

Canada - United States  
Inter-Parliamentary Group  
Canadian Section



Groupe interparlementaire  
Canada - États-Unis  
Section canadienne

**Report of the Canadian Parliamentary Delegation  
to the New England Governors and Eastern Canadian  
Premiers (NEG-ECP) 31<sup>st</sup> Conference**

**Canada-United States Inter-Parliamentary Group**

**Brudenell, Prince Edward Island  
June 25-26, 2007**

# Report

From 25-26 June 2007, members of the Canada-United States Inter-Parliamentary Group attended the 31<sup>st</sup> conference of the New England Governors and Eastern Canadian Premiers (NEG-ECP) held in Brudenell, Prince Edward Island. This report summarizes the major points made during the conference.

## **ENERGY AND THE ENVIRONMENT**

### ***Governor Jim Douglas, Vermont***

- a regional solution to energy and environmental issues is needed
- the New England Governors and Eastern Canadian Premiers need to work together to address energy issues at the regional level
- within the Northeastern region, there are many opportunities to work together on energy supply and complementarity of peak use
- the kilowatt that is not consumed is the kilowatt that is the least expensive

### ***Premier Jean Charest, Quebec***

- problems and issues that cross state and provincial boundaries require solutions that also cross these boundaries
- in politics, timing is everything; everything is on the table at this time
- energy and environmental issues must be addressed together
- energy efficiency may be the top priority

### ***Premier Shawn Graham, New Brunswick***

- New Brunswick's goal is energy self-sufficiency within the next two decades; it plans to meet its goal, in part, using clean and renewable sources of energy
- liquified natural gas, petroleum and nuclear power generation must also be considered
- transmission capacity is required, and there are two general options: over land and submerged, the latter of which is relatively more expensive but may be sensible in densely populated areas
- a state or province can have all of the generation capacity in the world, but it is useless without transmission
- New Brunswick is a large industrial user of energy

- New Brunswick exports energy in the summer months

**Governor Deval Patrick, Massachusetts**

- the world needs diverse energy sources
- Massachusetts will cultivate alternative and renewable energy sources and technology, and will focus on conservation
- the Northeastern region should work together and show global leadership

**Governor John Baldacci, Maine**

- the states and provinces in the Northeastern region must work together for their mutual benefit
- with their February 2007 Memorandum of Understanding, Maine and New Brunswick are showing leadership about what should happen nationally

**Governor Donald Carcieri, Rhode Island**

- a long-term reliable supply of energy that is reasonably and predictably priced is a key issue
- it is “natural” for the New England Governors and Eastern Canadian Premiers to work together, since the Eastern provinces have the energy that is needed by the New England states
- Rhode Island is creating a power authority, and money will be available if a project is expected to be economically viable
- the New England states are big importers of energy
- the states and provinces in the Northeastern region must work together

### ***Premier Danny Williams, Newfoundland and Labrador***

- just as it is New Brunswick's goal to be an energy hub, the goal of Newfoundland and Labrador is to be an energy warehouse
- Newfoundland and Labrador has significant oil and gas reserves, and Labrador has wind potential; renewable energy opportunities also exist
- because Newfoundland is an island, consideration must be given to transmission challenges
- Newfoundland and Labrador is considering a memorandum of understanding with Rhode Island

### ***Premier Rodney MacDonald, Nova Scotia***

- peak-use periods vary across the states and provinces within the Northeastern region

### ***Gordon van Welie, New England Inc.***

- gas prices drive prices in the wholesale electricity market
- the New England states are a net importer of electricity from Canada
- electricity use declined in 2006 as a consequence of the weather and price-related demand decreases
- energy efficiency has environmental, economic and reliability benefits
- "peak use" differs from "average use"
- challenges in the Northeastern region include:
  - siting clean resources
  - purchasing clean resources from Canada
  - transmission and infrastructure requirements
  - long-term contracts to secure supply

### ***Bill Marshall, New Brunswick System Operator***

- Maine is electrically interconnected only with New Brunswick
- the Maritime area has carbon emission challenges
- Eastern Canadian challenges include:
  - continued demand growth
  - greenhouse gas emission targets
  - unstable fuel prices

- market access to the New England states
- common goals and actions in Eastern Canada include:
  - renewable energy targets
  - energy efficiency
  - targets for new generation projects
  - sequestration
  - electricity use to grow economies
- because of variability and predictability issues related to wind power, regional cooperation is needed
- developmental challenges include:
  - transmission
  - interconnection capacity to the Northeastern region
  - financing

## **ATLANTIC GATEWAY**

### ***David Chaundy, Atlantic Provinces Economic Council***

- ongoing shifts in trade patterns and transportation corridors create Atlantic opportunities
- increased container traffic between Asia and North America is needed, and many ports are making investments to increase trade from Asia
- the Atlantic Gateway depends on connections to markets in the United States and elsewhere in Canada
- the economic benefits of the Atlantic Gateway for the Northeastern region, as well as for Canada and the United States, include:
  - increased income and tax revenues
  - regional trucking opportunities
  - improved transportation infrastructure
  - improved access to markets in Europe and Asia
- such arguments as security, cost, timeliness and reliability should be used in convincing shippers and shipping lines to use the Atlantic Gateway
- the Panama Canal is operating close to its full capacity, and it cannot accommodate some larger ships
- global labour supply chains enable firms to take advantage of relatively lower labour costs elsewhere in the world

