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North American Trade Corridors: An Initial Exploration

by

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ABSTRACT

The North American economic system cannot be meaningfully visualized in terms of trade among three nations. A more accurate and useful map would focus on the elements of deep structural integration that distinguish the North American economy - on continental production, distribution and supply chain systems characteristic of many North American industries, on emerging cross-border regional development projects, and on “trade corridors” that link major transportation and production hubs. This paper examines the North American trade corridor phenomenon. The great increase in the volume of materials moving north and south has generated competition among businesses, cities, and municipalities to build channels for these flows. Trade corridors thus illustrate a dialogue between firms seeking to build greater efficiencies into their production systems and supply chains and groups of local business and metropolitan government leaders offering solutions to help create these efficiencies. The paper suggests we can best understand North American trade corridors as strategies developed by business and municipal government leaders to create these solutions.

INTRODUCTION

The vast increase in the volume of goods that move north and south across North America's internal borders has opened a new era of competition among cities, municipalities, and businesses to create channels for these flows. Think of entrepreneurs and leaders in cities and towns from borders to heartlands in all three nations, all reaching out to build partnerships that will attract carriers of goods, promote economic development along the routes, and create more collaborative ventures among linked centers. Welcome to the trade corridor movement.

I. BACKGROUND TO TRADE CORRIDORS

If we think of the North American system as a galaxy, we would observe that the largest bodies are the three national governments. If we look more closely, we would see that each of these is a complex constellation of departments, ministries, and agencies orbiting around the executive star (or, certainly in the case of the US, a double star of executive and legislature), each involved in one way or another with North American issues, projects, and problems. Most of these are tugged and pulled by relationships with similar entities in one or both of the other constellations.

The three national governments and their many agencies are the largest bodies in the North American galaxy, but organizations composed of various sub-national governments and governmental agencies make up a significant population circulating through the system as well. Some organizations represent states (the Conference of New England Governors and Eastern Canadian Premiers that has been around for almost 30 years, the Western Governors Association, the Council of Great Lakes Governors, which includes the Premiers of Ontario and Quebec); some represent mayors or local communities (the US-Mexico Border Counties Coalition); and some focus on specific issues (The Eastern Border Transportation Coalition made up of the transportation agencies of five states and seven provinces).

Organizations of civil society constitute another set of entities in the galaxy, often with complicated orbits that circle around two or even three constellations. They focus on various dimensions of North American society and on social issues such as immigration and poverty. Their orbits are usually influenced by the gravitational pull of different government agencies. Finally, dozens of bodies in many different orbits represent a wide array of economic and business interests. Sometimes these are made up entirely from the private sector, but most have mixed private and public sector memberships. Their orbits are typically influenced by the public policies that affect them and the groups they represent. With the increase of north-south trade since the mid-1980s, these organizations have increased in number substantially. They come in four main types – border organizations, business councils, regional development organizations, and trade corridors.

Organizations such as the **Border Trade Alliance** and the **Can-Am Border Trade Alliance** tend to be tightly focused on border issues (particularly post-9/11 security matters). These two groups have rather small but very expert and often very effective memberships. The

BTA and the Can-Am BTA have close ties, usually collaborative but sometimes adversarial, with government agencies that deal with customs, immigration, and so on. Business councils exist to help firms and individuals cope with doing business in North American markets. **The New England-Canada Business Council**, formed in 1981, with members from business as well as government and the academy, focuses its attention on New England-Canada political, business, and cultural issues. Each year, it hosts luncheon or breakfast meetings with prestigious speakers, a major "Energy Trade & Technology Conference" and a program on "Technology Trade & Investment Opportunities."¹ **The Canadian American Business Council** is a rather different organization. Based in Washington, D.C., it sees itself as "the premier voice of the Canadian American business community in Washington." It organizes "high-level briefings on issues of current concern," offers assistance with practical trade and policy challenges, and provides networking opportunities. Each year, it gives its Canadian American Award for Business Achievement.² This paper will deal with two types of business organization – trade corridors and regional development associations. The two are not always easy to differentiate.

