

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation to the
Pacific NorthWest Economic Region (PNWER) 21st Annual
Summit**

Canada-United States Inter-Parliamentary Group

**Portland, Oregon, United States of America
July 19-22, 2011**

Report

DELEGATION MEMBERS AND STAFF

From July 19-22, 2011, Mr. Ron Cannan, M.P., Vice-Chair led a delegation from the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) to the 21st Annual Summit of the Pacific NorthWest Economic Region (PNWER) in Portland, Oregon. The other members of the delegation were the Honourable Raynell Andreychuk, Senator, the Honourable Wilfred Moore, Q.C., Senator, the Honourable Hedy Fry, P.C., M.P. and the Honourable Rob Merrifield, P.C., M.P. They were accompanied by the Canadian Section's Executive Secretary, Ms. Angela Crandall and, and Mr. James Lee, Advisor to the Canadian Section.

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.

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 2011 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-US 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 2011 Annual Summit, a number of policy tours were held, keynote presentations were made and concurrent discussions occurred in the following areas:

- Legislative Energy Horizon Institute
- Transportation Institute
- Trade and Economic Development
- Renewable Energy
- Tourism
- Transportation
- Disaster Resilience: Energy Assurance
- Workforce
- Invasive Species
- Arctic Caucus
- Energy
- Columbia River Treaty Symposium
- Cross-Border Livestock Health
- Sustainable Development
- Washington/Regional Legislative Hearing on Innovation
- Border Solutions Council
- Natural Resource Development: Mining
- Innovation
- Ocean Energy
- Energy Storage
- Alternative Fuel Vehicles: Natural Gas Vehicles
- Alternative Fuel Vehicles: Electric Vehicles
- Water Policy
- Cross-Border Livestock Health
- Health Care
- Women in Natural Resources

This report summarizes the presentations that were made and discussions that occurred at selected sessions during the 2011 Annual Summit, which was entitled "A Toast to Innovation."

WELCOMING REMARKS

Governor John Kitzhaber, *Governor of Oregon*

- The transportation system in Oregon is not sustainable in the long term
- The challenge of leadership is to describe a "new growth" model in such a way that people will be comfortable with it
- We should focus on the goal, and mitigating any problems in the transition to it
- Ask whether you are part of the problem, and foster discussion
- Things are not "bad"; the world is changing, so the tools must change as well

TRADE AND ECONOMIC DEVELOPMENT WORKING GROUP

Promoting Competitiveness in the US-Canada Supply Chain

Courtney Gregoire, *US Department of Commerce*

- President Obama announced the National Export Initiative (NEI) in his State of the Union Address in January 2010, with the “ambitious but attainable” goal of doubling exports over the next five years
- While exports accounted for about 10% of US gross domestic product (GDP) in 2010, about 1% of US companies are exporting, and 58% of these companies export to one market
- The NEI has five areas:
 - advocacy and trade promotion
 - export financing and credit
 - removing barriers to trade
 - enforcing trade laws to level the playing field
 - pursuing policies at the global level for balanced growth
- As the United States does advocacy, Canada comes to mind first; 19.5% of US exports went to Canada in 2010
- The February 2011 announcement about a Canada-US perimeter security and economic competitiveness agenda was important
- While some banks in the US will not fund businesses to expand abroad, the US Department of Commerce does outreach and encourages dialogue among banks
- the NEI will hopefully raise the level of the debate about trade issues in the United States
- Business travel is important
- Tourism is an export as well
- Visa problems keep foreign buyers from entering the United States
- There is “regulatory overkill” in terms of the inspection of agricultural and food products; there should be mutual recognition of inspection systems
- The export.gov website is designed to help educate companies, but Canadian virtual trade counsellors were light years ahead of what the US government is doing
- People need to change the way that they think about trade and export; the next generation, including those in technical colleges, should be encouraged
- All of the issues raised here today are interrelated—economic development cannot occur in a silo

Honourable Rob Merrifield, *Canadian House of Commons*

- PNWER has always been forward-thinking, identifying problems, finding solutions and concentrating on implementation
- Canada-US trade has doubled since implementation of the *North American Free Trade Agreement*; 70.4% of Canadian exports went to the United States in 2010, and Canada was the primary foreign export market for 34 US states was in the top three of 12 other states

