

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**REPORT OF THE CANADIAN PARLIAMENTARY
DELEGATION
OF THE
CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP
WESTERN GOVERNORS' ASSOCIATION 2006 ANNUAL
MEETING
Sedona, Arizona
June 11-13, 2006**

From 11-13 June 2006, members of the Canadian Section of the Canada-United States Inter-Parliamentary Group attended the 2006 annual meeting of the Western Governors' Association in Sedona, Arizona. This report summarizes the presentations that were made during the annual meeting.

Report

FEDERAL AND REGIONAL ENERGY POLICY

Joseph Kelliher, Federal Energy Regulatory Commission

- there are a variety of electricity issues that must be addressed, including transmission siting, inadequate infrastructure for generation and transmission, market manipulation, poor market rules and reliability, although progress is being made
- with changes in 2005, there are now significant penalties for market manipulation
- with the August 2003 blackout, the U.S. Congress gave the Federal Energy Regulatory Commission the authority to enforce reliability standards, but it must be recognized that reliability standards are relatively meaningless without strong enforcement
- regional reliability standards are needed, since “one size does not fit all”
- as well, North American reliability standards are needed, since the market is continental
- in terms of transmission siting, it must be realized that the west is one region, with sub-regions within the region; consequently, regional and sub-regional planning are required
- the Federal Energy Regulatory Commission has had the authority to site natural gas pipelines since 1947; prior to that date, siting was authorized by states
- the adequacy of electricity supply to the west can be a problem in the summer, while the adequacy of gas supply to the east can be a problem in the winter

CLEAN ENERGY, A STRONG ECONOMY AND A HEALTHY ENVIRONMENT

Jeff Sterba, PNM Resources

- the key energy challenges are: clean; diversified; reliable; and affordable
- all energy sources are facing rising prices
- as the United States moves into the next “build cycle,” there is an opportunity to focus on the four goals of clean, diversified, reliable and affordable
- moving forward, there should be a focus on a variety of sources of energy: wind; solar; coal; nuclear; geothermal; and biomass
- there is no silver bullet, and a diversity of energy sources is a key to future success

- there are a variety of policy areas to consider:
 - the manner in which western grids and eastern markets operate
 - stability of policy and reduced uncertainty in such areas as approval processes and cost-recovery mechanisms
 - investments in technological developments should be fostered
 - new transmission capacity in the west
- the time for debating the existence of climate change has passed; the focus should now be on how to manage the issue; a “slow, stop and reduce” strategy is needed now

Bill Keese, Clean and Diversified Energy Advisory Committee

- the objectives of clean, diversified and reliable energy are within our grasp
- the Clean and Diversified Energy Advisory Committee identified policy options to meet three goals:
 - develop an additional 30,000 megawatts of clean energy by 2015 from both traditional and renewable sources
 - achieve a 20% increase in energy efficiency by 2020
 - ensure a reliable and secure transmission grid for the next 25 years
- the recommendations made by the Clean and Diversified Energy Advisory Committee could be categorized into three types:
 - states
 - regional opportunities
 - opportunities to advocate change at the federal level
- energy efficiency strategies can be implemented without sacrificing economic growth
- efficient buildings, appliances, etc. have a quick return on investment through energy savings
- regarding renewable resources, help is needed in order to achieve economies of scale and market penetration
- the coal industry should be supported as it works toward technology with no emissions

- natural gas is a good, clean energy option

Sheryl Carter, Natural Resources Defense Council

- the recommendations of the Clean and Diversified Energy Advisory Committee should be considered as a package; the recommendations provide proven solutions based on technology, research and development that already exist, and they focus on the wide deployment of best practices
- energy development cannot take place at the expense of local communities and the environment; impacts must be minimized
- financial incentives should focus on advanced coal technology, sequestration, etc.
- more efficient use should be made of transmission capacity than already exists
- the barriers to adopting energy efficiency need to be dismantled
- bipartisan support and action are needed

Jim Sims, Western Business Roundtable

- the United States should reduce its reliance on imported energy
- the goal for clean coal is near-zero-emission power generation that can deliver affordable, reliable, environmentally friendly power to millions
- the huge coal reserves in the West will play a vital role in the U.S.'s energy future

Joseph Desmond, Under Secretary for Energy Affairs, California

- while price increases provide an incentive for fuel efficiency and can have a short-term effect on driving, technological change needs a long-term horizon
- most petroleum refining capacity is located near the water
- the production of oil is declining in the United States
- challenges exist in delivering alternative fuels
- biomass and coal-to-liquid options have significant potential
- the protection of proprietary corporate information is an issue

Dan Trunfio, Shell Downstream Incorporated

- Shell is the leading provider of innovative fuel technology, and has spent more than \$1 billion on alternative fuels technology and projects

- the global energy challenge involves meeting the growing demand for energy while reducing environmental and social impacts
- the link between global economic growth and energy consumption must be recognized
- the quantity of the underlying resource and geopolitical tensions are resulting in concerns about energy security
- the “perfect” fuel is: inexpensive; locally sourced; high performance; secure; without emissions
- there is no simple, “cookie cutter” solution to energy challenges, and different market segments require different fuels

