

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 68th Annual Meeting of the
Council of State Governments–WEST (CSG-WEST)**

Canada-United States Inter-Parliamentary Group

**Vail, Colorado, United States of America
28-31 July, 2015**

Report

DELEGATION MEMBERS AND STAFF

From 28–31 July 2015, the Canadian Section of the Canada–United States Inter-Parliamentary Group was represented at the 68th Annual Meeting of the Council of State Governments–WEST (CSG-WEST) in Vail, Colorado by Senators Jean-Guy Dagenais and Percy Downe, and Ms. Lise St.-Denis, M.P. The delegation was accompanied by the Canadian Section’s Senior Advisor, Ms. June Dewetering.

THE EVENT

CSG-WEST is a non-partisan organization comprised of the legislatures of the 13 western U.S. states (see the Appendix); British Columbia and Alberta are associate members. It meets annually and – with one exception to date – in the United States; in 2012, the annual meeting was held in Edmonton, Alberta.

CSG-WEST has nine standing committees, as well as WESTRENDS, the Western Legislative Academy, the Border Legislative Conference and the Legislative Council on River Governance. The nine standing committees are:

- Agriculture & Water;
- Canada Relations;
- Education & Workforce Development;
- Energy & Environment;
- Finance;
- Health & Human Services;
- Public Safety;
- State & Federal Relations; and
- Transportation & Economic Development.

DELEGATION OBJECTIVES FOR THE EVENT

Canada and the 13 U.S. states represented in CSG-WEST share a mutually beneficial relationship, and the relatively recent establishment of the Canada Relations Committee has been an important development, as it provides a focused opportunity to discuss topics of joint Canada–U.S. interest.

The interaction with state legislators enables members of the IPG’s Canadian Section to achieve better the aims 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 state legislators provide members of the Canadian Section with an important means to provide input to, and gather information about, state-level issues that affect Canada. The Canadian Section expects to continue its attendance at CSG-WEST's annual meetings.

At this meeting, Senator Downe was a presenter at the North American Summit, where he discussed the June 2015 report by the Standing Senate Committee on Foreign Affairs and International Trade entitled *North American Neighbours: Maximizing Opportunities and Strengthening Cooperation for a More Prosperous Future*.

ACTIVITIES AT THE EVENT

At the 2015 annual meeting of CSG-WEST, each of CSG-WEST's standing committees held a meeting, legislative training occurred, and the following plenary sessions were held:

- Keynote Speaker: Jeremy Bloom, Integrate;
- Keynote Speaker: Kirk Shireman, National Aeronautics and Space Administration;
- Keynote Speaker: Jeanette Walls, Author and Journalist; and
- Keynote Speaker: Adam Schrager, Author and Journalist.

The standing committee sessions were:

- Agriculture & Water:
 - Honeybees
 - Drought
 - Federal Water Policy.
- Canada Relations:
 - Controlling Aquatic Invasive Species
 - Oil & Gas Pipeline Maintenance
 - Cross-border Labour Mobility.
- Education & Workforce Development:
 - Closing the Achievement Gap
 - Non-cognitive Factors in Student Performance Related to College Readiness
 - Implications of School Choice on Funding, Integration and Achievement
 - Reauthorization of the *Elementary and Secondary Education Act*.
- Energy & Environment:

- Listing Status of the Greater Sage Grouse
- State Impacts of the U.S. Environmental Protection Agency's Carbon Rules.
- Finance:
 - States' Development of Rainy Day Funds
 - Implications for State Budgets of Medicaid Expansion
 - Innovative Approaches to Budget Trend Analysis.
- Health & Human Services:
 - Safety Net Medical Home Initiative
 - Seniors Managing Chronic Conditions and Aging Well in Their Communities.
- Public Safety:
 - Council of State Governments Justice Center
 - Best Practices in Community Policing
 - Role of States in Strengthening Law Enforcement Standards and Training.
- State & Federal Relations:
 - Council of State Governments Federalism Task Force
 - White House Regulatory Review Office
 - H.R. 50, the Unfunded Mandates Information and Transparency Act
 - Potential Impacts of Recent Supreme Court Rulings on State and Local Governments.
- Transportation & Economic Development:
 - Federal Transportation Funding
 - Rail Safety
 - Aerospace Industry in the U.S. West.

