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 Pacific NorthWest Economic Region (PNWER) - 20th Annual Summit Canada-United States Inter-Parliamentary Group Calgary, Alberta, Canada July 16-20, 2010

Report

DELEGATION MEMBERS AND STAFF

From July 16-20, 2010, the Honourable Wilfred Moore, Q.C., Senator from Nova Scotia, the Honourable Raynell Andreychuk, Senator from Saskatchewan, the Honourable Hedy Fry, P.C., M.P. and Mr. LaVar Payne, M.P. represented the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) at the 20th Annual Summit of the Pacific NorthWest Economic Region (PNWER) in Calgary, Alberta. They were accompanied by the Canadian Section's Executive Secretary, Mr. Chad Mariage, and one of its Advisors, Mr. John Christopher.

THE EVENT

Established in 1991, PNWER is a statutory, bilateral, regional, private-public sector group that includes Alaska, Idaho, Montana, Washington, Oregon, British Columbia, Alberta, Saskatchewan, Yukon and the Northwest Territories. The aims of the organization are to:

- promote greater regional collaboration,
- enhance the competitiveness of the region in domestic and international markets,
- leverage regional influence in Ottawa and Washington, D.C., and
- achieve continued economic growth while maintaining the region's natural environment.

The next annual summit will be held in July 2011 in Portland, Oregon.

DELEGATION OBJECTIVES FOR THE EVENT

The Canada-United States Inter-Parliamentary Group 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.

In addition to regular meetings with their federal counterparts, in recent years, members of the Canadian Section of the IPG have attended meetings of private-public sector groups, such as PNWER. At events such as these, Canadian delegates take the opportunity to engage in conversations that will help achieve the Canadian Section's objectives, and to communicate the nature and scope of the bilateral relationship.

At the 2010 Annual Summit, delegates had a number of opportunities to express their views and provide input on a variety of topics. They considered attendance at the meeting to be a prime opportunity to meet with state and provincial legislators as well as representatives of the private sector from a number of jurisdictions, to enhance Canada-U.S. relations and to provide a sound basis for working on issues that are common to both countries. The Canadian Section of the IPG intends to attend PNWER's future annual summits and to continue its work in advocating Canadian interests.

ACTIVITIES DURING THE EVENT

During PNWER's 2010 Annual Summit, a number of policy tours were held and the following plenary and concurrent discussions occurred:

- Border Issues
- Trade and Economic Development, including Green Jobs as well as Asia-Pacific Trade
- Energy I, including the Legislative Energy Horizon Institute, the Emerging Role of North American Natural Gas, the Growing Importance of On-shore Oil Supplies for North America, and Carbon Capture and Sequestration
- Invasive Species, including State/Provincial Invasive Species Control Efforts and Methods for Funding Invasive Species Programs, Cross-border Weed Management, Firewood Exchange Program, Weed-free Hay Program and the Economic Impact of Invasive Species with a Focus on Dreissenid Mussels in the Columbia River Basin
- Transportation, including Trade Patterns and Inland Development, Saskatchewan's Inland Gateway, Developing the Arctic and High-speed Rail
- Disaster Resilience, including Collaborating to Develop a Cross-border Regional Resilience Strategy, Pacific Northwest Border Health Alliance and Comprehensive Community Bio-event Resilience Action Plan
- Energy II: Renewables, including Integrating Variable Renewables
- Sustainable Development, including What Does Sustainability Mean to Canada's Largest Companies, and Challenges, Constraints and Cultivation

- Mental Health and Addictions in the Workplace, including Psychologically Healthy Workplaces, What Does Science Tell Us, and Employer Responses and New Resources

- Tourism, including Bi-national Coastal Tourism, and Utilizing Social Media for Communication and Marketing

- Water Policy, including Columbia River Treaty, Adaption and Sustainability, Crown of the Continent, and British Columbia's Living Water Smart Program, Water Act Modernization Process and the Water Science Strategy

- Workforce/Northern Development, including PNWER Workforce Mobility Working Group, Challenges and Opportunities for Cross-border Workforce Mobility, Petroleum Market Issues & Supply Solutions Report, State/Provincial/Territorial Collaboration on Workforce Training/Education and Mobility, Licensing of Trade Workers, Engineering and Other Professionals Used in a Cross-border Capacity, and Leveraging Current Regional Expertise through Workforce Mobility and Training/Education

- Agriculture/Cross-border Livestock Health, including Electronic Health Certification in Canada and the United States, Small Ruminant Market Access Restoration, Anaplasmosis, Brucellosis, Lessons Learned About H1N1, and Emergency Response Preparedness Regarding Food and Mouth Disease