- Most Americans do not know much about Canada, and Canadians really do not know enough about Americans
- Trade between Canada and the United States has *declined* in this region since 2000;
- Since September 11, 2001, security has “trumped” trade
- It is not possible for a country to tax its way to prosperity; instead, it must *grow*
- The border between Canada and the United States must be “thinned” and it must be made safer
- Terrorists must be stopped outside North America through a perimeter approach to security
- China is an opportunity, as are India and Brazil
- One question is how Canada and the United States can capitalize on opportunities; the two countries do not just trade with each other: they also build things together and must be competitive
- Focus on the key irritants and look for solutions
- The Doha Round of World Trade Organization negotiations and trade deal between Canada and the United States is coming
- Goods move across the shared Canada-US border much more easily than do business people, and a ten-year business visa has recently been announced
- Labour mobility problems among Canadian provinces have started to be addressed
- Canada is good in terms of research, but weak in terms of development
- Economic growth will come from Asia, India and South America, and the states, provinces and businesses in PNWER can capitalize on this growth

The New West Partnership and its Role in Economic Development and Trade

Honourable Iris Evans, *Government of Alberta*

- The 2010 New West Partnership is made up of three western provinces – Alberta, Saskatchewan, British Columbia – with a combined population of 9 million and gross domestic product of about \$500 billion; it is Canada’s largest interprovincial free trade zone
- There are four agreements within the New West Partnership, and they address:
 - economics – trade, investment, labour mobility, etc.
 - international cooperation – greater access to priority markets,
 - innovation, and
 - procurement
- Pursuing such a free trade zone strategy takes vision and resources
- An American dollar spent in Canada gets more return than a dollar spent in OPEC or in other countries

An Introduction to the Indian Market: Focus on Agriculture

Nithi Govindasamy, *Government of Saskatchewan*

- Many are starting to pay attention to Asia, including to India

- India is democratic, stable, has a strong rule of law, etc., which is good for business
- Saskatchewan is the most export-dependent of all provinces, and India is very important to Saskatchewan; exports to the country from the province have grown substantially
- Canada is in the process of negotiating a Free Trade Agreement with India
- India has food security problems, infrastructure problems, etc.
- The Indian middle class will grow
- Saskatchewan will lead economic growth in Canada in 2011 and 2012; the province has arable land, grows lentils and peas, has potash for fertilizer, etc.

Bernie Magnan, *Vancouver Board of Trade*

- India is large and it is difficult to get around the country because of its geography
- India had problems with the International Monetary Fund 20 years ago, but has had a modern economy since then
- Between 2000 and 2007, there was a lot of outsourcing to India
- India has a middle class of about 350 million individuals, which is 10 times larger than the middle class in Canada and is bigger than the middle class in the United States
- Key issues in India include:
 - an infrastructure deficit
 - handling growth
 - the size of government
 - inflation
 - an agrarian economy
 - trade barriers, including tariffs
 - traditions and culture
 - competition from China
- Opportunities for India include free trade agreements and commodity sales

KEYNOTE LUNCHEON

His Excellency Ambassador Gary Doer, *Canadian Ambassador to the United States*

- Hydroelectric power is renewable, and should be recognized as such
- There are at least three changes that are essential:
 - greater energy efficiency, including in respect of cars and trucks, is in progress
 - innovation to provide greater sustainability of oil, including regarding the oil sands,
 - energy and economic security (including recognizing that US pension funds are invested in the Canadian oil sands, etc.)
- Getting the Keystone XL pipeline approved will mean jobs
- The perimeter security and economic competitiveness agenda announced in February 2011 – including terrorism, cybersecurity, etc. – was based on the joint

experience of the North American Aerospace Defense Command (NORAD), Olympic Games security, etc.

Transportation Working Group

Roundtable with transportation legislators from the Cascade Corridor: Bi-national Update on Amtrak Cascades Service

Ralph Munro, *Talgo Train*:

- The Washington State legislature wanted faster rail, and got a positive response from Oregon and Canada

Denis Stevens, Consul General, *Consulate General of Canada, Seattle*:

- Another decision will be needed soon regarding service between the two countries

Bob Steele, *BC Ministry of Transport*:

- British Columbia's Ministry of Transportation has good cooperation with Washington State on rail issues
- There are two bodies for regional transportation planning:
 - British Columbia-Washington State Joint Transportation Executive Council
 - Joint Transportation Working Group
- High speed rail (Amtrak second train) annual ridership into British Columbia has increased significantly
- There are challenges associated with new trains

