

Canada - United States  
Inter-Parliamentary Group  
Canadian Section



Groupe interparlementaire  
Canada - États-Unis  
Section canadienne

## **Report of the Canadian Parliamentary Delegation to the U.S. Congressional Visits**

**Canada-United States Inter-Parliamentary Group**

**Washington, D.C., United States of America  
February 25 - 26, 2009**

# Report

From 25-26 February 2009, Senator Jerry Grafstein, Co-Chair of the Canada-United States Inter-Parliamentary Group (IPG), led a delegation of Canadian Parliamentarians to Washington, D.C. Delegates met with almost 40 members of the US Senate and House of Representatives and their staff (Appendix A). At a press conference on 27 February 2009, Senator Grafstein and Mr. Gord Brown, M.P., Vice-Chair of the IPG, summarized the major themes conveyed to their federal counterparts as well as to US governors and others, since IPG members also participated in the National Governors Association meeting on 21-23 February and in a meeting with the Pacific NorthWest Economic Region on 24 February in Washington (see separate reports tabled for these meetings).

The primary focus of the Congressional visits was meetings with US Senators and Representatives to discuss such key concerns as the Buy American provisions in the US stimulus package, management of the shared border, energy and environmental issues, trade in softwood lumber and Canada's contributions in Afghanistan. The visits were similar in intent to previous Congressional visits in respect of such issues as bovine spongiform encephalopathy, trade in softwood lumber, energy and border issues, including the Western Hemisphere Travel Initiative (WHTI).

Congressional visits provide IPG members with an important opportunity to meet with US federal legislators who do not attend the Group's annual meeting, and thereby to inform them about – and gain their support on – critical issues affecting both countries. More generally, the IPG believes that Congressional visits are an invaluable opportunity to share Canadian views about bilateral issues of shared concern, and intends to undertake such visits in the future as the need arises. Since the meetings with federal legislators are designed to be “off the record,” the discussion below summarizes the general nature of the issues that were raised by Canadian and American legislators.

## **ISSUES RAISED BY THE CANADIAN SECTION OF THE CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP**

### **THE US STIMULUS PACKAGE AND THE BUY AMERICAN PROVISIONS**

- The Buy American provisions in the federal stimulus package in the US are leading to pressures in Canada for the adoption of Buy Canada / Buy Canadian requirements, with similar pressures arising in some provinces.
- The protectionism inherent in the Buy American provisions in the US federal stimulus package is not what is needed as attempts are made to restore global financial stability and economic growth.
- The Buy American/Buy State provisions that exist in state legislation are problematic for Canada, particularly in light of the significant proportion of the funds in the US federal stimulus package that will be allocated by the states to infrastructure projects.
- Canada supports fair and free trade, and is continuing to sign free trade agreements, including with Colombia and Peru.

- Countries in the European Union are concerned about the Buy American provisions in the US federal stimulus package.
- Some Canadians find it difficult to understand such US actions as the Buy American provisions in the federal stimulus package and in respect of trade irritants in light of the contribution that is being made by Canada Forces personnel in Afghanistan.

## **THE SHARED BORDER**

- The shared border between the US and Canada is relatively thicker today than it was five years ago, and is associated with delays and fees that lead to relatively higher monetary and time costs for travellers and businesses.
- From the perspective of some Canadians, it is ludicrous that the border we share with the US is becoming "militarized," with gunboats and drone planes.
- The enhanced driver's licence initiative between Washington and British Columbia is a successful measure that is being adopted and considered by other states and provinces, and should be expanded.
- In thinking about the shared border, it should be remembered that 35 US states have Canada as their primary foreign export market and that more than 7 million American jobs depend on bilateral trade with Canada.
- In addition to the important economic relationship shared between Canada and the US, and the consequences of the border for that relationship, the social, cultural and family relationships that exist between the two countries, and the implications of the border for those relationships, must also be remembered.
- Canada acts responsibly in terms of immigration and security.
- The borders that the US shares with Canada and with Mexico are different, and the different problems that exist at each shared border require different solutions.
- The importance of a well-functioning border is particularly important as the Pacific Northwest region prepares for the 2010 Winter Olympic Games, which will be held in British Columbia but which will have tourism impacts throughout the region.
- In light of the 2010 Winter Olympic Games, it would be ideal if implementation of the land and sea aspects of the Western Hemisphere Travel Initiative could be delayed until the completion of the Games.
- In order to expedite the movement of those travelling to the 2010 Winter Olympic Games by public transit, consideration should be given to how buses and trains can be expeditiously cleared at the border.
- In addition to the importance of a smoothly functioning Canada-US border for the 2010 Winter Olympic Games in British Columbia, the daily importance of a smoothly functioning border for trade, social and cultural reasons should be recognized, particularly for those sectors that are integrated on a North American, or Canada-US, basis.

