

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 65th Annual Meeting of
the Council of State Governments – WEST
(CSG-WEST)**

Canada-United States Inter-Parliamentary Group

**Edmonton, Alberta, Canada
July 20 - 23, 2012**

Report

DELEGATION MEMBERS AND STAFF

From July 20-23, 2012, Mr. Rick Dykstra, M.P., Vice-Chair, led a delegation from the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) to the 65th annual meeting of the Council of State Governments - WEST (CSG-WEST) in Edmonton, Alberta. Other members of the delegation were Senators Jane Cordy and Betty Unger, as well as Ms. Linda Duncan, M.P. and Mr. LaVar Payne, M.P. The delegation was accompanied by Ms. Angela Crandall, the Canadian Section's Executive Secretary, and Ms. June Dewetering, Senior Advisor to the Canadian Section.

THE EVENT

Founded 61 years ago, CSG-WEST is a non-partisan organization comprised of the legislatures of the 13 western states (see Appendix). British Columbia and Alberta are associate members. CSG-WEST meets annually and, until this year, the meetings had been held in the United States.

The 2012 annual meeting was titled "Western Frontiers – On the Edge of Innovation."

DELEGATION OBJECTIVES FOR THE EVENT

Canada and the 13 states represented in the CSG-WEST share a relationship that is mutually beneficial. Recent figures suggest that more than 1.8 million jobs in those states rely on Canada-U.S. trade. As well, annual bilateral merchandise trade between Canada and these 13 states was recently valued at more than US\$77.7 billion: just over US\$23.5 billion was exported from the 13 states to Canada, while they imported almost US\$54.2 billion from Canada. Residents are also frequent visitors to each other's country. In a recent 12-month period, Canadians made more than 8.3 million visits to CSG-WEST states and spent just under US\$5.3 billion, while residents of these states made almost 3 million visits to Canada and spent more than US\$1.6 billion.

While members of the Canadian Section found many of the sessions to be informative, the North American Summit was particularly useful. The Summit provided legislators from each of the three *North American Free Trade Agreement* (NAFTA) countries with the chance to discuss how the countries can work together to enhance prosperity for residents and businesses.

Mr. Dykstra played a role in the Summit by providing welcoming remarks at the beginning of the Summit and by moderating a session on trade.

ACTIVITIES AT THE EVENT

The CSG-WEST's policy committees and other groups met, including:

- Education
- Fiscal Affairs
- Future of Western Legislatures
- International Trade
- Water and Environment
- Western Economic Development
- WESTRENDS
- Border Legislative Conference
- Legislative Council on River Governance.

As well, there were a variety of plenary sessions, and the North American Summit IV and the Western Legislative Academy were held concurrently.

Specifically, the activities at the 2012 annual meeting were:

- Opening Plenary: Neighbors, Friends & Allies: North American Cooperation
- North American Summit IV
 - Energy
 - Low Carbon Economy
 - North American Trade Cooperation
- Legislative Training Assembly
 - Words That Shook the World
 - The Physics of Conflict Resolution plus a Revolutionary Approach to Listening
- The Emerging Economic and Political Power Shifts from Central Canada to Western Canada and What it Means for the Western U.S.
- Economic Mobility and the American Dream
- Key Components of Health Insurance Exchanges: Federal Overview
- Overview of the Canadian Health Care System
- Tax Incentives: What Does the Research Say About Effectiveness?
- Expanding Broadband in Urban and Rural Areas: What Lawmakers Can Do?
- What's Happening With Economic Development in Western Canada?
- WORLD NEXT – The Disruptive Forces Shaping the Global Future
- A Report on the World Outlook for Energy Supply and Demand
- Pipeline Siting: The Challenges
- Lowering Carbon Emissions from Oil Sands Production
- Update on Interstate Siting Compact Project

- Cutting-edge Budget Innovations: What Western States Can Learn from Each Other
- What's Happening in Washington, D.C.?
- Results First: Cutting-edge Budget Strategies in the West
- Tax and Financial Incentives: What's Working in the West?
- The Colorado Blueprint Program
- Business Oregon
- Job Training Program
- Climb Beyond Your Next "Everest" – Lessons in Leadership
- West's Engagement in the World Water Forum and Future Opportunities for Regional Engagement in International Water Policy
- Update from the Western States Water Council
- Federal Update by the U.S. Environmental Protection Agency – 40th Anniversary of the *Clean Water Act*
- Climate Variability and the Impacts on the West: An Outlook on Emerging Climate Changes and What it Means for Western Policy-makers
- Integrating Technology Instruction for the 21st Century Student
- Review of National Education Technology Policies and Teacher Training
- Blended Learning/Digital Learning
- Example of a Western State Excelling in Technology Innovation and K-12 and Higher Education
- School Technology in Canada
- Edmonton Public Schools
- Trade Agencies Consolidation Proposal and the Trans-Pacific Partnership
- Interstate Commerce: The Trucking Industry and State Regulations
- State Regulations: Standardization of Size and Weight in Western States
- Expansion of the Panama Canal and its Impact on Western Ports
- Elections 2012: Forecasting the Political Climate of the Nation and the States.

This report summarizes the presentations that we made at the plenary and selected concurrent sessions.

SUMMARY OF THE PRESENTATIONS

OPENING PLENARY: NEIGHBORS, FRIENDS & ALLIES – NORTH AMERICAN COOPERATION

Gary Doer, *Canada's Ambassador to the United States*

- Millions of Canadians visit the United States each year as tourists, business people, family members and friends.

- There is a need to predict the future, “get there” ahead of the competition, and act as a North American region.
- There are 5 areas of cooperation between and/or among Canada, the United States and Mexico:
 - the Trans-Pacific Partnership (TPP)
 - the Beyond the Border (BTB) initiative
 - the Regulatory Cooperation Council (RCC) initiative
 - water management
 - an energy vision, including independence from the Middle East.
- In June 2012, Canada and Mexico were invited to join the TPP negotiations, and 93% of U.S. commentators wanted these countries to be included in the negotiations.
- The NAFTA countries are each other’s best customers, but a “pivot to Asia” is under way; western states and provinces are a gateway.
- Rules-based trade agreements lead to job creation, opportunities, growth and prosperity.
- NAFTA is great, but it is not perfect.
- Protectionism, as evidenced – for example – by the “Buy American” provisions in some U.S. legislation, is not helpful and “is not the way to do business.”
- In trade, reciprocity is important.
- Canada is the United States’ best customer.
- More efficient border operations are required.
- North American Aerospace Defense Command (NORAD) provides perimeter security, and is a model that has worked well.
- Risk should be managed before the “risky” goods or individuals arrive at the border; risks can be managed better with improved sharing of information.
- Collectively, the NAFTA partners share 3 oceans.
- It is important to improve the level of accountability as a means of protecting waterways from invasive species.
- Regulatory alignment enables parties to minimize or eliminate “the tyranny of small differences,” which are little differences that interrupt trade and increase costs for producers and perhaps prices for consumers.
- North America has the ability to be energy independent from the Middle East within the next decade; energy independence has 4 elements:
 - energy efficiency
 - renewable energy sources
 - shale gas
 - oil.
- While disappointed with the delays in relation to the Keystone XL pipeline, Canada is happy about the re-routing that will occur in Nebraska.

