

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 65th Annual  
Meeting of the Southern Legislative Conference (SLC)**

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

**Memphis, Tennessee, United States of America**

**July 16 – 20, 2011**

# Report

## **DELEGATION MEMBERS AND STAFF**

From July 16-20, 2011, Mr. Brad Trost, M.P., Vice-Chair of the Canada-United States Inter-Parliamentary Group (IPG), led a delegation from the Canadian Section of the IPG to the 65th Annual Meeting of the Southern Legislative Conference (SLC) of the Council of State Governments. The other members of the delegation were the Honourable Wilfred Moore, Q.C., Senator from Nova Scotia, and the Honourable Bob Runciman, Senator from Ontario. The meeting was held in Memphis, Tennessee. The delegation was accompanied by Mr. James Latimer, Acting Association Secretary for the Canadian Section, and Ms. June Dewetering, the Canadian Section's Senior Advisor.

## **THE EVENT**

Founded in 1947, the SLC includes state legislators from 15 southern US states (see the Appendix). Its mission is to foster and encourage intergovernmental cooperation among member states.

At the 65th Annual Meeting, each of the SLC's six committees – Agriculture & Rural Development, Economic Development, Transportation & Cultural Affairs, Education, Energy & Environment, Fiscal Affairs & Government Operations, and Human Services & Public Safety – met, as did the Gulf Coast & Atlantic States Task Force. As well, a panel discussion about hunger in the US South was held.

## **DELEGATION OBJECTIVES FOR THE EVENT**

Canada and the 15 SLC states have a mutually beneficial relationship. Recent figures indicate that more than 2.8 million jobs in those states rely on bilateral trade with Canada, which was valued at just under US\$103.3 billion in one year: more than US\$54 billion was exported from the 15 states to Canada, while they imported just over \$49 billion from Canada. Visits are also frequent. In a recent 12-month period, Canadians made more than 6.5 million visits to the SLC states and spent almost US\$4.9 billion, while residents of those states made about 1.9 million visits to Canada and spent nearly \$1.3 billion.

The Canada-United States Inter-Parliamentary Group aims to find points of convergence in respective national policies, to initiate dialogue on points of divergence, to encourage the exchange of information, and to promote better understanding among legislators on shared issues of concern. Members of the Canadian Section of the IPG meet regularly with their federal counterparts and, in recent years, have attended meetings of governors and state legislators as well. At these events, Canadian delegates take the opportunity to engage in conversations that will help achieve the Canadian Section's objectives, and to communicate the nature and scope of the bilateral relationship.

At this event, the delegates hoped to convey, to state legislators and others, the nature, magnitude and importance of the relationship between Canada and the US South. They also wished to identify areas of cooperation and collaboration – both new and existing – for joint benefit.

## **ACTIVITIES DURING THE EVENT**

At the 65th Annual Meeting, the following plenary sessions were held:

- Opening Plenary: William Kristol and Mark Shields; and
- Closing Plenary: David Bronczek, President and Chief Executive Officer, FedEx Express.

As well, the following committee and task force sessions were held:

- Agriculture & Rural Development Committee:
  - The Impact of Commodity Prices on the Farm Economy and a Farm Bill Outlook
  - Immigration Reform and Agriculture
  - Rural Food Deserts
  - Animal ID Update
- Economic Development, Transportation & Cultural Affairs Committee:
  - Promoting Rail Transit in America
  - Transportation Logistics: Critical for Economic Development
  - Attracting Foreign Direct Investment: Strategies from the German American Chamber of Commerce
  - Leveraging the Arts and the Creative Economy as an Economic Development Tool
- Education Committee:
  - Putting Students First
  - School Choice: Policy Options and Recent Research
- Energy & Environment Committee:
  - Nuclear Energy in a Post-Fukushima World
  - Alternative Energy from Plastics
  - Renewable Energy in the South: Innovations in Production, Storage and Transportation
- Fiscal Affairs & Government Operations Committee:
  - Poised to Take Off? US Economy in 2011 and Beyond
  - Effective Debt Management Policies: Efforts in Tennessee
  - Modifying Public Pensions: Legal and Other Challenges
  - Public Pension Challenges: Responses from Oklahoma
  - E-commerce and State Finances: Latest Trends
- Human Services & Public Safety Committee:

- Juvenile Justice: Addressing Recidivism Through Community Interventions
- State Health Insurance Exchange Programs
- Prescription Drug Abuse and “Pill Mill” Regulation
- Healthcare Information Technology
- Gulf Coast & Atlantic States Regional Task Force:
  - Weathering the Storm: Alabama’s Emergency Management Agency’s Best Practices
  - Economic Development Along the Region’s Waterways.
  - As noted earlier, a panel discussion regarding hunger in the US South was also held.

