

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 11th Annual Conference of
the Southeastern United States–Canadian Provinces Alliance
(SEUS–CP Alliance)**

Canada–United States Inter-Parliamentary Group

**Mobile, Alabama, United States of America
3–5 June 2018**

Report

DELEGATION MEMBERS AND STAFF

From 3–5 June 2018, Mr. Randy Hoback, M.P. and Mr. Brian Masse, M.P., both of whom are Vice-Chairs of the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG), led a delegation to the 11th annual conference of the Southeastern United States–Canadian Provinces Alliance (SEUS–CP Alliance) in Mobile, Alabama, which had “Moving Forward. Together” as its theme. The other member of the delegation was Mr. T.J. Harvey, 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, at present, six southeastern U.S. states – Alabama, Georgia, Mississippi, North Carolina, South Carolina and Tennessee – and six Canadian provinces – 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 state and provincial delegations, which are sometimes led by state governors and provincial premiers, include business and sectoral leaders. At the 11th annual conference, the state and provincial delegations were led by the following individuals.

- Alabama: Greg Canfield, Secretary of Alabama’s Department of Commerce;
- Georgia: Christopher Carr, Georgia’s Attorney General;
- Mississippi: Phil Bryant, Governor of Mississippi;
- New Brunswick: Francine Landry, New Brunswick’s Minister of Economic Development;
- North Carolina: Will Miller, Deputy Secretary of North Carolina’s Department of Commerce;
- Nova Scotia: Hugh MacKay, member of Nova Scotia’s House of Assembly;
- Ontario: Monique Smith, the Government of Ontario’s Representative in Washington, D.C.;
- Prince Edward Island: Darryl Bradley, Director of Innovation PEI;
- Quebec: Éric Marquis, Assistant Deputy Minister with Québec’s Department of International Relations;

- South Carolina: David Wilkins, former U.S. Ambassador to Canada and a partner with Nelson Mullins Riley & Scarborough LLP; and
- Tennessee: Bob Rolfe, Commissioner of Tennessee’s Department of Economic and Community Development.

DELEGATION OBJECTIVES FOR THE EVENT

Members of the IPG’s Canadian Section have attended most of SEUS-CP’s annual conferences. In some sense, the SEUS–CP Alliance is the eastern counterpart to the Pacific NorthWest Economic Region and the Council of the Great Lakes Region, but with leadership and participation by U.S. governors and Canadian premiers, as well as significant private-sector involvement. In addition to attending the annual conference, members of the IPG’s Canadian Section had private, “off-the-record” meetings with selected leaders of the U.S. state delegations: Government Phil Bryant, from Mississippi; Secretary Greg Canfield, from Alabama; Deputy Secretary Will Miller, from North Carolina; Commissioner Bob Rolfe, from Tennessee; and David Wilkins, from South Carolina.

ACTIVITIES DURING THE EVENT

At the 11th annual conference of the SEUS–CP Alliance, hundreds of business “matchmaking” meetings occurred, and plenary sessions on the following topics were held:

- Updates from SEUS–CP Alliance Member States and Provinces
- Industry 4.0 | The Fourth Industrial Revolution – Are you Ready?
- Keynote Luncheon
- A Conversation on Trade and Investment
- Energy Efficiency in the Transportation Sector.

UPDATES FROM SEUS–CP ALLIANCE MEMBER STATES AND PROVINCES

Governor Phil Bryant, *State of Mississippi*

- Canada is a significant foreign market for Mississippi’s exports, and thousands of direct and indirect jobs depend on the bilateral relationship.
- Although there are currently challenges in the Canada–U.S. relationship, they are just difficulties between friends that will be overcome.

Minister Francine Landry, *Government of New Brunswick*

- It is businesses, not governments, that are the real “economic drivers.”
- New Brunswick is looking for new partnerships and opportunities in a range of sectors.
- New Brunswick’s sectors relating to forestry, agriculture, business services, cybersecurity, smart grids and medical cannabis are strong and growing.

