

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
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Section canadienne

**Report of the Canadian Parliamentary Delegation
respecting its participation at the Pacific NorthWest
Economic Region (PNWER) 23rd Annual Summit**

Canada-United States Inter-Parliamentary Group

**Anchorage, Alaska, United States of America
July 14-19, 2013**

Report

DELEGATION MEMBERS AND STAFF

From July 14-19, 2013, Senator Daniel Lang, Vice-Chair and James Rajotte, M.P., Vice-Chair led a delegation from the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) to the 23rd annual summit of the Pacific NorthWest Economic Region (PNWER). Entitled “The Future of the North: Opportunities, Challenges and Regional Solutions,” the annual summit was held in Anchorage, Alaska. The delegation also included Senator Jane Cordy, the Honourable Rob Merrifield, P.C., M.P., Nathan Cullen, M.P. and Joyce Murray, M.P. The delegation was accompanied by the Canadian Section’s Executive Secretary, Ms. Angela Crandall, and its Senior Advisor, Ms. June Dewetering.

THE EVENT

PNWER, which was created in 1991, is a statutory, bi-national public-private partnership composed of five U.S. states – Alaska, Idaho, Montana, Oregon and Washington – and, in Canada, three provinces and two territories – Alberta, British Columbia, Saskatchewan, Yukon and the Northwest Territories. It has two meetings each year: its annual summit in the summer, and its economic leadership forum and legislative leadership academy in the fall.

The aims of the organization are to:

- promote greater regional collaboration;
- enhance the competitiveness of the region in domestic and international markets;
- leverage regional influence in Ottawa and Washington, D.C.; and
- achieve continued economic growth while maintaining the region’s natural environment.

DELEGATION OBJECTIVES FOR THE EVENT

The 2013 annual summit covered a range of bilateral topics, including issues in relation to the shared border, trade, agriculture, energy, water, economic development, innovation, invasive species, workforce development, tourism, disaster resilience, health care, transportation and the Arctic.

Delegates considered attendance at the meeting to be an important opportunity to meet with state and provincial legislators, as well as with representatives of the private sector from a number of jurisdictions. In their view, their discussions enabled them to enhance Canada-U.S. relations and to provide a sound basis for working on issues that are common to both countries. The Canadian Section anticipates that its participation at the annual summit will continue.

ACTIVITIES AT THE EVENT

A number of policy tours were conducted, a variety of keynote addresses were presented, and sessions were held on a range of topic areas. In particular, the topic areas were:

- energy and its storage;
- water policy;
- the shared border issues;
- innovation;
- health care;
- agriculture;
- market access;
- disaster resilience;
- ocean and coastal issues;
- mining;
- cross-border livestock health;
- invasive species;
- transportation;
- tourism;
- workforce issues; and
- trade and economic development.

The keynote addresses were:

- Alaska's Priorities, by U.S. Senator Lisa Murkowski
- Arctic Challenges and Opportunities, by John Higginbotham, Hugh Short and Teresa Imm
- PNWER: The Energy Breadbasket of the Continent, by Drue Pearce and the Honourable Ken Hughes
- Alaska's Priorities, by Alaska Governor Sean Parnell
- Budget-busting Invasive Species from Kudzu to Quagga to Apple Maggot to Carp, by David Lodge
- The Pacific Northwest Economic Region, by Denis Stevens, Anne Callaghan and Chris Sands
- The Alaska Arctic Policy Commission, by Alaska Senators Lesil McGuire and Cathy Giessel, Alaska Representatives Bob Herron and Alan Austerman, Stephen Trimble, Pat Pourchot, Nils Andreassen and Carl Portman

This report summarizes the presentations that were made at the keynote and selected concurrent sessions.

ALASKA'S PRIORITIES

Senator Lisa Murkowski, *U.S. Senate*

- Relationships and partnerships allow initiatives to advance; “engagement” is key to making a difference.
- At present, Washington, D.C. is dysfunctional, and there is a lack of governance; Republicans and Democrats “got into this mess together.”
- With federal inaction, residents are looking elsewhere for successes and progress regarding such priorities as clean air and water, low taxes and energy development.
- States are the true laboratories of democracy, and are able to “try things” at the local level and on a smaller scale.
- Alaskans take “big risks” to achieve “big things.”
- It is important that people, organizations, communities and governments come together to resolve problems and develop solutions.
- Alaska, British Columbia and Yukon should cooperate regarding hydroelectric energy.
- The Arctic Council is setting policy that will bind all nations.
- Other than Alaskans, Americans lag behind Canadians in appreciating the Arctic region.