Oregon representative:

- What is needed is "more, better, faster"

Oregon senator:

- The most inefficient flights are "short hops," and there are lots of these in the Pacific Northwest region
- Europeans use rail for short hops
- There is a need for better Portland-Seattle rail service

Association of Oregon Rail Transport Advocates:

- Oregon has a funding problem
- Money is not allocated correctly; "connectivity" is needed
- The Columbia River Crossing (CRC) bridge could be done better with rail
- We would support a joint train authority in Washington and Oregon

Bernie Magnan, *Vancouver Board of Trade*:

- There is a need to move *both* people and freight, and separate rail lines might be an option

Coal, Grain, Wood and Potash: Where are they from and where are they going?

Bruce Cavella, IHS Global Insight

Global Economic overview

- An increase in the cost of oil reduces economic growth.
- The world economy has two speeds – advanced versus emerging markets – and these two speeds lead to very different policy challenges
- There is strong growth in the Asia-Pacific region, especially in China and in India
- The US recovery faces “headwinds”:
 - consumers and businesses remain cautious
 - there is no housing recovery
 - rising commodity prices are squeezing real incomes
 - the rise in oil prices could turn into a major shock
- The US recovery also faces “tailwinds:”
 - there is strong manufacturing growth
 - financial markets are healing
 - large businesses are “flush” with cash
 - consumer finances have strengthened
 - exports are contributing to growth
 - There is a lot of pent-up demand for housing
- Moderate economic growth will lead to a slow decline in the unemployment rate, perhaps reaching 5% by 2020
- The US recession will have a huge impact on Canada
- World trade volumes have recovered
- World trade will rise again, but not at the same growth rate as the last two decades
- Trade to Asia will dominate US Pacific North seaborne trade exports – Asia’s share will be nearly 90% by 2025
- US Pacific North exports to Asia in 2010, ranked by value:
 - grains
 - oil seeds
 - wood
 - animal feed
- Canada seaborne exports will nearly double by 2025, with Asia accounting for the largest share at 50% of the total
- Top Canadian seaborne exports by value to Asia in 2010:
 - Coal
 - Ores and scrap
 - Oil seeds
 - Grains
 - pulp
 - cork and wood

- fertilizer
- one question is whether the infrastructure, labour force, policy environment, etc. exists to meet these forecasts
- Overall, the recovery from the Great Recession continues
- There are two distinct balancing acts: don't stagnate, and don't overheat
- Greatest economic risks include higher oil prices, fiscal austerity and sovereign debt
- There is an opportunity for trade growth, particularly with Asia
 - Coal, grain, potash, wood will see significant growth in terms of exports
 - Are there additional opportunities with dried fruit and chemicals?
 - Is President Obama's National Export Initiative a factor?
 - What does potential trade growth mean for job creation?

Sam Ruda, *Port of Portland*:

- The Port of Portland is 105 miles upriver from the Pacific Ocean
- There are 4 railroads that can bring commodities to the port of Portland – two American, two Canadian

Coal

- Powder River Basin (PRB) coal is less expensive and easier to mine than Appalachian coal, etc., 30% less energy content, somewhat cleaner – it is also easier to mine, therefore the cost is lower
- Northeast Wyoming is the primary source of coal in the United States
- Coal is mostly used in making steel
- 50% of electricity generation in the United States comes from coal
- PRB coal production has grown significantly -- from 20 million short tons in 1980 to 450 million short tons in 2008
- PRB Coal for steel production had a 21% increase in the first quarter of 2011, while coal for power generation had a 160% increase
- Regarding coal activity in Pacific Northwest, there are two competing terminals in Washington State; Colorado coal goes through Houston
- It remains to be seen which alternative will succeed
- Is Powder River Basin coal plus rail the easiest alternative?