Attorney General Christopher Carr, *State of Georgia*

- Georgia values its bonds with Canada and Canadians, and the bilateral relationship has many economic successes.
- For more than two decades, Canada has been Georgia’s primary foreign export market.
- Georgia is “business-friendly,” with world-class research universities, significant logistical assets, a well-developed workforce and a high quality of life.

Éric Marquis, *Government of Québec*

- Being a “business-friendly,” “trade-friendly” location can yield benefits over the long term.
- Canada – including Quebec – and the United States build, grow and innovate together.
- Trade negotiations and disputes are addressed at the national level, but states and provinces have a role to play.
- Quebec has a number of strengths, including its aerospace sector and value chains.

Secretary Greg Canfield, *State of Alabama*

- Canada is Alabama’s most important foreign export market.
- Today, more than 100 Canadian-owned businesses are operating in Alabama.
- Alabama’s current unemployment rate is the lowest in recorded history, and its rate of export growth is significant.
- Although the benefits of international trade are currently being debated and sometimes disputed within the United States, trade leads to job creation, economic growth, opportunities and prosperity.

Hugh MacKay, *Nova Scotia House of Assembly*

- The United States is Canada’s, and Nova Scotia’s, most important trading partner.

- Canada and the United States have fought together in two world wars and in other conflicts, and have been engaged in the same peacekeeping operations; more generally, the two countries support each other in times of need.
- Canada and the United States have a similar language and culture, as well as shared interests.
- Nova Scotia is focused on trade and investment, and on building on its strengths.
- Challenges are disguised opportunities.

Commissioner Bob Rolfe, *State of Tennessee*

- When Tennessee is successful, other states prosper too.
- Tennessee is focused on foreign direct investment, building strong relationships around the globe, recruiting businesses to the state and encouraging the expansion of businesses that are already located in the state.
- Canadian-owned businesses are creating jobs in Tennessee.

Darryl Bradley, *Innovation PEI*

- The United States is Prince Edward Island's most important trading partner.
- Canada – including Prince Edward Island – relies heavily on trade with, and investment from, the United States.
- Prince Edward Island's most important sectors include food processing, aerospace and advanced manufacturing.
- Canada and the United States must find ways to continue to work together, including in the context of the *North American Free Trade Agreement* (NAFTA) negotiations.

Will Miller, *State of North Carolina*

- Foreign investment, including from Canada, is important to North Carolina.
- North Carolina has some advantages because of its location in the middle of the United States' east coast.

Monique Smith, *Government of Ontario*

- Ontario is the primary foreign export market for 22 U.S. states.
- Most U.S. states are growing, and it is possible to link that growth to trade.

- Regarding NAFTA, Canada and the United States are at a “fork in the road”; the agreement has had benefits for all three signatory countries, and the countries should work toward a win-win-win solution as the agreement is modernized.

David Wilkins, *Nelson Mullins Riley & Scarborough LLP*

- It is important to build on existing, and to create new, business relationships between the United States and Canada.
- Canada is an important foreign export market for South Carolina, and Canadian investment in the state has led to job creation.
- Relationships are “the glue” that will help to lead to a resolution regarding NAFTA.
- The United States and Canada are better and stronger together than they are apart.

Nadia Theodore, *Government of Canada*

- Canada and the United States have the world’s largest bilateral trading relationship; the two countries also have an important security relationship, and their military personnel train and fight together.
- Canada is the United States’ single largest export market, and an estimated 9 million U.S. jobs depend on trade and investment with Canada.
- On average, \$1.3 million in bilateral goods and services cross the Canada–U.S. border every minute of every day.
- In a recent 12-month period, Canadian travellers to the United States spent \$6 billion.
- Canada is the United States’ friend, partner and ally.
- Canada and the United States make vehicles together for the benefit of consumers in both countries.
- The United States’ tariffs on Canada’s aluminum and steel disrupt strategic supply chains and hurt these sectors in both countries.
- The Canada–U.S. relationship is strong and resilient, and is greater than just one trade action.

