

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
to the Southern Governors' Association -
2008 Annual Meeting**

Canada-United States Inter-Parliamentary Group

**White Sulphur Springs, West Virginia,
United States of America
August 8-11, 2008**

Report

INTRODUCTION

From 8-11 August 2008, Mr. Dave Van Kesteren, M.P. represented the Canadian Section of the Canada-United States Inter-Parliamentary Group at the 2008 Annual Meeting of the Southern Governors' Association in White Sulphur Springs, West Virginia. While at the meeting, Mr. Dave Van Kesteren had the opportunity to meet Governors Manchin (West Virginia), Kaine (Virginia), Bredesen (Tennessee) and Riley (Alabama). Governors Barbour (Mississippi), Beshear (Kentucky), Blunt (Missouri) and Crist (Florida) also attended the meeting.

Founded in 1934, the Southern Governors' Association (SGA) is the oldest of the regional Governors' associations and has a long history of promoting the common interests of Governors of 16 southern states (see the Appendix). The SGA provides a bipartisan forum in which to help shape and implement national policy as well as to solve regional problems, improve the quality of life of residents of the US South, and secure an economically vibrant and prosperous American South.

Of the estimated 7.1 million US jobs that depend on bilateral trade, recent figures indicate that more than 2.6 million jobs in the SGA states rely on Canada-US trade. Bilateral trade was recently valued at nearly \$107 billion annually: about \$52.8 billion was exported from the 16 states to Canada, while they imported just over \$54 billion. Moreover, recent data suggest that, in a one-year period, Canadians made more than 5.6 million visits to the SGA states and spent more than \$3.1 billion, while residents of these 16 states made almost 2.2 million visits to Canada and spent nearly \$1.4 billion in that same period.

The meeting included the following roundtable sessions:

- Issues Impacting Workforce Development
- Governors in Action: Innovations and Trends
- Setting the Southern Tone on Climate Change.

The interaction with Governors enables members of the IPG to achieve better the aim of finding points of convergence in respective national policies, initiating dialogue on points of divergence, encouraging exchanges of information and promoting better understanding on shared issues of concern. Moreover, the meetings with Governors provide the members of the IPG with an important means to provide input to, and gather information about, state-level issues that affect Canada.

This report summarizes the discussions that occurred at the plenary sessions.

ISSUES IMPACTING WORKFORCE DEVELOPMENT

According to the Southern Governors' Association, Governors in the Southern states are committed to making the investments and policy decisions needed to support the existence of a highly skilled workforce and to promote economic development,

recognizing that employer needs on the one hand, and education and workforce development programs on the other hand, are not always aligned. Governors, their Cabinet-level advisors and representatives from the private sector focused on the key issues affecting workforce development programs, and provided private - and public-sector views about the best means to ensure the availability of a highly skilled workforce.

Honorable Elaine Chao, *United States Secretary of Labor*

- workforce preparedness and development are important issues in order to live and excel in the 21st century workforce
- the American workforce needs to be prepared to compete in the globalized economy
- the US workforce is one of the most dynamic, creative, productive, flexible and innovative in the world
- disabled persons need to be assisted in increasing their involvement in the workforce; their involvement would help to address labour force shortages and would, more generally, be "the right thing to do"
- the average 38-year-old American will have had ten jobs already
- 50 million jobs change hands each year
- the economy is increasingly knowledge-based, and workers with relatively more or higher skills are rewarded with relatively higher salaries
- education is related to employment and earnings; it is the route to advancement, and provides hope and opportunity
- the United States' competitive advantage is not in low-wage jobs; rather, the US' comparative advantage is in high-end, skilled jobs
- there is a disconnect in the skill levels of the US workforce; often, employers are unable to find the highly skilled workers that they need
- the US will need at least 3 million health care workers in the next decade, including pharmacists, bioscientists, nurses and health information technology specialists, among others
- in the United States, the High Growth Job Training Initiative focusses on sectors that are high in potential and have high wages
- the Workforce Innovation in Regional Economic Development – WIRED – initiative assists in the development of a competitive advantage regionally in order to compete internationally