Potash

- Fertilizer is composed of nitrogen, phosphate and potassium
- Potash, which is also known as "wood ash," improves plant health and increases crop yields
- Canada has half of the global reserves of potash, with 75 billion tons in southern Saskatchewan (Campotex was formed in 1972); US potash reserves are too deep for economical mining
- Gateways for Potash export are Vancouver, BC and Portland
- 95% of Canadian potash moves by rail

Grain

- US grain export trends – wheat is steady, but due to Chinese demand soybeans and corn are growing

Terry Finn, *BNSF Railroad*:

- There is tremendous pressure to find a place for bulk exports on the US west coast
- There is significant Asian demand, especially for coal
- Coal remains a key source of energy:
 - Providing 50% of US energy
 - Providing 70% of China's energy
 - Providing 80% of India's energy

Keynote Breakfast

Joe Cortright, *Impresa*:

- Public intellectuals address questions of the day
- Moving into a knowledge economy – metaphors are: talent, innovation, connections, distinctiveness
- Oregon has always seen its economy as a reflection of its physical landscape and resources.
- Sources of wealth are now *created* assets – especially created knowledge -- rather than *inherited ones*
- In Oregon, high technology displaced wood as the primary generator of economic growth around 1990
- The vital ingredients for cities are the talent, education and skill of its population
- 60% of the variation in economic success among cities is based on education; an increase of 1% in college attainment results in \$ 1.6 billion per year in output
- the best educated boomers are leaving the workforce at age 65 and at a rate of about 1 million per year
- the Portland/Vancouver/Seattle region is attractive to young and educated individuals
- People put *place* ahead of *career*
- Metropolitan areas are popular
- Although innovation is hard to measure, one way in which it can be measured is through patents; Portland has many patents
- The term “Silicon Forest” reflects the combination of technology and environment in this area
- Connections are important, for example economic integration in a region
- Distinctiveness is also important -- each city/province/region should determine what is unique about it
 - For example, terms associated with Portland by the Google trends search engine include “sustainability,” “vegan,” “farmers market,” “fixie,” etc.
- *Place* matters
- People in Portland do 20% less driving than the national average, which means that more than \$1 billion per year can be used for other things
- The amount of driving in the US started to decrease about 2005
- The Columbia River Crossing bridge proposal is wedded to the past economy

- Freight is not the driving factor behind metropolitan areas; talent is
- Invest in tomorrow`s economy

Border Solutions Council

Honourable Rob Merrifield, *Canadian House of Commons*:

- The goal is to “brainstorm” problems and solutions against the background of ongoing challenges and the February 2011 announcement by Prime Minister Harper and President Obama regarding perimeter security and economic competitiveness
- Let’s seize the opportunity of this moment

Matt Morrison, *PNWER*:

- this issue is front and centre to what PNWER is all about – we are watching developments
- *The Action Plan* will probably be put off until October
- We should be ready with pilot projects, private sector support, opinion pieces, etc., especially on the US side—this is a big issue for Ottawa, but not in Washington DC.
- Most US legislators *want* a thicker border
- This is arguably the best region to do pilot projects, particularly given the experience of the Olympics, etc. (PNWER border charter, etc.)

Liz Luce, *former Director of the Washington State Department of Licensing*:

- Enhanced Drivers Licenses (EDL) was a cross-border pilot
- 281,089 enhanced drivers licenses have been issued – about 1,000 per week – and there has been no drop off in interest
- We did this quickly because we didn’t know WHTI would be postponed
- Reasons it worked:
 - everyone was interested in the problem
 - There was a need for a cheaper solution than NEXUS
 - EDL are small, cheap, always with you
 - We were persistent – it took 41 meetings before we were invited to meet with Homeland Security in Washington, DC.
- Recommendations for advocacy:
 - Use friends in high places, such as legislators
 - Be willing to adjust your idea
 - Make new friends
 - It was all about partnerships – someone always stepped in to save the project.
- PNWER support helped with Canadians
- We graduated to an approved program rather than a pilot even before we issued our first license

Don Alper, *Western Washington University*:

- The tourism session this morning said visitors from Asia need two visas—one for Canada, one for the US—it is the same for a number of countries and regions, etc.
- Let's see if we can put visas on *people* rather than countries – a common visa issued to low-risk individuals
- Tourism kind of gets lost because industry focuses on the freight aspect of borders
- PNWER should focus more on tourism
- Pull together appropriate industry individuals, and figure out who the key government people are

Bernie Magnan, *Vancouver Board of Trade*:

- Canada had a problem with economic refugees from Mexico
- Maybe we can accept the fact that they have a visa from one country

Matt Morrison, *PNWER*:

- We need a tight committee to work this through conference calls – we need a proposal by mid-September

Darrell Bryan, *President and CEO, the Victoria Clipper*:

- many Chinese visit BC, but much fewer visit Washington state

Dr. Greg Douglas, *Chief Veterinary Officer, Saskatchewan Ministry of Agriculture*:

In terms of an agricultural pilot program,

- problem is e-certification of animal and animal products
- A few small pilots with long timelines (5-6 years), high costs, etc. they felt a larger pilot was premature
- This is paper intensive
- E-certification could save a lot of money over the long term

Bernie Magnan, *Vancouver Board of Trade*:

- it is the planning “must haves” that are the most important in Information Technology – 80% of success is based on 20% of planning. Suggest the minimum requirements for IT, etc.