Trade Corridors and Regional Development Associations

What are trade corridors? One thoughtful commentator defines trade corridors as "streams of products, services, and information moving within and through communities in geographic patterns."³ What is important here is that he does not define trade corridors simply as physical highways, superhighways, or even super-corridor highways. My sense is that we can best understand North American trade corridors as strategies developed by groups of business and municipal (and sometimes state and even federal) government leaders to attract to particular regions some of the increased flow of materials generated by deepening North American economic integration.

The key players in these organizations are entrepreneurs and officials from municipal governments. They remind anyone who has studied US history of the entrepreneurs and municipal government leaders who, along with state and federal politicians, competed with each other to build and control the corridors – turnpikes, canals, steamboats, and railroads – that opened the west in the early 19th century.⁴ Then, as Thomas Cochran and William Miller wrote in their 1942 classic study of *The Age of Enterprise*, "transportation built markets."⁵ Today, no one is pushing turnpikes, canals, or railroads into the wilderness. The idea now is to connect existing dots on the map among alternative transportation modes and routes. But the motive is the same: to make connections that business will see as an efficient vehicle for trade and transportation. Those who connect production and distribution centers most compellingly expect to reap a rich harvest of market growth.

¹ See <http://www.necbc.org>

² See <http://www.canambusco.org/index.php>

³ Michael Van Pelt, "Moving Trade: An Introduction to Trade Corridors" (Work Research Foundation, May 2003).

⁴ The early effort led by Calhoun to create a national transportation strategy ("Let us then bind the Republic together with a perfect system of roads and canals...Let us conquer space.") failed, brought down by President Madison's Jeffersonian views on such matters. Monroe's efforts fared no better. (See Charles Sellers, *The Market Revolution: Jacksonian America 1815-1846* (New York: Oxford UP, 1991).

⁵ Thomas C. Cochran and William Miller, *The Age of Enterprise; A Social History of Industrial America* (New York: Macmillan Company, 1942).

I had the opportunity as a Fulbright professor in 2004-2005 to visit the headquarters of many of the North American trade corridor and border organizations, and I spent hours surfing the websites of others. It does not take long to see the many varieties of this organism.

While the aims of these organizations are the same – to capture some of the flow of new north-south business and to use that as a foundation for economic development – approaches differ widely. Some organizations want to build new transportation systems (“highways” is too modest a term for the high-tech, multi-modal systems on the drawing boards) that would link urban regions and “clusters” in the US, Mexico, and Canada. Some are more concerned with the development of cross border “natural economic regions.” The key differentiating factor between these groups is emphasis. For corridor organizations, a linear corridor serves as the primary driver of development in clusters along its length. Regional development organizations seek to spur development within a specific contiguous area, and to improve transportation systems that link elements of clusters within that area and provide the clusters with access to outside markets.

Some groups believe they have a competitive advantage because of the existing resources they can mobilize along a corridor that links major transportation and production centers. Others see a competitive advantage arising from the very poverty of their region, because building a trade corridor would garner political support for government funds to support economic development in that area.

Some organizations consist entirely of private firms. Some were formed initially among government agencies or emerged following an agreement among governments. Most of these organizations enlist members from government and business.

Some organizations build on existing relationships among communities; others seek to construct ties among cities and towns that are barely aware of each other. Political alliances have been created to attract funds from state governments and federal agencies, particularly from the US highway legislation of the 1990s.⁶ People join these alliances because they believe this is where the new business is, or will be – or could be.

Some of the North American organizations have been around for a long time, particularly associations of states and provinces such as the Council of Great Lakes Governors. Some of these have found new roles in this era of deepening economic integration in North America. Several regional organizations of governors from US and Mexican states or premiers from Canadian provinces, for example, have acquired new interests in corridors and regional development. Business organizations are likely to be more ephemeral. They are typically loose alliances of firms and government agencies, usually strapped for funds, and an unstable membership.

⁶ We must underline the importance of the Transportation Equity Act for the 21st Century. “TEA 21” authorized a wide array of highway, highway safety, transit, and other surface transportation programs. Included was \$700 million to support trade and improve security at borders and to design and construct corridors of national significance. Groups that formed corridors hoped to tap into TEA21 funds. This occasioned much controversy over the share of TEA21 funds that were directed to domestic corridors and how much went to “NAFTA corridors.”