- About \$0.90 of every \$1 invested in Canadian oil is a U.S. investment.
- About 1,000 U.S. companies are suppliers to Canada's oil sands.

NORTH AMERICAN SUMMIT IV: ENERGY

Michael Hagood, *Idaho National Laboratory*

- There are enormous, world-class energy resources in western Canada and in the United States' western states; these resources are important for energy security and, thereby, economic security, and their development and use should be optimized, which requires collaboration across states and provinces in both the north-south and east-west directions.
- North America has world-class fossil energy resources, including – in the west – the oil sands in Alberta, shale oil and/or gas in Wyoming, North Dakota, Montana, Utah, Colorado, Manitoba, Saskatchewan and Alberta, and coal in Wyoming, Montana, Saskatchewan and Alberta.
- The oil and gas industry has been advancing strongly, is adjusting to the market dynamics and technological advancements in the energy sector, and is responding to increasing interest in exporting oil and gas to Asia.
- Although there are planned shutdowns of coal-fired plants, it is expected that coal development and use will continue, including with the possible export of coal to Asia.
- With the exception of hydropower, renewable energy will continue to play a relatively small role in energy supply in the short term; that said, wind power can potentially increase to a meaningful level, geothermal power has potential, including in Nevada and Idaho, and bioenergy could become significant.
- Uranium is being exported in support of the commercial nuclear power industry, and there is some interest in small modular reactors.
- Given siting concerns in relation to electricity transmission, there are challenges regarding long-distance transmission.
- A critical component of accessing energy resources and bringing them together is infrastructure; in that context, it should be noted that there are concerns about aging energy infrastructure in the United States, as well as about moving renewable energy sources into the grid and to the market.
- It is expected that significant investments will be made in infrastructure in order to enhance the exportation of energy and mineral resources.
- There are opportunities to integrate energy resources better in order to enhance the efficiency of their production and use; moreover, there is a need to move toward regional energy integration and to move up the “energy value chain.”
- Oil is being transported, and coal is being moved to export position, by rail.

- Ports are important for the potential exportation of commodities, including energy and mineral resources.
- Water stewardship is important, and water contributes to economic development; there is a need to be sensitive to the impacts of energy development on water and to manage these impacts.
- The U.S. west and western Canada have significant fertilizer minerals, and water and energy are important in their development.
- The demand for agriculture throughout the world has implications for fertilizer minerals.
- China currently holds 95% of the world's identified rare earth minerals, which are important for the defence industry.

Soll Sussman, *U.S.-Mexico Energy Forum*

- There are huge opportunities for cross-border energy development and transmission.
- Texas is a renewable energy “success story,” and has significant wind power.
- Texas has shifted from being an oil and gas state to being an energy state because of the state's increasing diversity of energy resources.
- Water has been a significant concern in Texas.
- In Mexico, there is increasing interest in renewable energy.
- Some hope that the “lessons learned” in relation to the Canada-U.S. border can be applied to the U.S.-Mexico border.

NORTH AMERICAN SUMMIT IV: LOW CARBON ECONOMY

Frank Came, *GLOBE Foundation*

- California, Oregon, Washington and British Columbia share environmental systems, topography, infrastructure, economic linkages, land-use patterns, culture and history.
- It is important to collaborate, rather than to compete, with respect to energy efficiency, green building, environmental protection, resource management, the restoration of damaged resources and clean transportation.
- A low-carbon future will not happen on its own; leadership, vision and regional strategic approaches are needed.

Thomas D. Peterson, *Center for Climate Strategies*

- In recent years, a great deal of progress has been made in terms of carbon dioxide emissions.

- Each year since 2005, projected carbon dioxide emissions in the United States have fallen because of such factors as prices, markets, and policy actions that can affect prices and markets.
- Specific actions designed to reduce greenhouse gas emissions are having results, and most actions are starting at the state level.
- Current climate change discussions are starting at a much different place than a few years ago.
- There is a significant reduction in energy intensity in the United States, and energy intensity can be reduced as a way of maintaining and enhancing economic growth; this lower intensity has become an economic and competitive advantage.
- While individual actions can be useful and beneficial, joint actions can – in some cases – have an amplifying effect.
- Local, state and federal governments must work together in order to reach shared goals.
- Financing is a dominant issue, as public revenues are limited today and are likely to be somewhat limited for the foreseeable future; that said, there are a wide range of financing mechanisms in place, some of which are underutilized.
- Investments must be mobilized in order to “make things happen.”
- A better, safer world must include energy and the environment.

Rick Van Schoik, *North American Center for Transborder Studies*

- As nations become more prosperous, pollution rises, up to a point.
- A low-carbon economy seeks to reduce carbon and other greenhouse gas emissions.
- Mexico has a good record in terms of meeting the Kyoto Protocol commitments, and has a number of renewable energy sources, including solar, biomass, geothermal, tidal, hydroelectricity and wind.
- The intermittency encountered with some renewable energy sources, such as tidal and wind, can be overcome by ensuring a diverse energy mix.
- The United States’ economy and American consumers depend on energy, and would rather pay “neighbours” a security premium for their energy than rely on energy from other parts of the world.
- There is a need to improve the comparability of emissions data.
- In order to meet environmental goals, a multi-pronged strategy will be required; this strategy could include the modernization of transportation fleets, buildings and appliances.