- regional human talent can be used to "lure" employers, and thus employment, to a region; human capital continues to be a key "lure" for employers
- community colleges need to work with workforce development centres
- employers need to become more involved in the workforce development system, since they have the best insight into the job skills they require
- the marketplace cannot wait, and the income needs of people cannot be denied, for two years while training is undertaken to meet a current labour force need; relevant job training courses and shorter-term training are required

Dana Waldo, *Appalachian Power*

- the business community must be mobilized to follow its "talk" with "action"
- the focus should be employer needs both today and in the future
- a "business approach" should be applied to education; the private sector has best practices that can be applied to education
- school principals should be mentored by business executives

Mike Petters, *Northrop Grumman*

- the aging of the baby boom generation and associated pending retirements create workforce challenges and labour shortages in some states and sectors
- businesses are always looking for value propositions; consequently, they will invest in workforce development if there will be value added as a consequence
- looking for businesses that are willing to invest in workforce development, and then making it worth their while to make such investments, should be a priority
- workers of all skill types are needed

William Strahan, *Comcast*

- some jobs are place-based; service workers need to be where services are being demanded
- an important consideration is how we develop middle-class families among employees; we must not become a two-class society as we move farther into the knowledge-based economy

- like-minded employers should bond together to provide employees with incentives to invest in their communities

Debra Lyons, *Governor of Georgia's Office of Workforce Development*

- the skills gap must be measured before attention can be turned to eliminating it
- workforce and education should be linked at the level of the country, and then moved to the region
- in addition to seeking new workers, attention should be paid to upgrading the skill sets of existing workers
- efficiencies might be realized if common training needs across industry groups could be identified

Bradley Byrne, *Alabama Community College System*

- the community college system should be aligned with the needs of the business community
- businesses should identify what they need, and the education system should determine how to respond in order to meet the identified need
- businesses should be proactively engaged in order to determine what they want and need
- all stakeholders need to "talk the same language"
- the academic community should be involved with economic development and chamber of commerce activities
- training needs exist in respect of both incumbent and new workers
- businesses are tired of hearing about the "alphabet soup" of agencies

Kelley Goes, *West Virginia Department of Commerce*

- education and economic development should be put together, and a common language should be used
- future workforce needs should be projected now so that training can occur today to meet the needs of tomorrow

Ron Radcliff, *WORKFORCE West Virginia*

- the pace at which we seem to be able to move is disturbingly slow; we keep talking about 21st century skills and we are already eight years into the 21st century
- "business is boss"
- a workforce database should be established to track people as they move through training programs and jobs
- youth like things online; consequently, a virtual job fair is relatively more appealing to them

Roderick Nunn, *Office of the Governor of Missouri*

- all sectors and stakeholders should be connected in a focus on workforce development
- education should be considered through the lens of economic development
- strategic alliances at the regional level should be formed

Norma Noble, *Oklahoma Department of Commerce*

- it is not possible to solve all problems at the same time
- partnerships should be provided with incentives regionally and at the level of industry
- industries should be brought together regionally, since economic development occurs regionally rather than just locally
- there is a gap between industry workforce needs and what is "in the pipeline"
- the skill sets of underutilized populations should be developed

Danny LeBlanc, *Office of the Governor of Virginia*

- a sense of urgency for change should be created
- education and economic development partnerships should occur; a particular focus should be the skill sets needed to ensure successful implementation of economic development plans

- the needs of businesses and workers should be addressed in order that everyone has the opportunity to realize the American dream
- businesses must invest in their workforce

Monesia Brown, *Florida Agency for Workforce Innovation*

- what government does should be matched with what businesses need to have done
- community colleges should be business-focused
- resources allocated to economic development and education should be pooled in order to reach common goals
- the availability of world-class talent is critical
- we need to strengthen the workforce and to strengthen families in order to have a better economy
- partnerships between business and government bureaucrats who have responsibility for economic development should occur
- the skills of disabled persons should be better utilized

Camille Pampell Conaway, *Office of the Governor of Louisiana*

- the needs of business and industry should be a primary focus
- co-location is not the same thing as integration

