

**BORDERLINES CONFERENCE  
HALIFAX, NOVA SCOTIA  
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REMARKS OF  
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**I. Introduction**

**Our Shared Region:** I am here to speak to you today about the International Northeast, Our Shared Region. The International Northeast comprises all of Atlantic Canada, Quebec, and Ontario and New England, particularly, northern New England, eastern, central, and western New York.

This is a region geographically that has been sundered by the international boundary, transportation connections (or lack thereof) and, attitudes. Yet, since the passage of the Canadian-American Free Trade Agreement in 1989 followed by the North American Free Trade Agreement of 1994, all the residents of this region stand in the midst of enormous change. Understanding first that, notwithstanding the international boundary, we inhabit a single region, is essential to charting a future that will benefit us all.

**II. History**

My historical readings have lead me to conclude that, even including the aboriginal era, the region I have just described has only been under the jurisdiction of a single sovereign for 12 years: that is, from 1763 to 1775. That is the period between the French and Indian Wars and the outbreak of the American Revolution.

These facts, along with countless maps of the United States that exclude Canada or maps of Canada that exclude the United States, have dulled our understanding that, nonetheless, we share a common geographic region.

Such a realization is important because geography matters. In fact, it matters now more than ever.

As a general matter, Atlantic Canadians have more readily understood that we are a region. When Canada was debating confederation in the mid-1860's, Maritime leaders demonstrated a clear understanding of geography when they insisted that the

British North America Act contain a provision for a rail link, tying them to the center of Canada.

Evidence of this same perception of the importance of geography in Our Shared Region dates back even further. In his book, Flames Across the Border, Pierre Berton observed that the British emissaries who were commissioned to negotiate an end to the War of 1812 were given four priorities one of which he described as follows: “In order to link her Atlantic colonies with Canada, Britain requires a corner of the [District] of Maine for a connecting road.”

## **II. OUR UNIQUE BORDER**

Needless to say, the British negotiators were unsuccessful. The logic of their position, however, remained in full force. With the settling of the northern Maine border in 1949, Our Shared Region took on unique contours. Maine projected far to the north, standing directly in between Atlantic Canada and Quebec. Maine’s configuration made it unique among the lower 48 states: the only state with a longer border with Canada than with the United States, itself.

Complemented by Ontario, which projects far to the south in the United States—further south than most of the state of New York—the International Northeast became the only region of North America in which east-west axes repeatedly cross the international frontier.

In every other portion of North America, east-west transit is a matter of domestic policy. But not here. This is a map of the International Northeast.

## **III. INTERNATIONAL TRADE**

### **A. Treaties**

With the passage of the Canadian-American Free Trade Agreement in 1989 and the North American Free Trade Agreement of 1994, the international boundaries of Canada and the United States and Mexico were, for economic purposes, intended to blur.

NAFTA recognized that the development of a hemispheric economy would be impeded if people and goods could not flow freely and the “upward harmonization” of transportation standards was encouraged by the treaty.

### **B. Congressional Acts/ The High Priority Corridor Program**

The United States Congress incorporated international transportation planning into the Intermodal Surface Transportation and Efficiency Act of 1991 (ISTEA) and its creation of the High Priority Corridor program. ISTEA also incorporated the concept of intermodal coordination of

transportation capability. Under ISTEA, air, rail, road, and port were more to complement each other than to compete with each other.

The National High Priority Corridor program, as designated by Congress, is set forth in the accompanying map.

### **C. Regional Transportation Initiatives**

These international trade agreements have spawned ambitious projects intended to connect vast regions of North America. The Canamex Highway, the NAFTA Superhighway Project, and others are ambitious in scale. This is a map of the NAFTA Superhighway project. As you can see, it is a “Y” shaped highway system that stretches from the Pacific shore in Canada to the eastern border of Quebec and meets at the stem in Ontario. It is planned to extend to the southernmost portions of Mexico. Thus far, however, there are no plans to extend it eastward to the Atlantic Ocean.

I could show you other plans of vast regional projects. Many of the connections set forth in the High Priority Corridor plans span the width of the United States, itself. Texas recently announced a particularly ambitious project to be completed over 50 years which will coordinate passenger rail, freight rail, separate roads for people and trucks, and which is estimated to cost between \$130 billion and \$183 billion.

