

Council of Great Lakes Governors  
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## **SUSTAINABLE DEVELOPMENT IN THE GREAT LAKES**

- Thank you Governor Doyle! (Jim Doyle, Wisconsin, Co-Chair)
- Good afternoon everyone!
- A special good afternoon to the Governors of the Great Lakes States, the Premiers of Ontario and Quebec, and honored guests.
- My sincere thanks to the Governors and Premiers for inviting me to discuss the importance of sustainable development in the Great Lakes Region. This is the most critical issue we face because it impacts our region's economic growth, ecological balance and social progress.
- I want to congratulate the Governors and Premiers for all their efforts to include elements of sustainable development in both their individual state programs and in their cooperative regional efforts here in the Great Lakes Basin. When you take action to support economic development, to improve the environment and advance educational improvement both for youth and the current workforce, you are supporting major aspects of sustainable development.
- Integrating these activities on a regional basis is the issue we all need to rally around — The efforts of a city or a state may bring improvement; but efforts across the region provide a synergy between individual, city and state efforts that provide even greater results.
- The mission of the Council of Great Lakes Governors, to encourage and facilitate environmentally responsible growth, has enabled the Governors and Premiers, through the Council, to lead in promoting and protecting the states' natural resources while sustaining a regional economy.
- The Great Lakes Region, like the United States, takes pride in the vitality of its economy which forms the foundation of our high quality of life, contributes to our

national security and our hopes that our children and grandchildren will inherit ever greater opportunities.

- Last month, November 2005, the National Academies of Science, Engineering and Medicine, in response to a request by the U.S. Senate Committee on Energy and Natural Resources (Senator Lamar Alexander and Senator Jeff Bingaman) with encouragement from the U.S. House of Representatives Committee on Science (Representatives Sherwood Boehlert and Bart Gordon) issued a report addressing the question:

*“What actions could federal policymakers take to enhance the manufacturing, science and technology enterprise so that the United States can successfully compete, prosper and be secure in the global community of the 21<sup>st</sup> Century?”*

- The question applies equally as well as to our Great Lakes Region, where not so long ago 50% of the US/Canada manufacturing GDP was located.
- The Senators and Representatives question was the result of constituent pressure from more and more people feeling the gradual and subtle effects of globalization that challenge the economic and strategic leadership that North America has enjoyed since World War II.
- Here in the Region, a major portion of our workforce finds itself in direct competition for jobs with lower wage workers around the globe, and much of the leading edge medical, scientific and engineering work is now being accomplished in many other parts of the world. Thanks to globalization, driven by modern communications, workers in virtually every sector must now face competitors only a “mouse-click” away in Finland, China, India or dozens of other emerging nations whose economies are growing. The response the National Academies provided to that question about the future included recommendations about:
  - improving math and science education,
  - strengthening the commitment to research
  - ensuring that the U.S. is the premier place to innovate. All are part of sustainable development.
- That’s why we want to talk about sustainable development — And we must do more than talk. We need a vision for what we want to do in this Region and the steps we need to take together to get there. And, we need to take those steps.
- I am especially honored to be here today, as Chairman of the Council of Great Lakes Industries, an organization of companies and industrial associations who have significant financial interests and deep roots in the Great Lakes Region. The member companies of CGLI belong because of their commitment to

sustainable development as embodied in CGLI's mission: *"To promote economic growth and vitality of the Region in harmony with its human and natural resources."*

- During my almost 35 years in the automotive manufacturing industry, I learned that if the auto industry was going to continue to grow and serve emerging countries with increasing vehicle populations, that we would need to develop advanced technology so that:
  - Our products would not increase man-made pollution.
  - Our products would not use-up scarce natural resources.
  - We could use renewable or alternate energy sources.
  - We did not increase societal problems by scrapping or dumping; but could easily recycle or reuse the materials used in manufacturing.
- Now, after more than twelve years working in the renewable industry, I am convinced we can do "more with less," as we improve product efficiency and have better resource utilization. I am not talking about "doing without;" but "doing it better" so there is continuing opportunity for future generations.
- At a recent talk on behalf of the World Business Council for Sustainable Development (WBCSD) at the Birkbeck Lecture Series, Mr. Travis Engen, president and CEO, Alcan, Inc. said:

