

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
to the Council of State Governments-WEST: 2008 Annual
Meeting**

Canada-United States Inter-Parliamentary Group

**Anchorage, Alaska, United States of America
July 16-20, 2008**

Report

From 16-20 July 2008, Mr. Rob Merrifield, M.P., Co-Chair of the Canadian Section of the Canada-United States Inter-Parliamentary Group, led a delegation to the 2008 Annual Meeting of the Council of State Governments-WEST (CSG-WEST) in Anchorage, Alaska and, along with representatives from the US and Mexico, welcomed participants to the North American Summit held during the Annual Meeting. The Honourable Percy Downe and Mr. Michel Guimond, M.P. also attended the meeting. While in Anchorage, Mr. Merrifield also met with Alaska's Lieutenant Governor, Sean Parnell.

Founded 61 years ago, the Council of State Governments-WEST is a non-partisan organization comprised of the legislatures of 13 western states (see the Appendix); British Columbia and Alberta are associate members. These 13 states are important to the Canada-US relationship. Of the estimated 7.1 million US jobs that depend on bilateral trade, recent figures indicate that more than 1.6 million jobs in those states rely on Canada-US trade. Bilateral trade was recently valued at nearly \$85.5 billion annually: more than \$27.5 billion was exported from the 13 states to Canada, while they imported nearly \$58 billion. Moreover, recent data suggest that Canadians made nearly 6.6 million visits to the CSG - WEST states in a one-year period and spent more than \$3.6 billion, while residents of these 13 states made more than 3.2 million visits to Canada in that same period and spent in excess of \$1.6 billion.

The meeting, which was focused on the topic of leadership for today and tomorrow, included a variety of plenary and committee sessions. The plenary sessions were:

- The Last Great Race on Earth: Leadership Lessons from the Iditarod
- Election 2008: Impacts on Leadership in the Nation and in the States
- Leadership Lessons from American Presidents
- What Leaders Need to Know about Negotiating with "The Power of Nice"
- Finding the Leader Within: Lessons from War and Peace.

As well, the following CSG-WEST committees held meetings:

- Western Legislatures
- Water & Public Lands
- Energy & Environment
- Fiscal Affairs
- Native American Sustainability Forum

- WESTRENDS
- Education
- Transportation & Trade.

Finally, on 17 July, participants attended either the North American Summit: Strengthening Regional Security and Economic Competitiveness or the Annual Legislative Training Assembly, which were held concurrently.

The interaction with state legislators enables members of the IPG to better achieve the aim of finding points of convergence in respective national policies, initiating dialogue on points of divergence, encouraging exchanges of information and promoting better understanding on shared issues of concern. Moreover, the meetings with state legislators provide the members of the IPG with an important means to provide input to, and gather information about, state-level issues that affect Canada.

This report summarizes the discussions that occurred at the plenary and selected committee sessions.

THE LAST GREAT RACE ON EARTH: LEADERSHIP LESSONS FROM THE IDITAROD

Martin Buser, *Iditarod Champion*

- a team can only go as fast as its weakest team member; the relatively weakest member of the team determines the team's pace
- one person alone will not "win the race"
- people need to feel that they are part of the team and that their contribution assists in the attainment of the team's and/or organization's goals
- to the extent possible, people should delegate in order to realize the benefits of:
 - comparative advantage
 - training and the resulting flexibility that allows team members to perform a variety of tasks and to fill in for each other as required
 - succession planning
- often, obstacles can be overcome through using common sense
- never be happy with the status quo; rather, always ask how something can be done better and/or faster

- culture gaps should be recognized and accommodated
- resources should be used in a wise manner: it is okay to arrive at the finish line with "an empty tank of gas;" that being said, it is important to allocate resources in a manner that will allow you to get the job done without "running out of gas" before you get to the finish line
- when you get to the finish line, whether you are first or last, you have persevered and have led by example
- being a graceful winner is easy; being a graceful loser is more difficult