INDUSTRY 4.0 | THE FOURTH INDUSTRIAL REVOLUTION – ARE YOU READY?

Gregory Harris, who is with the Southern Alliance for Advanced Vehicle Manufacturing, made remarks and then moderated a discussion among: Keith Jones, from Prism Systems Inc.; Francois Gingras, from Quebec Industrial Research Centre; Allyson

Edwards, from Honda Manufacturing of Alabama; and Michael Skolnik, from Continental Motors Group.

Gregory Harris, *Southern Alliance for Advanced Vehicle Manufacturing*

- Manufacturing is on the threshold of a major transformation as new technology is being “harnessed” and advanced manufacturing is increasingly a focus.
- The world is experiencing the fourth industrial revolution, with “cyberphysical” systems; the first revolution comprised mechanization and standardization, while the second revolution was characterized by mass production, electrification, assembly lines and specialization of labour, and the third revolution involved the computerization and automation of work.
- Technology can be used to increase efficiency and productivity.
- Some considerations relating to advanced manufacturing and the fourth industrial revolution are the interoperability of systems, decentralized decision making, big data analytics, virtual reality, and the horizontal and vertical integration of systems; major issues include infrastructure and workforce skills.

Michael Skolnik, *Continental Motors Group*

- The United States needs a skilled workforce that is ready for the future.
- Because people can be taught the technical information that is needed to perform a job, attitude is key; people should have a mindset that embraces change and continuous improvement.

Allyson Edwards, *Honda Manufacturing of Alabama*

- Manufacturing is no longer dirty and dangerous; it can provide people with a “great” career.
- Businesses should look to the future, and to the products and processes that will be desired and needed then.
- People are changing, as are their expectations of their workplace and work environment.
- People must learn and think differently, and tasks must be accomplished in a smarter and better way.

Francois Gingras, *Quebec Industrial Research Centre*

- Artificial intelligence, 3D printing, etc. are increasingly prevalent.
- People should be trained for the reality of the future.

- Businesses need to decide “where they are” and “where they want to be.”

Keith Jones, *Prism Systems Inc.*

- Businesses must evolve or be displaced; fear of displacement can motivate change.
- Blockchain is a disruptive technology, and the ways in which this technology can affect supply chains are being considered.
- Because technology has risks, it should be embraced wisely.

KEYNOTE LUNCHEON

Cam Marston, *Generation Insights*

- Affluence “shapes” parenting trends and youth.
- It is generally thought that “helicopter parenting” started to occur following the terrorist attacks of 11 September 2001.
- Although there are subtle differences between the United States and Canada in the ages assigned to such “generations” as baby boom, Gen X, Gen Y and iGen, the characteristics of those generations are essentially the same in both countries.
- Affluent societies are associated with delayed adulthood, extended life spans, population “bulges” and “the individual” superseding “the community.”
- The most recent generation – iGen – is always connected to devices, prefers visual elements to text, is the most diverse generation ever, and has an attention span that is estimated to be eight seconds.
- Generational preferences are not willfully chosen by members of that generation; instead, they are nearly unconscious.
- People change when they become independent.
- Going through various life stages leads people to realize that they are responsible for their own happiness.
- People are getting married later.
- Women are giving birth to their first child at a later age.
- Workplaces with empathy have higher rates of staff retention.

A CONVERSATION ON TRADE AND INVESTMENT

Nadia Theodore, who is with the Government of Canada, posed questions to: Diane Alleva Cáceres, from Market Access International Inc.; William Canary, from the Business

Council of Alabama; Aaron Foster, from Toyota Mississippi; and Robert Munisteri, from The Dixie Group.

Question: What is the state of integration in the automotive sector?

Aaron Foster, *Toyota Mississippi*

- Currently, the automotive sectors in the United States, Canada and Mexico seem to be one of the most significant issues during the NAFTA negotiations.
- There is a new global architecture, and “commonized” platforms and supply chains help to ensure competitiveness.