- Arctic Caucus

- Healthcare, including Tele-health, Tele-care and Self-care Technologies, Technologies for the Future Health System and Border Health Issues

- Energy III: Regional Transmission, including Resources and Load, Expansion of Markets Through Transmission Technologies, and Key Transmission Projects and their Status

- Environment, including Oil Sands Opportunities and Environmental Challenges, Industry's View of Oil Sands Challenges and Opportunities, Water Issues and Actions, Air Quality/Greenhouse Gas Issues and Actions, and A Look Ahead at Oil Sands Development and Environmental Stewardship

- Innovation, including Provincial Innovation Perspectives, Dynamics of Private Sector Investment in Innovation, and Innovation & Social Network Analysis Techniques and Unique Nanotechnology Development
- Bio Energy in the West, including the U.S. and Canadian Policy Framework, Innovative Companies Developing, Serving and Building Cross-border Bio-energy Markets, Research, Innovation and Early-Stage Commercialization, Procurement Opportunities and Market Demand
- Legislative Energy Horizon Institute: A PNWER Success Story, and
- The Global Economic Outlook: How Sustainable Is This Expansion?

This report summarizes the presentations that were made and discussions that occurred at selected sessions during the 2010 Annual Summit, which was focused on "An Energized Outlook: Leading the Way" and which dealt with the topics of border issues, renewable energy and the oil sands.

BORDER ISSUES

Discussions on border issues centred on a shared approach to border management. Participants stressed that the three "pillars" that are necessary in achieving this goal are sharing information, working together and managing the shared border jointly. As well, they identified a number of initiatives that they believe are part of a broader new border vision that would provide for the ease of movement for people and goods as well as enhanced security on the northern border.

Discussants also emphasized the importance of regional input in developing a border that "works" for communities and commerce while maintaining public safety using a risk-based approach. As part of this approach, delegates supported a redesign of NEXUS with stakeholder collaboration in order to increase efficiencies at the common border. In their view, as part of this redesign, provision should be made for a renewal process, review of NEXUS's zero-tolerance policy and the development of an appeals process.

Participants also noted that secure border programs, such as Free and Secure Trade (FAST) should reflect returns for the industries participating in the program in order to decrease barriers at the border. They also stressed that PNWER should work with the U.S. Department of Homeland Security (DHS) in the development of specific policy goals in the creation of a northern strategy.

Finally, participants proposed three elements that, in their view, are key to a new vision for the shared border:

- the border needs to be completely “fluid” and anything that threatens this fluidity should be addressed by both nations,
- since regions are the incubators of innovation, they should be encouraged to develop regional pilot plans and solutions that work for their border issues, and
- the more that is done away from the border, the greater are the opportunities for border facilitation of legitimate goods and travel.

RENEWABLE ENERGY

Notwithstanding the reality that oil will continue to play a significant role in North America’s future energy mix, PNWER places a high priority on the development of renewable energy sources. Much emphasis was placed on integrating renewable with conventional energy sources. Discussions centred on wind energy and some of the problems associated with wind technology.

Participants noted that while significant progress had been made in the development of wind farms in the past decade, many difficult issues still exist for this energy source. Challenges include:

- the inability to store wind power,
- the variability and lack of predictability of wind,
- the lack of adequate transmission lines to carry wind power to the grid, and
- imprecise forecasting of wind.

According to discussants, transmission has become a key stumbling block to increasing the development of wind power. As one delegate stated, “we’ve built a transcontinental railway, we’ve built highways, but we still haven’t figured out how to build an integrated transmission grid.” Participants went on to state that, for example, wind power needs to be captured whenever and wherever the wind blows, and be delivered where it is needed. While it is technically possible to capture and deliver wind power, changes are needed in the way transmission is structured; as well, changes are needed to the control, management and pricing of the systems.

According to one participant, the lack of integration of energy systems across jurisdictions, the lack of storage, and the existence of a system that is designed to move a constant flow of power rather than the intermittent power of wind and solar are major challenges that must be overcome in the shift to a less carbon-intensive future. Other

participants noted that there are significant policy considerations and a need for timely, coordinated and coherent policy action to launch the required mix of resource development and transmission expansion.

Finally, discussants advocated cross-border cooperation to bring renewable energy online successfully. Without cooperation between and among regions as well as collaboration on regulations, the movement of power on power grids between Canada and the U.S. Pacific Northwest will take years and be prohibitively expensive.

