

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 51st Annual Meeting and Regional
Policy Forum of the Eastern Regional Conference**

Canada-United States Inter-Parliamentary Group

**Halifax, Nova Scotia, Canada
August 7-10, 2011**

Report

DELEGATION MEMBERS AND STAFF

From August 7-10, 2011, the Honourable John McKay, P.C., M.P., Vice-Chair, led a delegation of members of the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) to the 51st Annual Meeting and Regional Policy Forum of the Eastern Regional Conference (ERC) in Halifax, Nova Scotia. The other members of the delegation were the Honourable Terry Mercer, Senator, and Ms. Wai Young, M.P. The delegation was accompanied by Mr. Philippe Méla, Acting Association Secretary to the Canadian Section, and Mr. Mohamed Zakzouk, Advisor to the Canadian Section.

THE EVENT

The ERC, which meets annually, is a regional association of state and provincial legislators from 19 member jurisdictions from the United States and Canada (see Appendix). By facilitating cooperation among its member jurisdictions, the ERC promotes multi-state and/or region-wide solutions to the problems and challenges facing state and provincial legislators.

DELEGATION OBJECTIVES FOR THE EVENT

Canada and the 11 ERC states share a mutually beneficial relationship. According to recent figures, annual merchandise trade between Canada and the ERC states was recently valued at about US\$86 billion: about US\$30 billion was exported from these states to Canada, while they imported more than US\$56 billion from Canada. Recent data suggest that, in a recent 12-month period, Canadians made more than 7 million visits to the ERC states and spent more than US\$1.8 billion, while residents of these states made more than 3.9 million visits to Canada and spent about US\$1.5 billion. More than 1.6 million jobs in the 11 ERC states rely on Canada-U.S. trade.

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 take the opportunity to engage in the conversations that will help to achieve the Canadian Section's objectives, and to communicate the nature and scope of the bilateral relationship.

Members of the Canadian Section found the 2011 meeting of the ERC to be a valuable occasion on which to discuss the numerous opportunities for Canada and the eastern U.S. states to collaborate on improving the economic status of the region. Furthermore, they benefited from presentations on a variety of bilateral issues, including trade, the shared border, regional transportation, and potential for offshore wind energy development along the eastern seaboard. Feeling that members of the Canadian Section were able to achieve their objectives for the event, the Canadian Section

intends to attend future annual meetings of the ERC to continue its work in advocating Canadian interests in the eastern United States.

ACTIVITIES DURING THE EVENT

During the 2011 meeting of the ERC, the following plenary and concurrent sessions took place:

- U.S.-Canadian Trade Border Issues
- Building a Stronger Regional Economy: Partnerships-Relationships, A New Way of Doing Business
- U.S.-Canadian Health Care: Common Challenges, Unique Solutions
- Offshore Wind Seminar
- Infrastructure Challenges: U.S. and Canadian Perspectives on the Road Ahead
- Transportation Issues and Challenges Facing the Region
- Electric Vehicles, Renewable Energy and the Grid
- Advancing the Regional Clean-Energy Economy
- Educational Reform Initiatives within the North Eastern States and Eastern Canadian Provinces
- Growing Abuse of Prescription Drugs among Public School Students
- Various Agricultural Issues.

This report summarizes the plenary and selected concurrent discussions that occurred at the meeting.

U.S./CANADIAN TRADE BORDER ISSUES

Patrick Binns, Consul General of Canada in New England

- Canada and the United States have the world's largest economic relationship:
 - In 2010, bilateral trade exceeded \$500 billion, or approximately \$1.5 billion every day.
 - Mutual foreign direct investment exceeds \$250 billion annually.
 - In the United States, 8 million jobs depend on trade with Canada; in Canada, one in seven jobs is supported by exports to the United States.
 - About 400,000 people cross the Canada-U.S. border every day at 119 land border crossings.
 - Canada-U.S. trade is highly integrated; for example, a vehicle can sometimes cross the border up to five times during assembly.
- It is in the interest of both Canada and the United States to ensure that the shared border remains open, efficient and secure. To that end, regulatory barriers to cross-border trade and travel should be eliminated and new ways to exclude individuals that pose a threat to society, such as terrorists and criminals, should be explored.
- On February 4, 2011, Canadian Prime Minister Stephen Harper and U.S. President Barack Obama issued a joint declaration on a shared vision for perimeter security and economic competitiveness.
- Key areas of Canada-U.S. cooperation include:

- addressing common threats early through quicker, more effective responses, and by improving intelligence and information gathering;
- facilitating trade, economic growth and job creation through better management of the flow of cross-border traffic, and investment in modern infrastructure and technology at the busiest entry ports;
- improving integrated cross-border law enforcement, including existing bilateral law enforcement programs and information sharing practices; and
- improving cyber security and the security of binational communication networks, transportation systems and other integrated infrastructure.
- Regarding the vision announced on February 4, 2011, an action plan is being developed by the Beyond the Border Working Group.
- The Regulatory Cooperation Council, which was also announced on February 4, 2011, aims to make regulations in a range of sectors more compatible and less burdensome in both countries.
- A collaborative approach designed to improve safety and trade across the Canada-U.S. border will keep the people and economies of eastern North America both safe and prosperous. In 2010,
 - Canada-New England trade totaled \$29.6 billion;
 - more than 400,000 jobs in New England depended on Canada-U.S. trade; and
 - more than 7.8 million people and 550,000 trucks crossed Canada-New England border entry ports.

Anton Smith, Consul General of the United States in Halifax

- Canada and the United States are more culturally similar than many other countries that share a border. Notably, eastern Canada and New England share a long history and strong family ties.
- Considering the highly integrated nature of the Canadian and U.S. economies and given that many North American products cross the shared border several times during production, it is important to harmonize the regulations in both countries in order to improve the efficiency and cost-effectiveness of bilateral trade.
- Atlantic Canada provides about 20% of Canadian energy exports to the United States, and therefore plays an important role in Canada-U.S. energy trade.
- Improving the efficiency of the Canada-U.S. border, for trade and travel, will create numerous opportunities in both Canada and the United States.

John Prato, Consul General of Canada in New York

- Governments are increasingly major purchasers of industrial goods in sectors such as transportation, green technologies and water infrastructure; these sectors represent major opportunities for suppliers.
- Secure and predictable access to procurement markets promotes employment in both Canada and the United States, and strengthens the global competitiveness of North America's small and medium-sized exporters by helping them to expand and gain valuable international experience.

- Many U.S. states have adopted laws and regulations designed to promote transparency, fairness and competition in state and local government procurement.
- Businesses in Canada and the United States have highly integrated supply chains that are founded on excellent business partnerships. These partnerships were disrupted as a result of the Buy American provisions of the *American Recovery and Reinvestment Act of 2009*, or ARRA.
- The workers and businesses that were most affected by the ARRA on both sides of the border include: steel producers, manufacturers of construction components, and wastewater and water treatment companies.
- As a result of the ARRA, American suppliers could no longer source from Canada when bidding on public infrastructure projects.
- Many state and municipal infrastructure projects faced increased project costs, delays in project start-ups and retaliatory protectionism as a result of the ARRA.

BUILDING A STRONG REGIONAL ECONOMY: PARTNERSHIPS-RELATIONSHIPS, A NEW WAY OF DOING BUSINESS

Linda Nazareth, Author, Television Broadcaster/In-house Business News Network Economist

- Despite its different socioeconomic challenges, the United States could learn from Canada's monetary policies, which proved successful throughout the recent economic downturn.
- Monetary policy in the United States was "much looser" than in Canada during the recent economic downturn because U.S. interest rates were already too low and could not be reduced much farther. As a result, the United States could not experience the same relief regarding debt payments.
- During the recent economic downturn, the government represented a bigger part of Canada's gross domestic product than in the United States, which mitigated the impacts of the economic downturn in Canada.