NORTH AMERICAN SUMMIT: STRENGTHENING REGIONAL SECURITY AND ECONOMIC COMPETITIVENESS

WELCOME

Senator Eliot Shapleigh, *Texas Senate*

- the southern border between the United States and Mexico feels some kinship with the northern border between the United States and Canada
- an important question is: how do you "marry" economic security and homeland security?
- with long wait times, the borders that the US shares with Mexico and Canada are becoming the largest parking lots in the world

Mr. Rob Merrifield, M.P., *Canadian House of Commons*

- although the primary focus of the Canada-United States Inter-Parliamentary Group is the US Congress, members of the Group realize that all politics is local, and state legislators have a great deal of influence
- Canadians know more about the United States than Americans know about Canada
- at this time, a key focus for the Inter-Parliamentary Group is how we might influence the incoming US Administration with respect to border issues
- 75% of Canadian exports are destined for the US, and Canada is the primary foreign export market for about 70% of American states
- an estimated 7.1 million US jobs depend on bilateral trade with Canada

- Canada is the largest, and most secure, supplier of energy to the United States; the United States needs Canadian energy for its future growth
- North American self-sufficiency in energy should be the goal
- Canada is concerned about the implications of section 526 of the US Energy Independence and Security Act for Canada's oil sands
- at the end of the day, and as we move forward, it is whether you are open or closed to globalization that determines your success, rather than your political or ideological orientation

Diputado Francisco Javier Cantu Torres, *Nuevo Leon State Legislature*

- Mexico supports ease of movement throughout North America: across the Mexico-US border and across the US-Canada border
- trade corridors will improve the trilateral economic and political relationships among the North American Free Trade Agreement partners; Mexico supports trilateral prosperity and believes that our three countries are stronger together than we are separately
- Mexico is moving ahead in such areas as information technology, product quality and transportation
- China and India are "sleeping giants"

Senator Lesil McGuire, *Alaska Senate*

- in order to prosper, we must work trilaterally in North America, rather than individually
- a strategic vision that incorporates all levels of government in each North American country is needed
- at times, federal governments make policy decisions in a vacuum, and may not consider state/provincial/territorial and/or local needs

ENERGY

Mr. Len Webber, *Alberta Legislative Assembly*

- the world's dependence on oil will continue; however, a change in our approach to oil is needed
- energy supply that is adequate to meet energy demand must occur in an environmental manner
- Alberta is a safe and secure supplier of energy to the United States
- Alberta is second to Saudi Arabia in its proven oil resources, and last year Alberta supplied 13% of the US' crude oil imports; moreover, Alberta is the third largest producer of natural gas, supplying 12% of the natural gas used in the United States
- Alberta's oil sands are responsible for 4% of Canada's greenhouse gas emissions, and Canada is responsible for 2% of total global emissions
- Alberta recognizes its environmental responsibilities in respect of oil sands development and, more generally, is a leader in respect of climate change and environmentally sensitive resource development
- Alberta was the first jurisdiction in North America to legislate in respect of greenhouse gas emissions from large emitters, and is a leader in establishing policies and legislation
- regarding oil sands development, the use of fresh water is very limited, and saline water is used whenever possible; as well, air quality is monitored 24 hours each day, 7 days each week
- climate change is the largest environmental issue of our time
- Alberta produces oil because the world needs it, and production of energy in the province does not occur at the expense of the environment

Mr. Doug Suttles, *BP Exploration Alaska Inc.*

- the price of gasoline at the pump has led citizens to focus on energy as they never have done before
- gasoline prices are high because of the effects of supply and demand; energy supply is struggling to keep pace with energy demand
- a realistic, comprehensive, balanced energy plan would have five elements:
 - conservation as an important priority
 - a secure, affordable supply of current energy sources as the focus on renewable energy increases

- alternative energy sources, recognizing the need for financial, regulatory and infrastructure environments that support renewable energy
 - nuclear energy as part of the energy mix, with power at scale without emissions
 - a recognition of climate change and carbon, with a method implemented to price carbon
- energy is as basic a human need as the food we eat, the air we breathe and the water we drink

NORTH AMERICA HIGH PRIORITY CORRIDORS

Mr. Alejandro de Jesus Solis, *Ministry of Communications and Transportation of the Republic of Mexico*