NORTH AMERICAN SUMMIT IV: NORTH AMERICAN TRADE COOPERATION

Christopher Wilson, *Woodrow Wilson International Center for Scholars*

- The United States' trade with Canada and Mexico benefits the U.S. economy, and in unique ways.
- Security is dominating the dialogue between the United States and Mexico, and it is time for economic issues to be back at the forefront.
- In the post-crisis world, all countries are seeking a sustained recovery.
- The time is opportune to revive a trilateral dialogue among the United States, Canada and Mexico that includes the development of a trilateral economic agenda, a regional strategy to promote trade and a cooperative action plan regarding productivity gains.
- The NAFTA countries work together to build products, with movements back and forth across the borders as products are manufactured.
- Recognizing the existence of an integrated North American economy, as well as shared business cycles and competitiveness, the U.S.-Mexico and Canada-U.S. relationships should be replaced with a Canada-U.S.-Mexico relationship that recognizes the shared prospects for growth.
- Canada and Mexico are the two largest buyers of U.S. goods because of NAFTA and geography.
- Public opinion in the United States supports increased trade with Canada and Mexico; that said, discussions about NAFTA and about the signing of additional NAFTA-like agreements leads to a more divisive outcome.
- About 10% of U.S. jobs depend on trade with the United States' NAFTA partners.
- The northern border states and the southern border states should be in constant dialogue.
- The decision between “offshoring” to China on one hand or “inshoring” to Canada or Mexico on the other hand should be clear.
- Strategies and policies for competitiveness in a number of areas are required, including:
 - the border, which should be seamless yet secure and should recognize integrated manufacturing systems
 - the TPP, with the NAFTA countries making decisions together in light of the “pivot to Asia”
 - the harmonization of regulations and the minimization or elimination of regulatory differences, which add costs
 - the simplification of and convergence in customs procedures, with a single electronic window, computerization and efforts directed to the establishment of common tariffs.

- Costs are higher when there are delays at borders.
- Security gains and efficiency gains are needed simultaneously.
- Trade and traveller programs, which should be expanded, save time and money for governments, travellers and shippers.

Chris Sands, *Hudson Institute*

- In 1982, Canada-U.S. relations were “bumpy,” with such bilateral issues as energy, Canadian cultural and automotive content, and acid rain, among others.
- In 2012, issues between Canada and the United States include energy, national content in the context of “Buy American” provisions and the environment, among others.
- Negotiations for a Canada-U.S. free trade agreement began in 1986 and were concluded in 1989; with this agreement, certain bilateral issues were resolved, including national content and acid rain, the automotive sector became integrated and foreign direct investment was facilitated.
- The free trade agreement between Canada and the United States was expanded to include Mexico when the NAFTA negotiations were concluded; at that time, NAFTA was not embraced by U.S. citizens.
- After the terrorist attacks in September 2001, the United States worked with Canada and with Mexico regarding border issues; subsequently, the NAFTA partners worked together in the context of the Security and Prosperity Partnership (SPP), which – with claims from both the “left” and the “right” of “too much secrecy” – ended following a meeting in New Orleans.
- Since the NAFTA leaders have ceased to have SPP meetings, bilateral and trilateral meetings have occurred, including in the context of Leader’s Summits.
- In February 2011, Canada’s Prime Minister and the United States’ President announced the perimeter security and competitiveness agenda, which gave rise to the BTB and RCC Action Plans.
- To some extent, it is now security requirements and regulatory differences, rather than tariffs, that are barriers to trade.
- Increasingly, North America is facing the realization that, even with globalization, production is not global; consequently, transportation costs and regulatory differences are important considerations.
- Some of the gains made with NAFTA have been lost, and these past achievements must be regained.
- Countries in North America have “fallen into” dual bilateralisms; progress is slow and efforts are being duplicated.
- A broader process that is more inclusive of states and provinces is needed.

TAX INCENTIVES: WHAT DOES THE RESEARCH SAY ABOUT EFFECTIVENESS?

Peter Fisher, *Iowa Policy Project*

- According to some estimates, the states spend up to \$50 billion annually on business tax incentives.
- In the short run, the states are largely “at the mercy” of national and global economic trends.
- In the longer run, the largest factor affecting state economic growth is the rate at which new firms are formed.
- In the very long run, the education level of a workforce and the capacity for innovation, which leads to higher productivity, are the most significant factors explaining state income growth.
- Businesses consider a number of factors when deciding where to invest, including:
 - access to markets
 - access to suppliers of raw materials
 - transportation costs
 - access to an adequate workforce with the right skills
 - wage and salary rates
 - energy costs
 - the quality of state and local government services, especially infrastructure
 - the quality of amenities that are important in attracting workers to and retaining them in a community, including schools, recreational opportunities and climate, among others
 - taxes.
- In general, state and local taxes are too small to be a significant consideration when businesses are deciding where to invest; for all businesses, it is estimated that state and local taxes comprise 1.8% of total business costs, and a small change in wage rates “overwhelms” a large change in taxes.
- If taxes are a significant factor in determining where businesses invest, relatively greater growth should be observed in states with relatively lower taxes on business and/or greater incentives; research suggests that taxes are not a significant factor in this decision, although they do have a small impact.
- Mistakes to avoid in relation to taxes include:
 - assuming that tax reductions have no cost
 - forgetting that states must balance their budgets
 - ignoring public-sector job losses caused by reductions in public revenue
 - ignoring the long-term consequences of reduced support for education, infrastructure and other public services.

- Tax reductions are costly, and they do not “pay for themselves”; the reduction in revenue from firms that receive incentives but did not need them will exceed the gains from any new investment resulting from the incentives.
- Across-the-board tax reductions are easier than trying to pick “winners” and “losers”; that said, much of the benefit of across-the-board reductions will benefit local market sectors, including retail, utilities, transportation and some services.
- If tax reductions are financed by public-sector job losses, the local sector could decline rather than grow.
- Every component of cost, including taxes, is a higher percentage of profit than it is of costs; states can affect profits only by affecting costs and, through the tax code, they can affect only 1.8% of costs.
- Businesses see it in their best interest to argue that taxes matter to them and that their choice of investment location is affected by taxes, regardless of the truth of such statements.
- When reviewing research, it is important to consider the context and motivations of research that is undertaken by ideologically driven groups.
- If tax incentives are costly and inefficient, states should let their competitor-states continue to spend on them and should instead pursue a smarter, more cost-effective approach to economic development that focuses on long-run “fundamentals.”
- States should recognize that the core governmental functions are essential to economic health and long-run growth, and – rather than focus on costly incentive strategies that reduce the resources available for essential services – governments should do them well, including all levels of education, job training, infrastructure, public safety and health.

EXPANDING BROADBAND IN URBAN AND RURAL AREAS: WHAT LAWMAKERS CAN DO?