*"Governments can create the policy infrastructure that stimulates sustainable growth. NGO's (non-government organizations) are skilled at early identification of issues and priorities, facilitating communication among often disparate parties. Business has resources and expertise to activate solutions that are self-sustaining through the application of appropriate business models. By working together and taking each others interest into account, we become a formidable force for the betterment of the planet."*
- Innovation is critical to our future — We need to create jobs and provide meaningful opportunity for the citizens of the region — Industries and products change. We should not fear change; but embrace it, and make an even better future. Just think about the Great Lakes Region over the decades and leading businesses and industries in the past:
  - Fur trade,
  - Timber and forest products,
  - Shipping and commerce, Bill Testa underscored this in his presentation this morning,
  - Rubber,
  - And today, steel/ore, automotive and paper.

- What will be next or who will change/grow to survive and prosper? The dynamic is critically important, sometimes painful, and much in need of supporting government policy.
- Industry's primary role is to create affordable products and services of value to society that they need and want, that's innovation at work.
- In doing so we create jobs and provide resources to the communities in which we operate. This, in turn, generates wealth for investment and growth.
- Industry needs government policies and government infrastructures that support a regional vision for the Great Lakes' sustainable development and allows all stakeholders to work within our respective entities to achieve that vision.
- And, that vision must include respect for our environment and the use of natural resources so they continue to be available for generations to come.
- We all - governments, environmental groups, NGO's, business - want the best for our society. Industry participates here and in other regional initiatives because we operate here and our families live and work here. It is a two-way street: Our business has an impact on the region and our region impacts our businesses.
- A small example from my own company: Our 100% owned photovoltaic subsidiary, United-Solar Ovonic, produces advanced, high-tech, flexible, lightweight photovoltaic material (converting sunshine or visible light to electricity). We have the world's largest continuous process, high-volume, 30 MW annual capacity plant in Auburn Hills, Michigan. Last year it became obvious photovoltaic products demand would exceed capacity, because of superior product competitive advantages and lower cost. This spring we decided to build a second manufacturing plant. City, county and state officials helped expedite permitting and environmental matters and the State Economic Development Group helped with site selection and funding matters.
- We broke ground in July and the building construction and machine fabrication is on-schedule, under-budget and slated to start production in the Fall of 2006. Working as a team with government officials who understood our needs, we were able to do in days what was originally expected to take weeks if not months. We are creating 230 new, high-tech job places, while increasing our capacity to

produce renewable energy PV products our customers are demanding. Because of demand, we are already considering our next plant.

- We have a similar success story with our advanced nickel-metal hydride battery systems manufacturing plant in Springboro, Ohio. Here again the State and City played a major role in “making it happen.” Governor Bob Taft, Ohio, supported this project and I was able to update him on our progress last night. Thanks again, Governor, for your help.
- The leaders of the companies of CGLI and many other business leaders, like me, are focused on sustainable development of the region. We are:
  - Committed to environmental management, while creating jobs and wealth through innovative products all in a society which meets the social needs of its citizens.
  - We do this by participating in the policy making forums in the region.
  - And by participating in voluntary and many times award-winning programs which support innovative pollution prevention programs and sustainable use of resources.

Examples include:

Eastman-Kodak - Requires suppliers to attest to sustainable forest management policies based on reforestation, managing, growing, nurturing and harvesting trees for useful products consistent with soil, air and water quality, biodiversity, wildlife, aquatic habitats, recreation and aesthetics.

Ford Motor Co. - The rebuilt Rouge Plants with “Green” roofs, roofs with bushes/grass and growing plants retaining building’s heat in the winter and minimizing heat absorption in the summer providing a considerable energy savings for heating and cooling requirements. The Rouge has many other energy savings innovations reducing cost and emissions.

- These events cannot be isolated or one-time events. We need the political leadership for the policies that are required to continue these actions. We need the efforts of citizens’ groups to understand the economic and social needs in concert with the needs of the environment.