- economies and transportation systems are under pressure as a result of globalization
- while the North American Free Trade Agreement has led to growth in international trade, basically the same infrastructure is being used to transport three times as many goods
- in Mexico, public and private investments in infrastructure are rising
- because of Mexico's proximity to the US market, roads are a major mode of transportation; a number of main highway corridors are being modernized, and most of these corridors go to the US
- Mexico is improving its rail system, airports and ports
- Mexico needs a multimodal transportation system that has infrastructure supporting various modes of transportation; international corridors should be connected, and intermodal terminals are the "backbone" of corridors
- since Asia is a growing market for Mexican goods, there is a need to plan ahead
- future actions to be taken in Mexico include:
 - consolidation of multimodal corridors
 - improved connectivity of transportation infrastructure
 - systematized freight tracking
 - implementation of a performance system

- the development of customs rules for international transit

Mr. Michael Reeves, *Ports to Plains Trade Corridor*

- the 1,390-mile Ports to Plains corridor provides infrastructure to:
 - secure the benefits of trade
 - reduce US dependence on oil from the Middle East
 - create safer highways with fewer accidents
- a network of roadways facilitates trade and enhances opportunities
- Laredo, Texas is the second busiest land port in the US, and 67% of US-Mexico trade crosses Laredo bridges; as well, on average, 12,000 trucks and 1,800 rail cars are processed daily
- Alberta-Texas trade is significant; Texas exports almost \$2.5 billion each year to Alberta, of which 58% is transported by truck, and Alberta exports nearly \$3 billion annually to Texas, of which 43% is transported by truck
- transportation alternatives are needed in order to ease urban congestion and provide rural growth
- Alberta is second to Saudi Arabia in world oil reserves, with 13% of world reserves
- the Ports to Plains corridor is a local route for trade between Alberta and Texas as well as between Texas and Mexico
- similar economies in Alberta and Texas, including oil and agriculture, means that there are opportunities for more growth
- there are plans to use the Ports to Plains corridor right-of-way for electricity transmission lines
- Texas is the largest wind-power-producing state in the US
- in terms of port security, it is important to secure borders without impeding trade; technology can make trade more secure and more efficient
- with aging infrastructure and an expanding population, increased investments in transportation are needed; the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users is up for reauthorization, and shortfalls in the

Highway Trust Fund are expected as a consequence of rising construction costs and reduced gas tax revenues

Mr. Russ Hiebert, M.P., *Canadian House of Commons*

- Canada trades more with the United States than with any other country, and the US trades more with Canada than with all of the European Union countries combined
- about 70% of the states in the US have Canada as their primary foreign export market
- increasingly, the focus is continental and global supply chains rather than local supply chains
- integrated trade and transportation systems are critical assets
- the Canadian federal government is committed to infrastructure, and supports leveraging gateway and corridor investments for economic growth

SECURITY AND PROSPERITY PARTNERSHIP OF NORTH AMERICA

Mr. Bruce Drake, *Industry Canada*

- the United States, Canada and Mexico have a shared interest in keeping residents of all three countries safe, secure and prosperous in this global world
- the Security and Prosperity Partnership among Canada, the United States and Mexico complements the successes of the North American Free Trade Agreement (NAFTA) as well other bilateral and trilateral measures
- the NAFTA has resulted in a tripling of trilateral trade since 1993 and in the creation of one million jobs
- security and prosperity go hand-in-hand; security needs must be balanced with the ability to move goods and people efficiently
- the NAFTA countries have identified five priority areas:
 - competitiveness
 - smart and secure borders
 - energy security and the environment
 - safe food, health and consumer products

- emergency response
- North American cooperation will continue to be important, and efficient borders will be key to North American competitiveness
- challenges are being faced in getting goods and people across the Canada-US border, which is resulting in delays and higher costs; the challenges are particularly acute for integrated economic sectors, such as automotive
- according to the recent report by Canada's Competition Policy Review Panel, the border threatens the North American business model
- the NAFTA countries should face important challenges together, and develop win-win-win solutions in order to position North America as a competitive region globally

