

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 55th Annual Meeting and  
Regional Policy Forum of the Council of State Governments'  
Eastern Regional Conference (ERC)**

**Canada-United States Inter-Parliamentary Group**

**Wilmington, Delaware, United States of America  
16–19 August 2015**

# Report

## DELEGATION MEMBERS

From 16 to 19 August 2015, Senator David Wells, Vice-Chair led a delegation from the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG) to the 2015 Annual Meeting and Regional Policy Forum of the Council of State Governments' Eastern Regional Conference (ERC). The other delegates were Senator Bob Runciman and Senator David P. Smith. The delegation was accompanied by Mr. Mohamed Zakzouk, Advisor to the Canadian Section.

## THE EVENT

The ERC is a regional association of legislators from 18 member legislatures from the United States and Canada (see the Appendix). By facilitating cooperation among its member jurisdictions, the ERC promotes multi-state or region-wide solutions to the problems and challenges facing U.S. state and Canadian provincial legislators. Each year, the ERC holds an annual meeting and regional policy forum.

## DELEGATION OBJECTIVES FOR THE EVENT

The IPG aims to find points of convergence in respective national policies, to initiate dialogue on points of divergence, to encourage the exchange of information and to promote better understanding among legislators on shared issues of concern.

Members of the IPG's Canadian Section meet regularly with their federal counterparts and, in recent years, have attended meetings of governors and state legislators. At these events, Canadian delegates engage in conversations that help the Canadian Section to achieve its objectives, and that explain the nature and scope of the bilateral relationship.

Members of the Canadian Section found the ERC's 2015 meeting to be a valuable occasion on which to discuss the numerous opportunities for Canada and the eastern U.S. states to collaborate in a number of areas. Furthermore, they benefited from presentations on a variety of issues, including Canada–U.S. relations and border issues, regional transportation, economic development and social equality.

Feeling that members of the Canadian Section were able to achieve their objectives for the event, the Canadian Section intends to attend future ERC meetings to continue its work in advocating Canadian interests in the eastern United States.

## ACTIVITIES AT THE EVENT

During the ERC's 2015 meeting, the following plenary and concurrent sessions took place:

- Agriculture and Rural Development:
  - The Bee Story,

- Challenges and Opportunities for Northeast Agriculture,
- How to Grow the Aquaculture and Fishing Industries in the Northeast,
- Growing and Adding Value to the Forest Industry;
- Canada/U.S. Relations:
  - Improving Trade Growth between the U.S. and Canada and Making North America more Competitive,
  - U.S. and Canadian Proposals for Biometric Screening of Travellers,
  - Bilateral Agreement on Border Preclearance,
  - Peace Bridge Truck Preclearance Pilot Project Outcomes,
  - Prospects for Expanding Passenger Rail Service in the Region;
- Energy and Environment:
  - Energy Policy Update 2015,
  - Cap-and-Trade in Quebec and Ontario,
  - Implementing Environmental Protection Agency's (EPA's) Clean Power Plan,
  - Enhancing Resiliency,
  - Preparing for Climate Change in the First State: Moving from Planning to Action,
  - Examining "Hybrid" Approaches to Coastal Resilience;
- Developing Meaningful Public Policy and Engagement on Controversial Energy Developments;
- Education: The *Elementary and Secondary Education Act* – Reflections on No Child Left Behind and Considerations for Reauthorization;
- Veterans Workforce Development;
- Transportation;
- Advancing America's Economic Future;
- From Recovery to Prosperity: Building Resilient State Economies;
- Raising the Minimum Wage;
- Net Neutrality: Destroying or Protecting Innovation?;
- Health: Developing a Healthcare Workforce to Reach the Triple Aim;
- Jobs, Economic Development, and the Rail-Supply Industry;
- Race, Diversity, and the New America: Framing the Public Conversation;
- Implications of the Attack on Fact in Politics.

This report summarizes the plenary and selected concurrent discussions that occurred at the meeting.

