

SENATOR JEANNE SHAHEEN REMARKS:
Canadian-American Business Council Event
June 10, 2010

I want to thank you for inviting me here to speak today. It is a pleasure to be here for the Canadian American Business Council's annual meeting and policy forum.

Thank you, David Sweet, for that kind introduction. Thank you also to the Natural Gas Roundtable for helping to cosponsor this event.

I want to give a special thanks to Kelly Johnston and Scotty Greenwood and the entire Canadian-American Business Council for their leadership in hosting this important forum today. The CABC is a highly respected and influential organization here in Washington. All of you here understand the importance of this trade relationship to both countries, and all of you know how critical it is to have such a strong advocate like the Canadian-American Business Council promoting these issues for us. I have had the pleasure of working with this organization on a number of occasions and am proud to be associated with your work.

A special welcome to a friend of mine and colleague from New Hampshire who is here today, George Bald. George oversees our state offices responsible for economic development, forestries, international trade, and our state tourism office. For those of you wishing to expand your investment into New Hampshire, don't hesitate to go get George's business card today.

When we talk about how important our bilateral trade relationship is to both the U.S. and Canada, the numbers really do speak for themselves. We share the largest and most comprehensive bilateral trade relationship in the world today. Annual bilateral trade between our countries is around \$600 billion. Nearly \$2 billion worth of goods and services crosses our common border every day. To give you a sense of how that ranks with other partners around the globe, the two-way trade that crosses the one bridge between Detroit, Michigan and Windsor, Ontario equals all U.S. exports to Japan. This vital partnership has meant millions of jobs and cross-border investment on both sides of the border.

As a Governor of a border state, I saw first-hand the impact trade with Canada had on our communities throughout New Hampshire. I was actually the first Governor to lead a trade mission to Canada following the events of September 11th, 2001.

Businesses and entrepreneurs on both sides of our border have worked hard to develop markets, sell products, attract investment and increase competitiveness. Ours is a symbiotic relationship that has worked well for my state, for American and Canadian businesses, and for North American competitiveness.

Much has been said about the relationship between our two national governments, but I think it is important to also recognize the role our local communities, our states, and our provinces have had in developing this strong partnership. As many of you know, New Hampshire and the other New England states have long had a relationship with the Eastern provinces of Canada. In fact, long before NAFTA was signed, the Conference of New England Governors and Eastern Canadian Premiers had been meeting to expand economic and investment ties, foster energy exchanges, and discuss transportation, tourism, agriculture, and fisheries. I always found these meetings to be very valuable, and I am pleased this unique association continues to thrive today and enhances an already deep, mutually beneficial relationship.

The trade partnership between the U.S. and Canada did not happen overnight and it has not come easily. This is especially the case today, as we continue to face a difficult economic climate. Fortunately, we are beginning to see signs of improvement, but there is still much work to be done as we move down the slow road to recovery. The U.S.-Canada relationship will be critical to that effort. We have worked hard to deepen and expand these ties, and now is not the time to let this important relationship coast on auto-pilot.

We have seen one worrying trend in New Hampshire over the last year. In 2009 – and for the first time since I can remember – Mexico actually overtook Canada as our state’s largest market for exports. Exports to Canada dropped nearly 30% last year. At the same time, exports to Mexico rose nearly 40%. For a border state that has historically held extremely close economic ties with Canada, this is quite disconcerting. If we are to maintain competitiveness and keep our economies moving forward, we need to find ways to curb this downturn and once again grow our relationship.

I had the opportunity last fall to visit Halifax, Nova Scotia on an official Congressional Delegation trip. CABCO was kind enough to sponsor a roundtable with a number of Canadian businesses. We discussed these trends and talked about some of the concerns we were seeing in our trade relationship.

Of course, the “Buy America” provisions from the American Recovery and Reinvestment Act were raised as a cause for concern. I was happy to see that earlier this spring, the U.S. and Canada signed a new government procurement pact. The agreement, which brings Canadian provinces under the WTO’s government procurement agreement, also gives Canadian firms a temporary waiver for many of the programs in the U.S. stimulus package. I hope this agreement, fully implemented, will be an important step in restoring and enhancing our cross-border commercial activity.

We also discussed how differences in our regulatory practices on either side of the border can negatively affect trade. As you all know, since tariffs remain relatively

low between us, regulatory differences are widely recognized as the more significant barrier for trade and investment. I know you will be discussing cross-border regulatory cooperation at length this afternoon. Minimizing these differences could have significant benefits for our businesses, and I look forward to hearing your ideas and working with you in the coming years on finding ways to better harmonize our regulatory policies.

Another area of possible growth opportunities for businesses across our two countries is in the energy sector. As you all know, Canada is already America's largest energy supplier, accounting for almost one-fifth of the total U.S. supply. I believe that there is much room for cooperation on renewable energies, including hydro, wind, biomass, and others. I know in the Northeast, we have been discussing this with our partners in the Eastern Provinces, but we are still in the early stages. As we all strive to reduce greenhouse gases, confront the serious threats of climate change and help create a thriving clean energy economy, it will be important for the U.S. and Canada to work together to keep our North American businesses competitive and at the cutting edge of renewable technologies.

Like any partnership that wishes to stay ahead in a rapidly changing world, the United States and Canada need to continue to foster and adapt our economic and financial ties. We did not get here by coasting. It took active engagement and hard work to create one of the strongest bilateral economic relationships in the world today, and it will require similar levels of work and attention if we are to maintain and grow these ties.

Thank you for the opportunity to speak today and thank you all for coming. It should be a very valuable and interesting program.