

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) 2006
Economic Leadership Forum**

Canada-United States Inter-Parliamentary Group

**Whistler, British Columbia
November 16-18, 2006**

From 16-18 November 2006, selected members of the Canadian Section of the Canada-United States Inter-Parliamentary Group attended the Economic Leadership Forum of the Pacific Northwest Economic Region (PNWER) held in Whistler, British Columbia. This report summarizes the discussions that occurred during some of the Forum's sessions.

Report

Introductory remarks

Ken Melamed, Mayor of the Resort Municipality of Whistler

- Whistler, a world-class resort, has more than 2 million visitors annually, and summer visits now exceed winter visits; it contributes more than \$1 billion annually to the economy
- development in Whistler was reduced in order not to compromise the beautiful natural environment for which Whistler is famous
- Whistler is focussing on sustainability so as not to jeopardize the natural environment; core values include environmental sustainability as well as community partnerships and engagement
- Whistler has a sustainability plan in place

Workforce session

Tom McMail, *Microsoft*

- Microsoft is a Pacific Northwest company and a global enterprise
- as Microsoft tries to hire from the top universities, it finds that it is accepting students that would not have been accepted a few years ago
- economic competitiveness depends on the rate of technological advancement and innovation; a highly educated and highly skilled workforce is needed, as are long-term investments in research and development and an immigration policy that enables the hiring of the best and the brightest
- companies hire wherever the best talent can be found
- workforce diversity is a competitive advantage
- computing drives growth everywhere
- there are certain anomalies to consider:
 - although demand for workers in computing is high, there is low interest in computing among youth
 - youth consider computing to be boring, yet exciting new advances depend on computing
 - while post-secondary education in the United States is high in quality, the quality of education from kindergarten to grade 12 could be higher

- although the government perceives terrorism to be the biggest threat, the loss of the computing edge in technology and innovation may be worse
- an increased emphasis on multidisciplinary approaches results in high levels of innovation; the result is new models for learning and T-shaped people with both breadth and depth
- hiring considerations include:
 - employers are looking for “talent,” and not just engineers and computer science graduates
 - hands-on experience is very important
 - versatile people are needed
 - soft skills are important
- going forward, action is needed in the following areas:
 - strong investments in research and development
 - education and workforce development
 - facilitative policies on a highly skilled workforce and immigration
 - Microsoft research must be connected to academia

Bruce Graham, Calgary Economic Development/Calgary Works

- the key pillars of economic growth are land, capital and labour, but human talent is the key to success
- workforce development has regional connotations
- labour shortages are the greatest constraint on economic growth
- key principles are:
 - an outcome-focussed response to labour and skills shortages
 - collaboration among business, government and education community stakeholders
 - practical solutions
- key strengths include:
 - a strong economy
 - strong population and employment growth

- a young, highly educated workforce
- a high employment participation rate
- key sectors of growth include: transportation and logistics; manufacturing; construction
- worldwide, 40% of employers are having difficulty filling positions
- a collaborative, action-oriented plan is needed; key components should include:
 - delivering workforce information and supporting human capital attraction
 - undertaking a complete assessment of labour market trends as well as occupational projections and shortages
 - sharing best practices among employers
 - capitalizing on unique strengths and expanded partnerships
 - expanding the use of existing immigration approaches
 - improving educational attainment and completion rates
 - increasing the participation of select demographic and low-income groups
 - improving the labour force information base
 - adopting creative human resource management practices
 - connecting employers with community groups in order to expand the labour force
 - encouraging industry to innovate and improve on best practices

Ron Trepanier, British Columbia Chamber of Commerce

- the small business sector is the key generator of jobs and economic growth in British Columbia; 98% of all British Columbia businesses have fewer than 50 employees
- skills shortages are having a significant impact on small businesses in British Columbia, which prompted the development of a partnership approach
- the British Columbia Chamber of Commerce has joined with the Community Futures Development Association of British Columbia to undertake the British Columbia Skills Force Initiative, with funding provided by Service Canada and the British Columbia Ministry of Small Business and Revenue and of Economic Development
- important issues include:

- inadequate skills levels, with employers required to engage in on-the-job training in order to ensure that employees have an acceptable skill level even though some may lack the capacity to train employees
 - a lack of skilled trades workers
 - a lack of communication, with small business employers disconnected from the education system
 - affordability concerns, with small businesses often unable to afford high wages, comprehensive health care, etc.
 - career development concerns, with small businesses often unable to define a career path that will satisfy the long-term career ambitions of employees
 - a lack of human resource management capacity
 - succession planning concerns, with employers having a need to develop strategies and succession plans
- centralized decisions are not the answer, since conditions vary across regions

Neil Windsor, Association of Professional Engineers, Geologists and Geophysicists of Alberta

- a massive injection of capital investment is resulting in both unprecedented growth and labour challenges; in Alberta, the growth is occurring, for the most part, in the energy industries
- the Pacific Northwest is an energy hub, and regional infrastructure projects are massive
- with the growth in Alberta, there is significant net migration, a low unemployment rate and a relatively high population growth rate
- with the population and labour force challenges that exist, there is a need to improve productivity, particularly through investments in research and development, computing, information and communication technology, and skills development of the existing workforce
- the construction, transportation, manufacturing, resource and retail sectors are most severely affected by labour challenges
- massive labour shortages are not sustainable in the long term, and demographic change will reduce the labour supply despite migration
- there is wage inflation resulting from the relatively low unemployment rate in Alberta, and there is upward pressure on housing prices

- the Pacific Northwest regions facing labour shortages must work together in order to:
 - enhance labour mobility among jurisdictions
 - change immigration policies to facilitate easier entry
 - change the foreign worker program
 - increase the labour force participation rate of the Aboriginal population
 - expand post-secondary education training
 - increase the labour force participation rate of older workers, including part-time
- Alberta's future prosperity is linked to the ability to tackle technological challenges

Technology of the future session

Nelson Ludlow, *Mobilisa*

- high-tech solutions should be used to facilitate crossing at the shared Canada-U.S. border
- a technologically enhanced drivers license would:
 - enhance security
 - support tourism and trade
 - facilitate the identification of synergies between REAL ID and the Western Hemisphere Travel Initiative (WHTI)
- the PASS card is too costly for a family of four to cross from Detroit to Windsor for dinner
- an enhanced drivers license should be an accepted document for purposes of WHTI requirements; in order for this outcome to be realized, certain actions must be taken, including:
 - on drivers license records must be available electronically
 - electric drivers licenses must be validated to source data
 - birth records and citizenship status information must be linked to drivers license records and data
- identification validation technology is already in use, and checks against more than 140 databases

Jim Grant, CSC Consulting

- radio frequency identification (RFID) is a family of technologies dating to the Second World War
- there are two major categories of RFID: active; and passive
- benefits of RFID over bar codes include:
 - there are no “line of sight” issues
 - hundreds of tags can be read automatically and quickly
 - there are serialization capabilities and, consequently, data can be stored
 - it is more robust in harsh and/or dirty environments
- RFID tags are available at various price points
- RFID is only valuable if it is considered with three elements:
 - attention to physics
 - architecture that is designed to evolve
 - business process improvement
- RFID technology is being used by such entities and organizations as the U.S. Department of Defense and major retailers
- issues and challenges going forward include:
 - physics
 - standards
 - data management
 - consumer and business privacy

Curtis Pederson, Oregon State University

- open source software is being produced by many of the world’s best minds in software
- most open source software is at least as technically capable as commercial alternatives
- open source software is good for emerging economies, companies in the start-up phase and not-for-profit organizations

- the number of open source software courses taught in high school and higher education should be increased
- the ability to support incubation and commercialization of open source innovation should be strengthened

Senator Fred Dyson, Alaska State Legislature

- technology has rescued us from many things on many occasions
- consider such technological applications as:
 - global positioning systems in transportation and search and rescue
 - the ability of police officers to access data from their car prior to taking action
 - telemedicine

Luncheon remarks

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

- the Canada-United States Inter-Parliamentary Group (IPG) focuses on Democratic and Republican legislators at the federal level; relationships are what “make things happen”
- started in 1959, the Canadian Section of the IPG has about 250 members
- at the annual meeting of the IPG, delegates discuss a range of issues considered by three committees:
 - trade and economic issues
 - international issues
 - transborder issues
- progress is made not by having the best idea in the room, but by being able to build a consensus around the idea
- the Canadian Section of the IPG focuses on relationship-building through:
 - “blitzes” in Washington, where attempts are made to “localize” such issues as softwood lumber, bovine spongiform encephalopathy, energy, etc.
 - annual meeting

