

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 66th Annual Meeting of the
Southern Legislative Conference (SLC) of the Council of
State Governments**

**Canada-United States Inter-Parliamentary Group
Charleston, West Virginia, United States of America
July 28 – August 1, 2012**

Report

DELEGATION MEMBERS AND STAFF

From July 28-August 1, 2012, Mr. John Carmichael, M.P., Vice-Chair of the Canada-United States Inter-Parliamentary Group (IPG), led a delegation from the Canadian Section of the IPG to the 66th annual meeting of the Southern Legislative Conference (SLC) of the Council of State Governments in Charleston, West Virginia. The other members of the delegation were Senator Céline Hervieux-Payette, P.C. and Senator Bob Runciman. The delegation was accompanied by Ms. June Dewetering, the Canadian Section's Senior Advisor.

THE EVENT

Founded in 1947, the SLC includes state legislators from 15 southern U.S. states (see the Appendix). Its mission is to foster and encourage intergovernmental cooperation among member states.

At the 66th annual meeting, each of the SLC's six committees – Agriculture & Rural Development, Economic Development, Transportation & Cultural Affairs, Education, Energy & Environment, Fiscal Affairs & Government Operations, and Human Services & Public Safety – met, as did the Gulf Coast & Atlantic States Task Force. As well, plenary sessions were held and a food packaging community service project was completed.

ACTIVITIES DURING THE EVENT

At the 66th annual meeting, the following plenary and other sessions were held, and some topics were discussed by more than one committee concurrently:

- Plenary Sessions and Activities:
 - Homer Hickam
 - Jennifer Garner and Mark Kennedy Shriver
 - SLC/Mark Norris Campaign Against Hunger: Food Packaging Community Service Project
 - Legislative Fiscal Plenary
- Agriculture & Rural Development Committee:
 - Invasive Species
 - Farm Bill Update
 - Ag Trade and State Trade Promotion
 - Impact of Herbicide Resistant Weeds
- Economic Development, Transportation & Cultural Affairs Committee:

- Evolving Role of State Infrastructure Banks: Lessons from the States
- Federal Surface Transportation Authorization Legislation: West Virginia's Perspectives
- Competing in the National and Global Marketplace in Fiscally Challenging Times: West Virginia's Approach
- Infrastructure's Impact on Economic Growth
- Education Committee:
 - College Readiness and Completion: Update on Kentucky Senate Bill 1
 - Higher Education Finance Reform: Lessons from Tennessee
- Energy & Environment Committee:
 - Energy Security and Economic Development: The Future of Infrastructure
 - Advancements in Renewable Fuels Technology
 - Fossil Fuels and the Role of Emerging Technologies
 - South States Energy Board 2012 Legislative Digest
- Fiscal Affairs & Government Operations Committee:
 - Enhancing the Funding Position of State Medicaid Programs: Lessons from Virginia
 - To Expand or Not To Expand: State Medicaid Programs and the Affordable Care Act
 - Leveling the Playing Field: Online Versus Main Street Purchases
 - Bolstering the Financial Position of State Unemployment Insurance Funds: Recent Trends from Virginia
 - Comparative Data Report Presentations
- Gulf Coast & Atlantic States Regional Task Force:
 - Modern Advancements in Homeland Security and Emergency Management
- Human Services & Public Safety Committee:
 - Enhancing the Funding Position of State Medicaid Programs: Lessons from Virginia
 - To Expand or Not To Expand: State Medicaid Programs and the Affordable Care Act
 - Justice Reinvestment: Strategies for Curbing Recidivism and Reducing Corrections Costs.

DELEGATION OBJECTIVES FOR THE EVENT

Canada and the 15 SLC states have a mutually beneficial relationship, and the majority of these states have Canada as their primary export market. Recent figures indicate that more than 2.8 million jobs in those states rely on Canada-U.S. trade, which was valued at just over US\$103.1 billion in one year: more than US\$54 billion was exported from

the 15 states to Canada, while they imported just over \$49 billion from us. Visits are also frequent. In a recent 12-month period, Canadians made more than 6.5 million visits to the SLC states and spent more than US\$4.8 billion, while residents of those states made more than 1.7 million visits to Canada and spent nearly \$1.3 billion.

At this event, the delegates conveyed to state legislators the nature, magnitude and importance of the relationship between Canada and the U.S. South. They also identified areas of new and existing cooperation and collaboration.

This report summarizes the presentations made during the plenary and selected other sessions.

