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MYTH AND REALITY IN EASTERN CANADA - NORTHEASTERN U.S. REGIONALISM

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Foreword

Regional integration remains an important topic in Newfoundland and Labrador, as it is throughout Atlantic Canada and Northeastern U.S. The research sponsored by Harris Centre has provided an opportunity to share knowledge and information across both jurisdictions as well as policy fields. It should be noted that the paper produced has been submitted and accepted for publication in Canadian-American Public Policy (CAPP). The author would like to acknowledge and thank all the partners, the Harris Centre, and the various people who either contributed materials or were willing to be interviewed. The purpose of the research is to offer a narrative that will hopefully supply an opportunity for public and academic debate on the future of regional collaboration in eastern North American and beyond.

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Myth and Reality in Eastern Canada-Northeastern U.S. Regionalism

For generations, boosters of regionalization (whether within or across provincial/state borders) have talked about the inevitability of change, and the need to bring different interests together to produce common or shared objectives and values. It was assumed that given the realities of interdependence it was only logical and a matter of time that those in positions of power would naturally find ways to collaborate and not compete. But there have always been challenges connected with getting powerful and autonomous institutional actors to change their behavior according to a functional - regional script, whether in Europe or North America. Despite optimistic forecasts about the inevitability of regional integration based on a functional analysis, territorial impulses anchored by inherited political - institutional games have created other challenges. None of this was ever easy, since these actors played to dissimilar audiences, and operated in competing political-institutional contexts that rewarded defending local but not regional interests.

Regionalism has proven to be a difficult balancing act. It has sparked much debate between scholars who have had different perspectives on whether regional integration was, in fact, inevitable (given challenges of interdependence) or whether state actors had the autonomy and capacity necessary to prevent change. Regionalism involves a debate over the power of ideas, interests, institutions, and identity.

The paper compares Atlantic Canada and the northeastern U.S. We report that regionalism has been losing momentum in recent years on both sides of the border. The energy sector has served as a central focus in both countries. We describe how the historical-institutional context has influenced recent changes. Since 1973, the Conference of New England Governors and Eastern Premiers has met to discuss common issues and problems. But much has changed with the decision to consolidate the New England Governors' Conference (NEG) into the Coalition of Eastern Governors Conference (CONEG). We discuss these recent changes and why it is not business as usual on both sides of the border. Emphasis is placed on describing the changes that have occurred, the factors that have shaped these outcomes, and why they matter.

The literature on state-society relations offers a variety of ways for assessing the roles of ideas, interests, and institutions on patterns of restructuring, regional or not. Domestic - structural frameworks (such as culturalism, institutionalism, and incrementalism) propose that "structural" factors within civil society or the state restrict what is possible or doable and focus within state boundaries.¹ For example, institutionalists assume that governance structures and processes are more autonomous and capable within themselves of either promoting or constraining political changes and policy reform. Structural thinkers raise critical questions about the extent to which the co-opting of

new movements and ideas within entrenched structural institutions is likely to produce real reforms or new types of knowledge construction and innovation.

Pluralism offers a more dynamic, optimistic perspective on transformation and restructuring. It is assumed that reform is possible, but based on competition that is open, transparent and engages the public. In an ideal pluralist world, change comes naturally, even “inevitably,” since as conditions change, new forms of group competition and networking emerge to contest and replace old ideas, interests, and even institutions. But such transformation (if it is to occur) requires that processes and mechanisms are open, public, and facilitate interaction, competition, and the sharing of knowledge in public places.

The international policy literature offers other ways for framing the regional integration issue. There is much discussion over issues such as the democratic deficit, the need for legitimacy, problems associated with entrenched state sovereignty, and limited regional institutions that constrain regional knowledge and sense of community.² Functionalism is informed by the European model. It is based on technical assumptions and on the idea that non-governmental actors naturally drive new patterns of cross-border collaboration and sources of power. Policymaking and changes in the surrounding context are seen as trumping old patterns of politics. As we have witnessed in past research, increasing patterns of interdependence and convergence have not by themselves created deeper levels of regional integration.

The federalist and new regionalism international literatures offer alternative ways for thinking about the integration question. In the United States and Canada, integration has been approached from more of an institutional perspective than in Europe. In both thought and action, the need to defend state sovereignty has remained paramount, and there has been much less appetite for building cross-border or international institutions in both practice and discourse.³ But also, for those academics who have looked at integration from a civil society North American perspective, it has not been assumed (as was the case in Europe) that non-state actors (with the possible exception of business interests) would naturally embrace integration as a good thing.⁴ These theorists offer other insights on the dynamics that shape regional outcomes.

The approach informing this paper is historical – institutional. We argue that recent changes in regional decision-making processes and mechanisms in New England and Eastern Canada have undermined public debate and worked against the goal of regional integration. Our approach pays close attention to governance structures and processes that promote or constrain patterns of regional communication, networking, and knowledge brokering.

Cross-border regionalism is a topic the authors have researched for decades. Our intent is not to simply repeat messages of the past, but rather, to highlight and explain recent changes and events.⁵ Recently, we have embarked upon a regional journey that has

taken us to New England, New York, and Atlantic Canada in a search of an old question: Is regionalism more myth than reality? The story is one that has unfolded, for the most part, behind closed doors, without expert involvement, interest group competition, media commentary, or civic engagement.

The objective of this paper is to describe, from a historical-institutional perspective, why the prospects for regional collaboration have declined in recent times. It is a tale about how political actors were influenced more by the political-institutional realities within which they operated than by inherited ideas about regions and regionalism that lacked legitimacy and institutional support. We are living in an era when regional collaboration in New England and Eastern Canada is in serious decline, but there is little public knowledge or discussion of this development. Particularly in the energy sector, competition is heating up as different provinces and states square off in a new political game where there is little common regional debate or effort to bring dissimilar interests together in a way that would benefit all. The purpose of this paper is to offer a narrative that supplies an opportunity for public and academic debate on the future of regional collaboration in eastern North America and beyond.

Roger Gibbins has argued that regionalism in Canada and the United States has had different meanings.⁶ In Canada, regionalism has been more competitive, and involved pushing provincial issues and agendas onto the national agenda. In the U.S., this has been considered “sectionalism” and not collaboration at all. Much of this was thought to be connected to differences between the Canadian “interstate” and the American “intrastate” systems of federalism.

We argue that New England has become more competitive than cooperative. Despite the persistence of the intrastate model, the combination of increasingly partisan politics and a more insular pattern of intergovernmental relations has contributed to an era of increased conflict and competition across state boundaries, particularly in the energy policy field. We also argue that Canadian regional competition over energy infrastructural development in the New England and Northeast region has contributed to this trend.

But we also recognize there remain clear differences between how Canadian provinces and American states define or view policy problems and then solve them. While Canadian premiers focus much attention on province building, and the provincial state, American public institutions are very different. In the U.S., there is little discussion of the need to defend or promote state jurisdictional powers and associational patterns of development through energy infrastructural development comparable to Canadian provinces. Rather, befitting the differences in constitutional heritage in the U.S. and Canada, Americans focus more on individual rights instead of state or collective rights. They perceive government as more of a problem than a solution, whether regional or national.