Helen Mountjoy, *Kentucky Education Cabinet*

- there are connections among education, workforce development and economic development
- training should be available any time, any place for anybody
- unions, business, private foundations and other stakeholders should be engaged as a community vision for what must happen going forward is developed
- employers should speak directly to educators and educational institutions
- e-learning should begin in kindergarten and should continue through ongoing workplace and workforce training

- just-in-time training to meet industry needs should exist

Paul Arnold, *US Virgin Islands Economic Development Authority*

- the needs of employers should be met through customized training programs
- marketable skills should be a priority

Peggy Torrey, *South Carolina Department of Commerce*

- career exposure should begin in high school
- students should be exposed to external learning experiences on the job

Tommye Dale Favre, *Mississippi Department of Employment Security*

- education in science, technology, engineering and mathematics – STEM – should begin early, and students should be guided into studies in these subjects
- people should be tracked as they proceed through training programs and different jobs

Matthew Kisber, *Tennessee Department of Economic and Community Development*

- the first step is to understand what your clients or customers need; the second step is to ensure that programs are aligned to meet those needs
- the key questions include: what do they need? and how do they need it to be delivered?
- schools should increase their standards and expectations of students
- there should be an increased focus on science, technology, engineering and mathematics – STEM – education
- students need to be prepared for the workforce, and should have soft and special skills, among others

GOVERNORS IN ACTION: INNOVATIONS AND TRENDS

In an effort to learn from the ideas and approaches used by other Governors to achieve policy successes and to identify areas for future collaboration, Southern Governors engaged in conversation with each other and with private-sector experts in a number of

areas: health, the aerospace industry, innovation, private-public partnerships, human capital, and science, technology, engineering and mathematics – STEM – education. This approach enabled the Governors to identify innovative ways to address the practical and policy challenges that they face, and to learn from existing best practices.

HEALTH

Michael Mawby, *Novo Nordisk*

- regarding diabetes, we are still "swimming upstream" in respect of awareness
- 24 million Americans have diabetes, a figure that has doubled in the last 50 years
- obesity is a major driver of diabetes
- diabetes and obesity are, at least in part, a function of the food that people eat; healthy food is relatively more expensive
- it has been estimated that if people stop smoking, exercise more and eat healthier foods, the rates of Type II diabetes and heart disease could be reduced by 80% and the rate of cancer could decline by 40%
- the private and public sectors need to work together on solutions
- the current health care system pays for procedures at the "back end," with few incentives to deal with issues at the "front end"

Governor Matt Blunt, *Missouri*

- states in the US South have rates of obesity and diabetes that are higher than the national averages
- prevention is less costly and results in a higher quality of life
- Governors have a responsibility to ensure the existence of a focus on wellness

Governor Joe Manchin, *West Virginia*

- if you do not have a healthy population, you will not have a healthy economy
- poverty, obesity and diabetes are correlated
- the United States must change the way in which it provides health care; there must be incentives for prevention rather than "back end" treatment
- we can pay now, or we can pay more later

Governor Bob Riley, *Alabama*

- since we have known about the nature and scope of the problem for some time, it is not entirely clear why progress is not being made; we are losing the battle
- educating people about the problem is not working, as evidenced by the lack of change
- perhaps a national program to deal with systemic issues is needed, including measures related to nutrition labelling and access to health care
- it is possible to apply a surcharge to those who smoke

Governor Tim Kaine, *Virginia*

- there is a need to switch the focus from "health care" to "health"
- health promotion should be a priority, and Governors are in a position to lead in this regard
- it is possible to give discounts to those who take certain wellness actions

AEROSPACE INDUSTRY

Paul Meyer, *Northrop Grumman*

- since the 1990s, the aerospace market has collapsed
- Americans want the best product at the best price

Ralph Crosby, *EADS North America*

- a catalytic event is needed in order to get change
- if aerospace jobs do not come to the US Southeast, they will go to the US Northwest
- a "welcoming" business environment requires that consideration be given to communities, the education system, etc.