WESTRENDS held discussions on the following topics:

- Recreational Marijuana Use
- Trends in Endangered Species Listings.

The National Hispanic Caucus of State Legislators heard presentations on the following issues:

- Protecting Consumer Data
- Preventing Identity Theft.

Finally, the North American Summit heard presentations on the following topics:

- *North American Neighbours: Maximizing Opportunities and Strengthening Cooperation for a More Prosperous Future*
- United States–Mexico Relationship
- Canada–United States Relationship
- Canada–United States–Mexico Relationship
- Future of the North American Region.

This report summarizes the discussions that occurred at selected sessions.

KEYNOTE SPEAKER

Jeffrey Bloom, *Integrate*

- Everyone reaches a point in his/her life when he/she “hits rock bottom”; at that point, it is important to make decisions and “move on.”
- Being “engaged,” feeling important and having an active mind can contribute to better health.
- The following factors contribute to success:
 - Lead with performance and establish the right culture.
 - Be entrepreneurial and learn from missteps.
 - Take personal responsibility.
 - Be creative.
 - Be humble, and focus on a common goal.
- A leader faces obstacles and identifies how they can be overcome.
- Ego can be destructive.

UPDATE ON FEDERAL TRANSPORTATION POLICY

Sean Slone, *Council of State Governments*

- The U.S. Highway Trust Fund is in financial difficulty.
- Sustainable funding is needed for transportation in the United States.
- Uncertainty at the federal level about transportation funding is affecting state transportation projects.
- Some states are taking action to increase funds for transportation, including through increasing gas tax rates, establishing fees in certain areas and/or raising existing fees.

PASSENGER AND FREIGHT RAIL SAFETY

Lisa Stabler, *Transportation Technology Center, Inc.*

- North America has an integrated freight rail system, and most railways are for-profit, private-sector entities.
- Railroads' scale enables efficiency elsewhere in the economy; for example, one railcar of coal is equivalent to electricity for 60 homes for one year.
- Freight rail is a very safe way to transport goods and has significant environmental benefits; railroads are four times more fuel-efficient than trucks.

AEROSPACE IN THE WEST

Joe Rice, *Lockheed Martin Space Systems*

- States affect the environment within which businesses, including those in the aerospace sector, operate.
- At the beginning of the "space age," there were two nations capable of putting people into space: the United States and the Union of Soviet Socialist Republics; now, the two countries that can do so are Russia and China, and the United States should be bothered by this reality for reasons that include the following:
 - national security;
 - economic security; and
 - technological benefits.
- The United States is putting astronauts into space by paying Russia \$72 million per person; this amount is taken out of the U.S. economy and is added to the Russian economy.
- The United States needs a national space program; "space" is important for reasons that include the following:
 - national security;
 - economic security;
 - weather forecasting;
 - innovation; and
 - technological benefits.

Charles Huettner, *Aerospace States Association*

- Small and medium-sized manufacturing firms are a critical part of the U.S. aerospace sector; according to evidence, some of these firms are struggling, and are looking for partnership opportunities.
- With retirements and an insufficient number of people with the right skills "in the pipeline," the aerospace sector has workforce challenges.

- Science, technology, engineering and mathematics are important for developing the workforce of the future.
- Clusters are networks of related sectors that connect manufacturers, suppliers, service providers, etc.; they promote efficiency and specialization, lead to innovation and employment growth, bring about lower costs, and enhance prosperity and national security.
- Good clusters start with a proactive government that provides political and economic stability; as well, such clusters engage stakeholders with a view to building on complementarities.
- Clusters in growing sectors are important to sustaining regional economies.

Arthur Maples, *National Aeronautics and Space Administration*

- Technology affects everyone.
- Satellite-based tools can help to detect fires nationwide and predict their behaviour, and has agricultural applications as well.
- The National Aeronautics and Space Administration is changing; for example, it is engaging in commercial partnerships, participating in hosted payloads and “ride shares,” partnering in co-development of some technologies and applications, and involving itself in crowdsourcing.

