



THE SCHOOL  
OF PUBLIC POLICY



# **THE NORTH AMERICAN PROCESS: STEPS TOWARD STRONGER PARTNERSHIP**

## **A WORKING SYMPOSIUM**

MARCH 30-31, 2016  
PHOENIX, ARIZONA

## **SYMPOSIUM SUMMARY**

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*Please note: The following session and working group summaries are based on a series of notes taken during the symposium and should not be considered formal or final proceedings. The notes are presented to here to add detail and context, but are not necessarily the final word of the speakers, moderators or symposium organizers.*

The School of Public Policy at the University of Calgary, the School of Global Studies at the Universidad Anáhuac México, the College of Public Service and Community Solutions and the Morrison Institute at Arizona State University joined in an initiative to significantly advance an ongoing North American process to strengthen cross-border relations and competitiveness.

The symposium was a great success in achieving its goals, bringing together a leading group of policy-focused business, government and academic subject-matter experts from the three countries. The dialogue and discussions validated the need for this forum and its continuity as an academic consortium. The discussions also supported the creation of a focused secretariat that will add impulse to addressing the issues that need attention and to present and promote group recommendations to North American national leaders. This is seen as one way to encourage strategic government support for the private sector in achieving a more efficient, resourceful and competitive North America.

Through the working groups and plenary sessions, attendees discussed a variety of interrelated opportunities and impediments and developed specific recommendations that are actionable by all sectors, as well as by the Canadian, Mexican and U.S. governments. The working groups focused on the North American energy sector, transportation infrastructure and supply-chain security, ensuring a co-ordinated approach to the combined recommendations as well as their prioritization.

### **Opening Reception, March 30, 2016**

A moderated discussion on North American competitiveness and closer economic co-operation.

**Opening Remarks: Jonathan Koppell**, College of Public Service and Community Solutions, Arizona State University

**Moderator: Colin Robertson**, Executive Fellow, The School of Public Policy, University of Calgary

*Discussants:*

**James Villeneuve**, Counsel General of Canada, Los Angeles

**Agustín García López Loeza**, Ambassador of Mexico to Canada

**Francisco Suárez Dávila**, former Ambassador of Mexico to Canada

**Earl Anthony Wayne**, former United States Ambassador to Mexico

Discussants shared their view on the North America Free Trade Agreement (NAFTA) and their unique perspectives on the trilateral relationship. Although the North American relationship has grown in intensity, it is not without problems.

Panellists noted that, although the three economies are closely linked to varying degrees, the region is far from exploiting its full potential. Even when jobs in certain industries have been lost due to expanded free trade, it is clear that more new jobs have been created and the balance is, for the most part, positive. The competitive advantage of the North American region generates this type of effect as a natural outcome of integration.

Participants acknowledged that the private sector stands to benefit from closer economic ties and increased continental trade. It is clear nevertheless that without policy harmonization, things cannot move forward as successfully as required. Participants agreed that strong leadership by the heads of all three countries is necessary. It was also mentioned that Canada, Mexico and the U.S. have each started respective negotiations with other global partners without taking advantage of the formidable bargaining bloc that the North American region represents.

The importance of different mechanisms needed in order to make the relationship advance further was discussed, as was the use of diplomacy. The specificities of the bilateral relationship between the U.S. and Mexico and the U.S. and Canada was also described as an ongoing reality that shapes North American relations; however, efforts for further trilateral integration should be undertaken.

**Breakfast Opening Remarks, March 31, 2016**

**Carlos Camacho Gaos**, Dean, School of Global Studies, Universidad Anáhuac México

**David Bercuson**, Director, Centre for Military, Security and Strategic Studies, University of Calgary

The dean and the director emphasized the importance of organizing initiatives, such as this symposium, in order to open up trilateral dialogue and to contribute to a process that is necessary for the three economies to strengthen. Their remarks applauded all sponsors and partners of this year's event and emphasized the importance of promoting North American competitiveness. Both agreed that, although North America is moving toward increased co-operation and enhanced integration, this symposium, led and organized by the three universities, provides an important forum that allows for open and transparent exchange of ideas from all perspectives and keeps the discussion at the highest possible level.