- participation in conferences held throughout the United States with federal and state legislators as well as Governors and the private sector, since such conferences “shape the sand under the feet of legislators”
- during the terrorist incident in London, England in July 2006, Canada and the United States implemented virtually the same security requirements at virtually the same time
- since our countries are fighting the same enemy, “thickening” the border is the wrong approach; the border should be erased, and perimeter security should be the focus
- while “good fences create good neighbours,” good fences do not necessarily create good friends; our countries need a border like those which exist in Europe, even among countries that fought each other during the Second World War
- periodically, actions taken by the United States send a disturbing signal to Canada about the bilateral relationship; consider, for example, the message sent by:
 - the U.S. Department of Agriculture’s decision regarding Animal and Plant Health Inspection Service fees
 - Black Hawk jets, interceptor jets, surveillance planes, etc. along the shared border
 - a virtual fence along a thicker shared border
- the United States is incorrect in thinking that Canada’s immigration laws are lax; while there are perhaps 300,000 illegal aliens in Canada, there are about 12 million in the United States
- the Canada-United States relationship is like that which exists between two brothers fighting over the last piece of apple pie; at the end of the battle, they are still family
- the model of cooperation exhibited by the PNWER should be replicated along the shared border

Regional tourism planning initiative action planning session: western hemisphere travel initiative

Anthony Welcher, United States State Department

- Canada and the United States have had the luxury of living in a hemisphere where we have had an open border for hundreds of years; this luxury is no longer affordable
- the Western Hemisphere Travel Initiative (WHTI) is Congressionally driven

- it is hoped that the WHTI requirements for land and sea travel will be implemented well before 1 June 2009
- drivers licenses and birth certificates are not secure documents; the WHTI will have security benefits
- passport use is growing in the United States
- the PASS card, which will have a radio frequency identification (RFID) chip embedded in it, will be smaller and less costly than a traditional passport
- for the “spur of the moment” tourist, consideration is being given to a day pass that could be used a limited number of times each year; it is important that spontaneous travel not be destroyed
- one objective of the WHTI is to expedite movement at the shared border

Honourable John Van Dongen, Minister of State for Intergovernmental Relations, Government of British Columbia

- the bilateral relationship is important to both countries, and both countries need to work hard and together when such issues as the Western Hemisphere Travel Initiative (WHTI) arise
- Canadians understand the United States perspective on the importance of security, and want to work with the United States on the issue of security
- our countries must ensure the existence of pre-clearance for low-risk travellers and goods as well as secure documents that are easily available at low cost
- regarding such initiatives as the WHTI, there is a need to test processes and systems in pilot projects

Liz Luce, Department of Licensing, Washington State

- Washington State and the province of British Columbia have developed a joint proposal that is based on technology – an encrypted bar code – in enhanced drivers licenses
- information about the license holder would be validated when he or she obtains the drivers license and then a second time at the border
- the joint proposal would provide an opportunity to determine if real-time reading and wireless technology work as intended

Michael Virr, Consulate General of Canada

- as friends, neighbours and trading partners, Canada and the United States have faced challenges and developed solutions
- our countries must balance security and economic prosperity

- since the PASS card will use radio frequency identification (RFID) technology, it is important to take the time needed to install and test equipment as well as to establish and ensure the implementation of proper procedures
- such alternative travel documents as NEXUS should be considered as meeting the requirements of the Western Hemisphere Travel Initiative (WHTI)
- important elements in securing North America are:
 - intelligence and the sharing of intelligence
 - immigration policies and procedures that keep the threats out of our countries
 - safeguarding the legitimate flow of goods and people

Breakfast remarks

James Moore, M.P., Parliamentary Secretary to the Minister of Public Works and Government Services and to the Minister for the Pacific Gateway and the Vancouver-Whistler Olympics