Darren Sandford, *California Emerging Technology Fund*

- A lack of broadband availability can have significant impacts on individuals and communities.
- In order to have broadband adoption, broadband availability must exist.
- The quality of bandwidth is important.
- Rural broadband helps rural economies.
- In order to expand broadband, several measures might be considered:
 - identify or establish a government, not-for-profit or private organization that is accountable for broadband deployment and adoption, and that has the power to champion, author and support change
 - set realistic and “stretch” goals for the organization that is responsible for broadband deployment and adoption, and hold it fully accountable for results

- use state and/or ratepayer surcharges to fund broadband deployment in unserved and underserved communities
- consider cost-effective refurbished computer availability, digital literacy, security and software applications in the context of adoption efforts
- make available and/or leverage existing state, county and municipal resources and assets to facilitate the deployment of broadband
- make available open “hotspots” in government offices and buildings, parks, community centres, recreational centres and other locations where people gather
- support all forms of broadband local access that enables real-time, high-speed, interactive exchanges of Internet data, including mobile wireless and wireline
- enforce minimum downstream and upstream data transmission rates for broadband deployment, with thresholds for latency, packetloss and jitter
- collect street address or tax parcel details for each residence and business, including broadband access availability, subscription status, cost, and downstream and upstream service rates
- release maps and geographic information system (GIS) shapefiles of broadband access availability and adoption to the general public, at the street address and/or tax parcel level
- pursue public-private investments and partnerships that incorporate broadband infrastructure
- endorse and expand digital literacy training in libraries, adult night schools, job training centres and community centres
- require state, county and municipal governments to offer relevant products, services and bill payments through the Internet
- leverage broadband infrastructure to correct emergency services network redundancy, quality, availability or sporadic coverage issues
- require service providers, on an annual basis and as a percentage of existing households serviced within their “footprint,” to build out broadband access services to unserved or underserved communities or households
- implement a fiber conduit installation policy with periodic access points when trenching or opening major roadways or highways
- facilitate, support and endorse county and municipal governments and/or utilities to provide broadband Internet access services
- implement state-wide streamlined and standards-based processes, including costs, physical assets, database structures, data format, permitting and GIS use
- implement a state funding program that subsidizes library, school and similar broadband and telecommunications services
- collect, study, modify and incorporate data into the broadband deployment and adoption efforts of states, counties and municipalities.

WHAT'S HAPPENING WITH ECONOMIC DEVELOPMENT IN WESTERN CANADA?

Brian Lee Crowley, *Macdonald-Laurier Institute*

- In 1904, Prime Minister Laurier, who had several back-to-back majority governments, predicted that the 20th century would “belong” to Canada.
- A variety of factors led to growth and prosperity in western Canada during the tenure of Prime Minister Laurier, including:
 - human intelligence and energy
 - properly functioning institutions
 - capital
 - opportunities.
- Western Canada’s economic growth in recent years is a function of a “rich endowment” of such natural resources as minerals, oil, gas, water and land that exist in the context of a “rich endowment” of rules, institutions and behaviours; these rules, institutions and behaviours include the rule of law, independent judges, the enforcement of contracts, moderate and predictable taxation, the freedom to trade, a lack of corruption among officials and speedy resolution of disputes.
- There is a need to ensure that a country’s endowment of rules, institutions and behaviours is “right.”
- At the beginning of the 20th century, 90% of the Canadian population lived in rural areas and 10% lived in urban areas; at the end of the 20th century, these proportions were essentially reversed.
- Today, 50% of the global population lives in cities; by 2050, all population growth is expected to be based in cities.
- While much effort is directed to reducing barriers to trade, more people are moved out of poverty more quickly by moving them from the countryside to cities; it is estimated that the average income is increased by one third by moving from the countryside to the city.
- Canada is the only major industrialized country that is predicting a major increase in energy exports in the next decade.
- With population growth and rising incomes, more food is expected to be consumed in the next 50 years than has been consumed in the rest of history; the world is leaving the era of global food surpluses and entering the era of global food shortages.

James Rajotte, M.P., *Canadian House of Commons*

- The energy and ingenuity of those who reside in western Canada have created one of the world’s most vibrant economies, and western Canada’s resource-based provinces – which have agricultural, energy, forestry and industrial products as part

of dynamic and diverse economies – are leading the country in economic growth, with their products in demand around the world.

- Increasingly, western Canada is becoming an integral part of the Canadian economy; in 2008, western Canada accounted for 37.7% of the country's economic output, a percentage that was larger than its 30.6% share of Canada's population.
- The economies of the western Canadian provinces have become more diversified in recent years, with economic activity in a wider range of industries and sectors than in the past.
- Despite strong global demand and high commodity prices, economic output in western Canada has become less dependent on resource extraction and production; in each of the four western provinces, production related to agriculture, mining, forestry and energy accounts for a declining overall share of gross provincial product.
- Manufacturing and services are expanding in western Canada; at least some of these sectors had their origins in supporting domestic resource-based production.
- Western Canada is an engine for job growth in Canada; for example, more than 460,000 jobs were created in Alberta between 2001 and 2011, and the province's average unemployment rate in 2011 was the third lowest in Canada, at 5.5%, while it had the fastest employment growth, at 3.8%.
- In 2010, Alberta had the highest labour force participation rate among the provinces, at 72.9%, and the highest employment rate, at 68.1%.
- Alberta has led all provinces in economic growth over the past 20 years, with an average rate of annual gross provincial product growth of 3.4% between 1991 and 2011, and its economy expanded by 5.2% in 2011, the highest provincial growth rate in that year.
- The rapid growth of the economies of Canada's western provinces has resulted in labour shortages, with labour supply and the quality of the labour force perhaps the most important issues facing western Canada in terms of future economic development and diversification; labour shortages slow production and raise labour costs, making it less attractive for companies to do business in western Canada.
- An adaptable workforce gives businesses the confidence to grow and evolve in response to market demand and market opportunities.
- In order for western Canada to achieve its potential for economic growth and prosperity, actions must be taken now to address labour supply issues, including through policies that attract high-quality students, immigrants, trades people and professionals from around the world to study and work in western Canada; in the coming decade, for example, Alberta could experience a labour shortage of about 114,000 workers.
- Canada's federal and provincial governments have implemented programs designed to address labour shortages, including:

- the Provincial Nominee Program (PNP), which allows participating provinces and territories to nominate provincial immigrants who they believe will meet their particular economic and labour market needs, and which allows nominees to relieve labour market pressures, support regional economic growth, contribute to communities and support population growth
- the Skilled Foreign Worker Program (SFWP), recent changes to which will create a faster and more flexible system that attracts workers who can begin contributing to the economy from the moment of arrival in Canada and in respect of which Citizenship and Immigration Canada (CIC) is working with provinces/territories and employers to create a pool of skilled workers ready to begin Canadian employment
- from July 16, 2012 to July 31, 2013 for employers in Alberta, measures in relation to applications for a work permit, whereby those hiring temporary foreign workers in 7 selected occupations will not have to apply for a labour market opinion from Human Resources and Skills Development Canada/Service Canada.
- In 2010, immigration through the PNP accounted for about 41% of economic immigration in western Canada, with more than 36,000 new permanent residents each year; more than 90% of PNP nominees declared employment earnings after their first year in Canada, and after 3 years their average income was between \$35,200 and \$45,100.
- The SFWP's point system will be reformed to reflect the importance of younger immigrants with Canadian work experience and better official language skills, and CIC will strengthen the assessment of educational credentials to ensure that immigrants are closer to being ready to work upon their arrival in Canada.
- Western Canada has long depended on trade, and the economic importance of – as well as global opportunities for – trade have never been greater; exports account for more than 29% of the gross provincial product of the provinces in western Canada, with exports valued at \$211 billion in 2008.
- In 2011, Alberta exported \$93 billion in goods, the second-highest dollar value on record; since 1993, Alberta's exports to the NAFTA countries have grown by 407% in value, reaching \$81.6 billion in 2011.
- Facilitating trade and identifying new export markets is an increasingly crucial component of the economies of the western Canadian provinces; in part, this goal is accomplished through strategic transportation infrastructure and logistics projects under the Asia-Pacific Gateway and Corridor Initiative, through which – since 2006 – the federal government has partnered with Canada's western provinces, municipalities and the private sector, and has contributed more than \$1.4 billion.
- At present, transportation infrastructure is lacking in terms of western Canada's capacity to export energy resources, which will influence the ability to meet the demand for energy in China and other developing markets in the Asia-Pacific region;

such pipeline projects as Keystone XL and the Northern Gateway could enhance access to both emerging and established markets.

- Recent changes to the federal environmental assessment process may facilitate the development of energy infrastructure, since the process has been streamlined and movement has been made toward the goal of “one project, one review” in a clearly defined time period.
- In recent years, Canada has concluded free trade agreements with Colombia, Jordan, Panama, Peru, the European Free Trade Association and Honduras, and has concluded or brought into force foreign investment promotion and protection agreements (FIPAs) with China, Peru, Latvia, the Czech and Slovak Republics, Romania, Madagascar, Jordan, Bahrain and Kuwait; negotiations are under way with 10 other countries – including India – for a FIPA and Canada is seeking participation in the Trans-Pacific Partnership negotiations.
- Greater market freedom for businesses presents opportunities for western Canada in creating a more competitive marketplace, as well as in fostering innovation and value-added jobs; notable in this regard has been the *Marketing Freedom for Grain Farmers Act* and other government policy measures designed to create a favourable climate for investment, promoting foreign investment and market freedom when it provides a net benefit to Canadians.
- Establishing closer economic ties with the Asia-Pacific region, particularly China and India, could ensure the long-term future prosperity of western Canada.
- Going forward, a focus should be working smarter, not harder; for this reason, innovation and productivity should be cornerstones of the economies in western Canada in order to ensure long-term prosperity.
- Governments are in a position to implement policies and programs that create the conditions for innovation; western Canada’s strength in resource industries can provide the “roots” for growth in innovation, including in the mining, energy and forestry activities requiring investments in advanced equipment, processes and technologies.
- Compared to other industrialized economies, western Canada’s productivity performance has lagged, and a recent study indicated that Canada’s productivity level in the business sector is about 70% of that in the United States.
- The productivity gap between Canada and the United States largely reflects differences in the rate of adoption of new technologies, business practices and innovations, research and development expenditures, and investments in machinery and equipment; promoting innovation will help to close the gap.
- Over the past 5 years, the government has provided almost \$8 billion in new investments in Canadian “talent,” world-class research excellence, and linkages between knowledge and the capacity to innovate in the global economy.

- Recently, the National Research Council of Canada received \$110 million to double its support to companies through the Industrial Research Assistance Program, which provides developmental and commercialization-related assistance to small and medium-sized enterprises at all stages of the innovation process through helping them to understand technology issues and opportunities, as well as through providing linkages to expertise in Canada.
- Western Canada's economic development has helped Canada to be a leader among developed countries, and stronger and more diversified economies in Canada's western provinces "weathered" the recent recession; that said, maintaining this strong economic performance poses distinct policy challenges.
- In order to continue its economic strength, western Canada will need to increase trade and market access, foster greater innovation and address concerns about labour force availability.

LUNCHEON PLENARY: WORLD NEXT – THE DISRUPTIVE FORCES SHAPING THE GLOBAL FUTURE

Mike Walsh, *Futurist*

- Everything we know is changing, including the way we live, communicate and inform ourselves.
- It is important to think "big," "new" and "quickly."
- Seeing the future is more than imagining yourself as older; the future should be viewed through the eyes of children and grandchildren.
- Demographics are destiny; by 2050, the Asia-Pacific region and Africa will have the majority of the world's youth.
- The moral sensibility of children is now being shaped by video games.
- There will be a need to "rethink" education and how interaction with children occurs.
- In the future, the smartest child in the classroom will be the child who phrases the best search query.
- In the future, countries will compete with the power of their "demographics," rather than with the power of their resources.
- Cities should be imagined as ecosystems; at the heart of the ecosystem is energy, and there is a need to create it, store it and rethink its use.
- The city will remain humanity's primary cluster, and governments must find sustainable solutions that scale with hyper-density.
- Businesses should study and understand what customers want, and then give it to them.
- The future of innovation will be consumer-driven, which cannot be legislated or planned; instead, support must be forthcoming when innovation emerges.

- The worldwide web changes the nature of democracy; “beware the new illusion of participation.”
- For the next generation, citizen engagement may be nothing more than viewing a 30-second video on YouTube.
- Social media has created a hyper-networked state where all decisions are transparent; however, the context is easily lost in the digital world’s abbreviated time span.
- It is possible to look at data patterns to identify problems before they can occur.
- The difference between “big brother” and “big data” is how data are used.
- “Unlocking” and making relevant data available will “unleash” innovation and position government as a platform, rather than as a “policy vending machine.”
- Every government needs a chief technology officer.
- Information is power; equally, power is information.

WHAT’S HAPPENING IN WASHINGTON, D.C.?