Premier Darrell Dexter, Nova Scotia

- Balancing the budget is an important priority for Nova Scotia. The province had a budgetary surplus in 2010.
- States and provinces assert their independence through market regulation. Nova Scotia has a committee that aims to foster regulatory partnerships with other jurisdictions in eastern Canada and New England.
- Regulatory cooperation requires a level of trust among governments. It is important to foster open and efficient trade relations without impinging on the notion of sovereignty.
- The future of North America lies in establishing broader and deeper markets for the benefit all jurisdictions in Canada and the United States.

Governor Peter Shumlin, Vermont

- Vermont has faced a number of financial challenges due to the recent economic downturn, resulting in job losses.
- Even though Vermont is the only U.S. state that does not have a constitutional requirement to balance its budget, the state has made a number of budget cuts in order to address the economic crisis. The state has already felt the impact of these budget cuts.
- Vermont is optimistic about the future, and is looking forward to a rapid economic recovery.

Christopher Sands, Senior Fellow at the Hudson Institute

- As a result of the recent economic crisis, less funding is available for “experimentation” with new policies and infrastructure. Federal regulators are most concerned about job security.
- Part of the goal of the *North American Free Trade Agreement (NAFTA)* is to foster partnerships and relationships among U.S. states and Canadian provinces in order to build a stronger regional economy in North America:
 - Before NAFTA, national taxes were the main barrier to increased trade in North America.
 - Currently, the lack of regulatory harmonization among U.S. states and Canadian provinces is a critical barrier facing free trade in North America.
- The Canada-U.S. border has become an obstacle to tourism and businesses.

PERSPECTIVES ON U.S./CANADA RELATIONS

Honourable Peter MacKay, Minister of National Defence, Canada

- There are deep historical and cultural connections among the families of eastern Canada and New England. Furthermore, all jurisdictions in eastern Canada and New England share a desire to maximize the socioeconomic potential of the region.
- Canada’s federal government believes that Atlantic Canada is uniquely positioned to become a gateway for people, goods and energy travelling to and from North America.
- The Atlantic Gateway Strategy is the Canadian federal government’s “roadmap” in Atlantic Canada. The strategy’s main objectives include investments in transportation infrastructure throughout the region in order to improve Atlantic Canada’s access to North American and global markets.
- Canada’s federal government has made major investments in Atlantic Canada in order to stimulate investment and employment opportunities in the region.
- Atlantic Canada has the potential to provide clean and renewable energy to the United States, particularly to states on the eastern seaboard.
- Newfoundland and Labrador’s Lower Churchill development can provide eastern Canada and the United States with clean, renewable energy. The project could reduce carbon emissions by about 4.5 million tonnes annually.

- Newfoundland and Labrador's Lower Churchill development would create construction and manufacturing opportunities in eastern Canada, which would further improve the region's economic profile.

TRANSPORTATION INFRASTRUCTURE CHALLENGES: U.S. AND CANADIAN PERSPECTIVES ON THE ROAD AHEAD

Dr. Mary Brooks, Faculty of Management, Dalhousie University

- A mix of public-sector and private-sector investment is an important element in the successful implementation of complex transportation projects.
- There are a number of important elements that need to be demonstrated when accessing public funding for a given project, including:
 - demonstrating the public benefits of the project;
 - demonstrating that productivity gains have been sought and achieved; and
 - demonstrating that market mechanisms are insufficient due to the existence of social costs that are not directly related to the project.
- Future financing of transportation projects will require creativity and coalitions among stakeholders and potential partners. Ports are in a good position to broker coalitions and public-private partnerships at all levels. Furthermore, universities make good coalition partners, for example, in terms of research assistance.