## **CANADA-U.S. RELATIONS**

### ***His Excellency David Wilkins, United States Ambassador to Canada***

- the Canada-U.S. relationship is vibrant and is on an upward trend
- both countries work together to “fix problems” rather than to “fix blame”
- the bilateral relationship is strengthened one relationship and one dialogue at a time
- regarding the Western Hemisphere Travel Initiative (WHTI), the message is clear: Canadians and Americans should get passports, since “it is the right thing to do”
- 90% of travellers and trade cross the shared border by land; it is expected that the land aspect of the WHTI will be in effect by summer 2008, since the Department of Homeland Security is committed to implementing this requirement during the current U.S. Administration, and it is anticipated that acceptable documentation may include a passport, a PASS card, a NEXUS card and, perhaps, an enhanced drivers licence
- President Bush is expected to veto the appropriations bill in respect of the Department of Homeland Security, which contains an amendment sponsored by Representative Louise Slaughter that would effectively delay implementation of the WHTI
- the United States is as committed as Canada to ensuring that the border works well
- an important initiative is the enhanced drivers licence project between Washington State and British Columbia
- on the issue of labour mobility, it should be noted that the U.S. Congress is embroiled in an immigration debate
- energy is the “#1 issue” on the horizon for the bilateral relationship: Canada has lots and the United States needs it

### ***Neil LeBlanc, Canadian Consul General (New England)***

- no two countries have a longer relationship, and an impressive bilateral trade and tourism relationship exists in the Atlantic region
- it is important to resolve bilateral problems in a pragmatic manner
- Canada is the largest and most secure supplier of energy to the United States
- Canada is a partner with the U.S. in the war on terror

- Canada also cooperates with the United States on such border initiatives as Integrated Border Enforcement Teams as well as the FAST and NEXUS programs
- Canada advocates a flexible approach to the documentation acceptable for purposes of the Western Hemisphere Travel Initiative
- some manufacturers are abandoning just-in-time delivery in favour of stockpiling
- the fees recently imposed by the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture are unnecessary and counterproductive

## **CHANGING DEMOGRAPHICS: CHALLENGES AND POLICY RESPONSES**

### ***Arthur Woolf, University of Vermont***

- in the New England states, population growth will slow significantly over the next 25 years
- while the working-age population in the New England states is growing, growth is slowing and this population will soon peak and then decline; there will be very rapid population growth in those age 65 and over
- the Northeastern region of the United States is ethnically different than the rest of the U.S. population
- in the future, constituents and voters will be older, and they will want services
- the policy implications of demographic change in the New England states include:
  - labour constraints resulting from declines in the size of the working-age population will arise
  - there will be a need to design policies to encourage/not discourage the labour force participation of older workers
  - school-age population growth will not be a cost driver
  - there will be impacts on prison costs and growth
  - tax revenue growth will be affected by labour force declines
  - transportation, housing, medical care, etc. will be affected
  - federal costs for medicare and social security will rise
  - those aged 65 and older will be increasingly important as a voting bloc

### ***Jacques Légaré, University of Montreal***

- in the future, the Atlantic provinces and Quebec will lose population relative to the rest of Canada; natural growth will be positive for the rest of Canada and negative for the Atlantic provinces and Quebec
- demographic pressures will have labour force and labour market implications

- in the future, fewer workers will contribute to the pensions paid to current retirees
- members of visible minority groups are mostly concentrated in urban centres and not in the Atlantic provinces
- the future will be characterized by labour force quality and quantity challenges
- ageing societies will have to reform their social security systems
- as life expectancies continue to rise, health care should focus on chronic, rather than life-threatening, disease

Respectfully submitted,

Hon. Jerahmiel Grafstein, Senator  
Co-Chair, Canada-United States  
Inter-Parliamentary Group

Rob Merrifield, M.P.  
Co-Chair, Canada-United States  
Inter-Parliamentary Group



## Travel Costs

<b>ASSOCIATION</b>	Canada-United States Inter-Parliamentary Group
<b>ACTIVITY</b>	New England Governors and Eastern Canadian Premiers (NEG-ECP): 31st Conference
<b>DESTINATION</b>	Brudenell, Prince Edward Island
<b>DATES</b>	June 25-26, 2007
<b>DELEGATION</b>	
SENATE	Hon. Marilyn Trenholm-Counsell, Senator
HOUSE OF COMMONS	Mr. Gord Brown, M.P. Hon. Wayne Easter, P.C., M.P. Mr. Paul Crête, M.P.
STAFF	Mr. Daniel Charbonneau, Executive Secretary Ms. June Dewetering, Analyst
<b>TRANSPORTATION</b>	<b>\$2,546.36</b>
<b>ACCOMMODATION</b>	<b>\$2,909.72</b>
<b>HOSPITALITY</b>	<b>\$ Ø</b>
<b>PER DIEMS</b>	<b>\$389.70</b>
<b>OFFICIAL GIFTS</b>	<b>\$ Ø</b>
<b>MISCELLANEOUS/REGISTRATION FEES</b>	<b>\$ Ø</b>
<b>TOTAL</b>	<b>\$5,845.78</b>