CURRENT BEEKEEPING ISSUES IN COLORADO

Al Summers, *Ichiban Apiculture and Honey Company*

- There are two types of beekeepers:
 - recreational/hobbyist; or
 - commercial operator.
- There is a link between pollinators and pesticides, and there is some concern about a decline in pollinators; that said, banning pesticides is not a viable solution, as some pesticides are required.
- Honeybee colonies are declining throughout the United States.
- There is a need for greater research into ways in which to control parasites and other threats to honeybees, which are not indigenous to the United States; education for new beekeepers is also required.

FEDERAL WATER POLICY UPDATE: WATERS OF THE UNITED STATES AND FOREST SERVICE GROUNDWATER DIRECTIVE

Tony Willardson, *Western States Water Council*

- The United States has an artificial hydrology system; wetlands, perennial cold-water fisheries, etc. have been “created.”
- The U.S. West’s future growth and prosperity depend on the availability of an adequate quantity of water that is of a suitable quality.
- States have primary responsibility for managing water resources, although federal water-related issues of concern include the following:
 - clean water;
 - the treatment of tribes;
 - water transfer rules;
 - groundwater directives; and
 - *Endangered Species Act* protections.
- Federal and state governments should set goals in relation to clean water, and should identify the steps and actions needed to attain those goals.
- Regarding water, a “one size fits all” approach is difficult to implement, as water situations are very diverse across states.
- More and better information is needed to make water-related policy decisions; for example, information is needed on water use, water rights and water availability.
- The physical availability of water is not necessarily aligned with the legal availability of water.
- In the U.S. West, water use is shifting from agricultural to other uses.

WESTERN GOVERNORS’ DROUGHT FORUM: KEY THEMES FOR DROUGHT RESPONSE IN THE WEST

Carlee Brown, *Western Governors’ Association*

- Work done by the Western Governors’ Association on the issue of drought has resulted in the identification of the following seven themes:
 - data and analysis;
 - produced, reused and brackish water;
 - forest health and soil stewardship;
 - water conservation and efficiency;
 - infrastructure and investments;
 - working within institutional frameworks; and
 - communication and collaboration.
- In relation to the seven themes that emerged from the work done by the Western Governors’ Association on the issue of drought, the next steps are the following:

- data and analysis – the use of geographical information systems;
- produced, reused and brackish water – more information and analysis, both federally and in relation to each state;
- forest health and soil stewardship – work with the U.S. National Oceanic and Atmospheric Administration and state fire personnel;
- water conservation and efficiency – prepare a policy brief;
- infrastructure and investments – prepare a policy brief and examine public-private partnerships for water-related investments;
- working within institutional frameworks – prepare a report in relation to states and emergency drought declarations; and
- communication and collaboration – continue to work on the online resource library.

KEYNOTE SPEAKER

Kirk Shireman, *National Aeronautics and Space Administration*

- The National Aeronautics and Space Administration has 10 space flight centres.
- Because of the pictures that have been taken, the Hubble space telescope has changed the way in which the world is viewed.
- Both the Hubble space telescope and the Cassini spacecraft continue to collect valuable data.
- Human space flight is “alive and well”; consider the International Space Station, on which humans have consistently lived since November 2000 and which is essentially a laboratory that is the size of a football field.
- The International Space Station is a notable example of international cooperation among Canada, Russia, Japan, the United States and Europe.
- The National Aeronautics and Space Administration is looking for partners to help put humans in deep space.

BRIEF OVERVIEW OF CSG’S JUSTICE CENTER

Marshall Clement, *Council of State Governments Justice Center*

- Increasing attention is being paid to justice issues, and there is national momentum for criminal justice reform.
- In essence, the United States has 51 different criminal justice systems, and a national consensus is lacking about the nature and extent of criminal justice reforms.
- About 25% of the world’s prisoners are held in the United States, and U.S. incarceration rates have quadrupled in the last 40 years.

HOW STATES ARE USING DATA TO REDUCE SPENDING ON CORRECTIONS AND INCREASE PUBLIC SAFETY

Marshall Clement, *Council of State Governments Justice Center*

- Nationwide, states are using data, technology and evidence-based practices to undertake meaningful reform regarding criminal justice.
- Successful criminal justice reforms require the following:
 - strong leadership;
 - broad stakeholder engagement;
 - comprehensive data analysis; and
 - the incentivization of positive outcomes.