- for two decades, British Columbia has been talking about the Asia-Pacific Gateway as an opportunity for the province to build links with Asia; however, the Gateway initiative is not limited to B.C., but is a pan-Western initiative that will benefit Canada as a whole
- significant progress must be made on the Asia-Pacific Gateway and Corridor Initiative if British Columbia and Canada are to be competitive; it is a collaborative effort involving all levels of government and the private sector, with governments creating the framework for the commitment of private capital
- while the importance of a strong trade relationship with Asia is understood, the reality is that Canada has fallen behind vis-à-vis our competitors for trade with China
- Canada's competitiveness as a trading nation and the success of the Asia-Pacific Gateway are connected: strong trade links with Asia – achieved through free trade agreements, investment protection acts, and tourism and travel initiatives – result in more business for the Gateway
- since the global economy is built around supply chains, success depends on having a supply chain that is fast, efficient and reliable
- the success of the Asia-Pacific Gateway relies on speed, efficiency and reliability
- British Columbia has a natural speed advantage over U.S. and Mexican competitors, since B.C. ports are relatively closer to the main commercial ports of Asia; consider that Shanghai is almost two days closer to Vancouver than is Los

Angeles for the fastest container ships, and Prince Rupert – which has the deepest harbour in North America and has the potential for expansion at the port and for a shipping corridor – is at least three days closer

- efficiency in the global marketplace is assured by Canada's integrated system of ports, airports, road, rail and other connections, which come through British Columbia, cross Western Canada and reach the North American heartland
- nevertheless, British Columbia ports have only a market share of 9% of trans-Pacific traffic moving through west coast ports; Seattle and Oregon have a market share of 19%, while 10% of the traffic moves through Oakland and 62% moves through Los Angeles and Long Beach
- more container traffic destined for the United States must be attracted; if the Asia-Pacific Gateway is to succeed, it is important to increase both the amount of container traffic coming in through British Columbia and the amount of goods that enter through British Columbia destined for the U.S.
- a coherent strategy is needed in order to realize the potential of the Asia-Pacific Gateway; important measures include:
 - investments for Asia-Pacific Gateway and Corridor Initiative infrastructure, security and private sector opportunities
 - measures regarding the management and regulation of transportation
 - incentives to encourage private sector investment in transportation
 - measures to attract the skilled workforce needed to operate transportation
 - initiatives related to security, recognizing the need to protect against security risks while not disrupting trade and investment
- with these types of measures, container traffic at British Columbia's major commercial ports is expected to increase to 7 million units annually by 2020, which will increase Canada's share of west coast container traffic from 9% to 14%

Sustainability session

Honourable Barry Penner, Minister of Environment, Government of British Columbia

- environmental, social and economic considerations must be balanced; they are, in essence, legs of a three-legged stool
- sustainable practices must be pursued as Canada prepares to host the world in 2010

- with a view to sustainability, environmental leadership and energy design excellence, there has been a focus on green buildings, clean energy, clean transportation, zero waste and careful venue selection

Linda Coady, Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games

- the 2010 Olympic Games will bring about social, economic and environmental outcomes if they are planned, managed and conducted in a manner that minimizes adverse impacts and maximizes positive opportunities both locally and globally
- the value of the 2010 Olympic Games can be enhanced through the application of sustainability principles, and the Olympic Games will cast a strong spotlight on how to be sustainable
- sustainability should be integrated into how organizations think, plan, operate and measure success
- Olympic Games-based sustainability outcomes should be leveraged for broader impact and benefit as well as to show how sustainable practices and behaviours can create value
- benefits of the Olympic Games should be inclusive of the broad spectrum of groups and communities, including the socially and economically disadvantaged who would not otherwise benefit
- sport should be leveraged for sustainable living
- the bridge to a more sustainable future must be built one step at a time

Frank Came, GLOBE Foundation of Canada

- corporate responsibility is an important consideration
- the Pacific Northwest's leadership role in sustainable technology and best practices should be showcased
- while a vision exists, there is a need to conclude a fully developed plan; there is a need to see not just the next mountain, but the mountain and the two mountains beyond that mountain
- there is a need for businesses to be as concerned about social and environmental considerations as they are about the bottom line

Pacific gateway session

Allan Bleiken, Honorary Consul for the Netherlands

- countries want to:

- diversify and strengthen their economies
- create and protect high-value industries, jobs and taxes
- improve international competitiveness
- expand export market opportunities
- there are a variety of global economic factors that affect national transportation systems, including:
 - the transformation of global economies through the emergence of such markets as Asia
 - countries are becoming more trade-dependent
 - manufacturing operations are being outsourced
 - export industries need to become more competitive
- Canada is the most trade-dependent country among the Group of Eight countries, and trade is essential for Canada's prosperity; trade is dependent on transportation
- exports are key to Canada's economic success, and are essential to the economy in Western Canada
- in order for Canada to be competitive, transportation must:
 - be strategically planned rather than demand-driven
 - provide fully integrated, multimodal transportation services
 - use leading-edge supply chain management systems
 - have streamlined transportation policies and regulations
 - share international expertise and best practices
- Canada is perceived to lack adequate, up-to-date transportation services and infrastructure, and the Premiers have expressed their concern about the loss of competitiveness resulting from aging highway systems and congestion at airports, seaports and border crossings; trade advantages can be jeopardized by congestion, existing transportation capacity is strained, and serious backlogs and interruptions have occurred
- Canada's Western Premiers have agreed that the top economic priorities must include major improvements in transportation and trade
- in the future, Canada must:

- significantly expand the transportation capacity
 - choose the most cost-effective transportation alternatives
 - improve transportation reliability
 - eliminate congestion
 - ensure an integrated approach to transportation development
 - update transportation policies and regulations
 - serve the common good of the export industry
- the time and cost of developing competitive transportation systems is becoming prohibitive for some nations and – consequently – nations are sharing expertise and resources to help reduce the burden of developing transportation systems; consideration should be given to establishing a relationship between Canada and the Netherlands to share transportation expertise and resources for mutual benefit
 - introduced in 1965, twenty-foot equivalent unit (TEU) containers now account for more than 90% of world trade, and massive container ports and ships are being developed worldwide; ships have increased from 1,500 TEUs to more than 10,000 TEUs per ship
 - the Dutch transportation system serves as the “Gateway to Europe,” and handles more than 50% of the world’s trade with Europe; it has 50% of all European distribution centres and is able to reach more than 240 million customers within 48 hours
 - the Netherlands transportation systems resulted in:
 - the development of the Netherlands distribution industry
 - the development of value-added manufacturing industries
 - relocation of research and development opportunities to the Netherlands
 - establishment of head office operations in the Netherlands
 - Rotterdam is Europe’s largest seaport and container port, and constantly changes to meet international needs identified using long-range planning programs
 - the importance of transportation is evident in the value-added benefits contributed to the national economy; transportation services are essential to international trade and economic prosperity, and transportation systems must be developed strategically and in the best interests of all interested parties with

recognition that they must be internationally competitive, cost effective and reliable

- in the Netherlands, responsibility for transportation development rests with the Holland International Distribution Council, a private, not-for-profit organization founded by the Dutch transport and distribution industry with the full backing of the government
- the Holland International Distribution Council integrates the input of industry and government to ensure the optimal development of the transportation industry; it also provides advice on how to develop and maintain a globally competitive transportation system within the Netherlands
- the Holland International Distribution Council recognizes that:
 - every \$1 in transportation costs must be added to export product costs and affects a country's competitiveness
 - to be internationally competitive, transportation must be reliable and available at all times
 - transportation is essential for developing and retaining value-added industries and economic diversity
 - transportation development must be strategically planned rather than demand-driven
 - transportation systems must match or exceed those of international competitors
 - transportation development must be based on the collective good rather than the priorities of individual companies

Captain Gordon Houston, *Vancouver Port Authority*

- cruise ships and container traffic are important for the Port of Vancouver and the B.C. economy
- as a gateway, the Port of Vancouver must be seen to be an attractive location by shippers and receivers; reliability and consistency are critical
- legislation requires the Port of Vancouver to be profitable and not to require subsidies
- as part of a gateway, the port must be linked to good rail and road connections; in essence, a whole transportation chain is needed, with each part depending on the other parts

- the Western Hemisphere Travel Initiative will seriously affect the movement of people across the shared border, including those on cruise ships that move back and forth across the border
- there will be a pilot project at the British Columbia-Washington State border using drivers licenses as documentation to be used to cross the shared border
- freight traffic should make better use of technology, including weigh-in-motion options and radio frequency identification (RFID)
- Canada is a leader in port security
- a port business cannot be operated without thinking about the fact that the port operates within the context of communities; ports are permitted to operate because they are allowed to do so by the communities in which they are located