**Plenary 1: Opportunities and Challenges of the North American Process**

**Moderator: Jonathan Koppell**, Dean, College of Public Service and Community Solutions, Arizona State University

*Panellists:*

**Laura Dawson**, Director, Canada Institute, Wilson Center

**Jaime Serra Puche**, Senior Partner and Chairman of Board, SAI Consultores, S.C.

**John Maisto**, Director, U.S. Education Finance Group and former U.S. Ambassador to the Organization of American States

The opening panel debated if a “North American commission” would be a necessary institutional addition for advancing the momentum of North American agenda. Panellists addressed the feasibility and design for the body, the connection and relationship with the respective governments, the steps required to set it up, how it would provide a challenge functioning for all three governments and by which rules would it operate.

Panellists addressed their vision of a more integrated North America and the importance of defining the direction for the future of trilateralism. They discussed perceptions versus the reality of NAFTA and the future of the relationship. Dr. Jaime Serra Puche emphasized the fact that North America’s economic foundation is not only based on the three countries buying and selling goods among themselves, but as a "co-production" region. Furthermore, the need for a North American logistics agreement and a North American energy program were discussed as important considerations that could boost competitiveness.

Setting the context, Dr. Laura Dawson compared trade metrics within NAFTA countries to U.S. trade with Cuba. For example, U.S. annual trade with Cuba currently accounts for five days of Canada-U.S. trade. The current infatuation with Cuba is all out of proportion with the real trade benefits. Clearly, more focus needs to be on the potential of NAFTA. Dr. Dawson further argued that it was likely easier to get a new trade agreement than to renegotiate NAFTA. NAFTA has been somewhat unpopular due to technical barriers, limited mobility and political challenges, yet it is still highly effective. Although the potential Trans-Pacific Partnership (TPP) can upgrade and improve the current North American trade relationship, this pending trade deal will not go deeper in areas such as labour mobility. Dr. Dawson mentioned that North America has achieved better integration in the pharmaceutical realm and in border co-operation (implementation of pilot programs), but needs to work on increased investment co-operation, data collaboration and entrepreneurship. In tourism, the region is more competitive than collaborative. She also argued that North America still has a long way to go on workforce co-operation in order to boost competitiveness.

Dr. Puche presented an index of trade and foreign direct investment in North America from 1988 to 2014, indicating that both trade and FDI have been growing, with the exception of the aftermaths of 9/11 and the 2008 global financial crisis. Graphics further elaborated on the macroeconomic convergence of the three countries, with similar rates of inflation, a relatively low volatility in exchange rates, and similar short-term interest rates. Trilateral economic co-operation has gone beyond policy-makers to highly integrated value chains, with metrics provided as example: U.S. content in U.S. imports by country is 40 per cent from Mexico, 25 per cent from Canada and four per cent from China. Dr. Serra presented the industry performance by country and range of the different sectors revealing how productive North America could be as a region if the three countries could find a common strategy to boost competitiveness. On this subject, he presented figures that further revealed continental integration and convergence. For

example: the Mexican peso is closer to the Canadian dollar; there are clear regional economic cycles; transportation costs are far more competitive than in many other regions; and regional demographic trends are a clear advantage. In sum, the region is more competitive than each country individually.

Dr. Serra stressed that there is a need for two distinct North American agendas:

1. An intra-regional agenda, including: a North American logistics agreement, a North American energy program and a North American agreement on labour mobility.
2. An extra-regional agenda: namely, engagement in the TPP and the TTIP (Transatlantic Trade and Investment Partnership). The big challenge will be to create this external agenda and shape it to address the rest of the world.

John Maisto elaborated on integrated supply chains, mentioning that the region has increased co-production significantly. However, political challenges persist, especially a prevalence of bad or no publicity regarding the benefits of closer North American integration. Mr. Maisto stressed the need for expanding the trilateral summit, designating a border authority, and expanding joint risk investments.