Representative Eric Hutchings, *Utah House of Representatives*

- Strong leadership is needed when criminal justice reforms are undertaken.
- Research and data are important when developing criminal justice reforms.
- In some states, including Utah, the focus is shifting from using “bigger sticks” to facilitating re-entry into society when someone is released from prison or jail; in that regard, an important focus is actions that are taken during the period of incarceration with a view to facilitating re-entry.
- The first 90 days following release from incarceration is critical in ensuring sustained change and avoiding recidivism.
- For people who are truly criminogenic, a “big stick” is important in changing behaviour; for people with substance abuse problems or mental health issues, a “stick” may make the situation worse, as they are not criminals and incarcerating them next to “true criminals” could change a drug offender into a criminal drug offender.

Senator Will Espero, *Hawaii State Senate*

- Citizens understand the need to rehabilitate inmates and assist in their re-entry to society.
- If recidivism rates can be reduced, funding can be reallocated from prisons and jails to such other purposes as health and education.
- Governments have a responsibility to “do the best that they can” for the people in their custody.

WHAT IS THE ROLE OF STATES TO STRENGTHEN LAW ENFORCEMENT STANDARDS AND CAPACITY TRAINING?

Gerard Murphy, *Council of State Governments Justice Center*

- There is a need to improve law enforcement agencies' ability to respond to individuals who have mental disorders.
- States have a role to play in strengthening law enforcement standards and the capacity to undertake training.
- In the wake of a number of incidents between citizens and law enforcement personnel, there has been increased use of body-worn cameras by the latter; by May 2015, 34 U.S. states had proposed legislation regarding body-worn cameras.
- There are possible benefits of body-worn cameras and/or a body-worn camera program, including the following:
 - reducing complaints;
 - resolving incidents;
 - improving the performance of law enforcement officers; and
 - providing evidence.
- Despite possible benefits of body-worn cameras and/or a body-worn camera program, there are a variety of considerations, including the following:
 - privacy;
 - positive and negative impacts on community relationships;
 - management of the expectations of law enforcement officers, the community, the media and legislators;
 - financing cameras, as well as data management and storage.
- There is a need to improve and expand the training of law enforcement personnel, and to identify and share best practices in relation to community policing.
- On 18 December 2014, the President's Task Force on 21st Century Policing was established; the Task Force's final report, which was released on 18 May 2015, identified the following six "pillars":
 - building trust and legitimacy;
 - policy and oversight;
 - technology and social media;
 - community policing and crime reduction;
 - training and education; and
 - officer wellness and safety.

KEYNOTE SPEAKER

Jeanette Walls, *Author and Journalist*

- It is hard to run continuously from the truth.
- People should face their fears, and not run away from their “demons.”
- Everything in life is both a blessing and a curse.
- Increased understanding leads to increased compassion.
- Rather than helping people, consider ways to give people a way to help themselves.

THE ALBERTA AQUATIC INVASIVE SPECIES PROGRAM: A MODEL IN PARTNERSHIP

Dave Stepnisky, *Alberta Environment and Parks*

- Aquatic invasive species:
 - are non-native;
 - have few or no natural predators; and
 - pose significant risks to the economy, environment or human health.
- In the last several decades, there has been significant growth in global trade, which has led to the introduction of some invasive fish, molluscs and plants.
- Most movements of aquatic invasive species occur unintentionally, such as on buoys, monitoring equipment and the hulls of boats, and in ballast water.
- Quagga mussels and zebra mussels are examples of aquatic invasive species that are found in both Canada and the United States; they have significant economic, ecological and social impacts.
- Alberta has an aquatic invasive species program that involves partnerships, education and outreach.
- Alberta has a watercraft inspection initiative from mid-May to Labour Day with permanent and roving inspection stations, as well as scent dogs that help to find quagga mussels and zebra mussels.
- As an approach to addressing aquatic invasive species, the following three actions are relevant:
 - prevent;
 - monitor; and
 - respond.

- Cross-jurisdictional partnerships in relation to aquatic invasive species enable the following:
 - successes and failures to be shared in order to improve programs;
 - programs to be aligned for consistent messaging;
 - greater cost-effectiveness through the sharing of resources;
 - the pooling of expertise; and
 - the leveraging of political and financial support.
- Future actions in relation to aquatic invasive species include the following:
 - increased compliance and enforcement efforts;
 - efforts to secure dedicated and sustained funding;
 - additional engagement with stakeholders;
 - a continued focus on partnerships; and
 - the development of response plans.

