



The North American reality

According to transportation scholar **Stephen Blank**, we need to better understand the emerging continental system that is North America. The dialogue should involve perspectives from regions, from business and community leaders, and from those who oppose as well as support economic integration, he writes

In the heat of the summer, a wave of blogs washed over us warning about plans for a North American Union or gigantic NAFTA superhighways. We heard of alien invaders, a Bushite coup, a single currency, and secret cabals.

We have heard it before, and it still makes for amusing reading. But none of it is true. Neither a North American Union nor a monster 12-lane superhighway running from Canada to Mexico is on the table or in the cards. And instead of a finely tuned plan for submerging national sovereignties, little more exists than bits and pieces of ideas for modest collaboration on regulatory harmonization.

There is nowhere a “master plan” for North America, but there is a North American reality, and it’s time we took it seriously. Many of the most important issues that Americans, Canadians, and Mexicans will confront in the next decade must be viewed in a North American context. If we don’t, we may fail to solve many of the most serious problems our nations will face in coming decades. Here are some examples:

Environmental issues. These include invasive species, endangered species and habitats, airshed pollution, and water. One cannot speak of these as American, Canadian, or Mexican issues, and certainly there are no “national” answers to them. Environmental issues that will loom large don’t stop at the Rio Grande or at the 49th parallel. This is no surprise. Environmental groups and government agencies have been working together for years on many bilateral and regional projects. (The International Joint Commission is the

oldest continuing U.S.–Canada entity dealing with the Great Lakes, since 1909.) There is no doubt that to deal with mounting environmental risks, we need to co-operate closely.

Energy security. The North American system of gas pipelines and electric transmission is basically seamless. Energy security is best seen in a continental framework. Both Canada and Mexico have huge energy reserves to virtually unlimited hydro resources in Quebec and Labrador and to Mexico’s untouched deep water oil resources in the Gulf of Mexico. Enormous investments are required to bring these energy sources

continent-wide energy strategy that meets the different political systems and sensitivities in North America.

Population movements. Most population experts feel we need to think in terms of broader agreements on the movement of people and on the development strategies to create new jobs. It is greatly in the interest of Canadians, Mexicans, and Americans that regions of poverty in North America be eliminated and that the economy be efficient, secure, and inclusive. To accomplish this goal will require the combined efforts of the three NAFTA nations.

Security. Few doubt that the three

Only in this way can we create the influential constituencies that would press governments to realize a shared vision for North American competitiveness in the 21st century

online. It isn’t just about finding these resources, however; we need to ensure that pipelines, wirelines, and ports are maintained and that there is clear responsibility for doing this. We need to ensure that energy resources are used in efficient and environmentally secure ways. We need to think about a wide array of options for the future, about new forms of private-public partnerships, and perhaps whether we need some sort of

NAFTA partners must work together to ensure the highest levels of security for our communities. We need to deepen cooperation at our borders and to explore ways to ensure that threats are met before they reach our nations. To close or militarize the U.S.–Canada and U.S.–Mexico borders must be viewed as a last desperate step and considered in the light of the competitive costs it implies, not the only policy option to maintain U.S. security.

Competitiveness and transportation infrastructure. Unlike Europe, where “national champions” still prevail in many industries, leading American, Canadian, and Mexican firms have created cross-border supply chains as a key element of their competitive advantage. Our transportation infrastructure, which enabled firms to develop these complex systems in the 1980s and '90s, has now reached

capacity. Even before 9/11, the physical infrastructure at critical border crossings was already nearly overwhelmed. No agency is charged with the responsibility for monitoring use, identifying infrastructure problems, or developing scenarios for usage requirements, even in the near future. We must work together to develop ideas for transportation infrastructure that will support North American competitive-

ness in the 21st century.

How do three sovereign but increasingly economically and culturally interdependent nations respond to these issues that confront us all? The NAFTA agreement is one element of what has become a complex, multidimensional, North American system. How do we solve the problems that will be so vital in the next decades? How do we do this in ways that inform people and build a creative and widespread dialogue, avoiding what Europeans call a “democratic deficit”?

The experience of the Security and Prosperity Partnership (SPP) is important. Reports from SPP working groups set up after the Bush-Fox-Martin meeting in Waco, Texas, in 2005 illustrated a wide array of activities taking place under the political-journalistic radar. There were vague agreements to develop a trilateral regulatory co-operation framework by 2007, to pursue a North American steel strategy, to create a trilateral Automotive Partnership Council of North America, and to undertake an accelerated program to promote mutual recognition of results from testing laboratories.

