

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 6th Annual Conference of
the Southeastern United States-Canadian Provinces
(SEUS-CP) Alliance**

Canada-United States Inter-Parliamentary Group

**Halifax, Nova Scotia, Canada
July 14-16, 2013**

Report

DELEGATION MEMBERS AND STAFF

From July 14-16, 2013, a delegation from the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) attended the sixth annual meeting of the Southeastern United States-Canadian Provinces (SEUS-CP) Alliance in Halifax, Nova Scotia. The delegation consisted of Senators Terry M. Mercer and Michel Rivard, the Honourable Scott Brison, P.C., M.P., Peter Stoffer, M.P. and Bob Zimmer, M.P. The delegation was accompanied by Ms. Line Gravel, acting Executive Secretary of the Canadian Section, and Mr. James Lee, Advisor to the Canadian Section.

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.

Delegations from each jurisdiction have met annually for the last six years for a business-to-business conference. Generally led by members of the executive branch, the delegations include business and industry leaders.

At the sixth annual conference, delegations were led by:

- Nova Scotia: Honourable Graham Steele, Minister of Economic and Rural Development and Tourism;
- Newfoundland and Labrador: Honourable Keith Hutchings, Minister of Innovation, Business and Rural Development;
- Prince Edward Island: Honourable Allen Roach, Minister of Innovation and Advanced Learning;
- New Brunswick: Honourable Marie-Claude Blais, Minister of Justice and Attorney General, Minister Responsible for Women's Equality;
- Quebec: Jean-François Lisée, Minister of International Relations, La Francophonie and External Trade;
- Ontario: Monte Kwinter, Parliamentary Assistant to the Minister of Economic Development, Trade and Employment;
- Manitoba: Don Callis, Manitoba Trade and Investment Corporation;
- Georgia: Honorable Brian Kemp, Secretary of State;
- South Carolina: George Patrick (Gen. Ret.), Deputy Secretary of Commerce;
- Mississippi: William "Skip" Scaggs, Mississippi Development Authority;

- Alabama: Honorable Greg Canfield, Secretary of Commerce ;
- Tennessee: Commissioner John Schroer, Department of Transportation; and
- North Carolina: Jean Davis, Assistant Secretary of Commerce for International Trade.

The theme for the sixth annual conference, which was hosted by Nova Scotia Minister of Economic and Rural Development and Tourism Graham Steele, was “Build. Grow. Connect.”

At the conference, which occurred just days after a tragic train derailment and explosion in Lac-Mégantic, Quebec, delegations expressed their sympathy for the families of those who had died or been injured. Quebec’s Minister of International Relations, La Francophonie and External Trade thanked delegates, and underlined the importance of ensuring rail transportation safety. Delegates later agreed to a statement that highlighted this issue, which will be discussed at the seventh annual conference in Raleigh, North Carolina in May 2014.

DELEGATION OBJECTIVES FOR THE EVENT

This conference marked the fourth 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; one difference, however, is that PNWER typically does not include participation by U.S. governors, Canadian premiers or other members of the executive branch.

The Canadian Section continues to note the practical nature of the Alliance’s conference. It intends to attend future annual meetings of the SEUS-CP Alliance and to continue its work in advocating Canadian interests, particularly with U.S. members of the executive branch and business interests.

ACTIVITIES DURING THE EVENT

The 2013 SEUS-CP Alliance conference was comprised of more than 430 business-to-business matchmaking meetings and the following plenary sessions:

- Opening Ceremonies and Town Hall Session
- Discussion Panel: Life Sciences and Health Technologies
- Keynote Speech by Gary Doer, Canadian Ambassador to the United States
- Discussion Panel: Global Gateways
- Discussion Panel: Marine, Defence and Security Technologies
- Discussion Panel: Cleantech Innovation
- Closing Luncheon.

Members of the Canadian delegation participated in all aspects of the conference, including by asking questions of participants.