ARCTIC CHALLENGES AND OPPORTUNITIES

John Higginbotham, *Carleton University*

- The “big melt” is under way; the ice cap is melting, and the water in the Arctic is getting warmer and warmer, giving rise to the “New Arctic.”
- The “New Arctic” has implications for economic development, diplomacy, ecology, and shipping routes, patterns and traffic.
- As the changes are occurring in the Arctic, as much as 20% of the world’s supply of oil and mineral resources is being discovered.
- Canada is currently chairing the Arctic Council, and has certain goals it wishes to achieve during that time; some Asian countries have joined the Arctic Council as observers.

Hugh Short, *Platinum Capital Advisors*

- There is a need to engage in responsible development.

- To ensure regional control, local stakeholders should be involved in decision making; as well, local communities should be assisted in identifying development opportunities.
- Alaska has more than 220 native corporations.
- It is possible to be skilled at resource extraction but less skilled at adding value to those resources.

Teresa Imm, *Arctic Slope Regional Corporation*

- With challenges come opportunities.
- In some Alaskan communities, air transport is the only way into the community, and some have limited infrastructure; some communities are completely isolated if they lack an airstrip, although they are connected to the world by satellite Internet.
- There are vast resource opportunities in the Arctic, and some areas have world-class natural resources.
- Large resource projects “drive” infrastructure.
- While the focus has been on the United States “lower 48” states and how to get goods and services to the Arctic, this view is changing.
- There are many fora for Arctic dialogue and discussion.
- There are family linkages across the circumpolar regions.
- In essence, the “U.S. Arctic” is Alaska, and people who live in the state “need to be part of the dialogue,” as they have lived there for thousands of years, and they know how to live there and survive.

PNWER: THE ENERGY BREADBASKET OF THE CONTINENT

Drue Pearce, *Institute of the North*

- Although most Canadians have not visited the Arctic, they are proud of their “Arcticness”; in the United States, 4% of the population realizes that the United States is an Arctic nation.
- To date, 61 oil and gas fields have been discovered in the Arctic; 84% of the estimated Arctic resources are offshore.
- The oil and gas industry generates tax revenue and creates jobs.
- Oil and gas exploration in the Arctic is not for the “faint of heart” or the “light of chequebook.”
- The Arctic “matters” for a variety of reasons, including oil and gas potential, and shipping lanes.
- Certain challenges exist in Alaska, including the following:

- the state's tax regime;
- technology; and
- risk intolerance.

Honourable Ken Hughes, *Alberta Minister of Energy*

- Like Alaska, Canada has great potential that is waiting to be “unlocked.”
- Joint interests are served better if there is a shared bilateral vision.
- States and provinces in the Arctic region have much in common, including both challenges and resources.
- With non-renewable resources, it is important to maximize the price received; to maximize price, it is important to be able to get to tidewater, and Alberta is landlocked.
- The Pacific Northwest region is an “energy breadbasket,” but businesses must operate in an environmentally responsible manner; it is important to do the right thing and to ensure that people know that you are doing the right thing.
- Alberta has:
 - high environmental standards that are being enforced by a new regulator;
 - a new land use planning construct that involves setting aside boreal forest as part of environmental and recreational lands;
 - made a commitment to carbon capture and storage; and
 - put a price on carbon for large emitters, with the money allocated to a technology fund.
- As Albertans own the third-largest oil reserves in the world, they have a responsibility to be good stewards.
- The “investment community” in New York City is aware of the opportunities in the Pacific Northwest region.
- As Canada and the United States have economies that are “immensely” integrated, and integrated infrastructure is needed to take advantage of synergies; the two countries were highly integrated even prior to the Canada–United States free trade agreement.
- If parties work together, they can benefit “immensely.”
- Alberta is a “player” in the marketplace, but needs to work with “neighbours” that have the right set of public policies.

BORDER ISSUES: BEYOND THE BORDER ACTION PLAN AND THE BORDER AS A FACILITATOR OF COMMERCE

Anne Callaghan, *U.S. Consul General*

- Canada and the United States are working together on a number of issues under the Beyond the Border (BTB) initiative.
- According to the BTB vision, effective national security and trade facilitation are important complementary objectives; for these two goals, it is not an “either/or” situation.
- Some of the projects on which the two countries are working include the Shiprider Program, an integrated cargo security strategy and a pilot truck cargo pre-inspection project.
- There is a need to expand trusted traveller and trade programs, such as Free and Secure Trade, or FAST, and NEXUS.