These differences in cultural-institutional traditions are clearly reflected, for example, in the fact that Newfoundland and Labrador (NL) has recently embraced a defensive expansionist⁷ monopoly approach to power development (both internally and externally) while Maine and other New England states abandoned the old utilities model, forced large utilities to give up hydro assets, and then created deregulated markets. As argued by James Feehan, such an approach to policy choice in NL conflicts with ideas of free trade and promoting new patterns of regional integration.⁸ Its policy may also prevent NL from accessing the U.S. markets, since it goes against the reciprocity rules enforced by the Federal Energy Regulatory Commission (FERC). These recent actions of the NL government clearly show that convergence and integration are not “inevitable,” and that politics does sometimes trump policy and economic logic, even in an era of free trade. Province-building has survived and much of this is connected with state capacity and autonomy.

Regional integration and the past activities of the New England Governors’ Conference (NEGC) and Coalition of Eastern Governors (CONEG) have never been that visible or sexy. The most important work involved staff sharing knowledge, being aware of perspectives of other states in the region, and finding new ways to work together, pool resources, integrate, learn from one another, and push a common agenda onto national issues. They did all this in a way that was politically viable, and made their bosses look good. NEGC was very much an inside baseball game, whose principal work was done by staff with occasional but regular appearances by governors. In the past, the staff (or experts) did most of the work, but the governors were more willing to legitimize these informal efforts and results through regular public meetings or conferences.

The fact that these efforts created new patterns of integration and interaction that survived as long as they did, suggests that there was value in these informal experiments in community building and in the ongoing struggle to find ways to steer together, and construct shared objectives, rather than to work at cross-purposes. Despite limitations, there were clear benefits to the old regime and bargain.

We argue that the recent shift from the Boston-based organization (NEGC) to a Washington DC based organization (CONEG) represents a shift to an even more diffuse, less legitimate, less effective approach to regional governance. Since CONEG never actually meets, at the principals’ level there is less opportunity for promoting new forms of knowledge sharing, and reinforcing new patterns of regional integration/interaction. The annual meetings of the governors were pro forma in many ways, but the staff work created a regional bridge that facilitated regional network building, policy learning, and knowledge exchange. We need to understand what changed and likely impacts on future patterns of regional governance.

Several factors have contributed to the decline of New England regional institutional capacity and knowledge in recent years. These include increased challenges associated with hyper - partisanship; decline in the status of experts and regional networks that

historically supported formal regional processes; declining faith in rational planning; declining political and financial resources; and a pattern of intergovernmental relations where the focus is more informal (outside the public view). Finally, we will discuss challenges connected with the rise of competitive forms of energy in North America.⁹

Is New England Regionalism in Decline?

Within the past year, the New England Governors' Conference has changed in a fundamental way. But there was little public knowledge, debate or understanding that a tradition that has gone back generations is no longer an institutional reality. Nor was there much understanding of the logic of closing down the Boston operation entirely, consolidating with New York and other mid-Atlantic states, downsizing services, and reinventing the Coalition of Northeastern Governors. The NEGC is no longer incorporated; there is no longer a staff dedicated to pushing regional knowledge and working across boundaries.¹⁰ Instead, we have seen a much more informal CONEG, with headquarters located outside the region it serves, take over these tasks. The expanded CONEG maintains that it is business as usual, but this is not the case. In the new arrangement, New York is supposedly an actor within this new regional organization. Yet, New York tends to consider itself as an entity in itself, and few people view New England and the Mid-Atlantic states as a natural region. There are few signs that regionalization in New England is business as usual, despite the messages to the contrary.

In Eastern Canada, there have also been cuts in staff, namely the people who had been working on the New England file. It is important to note that these cuts came after the demise of the New England Governors. As a result, regional capacity building and knowledge sharing is in decline within the New England Governors and Eastern Premiers organization. While regional governance has always be shallow and offered limited opportunities for sharing knowledge, engaging networks, or citizens, the integration option is losing momentum.¹¹

All of these changes to the New England Governors organization have occurred, despite ongoing challenges associated with growing interdependence, particularly in the energy sector. But, as evidenced in the past, external economic and technological changes alone have not always stimulated institutional reform. Regions require a common sense of community, system of interaction, communication, and opportunity to network, and they bring different interests together.

While Allan and Vengroff have recently argued that "paradiplomacy" and subnational relations are flourishing, recent changes in the New England Governors/Eastern Premiers regional experiment suggest otherwise.¹² On the other hand, much of this activity has not been on the public radar screen.

Hyper- Partisanship and Province-building

Personalities and the ways political actors perceive one another are large factors in determining patterns of collaboration or competition. There has always been much academic debate about whether external challenges matter more than internal historical – institutional structures inherited by decision-makers.¹³ New England regionalism has always depended on governors who managed to get along and understood the value of bringing different interests together and finding ways to build the kind of regional knowledge and capacity essential for addressing challenges of interdependence. But operating in different contexts and playing for dissimilar audiences has never been easy for governors.

In the past, the staff of the NEGC understood the challenges associated in selling a regional vision within competitive state structures, and they did what they could to collaborate closely with the personal political staffs of the governors in each state. In turn, there was support and understanding among governors that good regional governance brought positive outcomes for all, especially in areas like transportation, energy and the environment. To be sure, there were challenges along the way, but there were governors who were champions of regionalization. They made sure that key people in their administration were involved, and this sent a strong message that it was a priority.¹⁴ Even when the regional commission was cut in 1981 and there were fewer resources for regional coordination, there remained a political commitment to bringing different interests together and promoting common shared objectives. With the lead of Governors like Michael Dukakis and his commitment to funding these kinds of activities, the other governors in the region rallied in support of the regional idea.

But that was a different time when governors in the region shared common concerns about federal redistributive policies that took money out of the Northeast, and then spent it in the South or the West. This common regional quest to defend the region, especially when economic conditions worsened, made it possible for Republicans and Democrats to work closely together in a common cause. When many of these regional programs were abandoned federally (with the exception of the Appalachian Regional Commission) it became more difficult to find common causes capable of uniting Republicans and Democrats across state boundaries.

