

**North America Works II Conference -
SPP Members Busy Building
'North America Union'**

By A.J. Teegarden
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Kansas City, Missouri recently hosted the *North America Works II Conference*. The subject of the conference was 'Building North American Competitiveness' through transportation integration, "to help North America be competitive in the global economy."¹

Held Nov. 30 – Dec. 2, 2006, and co-sponsored by the City of Kansas City, International Affairs and Trade Office, and the Council of the Americas/North American Business Committee, the conference took place in the downtown Kansas City Marriott. Approximately 130 people attended.

Participants were a conglomerate of government officials and multi-national corporation representatives, such as Ford Motor Co., UPS, and FedEx, along with non- and for-profit transportation coalitions and 'gray paper'² academics from Canada, the United States, and Mexico.

During the course of the conference session these 'fluid globalists' demonstrated no particular sense of national loyalty or allegiance to their respective countries.

Sovereignty was 'out' – being continental was 'in.'

The integration of North American transportation infrastructure and systems, particularly those that support freight carried by rail, truck, and through inland ports and *entrepreneurism* were the primary conference subjects. [For *entrepreneurism* read 'public/private partnerships.']

Although many of the conference presentations focused on the shared US/Canadian border, some discussion addressed the US/Mexican border, i.e. developing an immigration policy that "works" was essential, as was the harmonization of regulations on containers, and cabotage³ rules.

A few programs presented are already in use in the US, Canada and Mexico.

- Kansas City SmartPort's 'Trade Data Exchange,' a tracking system for SmartPort members' shipments;
- NASCO (North America's Super Corridor Coalition) bi-partisan Congressional caucus influence;
- NASCO member and partner Lockheed Martin's Global Tracking Network (GTN), utilizing the SaviNetwork called SAVITRAK. Lockheed being 51% owner of the SaviNetwork, and Hutchinson Port Holding (China) owning 49%.

The creation of the North American Competitiveness Council (NACC) in early 2006 was the justification for the conference.⁴

The NACC is “a partnership between the government and business executives” from the US, Canada and Mexico⁵ and came into being through the 2005 *Security and Prosperity Partnership* agreement between the US, Canada and Mexico.⁶

According to Eric Farnsworth, of the Council of the Americas, the NACC “gives the private sector direct entrée into the government discussions. From that aspect, it (the NACC) is a revolutionary model.”

Articulate about their specific topic, most of the *North America Works II* speakers were committed to the idea of creating a North America “where transportation is fully integrated” and “where business gets done, and gets done well;” one that builds upon NAFTA (described as “not enough”), and legitimized by the creation of the *Security and Prosperity Partnership*.⁷

Moderated by **Stephen Blank**⁸, of Pace University’s Lubin School of Business, conference topics included:

- A new website, called ‘**Building North America**,’⁹ housed at Arizona State University’s NACTS¹⁰ (North American Center for Transborder Studies), containing North American course content, and targeting business schools;
- Developing a **virtual network** based in Halifax linking key leaders;
- The North American Agenda: **Building the Security and Prosperity Partnership** (the overarching reason for the conference);
- Developing an integrated Continental Transportation Strategy;
- The Manitoba International Gateway Strategy (**MIGS**); Russia is interested;
- Winnipeg Inland Port – Manitoba/KC SmartPort *Memorandum of Understanding*;
- Kansas City **SmartPort’s Trade Data Exchange**, TDE, presented by SmartPort’s Chris Gutierrez, a data exchange system allowing supply chain visibility ‘shelf to shelf.’ For SmartPort members but has already been tested along the NASCO corridor. To be a global system;
- **NASCO** (North America’s Super Corridor Coalition) expansion and efforts to *electronically* integrate the Mid-Continent International Trade Corridor, (the NAFTA Superhighway) from Monterrey to Canada;
- **NASCO** member **Lockheed Martin’s** Global Transportation Network **GTN**, originally used by defense and now “morphed into a commercial enterprise.”
- **SAVITRAK**, part of SAVI Networks; a global data tracking system utilizing RFID, GPS; Lockheed owns 51% - the other 49% is owned by Hutchinson Port Holdings of China.
- **NASCO’s** goal of creating a ‘**Center of Excellence**’ along the corridor that would house the GTN;
- **NASCO’s** goal of becoming a **Super Corridor Coalition** – not just north and south corridors, but east and west corridors as well;

- Canada's Pamela Wallin¹¹ on **Influencing Policy Makers:** how to 'look for the loopholes,' and to use the power of Mayors to implement necessary regulatory changes.
- Building Constituencies, emphasizing education.

A partial list of speakers includes Stephen Blank, of Pace University, (and CFR member), Eric Farnsworth, Council of the Americas, Barry Prentice, Asper School of Business, Georges Rioux, Canadian Consul General in Chicago, and Hector Marquez Solis, Mexican Ministry of the Economy, NAFTA Office in D.C.

Also, Mary Brooks, Dalhousie University, Nova Scotia, Ron Lemieux, Minister of Transportation, Manitoba, Canada, Chris Gutierrez, KC SmartPort, Randy Garber, VP A.T. Kearney, CA, Pamela Wallin, former Canadian Consul General NY, NASCO's Tiffany Melvin, and Lockheed Martin's John Mohler. Kansas City's Mayor Kay Barnes, Councilwoman Bonnie Sue Cooper, Jose Somoza and George Blackwood were also present.

Absent was Walter Bastian, Assistant Deputy Secretary, U.S. Department of Commerce. The bad weather supposedly prevented his attendance. His topic was to be the North American Agenda: Building the Security and Prosperity Partnership.

The roundtable format allowed for comments from the participants.

