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 36th Annual Conference of New England Governors and Eastern Canadian Premiers

Canada-United States Inter-Parliamentary Group

Burlington, Vermont, United States
July 29-30, 2012

Report

DELEGATION MEMBERS AND STAFF

From July 29-30, 2012, the Honourable Wayne Easter, P.C., M.P., Vice-Chair, led a delegation from the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) to the 36th Annual Conference of the New England Governors and Eastern Canadian Premiers (NEG/ECP) in Burlington, Vermont. The other members of the delegation were the Honourable Michel Rivard, Senator, Mr. John Williamson, M.P., Vice-Chair, and Mr. Terrence Young, M.P. The delegation was accompanied by Mr. Mohamed Zakzouk, Advisor to the Canadian Section.

THE EVENT

Through the NEG/ECP, which holds a conference annually, 11 jurisdictions in New England and Eastern Canada (see the Appendix) share ideas, build on historic ties, advance their interests and encourage cooperation with the private sector. Over the years, the NEG/ECP conference has addressed many topics of shared interest, including trade, the environment, economic development, tourism, energy, fisheries and agriculture.

DELEGATION OBJECTIVES FOR THE EVENT

Canada and the U.S. New England states share a mutually beneficial relationship. According to recent figures, more than 400,000 jobs in the six New England states rely on Canada-U.S. trade. Annual merchandise trade between Canada and these states was recently valued at almost US$25.1 billion: about US$7 billion was exported from these states to Canada, while they imported more than US$18 billion from Canada. Recent data suggest that, in a 12-month period, Canadians made more than 2.7 million visits to the New England states and spent more than US$730,000, while residents of these states made more than 1.2 million visits to Canada and spent about US$450,000.

The IPG aims to find points of convergence in respective national policies, to initiate dialogue on points of divergence, to encourage the exchange of information and to promote better understanding among legislators on shared issues of concern. Members of the IPG’s Canadian Section meet regularly with their federal counterparts and, in recent years, have attended meetings of governors and state legislators. At these events, Canadian delegates engage in conversations that help the Canadian Section to achieve its objectives and that explain the nature and scope of the bilateral relationship.

Members of the Canadian Section of the IPG found the 2012 conference of the NEG/ECP to be a valuable opportunity to discuss the numerous opportunities for Canada and the six New England states to collaborate on improving regional trade links, especially regarding energy and transportation infrastructure. Feeling that members of the Canadian Section were able to achieve their objectives for the event, the Canadian Section intends to attend future annual conferences of the NEG/ECP to continue its work in advocating Canadian interests in the New England states.

ACTIVITIES DURING THE EVENT

During the NEG/ECP's 2012 conference, a number of issues were addressed, including regional trade relations, transportation and energy. In particular, the following sessions took place:

- Building a Clean and Cost-Effective Future for the Northeast: A Discussion with Governors, Premiers and Their Energy Policy Experts
- New Vehicle Technology Opportunities
  - Mass Commercialization of Electric Vehicles in the Region: Benefits and Barriers
  - Opportunities and Challenges for Utilities Meeting Electric Vehicle Demands
  - Public Policies to Accelerate Electric Vehicle Deployment
- Trade and Transportation: Keeping Transportation Flowing Across a Secure Border
  - Setting the Stage: Why the Cross-Border Transportation Network Matters
  - What is Currently Happening to Advance Cross-Border Transportation Systems?
  - What More is Needed and What Can the Region's Governors and Premiers Do?

This report summarizes the plenary and selected other discussions that occurred at the conference.

BUILDING A CLEAN AND COST-EFFECTIVE ENERGY FUTURE FOR THE NORTHEAST: A DISCUSSION WITH GOVERNORS, PREMIERS AND THEIR ENERGY POLICY EXPERTS

- Vermont aims to promote market-driven subsidies, rather than traditional subsidies, for renewable energy development; furthermore, Vermont and Rhode Island have adopted a feed-in tariff to help finance renewable energy projects.

- Canada is a country of vast oil and gas resources, and it produces substantial hydroelectric energy; Quebec is one of the largest producers of hydroelectricity in the world.
- The Government of Quebec has improved its relationship with First Nations significantly, particularly regarding energy resource development.
- Quebec aims to produce 4,000 megawatts of wind power by 2015, which would make it the second-largest producer of wind energy in North America, after Texas.
- Vermont is committed to building small, renewable and locally generated power.
- Vermont is interested in entering into energy trade agreements with any Canadian province that is willing to provide affordable renewable energy supplies.
- Maine supports smaller scale, and sometimes less competitive, renewable energy resources.
- Nova Scotia is reducing its reliance on coal-powered energy and is increasing its reliance on wind and natural gas projects.
- Connecticut is interested in procuring the lowest possible cost for its energy users, and is seeking regional partners to help reduce energy prices in New England.
- Newfoundland and Labrador is a key producer of renewable energy in eastern North America; the province believes that there are many opportunities to strengthen energy trade links with U.S. states.
- Newfoundland and Labrador's Lower Churchill energy project is an asset to Eastern Canada and New England.
- The environmental assessment for Newfoundland and Labrador's Lower Churchill energy project has been completed.
- Prince Edward Island has significant wind resources, and wind power comprises about 20% of the province's energy supply.
- Prince Edward Island needs affordable electricity; residents currently pay the highest electricity rates in Canada.
- New Brunswick supports large-scale hydroelectric projects and believes that the province is an energy gateway for New England.
- Massachusetts is hoping for more coordination among New England states regarding clean energy.
- It is important to not discriminate between big and small hydroelectricity projects.
- Reducing the eastern region of North America's reliance on coal-fired power should be the main regional priority in terms of energy planning.