## **CANADA/U.S. RELATIONS COMMITTEE MEETING**

### **A. Chris Sands, *Johns Hopkins University***

- There is a common perception that relations between Canada and the United States have become less harmonious during the President Obama/Prime Minister Harper era.
- Disagreements over the Keystone XL pipeline proposal and U.S. country-of-origin labelling requirements are believed to be among the main causes behind the change in bilateral relations.
- On each side of the border, there appears to be a different perception of the worsening bilateral relationship; as both countries approach their respective national elections, Canadian politicians are expressing concern about relations with the United States, while U.S. presidential candidates have used Canada to demonstrate their ability to handle international relations, which indicates that they are less aware of growing disagreements with Canada.
- The problems between Canada and the United States stem from both countries.
- Every U.S. president since Bill Clinton has found himself dealing with Canada in an intensive way, even if he had not intended to do so.
- The *North American Free Trade Agreement's* (NAFTA's) working groups have evolved significantly over the course of different administrations.
- The next U.S. president will have to decide whether to de-prioritize or deepen relations with Canada.
- Legislators should be proactive about issues of concern for Canada–U.S. relations in order to advance the bilateral agenda most effectively during this time of political change.

### **B. Eric Miller, *Canadian Council of Chief Executives***

- The Canada–U.S. Beyond the Border Action Plan has advanced bilateral relations, most notably through the preclearance agreement, which has yet to be signed by the U.S. Congress and the Canadian Parliament.
- The Trans-Pacific Partnership will have a significant impact on Canada–U.S. trade, and will change the way that NAFTA operates.
- The Canada–U.S. border continues to operate the way that it has for decades; there is a need for more bilateral action to improve border management, including through the following:
  - more information-sharing practices and technologies along the entire supply chain to facilitate border-crossing logistics;
  - through public–private partnerships, investments in better cross-border infrastructure and services to address congestion and improve the experience of those crossing the border;

- closer regulatory cooperation among states and provinces, especially in the energy and manufacturing sectors, which should be regulated consistently across North America;
- processes to standardize skills and training requirements across North America, and to expedite the cross-border movement of workers for professional development; and
- regular initiatives to promote North American trade and investment internationally.

**C. Ron Rienas, *Peace Bridge Authority***

- An estimated 3 million trucks cross the Niagara Falls border crossing every year.
- A pre-inspection concept was recently tested on the Canadian side of the border in Niagara Falls.
- With the Niagara Falls pre-inspection concept, if an inspection results in a truck being cleared in Canada, an electronic release notification would be sent to the U.S. side of the border, allowing that truck to cross faster; in other cases, the truck would have to go through a secondary inspection in the United States.
- The Niagara Falls pre-inspection concept had a number of unintended benefits; for example, it was an opportunity to collect data on the process and duration of border operations, and it revealed discrepancies between the Canadian and U.S. information technology systems that need to be addressed.
- Waiting times need to be reduced at every border-crossing booth, which can be done by performing various border-crossing processes simultaneously.
- There is not enough space on the Buffalo side of the Niagara Falls border crossing to add new booths; new border infrastructure can be added on the Canadian side only.
- Passports are an outdated technology; Canada could facilitate crossing of the Niagara Falls border by adopting radio-frequency identification technology, which is already being used on the U.S. side of the border.
- Investing in modern border technology is more productive than investing in new border infrastructure.
- NEXUS should be promoted in both Canada and the United States in order to facilitate crossing of the shared border.

**D. Edgar E. Courtemanch, *Amtrak***

- Land–rail–marine border preclearance will have a number of benefits, including the following:
  - strengthening border security by allowing customs officers to interview passengers in advance, with full access to the information systems of border agencies;
  - improving the experience of cross-border travellers by reducing border crossing-related delays; and

- increasing the ridership and revenue of land–rail transit operators by improving the convenience of cross-border travel.
- Border preclearance for rail travel has been a challenge due to insufficient investment in services and infrastructure; funding to construct new infrastructure and the staffing of facilities is a major challenge for all states and provinces.
- Border infrastructure and processes are particularly unsatisfactory in the eastern U.S. states and Canadian provinces; they are generally time-consuming and unpredictable.
- There is a need for a standardized procedure to improve crossing of the border in all Canada–U.S. regions.

## **OPENING KEYNOTE ADDRESS: ADVANCING AMERICA’S ECONOMIC FUTURE**

### **A. Matthew Slaughter, *Dartmouth College, National Bureau of Economic Research and Council on Foreign Relations***

- The economic growth rate in the United States is declining relative to the previous 50 years, primarily due to a significant slowdown in productivity growth, but also because of a slowdown in the growth rate of the labour force.
- The distribution of income is uneven in the U.S., and earnings are declining relative to educational attainment.
- Between 2000 and 2013, by level of educational attainment, earning underwent the following change:
  - decreased by 5.8% for high school dropouts;
  - decreased by 6.7% for high school graduates;
  - decreased by 10.9% for employees with some college education;
  - decreased by 11.2% for college graduates;
  - decreased by 7.6% for employees holding a master’s degree;
  - increased by 4.5% for employees holding a Doctor of Philosophy (PhD); and
  - increased by 12.3% for employees with a Doctor of Medicine (MD) and/or Master of Business Administration (MBA).
- In 2013, the real median income for U.S. households was \$51,939, which is \$493 lower than the real median income in 1989.
- One of the biggest challenges in the United States is to create domestic jobs that are connected to dynamic and growing economies elsewhere in the world; global firms develop diverse opportunities around the world.
- As a result of the country’s aging population, the U.S. government will experience budgetary pressures as the cost of health care rises.

