

Canada - United States
Inter-Parliamentary Group
Canadian Section



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**Report of the Canadian Parliamentary Delegation
respecting its participation at the Pacific NorthWest
Economic Region (PNWER) 22nd Annual Summit**

Canada-United States Inter-Parliamentary Group

**Saskatoon, Saskatchewan, Canada
July 15-19, 2012**

Report

DELEGATION MEMBERS AND STAFF

From July 15-19, 2012, the Canadian Section of the Canada-United States Inter-Parliamentary Group was represented at the 22nd annual summit of the Pacific NorthWest Economic Region (PNWER), which was held in Saskatoon, Saskatchewan. The delegation included Senator Raynell Andreychuk, Ms. Linda Duncan, M.P., Mr. LaVar Payne, M.P. and Mr. Brad Trost, M.P. The delegation was accompanied by Ms. June Dewetering, the Canadian Section's Senior Advisor.

THE EVENT

Established in 1991, PNWER is a statutory, bilateral, regional, private-public sector group that includes 5 U.S. states – Alaska, Idaho, Montana, Oregon and Washington – and 3 Canadian provinces and 2 territories – British Columbia, Alberta, Saskatchewan, Yukon and the Northwest Territories. 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.

PNWER holds two events each year, generally in the summer and the fall. In recent years, the Canadian Section has attended PNWER's summer meeting.

DELEGATION OBJECTIVES FOR THE EVENT

The 2012 annual summit, entitled "The Power of Partnerships," covered a wide 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. During the meeting, Senator Andreychuk moderated a discussion about the Trans-Pacific Partnership (TPP) negotiations and ways in which these negotiations might serve as a catalyst for enhanced North American trade and as an opportunity to improve upon the *North American Free Trade Agreement* (NAFTA), which was signed nearly 20 years ago.

Delegates considered attendance at the meeting to be an important opportunity to meet with state and provincial legislators as well as representatives of the private sector from

a number of jurisdictions, to enhance Canada-U.S. relations and to provide a sound basis for working on issues that are common to both countries.

ACTIVITIES DURING THE EVENT

During PNWER's 2012 annual summit, a number of policy tours were held, keynote presentations were made and concurrent discussions occurred:

- Plenary Opening Ceremonies
- University Presidents' Roundtable
- Trends in Energy – Overview of Regional and Global Trends and Implications for the PNWER Region
- Renewable Energy Regulatory Trends and Implications
- Renewable Energy Transmission – An overview, and impacts of new projects on regional systems
- Vision of a 21st Century Border – Why the Beyond the Border and Regulatory Cooperation Council Action Plans Matter
- Beyond the Border Action Plan Achievements to Date
- Measuring Performance at the border – How can we measure success of the Action Plans? Regional Examples of Metrics
- Examining primary health cost drivers and innovative ways to address these issues: International lessons learned and how our region can benefit
- Models to lower health spending while maintaining high quality care
- Plenary Luncheon
- Update on Columbia River Treaty Progress and next steps
- Ensuring Water Security
- Climate Change Adaptation
- Framing Innovation Collaboration
- Insights from University Presidents on Research and Development Collaboration Between Industry and Academia
- Collaboration Between Saskatchewan and the Boeing Company on Research and Development
- The new frontier in energy development & security
- Making a low-carbon future economically viable
- The Bakken Oil Boom Across the Williston Basin
- The shale gas revolution – The changing role of the Pacific Northwest