SUMMARY OF PRESENTATIONS

INVASIVE SPECIES

G. Keith Douce, *University of Georgia*

- It is important to identify and address invasive species quickly.
- An invasive species is a seed, egg, spore or other biological agent that is not native to that ecosystem and that is likely to cause harm.
- Geographical, political and other boundaries or borders are irrelevant to invasive species.
- Invasive species can be introduced in a variety of ways, including through pets and trade; regarding the latter, the economic benefits should be assessed in light of the costs.
- The speed of introduction of invasive species and their spread is accelerating, although the problem is not new.
- Federal regulators have responsibilities in terms of invasive species, but too little inspection occurs at the borders.
- Only 1% of the invasive species that is introduced becomes established, and an invasive species can be introduced but may not become a problem for a decade, if not centuries.
- There are more than 2,700 invasive species that of concern to the United States.
- Steps for dealing with invasive species include assessments and risk analysis, prevention, early detection, rapid response and eradication, control and management, restoration, research, and public education and awareness.
- Asia, especially southeast Asia, is often the source of invasive species.
- Invasive species have health, environmental, water, economic and other impacts.

- States should collaborate, coordinate and cooperate, as invasive species do not respect state boundaries.
- States should have an invasive species response plan, an invasive species fund dedicated to “addressing” invasive species, and an invasive species prevention plan.

FARM BILL UPDATE

Bob Tabb, *State of West Virginia*

- The outlook for the next U.S. Farm Bill is “fluid”; the Senate bill focuses on revenue, while the House of Representatives bill focuses on historical margins.
- Politics often “gets into” the food chain.
- The biggest issue in relation to the Farm Bill is geography.
- With the current drought in parts of the United States, the U.S. Congress is realizing the importance of safety net programs for agriculture.
- Agriculture is important to the United States and the world; without food, democracy is not possible.
- Legislation other than the Farm Bill also affects agriculture, including – for example – laws addressing transportation.
- Farmers are practising environmentalists.

ENHANCING THE FUNDING POSITION OF STATE MEDICAID PROGRAMS: LESSONS FROM VIRGINIA

Bill Hazel, *State of Virginia*

- Medicaid is a significant federal cost.
- The population that is eligible for Medicaid has grown as a consequence of such factors as the recent recession and expanded services.
- The sequestration associated with the *Budget Control Act of 2011* will be a significant problem for at least some states.
- Medicaid fraud is an issue for at least some states.
- Managed care is highly effective in terms of “managing” costs.

TO EXPAND OR NOT TO EXPAND: STATE MEDICAID PROGRAMS AND THE AFFORDABLE CARE ACT

Chris Whatley, *Council of State Governments*

- The 2010 *Affordable Care Act*, which was never conferenced in Congress, was narrowly passed, and some states and businesses challenged the law; the Supreme Court decision was released on 28 June 2012.
- The Department of Health and Human Services is likely to be as flexible as possible in letting states make their own decisions.
- Many Americans do not like the *Affordable Care Act*; if the states agree to establish exchanges, then they will be “owning” the legislation as well as the animus that is already being borne by Congress.

ENERGY SECURITY AND ECONOMIC DEVELOPMENT: THE FUTURE OF INFRASTRUCTURE

Tristan Sanregret, *Government of Alberta*

- Alberta has large oil and gas reserves that require infrastructure, including pipelines, to be moved to the United States; improved pipeline capacity is needed.
- Alberta has been producing oil from the oil sands since the 1960s, and has been exporting it for 20 years.
- Canada is the United States’ primary source of oil, and is a safe and secure energy source.
- There is an “incredible” energy synergy between Canada and the United States; the Canadian federal government receives taxes, the Alberta provincial government receives royalties, and the United States benefits in terms of its consultants and suppliers of parts, among others.
- There are 1,000 U.S. companies in the Canadian oil supply chain.
- There is great potential for Canadian oil and gas to move to the Gulf Coast to meet energy demand, thereby displacing Venezuelan and Mexican supplies.
- The Keystone XL pipeline would lead to significant job creation in the United States.
- Alberta needs to be pursuing oil markets wherever they may be.
- If Western Canadian oil were to move to Canada’s east coast, there would be opportunities for that oil to serve New England states.
- The market “works,” and oil will “find a home.”
- Oil can be moved by rail, truck, barge and/or pipeline.

Jim Dunlap, *Jim Dunlap Consultants*

- “Pipeline jobs” are “union jobs,” and they lead to the creation of jobs in restaurants, hotels and other businesses.
- The oil refining market is in the Gulf Coast, and the Gulf Coast presents opportunities for Canada.
- Regarding the Keystone XL pipeline, the special session of the Nebraska Legislature gave “coverage” to the federal Administration; it has been agreed that the pipeline will be routed through Nebraska according to a revised path.