OPENING CEREMONIES

Nova Scotia Minister of Economic and Rural Development and Tourism Graham Steele welcomed delegates to the conference, which he said was an opportunity to build businesses and connect people.

TOWN HALL SESSION

Moderator: David H. Wilkins, Former U.S. Ambassador to Canada

- The SEUS-CP Alliance plays a vital role in advancing the Canada-U.S. relationship. Conversations and connections strengthen relations, and governments also have a role to play.

The leaders of the provincial and state delegations began by indicating the key sectors and economic opportunities in their provinces and states. A number of U.S. delegates highlighted the close trade links between their state and Canada. Delegation leaders then responded to a number of questions relating to future economic development and cooperation. Among other points raised were:

- Matchmaking activities are very important.
- Rail transport of oil has increased tremendously, and everyone has a responsibility to ensure that oil is transported safely.
- Several jurisdictions now have a combination of both traditional and emerging sectors.
- In 2013, there is expected to be around \$11.5 billion in capital projects in Atlantic Canada.
- There is potential for Atlantic Canada to draw on the U.S. Gulf States' experience in relation to oil and gas.
- In 2011, Irving Shipbuilding Inc. was chosen to play a significant role in the Government of Canada's merit-based, 30-year National Shipbuilding Procurement Strategy (NSPS); shipbuilding and other projects will result from the implementation of this strategy, and the Government of Nova Scotia wants to build on this work for the future.
- The province of Quebec will give a 10-year tax holiday to businesses that make large investments in key sectors; as well, it will help companies identify specific export markets for their products.
- Even landlocked jurisdictions can have significant transportation expertise as a result of river transportation.
- Provinces and states have important and different perspectives on border issues than do federal governments.

- There can be both cooperation and competition between and among jurisdictions; this idea has been called “coopertition.”

Innovation Showcase:

A new element of the SEUS-CP Alliance conference was an “Innovation Showcase” that highlighted unique Nova Scotia companies from six business sectors. Each company made a short presentation and maintained an exhibition booth during the conference.

Aerospace, Defence and Oceans Technologies:

Bluedrop Performance Learning Inc. develops and delivers customized online simulation and training in a variety of areas. Its focus is on areas where simulation is either overpriced or underserved. While the company works in areas such as aerospace, simulation is not just for pilots.

Food and Forestry Products:

TruLeaf Sustainable Agriculture has developed a Smart Plant System to farm fresh vegetables 365 days a year, thereby eliminating the challenge of weather and increasing the predictability of supply.

Energy and Clean Technologies:

LED Roadway Lighting Ltd. develops energy-efficient and environmentally friendly light-emitting diode-based lighting. These lights use half the normal amount of electricity and require less maintenance than other lighting, which makes them a good choice for municipalities and others trying to reduce and conserve energy, and reduce costs.

Gateways and Logistics:

Trans Industrial Packaging Ltd. has developed a type of industrial packaging – ThermaFresh – that is fibre-based and recyclable; it is lighter than other types of industrial packaging and is cost-effective, as it has lower disposal fees.

Information and Communication Technologies:

Ad-Dispatch integrates computer graphics into real-world environments to create “augmented reality.” Using this technology, it has produced advertising campaigns for a variety of companies, such as The Walt Disney Company and Toyota Motor Corporation.

Life Sciences:

BioMedica Diagnostics Inc. is focused on producing fast and affordable medical diagnostic tests. Its first product, QuikCoag, was designed to assist in the diagnosis of cardiovascular disease, and profits from the sales of this product in the developed world will be used to introduce various diagnostic tests and devices in developing countries.

DISCUSSION PANEL ON LIFE SCIENCES

Marli MacNeil, *BioNova*

- The United States spends some 17.9% of its gross domestic product (GDP) on health, while Canada spends 11.6%.
- Key questions are:
 - How can life sciences technology influence the future of health care by using innovation to reduce costs and improve care?
 - How can costs and efficiencies be bridged, and decision makers be convinced to support new technologies and approaches?