- Energy Perspectives from B.C.
- Saskatchewan's uranium resource
- Importance of the Regulatory Cooperation Council Joint Action Plan Initiatives and the role of the Canadian Food Inspection Agency
- Food Safety: Mutual Reliance on Food Testing Results
- Agriculture Food Safety: Common Approaches to Food Safety
- Agriculture Production: Crop Protection Products
- The Trans-Pacific Partnership as a tool for increasing North American competitiveness, particularly among PNWER members
- Saskatchewan Trade and Export Partnership: Business Opportunities in India and Bangladesh
- Plenary Breakfast
- Best Practices currently in place with Natural Gas Vehicles
- Emerging Natural Gas Vehicle Technology Use Across the Region
- Veterinary Drug Submission Harmonization
- Zoning for Foreign Animal Diseases
- Update on Action Items and PNWER Workforce Labour Mobility Project
- High-demand Occupations under Pressure: Selected Areas of construction, oil and gas, and mining
- Maximizing Saskatchewan's Workforce: Engaging First Nations and Métis Employment in Major Industry in Saskatchewan
- Labor Shortages, Attraction and Retention Issues in the PNWER Region
- Two-Nation Vacation Visa Program and NorPass projects
- Plenary Luncheon
- Information Needs following a Disaster-related Disruption: Responding to the situation, mitigating its effects and recovering more quickly
- Trans-Pacific Partnership
- Saskatchewan's development of an interoperable, enterprise approach to public safety under the New West Partnership
- Oregon's Initiative to develop a state-wide resilience plan
- The Rural Disaster Resilience Project
- North American Beef Cattle Transport
- The National Pork Board's Transport Quality Assurance Program
- Animal Welfare and Transportation Initiatives

- National Farm Animal Care Council and Canadian Animal Health Coalition Farm Animal Care Project
- Southern Border Issues: Animal welfare and disease
- Role of veterinarians as the first line of defense in detecting animal welfare issues
- Animal Welfare
- Update on the Washington-British Columbia Live Cattle E-certification Pilot Project
- The New West Partnership, two years in
- History and current status of the Arctic Caucus
- Pan-Arctic infrastructure development financing authority in the PNWER Arctic Caucus Region
- Brassica crinata: An industrial oilseed crop
- Process for evaluating the potential Canadian advantage for oilseed crops in the emerging aviation biofuels industry
- Sustainable Aviation Fuels in the Northwest
- The Development and Financing of Projects in the US and Asia
- Regional Collaborative efforts and industry partnership to increase the aviation biofuel market
- The development of aviation biofuels, partnerships and research alliances
- The Airline End-user
- Keynote Breakfast
- Transportation Challenges: Borders, Infrastructure, Harmonization and Hubs
- Global Trade outlook: Shifting routes, customers and competitors
- The containerization of commodities: integrating inland ports with gateways and corridors in Western Canada
- Inbound and outbound containerized goods: what determines routing and port use, cross-border issues and opportunities for cooperation
- The Heavy Stuff: Technological and environmental advances and economic benefits and challenges of bulk commodity shipments along the Great Northern Corridor
- It's all about choice: factors and decisions that influence the use of one port over another
- Improving on Farm Disease Detection
- Cultural change in veterinary usage since bovine spongiform encephalopathy
- The changing workload of Western Canada and American veterinarians
- Methods to improve on farm disease detection

- The context of responsible resource development: diamond mine activity and development as an example
- What are the dynamics of mining development on local communities?
- Mine development dynamics
- Mining industry labour and business development
- Yukon's experience with coordinated regulatory review: Canada's future
- Industry and government collaboration on mine site remediation
- Environmental regulation – an American observation
- Reducing the economic and ecological risks from invasive species
- Pacific Northwest Regional Invasive Species Outreach Campaigns: Successes and Lessons Learned
- Cross-sector Partnerships: A look at the Saskatchewan Horticulture Sector
- Plenary Luncheon
- Invasive Species: Current activities and emerging issues.

This report summarizes the presentations that were made at the plenary and selected sessions during the 2012 annual summit.