We have to realize that there is a lot of old-fashioned Yankee boosterism in all of this. Associations are largely driven by entrepreneurs seeking commercial gain. They are often transient, with goals that change and strategies that start and stop, and with life cycles that depend on a couple of leaders willing to invest time and money in the enterprise. These are not the kind of deeply institutionalized government-business organizations we see in Germany or elsewhere in Europe; not the tightly knit informal networks we find in Japan. In fact, none of these corridors really stretch as a single superhighway from Mexico to Canada. Trade corridors focus in fact on pieces of what one day might become a corridor that extends the whole way – the pieces in particular that can be successfully written into highway funding legislation. The game is in winning support and financing piece by piece along the way.

However transient or informal, the trade corridors help us see a critical reality. The North American economic system cannot be meaningfully visualized in terms of trade among three nations. A more accurate map of the North American economic system would provide much more information on border associations, organizations of governors, trade corridor linking urban centers organizations and regions. More important still – and less visible on the map – are the entrepreneurial strategies that are embedded in these organizations.

Perhaps we can best think of trade corridors as maps of decisions firms have made – decisions about how to organize their production, distribution, and supply systems; to capture regional specializations along extended supply chains that cross North America’s internal borders; and to create logistics mechanisms that will move components efficiently from plant to plant. Trade corridors illustrate an exchange between firms seeking to build greater efficiencies into their production systems and supply chains and groups of local business and metropolitan government leaders offering solutions to help capture these efficiencies. As supply chains became more expansive, stretching in some cases from Mexico to the US and Canada, more local leaders tried to construct alliances that would support these new business arrangements and, in doing so, leverage local economic development.

Around the Great Lakes region, for example, trade corridors consist largely of the supply chains of the automotive industry, mediated by bridges and tunnels. In Kansas City, Missouri, the decision of Mazda to use the Richards-Gebaur facility as a major transit hub stimulates more interest there by railroads and trucking firms and by a wide array of specialized logistics and other transportation support businesses, and helps generate the virtuous, reinforcing cycle sought by all corridor groups. The Mexican government will locate its first foreign-based customs clearing facility in Kansas City, not because it is betting that this city will become a major hub for north-south trade, but because companies have already made it a major hub.

The course of trade corridors, clearly, is not simply a function of geography. Geography is obviously important, and trade routes have always tracked fine harbors, deep rivers, and flat valleys. But entrepreneurs historically have seen different ways of getting from one point to another, between “gateways” and “hubs” – and technology, as when railroads replaced the canal barge as the freight carrier of choice, in order to create still more possibilities. My brief examination suggests that two other factors play a more powerful role.

First, geography is generally less important in determining which trade corridor will attract more business than the ability of those who visualize the corridors to build coalitions among communities along the route and political alliances to attract funds and other support from local businesses and from metropolitan, state, and federal governments. Second, and more important, the key element of success in developing trade corridors is probably the exercise of entrepreneurial imagination. Entrepreneurial imagination drives the utilization of new technology and draws new lines on old maps. In the end, what the trade corridor movement helps us understand most of all is the entrepreneurialism that drives North American integration.

II. A BRIEF OVERVIEW OF SOME TRADE CORRIDOR ORGANIZATIONS

Let's look at some of these organizations. But first, a word of warning: Most of these groups represent a combination of a certain amount of reality and a lot of aspiration. They express most of all an entrepreneurial vision of what might be. Most of the people involved in these associations, particularly those from the business side, keep their feet pretty well on the ground. They will share a dream, maybe even put up some money. But they will move on quickly if the returns are too slow in arriving. Organizations like this need champions – people who can mobilize the troops with an entrepreneurial vision. These people come and go, however, and so leadership in these organizations typically changes frequently, sometimes overnight. This means that the organizations change and wax and wane, too.

The Mid-Continent Corridors

That said, we look first to the middle of the North American continent, to the broad swath that links Guadalajara and Monterrey to the Laredo border crossing and then northward to Kansas City and on up to Winnipeg, Canada – or more fancifully, that links Mexico's deep water ports on the Pacific to the port of Churchill on Hudson Bay. Several organizations that seek to build corridors in this mid-continent region have developed quite different strategies to win support from business and government.