Abdullah Kirumire, *BioMedica Diagnostics Inc.*

- It is extremely important to produce medical technology in the form of simple, portable devices.

Gord Froehlich, *Kane Biotech Inc.*

- The challenge is how to bring innovative technologies to the marketplace.
- Firms need more partnerships with governments and access to capital.

Ying K. Tam, *Mindful Scientific Inc.*

- There is no rapid, objective way to determine brain status.
- It is very difficult to make changes to the health care system.
- Cooperation with governments is very difficult at the provincial level.

Michael Bolick, *Selah Genomics*

- Personalized medical diagnostics have improved tremendously in recent years; while the human genome was first sequenced at great cost in 2003, sequencing can now be done in two days for less than \$10,000.
- Personal diagnostic medicine improved significantly through the treatment of HIV patients in North America, who now live with HIV infections but do not die of AIDS itself.
- Cardiovascular patients usually try between five and seven different drugs before settling on the appropriate medication; now, a saliva test can indicate how a patient will react to a particular drug.
- “PrecisionPath” testing sequences about 50 specific genes at a cost of about \$ 1,500, and gives personalized information to allow more targeted cancer treatment.
- Key questions are:

- What actions are needed to get guiding applications adopted?
- How should health care companies engage with pharmaceutical companies?

Marc Mansour, *ImmunoVaccine Technologies Inc.*

- Using biomarkers during therapy to identify the most promising vaccines is efficient and cost-effective.
- Vaccines can help immunize the systems of cancer patients.
- In order to convince decision makers of the value of new technologies, companies need a product that works.
- In terms of cooperation with governments, it is difficult to “get the door open,” but it can be done.

LUNCHEON KEYNOTE

Gary Doer, *Canadian Ambassador to the United States*

- Canada and the United States are traditional allies, and have recently served together in such places as Afghanistan.
- The Canadian and American governments are working together on renewable energy and energy efficiency issues; light vehicle emissions strategies will be key to reaching emissions targets.
- Canada and the United States are each other’s largest customer.
- The Beyond the Border initiative is based on the North American Aerospace Defence Command (NORAD) model.
- Much attention is currently focused on the question of whether there will be 81 or 82 pipelines between Canada and the United States: whether the Keystone XL pipeline will be built; at the moment, it is easier to put Crown Royal whisky in a pipeline from Canada to Texas than it is to do so with oil.
- While a presidential permit has been gained in relation to the new international bridge at Detroit-Windsor, approval by nine agencies was required.
- Changes to Canada’s supply management system were not a precondition in order to join the Trans-Pacific Partnership negotiations.
- Sequestration by the U.S. government affects the amount of money available to the U.S. Department of Homeland Security and other agencies to help facilitate border and trade issues.

DISCUSSION PANEL ON GLOBAL GATEWAYS

Curtis Foltz, *Georgia Ports Authority*

- Savannah, Georgia is the fourth-busiest port in the United States.
- The Georgia Ports Authority takes a relatively long perspective on strategic plans, and markets based on the whole southeast of the United States; the southeastern quadrant of the country is home to 44% of the nation's population, and is growing much faster than other areas of the United States.
- In terms of security, all ocean carriers coming into Savannah are screened for radioactive material, 7-8% of cargo is physically checked and 100% of cargo is virtually checked.
- As it is not required by government, there is a very low rate of outbound inspection.

John Spacek, *Centreport Canada Inc.*

- The decision to develop an inland port in Manitoba was mostly driven by the business community.
- Railways are key to inland ports; examples include Kansas City and Chicago.
- Manitoba's inland port is at the heart of North America, and at the intersection of a number of railroad and other "gateways."