Chris Whatley, *Council of State Governments*

- The last time that the U.S. Congress did anything substantive on the budget was with the *Budget Control Act of 2011*.
- A “perfect storm” of fiscal challenges is rapidly approaching, with scheduled reductions in Medicaid doctor payments, the threat of sequestration reductions, a looming debt ceiling, and the expiration of the tax reductions enacted by President George W. Bush, the payroll tax reduction and the extension to the Alternative Minimum Tax; unchecked, this “storm” will “swamp” the U.S. economy.
- Despite the failure of the Joint Select Committee on Deficit Reduction process, there is growing bipartisan support for a 1-year suspension of sequestration in order to provide the 113th Congress with an opportunity to enact comprehensive reforms to taxes and entitlements.
- Whether the 112th Congress will have the votes needed to pass legislation to suspend sequestration and extend some or all of the tax reductions will depend on both the results of the November 2012 elections and public opinion; it is possible that a “lame duck” Congress may be willing to take risks that would not have been acceptable prior to the elections.
- Sequestration is an awkward and inefficient way in which to reduce spending.
- With the “fiscal cliff,” a range of state-federal issues will challenge the oversight agendas of fiscal leaders, including:
 - reduced federal grant revenue – while spending on defence may not be reduced, there is little doubt that the 8% sequestration reductions expected for education and 26 other major intergovernmental funding “streams” will remain

- tax changes – states may lose a great deal of their ability to use provider taxes to fund Medicaid, but they could gain new sales tax authority through the *Marketplace Fairness Act*
- implementation of the *Affordable Care Act* – following the Supreme Court decision, legislatures will make key decisions on expansion of Medicaid and/or implementation of exchanges
- Medicaid fraud – states could save more than \$10 billion if they reduced the payment errors in their Medicaid systems to levels achieved by the highest-performing states, and Congress is considering legislation designed to motivate reform.

RESULTS FIRST: CUTTING-EDGE BUDGET STRATEGIES IN THE WEST

Gary Van Landingham, *Pew Center on the States*

- States are in a situation of long-term fiscal stress.
- States need better information in order to make decisions.
- State revenue has started to recover following the “Great Recession,” but the effects on state budgets are deep and lasting; there is a critical need for better ways to “triage” spending.
- Local governments are facing ongoing reductions in property values, a situation that is affecting property tax revenue.
- Washington State uses a cutting-edge cost-benefit analysis model that analyzes key state policy areas, enabling identification of the policy choices that can maximize outcomes and reduce costs; it is a private-sector, business-disciplined approach.
- The best national research should be aggregated to identify evidence-based programs that are effective; then, these programs’ impacts should be predicted based on a state’s unique population characteristics, and the state’s fiscal data should be used to estimate the total costs and benefits, resulting in the expected state-specific return on investment for each program.

Senator Karen Fraser, *State of Washington*

- An examination of evidence-based policy options can improve outcomes and save money.
- Models can take into account a variety of factors specific to a state, such as the costs of charging and prosecuting a crime, the costs of therapy and the costs of incarceration.
- States may engage in a 3-part process:

- thorough evaluation of real world efforts, with careful examination of other studies that have been conducted rigorously and fairly, as well as identification of what does and what does not work based on comparative studies
- in-depth analysis of the “economics” of alternatives, with a computation of the costs, benefits and risk – or return on investment – for each policy option
- identification of a “portfolio” of options that could affect statewide outcomes, including an evaluation of the risk of failure of each option.

THE COLORADO BLUEPRINT PROGRAM

Karla Tartz, *State of Colorado*

- Since 2011, Colorado has engaged more than 5,000 residents from throughout the state to develop a comprehensive, collaborative approach to economic development, with the priority of retaining and increasing jobs in every region of the state, as well as of highlighting the economic environment to existing and potential companies.
- Colorado’s “bottom-up” approach to its economic development initiative aided in the identification of the needs, priorities and vision at the local, regional and statewide levels.
- Colorado’s economic development initiative resulted in the identification of 6 core objectives, which led to the creation of the Colorado Blueprint:
 - “build” a business-friendly environment
 - retain, “grow” and recruit businesses
 - increase access to capital
 - create and market a stronger “Colorado brand”
 - educate and train the workforce of the future
 - cultivate innovation and technology.
- The Colorado Blueprint is an economic development strategy designed to create a more competitive state; it contains 4 or more specific tactics identified as “required” in order to achieve the state’s priorities at each level of government, with the execution of these 24 tactics building the momentum for economic recovery.
- Implementation of the Colorado Blueprint will depend on the 3-dimensional alignment of the state, regions in the state and the state’s key industries in a manner that focuses people, ideas and resources on Colorado’s greatest opportunities for success.
- There is a need to be more innovative regarding funding sources and to engage industry to a greater extent.

BUSINESS OREGON

Nathan Buehler, *Business Oregon*

- Oregon has transformed from a state that relied on natural resources, especially timber and wood products, to a more diversified advanced manufacturing and clean-tech economy.
- Oregon targets 5 key industries in its effort to maximize economic growth:
 - advanced manufacturing
 - clean technology
 - high technology
 - sports apparel and outdoor gear
 - wood and forest products.
- Oregon focuses its economic development programs on “growing” traded-sector industries, including solar energy manufacturing.
- Oregon saw opportunities for solar energy growth, with solar manufacturing a good “fit” for the state’s existing semiconductor industry and its highly skilled “silicon workforce,” stable and affordable electricity supply, low business costs and access to markets.
- Oregon developed a plan to attract manufacturers and suppliers at multiple points on the solar supply chain and built a complete industry cluster.
- At present, Oregon is the largest U.S. manufacturer of solar wafers, cells and modules.

JOB TRAINING PROGRAM

Gynii Gilliam, *State of Idaho*

- Idaho’s Workforce Development Training Fund was created in 1996 to encourage business expansion or relocation from another state.
- The Workforce Development Training Fund can be used:
 - to help employees advance their skills or gain specialized skills for a new job
 - for job skill training for new employees of companies expanding in Idaho
 - for training to upgrade the skills of current workers at risk of being permanently laid off due to the lack of a specific skill.
- The Workforce Development Training Fund is financed by businesses, with 3% of the unemployment insurance tax allocated to the Fund; the balance as of April 2012 was \$16.8 million.
- To qualify for the training grants, businesses must:
 - pay their employees at least \$12 per hour and provide health benefits

- create a minimum of 5 new jobs if they are in an urban area and a minimum of 1 new job if they are in a rural area
- generate at least half of their revenue from goods or services sold outside of Idaho or in the health care sector.
- Urban companies generally receive \$2,000 per employee for training, while rural companies typically receive \$3,000 per employee; they typically have 2 years to use the grant money, and training can be provided by the company or a community college.