Honourable Rob Merrifield, P.C., M.P., *Canadian House of Commons*

- Canada and the United States need to move forward in a productive manner; the shared border and integrated supply chains are important aspects of how the countries move forward “productively.”
- Both countries need to “get the border right” if they are going to benefit from agreements such as the comprehensive economic and trade agreement (CETA) that is being negotiated by Canada and the European Union (EU).
- The countries should work toward resolution of the following trade irritant: the United States’ mandatory country-of-origin labelling requirements (COOL); introduced in the 2008 Farm Bill, these requirements gave rise to a World Trade Organization (WTO) challenge by Canada, which was found in Canada’s favour, and are – in essence – a non-tariff barrier to trade that may give rise to retaliatory action by Canada.

Deborah Meyers, *U.S. Department of Homeland Security* and Andrew Brown, *Privy Council Office Canada*

- Canada and the United States share the world’s largest trade and investment relationship, and are connected by more than 120 land ports of entry.
- Canada is the primary foreign export destination for more than 36 U.S. states, and 300,000 people cross the shared border each day.
- Canada and the United States share critical infrastructure, and Canada is the largest foreign supplier of oil and gas to the United States.

- The BTB initiative was introduced in February 2011, with an Action Plan released in December 2011; in December 2012, an implementation report was released, indicating progress to date in four areas:
 - addressing threats early, which includes a joint entry/exit program, an integrated cargo security strategy and an immigration information-sharing agreement;
 - facilitating trade, economic growth and jobs, which includes a pilot cargo pre-inspection project, increased and harmonized value thresholds for expedited customs clearance, and the creation of new benefits for NEXUS members;
 - integrated cross-border law enforcement, which includes the Shiprider Program, a binational radio interoperability system and cross-border emergency communication systems; and
 - critical infrastructure and cybersecurity, which includes a border infrastructure investment plan, a joint cybersecurity action plan, a cross-border regional resilience assessment program, and joint planning and communications guides to facilitate maritime commerce recovery.
- In May 2012, Canada and the United States released joint statements of privacy principles.
- A variety of BTB initiatives will continue to progress in the future, including the following:
 - mutual recognition of passenger checkpoint screening measures;
 - a joint inventory of border fees;
 - real-time information on wait times at key border crossings;
 - consultations on facilitating cross-border business travel; and
 - consultations in advance of another border infrastructure plan.

Jeanette Patell, *GE Canada*

- About 95% of the world's consumers live outside North America, which highlights the need for North America to operate as a competitive entity.
- Canada and the United States need to maximize efficiencies in North America "domestically" in order to compete effectively internationally.
- Identifying opportunities and challenges is not enough; there is a need to move to execution.
- Systemic measures to ensure regulatory alignment in the future is critical to ensuring long-term success.
- Accountability requires more than a work plan; dialogue is needed.

- As the BTB and Regulatory Cooperation Council (RCC) initiatives move forward, a “no action item left behind” mentality is required.
- While bilateral relationships are important, so too are multilateral relationships.
- In the future, concrete actions, as well as continued and enhanced transparency and accountability, are needed.

Brad Severin, *Alberta Chamber of Commerce*

- Access to markets is a key to prosperity; Alberta is “open for business” in many ways.
- Efficient movement of goods and people across borders is needed.
- Where there is a need, it is important to have staff at border points 24 hours per day, seven days per week.

Greg Wirtz, *North West & Canada Cruise Association*

- Alaska’s cruise ship business involves 1 million passengers each year, and the industry creates more than \$1 billion in direct economic benefits for the states of Washington and Alaska, and the province of British Columbia.
- One U.S. passenger undergoes four border clearances during a seven-day roundtrip Vancouver–Alaska cruise.
- Customs and immigration processes need to be very efficient, as turnaround times are short; there are multiple opportunities to improve these processes, as passengers are generally low risk.
- Border congestion issues are getting worse, and better solutions are needed.

Mike Nikolaisen, *British Columbia Association of Cattle Feeders*

- Canada and the United States have different drug regulations in relation to cattle; harmonized import and export regulations would be beneficial.
- Animal health issues should be addressed at the border and during export processes.
- No regulatory irritants between the two countries should be “left behind.”

Margaret Stock, *Lane Powell LLC*

- People need to be able to cross the shared border more easily; crossing has been more difficult since the 11 September 2001 terrorist attacks.

- An exchange of information between border agencies enhanced efficiency.
- It is important to examine the performance objectives of border agents and how they are compensated, as these “drive” behaviour.
- It is not possible to have the rule of law if border agents are not being assessed on the manner in which they implement the law.