THE OIL SANDS

Alberta has the second-largest proven oil reserves in the world, the majority of which is located in the oil sands. Participants noted that oil sands development brings vast benefits to Alberta and Canada in terms of royalties, tax revenue, jobs and investment. They pointed out, for example, that oil sands production is expected to provide 450,000 jobs across Canada annually for the next 25 years. In addition, it was stated that every $1 invested in oil sands production creates approximately $9 in economic activity, one third of which is outside Alberta.

That being said, discussants also shared their view that there are still significant challenges associated with bringing oil from oil sands production to the market. For example, they identified the technical and economic difficulties associated with extraction in light of the size and nature of the oil sands. In addition, in their view, new and better ways must be found to:

- reclaim land more quickly once a site is no longer active,
- reduce further the volume of fresh water used in oil sands production while increasing the share of recycled and non-potable water that is used,
- decrease the size of tailing ponds while furthering new processes that will eliminate the need for large-scale ponds, and
- increase energy efficiency and lower greenhouse gas emissions per barrel of production.

Presentations by industry representatives identified a number of initiatives that are being undertaken to address the issues highlighted above. For example, regarding land reclamation, it was noted that there is a legal obligation to return all disturbed land to a productive state. Moreover, participants were told that Alberta is investing in research and development, and is working to enhance reclamation policies and practices by emphasizing the use of progressive reclamation practices; with this approach, reclamation work on a site begins before operations are completed.

According to discussants, while water is required for all energy production, maintaining good water quality as well as ensuring more efficient and limited use of fresh water are among the most important challenges that must be met in oil sands production. Participants were informed that comprehensive laws and policies, independent and cooperative monitoring efforts by government, industry and stakeholder groups, and innovation in research and industrial practices are constantly occurring in an effort to ensure that the environmental impacts associated with oil sands production are mitigated and, to the extent possible, avoided. As one participant noted, use of fresh water by mature oil sands operations continues to decrease despite significant increases in production; as well, many in situ projects recycle up to 90% of the water used in operations and use deep-well saline water as an alternative to fresh water wherever possible.

Participants stated that tailings management remains one of the most difficult environmental challenges associated with oil sands production. They indicated that there are currently more than 130 kilometres of tailing ponds in Alberta, and participants were told that, in February 2009, the government of Alberta announced aggressive criteria for managing tailings, pursuant to which:

- companies must reduce tailings as well as provide target dates for closure and reclamation of ponds,
- companies must, between 2012 and 2016, implement plans that virtually eliminate growth in fluid tailings,
- industry must, after 2016, process fluid tailings at the same rate at which these tailings are produced,
- regulators must work with industry on aggressive plans to deal with current tailings – or legacy – ponds, and
- industry must have effective bird deterrence systems in place.

Government representatives told participants that the government of Alberta is working with those in the oil sands industry and researchers to develop new tailings performance criteria, management technologies, and practical solutions to reduce and potentially eliminate tailings ponds as they are known today.

Regarding reduced greenhouse gas emissions, discussants stated that, while greenhouse gas emissions per barrel associated with oil sands production continue to decrease, overall emissions are growing as production increases to meet a growing global demand for energy. Participants learned that the government of Alberta is regulating these emissions and is the only North American jurisdiction with mandatory

reduction targets for large emitters across all sectors, a measure that is bolstered by investments in clean energy technology to reduce per barrel emissions.

In concluding this session, participants acknowledged that, despite existing actions designed to ensure that oil sands production is environmentally sustainable, greater efforts are required. Moreover, discussants noted that government, the oil sands industry and research centres are committed to working together to meet the challenges associated with oil sands production. Finally, they suggested that, in the past two decades, there have been remarkable gains in production efficiency, with fewer emissions as well as less energy and water needed to produce a barrel of oil from the oil sands.

Respectfully submitted,

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

Gord Brown, M.P.
Co-Chair
Canada-United States
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Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	20th Annual Summit of the Pacific NorthWest Economic Region (PNWER)
DESTINATION	Calgary, Alberta, Canada
DATES	July 16-20, 2010
DELEGATION	
SENATE	Hon. Wilfred P. Moore, Q.C., Senator and Hon. Raynell Andreychuk, Senator
HOUSE OF COMMONS	Hon. Hedy Fry, P.C., M.P. and Mr. LaVar Payne, M.P.
STAFF	Mr. Chad Mariage, Executive Secretary Mr. John Christopher, Advisor
TRANSPORTATION	**$1,645.00**
ACCOMMODATION	**$5,207.42**
HOSPITALITY	**$ Ø**
PER DIEMS	**$1,547.85**
OFFICIAL GIFTS	**$ Ø**
MISCELLANEOUS/REGISTRATION FEES	**$3,461.70**
TOTAL	**$11,861.97**