Border Issues

Beyond the Border Working Group, Regulatory Cooperation Council Update

Denis Stevens, Consul General, *Consulate General of Canada, Seattle*:

- This organization and region have played a leadership role at the border with enhanced licenses, etc. Have a particular opportunity with *Beyond the Border*
- It is no accident that ambassador Doer spent a significant amount of time here, and the Prime minister's senior negotiator will be here tomorrow
- Pilots would be really helpful
- This is unlike Security and Prosperity Partnership (SPP) because it started with the Prime Minister and the President
- It is structured to avoid silos, with senior people at the centre and not in departments
- Canada will have less legislative problems with a majority government, but in any event much of this does not need legislation
- Late September timeline
- I see pretty limited awareness of this initiative on the US side
- The election in Canada slowed us down, and the US election period will start soon, so there is a relatively small window of opportunity in the fall
- a lot of these things aren't new, but what we hope is new is that this time we get it done
- A number of these ideas were raised in the regions, and are natural steps

Sigrid Emrich, *United States Deputy Consul General, Vancouver, BC:*

- I worked on SPP, and this is different because that did not have enough public consultations, and this is an ongoing process, and people should hold us accountable and keep us on the right track
- SPP had no leaders' vision – this does
- SPP was trilateral with Mexico, and this is not (better to go bilateral, and trilateralize when possible)
- SPP was seen as too secret, so it is important to be transparent
- If possible, present solutions rather than just raising issues
- Identify problems early on
- Be aware of protectionist interests on both sides
- Budgetary issues exist in both countries
- A lot of background work has been done
- See the border as the *last* line, not the first

Additional Perspectives from the U.S. and Canada

Alan Langford, Director, *Department of Homeland Security-Canada Initiated Planning and Coordination, Washington DC:*

- Looking at perimeter: if something is bad for the US, it is bad for Canada
- This is a good plan, but it is a cultural shift
- It doesn't feel like any big differences
- Limited awareness on the US side- so many things going on
- We will promise a lot of things – hold us accountable
- Security and facilitation are not in opposition – they can complement each other

- Two big challenges - both countries have to move farther than they have before – Canada on the information side, and the US on the facilitation side
- This has to be seen as a bargain—Canadians get facilitation, Americans get information

Denis Stevens, *Consul General, Consulate General of Canada, Seattle:*

- recent events have convinced both Canadian and American officials that we *can* move forward. Work around the Vancouver Olympics helped demonstrate that we were reliable partners, etc.
- A US official told him need to reinstate the Shiprider program, which had been a pilot

Bruce Agnew, *Policy Director, Cascadia Centre for Regional Development:*

- we should empower regional officers
- Budget issues seem to drive policies related to cross-training, deputization, etc.
- Empower port directors to be flexible and respond to differences along the border

Don Alper, *Western Washington University:*

- there seems to be movement in this area

Alan Langford, *Director, Department of Homeland Security-Canada Initiated Planning and Coordination, Washington DC*

- Integrated Border Enforcement Teams (IBETs) is good, but only goes so far
- We still have to work with the RCMP on communications, etc.
- This plan will help us save money over the long run, through coordination, perhaps shared infrastructure, etc.

Honourable Rob Merrifield, *Canadian House of Commons:*

- Perimeter security is about how we stop a threat to North America before it lands
- We fight together in Afghanistan, etc.
- We are as much at risk as the US is
- The opportunity we have here is golden
- The Prime Minister and the President were clear in February
- The challenge on the Canadian side is political. “Sovereignty” will be an issue, and the official opposition will be opposed
- Whoever communicates best will win
- In the US this has to get through the House – the natural reflex is to oppose it
- Just because this makes sense does not mean it will automatically work
- Try to anticipate problems and address them
- There is an art to politics – *politics is about building consensus*
- PNWER should use its political capital to support this
- These things won’t happen by accident