ALASKA’S PRIORITIES

Governor Sean Parnell, *State of Alaska*

- The state of Alaska makes the United States an Arctic nation.
- Canada’s priorities as the current chair of the Arctic Council are to be applauded.
- Alaska has 14% of the world’s population of polar bears.
- The state of Alaska is focused on expanding the economy and strengthening families, and many people are moving to the state.
- Lower taxes, timely regulatory decisions, freedom and opportunity are creating a climate for investment in Alaska.
- Clear rules should be applied consistently.
- In part, Alaska’s greatest challenges are the result of federal decisions.
- To the extent possible, decisions about people should be made at the level of government that is closest to them.
- The United States’ federal government did not identify economic development as a priority of its northern strategy.
- Prosperity today does not guarantee security tomorrow.
- There is strength in numbers; consequently, it is important to work together and cooperate regularly.
- As education is important to economic expansion, higher standards and expectations should be established.
- Alaska’s growth has come, and will continue to come, from natural resources.
- As the ice cap continues to melt, more transportation and commerce opportunities will result.
- Both Canada and the United States are exposed to shipping and natural disasters in the Arctic.
- Both countries should work together on fishery resource issues, including research and management.

- Canada and the United States must continue to build understanding and work together as economic opportunities are fostered.

AGRICULTURE: REGULATORY COOPERATION, COUNTRY-OF-ORIGIN LABELLING, LOW LEVEL PRESENCE OF GENETICALLY MODIFIED CROPS, TRANS-PACIFIC PARTNERSHIP AND CANADA-U.S. WHEAT

Honourable Lyle Stewart, *Saskatchewan Minister of Agriculture*

- Canadian provinces and U.S. states have dynamic relationships, and they share common goals, practices and challenges.
- Agriculture is important to the economies of a number of states and provinces.
- Both countries should work to resolve market access issues and to support science-based decisions.

Robert Carberry, *Privy Council Office Canada*

- With \$1 trillion annually in bilateral trade, it is important that regulations in Canada and the United States be harmonized, to the extent possible.
- The focus is not about developing one regulatory system in North America, but rather about making strategic choices.
- In December 2011, the RCC released its Action Plan; there are two components:
 - regulations regarding specific issues; and
 - ongoing alignment.
- Four areas of cooperation guide the RCC's work:
 - product reviews and approvals;
 - regulatory system reliance;
 - regulatory standard-setting; and
 - managing import risk at the perimeter.
- Since the passage of the *North American Free Trade Agreement*, the countries have not maximized the benefits resulting from the agreement, partly because of regulatory differences.
- In order to maximize bilateral trade benefits, a fundamental shift in the bilateral regulatory relationship is required; regulatory cooperation needs to be institutionalized as the "new normal."
- Much regulatory misalignment is due to a lack of synchronicity.
- Cooperation is not easy; it is hard work, but can be done if there is a commitment on both sides.

- Fiscal restraint is a tactical challenge that provides a strategic opportunity.

Aaron Canart, *Agri Beef Co.*

- The United States' COOL requirements are a supply issue, not a demand issue.
- Plants in the northern parts of the United States depend on Canadian cattle.
- The important question is: at what point will U.S. companies make a change that cannot be reversed easily?

Martin Rice, *Canadian Pork Council*

- With mandatory COOL, the label "United States" is appropriate only if the animal has been born, raised and processed in the United States.
- The United States' COOL requirements create impediments to free and open trade, and are inconsistent with international trade obligations, as demonstrated by Canada's WTO challenge; moreover, they are harming many in the U.S. livestock and meat industries.
- The COOL requirements are motivated by U.S. protectionist interests within a certain segment of the United States' livestock industry; they are not the result of consumer advocacy.
- North America's position as the world's top source of high-quality beef and pork is threatened by the United States' COOL requirements.
- Canada is not opposed to the notion of COOL, as the country sees these requirements as a marketing opportunity; that said, a mandatory COOL system imposes unavoidable costs with no increase in consumer benefits in terms of quality or safety, and could lead to consumer expectations regarding knowledge about genetically modified ingredients.
- On 7 June 2013, Canada released a list of potential retaliatory items and is preparing for a new WTO case in light of U.S. actions; that said, Canada would prefer to resolve the issue with the United States without further litigation and recourse to retaliatory tariffs.
- A number of solutions to the United States' COOL requirements are possible, including a "Made in North America" labelling requirement.