In recent years, partisan differences between states have intensified. As a result, junior people in governors' offices have tended to be in charge of the regional file. In the current era of increased political competition and conflict in U.S. decision-making, it is hardly surprising that these trends have occurred. As illustrated by Richard Barberio:

“While there has always been disagreement over policy-making – after all, such friction is built into our constitutional structure by choice of the country’s founders – anecdotal and empirical evidence indicates we are living in an era of increased conflict. Insider accounts from policy makers reflecting on their

tenures in Washington D.C., for example, hold a sustained note of sadness for how policy making has become increasingly partisan, petty and vindictive. Nostalgia for the “good old days” that may never have existed, can account for some of these pronouncements about the current state of policy-making, but the data from our chief policy-making body, Congress, is harder to dismiss. The level of partisanship as measured by party - line voting has increased over the last twenty years. The increased power of party leaders, especially the Speaker of the US House of Representatives, has allowed the parties to act in ways that offer demands rather than compromises about the substance of policies; the result is that fewer major bills are passed in the contemporary era of Congress.”¹⁵

Part of the explanation for the new era of hyper-partisanship might be connected with the declining growth rate in the American economy and political challenges connected with fewer resources to share.¹⁶ As argued by Lester Thurow in *The Zero Sum Society*, this decline in growth has created a zero sum competition in politics where every gain is perceived as having to come by imposing loss on someone else.¹⁷ Recent economic decline has created a more intense and partisan form of politics in the U.S. Moreover, unlike the period of the 1960s and 1970s, when U.S. regional institutions were originally formed, anti-government factions are no longer on the fringe. They are at the very center of policy making and politics, most visibly at the national level. In this new context, it is more difficult, from a political perspective, to expend scarce time and resources on regionalism.

Such competitive and partisan trends have played out at the state intergovernmental level as well. With the rise of a controversial Maine governor closely affiliated with the tea party movement¹⁸ in this new era of hyper-partisan competition between Republicans and Democrats (federally, within states, and locally), governors have found it more difficult to play the regional game in the way they did in the past.¹⁹ Here too, there is much nostalgia for the “good old days” in New England politics when governors were able to discuss common problems and solutions, but much has changed since then.

To be sure, the fact that four new New England governors came into office at the same time in January 2011 created a huge problem for the regional organization.²⁰ Within such a context, there was little opportunity for bringing new governors into the regional fold and building the kind of political support required to champion the regional cause.

But this trend may have been coming for a while. For example, Governor Mitt Romney of Massachusetts was known as “Mr. Environment” at the beginning of his term. His staff was actively involved in encouraging state and climate policy coordination. But once he had national political aspirations, the governor was no longer a strong regional player.²¹ The national audience was different and Romney’s message or brand changed

too. He focused more on the national scene and regionalization became less important as a marketing strategy. National political strategy trumped regional policy.

This loss of a regional champion hurt the regional cause. Since Massachusetts, comprising half of New England's population and serving as the geographic core, had always been the center of regionalization, comparable to Brussels in Belgium, it mattered. Boston was the central headquarters, where all the action was. Without a strong defender of regional approaches to issues in Boston, regional cooperation began losing momentum. This change over time was reinforced as increased partisanship meant that Democrats and Republicans alike found it more difficult to work together on key policy issues.

There remain some issues that New England does see from a regional perspective, but mostly in terms of intra-regional conflicts within the U.S. There is an annual battle in Congress to cut federal subsidies to low income households for the purchase of heating oil, upon which New England is more dependent than any other part of the U.S. The drive to cut the subsidies comes from southern and western states that use almost no heating oil. It is resisted by the New England Congressional delegation, usually with strong support from the governors.

There was also a recent drive by the Governors of eight northeastern states to petition the federal government to impose more stringent emissions limits on power plant emissions from southern and Midwestern coal-fired generators. The pollutants from these plants travel downwind to the northeast and cause air quality violations. This was the first major regional drive on an air quality issue since the effort to reduce acid rain related emissions in 1980s, which involved exactly the same actors and issues, with one exception.

The exception was Maine. While the 1980s fight over acid rain involved governors from both parties, all of the governors who signed the 2013 petition to EPA on emissions were Democrats. The lone holdout was the Republican Governor of Maine, Paul LePage. This was curious since Governor LePage had been relentless in complaining about Maine's relatively high electricity prices. When faced with an opportunity to reduce that price differential, he chose to stay apart from the region in order to preserve his anti-regulatory policy preferences.

Province-building: Moving South?

In Canada, intergovernmental relations have also changed, first minister's meetings are less common, and politics often trumps policy.²² Images of Danny Williams taking down the Canadian flag,²³ or his attack on New Brunswick's deal with Quebec Hydro (which was scrapped after this political spat), or even his campaign for anyone but

Conservatives in the 2008 federal election, help to remind us that politics has become more aggressive, insular, and populist over time. As argued by Bakvis et al., “The fact that executive federalism is the norm reinforces the government-to-government nature of relations between the federal and provincial orders and makes it difficult to form regionally based legislative coalitions that cut across governmental jurisdictions.”²⁴

It is also an era when the political executive has become more powerful in Canada. By controlling when parliament is dissolved and when elections are called, by imposing party discipline on Members of Parliament and limiting resources for parliamentary committees, Canada’s executives have centralized their power.²⁵ Since these executive powers exist at both levels of government within a highly decentralized and competitive federal system, the trends towards centralization reinforce each other at the different levels of government rather than providing a counterbalancing effect. This is particularly the case in energy policy where evolving centralization combines with provincial ownership of natural resources to make it increasingly difficult to construct regional approaches to energy issues. But this Canadian brand of territorial competition over patterns of development and associational activity has moved in new directions with the rise of continentalism and new opportunities to build energy infrastructure south.

To fully understand the impacts these trends are having on cross-border regionalism, we also need to pay closer attention to the various competing economic interests connected with these dissimilar province-building regimes, and the impact they are having on New England energy politics and decisions regarding infrastructure. These competing energy interests from Canada are playing a significant role south of the border in shaping energy infrastructure priorities and building support south of the border for their agendas through partnering with other American interests.

Battles over hydro development and province-building, where premiers pushed north-south in a quest to gain control over territorial boundaries and spatial patterns of association, began in Ontario in the 1920s, and spread to BC, Quebec, and Manitoba decades later. In more recent times these battles have moved away from the north, and are creeping gradually south into the United States.²⁶ Free trade and de-regulation have simply created opportunities to move in new directions. Each province relied upon competing province-building initiatives to open up frontiers, build communities, and mobilize powerful public – private coalitions necessary for survival. Province-building did survive, despite threats posed by modernization and calls for a more creative form of politics.

None of this is new. In the past, provincial autonomy trumped sound economic advice coming from experts, but all of this was reinforced by a combined cabinet-parliamentary and federal system that made it possible for premiers to hide the real costs associated with building competing north-south transportation and energy systems.²⁷ This history is not well understood on the U.S. side of the border. Nor is there a full appreciation of

the competitive nature of infrastructure development north of the border, and what this may mean with respect to future energy costs. Clearly, given the level of growing energy interdependence on both sides of the border, it is important that those affected (governments, citizens, and consumers) are well informed and knowledgeable about the forces that shape policy actions and patterns of decision-making north of the border.

This is where the price for the loss of regional approaches and institutions like the New England Governors Conference is likely to be paid. In an era when governments are under closer scrutiny and politics has become more partisan, volatile, and competitive, there has been less enthusiasm for open government or sharing information. The loss of any organization that had an express mission to reduce partisanship and provide open communications is likely to be more keenly felt. The NEGC was more public than CONEG, which is more informal, and invisible to the media and public.