SUMMARY OF PRESENTATIONS

PLENARY OPENING CEREMONIES

Bob Hamilton, *Treasury Board of Canada*

- The Regulatory Cooperation Council (RCC), which was launched in February 2011 as part of the economic agenda of both Canada and the United States and gave rise to an action plan released in December 2011, is a good example of bilateral cooperation; there is a need to streamline our regulatory efforts.
- Canada and the United States have integrated economies, integrated supply chains and some integration in regulatory systems; that said, there are some regulatory differences that are significant, and those that can be resolved should be resolved.
- Progress on achieving the initiatives contained in the RCC Action Plan, and on the initiatives in the Beyond the Border (BTB) Action Plan also announced in December 2011, will be monitored.
- From one perspective, the focus should not be the current situation; instead, the question should be: if the two countries could start with a “clean slate,” what should be the regulatory situation in this area?

- Duplication, such as screening baggage once in each country, is costly and leads to costly delays.
- There is a need to understand better which regulatory differences are the most costly; this information is needed in order to set priorities.
- Regulatory policy is a significant public policy area.

Minister Vic Toews, P.C., *Government of Canada*

- In December 2011, the BTB Action Plan was released, providing a new vision for bilateral relations.
- The Action Plan provides for, as a fundamental principle, the ability of each country to respect the sovereign right of the other country to act independently.
- Each day, hundreds of thousands of people cross the shared border between Canada and the United States, and commercial transactions valued at \$1.6 billion per day or \$1 million per minute also cross the border.
- With the integration between Canada and the United States, the shared border is important; the border must not be a barrier to trade and economic growth, but instead should be a facilitator.
- Simpler rules lead to lower costs and more jobs.
- Cargo should be screened at the North American perimeter, and should be screened once but accepted twice.
- Trusted trade programs should be streamlined, as should standards.
- Canada and the United States need to work together to protect jobs, ensure economic growth and keep residents safe.

VISION OF A 21ST CENTURY BORDER – WHY THE BEYOND THE BORDER AND REGULATORY COOPERATION COUNCIL ACTION PLANS MATTER

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

- Canada and the United States share the most significant bilateral trade relationship in the world, and they have integrated supply chains; in part for that reason, there is a need to get the BTB and RCC initiatives “right.”
- Canada is the primary foreign export market for 35 U.S. states.
- There is a need to educate U.S. citizens about the dynamics of the trade relationship with Canada and about the importance of Canada’s oil sands.
- Protectionism does not lead to a “winning” situation; instead, “winning” occurs when opportunities are opened up.

- Regarding protectionism, it should be realized that “Buy American” provisions hurt U.S. businesses because of integrated supply chains.
- Canada has an aggressive international trade agenda, including in respect of the European Union and Japan; as well, Canada will be participating in the TPP negotiations.
- Efforts should focus on security at the North American perimeter; the 49th parallel must not be permitted to compromise the ability of companies to do business.
- The time has come to reverse the thickening of the border.

BEYOND THE BORDER ACTION PLAN ACHIEVEMENTS TO DATE

Bradd Skinner, *U.S. Department of State*

- The February 2011 shared vision between Canada and the United States announced a perimeter approach to security; in particular, the focus is enhancing security, accelerating the legitimate flow of people and products, supporting economic competitiveness, creating jobs and enhancing prosperity.
- The BTB and RCC Action Plans put February 2011’s shared vision into practice, with ambitious yet achievable objectives, specific initiatives with clear time lines for delivery, and performance measurement tools.
- Implementing the BTB Action Plan will be done over time, so sustained efforts will be needed; both governments will continue to consult with stakeholders, and there will be a joint annual report to the leaders of the two countries – backward- and forward-looking – that will be one means of measuring progress.
- Advance information is important for screening people and cargo at the perimeter.
- The focus is a streamlined, shared land border for legitimate trade and travel, which requires that duplicate inspections be eliminated, that trusted trader and traveller programs be expanded, that pre-clearance exist at more ports of entry, that infrastructure be improved and jointly planned, and that service levels in respect of wait times be established, among other initiatives.
- The joint measures that are being planned by Canada and the United States will transform shared border management, reduce paperwork, resolve concerns at the border about security and contraband, eliminate duplicate inspections and reduce delays for low-risk travellers.

Paul Haddow, *Canadian Privy Council Office*

- Canada and the United States have been cooperating on border issues for a long time, and each country has learned from the successes and shortcomings of the past.