Tony Boemi, *Montreal Port Authority*

- The Port of Montreal is the second-largest port in Canada.
- The geographic location of Montreal is key to the business of the Port of Montreal.
- The Port of Montreal would not be successful without partners, such as railways.
- Among other innovations, the Port of Montreal has its own train, which saves time as goods are moved from ship to rail or truck.
- Ships have essentially become inventories in transit, which has changed the business of ports.
- In terms of security, all containers at the Port of Montreal are checked for radioactive material.
- Ports are safe; "things" happen either before the cargo reaches, or after it leaves the port.
- In order to ensure security, customs officers use intelligence, data mining, etc.

Jodean Fitzpatrick, *Canadian Tire Corporation*

- The Port of Halifax must understand who its customers are, and must try to take advantage of macroeconomic forces.
- Canadian government efforts should be directed to harmonizing regulations and reducing barriers to economic activity among the provinces.

Rob McInnes, *Halifax Port Authority*

- The Port of Halifax is Canada's fourth-largest container port.
- Asia accounts for about 48% of containerized cargo at the Port of Halifax, and China is the primary source of imports.
- The United States has a "four corners" ports strategy: the Port of Seattle and the Port of Los Angeles on the West Coast, and the Port of New York and the Port of Savannah on the East Coast.
- Canada has a "bookend" ports strategy: the Port of Vancouver on the West Coast and the Port of Halifax on the East Coast.

DISCUSSION PANEL ON MARINE, DEFENCE AND SECURITY TECHNOLOGIES

Glenn Copeland, *Aerospace and Defence Industries Association of Nova Scotia*

- Contracts related to Canada's National Shipbuilding Procurement Strategy will amount to more than \$30 billion over the next 30 years, during which time virtually all old classes of ships will be retired and new ones built.
- Canada has no recent shipbuilding experience; there is pressure to build locally, but also to respond to international competition.
- Firms can help define future shipbuilding requirements if they enter related areas and are competitive.

Leo Gaessler, *Ultra Electronics Maritime Systems Inc.*

- With Canada's National Shipbuilding Procurement Strategy, while contracts for shipbuilding are important, other elements – such as the technology on the new ships – could benefit, and the result could be export opportunities and the creation of more highly skilled and high-paying jobs.

Alan Parslow, *Deep Vision*

- Partnering is essential.
- Newer systems designed for the maritime environment are coming, including – for example – new unmanned aerial vehicles that can land in the sea.

- The model used by the Canadian government for research and development – Defence Research and Development Canada – is outdated.
- In Canada, the general concept is that the government owns the intellectual property; in the United Kingdom, contractors retain the intellectual property.
- It is difficult for citizens to see large corporations receive subsidies; it is an issue of perception.

Keith Donaldson, *Apex Industries*

- As it is assumed that quality is high and timely delivery will occur, the keys are affordability and being competitive.
- At times, it is difficult for small businesses, which may look two or five years into the future, to get involved with long-term projects at an early stage.
- A public perception problem in this area goes beyond the argument that corporations receive “subsidies”; there is a more fundamental need to get federal procurement “in order.”

Brian Johnston, *Rutter Inc.*

- Canadian and other firms have encountered problems in relation to the U.S. International Traffic in Arms Regulations, which prohibit the export of defence-related technology to a number of countries; it is hoped that upcoming changes will involve simplification and a reduction in problems.
- The biggest challenge in the Canadian defence sector is that once a project goes to tender, it is essentially too late to get involved.
- Companies should get involved with the project office early, and should educate it about what can be done; while it is a long lead cycle, a company is then “in the game.”

Christie Thomas, *Ingalls Shipbuilding*

- Keys to reducing costs include:
 - taking advantage of the learning curve – shipyards work better with regular funding;
 - maximizing supply chains to make bulk purchases or multi-year procurements;
 - having a stable baseline – finish requirements and design before construction; and
 - building relationships with customers.

- Ten years ago, a company could prosper if its only customer was the U.S. Navy; now, companies need to create new revenue streams and to look to other countries, such as Brazil and Saudi Arabia, that need ships.
- The Canadian National Shipbuilding Procurement Strategy will be a big challenge, but governments and firms should maximize the existing expertise and experiences around the world as decisions are being made.

