

Canada - United States
Inter-Parliamentary Group
Canadian Section



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Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Council of State
Governments – Eastern Regional Conference:
48th Annual Meeting**

Canada-United States Inter-Parliamentary Group

**Atlantic City, New Jersey, United States of America
August 10-13, 2008**

Report

INTRODUCTION

From the 10-13 August 2008, the Honourable Carol Skelton, P.C., M.P. and Mr. Guy André, M.P., represented the Canada-United States Inter-Parliamentary Group (IPG) at the 2008 Annual Meeting of the Council of State Governments – Eastern Regional Conference (CRG/ERC) in Atlantic City, New Jersey.

The CSG/ERC is made up of 17 member jurisdictions. These jurisdictions include the 10 northeastern states, from Maine to Delaware, Puerto Rico, the U.S. Virgin Islands, and the Canadian Provinces of Quebec, New Brunswick, Newfoundland and Labrador, Ontario, Nova Scotia and Prince Edward Island.

This year's annual meeting dealt with a variety of topics including energy, transportation and Canada-U.S. relations.

ENERGY

Panel discussions focussed on two energy-related issues – the high cost of heating fuel, and renewable energy sources. With regard to heating fuel, experts participating in the energy panel stated that while oil prices have slid from their historic highs earlier in the summer, households in the Northeast are still going to be paying record prices to heat their homes this winter.

The average household is expected to pay 30 to 50 percent more than last winter for heating oil and approximately 35 percent more for natural gas. These high prices will hit lower-income households particularly hard, and could force many cash-strapped families to choose between essentials like energy and food, unless they can get financial assistance to cover the increased cost of heating fuel.

Mark Wolfe, Executive Director of the National Energy Assistance Directors' Association (NEADA) noted that in the past, many families have relied on the Federal Low-Income Home Energy Assistance Program (LIHEAP) for aid, but this year, the funds will fall far short of need unless Congress votes to increase spending.

In the area of renewable energy, discussions highlighted the efforts made by the states through innovation, policy and investments to advance the use of renewables for power generation. It was pointed out that over half of the states in the region have renewable portfolio standards (RPS), or requirements for utilities to utilize renewable energy to meet a portion of their electricity sales by a certain date. States are actively engaged in meetings these objectives and have achieved some technological progress in developing renewable energy.

Representatives from New Jersey noted that their state had made considerable progress this year in advancing the use of renewables. Governor Jon Corzine of New Jersey released an energy Master Plan that calls for a 22.5% increase in renewable energy sources by the year 2020. The State passed important legislation, including the *Global Warming Response Act* and joined the Regional Greenhouse Gas Initiative, to further the state's ambitious environmental and energy objectives. Jeanne Fox, president of the New Jersey Board of Public Utilities, told the delegates that if New

Jersey faces today's energy challenges effectively, it would have an unprecedented opportunity to position the state to better compete in the regional and global economy.

While delegates welcomed these initiatives, they voiced some concerns over inadequate funding for renewables and the fact that the timetable for implementing renewable energy sources varied from state to state. They also pointed out that with regard to the Renewable Portfolio Standards, there was no mechanism in the standards to make states comply. In order to further develop renewables, delegates called upon the states to provide tax credits, institute renewable energy zones and put more investment into renewable energy.

TRANSPORTATION POLICY

Frank McArdle from the National Surface Transportation Policy and Revenue Commission opened this session by providing a bleak outlook on the state of transportation infrastructure. He stated that in terms of substance, policy and finance, America's infrastructure is broken. Spending on infrastructure has not kept pace with population and economic growth.

McArdle told the delegates that in order to address this issue it is critical to understand, that, at the end of the day, transportation is vital to the economy. He called for substantial private sector transportation investment, the setting of national infrastructure standards, increased federal funding for transportation projects, and the establishment of a body outside of the legislative process to examine user fees and set transportation rates.

CANADA – U.S. RELATIONS

This session addressed the subject of NAFTA and its benefits to both Canada and the United States. Officials from the U.S. Department of State told delegates that contrary to the opinion of some critics, NAFTA has added jobs and dramatically increased trade relations, and boosted commerce between Canada, the United States and Mexico.