Lynn Weiskopf, Department of Transportation, State of New York

- The transportation system in the state of New York is aging. For example, an estimated 1,100 bridges will need to be replaced or renovated within the next five years, and an additional 1,100 bridges are estimated to require replacement or renovation within the next six to 10 years.
- There is a need for investment in transportation infrastructure; however, resources are constrained.
- New York has 17 land border crossings into Canada and four rail-only border crossings, accounting for about one fifth of the value of all U.S. trade with Canada.
- In 2010, the state of New York was the top U.S. destination for Canadian travelers. Similarly, residents of the state of New York accounted for the most tourism-related travel to Canada.
- In 2010, 517,000 jobs in the state of New York were directly tied to trade with Canada.
- Bilateral cooperation on border infrastructure development is fundamental to creating opportunities in both Canada and the United States. Examples of bilateral efforts include the Niagara Region's Bi-national Border Coordination Group, the Eastern Border Transportation Coalition and the Transportation Border Working Group.

Kelly D. Johnson, Vice-President, Government Affairs, Campbell Soup Company, Camden, NJ

- Campbell Soup Company employs 18,000 people globally and 10,000 people in North America.
- Campbell Soup Company's North American supply chain is highly integrated:
 - Canadian Campbell Soup Company products contain U.S. ingredients and vice versa.
 - About 7,000 Campbell Soup Company shipments cross the Canada-U.S. border annually.
 - About 50% of the Campbell Soup Company products manufactured in Toronto, Ontario are exported to the United States.
 - About 75% of Campbell Soup Company shipments between Canada and the United States cross the Ambassador Bridge.
- Crossing the Canada-U.S. border is becoming more complicated and expensive:
 - Wait times have increased as traffic returns to pre-2008 levels; however, there has been no infrastructure expansion to facilitate border crossing.
 - The ability to ship food by rail is hindered by a lack of inspection facilities at rail ports of entry.
 - Additional and duplicative border programs have been added in recent years.
 - Additional costs for participating in trusted shipper and traveler programs have been added in recent years.
 - Inspection times have increased for both personal and commercial border crossings.
- For the Campbell Soup Company, border delays result in:
 - increased costs to ship products and ingredients to the United States, especially in relation to frozen and perishable products that are delayed at the U.S. border; and
 - reduced competitiveness of North American products when compared to Asian and European products.
- Inefficiencies at Canada-U.S. border crossings are costly:
 - According to the U.S. Department of Transportation, carriers, manufacturers and governments face annual border management system costs of US\$ 10.3 billion.
 - According to the Ontario Chamber of Commerce, border delays cost C\$ 8.34 billion annually, or C\$952,000 per hour.
 - According to the Border Transportation Partnership, the lack of investment in transportation infrastructure linking Ontario and Michigan will cost US\$ 6.68 billion annually by 2020 due to impaired freight movement and lost productivity.
- There is an urgent need to facilitate Canada-U.S. border crossing, for example by:
 - reducing stress on current infrastructure through pre-clearance pilot programs or the use of rail for food manufacturers;
 - building a new crossing between Detroit, Michigan and Windsor, Ontario;
 - expediting existing and planned infrastructure projects, such as the Peace Bridge in Buffalo, New York; and

- considering the development of a bilateral authority on border management.

