



FIRST NORTH AMERICAN SUSTAINABLE ECONOMIC DEVELOPMENT SUMMIT

EXECUTIVE SUMMARY

The North American Sustainable Economic Development Summit held August 26, 2014 in Las Colinas-Irving, Texas, brought together private and public sector leaders in energy, infrastructure, transportation, logistics, and border facilitation to address the challenges and opportunities present in North America. In his welcoming remarks, Al Zapanta, President & CEO of the U.S.-Mexico Chamber of Commerce, commented that the topics encompassed a wide range of interests, including the quest to secure energy independence and the effects on international trade due to the Panama Canal expansion and the opening of the Northwest Passage in the Arctic. From border facilitation, to transportation and infrastructure, to the technologies that support all industries, the Summit interwove a vital framework of industry and commerce through panel discussions and forums. Mexico's Consul General in Dallas, Dr. Jose Octavio Tripp, welcomed attendees and noted the important changes in Mexico's energy sector.

The centerpiece of the day was the recently approved Mexico energy reform and the growth of domestic U.S. liquefied natural gas (LNG). As the United States, Mexico, and Canada continue to integrate their economies through trade, facilitation of knowledge, and shared systems, the region's competitive edge will sustain the growth. North American trade requires a comprehensive approach that takes into consideration infrastructure, logistics, transportation, and energy, with a focus on sustainability. These platforms of commerce drive current developments including negotiation for a Trans-Pacific Partnership (TPP), the ambitious 21st century trade agreement that the United States is negotiating with eleven Pacific countries. As NAFTA's partners leverage their relationship to strengthen North America's resolve in addressing issues of sustainable development and growth, the resultant actions are sure to drive the competitive advantage of the region.

Senator Doug Black, Province of Alberta, Canada, and David Manning, Government of Alberta's Representative in Washington, D.C., focused their comments, principally, on the energy sector, and the relationship with the United States, especially as it relates to logistics and important pipeline transportations systems and projects, such as the XNL/Keystone Pipeline.



Victor Mendez, Deputy Secretary of Transportation, U.S. Department of Transportation, shared with the audience the vision contained in the initiative “Grow America Act,” an ambitious plan to increase transportation investment on national infrastructure to keep pace with the growing demand, and also mentioned that the DOT is currently working to develop a national Freight Strategic Plan, which “...will look at freight movement in the U.S. from a multimodal perspective that includes rail, highways, and ports.”

Monica Aspe-Bernal, Coordinator in the Agency for Knowledge and Information in Mexico’s Ministry of Communications and Transportation provided a snapshot of the changes in the legal framework of the Telecommunications Sector in Mexico, and the infrastructure projects in place, such as the transition to digital television and open access mobile network, among others, with a total investment of \$14 billion. She also presented details of Mexico’s National Infrastructure Program, which will double the ports’ capacity, and includes the construction of highways, passenger railroads, high-speed railroads, and a new airport in the Mexico City area.

The Summit’s strategic timing coincided perfectly with ongoing discussions between industry and government leaders eager to collaborate across a host of topics and challenges facing North America, including economic blocs, increased competitiveness and pricing in international markets, and the promotion of global corporations and manufacturing capabilities throughout the world. Participants counted it an opportunity to be a part of an informed dialogue that produced ideas and suggestions that address and seek to improve the North American regional economy.

Congressman Pete Sessions (R-TX), a guest speaker during the Summit, stated that “...we must consider the notion of North America in the context of today’s present obstacles, including security and global governance.” The idea of North America assumes major significance and relevance. In the context of the international arena, the influence of NAFTA institutes a global asset of enormous value, making this the right moment to strengthen North American regional economic integration.

Moderating the Energy Panel, Texas Member of the Interstate Oil and Gas Compact Commission, Steve Molina, noted the importance of energy independence in North America. The reforms recently implemented in Mexico are creating an extraordinary opportunity for powerful, joint programs that shape the basis for a regional community. Santiago Creuheras of



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Mexico's Ministry of Energy outlined the 21 laws that consolidate the new legal regime for the sector. The energy reform alone will have an enormous effect on the future of North America, creating hundreds of business opportunities in the hydrocarbon sector and supporting industries including technology, financing and investment, and education and training, among others.

As North America develops the energy resources necessary to generate economic growth, reliable and affordable energy becomes a growing component in ensuring a competitive manufacturing base. Thus, as the United States embraces an energy revolution, with coinciding developments in Canada and Mexico, energy independence will be the cornerstone in North American sustainability. It was commented during the Summit that for that to occur, it is imperative that we forge a new regional spirit of cooperation and create incentives as soon as possible to drive progress. Thus, it was proposed that today we can begin to write a new chapter on North American integration.