- The BTB and RCC Action Plans contain a limited number of commitments with “hard” time lines and a commitment to measure performance.
- Protecting privacy is a key commitment under the BTB Action Plan, which has deliverables that include a set of privacy protection principles; only relevant and necessary information will be shared, and any sharing of information will be consistent with each country’s privacy laws and constitution.
- Both countries will take steps to manage threats at the perimeter; in particular, they will conduct joint threat assessments, improve their sharing of information, screen cargo and passengers at the perimeter, and introduce entry-exit verification measures.
- There is a need to focus on the unknown.
- The pre-clearance measure that is available at 8 Canadian airports is a huge success, and this measure should be expanded to other airports as well as in respect of the land, marine and rail modes of transport.
- A better-functioning shared border will produce savings for the economy as a whole.
- Bilateral efforts to protect citizens will be “stepped up”; in particular, maritime law enforcement cooperation will be regularized, land-based law enforcement cooperation will be launched, police radios will be made interoperable, cooperative efforts to counter violent extremism in our countries will exist, cooperation in respect of cyber security will be expanded, the protection of critical infrastructure will be broadened and disaster planning will be conducted.
- In time, the result of joint efforts may be a “common look and feel,” regardless of whether people or cargo travel north or south from the shared border.

MEASURING PERFORMANCE AT THE BORDER – HOW CAN WE MEASURE SUCCESS OF THE ACTION PLANS? REGIONAL EXAMPLES OF METRICS

Don Alper, *Western Washington University*

- Some of the measures in the BTB Action Plan are focused on the facilitation of economic and trade activity.
- Inefficiencies at the Canada-U.S. border result in long wait times.
- There are various ways in which to measure whether the shared border is improving in terms of facilitating trade and travel, including the volume of traffic handled and wait times.
- As a result of the 2001 terrorist attacks, the volume of travellers crossing the shared border declined until 2009; with traffic now returning to volumes last seen in the 1990s, it is important to ensure that wait times do not increase as volumes rise.

- From 2007 to 2011, there has not been much improvement in inspection times.
- It is important to encourage NEXUS.
- Over time, there has been an increased use of radio frequency identification-enabled documents, especially at the Washington State-British Columbia border.
- Wait times are lower for southbound traffic than for northbound traffic, despite a higher volume of traffic.
- The enhanced drivers licence initiative is doing better in Washington State than it is in British Columbia.
- The e-manifest and Free and Secure Trade initiatives are not doing a very good job of facilitating truck traffic.

PLENARY LUNCHEON

Premier Brad Wall, *Government of Saskatchewan*

- Canada and the United States are great democracies, and free trade has benefitted both countries; the countries share the largest trading relationship in the world.
- Canada is the primary foreign export market for 35 U.S. states.
- The relationship between Canada and the United States is more than commercial in nature; it also involves friendships and shared values.
- While the bilateral relationship will also have challenges, it is important to note that Canada and the United States “do business” together, “play” together, fight and die together, and protect each other.
- The bilateral relationship needs vigilance and care, and irritants arise from time to time; for example, from Canada’s perspective, recent irritants include the “Buy American” provisions in some U.S. legislation, the \$5.50 passenger fee, inaction regarding the Detroit-Windsor bridge and delays regarding the Keystone XL pipeline.
- While Canada’s prosperity continues to be linked to the United States, it is wise for Canada to diversify its export markets.
- There is a need to curb protectionist instincts.
- Saskatchewan has great post-secondary education, manufacturers, innovators and entrepreneurs; as well, it has abundant potash, flax, mustard, lentils, peas, arable land, uranium and cereal grains, and is notable for its enhanced oil recovery techniques, clean coal technologies, and carbon capture and storage techniques.