Lisa Zannoni, *Syngenta Global Head*

- Increasingly, biotechnology is being adopted; this year, developing countries are leading developed countries in terms of adoption.
- The demand for biotechnology crops is growing globally, especially in developing countries.

- The term “asynchronous approval” refers to a situation where there is a difference in time between an approval of a genetically modified (GM) trait in the country of origin or the exporting country, and approval in the importing country.
- Asynchronicity can affect the entire value chain.
- An unintentional low level presence, or LLP, in an agricultural biotechnology product approved in the country of cultivation but not yet approved in the country of detection can occur despite the best agricultural and manufacturing practices; there is a need to develop solutions to avoid disruptions to trade resulting from LLPs, such as:
 - implementing fully functioning regulatory systems;
 - recognizing, or giving consideration to the validity of, risk assessments conducted by an exporting country in accordance with the Codex Plant guideline;
 - using the Codex LLP Annex proactively.

Luis Barnola, *Agriculture and Agri-Food Canada*

- From the Canadian perspective, the LLP issue has certain key elements, including the following:
 - an unintended presence at low levels;
 - unauthorized genetically modified crops in imported food or feed;
 - the genetically modified crop is authorized for food in one or more countries; and
 - the genetically modified crop is not authorized in Canada.
- LLPs in GM crops is increasingly unavoidable in bulk grains and their products.
- To date, Canada has had no reported incidents of LLPs.
- Globally, there is increasing commercialization of GM products; as well, non-traditional GM crop developers are emerging and there are asynchronous approvals of GM crops.
- It is important to minimize trade disruptions while protecting health and safety, and to offer a practical, predictable model for other countries to follow and/or adopt.
- “Risk assessment” differs from “health assessment.”

Honourable Rob Merrifield, P.C., M.P., *Canadian House of Commons*

- At present, the federal government is pursuing a number of trade and investment agreements, including a CETA with the EU, the Trans-Pacific

Partnership (TPP), agreements with Japan and with India, and the Pacific Alliance; Canada already has trade agreements with a number of the TPP countries, although the TPP has “tremendous” potential for all negotiating countries.

- While trade agreements do not guarantee that trade will occur, they specify the rules by which trade would occur.
- Sanitary and phytosanitary measures are non-tariff trade barriers, and constitute protectionism.
- The United States’ COOL requirements are an example of protectionism.
- It is not possible for a country to protect, tax or spend its way to prosperity.
- Canada and the United States should be working together to be as competitive as possible.

Chris Sands, *Hudson Institute*

- The TPP is a “moving target”; at this stage, nothing about the TPP is guaranteed.
- The WTO has proposed broad principles for the TPP negotiators to consider, including the following:
 - When regulators are considering remedial responses, they should follow or implement the response that is the least trade-disrupting.
 - Trade facilitation should occur through equivalence, such as through mutual recognition of inspections.
 - Notification and grace periods should be adequate in order to allow adjustments.
- As tariffs become less important, there is an increasing focus on non-tariff barriers to trade, such as regulatory differences.
- One question that is being considered is: now that China is a member of the WTO, what can be “dangled” in front of it in order to “bring it along”?
- At present, the United States is involved in a number of trade negotiations, including the following:
 - with Canada regarding the BTB and RCC initiatives;
 - with Mexico on various issues;
 - with a number of countries as part of the TPP; and
 - with the EU for a trade and investment partnership.
- Many countries had “high hopes” regarding the Doha Round of WTO negotiations, especially in relation to the advancement of developing countries.

William Hill, *Flax Council of Canada*

- The elimination of the Canadian Wheat Board (CWB) is the largest change to grain trade since the Great Depression; a variety of reasons explain the elimination, including the following:
 - changes in global grain trade;
 - the elimination of the Crow rate, which favoured exports;
 - reduced price-competitiveness of wheat relative to other commodities;
 - declining support for wheat by the federal government;
 - the Internet, which lowered the need for cooperative marketing; and
 - efforts to liberalize trade.
- The absence of the CWB has been positive in this first year of deregulation, but the system has not yet been “stressed.”
- The “natural” flows for grain are east to west and north to south; overall, the balance of trade for wheat and barley is north to south.

Gary Martin, *North American Export Grain Association*

- Bilateral grain trade is in a “new era.”
- In the future, international trade will play a larger role in supplying more food to more people.
- When compared with South America, for example, the Pacific coast has a freight advantage in terms of shipping to Asia; it is important to have a North American supply chain capability.
- Future grain trade is likely to be influenced by a number of factors, including the following:
 - international collaboration; and
 - regulatory coherence.