This report summarizes the presentations made during the plenary and selected other sessions.

## **THE IMPACT OF COMMODITY PRICES ON THE FARM ECONOMY AND A FARM BILL OUTLOOK**

**Darryl Ray, *University of Tennessee***

- high crop prices have had differential impacts
- in the short term, high crop prices are beneficial for crop producers, but livestock, poultry and dairy producers face higher feed costs; the food sector may increase prices even though the cost of farm ingredients is a relatively small share of the total cost of inputs into food, and rural communities may benefit if crop producers engage in spending
- in the medium term, producers of seed, pesticides, fertilizers, etc. raise their prices, and land values and rental costs rise; livestock production declines, with resulting increases in prices and profits, and food prices are affected more directly
- in the long term, the crop and livestock production sectors become more concentrated, crop producers expand output and crop prices fall; the years of “excess” crop production and “low” crop prices return
- this historic pattern may change in light of Chinese demand for food, world population growth, weather abnormalities, etc.; that said, the pattern is unlikely to change in any dramatic way
- the ethanol grain demand growth of the past is unlikely to be repeated over the next five years
- exports will be a significant source of US demand growth; the country will export, at least in part, to developing countries that source food outside their countries
- for developing countries, food is as much a national security issue as defence is for the United States, and these countries may want to produce as much of their food staples domestically as possible; food is unlike other commodities
- it is relatively easy to underestimate supply growth in light of such considerations as investments in yield-enhancing technology, conversion to cellulosic ethanol, the development and adoption of drought- and/or saline- and/or disease-resistant

crops, the globalization of agribusiness with resulting access to new technologies, etc.

- supply growth has always caught up with, and then surpassed, demand growth
- what is needed is a policy that:
  - protects farmers during difficult times
  - helps to ensure that supply is available for domestic and export markets
  - assumes that the unexpected will happen
  - keeps productive capacity well ahead of demand, which may be accomplished – at least in part – through public investments in yield-enhancing technologies and practices

### **Pat Westhoff, *Food and Agricultural Policy Research Institute***

- weather-related issues vary by region and across countries
- China has been a major source of demand growth in recent years; as income has grown, so too has demand for meat
- meat production in China exceeds meat production in the United States
- policy choices affect commodity markets; consider, for example, the United States' biofuel policy, the conservation reserve, the US Farm Bill, foreign trade policies, etc.
- funding for and the number of farm programs are likely to be reduced and the United States' fiscal situation is likely to affect choices regarding the next US Farm Bill
- the elimination of direct farm payments would likely have only modest impacts on commodity markets and prices

### **FACING HUNGER IN THE SOUTH**

#### **Estella Mayhue-Greer, *Mid-South Food Bank***

- there is an increasing need for food, the number of food bank users is rising, and contributions of food and monetary donations are declining
- for some Americans, it is a choice between – on one hand – buying food and – on the other hand – paying the rent, putting gas in the car, buying prescription medicine, etc.
- everyone needs to help in order to make a difference for those who are food insecure

#### **Emily Engelhard, *Feeding America***

- the cost of food varies across localities
- “food insecure” means that a household is at risk of hunger because it is unable to purchase adequate food
- people are food insecure because of poverty and/or unemployment; unemployment is a relatively larger predictor of food insecurity than is poverty
- one in six Americans, or 50 million individuals, is at risk of hunger

- about one in three Americans is not eligible for federal food programs; for food, these Americans turn to their family, friends and community

**Julie Gehrki, *Walmart Foundation***

- hunger exists in communities throughout the United States; hunger is “massive” in size and scale
- food banks often do not have sufficient meat, produce and dairy products
- it is a paradox that the United States has a high rate of obesity coincident with a high level of hunger
- federal summer feeding programs are important for children who would participate in breakfast and lunch programs during the school year
- food deserts exist throughout the United States, and in both urban and rural communities

**Nicole Robinson, *Kraft Foods Foundation***

- one in six Americans faces hunger or food insecurity
- partnerships are key in helping to solve the food insecurity problem
- there is a need for everyone to be able to access affordable, high-quality food
- a mobile pantry can be used to get food to hungry people where they live
- in food banks, client choice is important