- Talk to your representatives in Washington
- Do your homework
- The government in Ottawa will face a lot of challenges, but will win given the results of the last election
- Why hasn't this happened before now?
- 9/11 changed America
- Many believe the 9/11 terrorists came from Canada
- Homeland Security Secretary Michael Chertoff made exaggerated statements about terrorists from Canada, etc.
- Trade is now trumping the security phobias to some degree
- it only makes sense to do a perimeter if the border security is relaxed
- if we do this right it will save money

Don Alper, Western Washington University:

- Harper/Obama announcement talked about “perimeter” in terms of cooperation, partnership and integration rather than geographically
- “Perimeter” is a concept for any changes that make the border crossing experience less onerous and more efficient
- Political consideration for Canada is to avoid a “belt *and* suspenders” system where we agree to a perimeter (suspenders) but still have a thick border (belt)
- The US still sees security *at* the border as vital
- Some ideas include:
 - More shared facilities
 - A “Leisure lane” for Canadian or American citizens with nothing to declare
 - Increased radio frequency identification (RFID) technology
 - Integrated Border Enforcement Teams (IBETs) are effective, but lack a core constituency to support and expand
 - Institute the Shiprider program on land
- Other changes:
 - One stop screening
 - Harmonize food and animal health standards
 - Look again beyond NAFTA at moving professionals
 - Simplify adjudication of past Driving Under the Influence (DUI) cases
 - Bring privacy officials together to hammer out a North American “Privacy Convention” (not a law)

PNWER Suggested Regional Pilots

List from this morning:

- Common visa?
- Agriculture-alternatives to long-term e-certification pilot
- Customs
- Single customs window
- Technologies for traveller processing

- Reciprocal acceptance of United States-Canada security clearance to allow commercial vehicle access to cruise ship facilities
- Formally reconstitute the border solutions council

Matt Morrison, *PNWER*:

- proposed to reconstitute the Border Solutions Council, with subcommittees, etc.

Honourable Rob Merrifield, *Canadian House of Commons*:

- the single customs window would be the most valuable, but an American replied that this would be difficult to do as a regional pilot, since this is global

Don Alper, *Western Washington University*:

- commented that, while important, these were too small

Honourable Rob Merrifield, *Canadian House of Commons*:

- agreed that these could be pieces, but argued that maybe we should aim a bit higher

Bruce Agnew, *Policy Director, Cascadia Centre for Regional Development*:

- this region is the nexus of Asia Pacific and NAFTA. We are the laboratory for perimeter

Matt Morrison, *PNWER*:

- ask the tough questions

Don Alper, *Western Washington University*:

- suggested taking a two-track approach, with both the big picture and specific smaller suggestions

Denis Stevens Consul General, *Consulate General of Canada, Seattle*:

- it is important to demonstrate momentum
- It is a “vision” and a big step forward, but must be an ongoing process

Honourable Rob Merrifield, *Canadian House of Commons*:

- the vision is to do more on the perimeter and less at the border

Alan Langford, Director, *Department of Homeland Security-Canada Initiated Planning and Coordination, Washington DC*:

- the most important thing PNWER could do is hold us to account – report back on how it is working here

Matt Morrison, PNWER:

- proposed a perimeter security task force

Bruce Agnew, Policy Director, Cascadia Centre for Regional Development:

- repeated the need to focus on preclearance and cross-training

Don Alper, Western Washington University

- Go back to Integrated Border Enforcement Teams (IBETS)
- Both sides want security, so *focus* on security. It is not the line that matters, it is the security of both countries that matters

Honourable Rob Merrifield, Canadian House of Commons:

- stated that the border is secure enough. We can increase security at the perimeter and therefore focus on economics at the border
- The Prime Minister is serious about this, and will probably compromise if the efficiencies are a reality

Matt Morrison, PNWER:

- PNWER would like to do a conference in Washington, D.C. at the time of the release of the Action Plan. It could also do a regional launch of the plan, here in a region where it is supported.