- New England and Eastern Canada should consider large renewable projects "as a region."
- Hydroelectric resources are of particular interest for the eastern region of North America, as these resources represent a competitive advantage when compared to other states that have limited water resources.
- Among private-sector investors, there is a general assumption that a price on carbon will be enforced at some point in the future.
- Consumers are seeking low energy prices and are concerned about stability in those prices; renewable energy projects can provide reasonable price stability over the long term, thereby providing an alternative to the price volatility that has characterized fossil fuels.

MASS COMMERCIALIZATION OF ELECTRIC VEHICLES IN THE REGION: BENEFITS AND BARRIERS

Brian Wynne, *Electric Drive Transportation Association*

- Electric vehicles drive smoothly and do not make any noise.
- The percentage of people interested in purchasing electric vehicles rises dramatically when it is possible to test drive the vehicles.
- Vehicles have been electrifying for decades, largely because electricity is a relatively more efficient energy source.
- Currently, there are more than 40 different types of hybrid vehicles in the automobile market; hybrid vehicles have been marketable for more than 10 years.
- Electric vehicles are flexible and can be configured based on need; as a result, they offer opportunities to move people and goods in new and innovative ways.
- Electricity is not a resource, but rather a form of energy that can be created with a variety of different resources; as a result, electric vehicles can be powered using diverse energy sources that can be produced domestically.
- The foundational electricity infrastructure that is needed to power electric vehicles is already in place, although charging equipment is still not commonly available.
- Governments can facilitate the success of electric vehicles by easing the permitting process for electric vehicle infrastructure.

OPPORTUNITIES AND CHALLENGES FOR UTILITIES MEETING ELECTRIC VEHICLE DEMANDS

Watson R. Collins III, *Northeast Utilities*

- Utilities have been planning and supporting the evolving electric needs of consumers for more than 100 years.
- Plug-in electric vehicles provide a platform for innovation and opportunities.
- Electric vehicles can contribute to the emergency preparedness of communities; for example, such vehicles can provide a source of power for homes when power outages due to storms or other emergencies occur.
- It is important that utilities manage the potential impacts of electric vehicles on the electric grid.
- Utilities are currently piloting different approaches to encourage the use of electric vehicles.

Pierre-Luc Desgagné, *Hydro-Québec*

- There are three main challenges associated with electric vehicles:
  - high cost;
  - limited range; and
  - a lack of charging stations.
- An electric vehicle emits fewer greenhouse gases than a new compact gasoline vehicle, regardless of how the electricity is generated; furthermore, an electric vehicle that is powered by hydroelectricity emits 215 times less greenhouse gases than the most efficient gasoline vehicle.
- On average, a vehicle spends the most time at the driver's home; as a result, electric vehicle service stations should be primarily located in homes.
- According to a Mitsubishi electric vehicle pilot project in Boucherville, Quebec, which had a customer satisfaction rating of 8.9 out of 10, electric vehicles have no start-up or performance issues in the winter; furthermore, the majority of trips in the region could be made with only one charge at home.
- Public electric vehicle charging stations already exist in Canada.
- Private-public partnerships are favourable business models for the electric vehicle industry.

PUBLIC POLICIES TO ACCELERATE ELECTRIC VEHICLE DEPLOYMENT

Alain Daneau, *Quebec Ministry of Natural Resources and Fauna*

- Quebec's vision for sustainable mobility includes three major components:
  - planning for sustainable mobility – for example, by incorporating urban planning and mixed-use development strategies in transportation planning;
  - shifting mobility patterns – for example, by offering different transit options; and

    - improving mobility – for example, by providing more energy-efficient fuel and vehicle choices and promoting better car maintenance.
- In order to transform the province's automobile market, the Government of Quebec is promoting technological innovation in the transportation industry, raising awareness regarding sustainable transportation, providing financial incentives for "cleaner" vehicles, and ensuring that the province's regulatory environment supports the development of sustainable transportation products and infrastructure.
- Quebec's objectives regarding electric vehicles include:
    - raising awareness;
    - supporting the switch from traditional vehicles to electric vehicles; and
    - electrifying public transit.

Daniel Esty, *Connecticut Department of Energy and Environmental Protection*

- The key challenge to sustainable transportation is to promote innovation and create a marketplace where new ideas can be tested.
- It is important for governments to not "pick winners" when it comes to different transportation options; the main focus should be on clean vehicles, including electric vehicles, natural gas vehicles and hydrogen vehicles, which may emerge as a viable option in the future.
- There is a need for publicly available infrastructure to facilitate the marketability of electric vehicles.
- In general, governments should focus on promoting a cleaner electricity generation mix.
- It is important to ensure the availability of clean sources of energy to power the emerging electric vehicle market.
- Electric vehicles should be charged during off-peak hours.
- The possibility of using electric vehicles to power homes during on-peak hours is an attractive option.
- Due to the high cost of gasoline, electric vehicles are currently less expensive than gasoline-powered vehicles.