## **ENERGY**

- Canada is a reliable, strategic, safe and secure supplier of a range of energy sources to the United States.
- Canada has a huge reserve of oil in the oil sands, and this oil will be important for US prosperity.
- A number of American companies have made investments in Canada's oil sands.
- There is some concern in Canada about provisions such as section 526 in the US Energy Independence and Security Act, since the oil sands are not "dirty."
- While Canada would like to continue to supply energy to the US, it is possible for a pipeline to be built to Canada's West Coast in order that energy can instead be exported to other countries.
- Canada produces a great deal of hydroelectricity, which is a renewable, clean energy resource that is exported to the Northeastern United States.
- Canada is doing what it can to expedite construction of the Mackenzie Valley natural gas pipeline.
- Canada and the United States are working together on a number of carbon capture and storage projects.
- In Alberta, carbon has been priced at \$15 per tonne.
- Canada is willing to work with the United States on the development of a cap-and-trade system.
- Our countries should work together on a North American energy strategy, and this strategy should incorporate the full range of non-renewable and renewable energy sources, including nuclear.
- While recognizing that Canada is an important source of energy, it should be remembered that Canada too wants a clean environment and takes its environmental responsibilities seriously.

## **SOFTWOOD LUMBER**

- Canada and the US signed the Softwood Lumber Agreement, and both countries should abide by the terms of the agreement in order to avoid re-igniting a trade dispute.
- The softwood lumber industry in both Canada and the US is in difficulty because of declines in the housing market.
- Bilateral trade in softwood lumber has been problematic for more than 100 years, and becomes a particular trade dispute periodically.

## **CANADA'S CONTRIBUTIONS IN AFGHANISTAN**

- The contribution being made by Canadian Forces personnel in Afghanistan is significant and unwavering, but it is at the limit of Canada's capability.
- On a per capita basis, Canadian Forces personnel in Afghanistan are experiencing the greatest rate of deaths and injuries.
- A number of other countries, including Italy, France and Germany, are not "doing their part" in Afghanistan.
- Some Canadian Forces personnel are training at US military bases, including in North Carolina.

## **ISSUES RAISED BY AMERICAN LEGISLATORS**

### **THE US STIMULUS PACKAGE AND THE BUY AMERICAN PROVISIONS**

- The Buy American provisions in the US federal stimulus package are exactly the types of measures that are implemented during difficult economic times and, to some extent, are nothing more than political rhetoric.
- The economic downturn is resulting in pressures to employ as much domestic labour as possible and, at times such as these, it is politically expedient to say "close the border and employ our own people."
- Some Americans believe that the Buy American provisions in the US federal stimulus package are a tangible indication of the extent to which decision makers are "pandering" to labour unions.
- In the view of some, the last thing a country should do when things start to unwind is become protectionist.
- Some US states are bound by World Trade Organization government procurement provisions.
- Some believe that the US federal stimulus package is really a spending bill, that the result will be inflation and a lower standard of living, and that the package is merely delaying the inevitable since "you must hit the bottom before you begin to rise to the top."
- In the view of some, the US federal stimulus package has ruined the incentive for states to be fiscally disciplined.

### **THE SHARED BORDER**

- Canada and the US should work together on border-related issues that are of common concern.
- Some are worried about having personal information stored in a single, centralized database.
- Regarding the Western Hemisphere Travel Initiative, some believe that the technology should be tested on a pilot basis before the land and sea aspects are fully implemented, and that education efforts should be enhanced in order that

people are fully aware of the Initiative's timelines, requirements and acceptable documentation.

## **ENERGY**

- Many Americans recognize that Canada is the largest and safest supplier of energy to the US.
- The United States needs Canadian energy.
- Many US states have abundant coal resources, and making coal a clean energy source is a key objective.
- Some believe that section 529 of the US Energy Independence and Security Act should have been eliminated.
- Despite the fact that renewable energy standards in place in the United States do not consider hydroelectricity to be a renewable resource, this interpretation is incorrect, since hydroelectricity is a completely renewable resource.
- A number of energy and/or energy-related bills are likely to be introduced in the US Senate.
- Some are disappointed that President Barack Obama's speech to the US Congress on 24 February 2009 did not contain any mention of nuclear energy, in part because some states do not have oil and cannot depend on wind energy.
- The US needs a diverse portfolio of renewable and non-renewable energy sources, and none should be ruled out.
- A carbon tax is relatively more "honest" than is a cap-and-trade system.
- A cap-and-trade system will "kill" a number of small businesses.
- Some US companies are active in the Alberta oil sands.
- Some Americans recognize that Canada is doing a lot in respect of carbon dioxide and other environmental considerations.
- Now is the time to develop a good, cogent North American energy policy.
- As the US moves toward the use of more renewable energy, traditional energy sources will still be required.

## **SOFTWOOD LUMBER**

- Declines in the housing market are resulting in difficulties for the softwood lumber industry, and you will always "hear the squeal" when consumption falls.
- In the view of some, if there is going to be a housing recovery in the US, relatively less expensive Canadian lumber will be needed.
- Relevant parties should work together in order to resolve issues related to softwood lumber trade between Canada and the US.