THE TRANS-PACIFIC PARTNERSHIP AS A TOOL FOR INCREASING NORTH AMERICAN COMPETITIVENESS, PARTICULARLY AMONG PNWER MEMBERS

Chip Cummins, *Wall Street Journal*

- From time to time, some tension exists between Ottawa and Washington, including in respect of “Buy American” provisions in some U.S. legislation, the \$5.50 passenger fee, “challenges” regarding Canada’s entry into the TPP negotiations and uncertainty in relation to the Keystone XL pipeline.
- While the challenges in the relationship are real, and many are new, the bilateral relationship is also characterized by immense opportunities.
- Among developed countries, Canada is doing relatively well; house prices are rising, the Governor of the Bank of Canada is respected, the financial sector is solid and federal debt is limited.
- In the United States, there is intense interest about Canada.

Joe Vidal, *Bioriginal*

- The principal goal of trade is to create value for customers, and there is a need to find ways in which to add and/or create value for customers.
- Trade helps companies to access innovation and new technologies, and to create jobs; that said, companies that trade can face challenges associated with changes in relative currency values.
- Prior to NAFTA, trade was complicated and costly; while the situation is now somewhat better, there is still room for improvement.
- The ability to predict and respect delivery times is critical.

Colin Robertson, *McKenna, Long and Aldridge LLP*

- From the Canadian perspective, it is important to always remember that the United States matters more to Canada than Canada matters to the United States; for that reason, Canadians need to understand the United States and Americans.
- Canadians need to realize that, in the United States, “all politics is local”; from that perspective, there is a need to “work” relationships and recognize that lobbying the United States requires a permanent “campaign.”
- Americans need to realize that Canadians are their friends and that Canada is important to their country; residents of the two countries know each other, share a language and have similar experiences.
- The relationship between President Obama and Prime Minister Harper is “pretty good.”

- Canadians need to “keep their eye on the ball” and not become distracted; the southern part of the Keystone XL pipeline is being built and, in due course, the northern part will be built as well.
- Canadians are starting to look at “alternatives” to the United States.

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

- Canada has an aggressive trade agenda, including in respect of the European Union; the comprehensive and economic trade agreement that is currently being negotiated will become a template for Canada’s trade agreements going forward.
- Canada wants to increase its bilateral trade with China and with India, and has “pushed some buttons” in order to be allowed to join the TPP negotiations.
- The MERCOSUR presents tremendous opportunities for Canada.
- In addition to competing with each other, Canada and the United States build things together, and should create opportunities with each other.
- NAFTA has been an absolute success.

Norman Leach, *American Chamber of Commerce*

- In the 2010 State of the Union address, President Obama announced the National Export Initiative, with the goal of doubling exports by the end of 2014.
- In 2010, about 41% of U.S. goods were exported to the United States’ free trade agreement partners.
- Fewer than 1% of U.S. companies export their products.
- Free trade agreements are important for U.S. growth and prosperity.
- At present, the United States has 12 free trade agreements in force with 18 countries; the agreement with Panama is “on hold.”

PLENARY BREAKFAST

Ezra Levant, *Author and News Anchor*

- The Organization of the Petroleum Exporting Countries (OPEC) just had its first trillion dollar year in history.
- From a global perspective, China is “driving” oil and gas, in part because it is purchasing oil reserves.
- For some, the following considerations are important when choosing their energy source: respect for the environment; peace; human rights; and the treatment of workers.

- The United States can increase domestic production of oil.
- Canada is the primary source of energy for the United States, and displaced Saudi Arabia in this role about 8 years ago.
- There is no tar in the “tar sands.”
- The oil sands are expected to triple in size over the next 30 years.
- In recent years, there has been a 29% reduction in carbon dioxide emissions associated with production in the oil sands.
- In China, “many, many” coal-fired power plants are being built each week.
- The Keystone XL pipeline should “go forward” as long as there is a net positive impact in terms of tax revenues and jobs.
- “Ethical oil production” is occurring in Alberta’s oil sands.
- Country-of-origin labelling is needed for oil; Canadian oil is “ethical” and “dictator-free.”