CROSS BORDER MOBILITY

Stephen Cryne, *Canadian Employee Relocation Council*

- North American competitiveness requires cross-border labour mobility so that the right people with the right skills are in the right place at the right time.
- The *North American Free Trade Agreement* (NAFTA) was negotiated at a different time; now, with the mobility of capital, the mobility of labour is needed too.
- The labour mobility provisions in the comprehensive economic and trade agreement negotiated between Canada and the European Union are better than those in NAFTA.
- There are five megatrends for the future that will affect labour:
 - globalization 2.0;
 - demographic change;
 - individualism and values;
 - technology and the digital age; and
 - the knowledge-based economy.
- The demand for “talent” is global.
- In a number of developing countries, the middle class is growing.
- Many of the largest public companies are located in Asia.

- India is the only country that is expected to have population growth between now and 2050.
- Those in “Generation Y” are not interested in leadership positions in organizations.
- Many individuals are seeking employment opportunities that offer self-development and that facilitate achievement of their life goals.
- The world is in the midst of a technological revolution that eclipses the industrial revolution.
- About two thirds of the world’s population has access to a mobile phone and about one third has access to the Internet.
- Businesses are concerned about the availability of key skills on a global basis, and some believe that governments are not doing enough to enable labour mobility; consequently, they believe that barriers to that mobility should be reduced.
- Demand is rising for knowledge workers and those who have a skilled trades qualification.
- About one third of employers have job vacancies that they cannot fill, and there are about 200 million people worldwide who are unemployed; there is a surplus of low-skilled workers, and shortages of middle- and highly skilled workers.
- Enhanced labour mobility would achieve the following:
 - the development of a “talent pipeline”;
 - greater business success; and
 - enhanced competitiveness.
- Actions that would enhance labour mobility include the following:
 - the negotiation of trade agreements that support labour mobility;
 - alignment of tax, social security and health care policies; and
 - supports in relation to spousal employment.
- The Beyond the Border initiative between Canada and the United States is focused on the movement of people and goods, and some progress is being made in relation to the former, including a trusted employer concept; that said, cross-border mobility is vitally important to the economies of both countries and barriers continue to exist.

OIL & GAS PIPELINE MAINTENANCE AND SAFETY

Andrew Black, *Association of Oil Pipe Lines*

- Pipelines are a North American “story.”
- North America needs more pipelines.

- Pipelines are the safest and most cost-effective mode for transporting crude oil and petroleum products.
- In 2014, more than \$2.2 billion was spent on pipeline integrity management.
- U.S. federal regulations require pipeline operators to assess their pipelines for safety, and to take appropriate corrective actions.

Chris Hoidal, U.S. Department of Transportation

- People and the environment need to be protected from the risks inherent in moving oil and gas by pipeline.
- Regulators and governments ensure that pipeline operators take responsibility for managing the risks associated with their pipelines.
- Many of the pipelines that exist today were constructed in the 1950s or 1960s.
- While pipelines are currently being constructed, additional construction is needed.
- The U.S. federal government partners with states to enforce federal regulations in relation to pipelines, and state regulations can supplement federal regulations.
- Data can help to ensure a sharp focus on key pipeline-related risks, and to develop “solutions” to detect and characterize risks.

Kipton Wills, U.S. Department of Transportation

- The movement of petroleum products by rail is rising.
- A comprehensive approach to rail safety includes the following elements:
 - proper classification of items being moved;
 - operational controls;
 - tank car integrity;
 - rail line integrity; and
 - emergency response.
- The United States and Canada are working together to harmonize rail safety rules and regulations.
- High-hazard flammable products have enhanced tank car standards and operational controls.

