



Co-Chair's Letter

It is with great pride that I reflect on my four and a half years as the Chair, and now Co-Chair, of the Council of Great Lakes Governors.



Ohio Governor Bob Taft.

Together, we have achieved a great deal to protect the Great Lakes and promote our regional economy.

At my direction, the Council opened two new shared foreign trade offices in one of the world's most dynamic markets—Asia and the Pacific. These new offices in China and Australia, along with those in Brazil, Canada, Chile and South Africa, continue to boost exports from our region's small and medium-sized companies.

For the first time, we have outlined priorities to protect and restore the Great Lakes, and the region has rallied around our shared vision. On December 12, the Great Lakes Regional Collaboration will meet in Chicago to unveil a strategy toward our goals.

And, just as my Chairmanship began with the signing of the Great Lakes Charter Annex, it will end as I join with my fellow Governors and Premiers to consider signing finalized agreements to implement the Annex. This relates to the first of our priorities to protect and restore the Great Lakes.

Please join me in welcoming Governor Jim Doyle as the Council's new Chair when we meet together for the Council's Leadership Summit on December 12-13 in Milwaukee. With your support and Governor Doyle's leadership, our region will continue to sustainably grow our economy while protecting our Great Lakes.

—Bob Taft
Co-Chair, Council of Great Lakes Governors
Governor, State of Ohio

Governors Tackle Restoration and Protection Priorities

Since 2003, the Great Lakes Governors have led the charge towards Great Lakes restoration and protection through their nine priorities.

These priorities, which range from cleaning up toxic hot spots to adopting sustainable use practices, have been used as the organizing principle for the Great Lakes Regional Collaboration. Over the past year, the Collaboration, which includes more than 1,500 representatives from the Governors, the Mayors, tribal leaders, members of Congress, the Administration and others, has worked together to develop a strategy to restore and protect the Great Lakes. The strategy is being finalized in advance of the Great Lakes Regional Collaboration Summit in Chicago on December 12.

As part of that action plan, the Governors have called for immediate progress on the consensus recommendations contained in the Collaboration's report that involve minimal or no additional financial resources.

However, the Governors have also called for a commitment to increase federal resources being spent in support of Great Lakes restoration and protection in the FY2007 budget. As a General Accounting Office report noted, current spending is not delivering the results contemplated by Congress, and additional resources are needed.

To that end, there has been strong bi-partisan support among the Great Lakes Congressional delegation for substantial new
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Export to the 'land down-under': Council to lead May 2006 trade mission to Australia

To help small and medium-sized Great Lakes companies increase their exports to Australia, the Council of Great Lakes Governors will lead a trade mission to Sydney and Melbourne from May 19 - 27, 2006.

Prior to the mission, the Council's Australian Trade Office will complete advance market research, pre-qualify potential agents/distributors and schedule one-on-one business meetings for participating companies.

Additionally, participants will have the opportunity to attend a business briefing in Sydney and a business networking reception in Melbourne during the week-long trip.

Australia has proven to be a very attractive market for U.S. exporters for many years, with strong economic growth fueled by robust business and consumer confidence. Recently, Australian business has invested strongly in capital equipment across major sectors, including mining, energy, information technology and food processing. The Council's member States export approximately \$3.4 billion annually to Australia.

Earlier this year, the U.S.-Australian Free Trade Agreement was implemented, eliminating 99% of tariffs on U.S.-manufactured exports to Australia. This has resulted in U.S. manufacturers gaining an average 5% price advantage in Australia over other

regions such as the European Union, China and Japan. The agreement also opened markets for goods and services, eliminating barriers in areas such as agriculture, government procurement and investment.

Lakes exporters to supply a diverse range of products to the mining sector, including vehicle parts and accessories, rail and safety equipment and software.

In the field of industrial machinery, while competition is strong from Japan and the European Union, Great Lakes exporters can compete especially well with equipment supply into the utility and manufacturing sectors.

In the area of transportation, the Australian government has responded to industry concern about lack of investment in infrastructure. According to Ms. Foley, investment in the rail sector is now taking place in track and rolling stock upgrades and fast rail links.

In the security sector, the Australian government announced plans in September to spend \$154 million improving security at Australia's major airports after a review found major inadequacies. Furthermore, the government has recently announced an expenditure of \$29 million on air cargo security, including new explosives-detection technologies and increased auditing of cargo security clearance.

For additional information regarding the Council's trade mission to Australia or the Australian Trade Office, please e-mail Ms. Foley at info@cglg-australia.org or call Zoë Munro at (312) 407-0177.



Map of Australia. Photo courtesy CIA Fact Book.

Additional opportunities in Australia include information technology, telecommunications, machinery, medical equipment, aircraft and parts, automotive parts, transportation, defense, industrial tools and chemicals.

Because Australia is one of the world's leading mining nations, there is also strong demand for mining equipment.