LABOR SHORTAGES, ATTRACTION AND RETENTION ISSUES IN THE PNWER REGION

Wendy Swedlove, *Canadian Tourism Human Resource Council*

- About 20 years ago, the tourism sector was undertrained; a key goal became the “professionalization” of the sector’s labour force, including through the establishment of competencies, certification and training.
- Labour market information is needed in order to facilitate decision making; information is also required regarding compensation in the tourism sector.
- Census information regarding people who work in the tourism sector is limited.
- Many of the tourism sector’s employees are individuals who are going to school; the situation is a win-win for students and employers, and the part-time work in the sector is advantageous for them and for second earners in households.
- The demographic shift to fewer children is going to be a problem for the tourism sector; in particular, a labour shortage of 228,000 people is expected by 2030, which will mean that growth opportunities will be sacrificed.
- Various options exist for addressing a labour shortage in the tourism sector; the options include competing with other sectors for labour, immigration, enhanced productivity and efforts directed to increasing retention rates.
- The tourism sector has a poor “career image” and a perception of relatively low wages; that said, it is easy to enter the sector and promotion from within often occurs quickly.

- Food and beverage services comprise about 50% of the tourism workforce.
- Employees want career progression and good supervisors/managers.
- Employers need help to overcome hiring barriers in relation to “disadvantaged groups”; for example, businesses might be connected to not-for-profit groups, such as those that provide immigrant settlement services.
- The tourism sector has a significant youth culture, and recently retired individuals have limited employment prospects.
- Much of the work in the tourism sector is physically demanding; consequently, older individuals who wish to work in the sector should search out opportunities in such areas as golf courses and tourist information booths.
- In the tourism sector, immigration is a “touchy subject”; Canada has a points system, and those who are well-educated receive more points, all else remaining the same.
- Except for cooks, tourism is not part of the apprenticeship system.

TWO-NATION VACATION VISA PROGRAM AND NORPASS PROJECTS

Representative Anna Fairclough, *Alaska Legislature*

- The tourism sector is a significant part of Alaska’s history and, hopefully, its future.
- In 1894, the first cruise line started delivering the first tourists to Alaska; in 2008-2009, the state had more than 1.5 million visitors and about 1 million of these visitors arrived on a cruise ship.
- The Alaska Travel Industry Authority was established two decades ago; it “markets” Alaska, and advertising definitely affects the number of individuals who choose to visit the state.
- Tourism benefits everyone, including through exposure to new cultures.
- Alaska is the third-largest oil producer in the United States.

Bruce Agnew, *Cascadia Center for Regional Development*

- When Washington State defunded its tourism office, the private sector provided funding.
- In 1988, the Mayor of Seattle met with the Vancouver Board of Trade to discuss what is, in essence, the notion of a “2-nation vacation”; the Vancouver Olympic Games were the largest 2-nation vacation in history.
- Intermodal connections and international marketing are important.
- The private sector does a better job of marketing than does government.
- Tourism operates in the “slipstream” of trade.

- Ports compete with each other; that said, they also need to cooperate as they compete.
- As most Americans do not have a passport, the enhanced drivers licence initiative has been a significant development.
- The relative value of the Canadian dollar affects the level of southbound traffic, including in respect of cross-border shopping.
- Canada and the United States have a long history of working together, including in relation to the enhanced drivers licence initiative and NEXUS.

Denis Stevens, *Canadian Consulate in Seattle*

- There is a need to synchronize the visa regimes in Canada and the United States, which currently differ for political, security and other reasons.
- The BTB initiative is going “very, very” well; it is important to sustain momentum through the U.S. elections.
- Since a number of the BTB initiatives were started under President George W. Bush’s Administration, BTB is really a bipartisan measure.
- It is important to have “champions” at the federal and state political levels.