## **Plenary 2: The North American Energy Market**

**Moderator: Gaétan Caron**, Executive Fellow, The School of Public Policy, University of Calgary

Panellists:

**Dave Collyer**, President, Collyer Business Consulting Inc., former President and CEO of the Canadian Association of Petroleum Producers

**Eugenio Herrera Terrazas**, Federal Electricity Commission of Mexico

**Gary Dirks**, Director, Julie Ann Wrigley Global Institute of Sustainability and Director of LightWorks, Arizona State University

The session provided a snapshot of current North American energy markets, considering both electricity and fossil fuels, and explored best practices from a trilateral perspective. The consensus was that there is much to be done through closer co-operation across all borders in energy sharing and production, pipelines, electrical-grid integration and addressing challenges facing internal and external energy markets.

Mr. Dave Collyer pointed out that energy markets are already well integrated between the U.S. and Canada. Specific areas in need of closer collaboration are: (1) policy and regulatory organizations; 2) harmonized regulatory standards, for example the setting of a standard North American carbon price; and (3) collaboration on technological innovation, especially in shale oil and gas development. From Mr. Collyer's perspective, it is sometimes unclear where Canada and Mexico fit on the U.S.'s priority list. However, as the U.S.'s closest neighbours, both Canada and Mexico arguably necessitate a special focus. The three nations need to get past tendencies toward internal polarization that only increase isolation. Mr. Collyer stressed that the North American nations need to put competitive instincts aside and seek shared technological innovation,

suggesting that the real task facing North American partners is to get governments and companies to share technology.

Mr. Eugenio Herrera explained the importance of Mexico's energy reforms and the role of the Federal Commission of Electricity (CFE) in the matter. Of note, electrical transmission and distribution is considered a public service in Mexico. New laws in Mexico force the existing monopoly to reorganize itself horizontally, not vertically, with private companies able to participate in power generation, thereby strengthening the competitiveness of the market. Mexico has created an independent power system operator as well as an independent natural gas pipeline system operator, opening a new power and fuel market. Large companies will have difficulty competing as market competition opens up to smaller competitors. CFE is entering the oil and gas market internationally with a U.S.-based limited liability company. Mexico in 2016 is witnessing the opening of a wholesale electricity market with competition opening up in the area of energy generation. Overall generating costs have trended downward in the past two years and tariffs are decreasing for industrial electricity trade. With energy costs decreasing, the gap is closing for more viable cross-border trade.

Dr. Gary Dirks posited that never has the energy sector been under so much pressure to change, and change is occurring on an unprecedented scale. Hydraulic fracturing in North America (notably the shale boom in the U.S.) has rebalanced the scale of continental oil and gas availability. Changes are also occurring in solar and wind power. However, carbon emissions are rising, not falling. Science is clear that carbon must be kept below 450 ppm; suggesting there is a 10 to 15 per cent margin to work with. There are questions about how utilities will make money in the future as solar energy continues to develop. Additionally, driverless cars could fundamentally change the fuels industry. Dr. Dirks indicated that the question of when to stop building service stations is going to be raised and that the pace of technological innovation will increase into the future. The force of change is unstoppable. This will present opportunities (and the need) to for all three North American nations to co-operate more closely in the energy sector. The audience raised questions about renewable energy, priorities for working groups tackling North American energy issues and rooftop solar. Some key takeaways include:

- Renewables are 26 per cent of the market share, with solar still comprising one of the smallest shares; fossil fuels and hydroelectric still dominate the greatest shares of energy generation;
- Working groups have to think outside the box, with the most significant challenge being how to integrate energy and climate;
- Dr. Dirks noted that British Petroleum executives originally advocated for a carbon market as early as 1997 that would have established cap and trade at that time (had the initiative passed);
- In terms of rooftop solar, traditional utilities make their profits on rate base; they are attempting to protect their existing business model since rooftop solar poses the greatest risk to that model. Utilities need a new business model for the future; they are not anti-solar; they are just against outside competition usurping control over the rooftop market.