BUDGET-BUSTING INVASIVE SPECIES FROM KUDZU TO QUAGGA TO APPLE MAGGOT TO CARP

David Lodge, *University of Notre Dame*

- Invasive species exist on land, and in lakes and oceans.
- The damage associated with invasive species has been growing over time and is irreversible.
- The typical policy approach to invasive species is: suffer, react and adapt; an alternative approach is risk-based management.

- Citizens both want and expect the public and private sectors to engage in risk-based management of infectious diseases, the safety of pharmaceutical products, the safety of food and invasive species.
- Regarding invasive species, the following are needed:
 - research and technology to improve technology and practices;
 - surveillance;
 - the ability to forecast;
 - investments in prevention;
 - investments in rapid response and eradication; and
 - investments in control.
- Species move by air and by ship, both intentionally and unintentionally.
- Coordinated regional responses to invasive species are required.
- A focus on the pathways associated with invasive species, rather than just species, should exist.
- There should be a risk assessment of species, with net-benefit decisions made on a regional basis; a species may have a net benefit in some regions but a net cost in others.
- The location of species must be determined before efforts can be taken to manage it.
- Regarding invasive species, a culture of containment should be cultivated.

INVASIVE SPECIES CONFERENCE: ALASKA AND NORTHERN PIKE ERADICATION, INVASIVE WEEDS AND THE SHARING OF INFORMATION

Kristine Dunker, *Alaska Department of Fish and Game*

- A species that is considered invasive in one part of the United States, such as northern pike in Alaska, may be native to other parts of the United States.
- Various actions can be taken regarding invasive species, including the following:
 - education;
 - research;
 - control activities; and
 - development and implementation of a management plan.
- With environmental deoxyribonucleic acid (DNA), water samples can be used to detect aquatic species in low abundance.

Brianne Blackburn, *Alaska Department of Natural Resources*

- The diversity of ecosystems can make it difficult to implement appropriate state-wide regulations.
- Regarding invasive species, clear management plans and policy directions are needed.

Matt Carlson, *University of Alaska*

- Species are being moved around the planet at rates never seen before; this movement is not problematic in the majority of cases.
- There has been a “massive” globalization of economies, and of flora and fauna as well.

THE PACIFIC NORTHWEST ECONOMIC REGION

Denis Stevens, *Canadian Consul General*

- The key path to advancing prosperity in Canada and the United States goes through the U.S. states and the Canadian provinces.
- Efforts in Canada and in the United States to form relationships with emerging countries makes the countries better partners to each other.
- Canada and the United States are working together in a variety of areas, including regulatory harmonization, shared border issues and North American energy security.
- The United States’ mandatory COOL requirements are not about food safety, and they are having negative effects in the United States; Canada prefers a legislative solution to the issue rather than retaliatory action in light of the WTO decision in Canada’s favour.
- Canada and the United States are each other’s largest suppliers of energy; construction of the Keystone XL pipeline would assist in meeting the goal of North American energy independence.

Anne Callaghan, *U.S. Consul General*

- It has been 18 months since the BTB Action Plan was announced, and progress continues to be made, leading to enhanced prosperity and security.
- The BTB Action Plan envisions pilot projects and new benefits for trusted traveller programs, among other goals.
- Given the value and volume of trade between Canada and the United States, trade irritants are inevitable.
- People-to-people ties are the foundation of the Canada–U.S. relationship.

Chris Sands, *Hudson Institute*

- Both Canada and the United States have domestic preoccupations – such as the second-term “blues” in the United States and the Cabinet shuffle in Canada – and international temptations – such as the desire of each country to develop “new friends” while recognizing that the two countries are the best of friends.
- Both Canada and the United States are operating in the global marketplace, where China is rising and Europe will recover.
- In each country, the governmental officials are the corporate memory.

OCEAN AND COASTAL CAUCUS: OCEAN ENERGY, TIDAL ENERGY, OREGON’S TERRITORIAL SEA PLAN AMENDMENT, AND MARINE COMMERCE AND TRADE

Sean Skaling, *Alternative Energy and Energy Efficiency*

- Alaska has more than 50% of the United States’ wave energy potential..
- Alaska has more than 90% of the United States’ tidal energy potential.

Monty Worthington, *Ocean Renewable Power Company, Alaska LLC*

- Alaska has 90% of the United States’ tidal resource.
- The challenges facing the tidal energy industry are very similar to those faced by the wind and solar power industries; the lessons learned in making wind and solar energy competitive can – and will – be used to accelerate the competitiveness of tidal energy.