REPORT – NORTH AMERICAN NEIGHBOURS: MAXIMIZING OPPORTUNITIES AND STRENGTHENING COOPERATION FOR A MORE PROSPEROUS FUTURE

Senator Percy Downe, Senate of Canada

- In June 2015, the Canadian Standing Senate Committee on Foreign Affairs and International Trade released its report entitled *North American Neighbours: Maximizing Opportunities and Strengthening Cooperation for a More Prosperous Future*; the Committee’s study involved eight meetings with business representatives, current and former government officials, think tank representatives and academics, and the report includes nine recommendations.
- The title of the Committee’s report is especially apt, as it focuses on the following four key realities:
 - Canada, the United States and Mexico share the North American “space,” and are neighbours.
 - As the NAFTA countries – as a three-nation bloc – think about the future, there should be a focus on maximizing existing and emerging opportunities together, as the three countries are stronger together than each is individually.
 - Although the three NAFTA countries already cooperate bilaterally and trilaterally in a range of areas, there is a need to strengthen cooperation in some areas, and to begin a relationship – with strong cooperation – in other areas.
 - A more prosperous future is desirable for residents, businesses and communities in Canada, the United States and Mexico.
- The Committee’s report begins by stating a reality that is known but sometimes forgotten – the three NAFTA countries are democracies that share a continent, similar values, and trade and other linkages – and goes on to highlight a reality that will be important for North America’s future: the North American relationship is not realizing its full potential, and changes that have occurred within the three countries since NAFTA was implemented in 1994 call for new measures to ensure that North America remains globally competitive.
- Canada’s relationship with Mexico should be an important focus in the future even as Canada continues to build on its existing relationship with the United States; an improved Canada–Mexico relationship could enable more meaningful engagement among all three NAFTA countries.
- The Committee’s report identifies the Canada–Mexico relationship as having untapped potential, and notes the potential benefits of bilateral cooperation and collaboration in the following areas:
 - energy, especially in light of recent structural reforms to Mexico’s energy sector, but also in the mining, financial services, infrastructure and agriculture sectors, as well as in a number of specific manufacturing subsectors;

- people-to-people ties, where there is a clear need for Canadians and Mexicans to know each other better, including through academic exchanges;
 - security and rule of law, which is an area in which Canada has assisted Mexico in the past; and
 - the requirement for some Mexican nationals to have a visa to visit Canada, which may be a bilateral irritant that overwhelms all others.
- The Committee's report makes the following five recommendations in relation to the Canada–Mexico relationship:
 - pursue closer ties and engage strategically with Mexico on issues of mutual concern;
 - prioritize opportunities in Mexico's energy sector, and engage with Canadian businesses and associations;
 - leverage the benefits of international educational cooperation and undertake specific education-related actions;
 - explore bilateral cooperation on governance, security and rule of law issues of mutual interest; and
 - build on recent efforts designed to ease the travel of Mexicans to Canada and work with the Mexican government to remove remaining barriers.
- In noting the significant untapped potential in the Canada–Mexico relationship, the Committee's report suggests that building that relationship further – from the economic, diplomatic and other perspectives – must be a priority, especially in light of Mexico's reforms, growing middle class, and youthful and increasingly well educated population.
- Another chapter in the Committee's report discusses the neighbour that Canada and Mexico have in common: the United States; in 2014, the United States was the largest trading partner for both countries, and a significant volume and value of trade crosses the borders that the United States has with each country.
- Regardless of the diplomatic, trade and other efforts that Canada directs elsewhere in the world, the United States will always be important to Canada as an ally and trading partner, and attention must be paid to the United States even as opportunities in other regions are being pursued; the Committee's witnesses commented, in particular, on vigilance in responding to trade restrictions, proactivity in advocating economic integration, and continued efforts directed to the Beyond the Border and Regulatory Cooperation Council initiatives.
- Within the North American “space,” and recognizing the bilateral regulatory harmonization efforts that Canada and Mexico have with the United States, the Committee's report recommends the pursuit of trilateral regulatory harmonization; the objective is to create efficiencies and lower costs in the trade of goods and services throughout North America, thereby reducing costs and increasing prosperity.