Mr. John Melle, *Office of the United States Trade Representative*

- the Canada-United States Trade Agreement was the precursor to the North American Free Trade Agreement (NAFTA)
- for the US, the NAFTA has resulted in a substantial increase in trade and a stronger US economy; unemployment has fallen, jobs have been created and wages have grown
- the NAFTA is only one of many factors affecting the US' economic performance in the US
- the Security and Prosperity Partnership among the three NAFTA countries builds on successes in other fora, and is designed to increase security and enhance prosperity trilaterally
- the April 2008 New Orleans Summit among the NAFTA leaders resulted in advances being made on some issues
- the federal governments in the NAFTA countries are working with sub-national governments on issues, including those related to shared international borders

Alejandro Estivill Castro, *Ministry of Foreign Affairs, Republic of Mexico*

- before the North American Free Trade Agreement (NAFTA) was implemented, Mexico bought 1% of US exports; that figure has grown to 14%
- Mexico is facing a number of challenges regarding trade, including:

- Mexico does not participate efficiently in finished products in the context of export supply chains
 - in Mexico, recent trade increases have occurred with countries with which Mexico does not have trade agreements
- security, as a US priority, is "here to stay"
- the Security and Prosperity Partnership (SPP) established a requirement for ongoing dialogue among North American leaders
- the "agenda of suspicion" regarding the SPP must be addressed
- 84% of Mexican trade occurs with the US and Canada
- Mexican productivity is rising
- Mexico has a number of challenges or problems in respect of:
 - immigration
 - infrastructure
 - education regarding the benefits of the NAFTA
 - regulatory harmonization
 - organized crime
 - failure to integrate Mexico into the value-added process
 - issues related to the US-Mexico border
 - the environment
 - trust among the NAFTA partners

SECURE AND EFFICIENT MOVEMENT OF PEOPLE AND GOODS AT LAND PORTS OF ENTRY

Mr. Sukumar Periwal, *Department of Intergovernmental Relations of the Province of British Columbia*

- the Canada-US border is critically important for North American economic competitiveness, and infrastructure as well as trade corridors and gateways assist in the low-cost and efficient movement of goods and people

- in a 21st-century knowledge economy, competitiveness is not a zero-sum game; a border regime is inconsistent with a 21st-century knowledge economy
- there is no need for us to adopt a fortress mentality
- emerging economies make us design better, adopt better technologies, etc.
- we "run faster" if we run with "faster runners," and "a rising tide lifts all boats"
- federal, state/provincial and local governments, as well as private-sector organizations such as the Pacific NorthWest Economic Region and border communities, have an important role to play in developing solutions to border problems
- an outcomes-based approach to border management should be adopted, including a focus on satisfaction levels, the convenience of documents required, etc.
- the Washington State-British Columbia enhanced drivers licence (EDL) initiative is a successful example of how governments can work together to resolve issues, although it should be noted that the concept was discussed by Ontario and Michigan a number of years ago
- the EDL initiative is a tangible demonstration of the capacity to make a difference if parties have a shared vision and purpose
- in respect of the EDL initiative, "drivers of success" include:
 - a very high level of trust between the Governor of Washington State and the Premier of British Columbia as well as between state and provincial governments
 - a very clear timeline linked to the US Western Hemisphere Travel Initiative and the 2010 Winter Olympics in Vancouver
 - a shared interest in "making it work"
- given the success of the EDL initiative, other states and provinces should adopt EDLs as well, and individuals should be provided with incentives to get an EDL

Mr. Mark Reed, *Border Management Strategies, LLC*

- a basic premise of border control is deterring entry; consequently, physical barriers are used
- ports of entry are important for economic development, culture, etc.
- enforcement enables facilitation and facilitation strengthens enforcement