- There is a need for a constructive, non-partisan conversation about how to address the challenges associated with the United States' aging population while investing in education and youth development for the future economy.
- Americans are not as optimistic as they used to be; for example, consider the following survey results:
  - About 65% of Americans think the United States is in a state of decline.
  - About 62% of Americans think the United States is on the wrong track.
  - In 2014, 76% of Americans were not confident that their children will have a relatively better life, compared to 42% in 2001 and 45% in 1990.

## **GOVERNOR'S ROUNDTABLE: FROM RECOVERY TO PROSPERITY – BUILDING RESILIENT STATE ECONOMIES**

### **A. Honorable Dannel P. Malloy, *Governor of Connecticut***

- The State of Connecticut has developed new tools for economic development, particularly to promote small businesses and to support the manufacturing sector.
- Health care has been one of the fastest-growing sectors in Connecticut's economy, particularly the pharmaceutical, bio-science and health insurance sectors.
- Innovation has improved the efficiency of health care in the United States; the number of U.S. hospitals has declined threefold over the past 20 years, while health care employment has risen considerably.
- The United States is experiencing an outmigration of taxable entities within the pharmaceutical sector; there is a need to adjust corporate tax rates to sustain and attract domestic opportunities.
- De-industrialisation in the northeastern United States has reduced the rate of job growth; every state should do its part to invest in the right business and industrial opportunities for the benefit of the entire region.
- The best way to attract young people is to provide them with employment opportunities.
- Engineering skills are critical for the future competitiveness of the U.S. economy; states should do more to facilitate the employment prospects of immigrant engineers.
- Connecticut must do more to help its less privileged citizens; the state is home to some of the poorest U.S. cities, and has a large "achievement gap" from racial, geographic and financial perspectives.
- Early childhood education is critical for socioeconomic development, which is why Connecticut is investing to improve education from pre-kindergarten to grade 12.
- Connecticut's education system is still largely out of alignment with the needs of the labour market; more coordination is needed between schools and employers.

## **B. Honorable Jack Markell, *Governor of Delaware***

- The linkages between higher educational institutions and employers are strong in Delaware, which is attracting many businesses.
- Health care is a growing sector in Delaware, and contributes to the creation of many jobs.
- Delaware needs to transform the way in which its health care system is delivered and financed; the current funding system relies largely on taxpayers.
- There is a “disconnect” between the cost and quality of health care in Delaware, which makes the health care sector unsustainable.
- Many companies are leaving the United States to invest in more favourable economic environments in other countries; legislators should be careful about the impacts of their policies on business retention.
- Delaware is determined to create jobs that attract young employees; the state is experiencing an out-migration of those who are young and an in-migration of those who are old.
- As more people move to Delaware, the homebuilding and services sectors will flourish.
- States need to raise academic standards by improving teacher preparation programs, investing in systems to monitor student progress and achievement, and promoting foreign language education.
- States need to improve academic performance and outcomes by prioritizing early childhood education, facilitating college preparation for low-income high school students, and aligning schooling systems with the needs of the U.S. labour market.

## **C. Matthew Slaughter, *Dartmouth College***

- Young people care about higher education, and are often attracted to the risks associated with entrepreneurship and business development.
- It is important to foster a business environment that encourages entrepreneurship and facilitates business start-ups for young employees.
- The United States needs to simplify its corporate tax rates, like other countries have done.
- Education should be linked to the global labour market in order to attract young employees with an interest in global opportunities.

## **LUNCHEON PLENARY: RAISING THE MINIMUM WAGE**

### **A. Jeff Furman, *Ben & Jerry's***

- Income inequality exists in the United States; governments must take action to increase the minimum wage in order to help narrow the gap between the rich and the poor.



- U.S. society only questions the desires of the less privileged to earn higher wages; the paycheques and benefits of wealthier individuals, such as chief executive officers, do not undergo the same scrutiny.
- Legislators should demonstrate compassion in their approach to the minimum wage debate.