Angela Foley, Australian Trade Office Director, said, "The export of mining equipment to Australia has been identified as a key opportunity area for Great Lakes exporters as the country experiences a mining boom to feed the China-driven demand for Australia's mineral commodities."

Opportunities exist for Great

Governors fight to save the Lakes from aquatic invaders

Stopping the introduction and spread of aquatic invasive species remains one of the Great Lakes Governors' nine priorities for Great Lakes restoration and protection. Over the last several months, the Governors have taken aggressive action towards protecting the Lakes from these aquatic invaders.

In September, Governor Taft and Governor Doyle wrote to Congress on behalf of the Council, calling for comprehensive ballast water legislation. In their letter, the Governors outlined their priorities for such legislation, including the need for the interim application of best performing ship-board ballast water treatment, best residuals management practices for vessels that declare "no ballast on board" and best hull management methods for all ocean-going vessels. They also

suggested that ships should be required to meet an environmentally protective standard within five years, and that



A scientist samples a ballast water tank for invasive species. *Photo courtesy Great Lakes NOBOB Project Team.*

incrementally tougher standards should be required by a future date (between 2011 and 2014). They stressed that the ultimate goal must be zero

discharge of viable organisms into the Lakes.

Additionally, the Governors called for maintaining the possibility of using U.S. EPA's Clean Water Act authority to address ballast water discharge and maintaining the possibility of State action to improve on federal protections related to ships. They noted that, while a uniform federal regulatory process is necessary, it should not preclude the States from strengthening protections as needed.

The Governors also requested management practices for non-ocean-going vessels to control the spread of invasives already in the Lakes and for the expansion of treatment technology research and testing. The Governors stand ready to partner with Congress to protect the Great Lakes from this serious threat.

Congress jeopardizes renewable energy program

Since its creation in 1983, the Great Lakes Biomass State and Regional Partnership (GLBSRP) and its predecessor, the Great Lakes Regional Biomass Energy Program, have brought over \$13 million in federal money into the Great Lakes region. A majority of these funds were distributed to the States to help operate their bioenergy programs.

The GLBSRP is one of five regional programs operated by Governors' organizations and funded by the U.S. Department of Energy (DOE) with the objective of encouraging increased

production and use of biomass (organic material) for energy generation. Now, the future of the GLBSRP is in jeopardy.

For the last two years, funding for this national partnership was specifically appropriated by Congress. However, the federal FY2006 budget that was recently approved by the Appropriations Conference Committee contains no funding for the National Biomass State and Regional Partnership or the GLBSRP.

From the beginning, DOE has been the sole source of federal funding. GLBSRP members have begun to strategize about the future

of the program, including considering other potential sources of funding such as the U.S. Department of Agriculture. Without a new source of federal funding, the workshops, studies, publications and State grants that the GLBSRP has provided for almost 25 years may soon come to an end.

The Council of Great Lakes Governors and our fellow members in the National Biomass State Regional Partnership will diligently work to find funding sources to keep the program active and vital.

Great Lakes cruising promotes tourism

One of the many partnerships that Great Lakes North America (GLNA) cultivates is with Hapag-Lloyd, the German owner of the *MS Columbus*. The *MS Columbus* cruises the Great Lakes during the summer and fall.

In exchange for GLNA helping to promote the *MS Columbus* as a wonderful way to experience the Great Lakes region, Hapag-Lloyd provides cruising accommodations for familiarization tours and purchases



MS Columbus cruises the Great Lakes. Photo courtesy Hapag-Lloyd.

GLNA German Consumer guides for distribution to their best customers. They also have printed 6' x 4' posters of the Great Lakes area for display in the top travel agencies throughout Germany.

These and other marketing efforts were all done at no expense to GLNA. By building new or strengthened strategic partnerships such as with Hapag-Lloyd, GLNA will continue to help Great Lakes tourism flourish.



Great Lakes Islands. Photo courtesy Hapag-Lloyd.

(continued from page 1) funding in the amount of at least \$4-6 billion over five to 10 years.

While the Great Lakes Governors will continue to advocate for long-term, large-scale funding for Great Lakes restoration, they are also working with their counterparts at the federal, local, and tribal level to develop a set of short-term priorities that can form the basis of a Great Lakes component in the upcoming appropriations cycle.

Separately, the Governors are working with the Great Lakes Premiers towards action on the first of the Governors' priorities through the implementation of Annex 2001.

The Annex 2001 Implementing Agreements will ensure the sustainable use of our water resources while

confirming that the States and Provinces retain authority over water use and diversions of Great Lakes waters.

After a public comment period on the draft agreements ended in August, the Governors' and Premiers' staffs reviewed nearly 3,000 public comments and met with an Advisory Committee of regional stakeholders to discuss changes to the draft agreements.

Finalized agreements have been sent to the Governors and Premiers for their review. The Governors and Premiers will consider signing the historic documents at the Council's Leadership Summit on December 13. Together, the Governors and Premiers are working to ensure that this treasure is restored and protected now and for future generations.

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