**Tomme Beevas, *Cargill***

- a collective effort is needed to address the complex issue of hunger
- food deserts exist throughout the United States
- regarding hunger and food insecurity, there is a need to address the underlying problem rather than to provide solutions

**POISED TO TAKE OFF? US ECONOMY IN 2011 AND BEYOND**

**Tim Nicholls, *International Paper***

- each state endeavours to be viewed as a good state in which to locate and do business
- states should avoid an overly burdensome regulatory policy

**EFFECTIVE DEBT MANAGEMENT POLICIES: EFFORTS IN TENNESSEE**

**Justin Wilson, *Comptroller of the Treasury for the State of Tennessee***

- financially healthy local governments are needed
- transparency is important; the public should know what is happening, and should be told about the risks and the costs
- debt rating agencies have models that provide guidance about how to start the debt management process
- there will always be a group that prefers the status quo and is adverse to change

## **NUCLEAR ENERGY IN A POST-FUKUSHIMA WORLD**

### **Victor McCree, *US Nuclear Regulatory Commission***

- there are 104 operating nuclear reactors in the United States, 33 of which are in the US South
- after the March 11, 2011 earthquake in Japan and the ensuing concerns about nuclear safety, the US Nuclear Regulatory Commission (NRC) dispatched two experts to Japan; as time went on, nine additional personnel were dispatched, and five individuals remain in Japan at this time
- the NRC was in “operating mode” 24 hours per day, 7 days per week from March 11, 2011 until early June 2011
- active remediation efforts continue to be under way in Japan
- in terms of the regulatory approach to licensing regarding nuclear reactors, there are 5 principles:
  - clarity
  - reliability
  - independence
  - efficiency
  - openness
- in the United States, nuclear plants are designed and operated in a safe manner, and are reviewed and inspected systematically and methodically
- there is a need to strengthen emergency preparedness regarding nuclear safety in order to ensure protection of the public

### **Rick Rogers, *Tennessee Valley Authority***

- the Tennessee Valley Authority (TVA) has six operating nuclear reactors, and all TVA plants are designed to withstand earthquakes
- after the March 11, 2011 earthquake in Japan, all TVA operations were reviewed and inspected to ensure that everything was fine
- for the TVA, safety is “job one”
- various lessons have been learned in the aftermath of recent natural disasters:
  - communications need to be improved
  - emergency centres need to be more resilient
  - emergency sirens need backups
  - external contractors cannot be counted upon to conduct maintenance to the desired standard

### **Cheri Collins, *Southern Nuclear Company***

- it takes 800 people to support the operation of two nuclear power plants
- nuclear power is:
  - cost-competitive
  - clean
  - a contributor to energy diversity
- people expect their lights to come on when they turn the switch on

## **ALTERNATIVE ENERGY FROM WASTE PLASTICS**

### **Marco Castaldi, *Columbia University***

- waste that can be used as an alternative energy resource is an overlooked resource
- since it is not possible to stop generating waste, the key question is what to do with the waste that is generated
- after reducing, reusing and recycling, there are few options beyond thermal treatment and contributions to a landfill
- flexible packing is a valuable resource since it protects products and allows more product to be shipped with less packing per pound
- plastic is a multi-polymer, which makes recycling more difficult
- plastic recycling is growing and, at present, 95% of American households have access to plastic recycling; that said, there must be a market for the resulting material in order for the recycling to be worthwhile
- if there is not a market for recycled plastic, alternative energy options should be considered
- plastics are a new and renewable energy source

## **SCHOOL CHOICE: POLICY OPTIONS AND RECENT RESEARCH**

### **Margaret Raymond, *Stanford University***

- 10% of American students are educated in private schools and, for these students, 80% are educated in religious schools; the remaining 90% are educated in public schools, including charter schools
- charter school students are fairly representative of the population of students in the United States
- charter schools offer flexibility for accountability; if these schools are not successful in getting results, they lose their charter
- in a recent period, 17% of charter schools did better than their local alternative; that said, there were more than 1,000 charter schools that did worse than their local alternative and yet parents continue to enrol their children in the charter school, perhaps because of:
  - asymmetric information
  - marketing “trumping” performance

### **Marissa Canatta, *Vanderbilt University***

- charter school principals spend their time on roughly the same tasks as non-charter school principals and the proportion of time spent on each task is about the same; these tasks include routine management, instructional leadership and public relations
- when principals are recruiting teachers, they are looking for individuals who:
  - have compassion for students
  - are team players