In conclusion, one of the panellists stated that we have the existing institutions we require in North America to advance the energy agenda, but the key is figuring out how to make these institutions operate more effectively to reach common goals.

### **Plenary 3: Infrastructure for Competitiveness: Physical Infrastructure and Logistics**

**Moderator: Glenn Williamson**, Canada-Arizona Business Council

*Panellists:*

**Stephen Blank**, Senior Fellow, Collaborator on Energy Research and Policy, University of Ottawa

**Luis Téllez Kuenzler**, Senior Advisor, KKR & Co.

**Randy Nickle**, Director, Transportation and Logistics, Freeport-McMoRan Inc.

The third plenary of the symposium focused on rail and truck transportation in a North American context, especially from a business perspective. It considered what is working well, what is not, and how to correct the problems. It also considered the topic of supply-chain security and issues such as pre-clearance, cross-border interagency co-ordination and aligning customs clearance and processes.

Dr. Stephen Blank presented the current state of U.S. transportation infrastructure, noting that it is facing two crises:

1. The crisis of today is the current failing infrastructure.
2. The crisis of tomorrow relates to the challenge of building new infrastructure required for the 21<sup>st</sup> century. Dr. Blank provided some interesting statistics to highlight the situation: 65 per cent of U.S. roads are in “less than good” condition; 25 per cent of bridges need significant repair or cannot handle today’s traffic; and 50 per cent of locks and chambers are more than 50 years old. The glory days of American public spending on transportation and water infrastructure are long gone. Regardless, new roads, highways and bridge systems need to be built.

Dr. Blank pointed out that freight transportation in the U.S. is dominated largely by trucking and this fact will continue to take a toll on the highway systems. Without investment in an already crowded highway system, this could present a significant impediment for increased and successful continental commerce. The second-largest means of transportation on the continent is rail. One challenge is that the U.S. rail system is based on 19<sup>th</sup> century rail geography through Chicago. Furthermore, north-south rail lines are lacking in U.S. western states. Of note, the declining use of coal for energy production will lead to a declining use of rail cars, as coal is the largest source of freight transported by rail.

Dr. Blank also raised the issue of climate change and its potential impact on national infrastructure. For example, the U.S. Northeast corridor is highly susceptible to increased storm surges and rising sea levels, suggesting that some of the most trafficked rail and road corridors in the nation are at risk of flooding. Port cities are also under threat from rising sea levels: only a few metres’ change in sea level will render useless many industrial-shipping ports on North American coasts. Although commerce is important to North American competitiveness, taking care of the environment is equally so. Dr. Blank further posited that it is time to move beyond NAFTA, noting that it has served its purpose and no amount of revising it will address the key problems of today. Rather, he argued for a new international agreement that seeks new solutions and new ways of collaborating. He also advised that there would likely never be a “North

American union” competing with the European Union because Mexico, Canada and U.S. are unique and independent.

Dr. Luis Téllez Kuenzler noted that foreign direct investment (FDI) in Mexico has existed for the past 20 years and has recently increased with major new investments; FDI is having the greatest impact on improving and developing domestic infrastructure. In fact, Mexico is ahead of both the U.S. and Canada in implementing public-private partnerships (P3s) in the area of infrastructure development.

Dr. Téllez highlighted the often-overlooked issue of the impact of NAFTA on education. NAFTA has led to an increasingly educated workforce in Mexico. For example, Mexico is now graduating more engineering degrees on a per capita basis than the U.S. or Canada. The importance of NAFTA in massively improving infrastructure in Mexico was also pointed out, and the pace is set to continue. This is levelling the infrastructure base to be on par with, and in some cases better than the U.S. Even through multiple economic crises, infrastructure in Mexico has continued to expand. It was suggested that the future of North American infrastructure development lies with joint infrastructure projects for cross-border areas, such as the opening of a more accessible and efficient airport terminal link between San Diego and Tijuana.

