

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
respecting its participation at the 2009 Annual Meeting of the
Western Governors' Association**

Canada-United States Inter-Parliamentary Group

**Park City, Utah, United States of America
June 14 - 16, 2009**

Report

From 14-16 June 2009, Senator Jerry Grafstein, Co-Chair of the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG), and Mr. Brad Trost, M.P., Vice-Chair of the IPG, attended a meeting of the Western Governors' Association (WGA) in Park City, Utah. In addition to speaking with eight Governors and a number of Canadian Premiers, Senator Grafstein and Mr. Trost were also able to speak with U.S. Secretaries Steven Chu and Tom Vilsack, World Bank President Robert Zoellick and Nancy Sutley, Chair of the White House Council on Environmental Quality.

The 19 states in the WGA (see Appendix) and Canada share a mutually beneficial relationship, and nine of those states have Canada as their primary foreign export market. According to recent figures, more than 2.3 million jobs in these 19 states rely on Canada-U.S. trade; bilateral trade in a 12 month period was recently valued at nearly \$126 billion USD: about \$45.9 billion USD was exported from the WGA states to Canada, while they imported just over \$80 billion USD from Canada. Residents of Canada and these U.S. states also visit each other frequently. Recent data suggest that Canadians made more than 7.9 million visits to the WGA states in a one-year period and spent more than \$4.2 billion USD, while residents of these states made almost 3.9 million visits to Canada and spent nearly \$2.4 billion USD.

The Western Governors' Association includes the Governors from 19 western states as well as from American Samoa, Guam and the Northern Mariana Islands. Canadian Premiers from British Columbia, Alberta, Saskatchewan and Manitoba also participate in the WGA's activities. The WGA uses six basic strategies: develop and communicate regional policy; serve as a leadership forum; build regional capacity; conduct research and disseminate findings; form coalitions and partnerships in order to advance regional interests; and build public understanding and support for regional issues and policy positions.

The interaction with Governors enables members of the Canadian Section of the IPG to better achieve the aim of finding points of convergence in respective national policies, initiating dialogue on points of divergence, encouraging exchanges of information and promoting better understanding on shared issues of concern. Moreover, the meetings provide members of the Canadian Section with an important means to provide input to, and gather information about, state-level issues that affect Canada. For these reasons, the Canadian Section of the IPG intends to continue its participation at meetings of Western Governors.

This report summarizes the discussions that occurred during the four plenary sessions and two keynote addresses at the meeting in Park City. In particular, the plenary sessions and keynote addresses were:

- Managing Water in a Changing World (plenary);
- What Americans Really Think (keynote);
- Tapping the West's Renewable Energy Potential (plenary);
- A Conversation with Robert B. Zoellick, President, World Bank (keynote);

- Combating Global Climate Change (plenary); and
- Fostering International Cooperation on Energy and the Environment (plenary).

MANAGING WATER IN A CHANGING WORLD

Peter Gleick, *Pacific Institute*

- the biggest challenges are not land, energy, mining, climate change, etc; the biggest challenge is water
- the American West has a long history of thinking about water
- conflicts over water are growing as a consequence of such factors as:
 - the limited availability of traditional solutions to water problems
 - fixed water resources coincident with a growing population
 - collapsing ecosystems
 - conflicts between and among users, including agriculture, urban areas and environmental interests
 - interstate and international conflicts, since political boundaries and watershed boundaries do not match
- "fixing" the water supply will require a re-examination of what "supply" and "demand" mean
- better institutions for managing water are needed, and water quality must be better-protected
- climate change considerations must be integrated into water plans; similarly, water should be integrated into land use planning
- while traditional water supply options are limited, there are new ways of thinking about supply, including re-use
- new ways of thinking about demand must occur; demand for water need not grow as the economy and population grow, since there are "smarter" ways to do things – including growing food – that involve less water
- the loss of snowpack is a serious climate problem
- it is important that water be managed successfully and that best practices be shared
- it is possible to learn from failures as well as from successes
- water issues must be managed at the proper level, bearing in mind that many water challenges are local while others must be managed at the basin or watershed level and still others federally; it is important to get the level right, and then to do the right things
- water storage systems must be operated more effectively and efficiently, since there will not always be space for a new dam
- water rights systems vary across U.S. western states, and there are differences between underground and ground water systems

Eilon Adar, *Ben-Gurion University of the Negev*

- until recently, water issues were thought to be a problem of the developing world
- in the Middle East, all major water resources are cross-border resources; water does not recognize international, national, state, above-ground or underground boundaries

