be co-generated with other energy sources – such as electricity – to an increasing extent.

Sean Murphy, *Daimler Trucks North America*

- In the future, natural gas will continue to propagate and natural gas-powered trucks will be increasingly common.
- Hybrid technology in a broader range of vehicles is likely to occur in the future.

Sumesh Arora, *Innovate Mississippi*

- In the future, more natural gas is likely to “come on line.”
- Renewable energy sources will have to “deal with” natural gas in the future.
- Better battery technology and storage are likely to exist in the future.

ACHIEVING ECONOMIC PROSPERITY THROUGH ADVANCED MANUFACTURING

Phil Mintz, of the North Carolina Manufacturing Extension Partnership, posed questions to Tom Rhoads, of Parata Systems, Miles Wright, of Xanofi, and Mike Kauffman, of GE Aviation.

Question: How do advancements in manufacturing affect the way in which businesses are managed?

Mike Kauffman, *GE Aviation*

- The trend toward automation results in labour costs being a smaller component of total product cost; however, higher-skilled employees are needed.
- Businesses no longer need to optimize the minimization of labour costs.
- The culture of management is changing, with a shift toward high-performance work teams.

Tom Rhoads, *Parata Systems*

- Lean manufacturing techniques are used by an increasing number of businesses.
- Businesses that need a highly trained workforce should partner with educational institutions and provide on-the-job training.
- The prevalence of classroom-style training is falling, while online training is increasingly popular.
- Flexible hours are important to some employees, particularly those who are young.

Question: To what extent is business growth leading to growth in other areas?

Miles Wright, *Xanofi*

- The notion of a monolithic plant does not work with nano materials.
- As everything is “custom” with nanotechnology, it is not possible to build a traditional facility; instead, portability is key for manufacturing at the point where the nanotechnology is needed.

Question: What actions should be taken to prepare for an aging workforce?

Mike Kauffman, GE Aviation

- With an impending rapid exodus of knowledge, efforts that support knowledge transfer are required.
- Training programs with a compressed learning cycle and retiree-mentors can help to prepare for the effects of an aging workforce.

Tom Rhoads, Parata Systems

- In preparing for an aging workforce, businesses might consider cross-training programs, part-time work/part-time retirement opportunities and “one-on-one engagements” for all employees, but especially for those who are nearing retirement.

Question: Are front-line workers needed if a business uses robots?

Tom Rhoads, Parata Systems

- Resources should be properly aligned.

Question: What sort of “talent” needs to be attracted for the future?

Miles Wright, Xanofi

- For some businesses, all training is specific to a particular sector; for other businesses, a combination of general job skills and sector-specific skills is needed.
- Businesses may benefit from recruiting employees for a specific skill, and then providing them with other required skills.

Question: What are the growth projections for specific sectors?

Mike Kauffman, GE Aviation

- In the future, there will continue to be a demand for fuel-efficient aircraft.
- Regarding the aviation sector, product development and testing are important.

Miles Wright, Xanofi

- When deployed properly, nanotechnology has the ability to make life better.
- Significant growth in nanotechnology is expected in the future.

Tom Rhoads, *Parata Systems*

- In the future, there are likely to be profound changes in consumerism.
- The health care “landscape” is changing.

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	7th Annual Conference of the Southeastern United States-Canadian Provinces (SEUS-CP) Alliance
DESTINATION	Raleigh, North Carolina, United States of America
DATES	May 4–6, 2014
DELEGATION	
SENATE	Hon. Terry M. Mercer
HOUSE OF COMMONS	Mr. Larry Miller, M.P. Mr. Peter Stoffer, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$ 4,776.60
ACCOMMODATION	\$ 2,982.28
HOSPITALITY	\$ 0.00
PER DIEMS	\$ 487.61
OFFICIAL GIFTS	\$ 0.00
MISCELLANEOUS / REGISTRATION FEES	\$ 1,982.53
TOTAL	\$ 10,229.02