North America's SuperCorridor Coalition (NASCO) is the richest and best connected of these groups – the highest profile, tri-nationally supported corridor in North America. NASCO seeks to strengthen physical and business ties among well developed urban centers that are already major players in North American trade, transportation, and logistics.⁷ It sees itself as the key organization dedicated to advocating the interests of the Mid-Continent International Trade and Transportation Corridor that links interstates -35, -29, and -80/ 94 in the US and PTH 75 in Manitoba, Canada. NASCO has a full-time director, an organization headquartered in Dallas, and membership drawn from government and economic development agencies, chambers of commerce, transportation facility providers, and private sector companies in Texas, Oklahoma, Kansas, Missouri, Iowa, South Dakota, Manitoba, and Ontario. It has set for itself a very broad mission touching on every dimension of the physical highway from concrete expansion to high tech monitoring, the application of new technology at the borders and regulations that affect border crossing, as well as economic development in communities along the corridor. NASCO is also involved in advocacy and lobbying for transportation and related issues and interests of the jurisdictions along the corridor. It seeks to launch significant projects in technology, inland port intermodal facilities, and others. It is the fat boy among the Mid-Continent corridors.

⁷ See www.nascocorridor.com/pages/about/about.htm

NASCO is not the only organization working the mid-continent beat. It plays from strength, with bases in major transportation hubs and gateways and has substantial support from businesses that are deeply involved in north-south commerce. Other corridor organizations build strategies on a much different foundation, emphasizing the poverty of the region as a potential asset for corridor development.

For example, take the case of **The Central North American Trade Corridor** (CNATCA). CNATCA focuses on the US “heartland” that encompasses a “Super Region” running from northern Mexico to Western Canada and on to Alaska -- bound together by US Highway 83. The core idea is that the trade corridor would help reverse several major negative trends that affect the region – rapid depopulation and economic stagnation in a vast, mostly rural land area dependent on agriculture and resource extraction, with relatively few and widely dispersed urban centers – and ultimately transform the heartland into a viable, self-sustaining, and prosperous region. CNATCA pitches that it is in best interest of the US to have a strong, dynamic, and sustainable economy in its heartland. What is needed is “an inter-regional strategy centered on the diversification of the economies of the six states comprising the corridor, the creation of regional hubs and transshipment zones within the corridor, the implementation of strategic investment zones in each of the states to foster economic growth, the development of an advanced infrastructure that will traverse the six state corridor region, and the expansion of facilities at critical ports of entry that serve as gateways into Canada, Mexico and the Americas. The creation of an advanced technology, inter-regional transportation and communications infrastructure will serve as the main building block for this multi-state strategy.”⁸

NASCO builds on what exists, CNATCA on what might be.

The **Ports-to-Plains Trade Corridor** (PTP) is in many ways similar to CNATCA. Here the initial emphasis is more on the road – the construction of a “planned, multi-lane divided highway that will facilitate the efficient transportation of goods and services from Mexico, through West Texas, Colorado, and Oklahoma, and ultimately on into Canada and the Pacific Northwest.” PTP is viewed as part of a wider collaboration called **The Great Plains International Trade Corridor**, made up of The Theodore Roosevelt Expressway, Ports-to-Plains, and the Heartland Expressway. The Great Plains International Trade Corridor would link the Canadian markets of Calgary, Edmonton, Saskatoon, and Vancouver, and the Tex-Mex ports at Laredo, Del Rio, Eagle Pass, and El Paso, and points between, particularly Lubbock, Amarillo, Denver and Rapid City.

Like all of the corridor groups, PTP underlines its intention of building a “smart” corridor, with the most up-to-date information technology to gather, process, and distribute all sorts of information to highway management, security, and health agencies. The rationale behind the PTP corridor is that it allows for the development of less congested ports of entry along the Texas/Mexico border and provides alternatives to other congested corridors that run through major metropolitan areas. Given the number of military bases in the region and the lack of secondary roads connecting them, this corridor would provide a high volume alternative to assist in deploying ground-based military or moving citizens during a national crisis. And, of course, because the region is poor, even compared to the Delta and Appalachia regions that have received substantial development support: “The Great Plains is equally as bad or worse in all of these

⁸ See: <http://tradecorridor.net/>

attributes. The Great Plains has the greatest and most widespread levels of out-migration. The Great Plains has the least developed multi-lane highway network in the non-mountainous areas of the continental United States. The Great Plains has some of the lowest median wages, highest median ages, and highest reliance on farm employment.”⁹

Although these organizations have government agencies as members, the core leadership group is drawn from the private sector.