HARNESSING THE POTENTIAL OF OFFSHORE WIND ENERGY IN NEW ENGLAND AND MID-ATLANTIC POWER SYSTEMS

Bonnie Ram, Principal, Ram Power, LLC

- Offshore wind power is a domestic energy resource that can provide a number of benefits, including:
 - energy security – offshore wind power is a local energy resource that could reduce local dependence on fossil fuels.
 - environmental sustainability – the operation of offshore wind turbines does not emit any toxic pollutants or greenhouse gases, and could avoid 825 million metric tonnes of carbon dioxide by 2030.
 - economic growth – producing 54,000 megawatts (MW) of wind energy – approximately 20% of the U.S. electricity demand – would create 43,000 jobs and require investment of about \$200 billion.
- Coastal states generally have high electricity prices, which increases the competitiveness of offshore wind power.
- European countries have installed more than 95% of the world's 2,340 MW of offshore wind capacity. The United Kingdom and Denmark are the leaders in this regard, with 1041 MW and 664 MW of installed offshore wind capacity respectively.
- Although no offshore wind projects have been installed in the United States to date, developers are planning to install between 2400 MW and 4000 MW of offshore wind capacity, mostly in the northeastern United States.
- Even though Atlantic Canada's wind resources are superior to those in New England, offshore wind projects in Atlantic Canada are constrained by technical issues, including siting limitations and water depths.
- The capital costs for offshore wind projects have increased substantially since 2006 and are likely to remain high in the near term. The first offshore wind projects in the United States may be particularly expensive due to one-time infrastructure development costs, such as construction and manufacturing facilities, ship building and upgrades to port facilities.
- More research is needed to understand better both coastal communities and their ability to accept changes to the seascape due to offshore wind development. Studies conducted on other energy sources, including land-based wind projects, show minimal to no impact on real estate prices and property values as a result of the presence of wind turbines.
- To minimize the impact of offshore wind projects on bird and marine migration, project developers could use mitigation strategies that have been tested in the offshore oil and gas industry.
- The risks of offshore wind power are significantly lower when compared to other energy technologies.

Robert Mitchell, CEO, Trans-Elect LLC

- The mid-Atlantic region, which houses about 20% of the U.S. population, has the most abundant offshore wind resources in the United States.
- There are two ways in which offshore wind power can be transferred to the shore:
 - build a transmission line for each wind farm; or
 - build an interstate backbone transmission line that serves multiple wind farms.
- The Atlantic Wind Connection (AWC) is an integrated system of energy transmission hubs and cables that will be built in segments, alongside the anticipated offshore wind projects in the eastern United States, over the course of 10 years or more. The AWC will result in the efficient development of a regional offshore backbone network in the mid-Atlantic region.
- Connecting wind farms to each other reduces the variability of wind power output. According to a University of Delaware study:
 - In the case of connecting two wind farms, wind power output is highly variable and can drop from full power to no power, and vice versa, within one hour.
 - In the case of connecting 11 wind farms, wind power output is uninterrupted and never drops to zero over a five-year period.
- The total benefits that would be provided by offshore wind energy and the AWC are estimated to be \$43 billion, including electric reliability improvements, tax benefits from job creation and economic activity, and reductions in carbon dioxide emissions. The AWC will help to make offshore wind affordable, and could enable the replacement of five coal-fired plants.
- Offshore wind energy can help to minimize economic shocks caused by volatile fuel prices. Stable electricity prices will make the mid-Atlantic region more competitive and attractive to industry over time.
- Even though wind farms present some risk to birds and other wildlife, they are far less harmful to birds than are radio towers, buildings, airplanes, vehicles and other manmade objects. In 2006, the National Academy of Sciences estimated that wind power is responsible for less than 0.003% of bird deaths caused by humans and pets.
- Artificial reefs can be used to protect fish habitat from the impacts of offshore windmills. Furthermore, windmills can be located farther offshore to minimize the impacts on birds.

Eric Johnson, Senior External Affairs Representative, ISO New England

- Wind energy has the potential to improve fuel diversity and mitigate fuel cost uncertainty. Furthermore, it can help to meet New England's environmental targets, for example by reducing greenhouse gas emissions.
- Wind energy has higher capital cost than other energy sources, including because of the cost of transmission infrastructure. Furthermore, the variability of wind resources, siting issues and operational concerns present risks in relation to wind energy development.