Mr. Randy Nickle discussed the issue of moving copper competitively by rail in North America, notably from Arizona to Mexico, as a concrete example of an “on-the-ground” challenge facing business. He noted that Freeport-McMoRan Inc. is facing many challenges with cross-border freight shipping, citing the example of a cost factor of 400 per cent to move copper by rail from Arizona to the Port of Guaymas, compared to moving the same shipment to Peru. Part of the rail journey from Arizona to the Port of Guaymas involves touching four different railroads and the resulting inefficiencies from the handoffs. Quite simply, Freeport-McMoRan and others are facing a non-competitive railroad system with distinct challenges for business. These concrete concerns must be part of North American policy discussions to ensure a much better understanding of the challenges and inefficiencies in transportation that are reducing North American trade and competitiveness.

Closing comments highlighted the importance of foreign direct investment for infrastructure development. It was noted that capital markets in Canada and the U.S. have begun investing in infrastructure development and are seeing excellent returns since the projects funded are successful at increasing economic activity. Another comment from the audience recommended that the North American Development Bank (Mexico-U.S.) be expanded to include Canada. Furthermore, it was asked if the North American Development Bank could be further supported by pension fund investment.

### **Working Group Sessions**

Symposium attendees attended pre-assigned Working Groups (WGs) with approximately 10 participants. During the course of the afternoon, the WGs prepared a number of recommendations on various policy topics and issued a list of prioritized items that need improvement, implementation and/or change in order to make the triad more competitive. Each

WG considered what is required by each and all governments in North America in order to improve the economic and competitive process, pointing out specific impediments and necessary actions.

### **A. North American Energy: Utilities and Electricity**

See North American Electricity Primer — Sapna Gupta, Senior Policy Analyst, Morrison Institute for Public Policy, College of Public Service and Community Solutions at Arizona State University.

**Facilitator: Frank Thorwald**, Managing Member, Thorwald Group and Chairman of the Arizona Oil and Gas Conservation Commission.

### **Recommendations**

1. Bring together CEOs of utility companies that have authority over the power systems adjoining the borders of Canada, the U.S. and Mexico as well as the heads of the regulatory entities in these jurisdictions in order to streamline the transmission process between countries, including regulatory requirements and standardization of construction. The universities that produced the North American Process symposium should convene these individuals and co-ordinate conveying the recommendations of the process to the entities along the border and to the federal government.
2. Include the Comisión Federal de Electricidad (CFE) in the Edison Electric Institute (EEI) meetings.
3. Further advance the importance of Clean Energy Certificates (Certificados de Energía Limpia or CELs, certified by Mexico's Energy Regulatory Commission/Comisión Reguladora de Energía) by developing a North American market for the trading of CELs.
4. Develop open standards for connectivity and interoperability on the electric grid.
5. Develop a set of regulatory mechanisms that evaluate cross-border projects based on both local and cross-border benefits.
6. Investigate how to increase and improve cross-border utilities data (for both Canada-U.S. and Mexico-U.S.).
7. Develop open standards for connectivity and interoperability on the electric grid.
8. Homogenize presidential and CRE (Comisión Reguladores de Energía) permitting.

### **B. North American Energy: Oil and Gas**

See North American Energy: Oil and Gas Primer – Gaétan Caron, Executive Fellow, The School of Public Policy, University of Calgary.

**Facilitator: Duncan Wood**, Director, Mexico Institute, Wilson Center

### **Recommendations**

1. Document trilateral best practices in the fossil fuel industry, starting with hydraulic fracturing, as a first step toward a transition to continental fossil fuel regulations, and in doing so, set the bar for energy regulation for the rest of the world.