The **CANAMEX Trade Corridor**, probably the best known of the corridor organizations because of its auspicious name, begins with an agreement among five state governments. The CANAMEX corridor runs east of the Rocky Mountains, linking Arizona, Nevada, Idaho, Utah, and Montana, not quite in the mid-continent swath, but still considered a significant competitor to the mid-continent groups, partly because of rivalry between Calgary and Winnipeg.¹⁰ As defined in the 1995 National Highway Systems Designation Act, CANAMEX is a High Priority Corridor and the Arizona Department of Transportation, as the lead state, received a million dollar grant from TEA 21 to develop a comprehensive plan for the corridor in FY99.

The CANAMEX states are large physically, but contain few people. Together they are roughly the size of Los Angeles in population. Much of the land in these states is publicly owned, and cities are widely separated. At the same time, four of the five CANAMEX states are in the top five fastest growing regions in the country in terms of population. Their economies are transitioning from natural resource based to services and high tech. All have significant natural based tourism assets using public lands. In short, this is scarcely a poverty-ridden region, but one in which collaboration among the states is viewed as the key to economic success. Thus CANAMEX sees itself as “a broad economic development concept that fosters trade and provides an opportunity for accelerated economic growth throughout the region” by enhancing the competitive commerce of the region, specifically in trade and tourism ¹¹

CANAMEX rests on an agreement among the member states that links the five Departments of Transportation.¹² This structure provides benefits and also creates risks. The most important benefit is money. Arizona provides 40 percent of the funds necessary to maintain a

⁹ See <http://www.portstoplains.com/>

¹⁰ What makes the CANAMEX corridor itself tricky is that, because of the Grand Canyon, it cannot shoot due north. The very elaborate and expensive Hoover Dam bypass is a key here.

¹¹ History and Overview of the CANAMEX Corridor, Carol Sanger, Former Assistant Director, Arizona Department of Commerce (Feb 2003) See its website www.canamex.org

¹² Building on the work that had been done to get the Hoover Dam up and running, the states of Nevada and Arizona submitted a joint application for a National Corridor Planning Grant, which they received in 1999. Around that time, the five CANAMEX states came together and their Governors all signed a Memorandum of Understanding that established the Corridor Coalition as a coalition of ten members, five public and five private. The public members are all either the Director or Deputy Director of the State Departments of Transportation and the private sector members are appointed by the Governor and represent a variety of professional endeavors. It is this variety that has enriched the entire process and resulted in the identification of three prime areas of investigation: 1) transportation system; 2) telecommunications infrastructure; and 3) economic development infrastructure.

modest project office, while the other states each provide 15 percent. The other side of the coin is the time and energy it requires to keep the five potentially competitive state governments on the same track and to ensure that new state governments (and particularly governors) embrace their predecessors' agreement.

Nothern Great Plains, Inc (NGP), representing Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Manitoba, and Saskatchewan, is cut from quite different cloth than the other Mid-Continent corridors. It describes itself as a “network of business, academic, and policy leaders working to build a strong economic and healthy ecological future for the people and communities on the Northern Great Plains.” What is of particular interest here is its strong focus on sustainable development in agriculture. In 2003, the NGP, in cooperation with the Great Plains Institute for Sustainable Development, sought to organize a study program on environmentally sensitive or reasonable agriculture practices in Europe and the relationship to food products. Specific areas of study included environmentally sensitive farming and production practices and/or “reasonable or integrated” methods, with a focus on grains, animals and animal feed, and vegetables; aggregation, distribution, and processing of sustainable agriculture products; market and policy drivers of reasonable or sustainable agriculture – especially at the EU policy level; conflict resolution among producers, processors, consumers, and policymakers regarding demands for changes in farming practices; the role of the consumer in determining European agricultural practices; and how producers can be profitable while using environmentally sensitive agriculture practices.