## **CANADA'S CONTRIBUTIONS IN AFGHANISTAN**

- The US appreciates that Canada is a close friend and ally, including on the front lines in Afghanistan.
- Only Canada and the US seem to be willing to put the lives of their armed forces personnel "on the line."
- Canada and the US should work on a joint Afghanistan policy that "makes sense."
- The situation in Afghanistan is becoming increasingly complicated, and corruption seems to be endemic.

## **OTHER ISSUES**

- The US would not want the same type of health care system as Canada, and it should be remembered that some Canadians travel to the US in order to access health care.
- Many communities in the US are losing manufacturing jobs.
- Since Canada's view of Cuba differs from the US' view, Canada could play a useful role should the US decide to revisit its views about Cuba.
- President Barack Obama will be unable to re-open the North American Free Trade Agreement.
- Rail expansion should occur in order that Alaska can be linked to the lower 48 states in the US.
- Although the global warming issue started in the United Nations, the issue has since been "captured" by Hollywood.
- Not all of the science suggesting the existence of climate change is reliable.
- As a general rule, both countries should sit down and find the common ground needed to go forward.
- Both Canada and the US have sectors that "need to work" in order for the economies in the two countries to "work."
- Pacific Rim countries are key competitors for North American firms, and at least some of these countries have relatively lower environmental, labour and other standards that enable them to produce at a relatively lower cost.
- Large agribusiness is using the shared Canada-US border as a way of getting out of some regulations.
- A number of Americans are proud that Canada is the US' northern neighbour.
- Country-of-origin labelling is important for a variety of reasons, including the ability to let consumers know the source of their food, although when animals are born in one country and fattened in another, it may become difficult to determine the label that should be applied.

- Since such consumer goods as t-shirts are labelled, the food that people eat should be labelled too.
- The existence of bovine spongiform encephalopathy has prompted some to become more concerned about food labelling requirements.
- Should Asian carp enter the Great Lakes system, both Canada and the US will be harmed.

Respectfully submitted,

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

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



## **APPENDIX A**

### **CANADIAN DELEGATION**

Senator Jerry Grafstein, Co-Chair

Senator Janis Johnson, Vice-Chair

Mr. Guy André, M.P., Vice-Chair

Honourable Scott Brison, P.C., M.P.

Mr. Gord Brown, M.P., Vice-Chair

Mr. Brian Masse, M.P., Vice-Chair

Mr. Brad Trost, M.P., Vice-Chair

### **MEMBERS OF CONGRESS AND THEIR STAFF**

Sen. Daniel Akaka

Sen. Mark Begich

Sen. Ben Cardin

Sen. Mike Crapo

Sen. Tom Coburn

Sen. Chuck Grassley

Sen. James Inhofe

Sen. Amy Klobuchar

Sen. Mel Martinez

Sen. Lisa Murkowski

Sen. Bernie Sanders

Sen. Jon Tester

Sen. Roger Wicker

Rep. John Boozman

Rep. Rick Boucher

Rep. Steven Cohen

Rep. Michael Conaway

Rep. Gerald Connolly

Rep. Joe Crowley

Rep. John Dingell

Rep. Keith Ellison

Rep. Jeff Fortenberry

Rep. Bill Foster

Rep. Jim Gerlach

Rep. Phil Gingrey

Rep. Larry Kissell

Rep. John McHugh

Rep. Jim Oberstar

Rep. Collin Peterson

Rep. Tom Price

Rep. Mike Rogers

Rep. Linda Sanchez

Rep. Loretta Sanchez

Rep. John Shimkus

Rep. Mark Souder

Rep. Lee Terry

Rep. Ed Whitfield

## Travel Costs

<b>ASSOCIATION</b>	Canada-United States Inter-Parliamentary Group
<b>ACTIVITY</b>	U.S. Congressional Visits
<b>DESTINATION</b>	Washington, D.C., United States of America
<b>DATES</b>	February 25 - 26, 2009
<b>DELEGATION</b>	
SENATE	Hon. Jerry Grafstein, Q.C., Senator Co-Chair Hon. Janis Johnson, Senator Vice-Chair
HOUSE OF COMMONS	Mr. Guy André, M.P., Vice-Chair Hon. Scott Brison, P.C., M.P. Mr. Gord Brown, M.P., Vice-Chair Mr. Brian Masse, M.P., Vice-Chair Mr. Brad Trost, M.P., Vice-Chair
STAFF	Mr. Chad Mariage, Executive Secretary Ms. June Dewetering, Analyst
<b>TRANSPORTATION</b>	<b>\$ Ø</b>
<b>ACCOMMODATION</b>	<b>\$9,481.13</b>
<b>HOSPITALITY</b>	<b>\$ Ø</b>
<b>PER DIEMS</b>	<b>\$1,495.64</b>
<b>OFFICIAL GIFTS</b>	<b>\$ Ø</b>
<b>MISCELLANEOUS/REGISTRATION FEES</b>	<b>\$41.10</b>
<b>TOTAL</b>	<b>\$11,017.87</b>