REPORT OF THE CANADIAN PARLIAMENTARY DELEGATION OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

TO THE

46TH ANNUAL MEETING AND REGIONAL POLICY FORUM – COUNCIL OF STATE GOVERNMENTS – EASTERN REGIONAL CONFERENCE Philadelphia, Pennsylvania July 30 - August 2, 2006

The Annual Meeting of the Council of State Governments covered a number of topics of particular interest to Canada. These included: the Western Hemisphere Travel Initiative; Energy Issues in the Northeast; Health Insurance; and Immigration policy. Canadian delegates were active participants in the discussions on these issues and put forth the Canadian perspective effectively throughout the meetings.

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INTRODUCTION

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A. Western Hemisphere Travel Initiative (WHTI)

The discussions focused on the deadline for introducing new, secure documentation for travellers crossing the United States-Canada border. While delegates recognized that secure documentation (e.g., a passport, "passport-like" documents) is an essential element in border security they felt that the implementation of this program should be delayed. They believed that more time is required to develop and test the secure documentation and that pilot projects would have to take place to ensure that the new documentation "works."

Delegates also stated that a number of key questions remained to be answered including: whether or not the WHTI can be implemented efficiently; the cost of implementing the initiative; how coordination with Canada will be realized; how to build the border infrastructure to implement these new documentary requirements; and what resources will be required on both sides of the border to monitor the new system. Finally, U.S. delegates stressed that this initiative would likely put an additional financial burden on the states who, in the end, may have to foot the bill for issuing the new secure documentation.

B. Northeast Energy Future

Participants in this session stressed that the region's economic prosperity in a global economy is dependent upon its ability to establish sound energy policies for its citizens. Speakers noted that the "unquenchable" thirst for energy in the region leads to great vulnerability and the 2003 blackout was cited as an example of this.

Several factors contribute to the volatile energy situation in the region including – increased oil and natural gas dependence, a monumental rise in energy prices, climate change and instability in the Middle East. Delegates stated that while the U.S. federal government policies impact all these areas, states cannot rely on Washington to solve every problem, particularly when it comes to climate change. The onus will be on states

and regional coalitions to reduce carbon emissions and to exercise leadership on this issue.

In a panel discussion, it was emphasized that there is no "silver bullet"-answer, rather vast technologies and strategies are needed such as – increased minimum appliance efficiency standards, upgraded building efficiency codes, and green building technologies.

Distributed energy – local generation of power by small plants – was cited as being at the cutting edge of energy policy. By employing different technologies and producing electricity and heat simultaneously, these plants operate at increased efficiency. A technology that could result in lower energy costs.

Delegates were also critical of the federal U.S. government's lack of commitment to dealing with climate change and believed that this would fall to the states for eventual resolution.

The session concluded with panel members stating that with increased energy demand and the need for more transmission lines for gas and electricity, there will be an increasingly heavy price to be paid for energy – the era of cheap energy is over.

C. Health Insurance/Covering the Uninsured

State leaders at the meeting stated that after the war in Iraq, the number one issue for the electorate in the upcoming mid-term elections was health care. The number of uninsured in the United States continues to rise – approximately 18% of the U.S. population does not have health insurance, with an additional 30% underinsured.

The states have been aggressively calling on the federal government to deal with this issue but with little result. They say that, with Medicaid costs increasing, the federal government has shown little interest in increasing funding for health. As a result, the states have increasingly been called upon by the electorate to step into the void and develop health care programs.

The North eastern states are leaders in expanding health insurance coverage. While the states are increasingly under financial pressure in a number of areas, some have taken the initiative and are attempting to deal with the uninsured. Massachusetts, Maine and Vermont have enacted legislation to deal with health care reform and expand Medicaid.

All of these programs have some level of state funding and are supplemented by federal, employer and employee contributions. It is still too early to tell how successful these initiatives will be. The Maine program came into effect in 2004 and Massachusetts and Vermont's programs take effect in 2007. However, it was clear from the discussion that health insurance is a top priority with state governments and they cannot afford to wait and see if the federal government will take action on this front.

D. The Realities of illegal Immigration: States' Implementation Challenges

Participants at this session voiced the opinion that pending federal U.S. immigration legislation will place a costly burden on state budgets and create a processing nightmare for state and local governments.

Speakers painted a bleak picture for states, regardless of what version eventually passes through Congress. Currently, the House and Senate have two different bills to deal with immigration. The Senate would like to see a more lenient approach to immigration policy. One centred on making illegal immigrants legal – using such methods as security checks, and temporary workers programs leading to eventual legalization of illegal immigrants. The House, on the other hand, wants to adopt a stricter approach with strong border security and strong enforcement of immigration laws whereby illegal immigrants would be deported from the United States. These initiatives are still in the "talking" stage and will not be dealt with until after the mid-term elections.

Critical issues surrounding the proposed new law are: the requirement for schools to verify the resident status of students which would be difficult to implement; who establishes the verification process (state or federal governments) and who pays for the verification process; and difficulties in verifying the numerous documents used to establish legal immigrant status (e.g., green cards, visas, birth certificates).

The bottom line for the states is that the new bills, in whatever form they take, will place an increased economic and administrative burden on their governments because they would require the states to have "inherent authority" to enforce immigration laws. The state representatives felt that this was an unfair downloading of federal responsibility to state governments. Finally, all of the participants were in agreement that the immigration system was broken. How it should be fixed still remained an open question.

CONCLUSION

The overriding theme of the sessions was that the states are being required to take more leadership on a number of fronts that had previously been within the jurisdiction of the federal government. The WHTI, health care, energy and immigration all going to require more resources and funding at the state level either because the federal government is downloading more responsibilities to the states (e.g., immigration, WHTI) or because it is avoiding dealing with the issues (e.g., health care, energy). The delegates stressed that state governments must develop policies to take on these added responsibilities and not wait for federal action to deal with them.

Respectfully submitted,

Hon. Jerahmiel Grafstein, Senator Co-Chair, Canadian Section Canada-United States Inter-Parliamentary Group Rob Merrifield, M.P. Co-Chair, Canadian Section Canada-United States Inter-Parliamentary Group

TRAVEL COSTS

ASSOCIATION Canada United-States Inter-

Parliamentary Group

ACTIVITY 46th Annual Meeting and Regional

Policy Forum – Council of State Governments – Eastern Regional

Conference

DESTINATION Philadelphia, PA

DATES July 30 - August 2, 2006

SENATORS Hon. Wilfred Moore

MEMBERS Hon. Wayne Easter, MP

Mrs. Nicole Demers, MP

STAFF Mr. John Christopher, Advisor

Mr. Serge Pelletier, Executive Secretary

\$ 608.47

TRANSPORTATION \$7,735.04

ACCOMMODATION \$ 3,884.95

HOSPITALITY \$0

PER DIEMS \$ 1,099.77

OFFICIAL GIFTS \$ 0

MISCELLANEOUS/REGISTRATION MISCELLANEOUS

FEES REGISTRATION FEES \$ 2,395.08

TOTAL \$ 15,723.31