DISCUSSION PANEL ON CLEANTECH INNOVATION

Andrew Blackmer, *Dillon Consulting Limited*

- After the floods in Alberta in the summer of 2013, people in vulnerable areas were told that they would be helped to rebuild *this* time, which is the first real warning that climate change and other factors would have an impact on insurance coverage, municipal zoning regulations, etc.
- With the sea level rising and extreme weather events occurring, true adaptation will mean moving people away from seaboards and flood zones.

Paul Mitten, *Compusult Limited*

- Mobile technologies are the key to the efficient collection and presentation of data, as is combining and visualizing data from a variety of geospatial and sensor technologies; for example, while everyone already has smartphones that can display information, a focus should be how this information can be integrated.

Don Jardine, *DE Jardine Consulting*

- Atlantic Canada is very vulnerable to climate change risks, particularly from coastal erosion, storm surges, flooding and infrastructure damage.
- Under the federal Regional Adaptation Collaborative Program, the four Atlantic provinces have begun to cooperate on adaptation to the impacts of climate change.
- In a number of cases, governments, practitioners and others are not using the latest climate change projections or data.
- Recent evidence shows more rapid climate change, as evidenced by serious storms, etc.

Bob Branton, *Ocean Tracking Network*

- Researchers are continuously advocating standards and protocols that allow the storage and sharing of data; open data and information are important for understanding a changing planet.

- Eighty-five per cent of data the stored in the Open Tracking Network is volunteered by external sources.
- There is a need for different technologies to work together better.
- Decision makers have to ask questions that result in groups of researchers from various disciplines working together; there is a need to “mobilize” the experts.

George de Berdt Romilly, *de Romilly & de Romilly Limited*

- Climate change is a real and present risk, and is a business issue that affects the “bottom line” of vulnerable businesses and threatens coastal communities.
- Even if climate change is a cyclical phenomenon, it is changing things quickly now.
- The costs of climate change are high; for example, the British Virgin Islands will face costs of \$45 million per year, equivalent to 4.5% of GDP, if it does not deal with climate change now.
- Adapting to climate change is not just about infrastructure; it is about managing development differently.
- At the UN Climate Change Conference in Copenhagen in 2009, industrialized countries set a goal of “mobilizing” \$100 billion per year by 2020 to support mitigation and adaptation activities in developing countries; as of May 2013, some \$33 billion in “Fast Start” financing was available under this framework for spending in a wide range of areas, such as water, forestry, energy, health and infrastructure, and for hiring companies that have “export-ready” climate change risk-management technologies and services.
- One example of international work in climate change mitigation and adaptation involved identifying needs in Nepal, where it is now too hot on the mountains to grow food; a report was produced that identified needs in order to help ensure that more than \$100 million in climate change funding was spent effectively.
- Climate change “refugees” are emerging “in our own backyard,” including in coastal communities.

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	6th Annual Conference of the Southeastern United States-Canadian Provinces (SEUS-CP) Alliance
DESTINATION	Halifax, Nova Scotia, Canada
DATES	July 14-16, 2013
DELEGATION	
SENATE	Hon. Terry M. Mercer Hon. Michel Rivard
HOUSE OF COMMONS	Hon. Scott Brison, P.C., M.P. Mr. Peter Stoffer, M.P. Mr. Bob Zimmer, M.P.
STAFF	Ms. Line Gravel, acting Executive Secretary Mr. James Lee, Advisor
TRANSPORTATION	\$ 1,590.87
ACCOMMODATION	\$ 1,829.92
HOSPITALITY	
PER DIEMS	\$ 618.70
OFFICIAL GIFTS	
MISCELLANEOUS / REGISTRATION FEES	\$ 3,803.66
TOTAL	\$ 7,843.15