PLENARY LUNCHEON

John Hofmeister, *Author*

- Authoritarian countries are “winning the war” for competitive energy, and democratic countries are “falling behind.”
- The complexity, size and “reach” of government, as well as its rules, means that there is no free market for energy; as well, the fragmentation of government authority leads to nothing “getting done.”
- There is a need to reform the “huge government apparatus” and to create an independent regulatory agency that would “rise above” the party in power and the bureaucracy.
- An independent regulatory agency should make decisions in the interests of society regarding supply, demand, infrastructure and the environment.

Brenda Kenny, *Canadian Energy Pipeline Association*

- Public expectations are changing, and it can be difficult for governments to act.
- Pipelines are integral to energy trade.

- Some have trouble “marrying” the notion of sustainable development with the notion of profit.
- Because the North American public does not tolerate risk, it is difficult for companies to talk about risk at the same time that it is virtually impossible to have no risk; for this reason, it is important to have risk-management strategies.
- There may be a “new normal” regarding public expectations; in order to “move past” the “new normal,” there should be good and verifiable data and information, dialogue that challenges assumptions with a view to reaching creative solutions, and technological and social innovation.

THE TRANS-PACIFIC PARTNERSHIP

Senator Raynell Andreychuk, *Canadian Senate*

- With the Doha Round of World Trade Organization negotiations at a standstill, it is natural to look for new opportunities and approaches, including bilateral and regional trade agreements.
- Canada is pleased to be part of the TPP negotiations; the TPP may be a catalyst for a closer, more prosperous relationship between Canada and the United States that results in greater North American prosperity, growth and jobs.
- An estimated 8 million U.S. jobs depend on trade with Canada.
- An estimated 2.5 million Canadian jobs depend on trade with the United States.
- In 2011, Canada-U.S. trade was valued at more than \$700 billion, which is equivalent to more than \$1.9 billion each day or \$1.3 million each minute.
- At present, 35 U.S. states have Canada as their primary foreign export market.
- One reason for the prosperity of the Canada-U.S. relationship is the *Canada-United States Free Trade Agreement* and its successor agreement, NAFTA.
- The NAFTA partners will – with 8 other countries – be working together once again in the context of the TPP negotiations.
- As a small, open economy, Canada is a trading nation, and the opportunities provided by the TPP will lead to greater growth and job creation in Canada.
- Supply management is a Canadian issue to be decided by Canada.
- Although NAFTA has had some “bumps” and difficulties, it has worked out well.
- At this point, the TPP negotiations do not include China or Brazil.
- There is some “trade fatigue.”

KEYNOTE BREAKFAST

Minister Gerry Ritz, P.C., *Government of Canada*

- The United States is a great trading partner for Canada.
- Jobs and growth are driven by partnerships, not protectionism.
- Free trade and fair trade are “grounded” in science.
- Canada has an ambitious trade agenda, and welcomes participation in the TPP negotiations.
- Canada and the United States will always be each other’s largest trading partner; at present, bilateral trade is valued at more than \$1 million per minute, and 8 million U.S. jobs and 2.5 million Canadian jobs rely on this bilateral trade.
- A border is a meeting place, rather than a dividing line.
- For prosperity, farmers, food processors and economies depend on easy cross-border movements.
- In North America, there are integrated supply chains.
- Agriculture will be among the sectors that benefit from the BTB and RCC initiatives.

GLOBAL TRADE OUTLOOK: SHIFTING ROUTES, CUSTOMERS AND COMPETITORS

Dylan Jones, *Canada West Foundation*

- The importance of exports is often exaggerated; 80% of the North American economy is local and does not cross an international border, so there is a need to pay attention to transportation locally.
- North America is not a very good exporter.
- About 10% of jobs in North America depend on international trade.
- North America has been living well beyond its means for a very long time; there are 3 options: keep the domestic economy growing, lower the standard of living or increase exports.
- Asian countries are expected to have high growth in their gross domestic product; to sustain a higher standard of living through growth in exports, Asia will be important, as will Brazil.
- Canada’s competitors for the Asian market will be the Asian countries themselves, which have proximity and language advantages, Australia, which has a locational advantage and abundant commodities, and Russia.
- Food and energy are the “trade products” of the 21st century.