### **D. Our Region**

Against these plans, how does Our Shared Region, the International Northeast, stack up? Here is a map of our existing four-lane road system. The four lane system is depicted because it is the safest and most efficient way of moving people and goods by road. As you can see, there is a transportation black hole beginning at the Maine-New Brunswick border which extends westward to Quebec and eastern and central New York.

It is truly ironic that the International Northeast, the most international region of North America, has not been evaluated by either the United States or Canada in the wake of these international trade agreements to determine whether its current transportation links are sufficient to permit this region to compete on an equal transportation footing with other regions of North America.

## **IV. Economic Transition**

Does it matter? Other regions of North America are planning to greatly improve their transportation efficiency. We are not. Does it matter?

By any analysis, safe and efficient multi-modal transportation must be considered an essential element of a healthy economy. Yet, the economies of Canada and the United States are in the midst of transition from a manufacturing-based economy to a more service-based economy. Is this new economy more or less dependent on safe and efficient multi-modal transportation?

In August of this year, Cambridge Systematics, Inc., a transportation consulting firm, completed an assessment of the sufficiency of transportation links so-called NASTO region. "NASTO" is the acronym for the Northeast Association of State Transportation Officials. The region is huge. It comprises all of Atlantic Canada, Quebec, New England, New York, New Jersey, Pennsylvania, Maryland, Delaware, and, of course, Puerto Rico.

This report made several observations the impact of our economic transition to an economy in which manufacturing will still play an important role but in which the service sector will predominate. The report described national trends in the United States from bulk freight shipments to lighter manufacturing, high-tech goods. This development is being fueled by "an explosive growth in e-commerce and e-business..." This, in turn, has sparked "...a shift toward light, high-value freight moving longer distances."

The service-based economy is forcing a shift from a "push system" of logistics to a "pull system." The traditional "push" involves "...suppliers delivering materials to an integrated manufacturer, which pushes products to a distributor or retailer and from there to a customer."

By contrast, the "pull system" is "...characterized by manufacture-to-order products, time definite delivery, and customer-driven strategies." This system requires timely and accurate customer information and safe, fast, and reliable transportation. In the pull system, inventory levels are lower, freight systems must be more flexible, and, shippers and carriers more closely integrated. In short, the system must be able to respond rapidly to changing customer demands and must ensure "just in time" delivery.

Looking at the maps of the International Northeast road system and the NASTO region road, rail, and port systems, we must ask ourselves, will this new economy seek out our region for its efficient, multi-modal capability? Or, will this new economy be drawn to other regions more efficiently and flexibly tied to markets and distribution points?

## **VI. WHAT MUST BE DONE**

In order to understand the impact that the existing transportation system has on our regional competitiveness, we must first evaluate the existing multi-modal, regional transportation system. Two years ago, I drafted a resolution calling on the United States and Canada to jointly conduct an assessment of the transportation capabilities of the International Northeast. That resolution has since been adopted by the states legislatures of Maine, New Hampshire, and, Vermont. It has also been adopted by the St. Lawrence County [New York] Economic Development Corridor Working Group in eastern New York. In Canada, it has been adopted by Saint John, Moncton, and the Halifax Regional Council.

I am very pleased to report that last month, Senator Susan Collins of Maine announced that the Bush Administration had agreed to support funding for such a study. Congress must still fund it, but Senator Collins is optimistic that it will be funded.

Such an assessment will give us a much better view of our transportation strengths and weaknesses and will afford us the opportunity to engage in bi-national transportation planning across our region. Such a study would, necessarily, examine border security issues. Unless we commit sufficient resources to accommodating security and commerce in our region, border issues may provide yet another stimulus pushing economic opportunity elsewhere.

It is vital that Canada join this assessment. If funded, the United States will conduct the assessment. The concept, however, has always contemplated the full participation of Canada. I anticipate that the United States will issue a formal invitation to Canada. There is no reason, however, that the Canada need wait on such an invitation. An overture by Canada to the United States signaling its willingness to participate in the assessment would be welcome. On October 23 of this year, the business community of Saint John sent nearly 200 letters to Prime Minister Jean Chretien asking that Canada join in this study. Consistent with the resolution adopted by the Halifax Regional Council, I would encourage you to urge Ottawa to join Washington in this regional assessment.

## **VII. Summary**

Our geography has ordained that we are all in this together whether we realize it or not. The sooner we understand this, the sooner we will begin to act together to forge a better future for us all.