SETTING THE STAGE: WHY THE CROSS-BORDER TRANSPORTATION NETWORK MATTERS

Brian Searless, *Vermont Agency of Transportation*

- New England and Eastern Canada provide crucial market links between themselves as well as to the rest of Canada and the United States.

- In 2011, the population in the New England states and the Eastern Canadian provinces totalled 24.7 million, and the region's collective gross domestic product was $1.2 trillion.
- In 2011, cross-border trade between the New England states and the Eastern Canadian provinces was valued at approximately $23.9 billion; personal vehicle passenger crossings totalled 15.9 million, while there were 1.3 million truck crossings.
- In the United States, national import and export freight is projected to increase by 142% by 2040.
- A diversified, multi-modal transportation system is essential for successful cross-border trade among the New England states and the Eastern Canadian provinces; it is especially important to improve rail connections in the region, since trade by truck is no longer sufficient.
- Cross-border trade corridors benefit U.S. states and Canadian provinces beyond New England and Eastern Canada.

Paul Bingham, *CDM Smith*

- The health of the New England and Eastern Canadian economies depends, in part, on cross-border transportation networks; the transportation system is a crucial enabler of trade in Northeastern North America.
- Canada and the United States are the world's largest trading partners; Canada is the most important market for U.S. exports, followed by Mexico, and the United States is the most important market for Canadian exports, followed by the United Kingdom, China and Japan.
- New England's export growth is lower than the U.S. average.
- The road network in New England and Eastern Canada carries the majority of regional trade and passenger traffic; currently, the network handles 14 million intercity passengers, and this demand is expected to double over the next 20 years.
- Eastern Canada's rail system has an east-west orientation, rather than a north-south, cross-border orientation.
- Cross-border rail systems need to improve in order to support future economic growth in the eastern region of North America.
- Funding and inter-jurisdictional coordination are among the major policy challenges facing the expansion of cross-border transportation networks between New England and Eastern Canada.

WHAT IS CURRENTLY HAPPENING TO ADVANCE CROSS-BORDER TRANSPORTATION SYSTEMS?

David Moloney, *Privy Council Office*

- In February 2011, Prime Minister Harper and President Obama issued a declaration on a shared vision for perimeter security and economic competitiveness; the declaration called for the development of a joint action plan.
- In December 2011, an action plan to implement the Canada-U.S. shared vision was set forth and four key areas of cooperation were identified:
  - addressing threats early, and at or away from the perimeter;
  - trade facilitation, growth and jobs, including the streamlining of the land border for legitimate trade and travel;
  - cross-border law enforcement, including efforts to establish integrated border policies; and
  - critical infrastructure and cybersecurity, including emergency management initiatives.
- The shared vision for perimeter security and economic competitiveness is meant to be a long-term partnership that will transform border management, including concrete initiatives, clear timelines and metrics to measure performance.
- Trusted traveler and trader programs as well as improved wait-time technologies are among the initiatives that are being used to improve Canada-U.S. border crossings.

Tom Ruth, *Halifax International Airport Authority*

- The large costs associated with crossing the shared border between Canada and the United States affect North America's overall economic well-being and competitiveness.
- Leaders and legislators in Canada and the United States must consider the costs and benefits of "thinning" the border, particularly for small and medium-sized businesses, which play an important role in regional economic development.
- There has been much progress regarding cross-border trade facilitation in recent years; Canada and the United States must continue their commitment regarding cross-border cooperation.
- The harmonization of baggage-screening technology in Canadian and U.S. airports will improve international transit times for passengers in both countries.
- Improving cross-border regional transportation systems would result in economic benefits for both Canada and the United States.

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

U.S. States in the NEG/ECP

Connecticut
Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

Canadian Provinces in the NEG/ECP

New Brunswick
Newfoundland and Labrador
Nova Scotia
Prince Edward Island
Quebec

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	36th Annual Conference of the New England Governors and Eastern Canadian Premiers (NEG/ECP)
DESTINATION	Burlington, Vermont, United States of America
DATES	July 29-30, 2012
DELEGATION	
SENATE	Hon. Michel Rivard, Senator
HOUSE OF COMMONS	Hon. Wayne Easter, P.C., M.P., Vice-Chair Mr. John Williamson, M.P., Vice-Chair Mr. Terrence Young, M.P.
STAFF	Mr. Mohamed Zakzouk, Advisor
TRANSPORTATION	**$3,632.41**
ACCOMMODATION	**$2,588.64**
HOSPITALITY	**$Ø**
PER DIEMS	**$1,189.52.**
OFFICIAL GIFTS	**$Ø**
MISCELLANEOUS/REGISTRATION FEES	**$30.89**
TOTAL	**$7,441.46**