- More than 3,300 MW of new renewable energy projects have been proposed in New England, indicating strong interest in renewable development. The overall capacity of these projects include:
 - 2,884 MW of wind energy;
 - 398 MW of bioenergy;
 - 44 MW of hydroelectric energy;
 - 34 MW of energy projects powered by landfill gas; and
 - 6 MW of solar energy.
- New England has abundant wind energy potential, mainly in the northern and offshore areas. Theoretically, the region could develop up to 200,000 MW of wind energy. There are currently 270 MW of installed wind energy in the region.
- New England's population and electricity demand are concentrated along the coast in the central and southern parts of the region. New transmission infrastructure would be required to connect potential wind resources to areas with high electricity demand.
- According to the New England Wind Integration Study (NEWIS):
 - Under certain conditions, as much as 24% of large-scale wind energy integration is achievable in New England.
 - When available to provide energy, wind resources could reduce the use of fossil fuels in electricity generation, particularly natural gas-fired and oil-fired generation.
 - Large-scale wind integration will require significant upgrades to transmission infrastructure.
 - In order to manage the variability of wind resources, New England needs to maintain a system where alternative energy sources, such as natural gas-fired plants, are available to provide electricity in periods of low wind. Wind is at its lowest levels during the summer, when electricity demand is at its peak.
 - Centralized wind power forecasting is required in order to prepare system operators for volatile wind situations.

OFFSHORE WIND – CREATING AN INDUSTRY: A CONVERSATION WITH DEVELOPERS

Jim Lanard, President, U.S. Offshore Wind Development Coalition

- In the United States, large-scale land-based wind power, which is mostly concentrated in the Midwestern and Southern states, is not accessible to populations living on the east coast.
- Offshore wind energy can support efforts to fight climate change. For example, each year, a 1,000-MW offshore wind farm generates enough power to avoid 2,500,000 tonnes of carbon dioxide emissions and 50 million gallons of imported oil. The same wind farm could provide enough energy to power 300,000 households.
- Per unit of power delivered, an offshore wind farm produces 2% of the carbon emissions of a coal-fired power plant.
- Offshore wind power could help to create jobs and foster economic development:

- According to a 2009 statement by President Barack Obama, wind power can generate as much as 20% of U.S. electricity by 2030 and create “250,000 jobs in the process, jobs that pay well and provide good benefits. It’s a win-win: It’s good for the environment; it’s great for the economy.”
- In Europe, according to the European Wind Energy Association, “by 2030, more than 375,000 people should be employed directly in the [wind energy] sector –160,000 onshore and 215,000 offshore.”
- In Europe, there are more than 33 offshore wind projects in eight countries, or 1,400 MW; 16 projects, or 2,900 MW, are under construction, and 120,000 MW of offshore wind capacity are expected by 2030.
- Utility-scale offshore wind projects cost about \$1 billion to \$3 billion each. In order to manage the investment risk of such projects, investors, bankers and insurers need to be well informed about a number of issues regarding a given project, such as: the reliability of wind resources and transmission infrastructure; the various costs associated with the project, including construction, operation and maintenance; and the insurability of the project.

Paul Gallagher, General Counsel, Fishermen’s Energy

- Fishermen’s Energy is a community-based offshore wind developer; it was formed by principals of New Jersey fishing companies in order to enable the fishing industry to participate and invest in offshore wind energy.
- Fishermen’s Energy worked with two New Jersey State Administrations in a bipartisan effort to draft the Offshore Renewable Energy Credit (OREC) law, which authorizes the Board of Public Utility to guarantee a price for offshore wind energy.
- In August 2010, New Jersey Governor Christie signed the OREC law, authorizing 1,100 MW of renewable energy projects, a 20-year electricity price and a \$100-million tax credit for manufacturers locating in New Jersey ports.
- A 2009 survey was conducted among Atlantic City residents and visitors to assess support for the proposed windmills located three miles off the shore of the city:
 - 75% of respondents were “in favour” of the proposed wind mills, while 15% were “neutral,” 7% were “opposed” and 3% were “not sure.”
 - 77% of the visitors questioned were “neither more nor less likely” to visit the Atlantic City area in the future, while 11% were “a lot more likely” to do so, 8% were “a little more likely” to do so, 3% were “a little less likely” to do so and 1% were “a lot less likely” to visit the city in the future.
- Fishermen’s Energy will likely help to develop projects in other states as offshore wind policies develop. The organization is actively seeking new offshore opportunities in the Atlantic and Great Lakes regions.