Mark Knudsen, Port of Seattle

- the Puget Sound ports of Seattle and Tacoma compete in some ways and cooperate in other ways
- the Port of Seattle is the third largest U.S. load centre, and the cargo that moves through the Port of Seattle could just as easily be shipped through another port
- ports are useless without supporting community, rail, road and other surrounding infrastructure; many components need to work together in order to support port growth and, to accommodate growth, investment in many sectors must occur; the Port of Seattle is located in the middle of downtown Seattle, and is surrounded by residential neighbourhoods
- the Port of Seattle depends on, and supports, international trade

Larry Ehl, Department of Transportation, Washington State

- the U.S. federal role in transportation funding and policy includes the following elements:
 - establishes federal transportation taxes and fees
 - creates the funding programs
 - determines the distribution of federal funding among states and local agencies
 - sets funding levels for transportation modes and programs
 - provides rules for how federal money can be spent
 - details the safety and environmental regulations that guide the design, construction and operation of state and local transportation facilities using federal funds

- the sources of federal transportation funds include:
 - gasoline and diesel fuel taxes
 - tire fees
 - truck and trailer sales tax
 - heavy vehicle use annual tax
- entities that receive federal transportation funds include:
 - states
 - cities
 - counties
 - transit authorities
 - airports
 - ferries
 - ports
 - universities
 - regional groups
 - coalitions
- the entities that receive federal transportation funds use those funds for purposes that include:
 - construction
 - research
 - busses
 - runways and towers
 - security improvements
 - sidewalks
 - parking lots
 - planning and design

- rail crossings and facilities
 - bus facilities
 - trails
 - ferries and terminals
 - historic redevelopment
 - museums
 - visitor and welcome centres
- federal transportation funding – which occurs under the SAFETEA-LU authorizing legislation – supplements and complements state transportation funding
 - SAFETEA-LU is a six-year surface transportation bill covering highways, safety, ferries, public transportation, the environmental impacts of transportation projects and research; it provides \$286.4 billion in total guaranteed spending (75% to highways and safety programs, 18.5% to transit and about 6% to additional safety and other programs), and expires on 30 September 2009
 - programs for gateways include the corridors program and border program; gateway projects can also be funded through annual appropriations legislation, periodic authorization legislation and emergency supplemental appropriations
 - the National Surface Transportation Policy and Revenue Study Commission was created by SAFETEA-LU to examine the condition and future needs of the U.S.'s surface transportation system as well as short- and long-term alternatives to replace or supplement the fuel tax as the principal revenue source to support the Highway Trust Fund over the next three decades; the Commission is due to report to Congress in December 2007, pending expected legislative approval extending the deadline from July 2007
 - current and looming issues for federal transportation funding and policy include:
 - a negative public perception of earmarks
 - fewer earmarking opportunities
 - a cloudy vision of the federal role
 - competing funding needs
 - investments in some areas that are not keeping pace with the need for investment
 - declining transportation revenues

- potentially important key Pacific Northwest issues in the next SAFETEA-LU include:
 - renewal of the Border Program
 - investment in nationally significant freight projects
 - Amtrak
 - funding levels
 - tolling and public/private partnerships
 - renewal of corridors and projects of national significance
 - programs providing mitigation of transportation project impacts
 - rural road safety and rural communities connections

James Moore, M.P., Parliamentary Secretary to the Minister of Public Works and Government Services and to the Minister for the Pacific Gateway and the Vancouver-Whistler Olympics

- a century ago, British Columbia relied on forests, mining, agriculture and fisheries; today, the province relies on forests, mining, agriculture, fisheries and tourism
- Canada and the United States differ in their funding framework for transportation
- open trade is not a political issue
- open trade is about opportunities – the big picture – rather than just about containers – the small picture
- it is important that Canada and the United States think about air, border and marine security, as well as the environment and land use planning choices that are available

Luncheon remarks

Ken Peacock, Business Council of British Columbia

- the employment growth in the Pacific NorthWest Economic Region (PNWER) exceeds that growth in either the United States or Canada; as well, the region is experiencing skills shortages and a relatively low unemployment rate
- the countries in the Asia-Pacific region are increasingly important to the regional economies in the PNWER; China and its growth are particularly important