A large, 246-page book was distributed during the conference, containing the *Security and Prosperity Partnership, Report to Leaders, August 2006*, written in three languages – English, French and Spanish.

Note: This same report is available on the US government website at www.spp.gov, Report to Leaders.

Real-time notes appeared on a large screen on the left as a Council of the Americas member typed them; the speakers' presentations were projected on the right. Eric Farnsworth instructed the note taker *not* to type the names of those making the comments – no attributions.

The title page of the left screen was **Building the Security and Prosperity Partnership**.

(This writer wrote the same notes, with one exception – attributions.)

A Few of the Players

The sessions opened with a couple pre-conference meetings, one of which this writer attended - the **Transportation, Logistics and Supply Chain Management Study Group**, chaired by **Stephen Blank** and **Barry Prentice**.



Stephen Blank, left, is a Professor of International Trade and Business, at Pace University Lubin School of Business, NY. He is

the Director of the PanAmerican Partnership for Business Education.

Dr. Blank is an author, a member of the Council on Foreign Relations, and likes to talk about the ‘new North American reality.’

The North America Works II Conference press releases describe Stephen Blank as the ‘architect’ of the North America Works meetings.¹²

Barry Prentice is “a Professor of Supply Chain Management, at the I.H. Asper School of Business, University of Manitoba, and the former Director (1996-2005) of the Transport Institute.” Prentice has also served on the Mid Continent International Trade Corridor Task Force, otherwise known as NASCO.¹³

Per Wikipedia, supply chain management ‘spans all movement and storage of raw materials, the in-process inventory, and finished goods from point-of-origin to point-of-consumption’.

In other words, how to get it from here to there without loss, efficiently and cheaply.

This pre-conference session served to introduce a few topics, such as:

1) The creation of a virtual network in Halifax, for tri-national transportation members. A place for networking, developing relationships, and exchanging information, particularly entrepreneurial, Dalhousie University is the player in this.

2) Greg Dandewich brought up the subject of ‘cabotage’, the laws prohibiting carrying of passengers by a foreign provider within a country. Typically applies to air travel, but includes shipping, and apparently rail. Cabotage¹⁴ came up more than once. A hindrance to transportation integration?

3) Alan Artibise, professor at Arizona State University, said to be “the new American University,” introduced the ‘Building North America’ website mentioned above. The North American Center for Transborder Studies, NACTS¹⁵, houses the website, and contains ‘North American’ (vs. US, Canadian, etc.) business studies course material. The idea is to train young faculty members at various business schools and for them to take it back to their respective schools. As a repository of ‘gray papers’¹⁶, key documents, and government links, the website will soon have syllabi loaded and available for use.¹⁷

4) The ‘new North American reality’, the next phase of NAFTA, apparently includes a shift in terminology. No longer are NAFTA members our ‘trading partners;’ the reality is “we make stuff together.” To quote Stephen Blank, “We’re not trading partners – we’re one economy.”

Conclusion

The European Union started with the creation of the European Coal and Steel Community in 1951; an incremental step, taken via economic union, that eventually led to the integration of the countries of Europe.

The economic ‘integration’ of the transportation systems of the three NAFTA countries is taking the United States in one direction – toward the creation of a North American Union. Integration of our transportation infrastructures, as one conference member said, is *key* to making this happen.

Our legislators need to inform themselves on this issue and take action to prevent this. “Time is short and the window is small” and the fluid globalists have a head start.

I will be writing more on the contents of this conference later.

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Operation Information

¹ <http://www.kcmo.org/international.nsf/web/naw>; quote is from Eric Farnsworth’s opening statement.

² From Humanist dialogue on gray (or grey) papers: The term "gray literature" has now taken on a broader meaning and includes all non-commercially produced literature inaccessible to the mass market for acquisition since its original target audience was private rather than open to the public forum.

³ Cabotage - The Standard Dictionary of the English language defines cabotage (for flight purposes) as "air transport of passengers and goods within the same national territory." The definition adopted by International Civil Aviation Organization [ICAO] at the Chicago Convention is, "Each state shall have the right to refuse permission to the aircraft of other contracting states to take on its territory passengers, mail, and cargo destined for another point within its territory." (<http://www.faa.gov/ats/aat/ifim/ifimaifmt.htm>)

⁴ www.americas-society.org/coa/NACC/indexNACC.html The Council of the Americas promotes the expansion of trade integration in the Western Hemisphere, via the promotion of such agreements as NAFTA, CAFTA, and the FTAA.

⁵ Same as 2

⁶ <http://www.whitehouse.gov/news/releases/2006/03/20060331.html>

⁷ Quote is from Eric Farnsworth’s opening statement.

www.spp.gov The SPP is the tri-national, CAN/US/MEX, initiative agreed to by the leaders of the three North American countries in March of 2005, which strives to more fully integrate the three countries, along the lines of the European Union. The 2005 meeting took place in Waco, TX; the second in Cancun, Mexico, 2006; the third SPP meeting will take place in Canada, in 2007.

⁸ http://appserv.pace.edu/execute/page.cfm?doc_id=2202

⁹ www.asu.edu/clas/nacts/bna/

¹⁰ North American Center for Transborder Studies (NACTS)

¹¹ <http://www.pamelawallin.com/>

¹² The transcript of my 12/2/06 interview with Stephen Blank will be posted separately

¹³ Source: www.startyourengines.ca/speakers/documents/Bio_Prentice_06.pdf

¹⁴ See number 3 above

¹⁵ Ford Motor Company provided the grant money that made these studies and research possible. Ford Motor is a member of the SPP’s NACC.

¹⁶ See number 2 above

¹⁷ Stephen Blank wrote some of those key documents and papers. As conferences happen along the corridor, “this material and site should be on the agenda.”