U.S.-CANADIAN HEALTH CARE: COMMON CHALLENGES, UNIQUE SOLUTIONS

Anya Rader Wallack, Office of the Governor of Vermont

- Vermont has a long history of health care reform, including health insurance and coverage expansions. Health care is considered to be a right in Vermont, and is not dependent on employment.
- There are 14 general hospitals in Vermont, eight of which have fewer than 25 beds. Two academic medical centres provide almost all tertiary care. Furthermore, there are three insurers in the state, only two of which sell individual and small group policies.
- Health spending in Vermont grew from \$1.3 billion in 1992 to \$4.38 billion in 2008. In 2009, 18.5% of Vermont's gross domestic product was spent on health care; the comparable national figure was 17.6%.
- Despite Vermont's relatively high health care expenditures, 47,000 Vermonters remain uninsured, while 150,000 are considered to be underinsured.
- According to a recent survey by the Vermont Medical Society:
 - Vermont physicians are unable to spend enough time with each patient.
 - Vermont has an undersupply of some type of physicians.
 - Physicians and patients have an insufficient decision-making role regarding health care.
- A single-payer system, whereby medical care is funded from a single insurance pool run by the state, could save Vermont at least \$500 million every year through reduced administrative waste, the implementation of electronic medical records, payments to that reflect value rather than volume, and improvements in the overall delivery of health care.

Richard Gottfried, Member of the New York State Assembly

- In the United States, there is private and public health coverage; at times the coverages overlap, with the result that some people have two or more types of health coverage:
 - 64% of people in the United States have private health coverage, which includes employer coverage. This percentage is declining.
 - About 30% of people in the United States have public health coverage: 15% Medicaid and 15% Medicare. This percentage is growing.
 - 17% of people in the United States have no health coverage. This percentage is growing.
- There are a number of characteristics associated with private health coverage. For example:
 - Private health insurance companies generally focus on earning dividends for stockholders, charging as much as possible and paying out as little as possible.
 - Employers that provide health coverage generally focus on earning dividends for stockholders and spending as little as possible.
 - Individuals who seek private health coverage are likely to be overly concerned with the price of private health insurance, sometimes at the expense of health considerations.
- Medicare is the most popular part of the U.S. public health coverage system. It covers all elderly residents, regardless of their economic status.

- Between 1969 and 2005, spending on Medicare grew by approximately 2,000%, while private insurance spending grew by approximately 3,000%. Despite the rising cost of health coverage in the United States, the U.S. health system is not delivering superior results when compared to other Organization for Economic Cooperation and Development (OECD) countries:
 - The gap between healthcare spending in the United States and in other OECD countries has continued to grow since 1980. In 2008, U.S. healthcare spending per capita totaled \$7,538, compared to \$5,003 in Norway, \$4,079 in Canada, \$3,737 in Germany, \$3,696 in France, \$3,129 in Great Britain and \$2,683 in New Zealand.
 - In 2008, the average annual hospital visits per capita and the average annual number of physician visits per capita in the United States were lower than the OECD averages.
 - In 2010, the U.S. infant mortality rate, measured in terms of deaths in the first year of life per 1,000 live births, was 6.7, compared to 5.1 in Canada, 4.1 in Australia, 3.8 in France, 3.7 in Italy, 2.5 in Germany and 2.5 in Sweden.
 - In 2008, the U.S. life expectancy at birth was 75.3 years, compared to 78.3 years and 77.6 years in Canada and the OECD average respectively.
 - In 2003, hospital billing and administration costs were \$598 per capita in the United States, compared to \$193 per capita in Canada.
- A number of healthcare reforms are needed in the United States, including payment reform that promotes primary and preventative care, and improved care coordination and management, including the introduction of electronic records and systems.