2. Establish an investor protection regime covering all of North America, mirroring the Foreign Corrupt Practices Act (FCPA).
3. To support the debates that inform regulatory choices and policy interventions, promote easy access to transparent, unbiased and integrated data and information on energy market fundamentals in North America by improving the ease of use, integration and display of information on the North American Cooperation on Energy Information (NACEI) website.
4. Work toward trilateral standards for the marine transportation of crude oil as an initial step toward greater North American regulatory harmonization.
5. Work toward a common North American strategy on energy and the environment that will eventually include a North American carbon price.
6. Trilaterally establish mutually approved timelines for review of cross-border energy infrastructure.
7. Explore utilizing the structure and approach of the successful Canada-U.S. Regulatory Cooperation Council to promote closer trilateral energy-regulatory collaboration and standards, where appropriate.
8. Develop public educational programs, within each country, that clearly explain the role of energy in the economy and in the day-to-day life of citizens.

### **C. Infrastructure and Competitiveness: Rail and Trucking**

See Infrastructure and Competitiveness: Rail Primer – Lorenzo Reyes Retana, Director General of Corporate Projects, Ferromex; and Infrastructure and Competitiveness: Roads and Trucking Primer – Col. Eric Rojo US Army (ret.), ‘Magination Consulting.

**Facilitator: Marisa Paula Walker**, Senior Vice-President, Strategic Planning and Infrastructure, Arizona Commerce Authority

### **Recommendations**

1. Formalize the technical and operational standards of the rail industry in a similar manner to those applied to the IATA (International Air Transportation Association) and include from the U.S., the FRA (Federal Railroad Administration); from Canada, the Canadian Transportation Agency; and from Mexico, the Rail Transport Regulating Agency (soon to start operations). Also include in the above discussions: the Association of American Railroads, the Railway Association of Canada and the Mexican Association of Railways.
2. Create a trilateral working group to document best practices in rail and truck transportation at the Canada-U.S. and Mexico-U.S. border as an important step toward trilateral streamlining of continental rail and truck movement.
3. Given that rail cargo should be able to move beyond the border without stopping, create a North American working group to address the specific issues and concerns of North American businesses that have “on-the-ground” experience with serious rail delays at either the Canada-U.S. or Mexico-U.S. border.
4. Sign a “trilateral logistical agreement” to promote a customs regime that improves the fluidity of cross-border transit, and to work to bring about measures required to allow trains reaching the border to directly access the facilities of the rail operator that will take the cargo into the destination country.

5. Build capacity for long-term, strategic vision and planning to solve future needs, e.g., cabotage, free-trade transportation and changing markets and needs. Develop a single window and do away with multiple agencies.\

#### **D. North American Supply-Chain Security**

See Supply-Chain Security Primer — Gail Lewis, Director, Office of P3 Initiatives and International Affairs, Arizona Department of Transportation.

**Facilitator: Gail Lewis**, Director, Office of P3 Initiatives and International Affairs, Arizona Department of Transportation

#### **Recommendations**

1. Promote a co-ordinated customs regime that improves the fluidity of cross-border transit including developing a single, harmonized customs form that will be used by all three countries that can be submitted electronically.
2. Engage the insurance and risk-management industries, encouraging the equivalent of a “good-driver discount” for companies that engage in best practices in risk management.
3. Support the private sector to: engage in continuity of operations activities; finance and develop border and trade infrastructure, and use standard practices for good supply-chain management.
4. Support the 21st Century Border Initiative and extend the border away from the physical location in order to reduce bottlenecks and promote efficiency; encourage more pre-screening.
5. Increase support for P3s to finance and develop border and trade infrastructure.
6. Raise infrastructure development and freight efficiencies to be on par with security.
7. Ensure that trilateral collaboration on supply-chain security occurs at all critical levels of government: the national, the state and the local levels.
8. Address the threats to the North American supply chain, including the following specific actions:
  - Integrate security into routine supply-chain operations;
  - Verify cargo with minimal disruption so that contraband can be identified;
  - Maximize the flow of legitimate cargo by modernizing infrastructure and simplify trade-compliance processes so business can understand the requirements;
  - Mitigate/prevent supply-chain disruption by using established risk-management principles to identify and protect key assets and infrastructure;
  - Develop common guidelines to co-ordinate incident-management response, namely: identifying threats, establishing a rapid-response structure, and speedy sharing of information;
  - Adoption of global standards (i.e., ISO) regarding best practices for supply-chain security.

