



**STANDING COMMITTEE ON
TRADE & GLOBALIZATION
2001-2002 Report**

**Conference of New England Governors
and Eastern Canadian Premiers**

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STANDING COMMITTEE ON TRADE & GLOBALIZATION

2001- 2002 Report to the

27th CONFERENCE OF NEW ENGLAND GOVERNORS AND EASTERN CANADIAN PREMIERS

Background

The Standing Committee on Trade and Globalization was established by the Conference of New England Governors and Eastern Canadian Premiers in July 2000 (Resolution 25-6) to examine and make recommendations regarding issues, opportunities, and constraints related to trade and globalization, relative to the New England and Eastern Canadian regions.

2001-2002 Activities Report

At the Conference of New England Governors and Eastern Canadian Premiers held in Connecticut in August 2001, Resolution 26-5 was adopted mandating the Committee to:

- work with the business community to meet the mandate and goals of the Conference's future activities
- participate in a Trade & Transportation Infrastructure Study for the purpose of identifying areas where joint effort may be beneficial
- share information related to trade development, energy, and trade policy
- consider the establishment of a working group of key knowledge economy innovators to facilitate information sharing and the creation of potential linkages that will support further development of the regions' knowledge industry

Cross Border Issues

- The Committee's work plan was affected by the terrorist attacks of September 11th. Trade between Eastern Canada and New England was immediately impacted by tighter border security efforts. At the committee's December 6th meeting, the majority of the agenda involved presentations from federal officials from both countries on current and proposed border security measures. At that time, Committee members reviewed the terms of reference for the NASTO Freight Service and Investment Study, providing comments on the proposal.
- Upon consultation with the Trade and Globalization Committee, the Conference Co-Chairs sent a letter to Deputy Prime Minister Manley and Governor Ridge, Director of Homeland Security, urging both governments to involve the NEG-ECP in discussion relating to cross border issues affecting the region. (Attachment) While endorsing the need to meet the security requirements of both governments, the letter requested that the federal governments consider the economic impact of new security measures on the cost of pursuing export opportunities on the regions' small and medium sized enterprises.
- Committee members reviewed *Operation Safe Commerce*, a proposal submitted by New Hampshire Governor Shaheen.

- The committee has been made aware that there are a number of committees, departments and agencies in both countries looking into the issue of increasing border security while promoting cross-border commerce. Committee members recognize the potential that solutions may be tailored for businesses in the central and western regions. Cognizant that the responsibility for international trade rests with federal governments, members will work through various memberships on international committees, e.g., Transportation Border Working Group, to ensure federal officials take northeastern border crossing issues into consideration.

Energy Forum

- New Brunswick hosted a regional energy forum in April of 2002 under the auspices of the Conference. Over 300 delegates met in Saint John to discuss energy regulation, challenges to market integration, and efforts to ensure the growth, environmental integrity and security of energy supply.

Transportation

- In the interest of improving the region's capacity to move goods efficiently, the states and provinces participated in a *Freight and Investment Study* prepared for the Northeast Association of State Transportation Officials. A final draft was reviewed by the committee during its June 14th meeting and a final copy of the report is expected in time for the Governors and Premiers meeting in Québec City in August. The committee plans to use the report as the basis for raising awareness of the Northeast region and its important trade corridors.
- The Committee committed to seek financial support from both federal governments for international trade corridors, including border crossing improvements, to facilitate the efficient and timely flow of goods and people across the Canada-US border, as well as the extension of the NEXUS priority program for low risk people and companies and the FAST program for commercial traffic.
- Representatives of several provinces committed to more involvement in the I-95 Coalition as a means of demonstrating commitment to the free flow of goods and services between New England and Eastern Canada.
- The Committee revised its workplan in response to the events of September 11 in order to look at new potential cooperative initiatives for presentation at the 2003 Conference, building on work currently underway in ITS, trade development corridors, and regulatory harmonization. For example, given the importance of trucking to cross border trade in the region, the Committee committed to reviewing state and provincial policies and regulations regarding weights and dimensions in order to identify potential areas of co-operation.
- The need to improve air access between New England and Eastern Canada was also noted and a commitment made to bring this issue to the attention of the federal governments.

Trade

- The Committee reviewed proposed cooperative initiatives included in the trade development work plan. There is support for the principle of cooperation, however, it is also recognized that cooperation on external trade missions is virtually impossible due to the complexities of federal government involvement, competing export development policies, and differing currency valuations.
- Member jurisdictions are agreed that greater benefit can be derived from efforts to increase trade within the Northeast region. States and provinces have provided coordinates of their trade related-web sites and will notify member jurisdictions of opportunities to participate in local trade shows or seminars. The Committee's focus will continue to be on the sharing of trade promotion information and practices, and identification of potential bi-lateral initiatives.
- The committee was briefed on the meeting hosted by Maine of the Commissioners of Agriculture of the New England States and the Ministers of Agriculture of the Eastern Canadian Provinces and recognizes their efforts to improve cross-border trade of agricultural products and continued collaboration for the benefit of agricultural producers and consumers in this region.
- Noting the recent establishment of the Office of the Canadian Ombudsman in Maine, the Trade and Globalization Committee concluded that it could provide an efficient forum for improving communication between state and provincial trade representatives. The committee agreed to work together to improve communication and establish a role in the area of trade dispute avoidance. Upon notification of a complaint by a local vendor, state and provincial representatives will notify the jurisdictions involved in an effort to gain clarification. In future, the committee agenda will include a summary of current and resolved interjurisdictional issues.

Knowledge Industry

- The committee monitored developments related to the knowledge industry resolution. Coordination of efforts on this front has been taken on by an IT Working Group led by the State of Connecticut. Issues discussed at the conference will have an impact on trade as it relates to the knowledge industry in the region.

Proposed Activities for 2002-03

During 2002-03, the Committee proposes to continue its work on facilitation and expansion of trade within the region. Specifically the Committee intends to:

1. maximize collaboration on border security issues by participation on relevant committees and by lobbying federal governments for consultation and implementation or expanding of custom clearance procedures;
2. continue work on a trade and infrastructure incorporating recommendations from various regional harmonization projects related to trucking and transportation;
3. broaden regional membership in the I-95 Coalition and continue to emphasize the importance of this trade corridor as well as other corridors significant for the region such as I-87, I-89, I-91 and I-93;
4. establish direct communications protocols for quick exchange of information in order to reduce the incidence and cost of trade disputes; and
5. request that both federal governments take steps to improve air access within this region, particularly in cross border traffic.