For decades there were always arguments that having both CONEG and NEGC was unnecessary and redundant. They tried to carve out distinctive paths – CONEG with transportation and lobbying in Washington and NEGC with energy, environment, and Canada.²⁸ But in bad economic times, the decision not to fund two groups got pushed onto the agenda. CONEG lost states over the years (New Jersey and Pennsylvania dropped out). But ironically, by losing members, the organization gained advantages in the struggle for survival.

Originally, there were plans for consolidating CONEG into the New England organization, but these plans were reversed as a result of lobbying from certain officials in DC.²⁹ The plan changed and it resulted in the integrating of the old NEGC into the more informal Coalition. But, despite appearances, the resources paying for the office continued to come from the NEGC, and not from New York. New York has never had much interest in working closely with other governors. It refused to pay anything for the new organization.

The decision to partner with New York brought benefits as well as risks. There was pressure to bring state issues more effectively onto the national stage where New York could be a powerful ally or at least help create that impression for the public. On the other hand, there were risks associated with partnering with New York, since that state is so powerful, and does not have a tradition of working closely with New England, which it sees as a competitor, or with other states involved with the Council of States. New York has a tradition of operating on its own. There are no signs that will change in the future.

From this perspective, the new coalition of governors has much in common with the Eastern Premiers, where Quebec is the big player, and there is much competition over policy issues (energy, markets, infrastructure, and even political boundaries). But in Canada, the competition is less about partisanship than about provincial governments

defending and promoting their territorial and jurisdictional interests. These competitive tendencies have continued throughout the life of this intergovernmental organization.

There is clear evidence that it was the New England governors who decided that the status quo was no longer an option. They pulled the plug on the NEGC and moved operations to DC (under the umbrella of CONEG).

The new regional game included New York, but the new system had less policy capacity, and was less formal. Even though the regional game changed in a significant way, there was a deliberate strategy to create the impression that nothing had, in fact, changed.³⁰ There was no public announcement about laying off staff in New England and shutting down the NEGC office in Boston. In addition, the Eastern Premiers were told that the New England Governors wanted to continue the relationship that began in 1973, and this would simply be managed by the new Coalition in DC. But things had changed in a fundamental way, and further, the Eastern Premiers were told to say nothing, keep out of the debate, and not to interfere in a New England decision.³¹

With these changes, it was no surprise that the Secretariat of the New England Governors-Eastern Canadian Premiers in Halifax ended up within a year, cutting members of their staff who were responsible for dealing with the New England file. The game had changed and the premiers had little choice but to adjust.

It is a regional game that has become more bilateral, competitive, insular, and disconnected from the public. Gone are the days when meetings were quickly arranged within New England, where everyone is three hours apart in travel time. Gone too are the mechanisms and processes that regional committees in energy, environment, and other issues gathered and reported. In fact, discussions now tend to involve utilities themselves. There is much less opportunity for good governance where different interests have a chance to come together and form common ideas, objectives, and strategies.³² With New York part of the mix, there are new challenges associated with getting everyone to work together, and pulling in the same direction. Ideas of community, interests, and institutional traditions have changed in a significant way.

While the New England polity and system of intergovernmental relations has historically been much more open and transparent, especially when compared to Canadian provincial regimes, the New England governors appear to have learned much from their Eastern Premier counterparts, where there is more of a tradition of meeting behind closed doors and letting experts rule.³³ We need to recognize that with respect to U.S. patterns of intergovernmental relations there is a clear movement towards more closed door meetings and private receptions with sponsors (which it is argued government can no longer pay for).³⁴

For instance, the New England States Committee on Electricity (NESCOE) was originally created by the NEGC but operated as a subsidiary.³⁵ In 2011 it was decided to

incorporate NESCOE into a separate entity.³⁶ NESCOE was originally designed as a governors' regional planning organization representing broad policy interests and networks – energy policy directors, regulators, governors' office policy staff, environmental commissioners, and so on, but things changed. In the current institutional arrangement, managers are basically all from the regulatory (i.e. Public Utilities Commission) sector, though Connecticut with its agency structure essentially has joint regulatory/policy responsibilities. In practice, the reformed NESCOE represents a narrow regulatory policy perspective that is very different from the broader energy policy network of the past.³⁷ Its members are more akin to the New England Council of Public Utility Commissioners (NECPUC). NESCOE is playing the insiders game, but a regional vision or argument is lacking.

In DC, there is hope that the CONEG can manage regional issues effectively without a hiccup. But there is a learning curve, issues of familiarity with issues and players, as well as challenges with addressing both New England and New York issues. The organization may have the appropriate skills sets or competencies, but it will take a long time to recreate the connections that old NEGC had. There will be further challenges associated with creating trust, especially given the increasing competition between the states and the outlier status of New York. For the governors, as well as the premiers involved, there are new considerations with DC as a central location. States such as Maine and New Hampshire do not even have offices in DC. Massachusetts, Rhode Island, and Connecticut are already set up to play the more competitive and more bilateral game.

Another important issue in this change involves patterns of problem definition and agenda setting. CONGEG has always been focused on transportation issues such as rail and engaged with lobbying for federal funding for the northeast, not regional policy development. On the other hand, the NEGC and NEG/ECP were fundamentally policy and programmatic institutions focusing within the region across a broader array of issues.

On this score, the NEG/ECP was an internationally recognized policy development institute on energy dating back to the beginning of the organization. It also offered the world's first multi-jurisdictional climate action plan, a mercury program that became the basis for the North American Accord on Mercury, as well as other international initiatives. The old organization provided a unique regional policy and program development program that will be missed. It may not have been the annual meetings of the NEG/ECP that were meaningful. Rather, it was the policy/program work that occurred between them with hundreds of governmental, NGO, and private-sector actors and networks that mattered most. It is the regional capacity and opportunities to bring different interests together and devise common objectives and solutions that have been lost and will be missed.

As for the Eastern Premiers, the game has also changed and there appear to be clear winners and losers. Atlantic Canada does not exist on the radar screen in DC. There are

no provincial offices or representatives in the U.S. capital even though Quebec, Alberta, Ontario, and even Manitoba (which has a representative for Hydro) all have a presence in Washington. In the past, the Atlantic premiers have concentrated more on bi-lateral relations throughout the New England states, and relied on the New England – Canada Business Council, personal relationships, trade shows, discussions carried out between companies, utilities, the occasional hiring of short-term representatives and the like to push their agendas. These were never well-coordinated or integrated projects across provinces and states. Quebec has always enjoyed a stronger presence both on the ground and in individual states, but also in DC and New York.³⁸ It would be difficult for any governor to ignore Quebec's political clout.³⁹

In the new regional game, the Atlantic premiers, Maine, and New Hampshire, may need to rethink their strategies as agenda-setting takes place in D.C. In the end, playing out the regional game in both the region and national capital may not be cheaper at all. But it is a game dominated by bigger interests and states that are more informal, outside the public view, and increasingly competitive.

