

Co-Chair's Letter

Already, 2005 is unfolding as a great year for our region.

The Great Lakes Regional Collaboration, as described elsewhere in this issue, is developing a comprehensive



Ohio Governor Bob Taft

strategy to protect and restore the Lakes. Through the Collaboration, we will work together in the coming months to forge a clear, understandable, compelling vision of what the Great Lakes can be and how we can make them truly great again. Dozens of elected officials and hundreds of non-governmental representatives have pledged their support for this effort and progress is already evident.

Separately, the Governors' and Premiers' staffs continue to work to implement Annex 2001. Following an invitation from me and my Co-Chair, Governor Jim Doyle of Wisconsin, the staffs recently met with representatives from the region's Tribes and First Nations to discuss how to best realize our shared goals. Work is ongoing—stakeholders, governmental representatives and technical experts continue to partner with us as we seek to ensure the sustainable use of our water resources.

We continue to lead regional efforts to combat aquatic invasive species and I am encouraged by recent progress in securing funding for the Asian carp barrier. But, as always, we must re-double our efforts to ensure that we close the door forever on these and other non-native species.

Perhaps most exciting, after several years of persistent challenges, our regional economy is expanding—offering unprecedented opportunities for our citizens and businesses. The Council of Great Lakes Governors continues to help improve our international competitiveness through its network of foreign trade offices and tourism promotion.

We have great opportunities to make 2005 a memorable one for the Great Lakes region. Thank you for your continued commitment.

—Bob Taft

*Co-Chair, Council of Great Lakes Governors
Governor, State of Ohio*



Sunset Lane Beach, Wisconsin

Public Comments Shape Annex Implementing Agreements

More than 10,000 public comments have been received on the draft agreements released last summer to implement Annex 2001. A universal theme, of course, was the call to protect the Great Lakes. Beyond that, some praised the agreements as drafted while others asked the Governors and Premiers to consider making major changes.

Over the past several months, the Governors' and Premiers' staffs have been reviewing all of the public comments and re-evaluating the draft agreements from top to bottom. Continuing dialogue with Tribes and First Nations has also significantly impacted the review process. As a result, the Governors' and Premiers' staffs plan to release revised agreements later this spring for a second round of public comments. The goal is to have final documents ready for the Governors and Premiers to review, and ultimately sign, this summer or fall.

The Governors and Premiers remain confident that, working together, an agreement can be reached that protects the Great Lakes and encourages sustainable development. Additional information is available at <http://cglg.org/projects/water/Annex2001Implementing.asp>.

U.S.-Australia Free Trade Agreement Signed

The U.S.-Australia Free Trade Agreement (FTA) went into effect on January 1, 2005. This agreement eliminated 99 percent of tariffs on U.S.-manufactured exports to Australia, which is excellent news for companies using the services of the Council's Australia Trade Office. The FTA will affect 93 percent of U.S. total exports to Australia.

The elimination of tariffs will give U.S. manufacturers an average 5 percent price advantage over other international competitors such as the European Union, China and Japan. Industry experts estimate gains of \$2 billion per year for U.S. exports.

The FTA also opens up markets for goods and services, eliminating barriers in such areas as agriculture and government procurement and investment. It enhances protection for intellectual property and frees electronic commerce. The historic agreement is the United States' first FTA with a developed country since signing the US-Canada FTA in 1988.

Currently, the Council's member States export approximately \$3.4 billion to Australia each year. Leading

export categories include: machinery, transportation equipment, chemicals, computer and electronic products, electrical equipment, appliances and parts.



Managing Director Angela Foley.

The Council of Great Lakes Governors established its Sydney office in 2002 to represent the Council's member States in Australia and New Zealand.

Currently, the Commonwealth of Pennsylvania participates in the office.

The mission of the Australian Trade Office is to increase exports by small-to-medium sized businesses from the participating member States to Australia and New Zealand.

Angela Foley, Managing Director, reports that exports from Pennsylvania to Australia and New Zealand increased by 47 percent in 2003. This increase is the result of the Australian Trade Office's services, which include: market research, agent distributor searches, competitor analysis, trade mission and delegation visits, in-county appointment setting and

participation in local trade shows and exhibits.

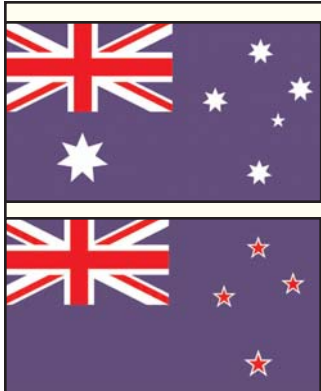
Demand for the Australian Trade Office's services has dramatically increased over the last several years as more U.S. exporters learn of the successes of their business counterparts in the region. Ms. Foley said that Australia is welcoming as well as travel and business-friendly.

She said, "We speak the same language, and business practices and customs are very similar to those in the U.S."

Ms. Foley noted that Australian organizations have been proactively contacting the Australian Trade Office to source goods and services from North America.