GROWTH AND CONSERVATION STRATEGIES FOR THE WEST

Secretary Kirk Kempthorne, U.S. Department of the Interior

- success depends on the ability to build a consensus
- growth brings a number of challenges for the West:
 - energy development
 - pandemic influenza
 - endangered species
 - water management

David Hayes, Former Deputy Secretary of the Department of the Interior

- for “big” deals to happen, there must be some major triggering event
- the prerequisites for a “big” deal include:
 - a strong triggering event to get everyone’s attention
 - personal attention by key leaders
 - strong science
 - adequate funding
- in terms of tools, consider:
 - creativity and thinking outside the box
 - education and investments in science as well as economics as the basis for reasoned decision making

- communication
- funding to take advantage of special opportunities

Bennett Raley, Former Department of the Interior Assistant Secretary for Water and Science

- a “hot spots” map is needed to assist in prioritization and the allocation of scarce resources
- studies, studies and more studies are not the answer and, at times, action cannot wait for the emergence of a consensus
- water should not be used as a tool to control growth

Rollie Sparrowe, Theodore Roosevelt Conservation Partnership

- public lands are important; they are often pristine, wild, accessed by trails, etc.
- the more public lands a county has, the more rapid is economic development
- the more isolated a region is, the more rapid is economic growth
- there are 38 million hunters and anglers in the United States

Duane Smith, Oklahoma Water Resources Board

- water is an element of sustainable growth
- the report of the Western States Water Council – Water Needs and Strategies for a Sustainable Future – contains 28 recommendations in 6 areas
- state-based and multi-state-based water plans are needed
- water and wastewater infrastructure needs must be addressed or rural America will die
- tribal water rights claims must be settled; if negotiations are unsuccessful, litigation will follow
- the United States must prepare for the impacts of climate change; instead of focusing on the causes of climate change, the focus should be dealing with the effects of climate variability, such as droughts
- data collection related to water is needed; it is important to understand where we are in the cycle in order to manage

PANDEMIC FLU: PREPARED OR PANICKED?

Stephen Prior, Quantum Leap Health Sciences

- when is the “flu” not “the flu”?

- consider the different flu types:
 - seasonal flu – kills 35,000 Americans each year, and vaccinations can save lives
 - avian flu – is likely to occur in the United States in 2006, and is mutating continuously
 - pandemic flu – rare, but potentially devastating and with little time to respond
- given the short timeframe within which a response to a pandemic flu is possible, individuals, states and countries should prepare while it is still possible to do so; plans should be made to manage the disease and to maintain essential services
- a pandemic flu outbreak will not be geographically isolated and it will not be short; instead, it is likely to last 12-14 months
- in the face of a pandemic flu, a 40% absenteeism rate is expected due to: illness and those taking care of the ill; the closure of schools, transportation systems, etc.; and fear of going to work
- continuity planning is a key aspect of planning for a pandemic flu, and self-reliance for a period of time may be required
- New Zealand has the most advanced pandemic flu plan in the world, followed by Singapore
- the main messages are: plan; and expect the unexpected

Reed Tuckson, United Health Group

- a culture of preparedness and planning is needed
- infrastructure that works regardless of the existence of a crisis is needed
- planning should consciously include redundant systems
- systems should allow for electronic communication with employees, since many may work from home in the event of a pandemic flu
- key questions are: how much planning should be federal? state? regional? local?
- federal leadership is needed
- integrated, interoperable systems are required in order to communicate
- the public sector should think about the private sector as a health partner

- during a disaster, access to needed medicines – particularly when people are displaced – should be a priority; electronic medical health records are useful in this regard

Chris Viehbacher, GlaxoSmithKline

- partnerships are needed among the private sector, all levels of government and international stakeholders
- the same facilities are used to develop both a seasonal flu vaccine and a pandemic flu vaccine
- while stockpiling vaccine may not be a perfect solution, it is preferable to having done nothing in the event that a pandemic flu is declared
- the obligation to vaccinate for a seasonal flu would be a good way of planning for mass vaccinations in the event of a pandemic.

- **Michael Samoszuk, Roche Diagnostics Corporation**

- diagnostics have a role to play in planning for an avian influenza epidemic
- if patients have avian influenza, health care professionals should: verify; track; and surveil; the Centers for Disease Control and Prevention have a role to play in this regard
- tests for avian influenza are not being stockpiled, despite the availability of funds to do so

Respectfully submitted,

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

Rob Merrifield, M.P.
Co-Chair
Canada-United States
Inter-Parliamentary Group

Travel Costs

NAME OF ASSOCIATION	Canada United-States Inter-Parliamentary Group
ACTIVITY	Western Governors' Association 2006 Annual Meeting
DESTINATION	Sedona, AZ
DATES	June 11-13, 2006
NAMES OF SENATORS	Hon. David Tkachuk, Senator
NAMES OF MEMBERS	
NAMES OF STAFF	Ms. June Dewetering, Advisor
TRANSPORTATION	\$ 4,831.63
ACCOMMODATION	\$ 3,935.47
HOSPITALITY	\$0
PER DIEMS	\$ 302.21
OFFICIAL GIFTS	\$0
MISCELLANEOUS/REGISTRATION FEES	\$ 2,957.59
TOTAL	\$ 12,026.90