The Pacific Northwest Corridors and Development Organizations

The corridor and regional development organizations in what Americans call the Pacific Northwest (for Canadians, it is simply the West) differ substantially from those in the Mid-Continent region. Here, several organizations with overlapping interests and common goals collaborate effectively. Unlike the notion of a Mid-Continent region that lacks a true historical identity, leaders and organizations in the Pacific Northwest frequently see “Cascadia” as a distinct North American region with shared values and common interests not only in more effective integration across the US-Canada border, but also with deeper involvement in the Pacific Rim region. What is most striking initially is the sheer density of organizational life in the region – from the Pacific Northwest Economic Region (PNWER) to the International Mobility and Trade Corridor Project (IMTC), the Cascadia Project, the West Coast Corridor Coalition, the Northwest Corridor Development Corporation, the Pacific Corridor Enterprise Council, and the Portland Vancouver I-5 Transportation and Trade Partnership among others.

Of these, the **International Mobility and Trade Corridor Project** (IMTC) seems to be the most interesting. IMTC is a US-Canadian coalition of business and government entities that has directed millions of dollars from US, Canadian, Washington State, the Province of British Columbia, Transport Canada, US and Canadian border municipalities, and private sector sources to “de-congest” the border and improve mobility in the Cascade Gateway by supporting road, rail, and border facility improvements as well as corridor technology projects. IMTC has improved the effectiveness of raising funds for cross-border mobility improvements by serving as a forum for more than 50 organizations through which regional projects are identified, prioritized, and then proposed for funding.¹³

¹³ See www.wcog.org/DesktopDefault.aspx?tabid=22

Another important organizational fixture of the region, the **Pacific Northwest Economic Region** (PNWER) is a public/private partnership composed of legislators, governments, and businesses from Alaska, Alberta, British Columbia, Idaho, Montana, Oregon, Washington, and the Yukon Territory. Established in statute by the member state governments in 1991, PNWER deals with transborder policy and planning issues. By statute, the state governments each provide funds to support the organization.¹⁴ Its purpose is to improve the region's economic well-being by acting as its "pre-eminent bi-national regional advocacy group for state/provincial issues." PNWER-sponsored working groups on policy areas including agriculture, border issues, security, energy, the environment, forestry, high-tech, tourism, trade, and transportation. Each working group is led by a legislative, public sector and private sector co-chair. The working groups constitute the core of the organization and have initiated legislation, sponsored conferences and forums and produced research papers.

Other organizations in the Pacific Northwest might be noted. But all seem to share a very basic commitment to the economic, business, and environmental development of a bi-national region composed of as many as eight Canadian provinces and US states and to illuminating if not a deeply shared identity at least to a wide range of common interests.

Regional Development: The Quebec-New York Trade Corridor¹⁵

PNWER's mandate deals explicitly with regional development that is supported by transportation and corridor development. **The Quebec-New York Trade Corridor** is similar in certain ways. In particular, the context of the Quebec-New York corridor as representing a "bi-national economic region" is much the same as Cascadia, with a similar historical identity. However, the precise definition of the Quebec-New York region is unclear. In theory, the region is defined by the transportation systems and communities along the north-south axis of the St. Lawrence, Richelieu, Champlain, and Hudson valleys. In the broadest sense, it represents the interests and opportunities of Quebec and New York as partners at all levels and in all locales, with the Quebec-Hudson Corridor serving as the key connection. We will see that this is not exactly the operational definition, however.

This project, beginning in 2001, is not the first time efforts were made to build a closer alliance between New York State and Quebec. Before this effort, Premier Bourassa's government reached out to New York State Governor Cuomo, but found little interest there in laying the groundwork for a more sustained relationship. The current project focused initially on improving the critical border crossing at Lacolle-Champlain. What soon developed, however, was an impressively elaborated high-technology cluster regional development strategy. The Quebec-New York Corridor Economic Development Council encourages actions regarding economic development by "the identification of industrial clusters shared broadly within the Corridor as the basis for further development, and the generation of action plans for maximizing the potential of

¹⁴ See www.pnwer.org

¹⁵ Much of this section derives from a paper prepared by Minea Valle Fájér of the University of Montreal for a seminar on Quebec in North America, sponsored by the Canada-US Fulbright Commission.

such clusters.”¹⁶ The Technological Development Committee seeks to create bases for cooperation in seven priority sectors: nanotechnology, information highway, venture capital, optics/photonics,

¹⁶ Fédérations des Chambres du Commerce du Québec. December 2001. «Quebec-New York Corridor Agreement».

cyber-security, genomics, and biotechnology. Successful agreements have been reached in the fields of nanotechnology and high-speed communications. In another agreement, concerned the information highway, RISQ (Quebec's scientific information network) agreed to work closely with its counterparts in New York to interconnect major teaching and research institutions between Quebec and New York State.