At the same time, we have seen myriad business- and community-driven initiatives underway to expand and improve cross-border links. Specialist groups such as the Can-Am Border Trade Alliance provide a critical voice insisting that security and efficiency are not incompatible. From the Detroit River International Crossing Project to the improved Lacolle-Champlain Border Crossing and the East-West Maine Highway Study, business and local groups are pressing for new transportation and border infrastructure. The same goes for developments along trade corridors, such as deepening entrepreneurial ties among Winnipeg, Kansas City, Guadalajara, Monterrey, and Mexico’s deepwater Pacific ports. Mexico plans to open its first foreign-based customs clearing facility in Kansas City, 1,600 kilometres from the border.

What has happened? So far, everything remains fragmented. There are some successes: In the Pacific Northwest Economic Region and along the Mid-Continent Corridor, we see different types of emerging economic regions. But enormous highway spending in the 1990s failed to create a system of north-south corridors. Instead, overwhelmed by earmarks, our transportation system

Ambassatours™
We live it. We love it. We know it.

GRAY LINE

Ambassatours™ Executive Class

Looking for Executive Motorcoaches?

- Themed events
- Entertainment
- Offsite Dinners
- Boat Cruises/Sailing
- Companion Programs
- Children's Programs
- Teambuilding
- Sightseeing tours
- Golf
- VIP Transportation
- Airport Meet & Greet
- Specialty vehicles
- Pre & Post Tours
- Registration Services
- Bagpipers
- Pub Tours
- Corporate gifts
- Speakers

902-423-6242 • 1-800-565-7173 • www.ambassatours.com

Nova Tours • Atlantic Tours • Absolute Charters

ABA AMERICAN BUS ASSOCIATION
NTA NATIONAL TOUR ASSOCIATION
ASTA ASSOCIATION OF TOUR OPERATORS
IATA INTERNATIONAL AIR TRANSPORT ASSOCIATION
OMCA OFFSHORE MARITIME COUNCIL OF AMERICA
NOVA SCOTIA CANADA'S SEACAST

Since the '80s, economic integration in North America has been driven largely by corporate strategies and structures. Now, limits to this bottom-up process have been reached

suffers from a veritable spaghetti bowl of "high priority" corridors and a continued failure of maintenance. Nowhere is there a vision of an efficient and secure North American transportation system for the 21st century. And the SPP? There has been little coherent follow-up, and the entire SPP process remains opaque. Indeed, the SPP has been widely viewed as a dangerous threat to U.S. sovereignty.

I draw two conclusions from all of this. One is that this movement is driven by deepening interdependence. North America's political economy is no longer composed of three autonomous national economies. Instead, we should think in terms of links across the continent among production clusters and distribution hubs—links resting on new cross-border alignments among businesses, communities, and local and state-provincial governments. At the same time, we must think of social groups that cross borders. This is the North American reality.

The second conclusion is that the current two-tier process in which national leaders play mum about North American developments while businesses and bureaucrats and community groups squirrel away to repair problems in the North American system is unacceptable—unacceptable because, despite these efforts to overcome the "tyranny of small differences," the step-by-step approach lacks the coherence needed now. Since the 1980s, economic integration in North America has been driven largely by corporate strategies and structures. Now, limits to this bottom-up process have been reached, and clear decisions are required on key issues of security, borders, transportation, energy, and immigration. The incremental approach is simply not enough.

Integration by stealth is also unacceptable. NAFTA quickly became the lightning rod for every fear about globalization, and the SPP has become the new face of evil. If

we hope to get beyond this demonization, concerns must be confronted. The fact is, if we act like conspirators, we cannot be surprised if people think there is a conspiracy.

There has been much discussion about what we can learn from the European experience. Europe's achievements—and failures—in institution building offer lessons and ideas, but there is a deeper lesson. Before we can talk about institution building, we should listen to Jean Monnet, the "father of the European Community," who felt that people could

only unite behind a common vision.

There is a North American reality—a complex North American system, many sectors of which are characterized by deep structural integration—that is deeply misunderstood. Canadians, Mexicans, and Americans all depend profoundly on this system. After a decade of rapid growth, however, and in the wake of 9/11, integration has slowed and the North American economic system is becoming more fragile. To reinvigorate the process of integration requires new energy to create a vision for the 21st century and the mobilization of informed and active constituencies that will press for new steps forward by the three NAFTA governments.



Stephen Blank is co-chair, North American Transportation Competitiveness Research Council, North American Centre for Transborder Studies at Arizona State University and adjunct research scholar, Centre for Energy, Marine Transport and Public Policy at Columbia University. He can be reached at sblank5642@aol.com

**SEAMLESS FROM
COAST TO COAST**




**YOUR PARTNERS
FOR CUSTOMIZED
LOGISTICS
ACROSS NORTH
AMERICA**

- LTL & TL transportation across North America
- Access to all major Canadian ports
- Available 24/7 in strategically located operations from coast to coast

For more information please contact Bransam Logistics at 902.468.8454 or visit us at www.bransam.com