ADVANCEMENTS IN RENEWABLE FUELS TECHNOLOGY

Randy Wolfe, *Balcones Resources*

- The U.S. Environmental Protection Agency’s hierarchy for reducing landfill is: source reduction and reuse, recycling and composting, and energy recovery.
- “Waste” is what is left after recycling has occurred; the value of this residual is based on the cost that would be incurred in transforming it into something useful.
- The nature of “waste” has changed over time; consider that coffee used to be sold in a steel can, then in plastic cans and now in vacuum-packed plastic bricks with a multi-layer construction that is harder to recycle.
- Energy recovery is an important element in the United States’ recovery and security.

HIGHER EDUCATION FINANCE REFORM: LESSONS FROM TENNESSEE

David Wright, *Tennessee Higher Education Commission*

- Education leads to higher earnings and a better quality of life, and states with a more highly educated population tend to do better.
- Tennessee now has a new funding formula for higher education; the previous formula was based on enrolment, so the only incentive was to try to get bigger, with the result that geography and demography drove institutional growth.
- With Tennessee’s lottery scholarship initiative, funds largely went to students who would have pursued higher education anyway and these funds covered a decreasing percentage of tuition and fees.
- With Tennessee’s fiscal realities, fewer state funds were available for institutional operations, enrolment was growing and costs were rising; a new vision was needed for higher education in Tennessee.
- Tennessee now has an outcomes-based funding formula for education that is primarily focused on increasing educational attainment, institutions are becoming

specialized so that duplication of programs and services is reduced, remedial and developmental education can no longer be done at a public institution, the community college system operates as a system, and regional research partnerships exist.

- It is not necessarily the case that excellent institutions will mean that the higher education system is able to meet the needs of the state.
- With Tennessee's outcomes-based funding formula, there is a unique weighting structure for each outcome for each campus; the weighted outcomes reflect the mission differentiation among institutions.

Russ Deaton, *Tennessee Higher Education Commission*

- In 2010, Tennessee passed the *Complete College Tennessee Act*; it provided reforms in such areas as student transfer, research collaboration and the funding formula.
- Tennessee's outcomes-based funding formula has existed for two years, and the approach is linked directly to educational attainment goals.
- Tennessee ended its enrolment-based funding formula, and replaced it with a formula that is entirely a function of outcomes; an institution-specific weighting structure that reflects institutional mission also exists.
- Outcomes for universities can include the number of student credit hours, degrees granted and research funds awarded.
- Outcomes for community colleges can include the number of student hours accumulated, certificates and job placements.
- Each year, all state funding is "up for grabs" and must be earned anew in the sense that institutions have no entitlement to any minimal level of appropriations based on funding in one or more previous years; in essence, all appropriations are reallocated each year to reflect changes in "productivity."
- By its very nature, tuition is an enrolment-based funding model.

PLENARY SESSION

Homer Hickam, *Author*

- In order to write a memoir, an author needs to have interesting parents, to be from an interesting place and, ideally, to be living at that place at an interesting time.
- Companies need to recapture historic connections with their employees and the communities in which they operate.

- People should stand up for what they believe, be proud of who they are, and trust in God but rely on themselves.

AG TRADE AND STATE TRADE PROMOTION

Charles Green, *State of Virginia*

- Virginia's two largest sectors are agriculture and forestry, providing nearly 500,000 jobs through production, value-added and "ripple" sectors; these two sectors have an economic impact of almost \$80 billion annually: \$55 billion from agriculture and \$24 billion from forestry.
- Exports lead to jobs and opportunities, and export-related jobs pay, on average, 15% more than other jobs.
- Every \$1 in the value of exports creates another \$1.40 in such support activities as processing, packaging, financing and shipping.
- It is important to "buy local but sell global," build strong partnerships with the private sector, and capitalize on diverse market and product portfolios.
- Soybeans, grains and meat products are supporting growth in the value of Virginia's agricultural exports, as are the Asian and North African regions.
- Virginia's top agricultural exports are soybeans and soybean meal and oil, grains, pork, poultry, leaf tobacco, wood products, fats and oils, cotton, seafood and aquaculture products, fresh fruits and vegetables, hides and skins, processed food products, beverages and rendered products.
- Virginia has a wide range of markets for its exports, in part because of the diverse range of its export products.
- Keys to Virginia's global success include the product diversity offered by growers and producers, the strategic mid-Atlantic location, world-class transportation systems, a business-friendly climate, public-sector recognition of the importance of exports, and full integration of the agriculture and forestry sectors into the state's economic development and job creation strategic plan.
- Strategies to increase Virginia's agricultural exports including strong partnerships with the private sector, a focus on retaining a solid market presence in mature and established markets, the pursuit of growth opportunities in emerging markets, the development of business in "unconventional" markets, preservation of farmland and a focus on keeping farming profitable.
- Virginia is allocating new state funds for trade representatives in key markets, undertaking gubernatorial and Secretary of Agriculture missions to designated countries, advocating open and fair trade policies, and fighting artificial international trade barriers.