In this new game, politics seems to trump good regional governance. There are signs everywhere that these battles are heating up. For example, in the 2013 meetings of the NEGC/EP that took place in Quebec, it was difficult to get everyone to attend. Were it not for the lobbying efforts of the Quebec government, in particular, it might have been a disaster.⁴⁰ In the end, all six governors showed up, general resolutions were passed, and they managed to keep the myth going that it was business as usual. Whether this can be done for the next meetings in New Hampshire, only time will tell. As indicated above, Quebec with all its energy and connections with New England is a special case.

It is certainly not a good time for regional cooperation. On the energy front, several battles have heated up with competing efforts to create new patterns of association. While there is discussion about a possible new regional energy agenda in New England, there are now significant divisions between the states in their roles as both consumers and producers of electricity. All of the states in the Northeast have adopted Renewable Portfolio Standards to encourage the growth of renewable electricity generation from old sources such as hydro and new sources such as wind by requiring utilities to make a percentage of total generation come from these sources. But there are no common rules on what qualifies as renewable energy within each state's standards.⁴¹ Within states, there are competing forms of energy planning as competing interests pressure for their agendas and solutions.⁴²

In Vermont, for example, with its close alliance and dependence on electricity from Quebec, there is a different set of rules for energy exchange. Hydro is considered green. Connecticut appears open to such an approach, but there is resistance within Massachusetts, New Hampshire and Maine where rules about which electricity meets renewable portfolio standards favor wind generators within the state rather than Hydro Quebec. Maine, for example, excludes generators over 100 MW from qualifying for RPS

qualifications. In a peculiar cross-border twist, this has the effect of promoting wind power development by Calgary-based Trans Canada in competition with Hydro Quebec and potential power from Labrador. New Hampshire has much in common with British Columbia (a pipeline debate⁴³) and it sees little value in simply being a conduit for transporting power to Connecticut.⁴⁴ Many of these battles over energy security and desire to defend and promote province-building through hydro and other forms of infrastructural development on both sides of the border are not being resolved or discussed in policy terms, nor are there integrated structures to bring different interests together in ways to make it possible to produce common mental maps and shared objectives.

It is also a risky game and political gamble for Canadian premiers. The energy supply picture has changed a great deal since the early 1970s when the Governor of Maine, Ken Curtis, appealed directly to K.C Irving to send down truck loads of oil to keep the Great Northern Paper Mill in operation. Today New England is not only the major potential market for Canadian energy, particularly hydro, it is also the major potential competitor. The renewable portfolio standards in each state plus major shifts in technology of wind generation mean that New England can now meet much of its own needs with its own resources for the first time since the 19th Century. Maine alone has about 500 MW installed now, with another 500 MW easily developable onshore and another 2000 MW possible offshore. Massachusetts and New Hampshire can probably build half as much as Maine. Only Vermont, with its long-term commitment to Quebec, will be a minor player in wind. Connecticut and Rhode Island will probably benefit from offshore wind development off New Jersey and the Delmarva Peninsula.

At the same time each state also knows that despite the goals of the RPS policies and objectives, there remain uncertainties about whether these targets can be met. Wind energy, which has played the leading role in a new indigenous energy supply for New England, remains hugely controversial with neighbors every time a new project is proposed. Importing hydropower from Canada is seen, by some, as providing a practical option if these alternative forms of energy technology do not pan out politically or economically. The fact that these kinds of energy challenges are being addressing in separate competitive state silos, with competing rules, technologies, ideas, interests, and institutional actors has not helped the regional cause. But it does help explain why all six New England governors would show up for meetings in Quebec. Clearly, none of these governors wants to lose access to Canada's hydropower in this competitive political game. It is a risky situation for everyone south of the border.

In Canada, these battles over energy and competing visions of province-building have intensified over recent years. In NL, for example, Muskrat Falls has appeared on the scene. Much focus is placed on getting back at Quebec by gaining control over future patterns of association. Launched by former Newfoundland and Labrador premier, Danny Williams, Muskrat Falls was designed to promote provincial power and independence. From the start, the proposal has raised all kinds of questions about

costs. But much of this debate has been stifled. In response, the public has pressured for more information and independent assessment. For example, the activities of NALCOR and the Muskrat Falls project have been criticized for not providing sufficient information for the Public Utilities Commission in NL, which is responsible for defending the public interest.⁴⁵ Legislation has been passed to control public access to information.⁴⁶ This debate recalls the actions of W.A.C. Bennett and his control over province-building through physical infrastructural development, as witnessed in British Columbia between 1952 and 1972.⁴⁷

The Muskrat falls project involves a partnership with the Nova Scotian power company Emera. It is designed to reduce the overall risk or costs for energy consumers in NL. While it is a partnership, each government plays to different audiences, and it perhaps is not surprising that Nova Scotia's utility has attempted to set new conditions. These new conditions would work in Nova Scotia's favor and provide more power for its own province-building ambitions. But a new majority government in Nova Scotia that has been critical of Muskrat Falls and is determined to get a better deal for that province, based on the new recommendations, shows that inter-provincial competition over energy remains active even in projects that are supposed to be cooperative.

Since Nova Scotia has other energy sources and objectives, there are clear signs that the province hopes to take advantage of the U.S. market through other partnerships for its own benefit. For example, Emera has bought utilities in Maine, and is very active in promoting its own provincial priorities within that state. There are clear signs in Atlantic Canada, Quebec, Alberta, and other provinces to promote province-building ambitions south of the border through energy infrastructural development. All of this has become very complicated. There would be great benefits to bringing these different interests together, coordinating policies, and finding new ways to move in a common direction, not working at cross-purposes.

In New Brunswick, there have been separate talks involving that province, Maine, and Irving Oil over the idea of building their own energy corridor. These bilateral negotiations include discussions over shipping natural gas, hydropower, and other sources of energy through new infrastructure.⁴⁸ Maine has even agreed to give up land for such a project. The land in question is the median strip on I-95, which would be leased at very low rates to the corridor operator.

Environmentalists have also suggested a need for public scrutiny and restrictions on the kinds of energy development permitted in the region. For example, in a recent local referendum, citizen groups promoted an ordinance to prevent any pipeline that would bring tar sands oil from Alberta through the state.⁴⁹ In Vermont, on the other hand, regulators have reacted by invoking new powers to ensure that any new diversions in pipeline flow would require a new land-use permit. New Brunswick's recent protests over "fracking" that featured clashes between protesters and the Royal Canadian Mounted Police, the blocking of public highways, and the burning of several police

cruisers offer clear signs that there is growing public frustration with current insular approaches to energy decision-making.⁵⁰

In the absence of processes capable of bringing different interests together to share concerns and knowledge, those with different ideas and interests have operated in competitive silos. None of this has been good for democracy. It is no accident that the RCMP in New Brunswick are suggesting there is a need to defuse these kinds of clashes and invent new processes for resolving differences that are nonviolent and capable of bringing different interests together in a collaborative fashion. In the current context, there is a growing awareness of the need to find new ways to work together on energy issues, but this will be difficult to accomplish without changes in governance.