The officials pointed out that exports of manufactured goods, mineral fuels, oil and steel are up dramatically as a direct result of NAFTA. The officials also noted that the U.S. embassy issued more than 150,000 work visas to Canadians last year and more than 200,000 to Mexicans during that same period.

The officials noted however, that the agreement faces challenges regarding border security, the environment and Great Lakes water issues. While the three countries met in New Orleans this past April to find solutions to these challenges, including establishing energy standards, developing a regulatory cooperation framework and creating joint regulatory decisions on new pesticide approvals, more needs to be done to resolve the irritants among the countries.

Delegates urged federal officials to continue to work with Mexican and Canadian leaders to support the agreement. They believe that what is required is strong leadership that can make the case that NAFTA can provide opportunities that enhance the regions' compositeness in the world, not the reverse.

MEETING RESOLUTIONS

There were a number of resolutions adopted at the annual meeting, including:

1. Supporting a National Transportation System

Given the critical importance of the transportation system to the economy through the movement of goods and people and the fact that transportation infrastructure faces a critical lack of funding, the CSG/ERG urges Congress to consider on embarking on a joint venture with the states to create a sustainable surface transportation system.

2. Supporting A Robust Program Of Financial Investment In Mega Transportation Projects

Given that the improvements needed for air, highway, rail, sea and waterway transportation systems are often complex and costly for state agencies to undertake and that mega projects often involve several political jurisdictions, the CSG/ERC advocates that newly authorized funding sources, eligibility criteria and support for institutional mechanisms involving all levels of government as well as the private sector, are urgently needed for undertaking critical, large-scale improvements in key transportation infrastructure areas and especially nationally significant corridors.

3. Supporting A Major Focus On Transportation Operations

Given that highway and rail congestion increases the cost of doing business and weakens the economic vitality and global competitiveness of the northeast states, and that in May 2006, the US Department of Transportation announced its National Strategy to Reduce Congestion on America's Transportation Network (a major component of this is the Urban Partnership Agreement through which the Department partners with certain metropolitan areas in order to demonstrate strategies with proven effectiveness in reducing congestion), the CSG/ERC expresses support for increased investment in transportation operations and the principles contained in the Urban Partnership Agreement.

4. Promoting Efficient Freight Rail Transportation

Given that the federal government has a direct interest in promoting efficient freight transport and that the rail freight network requires substantial private capital investment in its infrastructure, the CSG/ERG urges Congress to consider legislative initiatives, such as an investment tax credit program, that will encourage private investment of national significance to expand the national railroad capacity and reject efforts to alter the current regulatory system which would discourage investment in rail infrastructure.

5. Low-Income Home Energy Assistance Program (LIHEAP)

Given that the Low-Income Energy Assistance Program (LIHEAP) has been effective and successful in meeting the energy needs of low-income elderly, disabled, and poor working households; and all home heating fuels are expected to rise this winter; and the energy burden in the Northeast is higher than in other parts of the country due to cold winters and the lack of subsidized federal power; the CSG/ERG urges Congress to

increase funding for the LIHEAP by \$3.14 billion in FY 08 and provide full funding of \$5.1 billion for FY 09.

CONCLUSIONS

Delegates stressed that the issues raised at the Annual Meeting needed to be addressed on a bi-partisan basis and in cooperation with the federal government and the private sector. Transportation and energy issues are too important and too large to be addressed at only the state level. A coordinated approach among all the stakeholders was seen by the participants as the only realistic way to deal with these issues.

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
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Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Council of State Governments – Eastern Regional Conference: 48 th Annual Meeting
DESTINATION	Atlantic City, New Jersey, United States of America
DATES	August 10-13, 2008
DELEGATION	
SENATE	Ø
HOUSE OF COMMONS	Hon. Carol Skelton, P.C, M.P. Mr. Guy André, M.P.
STAFF	Ms. Émilie Thivierge, Executive Secretary Mr. John Christopher, analyst
TRANSPORTATION	\$5,248.73
ACCOMMODATION	\$7,084.25
HOSPITALITY	\$Ø
PER DIEMS	\$1,171.55
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$2,060.80
TOTAL	\$15,565.33