- China is poised to overtake Canada as the most important merchandise supplier to the United States, and overtakes Canada if energy trade is excluded; China is a competitive producer of higher-value products
- China is important to British Columbia as well; China represents 21% of all merchandise imports arriving in British Columbia, an increasing volume of Western Canadian resource exports are destined for Asia, China is the most important source of immigrants to British Columbia, and China affects global coal, copper, zinc, aluminum, gold and pulp markets
- the provinces of British Columbia and Alberta outperform the Canadian average on most economic indicators as well as in terms of capital investment and formation, consumer spending and non-residential construction activity

Legislative energy chairs/provincial energy ministers task force session

Senator Tom Wagoner, Alaska State Legislature

- there is a restraining order against the outgoing Governor of Alaska to stop him from signing an agreement without legislative approval, while the incoming Governor has said that all gas line proposals are on the table
- a Japanese company is looking at a prototype for a nuclear power plant that could be located in small communities
- wind generation and ethanol are important sources of energy

Representative George Eskridge, Idaho State Legislature

- a new energy plan for the state of Idaho is being drafted; the focus is on energy conservation and efficiency, then renewable energy sources, then traditional energy resources
- coal is being included as part of the state's new energy plan, even though there is some controversy regarding its use
- except for air and water, siting is a decision of the local authority; however, an advisory board will be established to assist local authorities, if requested to do so
- the Public Utility Commission is likely to have responsibility for transmission and to have the authority to enter into interstate compacts
- rather than mandating ethanol and biodiesel, incentives will be provided for producers and retail users

Representative Jeff Morris, Washington State Legislature

- too many energy offices have their "thumb" in energy policy
- Washington State is looking at a compacting proposal with northwestern states

- in Washington State, there are biofuel distribution issues
- an assistance benefit charge, like that in the state of Oregon, is being re-examined
- because of whales, there may be implications for the equipment selected for a tidal wave project

Mel Knight, Member of the Legislative Assembly, Province of Alberta

- there are intraprovincial transmission problems in Alberta, and the provincial northwest grid is constrained; there is also a grid problem in the southeast part of the province, and the Edmonton-Calgary corridor is a major problem
- the oil sands are continuing to be developed
- a gateway project regarding bitumen has been shelved momentarily

Representative Paul Holvey, Oregon State Legislature

- the Governor of Oregon's goal is to increase renewable energy and to move renewable energy to areas of energy demand
- woody biomass is being used for biofuel

Honourable Jim Kenyon, Minister for Economic Development, Government of the Yukon Territory

- while the Yukon Territory has a fairly large amount of oil and gas, there is no sense in looking for it until it is possible to transport it out of the Yukon; in that regard, the Yukon Territory will wait and see what happens with the Alaska pipeline
- the Yukon Territory has two windmills that were built in order to test the feasibility of wind power
- in the Yukon Territory it is difficult to sell nuclear power to consumers; similarly, with the territory has huge deposits of coal, coal-fired plants would be "hard to sell" to the public
- the Yukon Territory is completely off-grid externally; nevertheless, it has two grids that the territory plans on linking

Honourable Barry Penner, Minister of Environment, Government of British Columbia

- British Columbia is deficient in electricity
- in British Columbia, there are concerns about global warming and the contribution made by carbon dioxide
- in some cases, new technologies can be relatively more costly

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

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Pacific NorthWest Economic Region Leadership Forum
DESTINATION	Whistler, British Columbia
DATES	November 16-18, 2006
SENATORS	Hon. Wilfred Moore, Senator (Liberal)
MEMBERS	Mr. Rob Merrifield, M.P., Co-Chair (Conservative) Mr. Blair Wilson, M.P. (Liberal) Mr. Paul Crête, M.P. (Bloc Québécois)
STAFF	Ms. June Dewetering, Advisor Mr. Daniel Charbonneau, Executive Secretary
TRANSPORTATION	\$2,827.42
ACCOMMODATION	\$2,340.80
HOSPITALITY	\$969.38
PER DIEMS	\$1,074.30
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$992.90
TOTAL	\$8,204.80