Irving is just one of a number of powerful companies jockeying for position. They are now considering different forms of energy exchange and transportation, including rail, hydro, and gas. It is a good time for energy companies seeking new ways to expand, diversify, and make a profit. For example, on August 1, 2013, Irving and Trans Mountain Pipeline announced that they have partnered to build a new Marine Terminal in Saint John, New Brunswick. But there is also talk about possibly building an oil pipeline if conditions allow.⁵¹

With deregulation, the New England states have welcomed foreign investment, and competing energy interests are actively involved in a race to the south. Irving Oil, Emera, and Fortis (a NL company) are buying up and bidding on competing systems of energy delivery. As one would expect, these economic interests are acting to bring benefits to their own individual companies and provinces. From where they sit, it makes sense for market actors to play the game this way, since they do not set the rules. Unless or until there are new common rules defining core objectives, these forces will compete for advantage. In an era when infrastructural development has been used to stimulate the economy and sustain it on both sides of the US-Canadian border, it is little wonder that competitive companies and provinces alike are seeking advantages. As these companies and provinces operate in competitive silos, with no one overseeing the overall game, costs to consumers and environmental considerations treated on a piecemeal basis will remain as fragmented as the project proposals themselves. These kinds of public policy questions cannot be addressed without good governance and a better understanding of complex patterns of interdependence that matter and affect policy outcomes.

From a political standpoint, Quebec has learned to play this game very well, and is well positioned to compete and control patterns of energy transportation and infrastructural development south of the border. For example, in Vermont, a Quebec company recently outbid Fortis for control over a utility.⁵² Quebec has established close connections with government and industry in DC and New England. It is a strong competitor with much knowledge and capacity. But rather than Canadian and Quebec interests working closely with their US counterparts across states and energy sectors to

come up with a common energy vision or set of shared objectives that would produce good outcomes for everyone, we are seeing more silo-based competition than efforts to coordinate and integrate across systems based on common policies.

Viewed this way, in the game that now exists, it was only logical that Fortis would respond by purchasing CH Energy Group, a New York energy delivery company, which deals with electric power and natural gas.⁵³ From the company's perspective, the bottom line is making a profit, and not worrying over whether energy infrastructure is being designed to meet the needs of the general public. That is the responsibility of government, and in the current context, there seems to be little interest in creating new common regional rules, knowledge or cross-border mechanisms with capacity. Rather, under the current system, companies need government regulatory approval at the state level. In doing so, they must show that their plans are cost-effective and meet environmental codes defined by state laws. We operate in an era when many cross-border issues are being driven by the private sector or the quasi-private sector of the provincial energy companies that tend to be outside the public view.

When you add the actions of Alberta public/private interests (Trans Canada) that are very much on the ground and seeking control over energy infrastructural patterns, there is much going on that needs to be sorted out, but in a way that is less political, and on the public radar screen. Once energy infrastructure is built, it will be too late to turn things around. If this transpires, clearly, inherited physical infrastructure will constrain future policy actions. As a result, now is the time for action, to make sure that everyone is more aware of what is occurring and possible outcomes. As we know from the past, once powerful interests become embedded in infrastructure, they develop deep roots and make it difficult for future decision-makers to change the arrangements these interests have benefitted from.

It is here that the ability of governments in New England and eastern Canada that developed over the past decades to maintain regular contacts and communications on these issues will be most missed. Recent changes in the institutions of regionalism do not bode well for those seeking to create a common community with shared values and objectives, and a determination to build policy capacity and new forms of interaction and integration.

The addition of New York to the "region" has further complicated matters. New York too needs power, but has historically viewed New England as a competitor for Canadian energy. Quebec is currently making plans for building hydro infrastructure through Ontario, and down through to the state of New York. All of this infrastructural development planning is occurring in separate silos, with little overall discussion on best practices required for an efficient system of energy delivery. Nor has there been much opportunity to discuss different energy sources, whether gas, oil, wind, or tidal power, and how to work together to create the best outcomes. For the most part, various energy initiatives have occurred in separate, competitive silos. Unless new ways are

found to bring new forms of integration and interaction across jurisdictions and energy sectors (wind, hydro, gas), old competitive forms of behavior will continue and there will be little opportunity to create good governance.

To be sure, in the U.S., there is little appreciation of province-building, battles over hydro, and other energy sources. Nor is there knowledge of how these competing interests are seeking to carve out infrastructure that may be costly and inefficient. To make matters worse, there is little appreciation of how these competitive Canadian jurisdictional-energy interests may be creating political divisions “within” but also “between” states.

At the same time, in Canada, there is little understanding among the public about the different rules for green energy within the states, and the dynamics that shape decision-making, or lack thereof, south of the border. For the different energy sectors involved, there is also little understanding or appreciation of other sectors, the best tradeoffs, and so on. Regional organizations that examined these issues in public would increase common understandings of the complex issues involved in energy among both governments and the public. Unfortunately, recent developments suggest that the lack of such organizations is unlikely to facilitate such initiatives. But it is not too late, since the energy infrastructure has not been built. It is a time for better regional governance.

The controversy over Muskrat Falls is now being fought out in the courts, and Quebec and NL remain competitors where zero sum conflicts appear inevitable. Given the lack of regional governance institutions and processes, these different interests (whether in the U.S. or Canada) have had little opportunity or incentive to see if there could be more reasonable compromises or strategies for producing shared objectives, and better outcomes for all. But without these games in place, it appears we are destined for decision-making that is more political than informed by evidence, knowledge, and reasonable policy debate. To date, there is little indication of the kind of knowledge exchange or sharing that tends to be associated with good governance.

The Declining Role of Networks to Sustain a Regional Idea

One of the greatest mysteries surrounding the decline of the New England Governors’ Conference has been the lack of response or discussion of regional issues among its traditional boosters. It may be comparable to a declining baseball team that no one watched or longer cared about when the team went finally belly up. Over the years, the New England Governors’ Conference cut, bit by bit, the staff and resources essential to building networks, and staying in the game.

New England public and university libraries are full of historical material addressing the evolution and desirability of cross-border regionalism. One can even find such materials

in New York. But there is nowhere near the same level of regional commentary or networks today. In the current era, public policy research carried out by traditional supporters of regionalization (such as the Federal Reserve Bank of Boston) has focused more attention on policy challenges at the community level within New England and regionalism, to the extent it exists. Mobilizing new forms of community knowledge has been a central focus. Less interest and fewer resources are available for focusing on formal regional processes and assessing outcomes than in the past.

The context has changed over time. For example, attitudes about government planning (regional or otherwise) have changed. New Public Management theories and practices have become more popular and old policy structures and systems of rational planning have been questioned.

All of this has created pressure to change old practices and reduce public knowledge and engagement. In NL, there has been much debate about legislation that restricts public information and processes, which are more inclusive. There has also been much criticism about reducing the power of the Public Utilities Commission to promote markets in electric power in order to protect the Muskrat Falls project.