Question: How can the growth of emerging sectors be facilitated through trade?

Diane Alleva Cáceres, *Market Access International Inc.*

- Trade is a mechanism for growth and innovation.
- The “virtual business” model is increasingly relevant for a number of sectors.
- Partnerships should include universities.
- Research should be commercialized.
- People-to-people relationships contribute to success.

Question: What are some of the misconceptions about international trade?

Robert Munisteri, *The Dixie Group*

- Some goods can be manufactured better in other countries.
- Businesses need to adapt to what is being demanded, or they will “die”; they need to be aware of changing needs, and then adjust accordingly.

Question: What comments would be relevant about Canada–U.S. trade and investment at these uncertain times?

William Canary, *Business Council of Alabama*

- For the United States, Canada is “family” and building bridges – not walls – should be the focus; the existing relationship, which is rewarding for both countries, should be expanded.
- Both uncertainty and protectionism can be harmful for businesses, and trade certainty – rather than trade chaos – is needed.
- Trade wars are never won; they are only lost.

Question: How can people remain informed about trade issues?

Diane Alleva Cáceres, *Market Access International Inc.*

- People should ask questions about trade issues that might affect them.
- Trade associations and chambers of commerce can be helpful in providing information about trade issues.

Aaron Foster, *Toyota Mississippi*

- Businesses can inform their employees about important trade issues and, in turn, employees can lobby their legislators.

ENERGY EFFICIENCY IN THE TRANSPORTATION SECTOR

Matthew Doude, who is with the Center for Advanced Vehicular Systems, made remarks and then moderated a discussion among: Drew Frye, from the Tennessee Valley Authority; Lindsey West, from Bantam Strategy Group; Jeneen Horton, from Toyota Motor Manufacturing Alabama; and Michael Berson, from Adams and Reese LLP.

Matthew Doude, *Center for Advanced Vehicular Systems*

- The pace of change in automotive sectors worldwide is rapid, and globalization is continuing to occur.
- Electric vehicles are transformational, and are increasingly popular.
- Plug-in hybrid vehicles and electric vehicles have impacts on the electric grid.

Question: Is the electric grid ready for electric vehicles, and what is the Tennessee Valley Authority doing to prepare for these vehicles?

Drew Frye, *Tennessee Valley Authority*

- It is important to plan for a future of widespread adoption of electric vehicles; the Tennessee Valley Authority is ready for such a future, and has conducted research, done demonstrations, and undertaken a marketing and education campaign.
- Power companies must plan for a world in which owners of electric vehicles want to charge their vehicles at the same time.
- Electric vehicles play a role in three of the Tennessee Valley Authority's areas of interest: energy; the environment; and economic development.

Question: Are there incentives for consumers to purchase electric vehicles?

Michael Berson, *Adams and Reese LLP*

- Incentives to purchase an electric vehicle exist at both the federal and state levels.

Question: What green initiatives are automotive manufacturers undertaking?

Jeneen Horton, *Toyota Motor Manufacturing Alabama*

- Almost every automotive manufacturer is producing – or considering the production of – a “green vehicle,” and the production is occurring in a “green” manner.
- A “green vehicle” should not be produced in a “dirty” facility.

Question: What is the nexus between individual mobility and e-transportation?

Lindsey West, *Bantam Strategy Group*

- In some urban communities, e-bikes and e-scooters are increasingly popular as shared-use vehicles; some rural communities are working together in order to make this transportation option available.
- Shared-use e-bikes and e-scooters are sometimes used prior to, or just after, the use of a shared car.

Question: What is being done with the funds made available because of Volkswagen’s inaccurate reporting of diesel emissions?

Drew Frye, *Tennessee Valley Authority*

- Because of its inaccurate reporting of diesel emissions, Volkswagen made a commitment to working on issues relating to transportation emissions.
- Volkswagen has created Electrify America, which partly involves the allocation of funds for electric vehicle–charging infrastructure; as well, the U.S. states have received funds, some of which are allocated to reducing transportation-related emissions.