Don Alper, Western Washington University

- reminded others that we are in a vacuum here - nothing concrete has happened yet

Ron Cannan, Canadian House of Commons:

- stated that the House of Commons Standing Committee on International Trade will visit Washington and will discuss this issue

Senator Wilfrid Moore, Senate of Canada:

- communications will be key. He recommended sending information to all PNWER members, etc.
- We have the chance to do this right
- The US northern border is *not* the same as the southern border, and that message must get out
- Remember Tip O'Neil -- "All politics is local," -- and get the message out
- It is about jobs and the economy

Keynote Breakfast

James Billmaier, Author of *Jolt! The Impending Dominance of the Electric Car and Why America Must Take Charge*:

- Electric cars are not new; 6,800 such cars were sold in 1912
- Electric cars are inevitable, given concerns about global warming, concerns about a lack of new oil discoveries and national security; the cost of defending pipelines, etc. increases the cost of gas
- By subsidizing gas, governments subsidize internal combustion vehicles
- Because the demand for electricity goes down at night, with electric cars charged at night, a greater number of electric vehicles can be used
- Electric cars use about as much electricity as a refrigerator, so they have little impact on the electric grid
- Electric motors are efficient, so even if oil is used to generate the electricity, there are savings
- It is less expensive to buy and operate electric vehicles than to buy and operate conventional ones
- Electric cars will have a range of 300 miles by 2020; Volkswagen says the range will be 500 miles
- All companies have their best teams working on designing electric vehicles
- Venture capitalist John Doer says the market for electric vehicles is – “the mother of all markets” – between six and sixty times bigger than computers and the internet put together
- This is a key moment in history – a “Sputnik moment,” and China is really focused on developing batteries and other technology for electric vehicles
- There are many myths about electric cars
- For a single-car family, a plug-in hybrid car is good; gas can be used for long trips

Keynote Luncheon

Francisco Sanchez, *US Department of Commerce*:

- PNWER is an ally in promoting cross-border regional cooperation
- President Obama said that Canada and the United States are “woven together”; the two countries are friends and partners that share a border
- Last year, the value of US exports to Ontario exceeded the value of US trade with Russia, India and Brazil combined
- The US recovery is still fragile
- In the 2010 State of the Union Address, the US President pledged to double exports by the end of 2014
- In 2010, the value of US exports was 17% greater than in 2009
- President Obama and Prime Minister Harper agreed to work on border security and regulatory reform
- On the issue of regulatory reform, the Regulatory Cooperation Council (RCC) has a two-year mandate, and is focussed on cutting red tape, giving early notice of regulations, etc.

- The shared border vision for the Canada-US border has four pillars, including trade facilitation
- Everyone is looking for an advantage, and Canada and the United States should take advantage of the edge that the two countries already have in terms of shared values, etc.
- The United States needs comprehensive immigration reform
- The US federal debt ceiling issue has “sucked all the oxygen” out of Washington
- Since Canada and the United States will always have a few problems, there is a need to improve dispute resolution

Simon Kennedy, *Industry Canada*:

- The February 2011 Shared Vision for Perimeter Security and Economic Prosperity outlined a joint security agenda and economic concerns
- In addition to a broad vision, the February 2011 vision established two working groups, and an action plan is forthcoming
- The February 2011 vision had four pillars:
 - addressing threats early
 - facilitating trade
 - Integrating cross-border law enforcement
 - Addressing critical infrastructure and cybersecurity
- The February 2011 vision is about improving the way operations occur at the border and pushing the border out
- The February 2011 vision contains high-impact deliverables, measurable outcomes and targets
- The goal is to have an action plan in relation to the February 2011 vision in place by the end of the summer of 2011; it is expected that the action plan will be “the end of the beginning,” and will set priorities, etc.; the development of the initiatives will be another whole process, with consultations, etc. that will take 3-5 years
- This instance is the fourth occasion on which the border has been “discussed” in the last 20 years:
 - 1996-1997
 - 2001
 - Security and Prosperity Partnership
 - now
- Some problems are not best treated in border discussions, such as labour market policies, etc.

Respectfully submitted,

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

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

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	21 st Annual Summit of the Pacific NorthWest Economic Region (PNWER)
DESTINATION	Portland, Oregon
DATES	July 19-22, 2012
DELEGATION	
SENATE	Hon. Raynell Andreychuk, Senator Hon. Wilfred Moore, Q.C., Senator
HOUSE OF COMMONS	Mr. Ron Cannan M.P., Vice-Chair Hon. Hedy Fry, P.C., M.P. Hon. Rob Merrifield, P.C. M.P.
STAFF	Ms. Angela Crandall, Executive Secretary Mr. James Lee, Advisor
TRANSPORTATION	\$16,102.52
ACCOMMODATION	\$8,920.49
HOSPITALITY	\$57.88
PER DIEMS	\$1,752.16
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$17.16
TOTAL	\$26,850.21