- Government/industrial partnerships are more important than ever in light of energy prices and concerns regarding energy security. Investments in these technologies can reap huge benefits for the region, including creating jobs. We have an opportunity to become a center of excellence for sustainable development/renewable energy.
- Sometimes we may feel otherwise, but we are fortunate in the region that we have so many multi-stakeholder opportunities to focus on our Great Lakes. We must make sure the resulting policies and programs look at the future and that all elements of sustainable development are included.
- The Great Lakes Regional Collaboration, where is industry on Great Lakes restoration?
- First, we like the breadth of topics in the Collaboration and how the process looked at the hundreds of programs in the region. However, we must be careful not to exaggerate the environmental significance of some of our challenges. This region has worked hard and successfully to change the way we do things. And, that has resulted in commendable environmental improvement. Yes, we do still have challenges, but our response to those challenges needs to be prioritized and balanced with competing objectives.
- Second, assessing the risks associated with each of the challenges and determining their priority relative to the long-term viability needs of our regional ecosystem is not a task that can be done quickly. It will take a well-organized, concerted effort focused on all of the stresses facing our ecosystem.
- Third, we will not receive additional program resources just to do more of the same, just because we know how to do it, and just because we have people already doing it, whether or not we have already achieved a reasonable level of success. We must assign the resources that we are successful in raising to those areas identified as the highest priority.
- The Council of Great Lakes Governors is familiar with the Great Lakes Bi-National Toxics Strategy and the Bi Annual State of the Lakes Environmental Conference. Both have been important for the health of the Great Lakes.
- We are also fortunate to have so many stakeholders in the region involved in these programs, partnerships between government, citizen groups and industry. There is increasing recognition in all these programs that the needs of the region

must be articulated in terms of sustainable development. Industry plans to be at the table and to keep a focus on the economic aspects of the region's future.

- It is important that policies identified at the regional level are implemented within the confines of constitutionally established governments and led by you, the Governors and Premiers, and perhaps coordinated at the regional level. The Regional Vision can be implemented by the states working in concert much as we hope will be the case with the implementation of the Annex.
- What about the future of the region? We have a unique natural resource, the Great Lakes, the world's largest source of surface fresh water. We are all committed to a region where the people, the environment and the economy are healthy and thrive for generations to come. The elements are:
  - A sustainable and resilient ecosystem that supports strong economic and social systems.
  - A growing economy and business climate that will provide good jobs by delivering quality goods and services, sustainably utilizing the Region's natural resources so they are available for future generations.
  - A population that has an appreciation and responsibility for the Great Lakes region requiring the commitment of all sectors of society — political, economic and organizational, as well as each individual.
- We have 35 years of history working as a Region beginning with the Water Quality Agreement. During these years there has been increasing collaboration among multiple stakeholders - governments, citizen groups and industry - within the Region. And, over the last decade, we have worked together on programs in response to the Great Lakes Water Quality Agreement such as the Great Lakes BiNational Toxics Strategy and the Bi Annual State of the Lakes Environmental Conference or SOLEC. Both have been important for the health of the Great Lakes. Most recently both the Annex and the Great Lakes Regional Collaboration have benefitted significantly from multi-stakeholder engagement at the working level — early on in the process.
- The potential revision of the Water Quality Agreement is ahead of us; at the same time, we face difficult changes in our traditional economy. Industry is being forced to change and innovate and we, as a society, must produce and follow an innovative, sustainable development plan for the future and continuing growth of this natural treasure - the Great Lakes Region.

- It is easy to be complacent about the region's competitiveness and pre-eminence in manufacturing, science and technology. We have been a world leader for decades and continue to do so in some research fields today; but the world is changing rapidly, and our advantages are no longer unique. Without a renewed effort to bolster the foundations of our competitiveness, we can expect to lose our position.<sup>1</sup>
- Science and technology provide the opportunity to help overcome the disadvantage we face in labor cost, by using our scientists, engineers, teachers and others to create entirely new industries — Much as we have done in the past. We owe our current prosperity, security and good health to the investments of past generations and we are obliged to renew those commitments in education, research and innovative policies to ensure the people of the region continue to benefit from the opportunities provided by the rapid development of the global economy.<sup>2</sup>
- In summary, we need a clear vision for the region and must agree to work together to achieve it.
- We need to integrate our environmental, social and economic needs to meet the needs of today and tomorrow.
- We need to review our current policies and be sure they support sustainable development.
- And clearly, we can accomplish more collectively than individually.
- Business and industry will be there to work with all responsible stakeholders.
- Many thanks for the invitation to join you today and share these thoughts.

<sup>1, 2</sup>, National Academies Report, November 2005