

REMARKS

BY

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OF
CANADA
AT DETROIT

NEXTRANS CONFERENCE

“IN STEP, IN LINE, ON TIME”

PURDUE UNIVERSITY,
WEST LAFAYETTE,
INDIANA

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Good Day

As the Consul General of Canada in Detroit, it is my duty and pleasure to work on behalf of my fellow Canadian citizens representing their interests in Indiana, Ohio, Michigan, and Kentucky. Since arriving here in September of 2006, much of my time has been spent on ensuring the key relationships between our two countries remain strong.

We do many things together —trade, travel, continental security, military, and foreign diplomacy.

More often than we know, we even make things together.

Sometimes we think and act in a like-minded way. Sometimes we have differences, but we try to manage these differences through dialogue and understanding — a key part of my job.

Before I begin my main remarks, I would like to compliment our host, Purdue University and organizers at The Nextrans Center for the excellent job they have done in coordinating this event. We are very proud to contribute to this effort, and look forward to building on the excellent relationships we enjoy with them, as well as the new relationships we expect as a result of our involvement.

I will be addressing the following topics in my remarks; trade, the border, energy, security, and defence.

Trade

Last year, US/Canada two way trade was worth well over half a trillion U.S. dollars — approaching 600 billion dollars.

Two-way trade in goods crosses the Canada–U.S. border at the rate of 1.7 billion dollars per day — well over a million dollars a minute.

Canada is the biggest export market for U.S. products — more than China, Japan, the U.K. and Germany combined.

Or to put it another way, Canada buys four times what China buys from you.

Canada is a larger market for U.S. goods than all 27 countries of the European Union combined — which has more than 15 times the population of Canada.

And that doesn't include services, which make up a very large proportion of your economy.

U.S.–Canada trade benefits every state in the Union.

Using the most complete figures, for 2008, Canada ranked number one in 35 states — including Indiana — as the leading export market for your goods.

Bilateral Indiana–Canada trade is worth 16.2 billion dollars a year.

Not only is Canada your number-one export market, Indiana exports more to Canada than it does to its next 9 foreign destinations combined.

Your exports to us are 40% of all of your exports, that's 5 times as much as you send to your second-largest customer – Mexico.

Those are pretty good arguments — I'd say — for keeping your trade with Canada flowing freely.

Every hour, year-round, nearly 2 million dollars in trade crosses Indiana's borders on the way to or from Canada.

If we add Michigan, Kentucky and Ohio, that's well over \$130 billion in trade annually.

Nationally, this bilateral trade translates into an enormous number of jobs across the United States.

Trade with Canada supports some 7.1 million direct and indirect American jobs.

Sometimes it's difficult for people to understand that trade both ways creates American jobs — both exporting and importing, both goods and services. But it's very true.

Here in Indiana alone, some 147,750 jobs are supported by Canada–U.S. trade.

And for all four of the states in our Consulate's territory, Canada–U.S. trade supports nearly three quarters of a million jobs annually.

That's more than twice as many jobs as the entire American labour forces of Chrysler, Ford and General Motors.

Investment flows have also increased substantially over the past few years. Canadian

companies own Indiana companies, and Indiana companies own Canadian companies.

More than 37,000 workers are employed by Canadian-owned companies in the tri-state area — 10,926 in Indiana alone.

Going the other way, Indiana businesses with operations in Canada employ 10,738 people.

Protectionism

Given the uniquely integrated nature of our economies, a coordinated approach to job creation and economic recovery is essential. We are each other's biggest export markets, but we don't just trade with each other -- we make things together for global markets.

Canada wants to see the stimulus package in the United States work for the U.S. economy,

because turning the U.S. economy around is vital to our economy, and the world economy. Protecting free markets is the appropriate response to our current economic difficulties – job growth in all countries is better secured by developing economic opportunities, rather than by hindering them.

Energy

We're a major partner in U.S. energy security.

Our two countries enjoy the largest energy trade relationship in the world, with two-way trade in that sector alone totalling \$100 billion.

It may come as a surprise to you that we have the second-largest oil reserves in the world.

The U.S. imports far more oil and other energy from Canada than from any other country.

Not Saudi Arabia, not Iraq, not Venezuela — but Canada.

Canada is the largest foreign source of U.S. energy imports — the United States' largest and most secure supplier of oil, natural gas, electricity and uranium.

Today we supply nearly 10 percent of your total energy demand.