- have enthusiasm
  - are able to bring about achievement gains
- 60% of American teachers have made an active choice to be at the school that currently employs them
- compared to other schools, teachers in charter schools:
  - are less likely to be certified
  - are less likely to have a master's degree
  - have higher rates of turnover
  - are slightly more likely to have entered teaching from another career

## **OPENING PLENARY: WILLIAM KRISTOL & MARK SHIELDS**

### **William Kristol, *The Weekly Standard***

- the failure of liberal policies is vindicating conservative policies
- Republican and Democratic governors are doing well in governing responsibly and “across the aisle”
- US states are trying different things and can learn from each other
- from 1984 to 2004, politics were fairly stable, with few big federal policy breakthroughs
- 2005 and 2006 witnessed changes, with Barack Obama winning against the “establishment’s” Hillary Clinton, and John McCain winning against Mitt Romney, even though the latter raised more money
- 2009 and 2010 saw the rise of the Tea Party movement
- there is no reason to believe that politics will return to the stability of the 1984-2004 period
- at present, there are big problems and big challenges as well as big differences of opinions about how to deal with the problems and challenges, giving rise to a period of volatility and fluidity

### **Mark Shields, *Commentator and Columnist***

- all politics are local, until “they aren’t”
- at times, “local talent” is eclipsed by a national “wave”; 2006, 2008 and 2010 were “wave elections”
- 2006, 2008 and 2010 were “Mae West” elections: “Between two evils, I always pick the one I never tried before.”
- when the economy is bad, the economy is the only issue that seems to matter
- in the last decade, the United States has experienced:
  - two failed wars
  - a failed economy
  - a dysfunctional political system
- President Reagan and President Clinton had infectious optimism; there is a need to recapture and rekindle the national sense of optimism
- in the same way that real estate is about location, location, location, elections are about turnout, turnout, turnout; the outcome of the 2012 will hinge on turnout

- Republicans “fall into line” when selecting their nominee; Democrats need to “fall in love” when they select their nominee

## **IMMIGRATION REFORM AND AGRICULTURE**

### **Charles Kuck, *Kuck Immigration Partners LLC***

- the United States’ national government is abdicating its responsibility regarding immigration
- in 2010, the United States had a net negative flow of immigrants from Mexico
- President Obama has enforced illegal immigration legislation to a far greater extent than any other president in the history of the United States
- according to the US Supreme Court, immigration is a federal issue controlled by the US Congress, except to the extent that Congress gives responsibilities to the states

### **Francine Hill, *US Department of Homeland Security***

- more than 250,000 US employers use e-verify
- 98.3% of cases are confirmed as work-authorized either immediately or within 24 hours
- individuals are permitted to contest the decision if they are not verified; non-verification can occur for a range of reasons, including a mismatch in information

## **RURAL FOOD DESERTS**

### **Steph Larsen, *Center for Rural Affairs***

- in the United States, people may have difficulty accessing food for a variety of reasons, including:
  - they have the monetary resources to purchase food but cannot do so because there is no place for them to do so; for example, there may be no grocery store available, transportation challenges may make it difficult for them to access a store, etc.
  - they have insufficient income
- traditional economic development authorities are more in the business of taking jobs from others than they are in creating jobs per se
- a grocery store is a “cornerstone” business, and the inability to access a grocery store may lead to depopulation
- the “food desert” threshold is one mile in an urban area and 10 miles in a rural area
- if local food, clothing, appliance, service, etc. businesses are not supported, the community will die

## **ANIMAL ID UPDATE**

### **Taylor Woods, *Missouri Department of Agriculture***

- animal identification assists in the tracking of diseased animals

- the goal is to reduce the time between the identification of a diseased animal and the exposure of others to it
- in addition to tags, certificates with a picture of the animal can serve as a method of identification

## **STATE HEALTH INSURANCE EXCHANGE PROGRAMS**

### **Anton Gunn, *US Department of Health and Human Services***

- pursuant to federal legislation, states are required to establish one or more state health insurance exchanges; the states have the flexibility that they need
- the goals of federal health care legislation include:
  - expand coverage at affordable rates
  - establish consumer protection measures
  - provide more choice
  - improve the quality of health care
  - improve disease prevention
- the goals of health insurance exchanges include:
  - reduce costs
  - increase competition among private insurers
  - provide a “one-stop-shopping” experience
  - provide greater benefits and protections