IMPACT OF HERBICIDE RESISTANT WEEDS

Bob Nichols, *Cotton Incorporated*

- The term “weed resistance” can be defined as “the inherited ability of a weed population to survive and reproduce after exposure to an herbicide dose (rate) that would control an unselected population.”
- Herbicide resistance is an economic problem now, and the problem could get worse before it gets better; certainly, the problem will get worse if nothing is done to address it.
- An herbicide mechanism of action (MOA) is the means by which the herbicide controls the weed; there are 16 MOAs, and weeds will generally be resistant to all herbicides with the same MOA.
- Weed control should involve a host of complementary products.
- No herbicides with new MOAs are in advanced development trials, and the last new MOA was introduced more than 20 years ago; as a result, currently available herbicides will have to be relied upon for the foreseeable future.
- The number of weed species with resistance to more than one herbicide MOA has increased dramatically since 1990; at present, there are 50 weed species with multiple forms of resistance.
- It is possible to manage herbicides to retard resistance by using the full application rates specified on the label, diversifying MOAs within seasons, and rotating traits and herbicides between seasons.
- For the future, it is important to continue and to increase education and training that delivers a consistent message, research, and the development of new weed control options.

COMPETING IN THE NATIONAL AND GLOBAL MARKETPLACE IN FISCALLY CHALLENGING TIMES: WEST VIRGINIA’S APPROACH

Keith Burdette, *State of West Virginia*

- It is not possible to respond to economic challenges when they start; there is a need to plan in advance for when the challenges will happen.
- Perception can be clear but narrow; it is important not to look at things too narrowly.
- It is important to get the “fiscal house in order” in order to support economic development and growth; for example, it is important to balance the budget in order to reduce taxes strategically as a means to entice business.

- West Virginia has not increased its general taxes in 17 years, and some of the state's taxes are being reduced.
- Exports create jobs.
- West Virginia's major export products are coal and plastics.
- There is a need to deal with drugs in the workplace and with the taking of drugs by those in the workforce.
- In July 2012, West Virginia introduced drug testing as a pre-condition for publicly funded training.
- It is important to have a skilled and adequate workforce.

INFRASTRUCTURE'S IMPACT ON ECONOMIC GROWTH

Alex Herrgott, *U.S. Chamber of Commerce*

- The federal gas tax has not been increased since 1993, and purchasing power has been lost.
- Many roads were built 50 years ago; they are at the end of their useful life, yet funds to address the problem – whether replacement or maintenance – are not available.
- The U.S. interstate highway system belongs to the nation, rather than to particular states.
- It is important to act now, as transportation projects often take a long time to come to fruition; infrastructure problems can be solved, or the consequences of failing to do so must be accepted.
- Expansion of the Panama Canal will lead to shifts in trade patterns.
- Intermodal networks are important for moving goods domestically and for export.
- Funding solutions and financing solutions are needed, as is confidence in future federal funding.
- Needs and priorities must be the focus of sustained actions.
- Infrastructure problems are many, but solutions are few.

PLENARY SESSION

Jennifer Garner, *Actress and Producer*

- There is a need to “set children's brains up” for learning.
- About 90% of brain growth occurs prior to age 5.
- Failure to read to, and chat with, babies results in them falling behind.
- Mothers and their babies need to make connections through playing together.

- Reading is critically important.

Mark Kennedy Shriver, *Save the Children*

- Early childhood education is critically important; 40% of U.S. children are not involved in this type of education.
- About 25% of American children lives in poverty.
- Save the Children started in Kentucky in 1932 with a focus on education and rural areas.
- The best way in which to expand the size of the “economic pie” is to invest in children.
- Focused efforts during the first 5 years of life yield the greatest rate of return, as most brain growth occurs prior to age 5.

Respectfully submitted,

Hon. Janis G. Johnson, Senator
Co-Chair
Canada-United States
Inter-Parliamentary Group

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

Appendix

U.S. STATES IN THE SOUTHERN LEGISLATIVE CONFERENCE

Alabama
Arkansas
Florida
Georgia
Kentucky
Louisiana
Mississippi
Missouri
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
West Virginia

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	66th Annual Meeting of the Southern Legislative Conference (SLC) of the Council of State Governments
DESTINATION	Charleston, West Virginia, United States of America
DATES	July 28 – August 1, 2012
DELEGATION	
SENATE	Hon. Céline Hervieux-Payette, Senator Hon. Bob Runciman, Senator
HOUSE OF COMMONS	Mr. John Carmichael, M.P., Vice-Chair
STAFF	Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$3,435.03
ACCOMMODATION	\$2,518.79
HOSPITALITY	\$Ø
PER DIEMS	\$1,309.80
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$7.17
TOTAL	\$7,270.79