As the global demand for energy increases, Canada has demonstrated that it can meet a significant portion of American needs.

In other words, the safest and most abundant source of energy for the U.S. is just across the northern border, in very friendly hands.

Border

Canadian Public Safety Minister Peter Van Loan recently met with US Secretary of Homeland Security Janet Napolitano.

During these meetings, Minister Van Loan and Secretary Napolitano agreed to establish a

formal process of meeting twice a year to deal with shared border management and security issues.

They talked about the security threats facing both our countries and the need to ensure that we work to prevent threats from becoming reality.

They agreed to look for opportunities to cooperate on security and shared border management. In addition, Secretary Napolitano and Minister Van Loan discussed the importance of managing our shared border in a way that both strengthens security and facilitates trade, jobs and economic growth.

The Canadian Government has taken action to strengthen the integrity of our border by:

- investing \$430 million in border infrastructure and security upgrades;
 - delivering on our promise to arm our border officers and hire 400 new officers to eliminate dangerous “work alone” situations;
- and,

- providing \$25 million in continued funding for the RCMP Integrated Border Enforcement Teams.

Our 2008 Budget announced a further investment of \$75 million to the Canada Border Services Agency (CBSA).

The 2008 budget also committed \$26 million to facilitate the processing of visas and enhance border security through the use of biometric

data, a work in progress. Canada fully understands the critical issues occupying the U.S. and Mexican administrations.

We support the efforts of the two administrations to stem the tide of violence, and to curb the flow of drugs and guns across the southern border.

And while this needs to be a priority, it's also obvious to all of us that the current economic situation is very difficult.

It follows that reducing the costs of border procedures is more essential than ever before.

We can't keep piling fees and paperwork onto cross-border transportation and brokering firms.

We need innovative thinking here, and a period of reviewing and consolidating what we already have at the border.

If we must introduce a new border programme, then we must make sure that it is consistent with

existing programmes, and that it not place an undue burden on businesses, preferably not involving new costs for companies.

What we need during the current downturn is more pragmatism in the name of economic efficiency.

One-size-fits-all border policies may not in fact fit all borders.

We must know what works and what doesn't —
and which policies may have the unintended
consequence of destroying jobs.

Canadians and Americans once spoke of
sharing “the longest undefended border in the
world.”

Today that should be “the longest secure border
in the world.”

But now we both need to reinvest in the northern border, to make it a true gateway to our prosperity — not a cumbersome checkpoint that stifles our competitiveness.

What we do not need is a thickening of the border.

Our competitive edge in the global marketplace depends on it.

Collaboration, co-operation and good will are the hallmarks of our bilateral relationship.

Our two countries have built broad and solid foundations through 350 agreements and treaties that cement our mutual co-operation.

We share more than commercial ties — we are also strong allies.

Canada and the United States have a long history together of defending our continent and our values.

Security

A notable area of joint action is public safety. Mutual support in northern border patrols, law enforcement, the intelligence communities, and many other behind-the-scenes activities have been undertaken to keep North America safe.

On September 30, Canadian Foreign Affairs Minister Cannon tabled in Parliament the Framework Agreement on Integrated Cross-Border Maritime Law Enforcement Operations between the Government of Canada and the Government of the United States of America. This agreement, informally known as Shiprider, enables the Royal Canadian Mounted Police and the United States Coast Guard to jointly

secure the common waterways of Canada and the United States.

Tabling in Parliament is an important step toward bringing the agreement into force in Canada.

The agreement underscores our strong commitment to work together to strengthen the security of our shared border while still

encouraging legitimate cross-border activities that promote trade, jobs and economic growth.

Our defence industries have been integrated since the Second World War.

For half a century we have shared command of the North American Aerospace Defence Command — NORAD.

Canada has been an integral part of the mission in Afghanistan since combat operations began.

We have a force of 2,800 soldiers fighting in Kandahar in southern Afghanistan — a stronghold of the Taliban.

Along with many brave young Americans, we are fighting to make sure that Afghanistan no longer provides a haven for terrorists.

We are also working together in Afghanistan to secure a peaceful environment where

reconstruction and development can flourish safely.

Ultimately, this helps to protect North America's security.

I think that the scope of our commitment to continental and international security is clear.