Craig Collar, *Snohomish County Public Utility District*

- Tidal energy deserves the same consideration as other renewable sources of energy.
- Tidal energy has impacts on habitat and wildlife.

Andrew Walls, *New Energy Corporation*

- Marine renewable energy presents large opportunities.
- Canada has substantial tidal energy.
- Tidal energy is a reliable, grid-connected source of renewable energy.

Patty Snow, *Oregon Coastal Management Program*

- Oregon sees the benefits of wave energy development.
- Considerations regarding wave energy development include the following:

- recreation;
- property values; and
- visual effects.
- It is important to plan rationally for wave energy development while protecting and balancing existing uses.

Nils Andreassen, *Institute of the North*

- “Traffic” in the Arctic is rising.
- The Arctic nations have relatively little infrastructure and a limited ability to respond to crises.
- In the Arctic, there are virtually no aids to navigation.
- Consideration should be given to the development of an inventory of maritime and aviation assets in the Arctic, and their locations.
- The Pacific Northwest region will benefit more from development in the Arctic than will Alaska, as “industry” is located in the region rather than in the state.
- There is a need to understand better the types of traffic moving through the Arctic, as well as transportation linkages.

Brett Farrell, *Alaska Marine Exchange*

- A healthy shipping industry is needed for a healthy economy in the Pacific Northwest region.
- There are three requirements for a healthy shipping industry:
 - safety;
 - efficiency; and
 - regulatory compliance.
- The best possible data are needed to make the correct regulatory and other decisions.

Brit Szymoniak, *Port of Anchorage*

- About 90% of consumer goods for 85% of Alaska comes through the Port of Anchorage and thereby to more than 250 communities.
- The Port of Anchorage is open 24 hours per day, seven days per week, 365 days per year.
- The Port of Anchorage has intermodal capabilities.

- The Port of Anchorage is a critical link to the Arctic; it is also critical to the Alaskan economy, as it is a gateway for commerce.

ALASKA ARCTIC POLICY COMMISSION

Representative Bob Herron, *Alaska House of Representatives*

- Alaska is taking on a leadership role regarding the United States' Arctic policy.
- The Alaska Arctic Policy Commission was formed in anticipation of the United States being the next chair of the Arctic Council.
- The United States should be Canada's "wing man" as Canada chairs the Arctic Council, and Canada should then be the United States' "wing man."

Senator Lesil McGuire, *Alaska Senate*

- Too often, there is too much paperwork and too many task forces but too little action.
- The people who are affected the most should be the people who benefit the most.
- Research should be focused on people and their needs.
- The state of Alaska should be recognized as a sovereign, as should native corporations.
- The key question is: how can the Arctic be transformed into an engine of economic development for the people?
- A forum for public input on Arctic issues is needed.
- Alaska makes the United States an Arctic nation.
- Alaska is the next great place of opportunity.

Senator Cathy Giessel, *Alaska Senate*

- Resource development can mean jobs, economic independence and self-determination.
- Health impact assessments should be undertaken as part of environmental impact assessments.
- Alaska has benefitted from the response capacity that has accompanied the increase in traffic in the Arctic.
- When resources are developed, it is important to preserve culture and subsistence activities.

Representative Alan Austerman, *Alaska House of Representatives*

- The U.S. Coast Guard needs to have capabilities and assets, and sequestration has had a negative impact.
- Fish are moving north because of warming waters.

Stephen Trimble, *URS Corporation*

- Active cooperation between the federal and state levels of government is needed.
- Alaska will benefit from further economic diversity through continued state investments in oil.

Pat Pourchot, *U.S. Department of the Interior*

- President Obama has focused on the Arctic as part of the United States' strategic planning.
- Alaska is a model of how to bring together a number of federal agencies.

Nils Andreassen, *Institute of the North*

- Alaska's position must be informed and based on consensus.
- Consideration should be given to leveraging the Pacific Northwest region for mutual benefit and to partnering with Canada.

Carl Portman, *Alaska Resource Development Council*

- Key challenges regarding resource development in Alaska include the following:
 - federal policies affecting access to natural resources;
 - litigation;
 - state and federal fiscal policies;
 - a lack of infrastructure;
 - the regulatory and permitting climate; and
 - public perceptions in the United States' lower 48 states.
- The United States' federal government owns approximately 60% of Alaska's land.
- Alaska is one fifth the size of the United States' lower 48 states.
- Many Alaskan communities lack roads.
- Natural resources alone are not a guarantee of success.