This new venture was very much driven by business leaders in Plattsburgh, who succeeded in institutionalizing support from both Albany and Quebec City. For the first time, a true bi-national regional planning system has been created leading to several important initiatives. But there is an important asymmetry here as well: the two main players in the corridor project are the Province of Quebec and the "North Country" region of New York State. There is little involvement – so far at least – from the rest of New York State. In a very real sense, the aim of the Plattsburgh side has been to stimulate economic development in the northern tier of New York State by joining it economically to metropolitan Montreal.

Redrawing the Map: More Speculative Ventures

The various organizations touched on so far all focus on what exists – or, at least, on what could exist within conventional perspectives. But there are also organizations that offer less conventional visions. One of the most interesting of these is the view of "**Atlantica**" advanced by the **Atlantic Institute for Market Studies** (AIMS). The conventional view of this region – New Scotland-New England-New York – is based on its history and on dominant patterns of trade during much of the 19th century, with primary connections linking Halifax and Boston and, of course, along deeply integrated and almost invisible borders.

AIMS argues that this historical, basically north-south definition of the region no longer makes sense. Because of developments in much of the 20th century, and particularly given the integration of a continental grid, "the Hudson River became the east coast of North America, Halifax became a mid-west feeder port and this entire area north of New York south of Halifax became what we call a cul-de-sac in the global network."¹⁷ This region, composed of Canada's Atlantic provinces, northern New England and northern New York State, is bound together by the fact that it lies outside of this expanding continental system. Southern and Northern New England have substantially different development interests and partners.

"Note... that New England is a fiction, at least from an economic point of view. As the concept of the New Atlantic Triangle makes clear, the conurbation stretching from Boston through Connecticut and into New York City is already densely developed and prosperous – in fact it may be the largest concentration of wealth and wealth generating capacity in the world. It is already deeply interwoven into the fabric of North American economic life. The same is true of the Quebec City to Windsor Corridor. The orientation of these dynamic and highly developed regions is south and west in continental terms. In practical terms, they see little in the way of interest or opportunity to the north and east, however much they may pay lip service to the idea of greater regional co-operation. One of the ties that bind Atlantica together is the shared experience of underdevelopment, dissatisfaction

¹⁷ Atlantic Institute for Market Studies, Breakfast with Michael Gallis, May 13, 2004.

with the status quo, and a commitment to rejoining the mainstream of North American economic life.”¹⁸

A major focus here is on recreating transportation systems within the region that would link it more efficiently to the major centers of North American economic development, including what is really a “north-south” corridor (that is, US-Canada) that runs east-west from Halifax through Maine.

Another innovative vision focuses on the Gulf of Mexico basin as a natural North American economic sub-region, a seaborne NAFTA superhighway trade corridor, with shared interests in tourism, agriculture, fisheries, and aquaculture as well as security for shipping routes, regional tourism, and petroleum reserves. The Gulf is a “border without bridges.” **The Gulf of Mexico States Accord** (GOMSA) is an international cooperative agreement between the six Mexican states (Tamaulipas, Veracruz, Tabasco, Yucatan, Campeche and Quintana Roo) and five US border states (Florida, Alabama, Mississippi, Louisiana, and Texas) located on the Gulf of Mexico. In February 2000, first steps were taken to organize the Gulf of Mexico States Accord Secretariat. In 2002, the Gulf of Mexico States Partnership, Inc., the business association counterpart to the official Gulf of Mexico States Accord was formed to build a business voice on Gulf of Mexico transportation and infrastructure, homeland security, and environmental protection; to promote regional research; and to provide public policy advocacy.¹⁹