Governor Tim Kaine, *Virginia*

- aerospace expertise in the US Southeast would be "powerful"
- there is a great deal of money "chasing" international business opportunities

- transportation cost realities are changing the manufacturing and distribution model; now, goods are being manufactured closer to the end user

Governor Bob Riley, *Alabama*

- it must be recognized that, at present, young Americans are flying airplanes that were designed during the years of their grandparents
- investments in the aerospace industry will be made; those investments should be made in the US Southeast in order to protect jobs in this geographic area
- the development of an aerospace industry in the US Southeast would enable the region to compete better in other sectors as well

Governor Joe Manchin, *West Virginia*

- the US Southeast wants quality, high-technology jobs

Governor Matt Blunt, *Missouri*

- manufacturing is alive and well in the United States
- the US can be competitive in manufacturing if the environment is right

INNOVATION

Governor Matt Blunt, *Missouri*

- technology should be used to streamline government
- technology facilitates the transparency desired by citizens

Governor Tim Kaine, *Virginia*

- performance indicators should include quality of life, reading scores, traffic congestion, incarceration rates, etc.
- data can be used to determine high-value investments, identify the areas where reduced spending should occur, and depoliticize decisions

Governor Bob Riley, *Alabama*

- there should be a single point of entry into the system for an individual who needs government assistance, rather than eight or nine agencies each with its own point of entry

Governor Joe Manchin, *West Virginia*

- computer systems should be centralized
- real-time information from every state agency should be available

PRIVATE-PUBLIC PARTERSHIPS

Governor Matt Blunt, *Missouri*

- private-public partnerships can be used successfully in such areas as infrastructure and transportation undertakings

Governor Joe Manchin, *West Virginia*

- when forming private-public partnerships, it is important to pick a good partner
- with the involvement of the private sector, the public sector can make things happen that could not happen if the public sector were to act alone

Governor Bob Riley, *Alabama*

- the best partner for the public sector is the business community
- if you are productive, profitable and successful, you will continue to grow and prosper

HUMAN CAPITAL

Governor Kaine, *Virginia*

- a productive workforce is needed in order to be an aggressive global competitor
- advances in respect of human capital are the only guarantor of success
- aerospace is a core competence for the United States
- the depreciation in the relative value of the US dollar has helped exporters

- education and businesses have a 360° relationship: educational institutions help businesses get better and, in turn, businesses help educational institutions get better

Governor Bob Riley, *Alabama*

- there are opportunities to cooperate in terms of education

Governor Matt Blunt, *Missouri*

- a 360° relationship exists between schools and business
- businesses sometimes have their head offices on university campuses

SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS EDUCATION

Governor Matt Blunt, *Missouri*

- the US needs to increase graduates in science, technology, engineering and mathematics in order to meet the needs of employers and to be competitive in the global economy
- educational institutions should partner with employers in order to facilitate cooperative experiences for students, internships, etc.

FINAL COMMENTS

Governor Joe Manchin, *West Virginia*

- education is critically important, yet Governors have only limited control
- Governors should share best practices and avoid "reinventing the wheel"
- Governors want to "fix things" and to make things better in their states day-by-day

Governor Tim Kaine, *Virginia*

- Southern Governors are optimists
- challenging times provide more opportunities to make substantive changes

Governor Bob Riley, *Alabama*

- it is remarkable how similar the states in the US South are, despite some differences among them
- Southern Governors are more optimistic and more enthusiastic than are Governors in other parts of the United States

Governor Matt Blunt, *Missouri*

- the "tyranny of the urgent" can be overwhelming
- at times, it is important to step back and to look at the bigger picture

SETTING THE SOUTHERN TONE ON CLIMATE CHANGE

According to the Southern Governors' Association, debate about the policy response to climate change is likely to continue in the 111th Congress. Concurrently, a number of states have started to take action in respect of energy, with a focus on such measures as conservation, alternative fuel sources, and programs to reduce greenhouse gas emissions at the state level and regionally. Southern Governors are leaders in domestic energy production, and are interested in helping to meet domestic energy needs while also assisting with efforts to achieve climate change and energy independence goals. The SGA Chairman's Initiative for next year, as selected by Governor Kaine, will be Energy Sustainability and Climate Change.