CLIMB BEYOND YOUR NEXT “EVEREST” – LESSONS IN LEADERSHIP

Dave Rodney, *Alberta Legislative Assembly*

- On a daily basis, everyone has “Everests” – or obstacles – as well as opportunities; as well, everyone has experiences and expertise to help overcome their “Everests.”
- According to Charles Darwin, it is not the strongest or the most intelligent who survive, but instead those who are most adaptable to change.
- Attitudes, actions, resources, personnel, luck and dreams, among other considerations, make a great many things possible.
- An important question might be: is something a stumbling block, or a stepping stone?
- People should applaud successes on the way to attainment of their goals.
- In some situations, it is important to turn “fear” into “focus.”
- It is important to ensure that “important” corners are not cut and that adequate attention is paid to details.
- It is important to have a vision, to develop a plan and to engage in adequate preparation prior to execution of the plan
- In some cases, it is necessary to “work through” difficult things in order to get to better things “on the other side.”
- It is important to calculate, deal with and manage risk.
- No one can “climb a mountain” for anyone else, and no one can “climb a mountain” alone.
- It is important to know when it is time to “cash in” and to try to “climb the mountain” another day.

WEST’S ENGAGEMENT IN THE WORLD WATER FORUM AND FUTURE OPPORTUNITIES FOR REGIONAL ENGAGEMENT IN INTERNATIONAL WATER POLICY

Senator Karen Fraser, *State of Washington*

- Water is life; it is fundamental to humanity, is necessary for the basics of life and is essential to a satisfying life.

- In 2011, a United Nations resolution was adopted that declared water and sanitation to be a human right.
- The United Nations' Millennium Development Goals and other partnering efforts have enabled progress to be made in improving access to safe drinking water, although progress in meeting sanitation goals lags far behind.
- Water both gives and takes life, the latter through such situations as pollution, scarcity, drought and flooding.
- Around the world, billions of people do not have access to healthy drinking water and adequate sanitation, resulting in illness, early death, malnourishment, economic deprivation, poverty, despair, geographic displacement, the perpetuation of discrimination against women and girls, and political and military tensions, among other effects.
- Poor economic conditions can lead to a lack of water, and a lack of water can lead to economic distress and can hinder economic improvement.
- A variety of factors are exacerbating the world's water crisis; for example:
 - the global supply of fresh water never increases and has always been a fixed, small quantity of the earth's water
 - the world's population is growing rapidly, which leads to increasing demands for more uses.
- The impacts of the world's water crisis are worsened by a number of factors, including:
 - the uneven distribution of both water and population around the world
 - waste, inefficiency and poor prioritization of water uses
 - tensions between adjacent countries that use a common water source
 - rapid global urbanization
 - population growth
 - discrimination against women and girls
 - a lack of comprehensive and balanced forethought in decision making
 - environmental degradation
 - a lack of financial resources and economic incentives
 - climate variability and change
 - insufficient political will to address the crisis adequately.
- Solutions to the world's water crisis include:
 - managing water well
 - planning in respect of water basins
 - reformulating international relations to make water and sanitation a higher priority
 - strengthening United Nations water and sanitation priorities
 - developing new global economic models
 - developing new national and international security models
 - improving rights and opportunities for women and girls

- improving urbanization and human development strategies
- improving the sharing of information about developments in science and technology
- improving water governance to balance competing water needs
- improving transboundary cooperation
- reducing water wastage
- improving wastewater reuse
- financing water and sanitation infrastructure
- ensuring the data needed for water-related decision making
- ensuring more “political will” at all levels.
- In the United States, water is valuable, and efforts should be directed to taking care of it.

UPDATE FROM THE WESTERN STATES WATER COUNCIL

Tony Willardson, *Western States Water Council*

- Regional efforts are required regarding water.
- No major water transfers are foreseen for the future, including from Canada to the United States.
- There are a number of water-related areas that require efforts:
 - growth and its effect on water policy
 - infrastructure needs and strategies
 - the resolution of water right claims
 - climate variability and change
 - meeting future water demands
 - invasive species.
- A national water policy should be built from the bottom up; it should not be a national “command and control” policy.
- Water should be a higher public policy priority.
- Accommodation of environmental needs and economic needs will only happen with cooperation and collaboration.
- To address water supply, a focus should be storage.
- To address water demand, a focus should be use.
- To address water availability, a focus should be reserves.
- There is a need to measure, monitor and manage water, and the ability to do so is enhanced by data and technology; management must occur despite uncertainty, and decisions must be made even though data deficiencies exist.
- Water infrastructure is aging.

FEDERAL UPDATE BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY – 40TH ANNIVERSARY OF THE *CLEAN WATER ACT*

Nancy Stoner, *U.S. Environmental Protection Agency*

- Clean water is vital for human health, the health of communities, economic growth and prosperity, and energy generation, among other purposes and uses.
- Investments in water generate economic activity and jobs.
- Since most Americans can rely on clean water, they often do not give much consideration to water; water is taken for granted.
- Since the *Clean Water Act* was signed in 1972, progress has been made in terms of reducing pollution.
- Water-related challenges ahead include:
 - population growth
 - land development
 - infrastructure deficiencies
 - increasing demands
 - sewage
 - supply challenges.
- Previously unknown water contaminants are being identified.
- State and federal governments need to work together to ensure the existence of clean water, as well as to identify needs and opportunities.
- There is a need to consider what will happen if needed investments in water infrastructure are not made.
- Water is important to the United States' economy, businesses, families and communities.
- Increases in green spaces lead to increases in recreational opportunities.
- In April 2011, the U.S. Environmental Protection Agency made a commitment to green infrastructure.
- The use of green infrastructure should be supported; existing green infrastructure, such as forests and wetlands, should be protected and manufactured infrastructure should mimic green infrastructure.
- States are usually the permitting authority and often the enforcement authority as well.
- Large bodies of water are protected by protecting the smaller water bodies that flow into them or that are otherwise connected to them.

CLIMATE VARIABILITY AND THE IMPACTS ON THE WEST: AN OUTLOOK ON EMERGING CLIMATE CHANGES AND WHAT IT MEANS FOR WESTERN POLICY-MAKERS

Timothy Brown, *Western Regional Climate Center Desert Research Institute*

- Climate is a factor in human decisions, including where to live.
- The first decade of this century was the warmest decade in recorded history.
- In 2012, 70% of the United States, and 60% of the U.S. West, is experiencing drought.
- Colorado and New Mexico are experiencing the worst wildfires in history.
- Climate variability exists week after week, month after month.
- Key water issues include:
 - competition for water supplies
 - surface water quantity and quality
 - groundwater quantity and quality.
- The potential consequences of climate variability and change for water resources include increased pressure on surface water and on groundwater supplies.
- Changes in water temperature have implications for species.
- Changing fire regimes affect the carbon cycle, forest structure and species composition.
- The mountain pine beetle raises the risk of fire, reduces land values and increases the hazard to residential forested areas.
- With warming, the snow melts earlier, leading tree roots to be exposed; root exposure could be problematic if the weather then becomes cold.
- Policy considerations for the future include:
 - an increased potential for flooding
 - more intense precipitation
 - increased competition for water uses
 - a loss of biodiversity
 - an increased frequency of fires
 - biomass increases resulting from a wetter environment
 - milder temperatures, which lead to a longer cropping season but could create difficulties with agricultural commodities that require a period of cold
 - impacts on tourism and recreation
 - the ability to shift water between sectors
 - impacts on landscape diversity
 - the availability of data and other information.