**B. Michael R. Strain, *American Enterprise Institute***

- U.S. public policy should focus on helping those who are the most in need, especially given the country's difficult economic conditions since the 2007–2008 financial crisis.
- Businesses bear the cost of a higher minimum wage; public policy should focus on helping the unemployed by creating jobs, as opposed to raising the cost of hiring for businesses.
- Given the current economic climate in the United States, legislators should err on the side of caution by not raising the minimum wage.
- There is a social responsibility to address inequality in the United States, but raising the minimum wage is not the only policy tool that would achieve this goal; income tax credits can be an alternative policy tool.
- Everyone – not just businesses – should bear the cost of the minimum wage.

**C. Gabe Morgan, *Service Employees International Union***

- The U.S. labour market has not been very effective in promoting income equality.
- It is difficult for people who lack sufficient qualifications to “work their way” out of poverty; on the other hand, U.S. culture does not “take issue with” people making too much money.
- The income gap between the rich and the poor in the United States has become too big; one of the biggest challenges that needs to be addressed is the “disconnect” between most employees and their employers.
- If the government does not increase the minimum wage, more people will continue to work hard and stay poor.
- The U.S. government spends a significant amount to support various sectors, but spending on social resources is insufficient to address economic inequality.
- A failure to raise the minimum wage has resulted in the greatest economic inequality in U.S. history.
- Internationally, many countries with minimum wages that are higher than those in the United States have lower income inequality.

**D. Anthony Wedo, *Ovation Brands***

- Economic growth is the only way to improve a country's economy.

- Over-regulation and significant government intervention in the daily lives of citizens has not, in the past, improved economic conditions; legislators must eliminate policies that inhibit business development.
- Raising the minimum wage would discourage businesses from investing in the United States, prompting them to move to countries that have better investment climates.
- Employers will raise wages “naturally” based on business performance.
- Legislators could promote economic growth by engaging businesses in the policy-making process, especially regarding employment policies.
- Legislators should avoid compromising the success of the free market system for the sake of managing a temporary period of economic decline.

## **PLENARY SESSION: JOBS, ECONOMIC DEVELOPMENT, AND THE RAIL-SUPPLY INDUSTRY**

### **A. Rudy Husband, *Norfolk Southern***

- Under U.S. federal law, the transportation of crude oil is assured, as long as regulatory requirements and packaging standards are met.
- Legislators and the media are often critical of the transportation of crude oil by rail, mainly due to safety concerns.
- The transportation of crude oil by rail is safe; about 99.99% of all hazardous materials reach their destination without incident.
- More regulatory intervention in the freight rail sector would affect how companies choose to invest in various states.

### **B. Bernard Reynolds, *Amtrak***

- Encouraging passenger rail is an area where government policy can play a major role in supporting the rail sector.

### **C. John Cohen, *Alstom***

- The “boom-bust cycle” is the most dangerous challenge facing rail equipment suppliers; human resources planning operates on a long-term, six-year cycle, and therefore requires a regular supply of funds.
- There is a shortage of skilled workers for the rail equipment supply sector; ensuring a high retention rate is important for human resource management, but difficult to implement due to the lack of sustainable funding.
- There is a need for long-term, predictable funding in order to help rail equipment suppliers mitigate the uncertainties associated with the “boom-bust cycle.”
- The multiplier effect in the rail equipment supply sector is significant; for every \$1 that communities invest in public transportation, approximately \$4 is generated in economic returns.

- While the railway supply chain is national, it is also regional and local in terms of technology clusters, skill sets and, therefore, opportunities for innovation and job creation.

**D. Bruce Burkhardt, *Polycorp, Ontario***

- Government funding leads to innovation, product development and job creation in the railway sector.
- In the 1970s, government funding to improve the safety of railway crossings changed the lives of people by making communities safer.
- Government funding can contribute to long-lasting advancements in the railway sector.