Governor Tim Kaine, *Virginia*

- climate change is happening, and a national framework – executed at the state level – is needed, since issues do not cease to exist at state lines
- energy issues are of increasing importance to voters
- states in the US South share certain commonalities:
 - unique domestic energy production
 - similar regional climate change risks
- the US South needs a regional voice in the national discussion, and states in the US South should share success stories and consolidate their efforts
- the availability of reliable, reasonably priced energy is a benefit to business in the US; the SGA states produce significant portions of US fossil fuels, including:
 - 57% of the conventional gas
 - 56% of the natural gas

- 33% of the coal
 - 53% of the refined petroleum capacity
- in 2002, utility employment was estimated to be almost 250,000 people, with an annual payroll exceeding \$15 billion
- in 2004, states in the US South lagged China and the European Union in terms of million metric tonnes of annual carbon dioxide emissions
- states in the US South have relatively high levels of greenhouse gas emissions because of use patterns and because they are producers of energy
- states in the US South face a number of regional climate change risks, including:
 - a rising sea level, which places people in selected locations at risk
 - more severe storms, which places people in selected locations at risk
 - energy supply constraints, which may affect infrastructure and travel costs, with potential impacts on tourism
 - changing precipitation patterns, which reduce stream flows and groundwater supplies
- the temperature and precipitation changes that are being experienced will affect:
 - agriculture, including through changes to available crops
 - forests, including through increased risks of wildfire and changes to the composition of species
 - fisheries, including through increased stream runoff as well as losses of wetlands, shellfish and finfish
- states in the US South lack a regional voice on climate change issues, although a number of these states have climate change action plans, as well as energy action plans and other initiatives
- outside the US South, regional cooperation exists, including through:
 - the Western Climate Initiative
 - the Midwest Greenhouse Gas Reduction Accord
 - the Regional Greenhouse Gas Initiative
- policy changes really can make a difference

- addressing climate change issues can provide a variety of economic development opportunities for states in the US South, including in respect of:
 - biofuel industries
 - wind turbine blade manufacturing
 - wind power projects and infrastructure
 - clean coal to liquid manufacturing
 - green business
 - renewable power development
- states in the US South should:
 - conduct a dialogue about energy sustainability and climate change issues that are unique to the US South, leading to the creation of a regional strategy and a strong voice in the national debate
 - identify issues appropriate for state action, including energy independence, conservation and efficiency, clean technology development and climate change adaptation

Governor Matt Blunt, *Missouri*

- a degree of realism must exist, since it is not possible to replace all traditional energy sources with renewable energy sources
- an energy crisis exists and must be addressed

Governor Phil Bredesen, *Tennessee*

- if the US Congress decides to extend the wind and solar production tax credits that just expired, the extension should be long enough to be meaningful
- the climate change issue should be examined not only from the perspective of what we must do to help reduce climate change, but also from the perspective of the economic development opportunities that will be created

Respectfully submitted,

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

Dean Del Mastro, M.P.
Acting Co-Chair
Canada-United States
Inter-Parliamentary Group

APPENDIX: STATES REPRESENTED IN THE SOUTHERN GOVERNORS' ASSOCIATION

Alabama
Arkansas
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
Missouri
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
West Virginia

Travel Costs

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| ASSOCIATION | Canada-United States Inter-Parliamentary Group |
| ACTIVITY | Southern Governors' Association - 2008 Annual Meeting |
| DESTINATION | White Sulphur Springs, West Virginia, United States of America |
| DATES | August 8-11, 2008 |
| DELEGATION | |
| SENATE | Ø |
| HOUSE OF COMMONS | Mr. Dave Van Kesteren, M.P. |
| STAFF | Ms. June Dewetering, Analyst |
| TRANSPORTATION | \$1,117.50 |
| ACCOMMODATION | \$1,922.98 |
| HOSPITALITY | \$Ø |
| PER DIEMS | \$559.65 |
| OFFICIAL GIFTS | \$Ø |
| MISCELLANEOUS/REGISTRATION FEES | \$915.17 |
| TOTAL | \$4,515.30 |