- Canada should build a strong, integrated North American platform, focus infrastructure on economic needs and pay attention to operating costs.

THE CONTAINERIZATION OF COMMODITIES: INTEGRATING INLAND PORTS WITH GATEWAYS AND CORRIDORS IN WESTERN CANADA

Jean-Paul Rodrigue, *Hofstra University*

- Regionalization of the global economy is likely to occur.
- After 20-30 years of stable prices, some commodities had price adjustments beginning in 2005-2006.
- Moving products from China to North America is more expensive than moving products from North America to China.
- With maritime shipping, economies of scale are “the name of the game.”
- Import- and export-based logistics are based on population and resource density respectively.
- There is a need to establish strategic alliances between Canadian and Asian inland ports, and to build supply chains.

INBOUND AND OUTBOUND CONTAINERIZED GOODS: WHAT DETERMINES ROUTING AND PORT USE, CROSS-BORDER ISSUES AND OPPORTUNITIES FOR COOPERATION

Blair Wagar, *The Global Transportation Hub*

- Reliable, cost-effective connections to international markets support economic development and job creation.
- Modern and sophisticated access to export markets is required to facilitate growth.
- Transportation must not be a hurdle.
- Key success factors for growth include transportation connections, government support and skilled labour.

Don Krusel, *Prince Rupert Port Authority*

- The competitive factors included in a shipper’s decision about routing are complex and varied.
- The distance between ports of call is an important decision factor, and shipping time and energy costs are lower with a shorter distance.
- The efficiency of port operations is important, including dwell times.
- A shipper needs a successful value proposition: speed and reliability.

- The “spotlight” is on China and other Asian markets, which are “driving” global growth.
- Canada’s ports are independent, self-financing and self-governed; Canada’s railways are owned privately.
- A world-class transportation network that links Asia and North America is needed.
- Competition promotes reliability and efficiencies.

THE HEAVY STUFF: TECHNOLOGICAL AND ENVIRONMENTAL ADVANCES AND ECONOMIC BENEFITS AND CHALLENGES OF BULK COMMODITY SHIPMENTS ALONG THE GREAT NORTHERN CORRIDOR

Jim Titsworth, *BNSF Railway*

- Railways are enablers of trade and economic activity, and jobs in the rail sector are hard but well-compensated.
- Capital investments by railways support safety.
- Railways connect communities to the globe, reduce congestion on highways and have environmental benefits in terms of greenhouse gas emissions.

IT’S ALL ABOUT CHOICE: FACTORS AND DECISIONS THAT INFLUENCE THE USE OF ONE PORT OVER ANOTHER

Scott Rudderham, *Canpotex*

- The quality of potash is critical, and the timeliness of delivery is important.
- Cost is one factor that determines routing.

PLENARY LUNCHEON

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

- While President Obama and Prime Minister Harper talk about bilateral issues when they meet, relatively more time is spent discussing how to protect citizens around the world and promote democracy.
- With a history that dates to 1812, Canada and the United States have been working together for 200 years, including in their efforts to keep freedom in the two countries; that said, there are bilateral issues that must be managed from time to time.

A year ago, Canada's "to do" list included a number of issues that have been resolved, including participation in the TPP negotiations, a BTB strategy to manage risk away from the border, regulatory reform and trilateral energy discussions regarding North American energy independence.

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	22nd Annual Summit of the Pacific NorthWest Economic Region (PNWER)
DESTINATION	Saskatoon, Saskatchewan
DATES	July 15-19, 2012
DELEGATION	
SENATE	Hon. Raynell Andreychuk, Senator
HOUSE OF COMMONS	Ms. Linda Duncan, M.P. Mr. LaVar Payne, M.P. Mr. Brad Trost, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$970.93
ACCOMMODATION	\$1,696.48
HOSPITALITY	\$Ø
PER DIEMS	\$1,127.18
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$2,915.43
TOTAL	\$6,710.02