She said, "The ongoing strength of the Australian economy resulted in Australian businesses investing strongly in 2004 as shown by the significant annual growth in imports of capital goods, up 11 percent. Great Lakes exporters are encouraged not to miss the wonderful opportunities that are opening up in Australia."

For more information on Australia or the Council's Australian Trade Office, visit www.cglg-australia.org.



Australia/New Zealand Trade Fast Facts

- * Australia is a "top 10" export market for several Great Lakes States, including Illinois, Indiana, Michigan and Wisconsin.
- * The United States has a \$6 billion trade surplus with Australia.
- * The United States is Australia's single largest trade and investment partner.
- * 12 percent of New Zealand's imports are sourced from the United States.

Sources: Embassy of Australia, Washington D.C.; Statistics New Zealand

Great Lakes Regional Collaboration Developing Comprehensive Plan

On December 3, 2004, five of the Great Lakes Governors and the Minnesota Lieutenant Governor traveled to Chicago to sign the Great Lakes Declaration—a historic pledge to protect and restore the Great Lakes. Also signing were representatives from the White House, Members of Congress, Great Lakes Mayors, Tribes and other elected officials.

This event launched the Great Lakes Regional Collaboration, which will create a comprehensive strategy for Great Lakes protection and restoration over the next 12 months.

Governor Taft said, “By signing the Great Lakes Declaration, we are affirming the importance of the



(From left): Minnesota Lt. Governor Carol Molnau, New York Governor George Pataki, Ohio Governor Bob Taft, Wisconsin Governor Jim Doyle, Michigan Governor Jennifer Granholm, Illinois Governor Rod Blagojevich.

Great Lakes as a national resource and global treasure. Through this effort, we’ll educate the entire country about the compelling need for a significant national investment in the long-term sustainability of the Lakes.”

Since then, eight Strategy Teams have begun developing the overall Great Lakes protection and restoration strategy. Each Strategy Team corresponds to one of the Governors’ priorities for restoration and protection.

A draft plan will be released for public comment in summer 2005. Additional information is available at <http://www.epa.gov/greatlakes/collaboration>.



(From left): Ohio Governor Bob Taft, U.S. EPA Administrator Michael Leavitt and Wisconsin Governor Jim Doyle sign the Great Lakes Declaration on December 3, 2004. Photo courtesy U.S. EPA.

Governors request appropriations to protect the Great Lakes

Asian carp threaten a \$6 billion sport fishing industry. Old poisons continue to pollute our waters in dangerous toxic hot spots. And raw sewage pours out from antiquated infrastructure, making some waters unsafe to swim. The Great Lakes Governors recognize that these are serious challenges to the health of the Great Lakes which must be met through immediate action.

On March 18, the Great Lakes Governors provided the U.S. Congress with a series of funding requests that would help the region in its fight to ensure the Great Lakes will be a source of fish to eat and water

to drink, and a place to play now and for future generations. These funding requests follow the Great Lakes Governors’ priorities for restoration and protection, which are also being addressed through the Great Lakes Regional Collaboration.

Council Co-Chair Wisconsin Governor Jim Doyle said, “We are working towards a brighter and sustainable future for the Great Lakes.”

By addressing both immediate and long-term needs, the Governors are working together to protect and restore the Lakes. A copy of the appropriation requests letter can be found at <http://cglg.org/projects/priorities/index.asp>.

States Lead on Bioenergy Innovation through GLBSRP

Each Great Lakes State plays an important role in the Great Lakes Biomass State and Regional Partnership (GLBSRP). Through financial and technical assistance provided by the GLBSRP, each State undertakes outreach, education, demonstration, planning and implementation projects to increase the production and use of bioenergy.



A Wisconsin corn stover. Photo by Bob Allan, courtesy U.S. Department of Energy/NREL.

In this issue, we continue to highlight some of these activities which have been funded through GLBSRP grants. For more information on these or other initiatives, please contact Fred Kuzel at fkuzel@cglg.org.

Illinois:

The Illinois Department of Commerce and Economic Opportunity (DCEO), host for the Illinois Biomass Program, has partnered with the National Energy Education Development (NEED) to develop a workshop series about renewable fuels. These workshops, along with the new curriculum produced for

them, will help educators learn more about using renewable resources to run cars and buses.

Participants learn about ethanol, biodiesel and other fuels while participating in many hands-on activities. The GLBSRP will also provide funding for similar workshops to be held in all member States.

Minnesota:

The Minnesota Biomass Energy Program, part of the Department of Commerce, has contracted with The Center for Rural Policy and Development to conduct a study examining the economic development potential of biomass energy technology in rural Minnesota.

They will host a meeting of government officials from throughout the region to better understand how neighboring States view this potential.

Participants will exchange ideas about developing policies that encourage rural economic development through bioenergy production.

Ohio:

To promote greater public understanding of bioenergy and to increase its use in the State, the Ohio Biomass Energy Program within the Public Utilities Commission produces a newsletter highlighting State and regional activities, available resources and funding opportunities. It is available in hard copy or online at

http://www.puco.ohio.gov/Puco/IndustryTopics/Topic.cfm?doc_id=329.

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