**PLENARY SESSION: RACE, DIVERSITY, AND THE NEW AMERICA – FRAMING THE PUBLIC CONVERSATION**

**A. Senator Catherine Pugh, *National Black Caucus of State Legislators***

- There is an apparent racial divide between communities and police departments, with – for example – 83% of state police in Maryland being of European descent.
- There is a need for some type of regular psychological evaluation for police officers who go on patrol; the goal is to ensure that they are not prone to racist behaviour.
- While every community needs policing, equality and safety, there is no consensus on how to address the issue of racism within police forces across the United States.
- Many people of African descent die unarmed in “mass shootings” by the police, which implies that some officers may have an instilled fear of ethnic minorities.
- Wealth creation and economic development opportunities are not equally available to all racial groups in the United States.
- Education alone is not enough to address racism in the United States; more needs to be done to address the lack of inclusion of ethnic minorities in the labour force.
- Helping those who are the least privileged improves the wellbeing of the entire society; for example, helping ex-offenders open businesses and find employment is likely to mitigate their marginalization and, hence, their likelihood of committing further offences.

**B. Representative Talmadge Branch, *National Caucus of Native American State Legislators***

- Many young people who live in less privileged communities attribute the high rates of crime to the lack of recreational and drug treatment facilities in those communities.
- States must do more to keep youth occupied and off the streets.
- There is a need to support the inclusion of ethnic minorities in all U.S. institutions.
- Each ethnic group has different needs, and these needs should be addressed separately.

- Each community should “do its part” to address the specific needs facing its particular ethnic mix.

**C. Senator Kelvin Atkinson, *Council of State Governments National Vice-Chair***

- Education is critical to addressing violence and racial tensions in the United States.
- Regardless of their level of education, parents must be involved in the youth-awareness process.
- There is a need for employment opportunities for young people; youth unemployment often leads to other social problems, such as drug use and street violence.
- There is a significant lack of opportunities for youth after their school day ends; communities must ensure that opportunities are available in order to keep young people off the streets and out of trouble.
- There is a drug problem in the northeastern United States that needs to be addressed; currently, the number of drug users is too high.
- There is an over-representation of ethnic groups, most notably individuals of South American and African descent, in U.S. jails.
- States need to revisit mandatory sentences to allow judges more leeway in the determination of penalties for different offenders.
- Diversity comes in different forms, including through immigration, which has contributed significantly to U.S. economic growth.
- The United States needs to support more of its citizens in the pursuit of science, mathematics and engineering education.

**D. Linda Julius, *DuPont***

- By 2044, minority groups in the United States are projected to become the majority population.

**LUNCHEON PLENARY: IMPLICATIONS OF THE ATTACK ON FACT IN POLITICS**

**A. Kathleen Hall Jamieson, *Annenberg Public Policy Center***

- Since legislators and the public often are not clear about the scientific evidence in relation to a particular topic, the result may be misguided policy decisions, with potentially dangerous consequences.
- The media expose only stereotypes of politicians, thereby over-simplifying the complexity of the U.S. policy-making process.
- The public should be made more aware of the complexities involved in making policy decisions.
- Legislators should clarify policy debates and rely more on factual evidence.

- The communication of scientific findings to legislators should be improved in order to avoid the misuse of facts.
- Scientists should be able to retract scientific announcements more efficiently in cases where new evidence supersedes older findings.

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

## Members of the Eastern Regional Conference (ERC) of the Council of State Governments'

### U.S. States

- Connecticut
- Delaware
- Maine
- Maryland
- Massachusetts
- New Hampshire
- New Jersey
- New York
- Pennsylvania
- Puerto Rico
- Rhode Island
- U.S. Virgin Islands
- Vermont

### Canadian Provinces

- New Brunswick
- Nova Scotia
- Ontario
- Prince Edward Island
- Quebec

## Travel Costs

<b>ASSOCIATION</b>	Canada-United States Inter-Parliamentary Group
<b>ACTIVITY</b>	55th Annual Meeting and Regional Policy Forum of the Council of State Governments' Eastern Regional Conference (ERC)
<b>DESTINATION</b>	Wilmington, Delaware, United States of America
<b>DATES</b>	16–19 August 2015
<b>DELEGATION</b>	
SENATE	Hon. Bob Runciman, Senator Hon. David P. Smith, Senator Hon. David M. Wells, Senator
HOUSE OF COMMONS	
STAFF	Mr. Mohamed Zakzouk, Advisor
<b>TRANSPORTATION</b>	<b>\$ 4,745.02</b>
<b>ACCOMMODATION</b>	<b>\$ 3,650.14</b>
<b>HOSPITALITY</b>	<b>\$ 0.00</b>
<b>PER DIEMS</b>	<b>\$ 1,278.47</b>
<b>OFFICIAL GIFTS</b>	<b>\$ 0.00</b>
<b>MISCELLANEOUS / REGISTRATION FEES</b>	<b>\$ 1,874.98</b>
<b>TOTAL</b>	<b>\$11,548.61</b>