Honourable Maureen MacDonald, Minister of Health, Nova Scotia

- In Canada, per capita provincial health spending doubled between 2000 and 2010.
- Nova Scotia devotes a higher percentage of provincial income to health spending than do the other provinces and territories.
- Nova Scotia's provincial revenue growth is declining at a greater rate than its health spending growth. The province faces a serious challenge with regards to health care.
- Health spending continues to consume a larger and larger share of Nova Scotia's provincial budget, at a time when the province is experiencing fiscal challenges. In the 2011-2012 fiscal year, health accounted for 45.2% of the province's budgetary spending.
- Healthcare reform in Nova Scotia faces a number of challenges, particularly with regard to human resource management, including recruiting and retaining qualified healthcare professionals, especially in rural and remote communities. Furthermore, the aging population and relatively higher rates of chronic disease across all ages create greater demands on Nova Scotia's health care system.

- Canada's four Atlantic provinces have put in place targeted incentives and physician support resources in an effort to attract and retain physicians and nurses.
- Nova Scotia is working on renewing its 2001 Nursing Strategy to enhance the quality of work life for nurses. The strategy grew out of concerns from provincial and national stakeholders about the growing nursing shortage due to an aging nursing workforce and the increased health care needs resulting from an aging population.
- *Better Care Sooner* is Nova Scotia's vision for emergency health care.

Bill Fraser, Member of the Legislative Assembly, New Brunswick

- Healthcare spending in New Brunswick continues to grow at a rate of 6% to 8% annually. In the 2010-2011 fiscal year, the province spent \$2.5 billion on healthcare, which was equivalent to 33% of the provincial budget.
- New Brunswick's new provincial health plan aims to improve the efficiency and quality of healthcare in the province through a number of measures, such as building a stronger primary care system, streamlining administration, and introducing e-health tools.
- About 92.6% of New Brunswick residents have a personal family doctor.
- About 30.3% of New Brunswick residents can make an appointment with their personal family doctor on the same or next day.
- A visit to the "family doctor" is the most frequented healthcare service for 61.9% of New Brunswick residents, while after hours/walk-in clinics, emergency departments and community health centres are most frequented by 18.5%, 12% and 1.4% of the province's residents respectively.
- There are a number of innovative ways to keep seniors living independently for longer, including daytime programs, use of the Meals on Wheels program and lifeline devices.

Paula Roy, Executive Director, Delaware Health Care Commission

- The U.S. healthcare system costs more than the systems in other OECD countries and does not provide universal care for all U.S. residents.
- There are a number of challenges facing the healthcare system in the United States, including changing demographics, rising costs of medical treatments, workforce limitations and other issues associated with the delivery of care.
- It is important to attract a workforce that can deliver healthcare to a changing U.S. population, with aging and an increased presence of different ethnic minorities with diverse language preferences.
- According to one projection, there will be a shortage of approximately 91,500 physicians in the United States by 2020.
- Aging baby boomers will drive demand for healthcare, regardless of the approach used by the United States to finance healthcare.

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

MEMBER US JURISDICTIONS OF THE EASTERN REGIONAL CONFERENCE

Connecticut
Delaware
Maine
Maryland
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Puerto Rico
Rhode Island
US Virgin Islands
Vermont

MEMBER CANADIAN PROVINCES OF THE EASTERN REGIONAL CONFERENCE

New Brunswick
Newfoundland and Labrador
Nova Scotia
Ontario
Prince Edward Island
Quebec

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	51st Annual Meeting and Regional Policy Forum of the Eastern Regional Conference (ERC)
DESTINATION	Halifax, Nova Scotia, Canada
DATES	August 7 - 10, 2011
DELEGATION	
SENATE	Hon. Terry Mercer, Senator
HOUSE OF COMMONS	Hon. John McKay, P.C., M.P., Vice- Chair Ms. Wai Young, M.P.
STAFF	Mr. Philippe Méla, Acting Association Secretary Mr. Mohamed Zakzouk, Advisor
TRANSPORTATION	\$5,274.54
ACCOMMODATION	\$3,359.52
HOSPITALITY	\$Ø
PER DIEMS	\$777.70
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$1,618.62
TOTAL	\$11,030.38