TRADE AGENCIES CONSOLIDATION PROPOSAL AND THE TRANS-PACIFIC PARTNERSHIP

Sasha Sutcliffe-Stephenson, *Council of State Governments*

- States undertake a variety of activities in their efforts to create jobs and support small businesses, including:
 - counselling
 - the identification of markets
 - subsidized services
 - foreign direct investment.
- Exports are the “gateway” to true economic recovery for the United States.
- With limited funds, decisions must be made carefully regarding where spending should occur.
- Inter-agency coordination can be a challenge; more than 20 federal agencies assist small businesses with some or all of the steps in the export process.
- There is a lack of information, including in respect of the service sector and foreign direct investment.
- In some sense, the TPP started in 2005 with 4 countries; additional countries were added as negotiating countries over time, with the recent addition of Canada and Mexico bringing the total number of negotiating countries to 11.
- In the 2010 State of the Union address, President Obama announced the National Export Initiative, which has the goal of doubling exports by 2014; efforts were “on track” in the first year but they fell behind in the second year although it is still possible to reach the goal.
- The *Small Business Jobs Act of 2010* provided for the State Trade and Export Promotion (STEP) Program; 47 states and 5 territories applied for grants, and received funding, in the first year.
- The STEP Program is currently authorized through 2013, although Congress is being lobbied for reauthorization and extended appropriations for the Program.

INTERSTATE COMMERCE: THE TRUCKING INDUSTRY AND STATE REGULATIONS

Leo Penne, *American Association of State Highway and Transportation Officials*

- Although it slowed somewhat during the global recession, there has been a significant increase in truck traffic.

- Despite the reality that trucks are critical to the economies of states and the nation, most state functions view trucks negatively; for example, law enforcement agencies may see trucks as potentially dangerous vehicles.
- The federal government sets weight limits on the interstate highway and establishes safety requirements, but enforcement is largely left to the states.
- Wisconsin and Minnesota have reached a bistate agreement designed to improve the efficiency of freight movement through uniform permit requirements.
- The United States' borders are not operated as if trade matters, despite Canada and Mexico being key trading partners.

STATE REGULATIONS: STANDARDIZATION OF SIZE AND WEIGHT IN WESTERN STATES

Don Ipson, *DATS Trucking, Inc.*

- If you have used it, had it or eaten it, then a truck has brought it to you.
- Grocery stores get truck deliveries daily, especially for perishable items and items with a high rate of turnover.
- The shortage of truck drivers must be addressed; applicants are starting to “interview” employers.
- Trucks are required, as there are too many places where rail “does not go.”

EXPANSION OF THE PANAMA CANAL AND ITS IMPACT ON WESTERN PORTS

Linda Styrk, *Port of Seattle*

- Ports typically have a number of business lines.
- The expansion of the Panama Canal will not affect Seattle's role as the gateway to Alaska.
- With the “upsizing” of vessels, it is important to think of navigational channels as a freeway; if channel depth is an issue, dredging – which is increasingly expensive – may be required or use may be limited to times of high tide.
- The Port of Seattle is “big ship ready,” and expansion of the Panama Canal will allow bigger ships; to date, the Suez Canal has been handling larger ships.
- Regarding expansion of the Panama Canal, considerations include:
 - geographic location in relation to population centres
 - terminal operations and size
 - local rail and truck connections
 - regulatory certainty.

- Container ships are mobile assets, and can go to the port that meets their needs; “cost is king” in order to maximize margins through increasing profits and reducing costs.
- Shipping lines are often invested in terminals at a particular port or ports.
- Incentives for shippers affect decisions about which port will be used.
- Most cargo that is imported will go to areas of high population density; consequently, the Midwest is the “battleground” for cargo.
- Ports connect with rail and road networks to move goods to people.

ELECTIONS 2012: FORECASTING THE POLITICAL CLIMATE OF THE NATION AND THE STATES

Donna Brazile, *Political Strategist*

- Voters want less partisanship and more common-sense solutions; as well, they want legislators to find common ground.
- Politicians are trying to define who they are.
- In the 2012 election, there are fewer than 6 “battleground states” and some critical Senate races are “neck and neck.”
- The U.S. West contains many “swing” states.
- The electorate is cynical and highly polarized.
- Regarding the upcoming “fiscal cliff,” options include:
 - Congress comes together with the President to develop “a grand bargain”
 - there is a short-term “punt” by Congress, with some extensions to some measures
 - no “bargain” is reached.
- Possible vice-presidential running mates for Republican presidential nominee Mitt Romney are Governor Bobby Jindal, Representative Paul Ryan, former Governor Tim Pawlenty, Senator John Thune or Senator Rob Portman.

Rich Galen, *Political Strategist*

- Canadians know much more about the United States than Americans know about the United States.
- The United States has, as a goal, energy independence from the Middle East and Venezuela.
- Although President Obama is not responsible for the state of the U.S. economy, he will be blamed.
- Everything that President Obama’s campaign has done has been successful in keeping him in the race.

- President Obama has the advantage of being able to make, or to not make, news whenever he wants.
- The 2012 election for President is likely to be close right up until November 6, 2012.
- According to Charlie Cook, the 2012 Senate elections will be exceedingly close, with 8 toss-up races.
- Although the Democrats may gain between 6 and 9 seats in the House of Representatives in the 2012 election, they will not regain the House.

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

STATES REPRESENTED IN THE COUNCIL OF STATE GOVERNMENTS-WEST

Alaska

Arizona

California

Colorado

Hawaii

Idaho

Montana

Nevada

New Mexico

Oregon

Utah

Washington

Wyoming

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	65th Annual Meeting of the Council of State Governments - WEST (CSG- WEST)
DESTINATION	Edmonton, Alberta, Canada
DATES	July 20 - 23, 2012
DELEGATION	
SENATE	Hon. Jane Cordy, Senator Hon. Betty Unger, Senator
HOUSE OF COMMONS	Mr. Rick Dysktra, M.P., Vice-Chair Ms. Linda Duncan, M.P. Mr. LaVar Payne, M.P.
STAFF	Ms. Angela Crandall, Executive Secretary Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$1,496.26
ACCOMMODATION	\$3,280.59
HOSPITALITY	\$Ø
PER DIEMS	\$926.70
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$3,236.47
TOTAL	\$8,940.02