- Policies that balance the legitimate need for resource development with the legitimate need for environmental considerations are needed.
- A clear and predictable regulatory/permitting regime with the right balance between and among legitimate needs is required.

TRADE AND ECONOMIC DEVELOPMENT: OPPORTUNITIES AND CHALLENGES OF NORTHERN ECONOMIC DEVELOPMENT

Honourable David Ramsay, *Northwest Territories Minister of Industry, Tourism, and Investment*

- As Alaska and the Northwest Territories have a great deal in common, they should share best practices.
- Now is an important time for the Arctic, as there is a surge in interest from the rest of the world.
- A rich resource base provides opportunities for growth and competitive advantages, but it is important that resources not be “stranded”; infrastructure is needed.
- Canada is the current chair of the Arctic Council, and has the overarching theme of “development for the people of the North,” with three sub-themes:
 - responsible Arctic resource development;
 - safe Arctic shipping; and
 - sustainable circumpolar communities.
- The Arctic is fundamental to Canada’s heritage.
- The Arctic is more than just its resources and its location; it is also its culture and its people.
- The approach to resource development should be planned and measured.
- Decisions about the North should be made in the North and by Northern residents.
- Arctic sovereignty is an important priority.
- The Arctic people and Arctic businesses are innovative leaders in certain areas, such as cold-weather infrastructure.
- In responding to the question of what is “holding the Arctic back,” consideration should be given to the following:
 - funding;
 - distance from markets; and
 - limited infrastructure.

- Infrastructure is crucial to economic development.
- It is important to make strategic investments for the future.
- Partners should identify challenges and should develop solutions for overcoming them.
- As the climate in the North changes in a manner that facilitates shipping, Asia becomes increasingly important.

Representative Gael Tarleton, *Washington House of Representatives*

- People always find a way through challenges.
- People and businesses depend on access to markets.
- Ports are engines of economic development.
- Partnerships – with other countries, states/provinces and sectors – are key.
- Consideration should be given to how small and medium-sized enterprises can be assisted as they attempt to penetrate new markets.

Bill Popp, *Anchorage Economic Development Corporation*

- Alaska's economy is comprised of:
 - oil, which is responsible for one third of the state's gross domestic product (GDP);
 - government spending, which is responsible for one third of the state's GDP; and
 - "everything else," which is responsible for one third of the state's GDP.
- If oil and/or government spending shrinks, then "everything else" shrinks.
- Oil, gas and mining are vital to the future of "everything else."
- Alaska's unemployment rate is 4.7% and, if the trend continues, the rate will fall to 4%; the state will then have not a labour pool, but rather a labour "puddle," with implications for wages.
- Alaska has, and for generations to come will have, a resource extraction-based economy.

Susan Bell, *Alaska Commissioner of the Department of Commerce, Community and Economic Development*

- Alaska has a number of inherent strengths, such as its size, abundant natural resources, fiscal soundness, strategic location, and opportunities for trade and investment.
- Alaska is an Arctic nation.

- Alaska's economy is strong, with ties to Canada and the Pacific Northwest region.
- Alaska has tremendous supplies of oil and natural gas, but transportation infrastructure is need to develop and transport these and other resources to market.
- From a shipping perspective, Alaska is relatively close to Asia.

John Higginbotham, *Carleton University*

- The melting ice in the Arctic is leading to the development of new shipping routes.
- Some are focused on delineation of each country's continental shelf, which has implications for resource ownership.
- Canada needs to develop transportation infrastructure in the North.
- While development in the North should benefit Northerners, it is important to be able to demonstrate benefits to those outside of the North.

Respectfully submitted,

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

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

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Pacific NorthWest Economic Region (PNWER) 23rd Annual Summit
DESTINATION	Anchorage, Alaska, United States of America
DATES	July 14-19, 2013
DELEGATION	
SENATE	Hon. Daniel Lang Hon. Jane Cordy
HOUSE OF COMMONS	Mr. James Rajotte, M.P. Hon. Rob Merrifield, P.C., M.P. Mr. Nathan Cullen, M.P. Ms. Joyce Murray, M.P.
STAFF	Ms. Angela Crandall, Executive Secretary Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$ 14,830.08
ACCOMMODATION	\$ 8,352.46
HOSPITALITY	
PER DIEMS	\$ 1,620.46
OFFICIAL GIFTS	
MISCELLANEOUS / REGISTRATION FEES	\$ 4,822.52
TOTAL	\$ 29,625.52