- The final substantive chapter in the Committee’s report focuses on a new North American relationship; in the Committee’s view, there is significant potential for further cooperation among the three NAFTA countries, especially through new and innovative approaches to North American engagement.
- At a time of increased competition and regionalism elsewhere in the world, further and deeper cooperation within the North American continent is needed for the benefit of residents and businesses in all three countries.
- One area highlighted by the Committee’s witnesses was the need for subnational governments – Canada’s provinces and territories – to work with the federal government in helping Canada to realize its goals in North America; believing that this approach is sound, the Committee’s report recommends federal collaboration with the provinces and territories with a view to leveraging all existing trade and diplomatic representation, and improved coordination with other levels of government on a range of issue.
- A common theme discussed by the Committee’s witnesses was the extent to which conversations occur – or should occur – bilaterally between Canada and the United States and between Mexico and the United States, or trilaterally among all three countries; a number of the witnesses advocated doing what “makes sense” on any particular issue, and the Committee’s report notes that it is possible for measures that begin bilaterally to become trilateral.
- The Committee’s witnesses also commented on the need for, and benefits of, effective Canadian representation in foreign countries, including the United States and Mexico; in recognizing the clear need for Canada to engage meaningfully with the United States and Mexico if economic, trade, security and other priorities are to be realized, the Committee’s report recommends that Canada’s federal government maintain an effective diplomatic network in the United States and Mexico, and that the federal government develop and apply innovative tools and emerging forms of engagement to leverage Canada’s diplomatic network in those two countries to respond to the needs of the business community.
- The final recommendation in the Committee’s report – efforts directed to the establishment of a new North American energy task force that would, among other things, develop a continent-wide energy cooperation and competitiveness roadmap – was motivated by the view that there is significant potential for cooperation between Canada and Mexico on energy issues, and that all NAFTA countries share a common energy goal: energy security for the continent.
- Energy security is a key contributor to economic security, and economic security contributes to a higher quality of life and standard of living.

THE U.S.–MEXICO RELATIONSHIP IN THE CONTEXT OF OUR NORTH AMERICA

Congressman Agustin Barrios Gomez, *Federal Congress of Mexico*

- There is a need to engage with all stakeholders that are relevant to the trilateral relationship among Mexico, the United States and Canada; North America is a win-win region, and the countries are natural allies and have shared values, including freedom and democracy.
- If the three NAFTA countries work together, they will form the strongest bloc in the world.
- In December 2014, at the behest of Mexico, the first-ever meeting among federal legislators from the three NAFTA countries was held.
- Mexico has recently undertaken structural reforms in the following 11 areas:
 - energy;
 - telecommunications;
 - economic competition;
 - financial;
 - taxation;
 - labour;
 - education;
 - criminal procedure;
 - political-electoral;
 - transparency; and
 - appeal law.
- The Mexico–U.S. relationship is the most intense relationship between any two countries worldwide; the countries do not just trade together: they make things together.
- About 1 million people cross the Mexico–U.S. border each day, and one port of entry on the border will soon accommodate 43 lanes of traffic.
- Among all countries, Mexico has the largest consular presence in the United States.

PERSPECTIVES ON THE NORTH AMERICAN RELATIONSHIP

Marcy Grossman, *Government of Canada*

- The NAFTA relationship is a model for the world, including because of the three countries' successful economic and security relationships.
- Canada–U.S. trade is valued at \$759 billion per year, \$2.1 billion per day or \$1.4 million per minute.

- Canada is the primary foreign export market for 35 U.S. states.
- Canada and the United States share the world's longest border, which is crossed by 400,000 people daily.
- Canada and the United States work closely together on defence issues, including through the North American Aerospace Defense Command, and a threat to either country is a threat to both countries.
- Canada–Mexico trade is valued at \$34.3 billion per year.
- Mexico is the second most popular tourism destination for Canadians.
- Efficiencies make countries more competitive, and integration leads to greater security and stability.
- As it is not possible to produce everything domestically, trade is needed, but it must be fair and transparent.
- If they result in an agreement, the Trans-Pacific Partnership (TPP) negotiations are potentially “game-changing.”
- Canada has the world's third-largest proven reserves of oil and the world's largest deposits of high-grade uranium; as well, Canada is the world's third-largest producer of natural gas, and produces 10% of the world's hydroelectricity.
- The Keystone XL pipeline is important for energy security and North American energy independence.

Carlos Bello, *Government of the Republic of Mexico*

- Immigrants, including from Mexico, make important contributions to the U.S. economy.
- Mexico is a stable democracy and has a gross domestic product exceeding \$1.35 trillion annually.
- Mexico has 12 free trade agreements with 44 countries, and the country's trade with the United States is valued at \$70,000 per second; its trade with the United States is second to Canada.
- As Mexico and the United States are in the same time zone, it is easy to do business.
- Free trade agreements and trade alliances are important, and benefits and disadvantages must be balanced.
- Countries can be stronger when they work together, and the NAFTA countries are partners that must work together to be more competitive than the European Union and Asia.

