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!..... **North America Works**
IN KANSAS CITY

SUMMARY

NORTH AMERICA WORKS in Kansas City Oct. 13-14, 2005 Kauffman Center

“In a rapidly changing world, we must develop new avenues of cooperation that will make our open societies safer and more secure, our businesses more competitive, and our economies more resilient.” U. S. President George W. Bush, Mexico President Vicente Fox and Canadian Prime Minister Paul Martin issued this unified declaration as they announced the New Security and Prosperity Partnership of North America.

North America Works in Kansas City was a clear and vigorous response to the challenge.



U.S. Senator Christopher "Kit" Bond, conference keynote speaker

The October 2005 conference rested on three key principles:

- that the North American economic system which has emerged in the past 20 years works – that it is a source of employment and economic growth
- that in the globally interdependent world of the 21st century, cities and urban regions are critical agents in promoting economic development, and that the North American economy will continue to grow in the 21st century as new entrepreneurial linkages emerge and deepen among our urban centers and regions
- that continental entrepreneurial linkages depend on efficient and effective transportation systems.

More than 200 business leaders; economic and trade development specialists from North American cities; experts in transportation, logistics and supply chain management; senior executives of major freight carriers and other transportation industry firms; government officials; and university faculty and researchers came to Kansas City for the conference. Through the program comprised of panels, case presentations and talks by prominent leaders, the speakers and audience focused on factors that facilitated – or limited – success in business ties among North American urban centers.

Expanding entrepreneurial links

In his keynote address, U. S. Senator Christopher “Kit” Bond from Missouri underlined the main themes of the conference: “Expanding entrepreneurial links among North American cities and building a North American transportation strategy – this theme of your conference is perfect for what we need today.”

Transportation is the key, Bond observed. “Without strong, improved transportation infrastructure, we lose tens of thousands of job opportunities; we lose economic growth every day.”

Presentations of cases that followed Bond’s opening talk developed a strong base of experience for examining these views.

One group explored logistics issues in critical North American industries (automotive, agriculture and life sciences); the other focused on successful examples of entrepreneurial links among urban centers (business strategies expanding links to Mexico’s deepwater Pacific ports, recreating the International Northeast Region and building a network of North American inland ports). The cases all illustrated substantial achievement in the past decade and potential for the future.

But they also all pointed to growing problems of transportation and logistics logjams caused by inadequate infrastructure maintenance and development. In many cases, speakers illustrated the need for greater harmonization in policies of the three NAFTA governments, particularly at

the United States-Mexico and United States-Canada borders. Many of these infrastructure problems came to the foreground during a presentation that reviewed the Council of Supply Management Professionals' 16th Annual State of Logistics Report.

Prepare for future competition

In the second day's keynote address, Geronimo Gutierrez Fernandez, Mexico's undersecretary for North America, pointed to significant ongoing efforts by the three national governments to develop an agenda for the next stage of North American development. In the Security and Prosperity Partnership, the three national leaders pledged to establish a common security strategy and promote economic growth, competitiveness and quality of life.

Gutierrez also pointed to the success of North American integration, but he called attention as well to what must be done now to prepare for future competition – especially from Asia. North America, he said, must improve its infrastructure; the cost of trade and investment must be reduced; and borders must be both secure and efficient to facilitate the legitimate flow of goods.

Two expert panels, one on building a North American transportation strategy and another on creating a new fund for infrastructure development in Mexico, explored these issues in depth.

The great task in Mexico is to find ways to bring the millions of Mexicans who remain outside into the North American economic system.

Lack of infrastructure is a major factor in maintaining this dangerous division between those Mexicans who are a part of the North American economy and those who are not. Panel members discussed factors that inhibit adequate infrastructure financing and discussed the creation of a special financing vehicle, a North American investment fund. This fund would facilitate infrastructure investment at a scale large enough to fill the current void between Mexico and its northern neighbors and promote economic convergence at a faster pace.

Members of the North American Transportation Strategy panel emphasized that, above all, the public/private sectors in all three countries must think about transportation needs and solutions in a “continental framework.” Volumes of materials moving north and south have increased enormously, but much must be done now to maintain existing roads and rails systems not to mention expanding them to meet the needs that will arise from deeper economic integration.

The panel called for more innovative public/private partnerships.



Geronimo Gutierrez Fernandez, Mexico's undersecretary for North America, says the borders must be both secure and efficient to facilitate the flow of goods.

Technocrats cannot plan agenda

Manitoba Premier Gary Doer, the third day's keynote speaker, argued that leadership in North American economic integration cannot come only from the national capitals. “We shouldn't have technocrats in Ottawa, Washington, D.C. or Mexico City planning the North American agenda. We want to work with our partners in Mexico and Canada to predict and take advantage of the future,” Doer said. “We need to take leadership results from meetings such as this to our national governments.”

The final panel of the conference took up Doer's admonition. While conference participants came from across North America, this panel focused on the Mid-Continent Corridor, the broad swath that links Guadalajara and Monterrey to the Laredo border crossing and then northward to Kansas City

and Winnipeg – and, soon, that will link Mexico’s deepwater ports on the Pacific to the port of Churchill on Hudson Bay.



Mayor Kay Barnes of Kansas City welcomes more than 200 conference attendees from across North America.

Panelists included Mayor Kay Barnes of Kansas City, Mayor Sam Katz of Winnipeg and Rafael Vasquez Torres of the University of Guadalajara and former secretary of Economic Development and Promotion in Guadalajara. Vasquez was filling in for Mayor Alejandro Páez of San Pedro Garza García (Monterrey) who was unable to attend because a family illness. These representatives from the three countries discussed an array of projects linking the cities of the Mid-Continent Corridor.

They noted that the Kansas City conference was positioned as the bridge between Hemispheria I in Monterrey in June 2005 and Hemispheria II in Winnipeg in June 2006.

An array of North American trade and industrial organizations was represented at the conference, but a highlight was the merger of two major mid-continent associations, the North American International Trade Corridor Partnership (NAITCP) and North America’s SuperCorridor Coalition Inc. (NASCO). As a result of the merger, the name NASCO prevails, and the organization is using the NAITCP logo.

Formal Canadian signings

The conference also featured the formal signings of two Economic Opportunity Partnerships between Kansas

City and Manitoba and Kansas City and Winnipeg.

1. Winnipeg Mayor Sam Katz signed a partnership agreement with Mayor Kay Barnes. That agreement, similar to others signed previously between Kansas City and Mexican counterparts, promotes increasing and supporting commerce, trade and investment and organizing reciprocal trade missions.
2. A Manitoba-Kansas City SmartPort memorandum of understanding set the major goals of developing inland ports in the respective regions and facilitating communication and collaboration between transportation and logistic providers across each mode of transportation.

Another important element surfacing at the conference was the construction of a Mexican Customs facility in Kansas City, the first such facility off Mexican soil. This unprecedented move would promote seamless, less expensive and more efficient movement of freight.

The *North America Works Conference* marked the first time an entire United States region has agreed that North American economic integration has been a source of economic growth and employment.

The conference focused on

- urban regions that constitute the key building blocks of the North American economic system
- the entrepreneurial ties that link these regions
- the transportation and logistics networks that support these relationships.

Many believe that the North American system has worked and see great potential for economic and job growth. But participants also became more aware of factors that can limit this potential and of steps that must be taken to overcome these limitations in order to make the North American economic system more inclusive, more open and more efficient.