Detroit-Windsor Border Crossing

Detroit-Windsor is the busiest commercial border crossing in North America and is in fact THE logistics center for an integrated advanced manufacturing corridor that extends from Ann Arbor to Oshawa. Detroit-Windsor accounts for \$126 billion of two-way surface trade annually – 28% of total Canada-United States trade and more than all of United States' trade with Japan. 220,000 jobs in the Detroit-Windsor region

depend on this border crossing. Almost 60% of our Canada-US trade moves by truck, and one third of this trucking is funneled through the Detroit-Windsor corridor. To put this into perspective, around 2.8 million trucks per year move across just one border crossing at Detroit: that amounts almost 8000 crossings a day.

Any inefficiencies at this border has a cascading impact throughout the region, state, and national

economy. The Detroit-Windsor corridor is facing capacity challenges and a new crossing is needed. The bridge and its infrastructure are aging. There is no direct highway access. Customs facilities are inadequate. These factors contribute to congestion, thus crossing times are uncertain. This uncertainty is affecting private sector decisions on investment and site location.

Lets consider the impact of border congestion on a medium-sized automotive parts manufacturer. The goods we make together move back and forth across the border several times before they are finished. Delays and fees at the border add to final price and make both of us less competitive internationally.

Our overall shipment or transit times increased due to border delays;

- Transit times for shipments to Michigan increased on average by 35% (from 6 to 8 hours)
- Carrier costs have also increased significantly

What is the Detroit River International Crossing (DRIC)?

The border crossing system will be comprised of 5 new components:

- A U.S. interstate connector to I-75
- A U.S. customs plaza
- An international bridge
- A Canadian customs plaza
- And a Canadian access road connecting to Highway 401

The project is being built by a Bi-National Partnership composed of four governments

1. U.S. Dept. of Transportation, Federal Highway Administration
2. Michigan Department of Transportation
3. Transport Canada
4. Ontario Ministry of Transportation

- Pursuing a public-private partnership (P3)
for the crossing

The bridge is expected to be financially self-sustaining over long term through tolls.

Benefits of the DRIC project

In transportation terms:

- Increased river crossing capacity, and
- Direct highway connections on both
sides

This will result in:

- More efficient border processing

In economic terms:

It eliminates the logistical bottleneck which results in a significant reduction in congestion costs to industry.

In terms of employment:

It results in the protection of 250,000 Michigan jobs dependent on trade with Canada.

It also creates 10,000 construction jobs

When complete, the new crossing will result in 25,000 new jobs in Michigan.

There will also be significant opportunities for local businesses to participate in construction of the project.

In terms of security:

Our citizens will be better protected by state-of-the-art systems on the new bridge and in the customs plazas.

As well, the redundant infrastructure keeps our border open in case of incident at another crossing.

State of the DRIC Project

- In Canada:

The environmental Assessment process in Ontario is complete.

Federal environmental approvals were issued in October 2009.

Our Federal and provincial governments committed to jointly fund a \$1.6 billion highway from new crossing to Highway

401, and Canada has begun to acquire the property required.

- In the United States:

The U.S. Record of decision is complete.

All U.S. federal permits are expected by mid-2010 (Presidential Permit, Coast Guard Permit, etc.)

U.S. Federal funding has not yet been committed for the required interchange, nor the Plaza.

In Michigan, legislation is required for the formation of the public private partnership and to enter into agreements with Canada.

Project Support

On September 16, 2009 the Prime Minister of Canada met with Leadership of the House of Representatives. He raised the importance of the project with Speaker Pelosi, calling it Canada's most important public infrastructure project.

Representatives Stupak, Dingell and

Chairman Oberstar of the House

Transportation and Infrastructure Committee

are championing the project. They are seeking support for a government-owned bridge, and a public private partnership.

Michigan Budget Legislation

On September 30, 2009, the Michigan Legislature agreed to continue funding for the DRIC project and indicated its intention to make key decisions by June 1, 2010.

Stakeholders are strongly in favor of the DRIC project.

The proponents include the Automobile industry, Chambers of Commerce, local community groups, trade associations, former Governors, unions, and the construction industry.

Our government wants to enhance security at the border while facilitating a smooth flow for legitimate trade and travellers.

We want to complete this new crossing as early as possible.

I began today by noting that the relationship between Canada and the United States is largely about doing things together.

Canada is your best customer — by far.

We are a secure partner in energy.

We cooperate in defending our continent. No two countries co-operate so closely as we do in trade, energy supplies, intelligence-sharing, continental security, and combat and reconstruction in Afghanistan.

This conference is yet another example of our willingness to work together on complex issues.

Ladies and gentlemen, your kind attention is
much appreciated. Thank you