#### **General Recommendations**

During the course of the symposium, several recommendations were advanced that were not necessarily specific to the sectors discussed in the working groups. Below, for consideration, are

five additional recommendations:

1. Have senior government leaders in Canada and Mexico advance and promote North American trade and a North American brand as key to continental global competitiveness.
2. Advance trilateral efforts to encourage the exchange of students among all three countries to promote a stronger understanding of continental interconnectedness among youth.
3. Harness opportunities for closer North American collaboration by encouraging a North American process, led by universities, that would convene key stakeholders from government, industry, the non-profit sector and civil society. Consider such an academic-led approach to be a potential forbearer of an organization like a North American commission.
4. Negotiate all free-trade agreements as a bloc. Unilateral negotiations weaken rather than strengthen the region (e.g., TTIP).

### **Final Session: Snapshots from the Working Groups, Discussion on Recommendations, Next Steps and Wrap-Up**

**Moderator: Jessica De Alba-Ulloa**, Researcher-Professor of the School of Global Studies, Universidad Anáhuac México

Presentations by the working group facilitators on recommendations and findings from the breakout sessions and suggested next steps for moving forward.

#### **Working Group A: North American Electricity and Utilities — Key Role for Universities:**

- Universities can play a key role in co-ordinating among all three North American governments and industry CEOs toward closer standardization on utility regulations across the three nations; with the goal of simplifying process, rather than creating new organizations or government groups.

#### **Working Group B: North American Oil and Gas — A Closer Look at the Questions, Big Challenges and Opportunities in the North American Fossil Fuel Sector:**

- Questions: Is there a need of/for social licence? How can we build infrastructure and include the social dimension/public interest/private concerns? How to better educate citizens on the importance of energy?
- Challenges: There is a clear need for developing an information system for ease of access to data; stronger political leadership is a missing piece; the integration of energy and sustainability.
- Opportunities: The North American Leaders' Summit in 2016 can start with a consideration of national energy plans and a common trilateral strategy on energy, trade and climate change. Agreement on best practices is the first step toward regulatory collaboration. The best-practices approach can also be applied to tackling corruption in the energy sector. There has been progress on addressing regulatory issues through NAFTA, however, this needs to be translated into political action, not only a meeting once a year. A move toward North American carbon pricing?

**Working Group C: North American Transportation Infrastructure — Streamlining and Technology:**

- There is a need for better streamlining of northbound and southbound rail; technology can and should be better tapped into for keeping North American transportation moving; a broader narrative around NAFTA on the importance of trade is key; increase co-operation, co-ordination, institutional infrastructure planning; there is still need for more information sharing; No need for more ports, but rather better processes, better utilization of facilities. Need for multimodal facilities, transport options; make trade move efficiently. Develop case studies: different geographies, firms, what works, collect data to understand costs. The need for building capacity for long-term, strategic vision and planning to solve future needs: e.g., cabotage, free-trade transportation, and changing markets and needs.

**Working Group D: Supply-Chain Security — Cargo at Rest is Cargo at Risk:**

- Sub-themes included: once the supply chain starts, how do you keep it going? There is a need to create a 21<sup>st</sup> century border initiative: pre-screening that starts in Mexico and Canada; promoting more investment in infrastructure; supporting private sector initiatives; harmonizing custom forms and creating a single window; supporting P3s; and looking more closely at natural disasters and disruptive food security. It was noted that the Customs-Trade Partnership Against Terrorism (C-TPAT, a U.S. voluntary supply-chain security program) not only hinges on security but also on infrastructure.

**Closing Remarks: Maureen Shields**, Director, Market Diversification Program, The School of Public Policy, University of Calgary