Similar trends have occurred south of the border. In the past, the New England Governors' Conference established committees with their own networks. These were designed to bring different interests together, and to find ways to make sense of common problems and to resolve them publicly. These committees have been dissolved or have nowhere to report, or have been replaced by managers, appointed by the governors. In the new game, discussions have been less public, and they have been dominated by utilities or others who are directly involved in the process of decision-making or implementing change.⁵⁴ Such an approach to governance brings advantages, but it also makes it more difficult to promote effective consultation and public sharing of information and knowledge.

In the new context or system of regional governance, those interests who have always played a role in facilitating knowledge exchange across different systems are limited in what they can achieve alone. For example, the New England Council, the New England Canada Business Council, the Canadian Embassy and Consulates in Boston or New York, the Woodrow Wilson Center, and other think tanks, associations, and the like are limited in what they can achieve with respect to bringing different interests together and sharing information across silos. They simply do not have the resources or legitimacy to play a significant role in reinforcing overall good regional governance. As a result, despite growing interdependencies, common problems and regional issues, we are ill equipped for making sense of new-shared realities, let alone for determining how we can deal with them effectively.

Conclusion

While functional thinkers emphasize the impact that external forces have on patterns of agenda- setting and public policy, recent experiences in Eastern Canada and New England discussed in this paper shed light on the power of embedded processes and mechanisms to inhibit the transformation of dominant ideas, even when interdependency is increasing. Leadership matters a great deal, as do inherited state-societal structures and processes that determine the possibilities for creating new patterns of discourse, policy practice, and integration/interaction.

Regionalization not only lacks institutional support, but governors have gone out of their way to restrict new regional transformations and formations across state and provincial boundaries. They have also acted to suppress information in a way that has undermined and constrained opportunities to bring different interest together and improve regional governance. Premiers appear to have been bystanders in all of this, but they have also played their role in a new competitive regional game. Canadian provinces are highly competitive when it comes to the energy sector. There is little evidence of collaboration, shared objectives, or integration.

Despite challenges of interdependence, and the need to work together to solve energy and other problems, internal political conditions and territorial-institutional configurations have trumped functional logic. In New England, partisan differences have undermined the construction of new regional cleavages and knowledge sharing across communities and systems. Strikingly, all of this has occurred with limited public knowledge or engagement. In Canada, the strong tradition of province-building has continued but expanded south. Premiers have restricted public engagement and information. They have also maintained control over the development process and discouraged new formations and transformations across provinces and states. Much of this has involved “leaving it to government elites and experts in utilities to work out” rather than providing opportunities for sharing public knowledge and information in a way that might strengthen cross-border identities and discourses.

We have found that embedded institutions and governance traditions continue to play a crucial role in determining the pace and direction of regional transformation and restructuring. Nothing is inevitable. Despite challenges of interdependence, creating new ways for reinventing regional governance ultimately depends on political conditions and institutional configurations that permit good regional solutions also to be good politics. Functionalism is not enough, and there needs to be more discussion and understanding of the role of institutions and what the public does not see.

Notes

¹ Stephen Brooks and Lydia Miljan, *Public Policy in Canada: An Introduction*. Don Mills: Oxford University Press, 2003, p. 26.

² Jeffrey Ayres and Laura Macdonald, editors, *North America in Question: Regional Integration in an Era of Economic Turbulence*. Toronto: University of Toronto Press, 2012; Michael M. Bresica and John C. Super, *North America: An Introduction*. Toronto: University of Toronto Press, 2009; Jeffrey Ayres and Laura Macdonald, editors, *Contentious Politics in North America: National Protest and Transnational Collaboration under Continental Integration*. New York: Palgrave Macmillan, 2009; and Stephen Clarkson, *Does North America Exist?* Toronto: University of Toronto Press, 2008.

³ For more discussion see Yasmeen Abu-Laban, Radha Jhappan, and Francois Rocher, editors, *Politics in North America: Redefining Continental Relations*. Toronto: Broadview Press, 2008; Heinz G. Preusse, *The New American Regionalism*. Northampton MA: Edward Elgar Publishing, 2004; and Guy Poitras, *Inventing North America: Canada, Mexico, and the United States*. Boulder: Lynne Rienner Press, 2001.

⁴ For further discussion see Jeffrey Ayres and Laura Macdonald, *North America in Question*.

⁵ The authors are grateful for the support of the Harris Centre for sponsoring this research. We would also like to thank the various people who were willing to be interviewed for the project. During the summer of 2013, a number of interviews were conducted throughout Atlantic Canada, New England, Washington DC, and New York, and these were used to inform the work.

⁶ Roger Gibbins, *Regionalism: Territorial Politics in Canada and the United States*. Toronto: Butterworths, 1982.

⁷ In December 2012, the NL government passed legislation (amending the Electric Power Control Act) to outlaw small generators and other means to energy production (self-generation) that would threaten the monopoly of NL Hydro. Another legislation provision enhances NL Hydro's monopoly over external markets. The law demands that power cannot be bought from anyone but NL Hydro. Seen this way, the government has moved to undermine both interprovincial trade and consumer choice. A huge problem with such a policy choice is that it violates the U.S. Federal Energy Regulatory Commissions (FERC) rules when it comes to fair trade, and promoting interstate competition. According to that rule, there must be open-access transmission tariffs (OATT) that allow two-way trade. Hence, it is a rule of reciprocity that requires if Canadian energy firms ship power to U.S. markets through open access rules, there must be opportunities for sending energy in the other direction (based on principle of open integrated markets). As indicated by Jim Feehan, "the legislation is completely at odds with allowing electricity buyers and sellers, from within and outside the island, access to island's transmission system under an OATT arrangement. While FERC is focused on fostering competition in US wholesale markets, the utter rejection of both open-access principle and the notion of wholesale market competition by the NL

government will make selling into the U.S. difficult if not impossible.” James Feehan, PhD, “Electricity Market Integration: Newfoundland Chooses Monopoly and Protectionism.” Atlantic Institute of Market Studies: Commentary. November 2013.

⁸ Ibid.

⁹ For further discussion, see Chapter VIII, “Continental Energy (In)security” in Clarkson, *Does North America Exist?*

¹⁰ Interviews.

¹¹ Throughout North America, Ayres and Macdonald argue “Whether through a continuation of top-down trilateralism or through a revamped continentalism from below through cross-border civil society engagement, North American trilateral engagement is at its lowest level since the early 1990s.” Jeffrey Ayres and Laura Macdonald, “Introduction: North America in Question,” in Ayres and Macdonald, *North America in Question*. Toronto: University of Toronto Press, 2012, p. 3.

¹² See James P. Allan and Richard Vengroff, “Paradiplomacy: States and Provinces in the Emerging Governance Structure of North America,” in Ayres and Macdonald, *North America in Question*.

¹³ For further discussion see Stephen Tomblin, “Introduction and Overview: Comparative New England – Atlantic Policy Lessons,” in Stephen Tomblin and Charles Colgan, editors, *Regionalism in a Global Society: Persistence and Change in Atlantic Canada and New England*. Toronto: Broadview Press, 2004.