- water is a scarce commodity in the Middle East, and can be a "spark" for political conflict or for regional cooperation
- more efficient water utilization must occur
- there is a need to:
 - increase water efficiency
 - desalinate sea and brackish water, recognizing the energy requirements of such an activity

Doug Miell, *Miell Consulting*

- prolonged droughts, reduced runoff, declining reservoir levels, urban growth and other issues are challenging communities and industries, both in Australia and elsewhere in the world
- in Australia, some small communities have run out of water and some cities have fallen to 17% of their reservoir capacity
- incentives are needed in order to bring about desirable behaviours
- in solving water problems, it may be important to identify the key drivers to technology and property rights, among others
- in order to stimulate technology, a number of actions should be taken:
 - review existing practices
 - invest in research and development
 - ensure the availability of accurate and timely data
 - engage in education and training
 - ensure the existence of an equitable pricing regime and transparent water markets
 - make a commitment to new technology
 - ensure adequate business planning, with a focus on sustainability
 - engage in adequate communication
- although there is no silver bullet, accurate and timely data are needed in order to support management decisions
- in Australia, the agriculture sector is examining the hydro capacity of soils and other structural elements of soils, and is taking actions to reduce water evaporation and leakage, etc.
- the goal should be integrated management of water resources

Cameron Brooks, *IBM Corporation*

- a single, reliable monitor of water use is needed
- while there are information management challenges regarding water, technological solutions exist in a number of areas, including:
 - instrumentation, such as sensors and smart meters
 - intelligence, such as predictive tools
 - interconnectedness, such as networking technologies to bring data to a single framework
- a great deal of technology already exists, but a common framework to allow data consolidation, sharing, etc. is missing

- with existing technologies, public utility commissions are able to identify whether a particular household has a high- or low-flow toilet and showerhead, the type of washing machine, etc.; this information allows targeted incentives for better use of water

WHAT AMERICANS REALLY THINK

Frank Luntz, *The Word Doctors*

- of all regions in the United States, the west is the most upset, negative and concerned about the direction of the country
- the American West used to be a positive, "big sky" area that was optimistic rather than pessimistic; the change in perspective is related to the notion of accountability
- the two most important principles in governing, business, etc. are accountability and common sense
- citizens want governments that provide solutions and that take bold actions
- a relative lack of intergenerational improvement is leading to pessimism and negativity, and belief in the American dream is waning
- voters want change, and they want it now; moreover, the more dramatic is the change, the greater is the support for it
- Americans want a number of things, including:
 - fewer hassles
 - more choices
 - more time (the first priority for women)
 - no worries
 - more money (the first priority for men)
- the American West is less trusting of Washington, D.C. than is any other U.S. region; residents believe that the federal government is making promises that cannot, and will not, be kept
- for residents of U.S. western states, the economy is the number one issue; for them, economic growth is a greater concern than are environmental initiatives
- of all regions in the U.S., the west is the region with the highest level of support for free trade and the lowest level of support against free trade
- the "most important" words and phrases include:
 - imagine
 - consequences
 - results
 - solutions
 - American challenges
 - stability
 - accountability
 - security
 - recovery
 - engage for the long-haul
 - career
 - commitment

- "renewable" is a higher priority than "clean"
- "sustainable" represents the status quo; "cleaner, " "safer" and "healthier" are better than the status quo
- people want politicians to be people who say what they mean, and mean what they say

TAPPING THE WEST'S RENEWABLE ENERGY POTENTIAL

Secretary Ken Salazar, *United States Department of the Interior*

- the United States' energy future is a signature issue for President Obama, his Cabinet and the nation's Governors
- the U.S. Department of the Interior has a vast set of holdings and interests nationwide, and is the steward of 20% of the nation's landmass as well as parts of the continental shelf
- water, which is affected by climate change, is a critical issue
- the U.S.' western states have potential in such renewable energies as solar, wind, geothermal, etc.; the challenge lies in unleashing the untapped potential
- transmission capacity must link generation with consumption, and facilities must be sited in locations that make the most sense; for example, facilities should not be sited in wildlife corridors
- applications should be processed rather than put on a shelf

Secretary Steven Chu, *United States Department of Energy*

- renewable portfolio standards have been adopted by 34 states, including all seven Western Climate Initiative states
- the renewable energy industry will be a high-technology industry
- the United States needs to recapture, and become a leader in, high-end manufacturing and technology
- the American Recovery and Reinvestment Act of 2009 provides funds for such energy-related measures as next generation high-voltage transmission, grid modernization, etc.