Question: What are the manufacturing sector’s workforce needs?

Jeneen Horton, *Toyota Motor Manufacturing Alabama*

- The workforce must be prepared in a manner that differs from the current approach; efforts should begin in elementary school to ensure the development of the skills sets that will be needed in the future.
- Science, technology, engineering and mathematics skills are – and are likely in the future to be – desirable.
- Students must be taught these things now so that they are prepared to work in the jobs and workplaces of the future.

Question: What are the job creation prospects in relation to the shared-use mobility sector?

Lindsey West, *Bantam Strategy Group*

- There is a shared-use mobility sector in the same way that there is an automotive sector, and skilled professionals are needed to bring goods and services to market.
- In using shared-use mobility options, everything is accessed by using an app; there are job opportunities regarding the development of apps for mobility businesses.
- Automotive manufacturers are becoming mobility businesses.
- In the future, it would be ideal if e-bikes and e-scooters could be charged at the same stations as those used by electric vehicles.
- There is a need to “solve” the e-bike and e-scooter charging situation so that these mobility options could be available 24 hours each day.

Question: is the “landscape” regarding federal emissions standards “shifting”?

Michael Berson, *Adams and Reese LLP*

- Recently, the Trump Administration announced that some emission standards would be “scaled back”; however, the outcome of the Congressional mid-term elections in November 2018 could change the situation, and more regulation could be the result.

Question: What is the status of smart charging?

Drew Frye, *Tennessee Valley Authority*

- There would be significant impacts on the electric grid if every owner of an electric vehicle wanted to charge that vehicle at the same time.
- The Tennessee Valley Authority is involved in a pilot project whereby rate incentives are provided to encourage charging during off-peak hours.

Jeneen Horton, *Toyota Motors Manufacturing Alabama*

- The electric grid may be reliable, but infrastructure may be a challenge if charging stations are not located in a manner that allows consumers to charge their vehicle during use, as required.

Question: What are the likely employment impacts as electric vehicles are launched?

Jeneen Horton, *Toyota Motors Manufacturing Alabama*

- Significant growth in the demand for electric vehicles will lead to sizable job creation.
- With both older-technology and newer-technology vehicles in use, employees will be needed to service vehicles of both types.

Question: What is the electric vehicle “landscape” in Canada?

Michael Berson, *Adams and Reese LLP*

- Compared to the United States, it is significantly more difficult to buy an electric vehicle in Canada, and Canada has fewer charging stations.

Drew Frye, *Tennessee Valley Authority*

- Charging electric vehicles may be a more natural “reflex” for Canadians who are accustomed to plugging in their vehicles that have block heaters because of cold winters.

Jeneen Horton, *Toyota Motors Manufacturing Alabama*

- Electric vehicle owners may want to charge their vehicle at night when solar energy is unavailable; consequently, the storage issue must be resolved and the solution must be affordable.

Respectfully submitted,

Hon. Michael L. MacDonald,
Senator, Co-Chair
Canada–United States
Inter-Parliamentary Group

Hon. Wayne Easter, P.C., M.P.
Co-Chair
Canada–United States
Inter-Parliamentary Group

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	11th Annual Conference of the Southeastern United States–Canadian Provinces Alliance (SEUS–CP Alliance)
DESTINATION	Mobile, Alabama, United States of America
DATES	3–5 June 2018
DELEGATION	
SENATE	
HOUSE OF COMMONS	Mr. T.J. Harvey, M.P. Mr. Randy Hoback, M.P. Mr. Brian Masse, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$ 5,750.68
ACCOMMODATION	\$ 3,578.83
HOSPITALITY	\$ 250.28
PER DIEMS	\$ 1,131.80
MISCELLANEOUS/REGISTRATION FEES	\$ 1,857.95
TOTAL	\$ 12,569.54