## **PRESCRIPTION DRUG ABUSE AND “PILL MILL” REGULATION**

### **John DeRosier, *Florida Department of Health***

- federal legislation that regulates pain-management clinics is needed; until then, the states need to control these clinics
- people, especially young people, are dying at an alarming rate as a consequence of overdose
- in essence, “pill mills” are just legal drug pushers
- a prescription monitoring program is a very useful tool for law enforcement and the medical community; every state should have such a program

## **HEALTHCARE INFORMATION TECHNOLOGY**

### **Justin Neece, *Shared Health***

- technology companies build products and then enhance them based on customer feedback
- the health information technology market includes companies, such as Verizon, that are able to create a useful app
- an electronic health record and an electronic medical record are not the same thing; the former is a longitudinal health record that “travels” with the patient, while the latter stays with the patient’s medical practitioner

## **CLOSING PLENARY SESSION: FEDEX AND THE TRANSPORTATION MIX**

## **David Bronczek, *FedEx Express***

- early in its existence, FedEx made a strategic decision to make the business global
- with 700 airplanes, FedEx is the second largest airline in the world and, according to some, is the eighth most admired company globally
- on an average day, FedEx moves 8.5 million pieces of “mail,” a number that triples during the Christmas season
- when a company is big and is global, there are a variety of issues, including in relation to security
- issues that are important to the industry at this time include:
  - protectionism
  - security
  - fuel prices
  - infrastructure
  - customs

## **ATTRACTING FOREIGN DIRECT INVESTMENT: STRATEGIES FROM THE GERMAN AMERICAN CHAMBER OF COMMERCE**

### **Steven Markham, *German American Chamber of Commerce of the Southern United States***

- cultural and language differences are not insurmountable
- the relationships that exist between German companies and American companies are mutually beneficial
- German businesses face relatively high costs for real estate, energy and labour
- to attract foreign direct investment, there should be a focus on:
  - an educated workforce
  - effective logistics
  - appropriate immigration legislation
  - affordable energy prices
  - limited bureaucracy
  - the existence of right-to-work legislation
  - access to international schools
  - the proper incentives

## **LEVERAGING THE ARTS AND THE CREATIVE ECONOMY AS AN ECONOMIC DEVELOPMENT TOOL**

### **Stuart Rosenfeld, *Regional Technology Strategies, Inc.***

- the creative economy produces wealth
- the definition of “creative enterprise” is broad, and includes:
  - design
  - heritage
  - performing arts

- visual arts
- people want to locate in places that have amenities, including arts and culture
- “innovation” is sometimes defined too narrowly; it should have an artistic and/or cultural dimension

**Susan Schadt, *ArtsMemphis***

- an investment in the arts builds cities and economies
- support for the arts requires partnerships among legislators, businesses, non-governmental organizations, etc.
- arts define culture and bring people together
- arts can lead to the revitalization of neighbourhoods, and a great city needs great arts; while culture alone cannot make a city succeed, culture does play a critical role in economic development and quality of life

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

## US STATES IN THE SOUTHERN LEGISLATIVE CONFERENCE

Alabama  
Arkansas  
Florida  
Georgia  
Kentucky  
Louisiana  
Mississippi  
Missouri  
North Carolina  
Oklahoma  
South Carolina  
Tennessee  
Texas  
Virginia  
West Virginia

## Travel Costs

<b>ASSOCIATION</b>	Canada-United States Inter-Parliamentary Group
<b>ACTIVITY</b>	65th Annual Meeting of the Southern Legislative Conference (SLC)
<b>DESTINATION</b>	Memphis, Tennessee, United States of America
<b>DATES</b>	July 16 – 20, 2011
<b>DELEGATION</b>	
SENATE	Hon. Wilfred Moore, Q.C., Senator Hon. Bob Runciman, Senator
HOUSE OF COMMONS	Mr. Brad Trost, M.P., Vice-Chair
STAFF	Mr. James Latimer, Acting Association Secretary Ms. June Dewetering, Senior Advisor
<b>TRANSPORTATION</b>	<b>\$6,938.71</b>
<b>ACCOMMODATION</b>	<b>\$3,203.13</b>
<b>HOSPITALITY</b>	<b>\$Ø</b>
<b>PER DIEMS</b>	<b>\$1,178.25</b>
<b>OFFICIAL GIFTS</b>	<b>\$Ø</b>
<b>MISCELLANEOUS/REGISTRATION FEES</b>	<b>\$1,066.14</b>
<b>TOTAL</b>	<b>\$12,386.23</b>