A key interest of GOMSA and the Partnership is to facilitate more shipping among the ports on the Gulf; the two groups have signed an agreement with the Maritime Administration of the United States (MARAD) that would “recognize and enhance the communications and working relationship among MARAD, GOMSA, and the Partnership in order to address the common goals of advancing short sea shipping in the Gulf of Mexico and ensure that it is safe, secure, efficient, and environmentally sound.” Business interest seems to exist. One reporter notes that “Daimler-Chrysler has recently been breaking ranks with its competitors by shipping vehicles manufactured in Mexico across the Gulf to the ports of Tampa and Pensacola, as opposed to transporting them overland through Mexico and Texas. The major car manufacturer has found this method of transport much faster and cheaper.”²⁰

III. CONCLUDING THOUGHTS

In the last few years, an impressive number of trade corridors have produced a lot of smoke. Behind the smoke, what has actually happened?

Certainly, there has been no movement toward anything like a coherent, rational, high-tech North American highway system. The vision of a system of North American Superhighways embodied in the US Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 has not been realized. Congress rapidly increased the number of designated high priority corridors in

¹⁸ Plugging Atlantica into the Emerging Global Network: *Why the International Northeast Economic Region Is the Way of the Future*, Text of remarks by Brian Lee Crowley, President, AIMS to the APCC meeting in Montague, PEI, 29 May 2004.

¹⁹ See www.epa.gov/gmpo/partner/pdf/prb_0304_springer_present.pdf

²⁰ “The Gulf of Mexico: NAFTA's Trade ‘Superhighway’ (www.gomsa.org/issues/GulfSuperhighway.htm)

subsequent legislation, and everyone joined in to earmark funds for his/her own corridors. The result is that the latest map of high priority corridors looks like a plate of spaghetti. To be sure, there has been significant improvement in pieces of highways, at some border crossings, and in other related areas, but cooperation in resolving transportation issues has been slow,²¹ and no movement is visible toward developing a true North American highway system. Certainly nothing like the bruited about plans for super multimodal corridors, wired with fiber-optics, and the latest digital frills, has come about. If anything, the general state of major highways in the US has declined over the past decade.²² What this reveals is how difficult it is to build a continental highway system from the bottom up. Organizing this process as a competition among Congressional districts for highway funds is not going to produce any kind of rational blueprint for a continental system.

Inter-modal linkages seem to have improved and there has been a remarkable increase of goods carried on North America's railways. But again, there is little sense of what happens next, now that there is little remaining capacity for increasing loads on existing rail systems.

Post-9-11 security concerns have increased border delays and intensified border risk for companies whose supply chains cross our internal borders. As Mary Brooks observes, "rising security concerns post 9/11 have resulted in increased border delay, which has damaged the credibility of the just-in-time system. The result has been to boost buffer stocks, and force just-in-time supply chain managers to re-examine their sourcing options; it is of concern to Canada that many U.S. companies will source domestically rather than within NAFTA due to border uncertainty."²³

There seems to be no vision of what a North American continental, multi-modal transportation system might look like. No agency in any of the three NAFTA governments has been given responsibility for even thinking in these terms and there is little evidence of any serious interest in the research community – or funding – to venture down such a speculative path.

Once again, this is not to suggest that nothing interesting is being done. The examples I have described in this paper indicate that a lot of people are looking at particular regional and corridor issues with imagination and energy. But all of this does not add up to a coherent understanding of what North America's transportation and logistics needs will be over the next decades if economic integration is to continue, if the North American system is to remain open and more inclusive. Nor does any of this suggest how decisions can be made – and who will make them – regarding the creation of a strategy for developing and executing a true North American transportation system.

²¹ See, e.g., the "Initial Five-Year Plan for Increased Cooperation in the Field of North American Transportation Technologies" signed by Canada, Mexico, and the US on June 12, 1998.

²² The "2003 Report Card" by the American Society of Civil Engineers, for example, awards a D- for maintaining existing roads and bridges. (<http://www.asce.org/reportcard/index.cfm?reaction=full&page=6#roads>)

²³ Mary Brooks, "Mapping the New North American Reality: The Road Sector," Study Group on Mapping the New North American Reality, IRPP.