Secretary Tom Vilsack, *United States Department of Agriculture*

- transmission is a critical issue, and the United States Department of Agriculture realizes that siting has major challenges
- transmission infrastructure affects vegetation plans, among other things
- efforts are being made to streamline the process, with simplicity, timely decisions, etc.
- planning must occur in a manner that minimizes impacts

Jon Wellinoff, *United States Federal Energy Regulatory Commission*

- consumers need reasonably priced energy
- energy supply must be improved, especially with respect to renewable energy
- Federal Energy Regulatory Commission activities in respect of transmission include planning, siting and cost allocation
- regional planning is needed, and interconnectedness must be a focus
- in respect of siting, the states should collaborate with the U.S. Department of the Interior
- regarding renewable energy, there is a need to focus on both supply and demand
- the Federal Energy Regulatory Commission has responsibility for the reliability of the interstate grid

Nancy Sutley, *White House Council on Environmental Quality*

- the White House Council on Environmental Quality works to bring departments and agencies together
- the United States needs to move toward being a clean energy economy

A CONVERSATION WITH ROBERT B. ZOELLICK, PRESIDENT, WORLD BANK

Robert Zoellick, *World Bank*

- the World Bank, which has existed for about 60 years, supports development and promotes reconstruction; in fulfilling its mission at this time, the organization is involved in such activities as:
 - reactivating trade finance
 - recapitalizing bank financing
 - providing microfinancing
 - financing new vaccines
 - providing conditional cash transfers
- the World Bank can help in the developing, but also in the developed, world
- there is a great deal of unused global capacity; historically, the United States has been the source of demand
- regarding the current financial and economic crisis, there will be "second-wave" effects; for example, credit card debt will rise with increases in unemployment
- as unemployment rises, there will be pressure for protectionism; erecting trade barriers is dangerous
- Canada's financial system has been relatively better regulated

- there is some speculation regarding the G-2: the United States and China
- the U.S. has consumed a great deal, and China has saved a great deal

COMBATING GLOBAL CLIMATE CHANGE

Robert Zoellick, *World Bank*

- the world cannot address global climate change without engaging the developing countries
- poor countries will be hurt disproportionately by climate change
- deforestation is the second-largest cause of carbon dioxide emissions
- the negotiations that will occur at the December 2009 climate change conference in Copenhagen will be as much about finance and development as about the climate
- the decisions made this year will exist for decades, and ongoing dialogue will be needed

Secretary Steven Chu, *United States Department of Energy*

- the news regarding climate change is bad; the northern polar ice cap is continuing to melt, one-half of the northern ice cap has been lost in the last decade, and sea levels are continuing to rise and at an increasing rate
- the climate is changing, and relatively more quickly than predicted
- while people are entitled to their own opinions, they are not entitled to their own facts
- with decreases in the snowpack, the water storage system is put at risk
- the Alpine forest is being lost, with detrimental effects
- in the American West, severe water stress is predicted, except in the Pacific Northwest
- energy efficiency is an important issue

Secretary Tom Vilsack, *United States Department of Agriculture*

- the science about climate change is clear, and delay will be costly
- the world expects U.S. leadership regarding climate change
- the Obama Administration is committed to resolving climate change issues, and U.S. Congressional action will send a strong signal
- it must be recognized that farmers and ranchers have always been stewards of the environment
- while farmers and ranchers play a critical role in climate change and its resolution, some are sceptical; they are anxious to be involved in the process
- for farmers and ranchers, climate change affects decisions about land use, the crops that are planted, the timing and frequency of application of fertilizers, etc.

Nick Bridge, *British Embassy*

- the political debate about climate change is over; energies must now be focused on what to do next
- there is extraordinary volatility in the price of oil

- a carbon price of \$35-\$40 per tonne, or \$15-\$20 per barrel of oil, is needed for stability
- the United Kingdom does not feel that it has energy security
- the United Kingdom is committed to a portfolio approach in meeting its energy challenges
- in terms of the debate about the merits of a carbon tax rather than a cap-and-trade system, it should be noted that, with a tax, there is no guarantee that "you will get to where you need to be"
- in the United Kingdom, there is a Department of Energy and Climate Change, since these two topics need to be together
- one of the United Kingdom's top four foreign policy priorities is climate change, which is a global problem
- emissions have been falling in the United Kingdom at the same time as the economy has been growing; this outcome has occurred, at least in part, because the business community has been supportive and there has been cross-party political support
- since China will be largely dependent on coal for the next 50 years, there is a need to engage China on carbon capture and storage initiatives
- financial support should be provided to the poorest countries in order to assist them with their climate change efforts