¹⁴ Interviews.

¹⁵ Richard P. Barberio, *The Politics of Public Policy*. New York: Pearson, 2014, p. 18.

¹⁶ It is worth noting, for example, that recent economic decline in the U.S. has undermined the push for North American integration, and stalled some past initiatives. For further discussion see Ayres and Macdonald, *North American in Question*.

¹⁷ See Lester Thurow, *The Zero Sum Society*. New York: Basic Books Inc., reprinted 2001.

¹⁸ Paul LePage became Governor of Maine in January 2011.

¹⁹ Yet Maine has had controversial governors before, for example, James Longley. So that is not the only factor that has contributed to the decline of regional cooperation.

²⁰ Massachusetts Governor Deval Patrick was elected in 2007, while the other New England Governors came in January 2011. These included Dannel Malloy (Connecticut), Paul LePage (Maine), Lincoln Chafee (Rhode Island), Peter Shumlin (Vermont), and Jane Lynch (New Hampshire).

²¹ Interviews.

²² See Herman Bakvis, and Grace Skogstad, editors, *Canadian Federalism*. Don Mills: Oxford University Press, 2012.

²³ In his battle over equalization with Prime Minister, Stephen Harper, the premier protested what he considered the breaking of a promise by taking down all Canadian flags in NL.

²⁴ Herman Bakvis, Gerald Baier, and Douglas Brown, *Contested Federalism: Certainty and Ambiguity in Canadian Federalism*. Don Mills: Oxford University Press, 2009, p. 14.

²⁵ For further discussion see Peter Aucoin, Mark D. Jarvis, and Lori Turnbull, *Democratizing the Constitution: Reforming Responsible Government*. Toronto: Edmond Montgomery Publications, 2010.

²⁶ See Stephen Tomblin, *Ottawa and the Outer Provinces*. Toronto: James Lorimer and Company, 1995.

²⁷ For further discussion of experts in the Rowell-Sirois report and the clash with province-building, see *Ibid.*, p. 145.

²⁸ Paragraph informed by interviews.

²⁹ It was a process of evaluation that occurred in DC and the result was communicated to New England Governors Conference office in Boston, not the reverse. It is clear that this decision was shaped by context and there were discussions between CONEG officials and a certain Governors office, located in the Hall of States, which is the same building as CONEG.

³⁰ Interviews.

³¹ Interviews.

³² New England relies upon the New England States Committee on Electricity (NESCO) to coordinate and advance energy policies. Its Managers are appointed by the New England Governors and they represent competing Public Utilities.

³³ Canada has both a cabinet-parliamentary and federal system, and these combined systems have reinforced an elite pattern of decision-making that has been highly criticized for restricting public knowledge and engagement. When the New England Governors and Eastern Premiers meet in Canada, they adopt Canadian rules, and meetings are not public.

³⁴ Interviews.

³⁵ For a detailed discussion of Transborder Environmental/Energy Governance in North America, see Clarkson, *Does North America Exist?* Chapters V and VIII.

³⁶ Interviews.

³⁷ Interviews.

³⁸ For example, in May, 2007, the Federal Energy Regulatory Commission approved a financing arrangement between Hydro Quebec and New England's Northeast Utilities Service Co. and NStar Electric Company for a 1,200 megawatt high voltage direct current transmission line. It will bring Quebec power to New England's 345-kilovolt system in New Hampshire. "HQ Energy Services, a wholly owned U.S. subsidiary of Hydro-Quebec, agreed to take responsibility for the projects risk." "ISO New England, the independent system operator for the six Northeastern states, will ensure that the new transmission system integrates smoothly with the current electric grid and will eventually control the U.S. portion of the line, the commission said."

<http://www.law360.com/articles/103547/fierc-oks-funding-plan-for-us-canada-power-line>.

³⁹ For a review of Quebec Hydro infrastructural capacity and plans for the future in New England and New York, see hydroforthefuture.com/projects/34/developing-outside-markets

⁴⁰ Interviews.

⁴¹ “In New Hampshire and other New England states, large scale hydropower does not count toward the renewable quotas that utilities must meet.” There are calls for a common set of rules and playing field. See [http://www. Bizjournals.com/](http://www.Bizjournals.com/)

⁴² See Lisa Linowes, “Wind Forcing: New England’s Coming Energy War.” June 5, 2013. <http://www.masterresource.org/2013/06/wind-forcing-new-england-war/>

⁴³ There has been an ongoing battle over the building of a pipeline to the Pacific coast. The British Columbia government has argued that if the majority of economic benefits go to Alberta, it makes little sense for the coastal province to agree to a project that poses environmental risks.

⁴⁴ See Beth Daley, “Proposal for Northern Pass Transmission Line Shifts.” *Boston Globe*, June 28, 2013.

⁴⁵ See Rob Antle, “Not Enough Info to Choose Best Power Option, PUB says.” CBC News, April 2, 2012.

<file:///Volumes/NO%20NAME/Not%20enough%20info%20to%20choose...%20says%20-%20Nfld.%20&%20Labrador%20-%20CBC%20News.webarchive>

⁴⁶ See Bill 29 (2012) An ACT TO Amend THE ACCESS TO INFORMATION AND PROTECTION OF PRIVACY ACT. NL LEGISLATIVE ASSEMBLY.

⁴⁷ Tomblin, *Ottawa and the Outer Provinces*.

⁴⁸ See “Irving Oil studies NG power plant for New England Market.” www.electricalforum.com/News/Mar09/IrvingstudiesNGplantforNewEnglandmarket.html.

⁴⁹ See “Oil Allies outspend opponents in S. Portland campaign.” <http://www.mainebiz.biz/article/20131008/NEWS0101/131009951/oil-allies-outspend-opponents-in-s-portland-campaign>.

⁵⁰ See www.cbc.ca/news/n-b-fracking-protests-and-the-fight-for-aboriginal-rights-1.2126515.

⁵¹ See www.newswire.ca/en/story/1205745/Irving-oil-transcanada-announce-joint-venture-to-develop-new-saint-john-marine-terminal.

⁵² A recent Vermont newspaper article discusses the challenges facing Vermont Governor Peter Shumlin as he and other governors see themselves as the “center of a provincial balancing act” with Quebec and Newfoundland and Labrador battling over US utilities. In this race south, Quebec Gaz Metro recently beat out a powerful NL company (Fortis) and purchased Vermont’s largest electrical utility, Central Vermont Public Corporation. For more details, see Eric Blokland, “Canadian Power Brokers Look to Transmit Electricity South.” VTDodger.org.

⁵³ See Tim Kiladze, Fortis Tries Its Hand at Another U.S. Takeover.” *Globe and Mail*, September 2012.

⁵⁴ See for example, the website for the New England States Committee on Electricity that dominates regional discussions in the new context. It is made up of managers (representatives of competing state utilities). These are appointed by the New England Governors and serve at their pleasure.



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