Recognizing the key role that the government institutions play in facilitating trade, it was important to include in the conversation representatives from the Mexican Customs Administration and the U.S. Department of Homeland Security. Luis Fernando Pérez Azcárraga, Principal Administrator for Strategic Planning of Mexico's Custom Agency, presented Mexico's plan to meet the demands of foreign trade with the use of new technology and expanding facilities, while Ana Hinojosa, Deputy Assistant Commissioner for International Affairs at USDHS explained the daily activities of the Customs and Border Protection Agency. They both shared the status of the negotiations to subscribe a Mutual Recognition Agreement between the U.S. and Mexico.

One take-away from the Summit was that North America cannot afford to get it wrong on sustainable economic development. It was reported that energy driven initiatives will reawaken, and investments will once again pour into our region and into transportation infrastructure. Ambassador Juan Sosa commented that commerce will capitalize on the investments made in Panama to increase the capacity of the Panama Canal; and the Arctic Region and Northwest Passage will play an increasingly greater role in global logistics and commerce, as reported by John Higginbotham, Senior Fellow, Carleton University and Center for International Governance Innovation, Canada. While we can be proud North America has already begun to implement innovative and advanced technologies that reduce risk, lower costs, improve performance, and generate revenues, we must become much better at it, to drive sustainable development while



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we protect the environment. We must also become adept at commercializing the technology transfer of Research and Development. We should capitalize on E-Commerce platforms, such as “Connect Mexico,” that bring advantages to businesses in North America, while optimizing the supply chains of major industries, as commented by Luc Ringuette, of the United States-Mexico Market Exchange (UMEXX).

A highlight of the Summit was the Gala Dinner, where Kenneth Smith-Ramos, Director of Trade and NAFTA Office at the Embassy of Mexico to the U.S., spoke on behalf of Mexico’s Secretary of the Economy, Idefonso Guajardo. Mr. Smith-Ramos’ comments centered on the increasing scope and magnitude of Mexico’s economy and global trade, especially within North America. He also spoke about the favorable prospects ahead, including the benefits to be derived from the various and broad reforms implemented in Mexico.

With our added knowledge, it is time to start putting sustainable measures into practice. Universal access to sustainable energy is essential to support North America. Consider that analysis of global energy resources shows that, over the last twenty-five years, energy consumption has doubled as developing countries came onboard and online. The growth in these relatively new markets will create a surge in energy use that will see the consumption of energy resources double again within fifteen years.

North America must address the coming energy crisis and build upon its strong and successful relationships to create new technologies, implement new efforts, and achieve energy independence. The Center for North American Sustainable Economic Development is focused on this spectrum of opportunities. Taking into consideration the formidable role energy plays in a host of sectors, the Center recognizes that without advanced technological tools, we cannot maximize efficiencies, nor take advantage of business analytics that drive decision-making processes and produce advantages of scale.

The focus on energy and technology will require an educational component to maximize results. North America needs knowledge brokers, men and women equipped for the work ahead, and trained to deliver results. These future leaders must be skilled and keenly aware of the dynamics of bi-national and tri-national relationships, masters in their industry, and champions of reform. The Summit brought home that there is a vacuum that exists in this regard, which present corresponding opportunities.



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North America awakens to a new day. The framework, the business model, the strong network of relationships built over decades and generations exists for this moment. It is a time for strength, for innovation, and for a renewed, more integrated and sustainable North American economy.

By this tri-national partnership, prosperity will be emboldened, opportunities will abound, and the knowledge and education of our future leaders will be enriched. As industry and government work in tandem to deliver solutions for a strong, sustainable economic development, we must collaborate in public-private partnerships to this end. Nations must build bridges embracing cultural ties and work jointly to address tri-national concerns; from infrastructure, to security, to energy independence.

In essence, over the next 10 years, the U.S.-Mexico Chamber of Commerce and its Foundation, through the actions of the Center for North American Sustainable Economic Development, will be focusing on the goals articulated during the Summit. More specifically and based on the results of the Summit, the Center and the Foundation will be developing the following action plan:

- Continue Issue-Focus Summits and Seminars;
- Establish a North American Energy Training Consortium;
- Promote Technology Transfer Activities at the National Laboratories;
- Implement “Connect Mexico:” an Information Technology & Supply Chain Platform.

The Summit confirmed that the North America sits on the cusp of an energy renaissance. Canada, rich in oil and gas, is optimistic of the opportunity to set the benchmark on balancing environmental stewardship with oil and gas enterprises, and is working with the United States to move oil and gas cleanly, safely and efficiently. Mexico is applauded for its resolve to push reforms that will capture the promise of a robust economy and sustainable economic development. The United States continues developing known oil and gas reserves towards North American energy independence.

Complete Summit proceedings, with research, graphs and charts, at: www.usmccoc.org