Nancy Sutley, *White House Council on Environmental Quality*

- President Obama believes that the United States needs to take on the threats of climate change
- the states are critical in terms of the implementation of clean energy policies
- a strong economy and a healthy environment go hand in hand, and can exist at the same time
- if climate change and energy security challenges are addressed properly, the foundation for a sustainable, prosperous future will be established
- the United States must reduce its dependence on foreign energy
- the idea underlying the American Recovery and Reinvestment Act of 2009 was to stimulate the U.S. economy today and to lay the foundation for a prosperous future
- the U.S.' transmission grid should be expanded and modernized; a smart grid provides opportunities

FOSTERING INTERNATIONAL COOPERATION ON ENERGY AND THE ENVIRONMENT

Eric Heitz, *The Energy Foundation*

- new, clean energy technologies can grow an economy with dramatically less pollution
- China and the United States are huge emitters of greenhouse gases

- it is a myth than China is not doing anything in respect of clean energy or climate change; in fact, the country has adopted an ambitious range of clean energy policies
- many of China's leaders are engineers who realize that new technologies and approaches are needed
- China is investing in renewable energy, and is making efficiency agreements with industries that are large emitters
- China wants to be a competitor in the global automobile market; since it does not have much oil, it wants to provide the world with efficient automobiles that are hybrids, powered by electricity, etc.
- the American Recovery and Reinvestment Act of 2009 contains incentives for efficient vehicles
- areas where international cooperation and sharing can occur include:
 - carbon capture and storage
 - solar energy
 - advanced batteries for electric vehicles
 - smart grid protocols and devices
 - super-efficient building systems
- the way forward with China must include an understanding of what is in that country's domestic interest

Susan Shirk, *University of California*

- the two largest energy consumers and producers of greenhouse gas emissions are the United States and China; these nations should cooperate in order to reduce emissions and establish low-carbon economies
- the December 2009 climate change conference in Copenhagen is coming somewhat too soon for a breakthrough; the United States does not have the required legislation in place and China is waiting to see what the U.S. will do
- the United States and China should cooperate; for too long, the two nations have used each other as an excuse for inaction
- China and the United States have domestic politics that will have to be managed in order to have cooperation; as well, to improve the chance of cooperation, China's own interests should be considered and built upon
- China's commitments are going to look very different from the United States' commitments; this lack of comparability may be advantageous
- measures to reduce greenhouse gas emissions and address climate change must not be seen as ways to limit China's economic growth and continued emergence as an economic powerhouse
- in the United States, more than 70% of carbon emissions are from consumer activities; in China, more than 70% of carbon emissions are from industrial activities, particularly in relation to the steel, cement, chemical, paper and aluminum sectors
- China's motivations for action include:
 - water and air pollution, which are a threat to health and to the Communist government

- getting provincial capitals – which lag Beijing in their understanding of the nature and extent of the climate change problem – to implement decisions made in Beijing, since the capitals like to build big projects which provide jobs, patronage for firms, etc., and to build capacity for monitoring, reporting, verifying, etc.
- leadership ambitions for China to be a global leader in green technology and to lead the international market in clean cars
- climate change is a global threat

Respectfully submitted,

Hon. Jerahmiel Grafstein, Q.C., Senator
Co-Chair
Canada-United States
Inter-Parliamentary Group

Gord Brown, M.P.
Co-Chair
Canada-United States
Inter-Parliamentary Group

Appendix A

STATES REPRESENTED IN THE WESTERN GOVERNORS' ASSOCIATION

Alaska

Arizona

California

Colorado

Hawaii

Idaho

Kansas

Montana

Nebraska

Nevada

New Mexico

North Dakota

Oklahoma

Oregon

South Dakota

Texas

Utah

Washington

Wyoming

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	2009 Annual Meeting of the Western Governors' Association
DESTINATION	Park City, Utah, United States of America
DATES	June 14-16, 2009
DELEGATION	
SENATE	Hon. Jerry Grafstein, Q.C., Senator, Co-Chair
HOUSE OF COMMONS	Mr. Brad Trost, M.P., Vice-Chair
STAFF	Ms. June Dewetering, Analyst
TRANSPORTATION	\$2,159.70
ACCOMMODATION	\$1,889.89
HOSPITALITY	\$Ø
PER DIEMS	\$634.80
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$3,537.32
TOTAL	\$8,221.71