- Recently, the following 11 areas have undergone structural reform in Mexico:
 - energy;
 - telecommunications;
 - economic competition;
 - financial;
 - taxation;
 - labour;
 - education;
 - criminal procedure;
 - political-electoral;
 - transparency; and
 - appeal law.

WHAT'S NEXT FOR NORTH AMERICA?

Leslie Blakey, *Coalition for America's Gateways and Trade Corridors*

- In the 20 years since NAFTA's implementation, North American trade has tripled and 40 million jobs have been created in the three NAFTA countries; that said, some social displacement has occurred, leading to some opposition to trade negotiations and agreements.
- Supply chains exist throughout North America.
- Recently, near-shoring and re-shoring have occurred in the United States because of such considerations as:
 - quicker time to market;
 - lower costs;
 - higher product quality;
 - an ability to have greater control; and
 - an enhanced ability to protect intellectual property.
- To enhance North American success, the following actions are needed:
 - Gather those who share a common vision for North American prosperity.
 - Create a high-level, focused initiative to facilitate research and dialogue, and to form the basis of "new thinking" at the national level in the three NAFTA countries.
 - Ensure that the high-level initiative is supported by the public and private sectors.

Pedro Noyola, *aklara*

- North American economic integration is an ongoing process characterized by both inertia and deliberate action; while the negotiation of NAFTA was a deliberate action, the period since its implementation has been characterized by inertia.
- NAFTA can be judged in terms of its effect on the following:
 - openness;
 - competitiveness; and
 - competition and transparency.
- There is a compelling demographic argument for keeping the North American region together.
- There is a need for better logistics within North America.
- A TPP agreement could render NAFTA anachronistic.
- The development of a North American customs union should be considered.

KEYNOTE SPEAKER

Adam Schrager, *Author and Journalist*

- The terrorist attacks of 11 September 2001 are among the seminal moments in U.S. history.
- President Theodore Roosevelt said that there is no room in the United States for “hyphenated” Americans.
- An important question is: with what are citizens comfortable in the efforts to remain safe; for example, are Americans comfortable having their phone records searched?
- In one survey, two thirds of Americans said that they do not trust their elected officials, and leaders have become followers of public opinion.

SECURING ONLINE TRANSACTIONS

Tom Gannon, *MasterCard Corporation*

- Investments in payment card security are occurring.
- As fraudsters are very sophisticated, payment security is evolving as threats continue to evolve.

CYBER-INFORMATION SECURITY

Murray Johnston, *Experian PLC*

- Identity theft is the largest category of complaints received by the U.S. Federal Trade Commission.
- A national security breach notification law is needed.
- At the state level, the three responses to identity theft are:
 - credit freeze laws;
 - security breach notification requirements; and
 - information safeguards.
- Policy makers expect organizations to have a plan in place to address data breaches.
- It is important to detect identity theft early and to respond to the situation quickly.
- Passwords should be strong, and should include numbers, symbols, and both upper- and lower-case letters.
- Information security is an ongoing process.

Respectfully submitted,

Hon. Janis G. Johnson,
Senator, Co-Chair
Canada-United States
Inter-Parliamentary Group

Gord Brown, M.P.
Co-Chair
Canada-United States
Inter-Parliamentary Group

Appendix

States represented in the Council of State Governments-WEST (CSG-WEST)

Alaska

Nevada

Arizona

New Mexico

California

Oregon

Colorado

Utah

Hawaii

Washington

Idaho

Montana

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	68th Annual Meeting of the Council of State Governments – WEST (CSG-WEST)
DESTINATION	Vail, Colorado, United States of America
DATES	28–31 July 2015
DELEGATION	
SENATE	Hon. Jean-Guy Dagenais, Senator Hon. Percy Downe, Senator
HOUSE OF COMMONS	Ms. Lise St.-Denis, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$ 7,993.60
ACCOMMODATION	\$ 4,222.52
HOSPITALITY	\$ 0.00
PER DIEMS	\$ 1,322.18
OFFICIAL GIFTS	\$ 0.00
MISCELLANEOUS / REGISTRATION FEES	\$ 1,462.02
TOTAL	\$15,000.32