- enforcement always happens better in an environment that is orderly
- lanes should be staffed before traffic begins to back up; however, this type of approach requires more personnel
- events, including the terrorist attacks of 11 September 2001, have raised risk-management requirements
- traffic management has given way to supply chain principles
- information on people and goods is required before they arrive at the point of inspection
- risk-management requirements include considerations in respect of:
 - integrated enforcement and facilitation
 - identification of trusted travellers and goods
 - the application of supply chain monitoring and tracking principles to people as well as to goods
 - an optimal configuration of personnel, infrastructure, technology and behaviour at each port of entry
- the "litmus test" is the response to the question: has confidence been instilled?
- binational and intergovernmental opportunities exist in respect of:
 - enhanced drivers licences
 - technology, including standardized platforms, universal biometric identifiers, integrated pre-inspection protocols, etc.
 - infrastructure, including highways, early detection systems, contiguous inspection areas, integrated inspections, etc.
 - traveller behaviour, including education, signage, etc.

Mr. Fritz Vaughan, *Intergovernmental Affairs, The White House*

- borders are necessary, since citizens have the right to be protected against harm
- trade and security must be balanced
- recognizing that greater security is an important priority, there is a need to ensure greater security in a more efficient manner; one key to attainment of this goal is more and improved infrastructure

- the Western Hemisphere Travel Initiative (WHTI) is important to the security of each of our countries; once the Initiative is fully implemented, there will be an increased ability to move people quickly and securely across the border, thereby leading to enhanced efficiency
- on 1 June 2009, the US will be ready for implementation of the land and sea aspects of the WHTI

BREAKOUT SESSION: MOVEMENT OF PEOPLE AND GOODS

- more physical infrastructure and personnel are needed at the borders
- regarding a risk-management approach, there is some question about whether "zero risk" is a realistic objective
- the border should be considered as a point of competitiveness
- initial efforts should be focused on the full utilization of infrastructure that already exists, rather than on the construction of new infrastructure
- since the implementation of the North American Free Trade Agreement (NAFTA), there has been increased activity at the Mexico-US and US-Canada borders; more infrastructure is needed in order to process the larger flows of goods and people
- the nature and magnitude of losses associated with border delays should be determined
- the NAFTA countries should reflect on the future of the region, and should be united; if there are differences between or among the NAFTA countries, other regions will develop
- much of what we do, we do together; we engage in integrated production rather than simply sell to each other
- mechanisms are needed in order to prioritize the region's interests and needs
- coordinated efforts among all federal, state/provincial and local governments in the NAFTA countries are important
- the northern border is not a US border, and nor is it a Canadian border: it is a shared border, and US decisions do not always reflect this reality
- the Canada-US border affects relatively more states than does the Mexico-US border
- the objective at the Canada-US and the US-Mexico borders are the same: smart, fast and secure trade in goods and movement of people

- if the US is not ready for implementation of the land and sea aspects of the Western Hemisphere Travel Initiative on 1 June 2009, there will be economic and social consequences
- there are questions about whether service standards at the shared borders would be wise or feasible
- since local and regional problems exist and these problems differ across localities and regions, solutions should be local and regional; one size does not fit all
- in the absence of federal leadership, states/provinces are conducting their own pilot projects
- since it is not realistically possible to eliminate all risk, key questions are: what level of risk are we willing to tolerate? And what tradeoffs are we willing to accept?
- the United States is only as secure as are Canada and Mexico
- the NAFTA countries should consider the European model in terms of security; European countries are able to act together in this regard despite their conflict with and among each other during the Second World War
- regional contributions assist in national solutions
- information on people and goods is needed well before they arrive at the ports of entry; security assessments should occur "off shore"
- we should collectively assess risk and keep the terrorist potential away from North America; no amount of biometrics or documentation will stop a determined terrorist who means to do harm

CONCLUSIONS AND REPORTS FROM BREAKOUT SESSIONS

Energy

- the public should be educated about energy costs, environmental compromises regarding energy development, etc.
- investments in energy research should occur, including in energy sources, efficiency, conservation, nuclear waste, etc.
- energy-related approval processes should be streamlined and supported, including transmission and distribution
- there is a need for facilitation between environmentalists and energy producers
- there should be a focus on diversifying and balancing base load energy

North America High Priority Corridors

- the first priority is funding; there are various models of private-public partnerships, some of which are successful and some of which are not
- initiatives should be prioritized
- best practices should be shared among jurisdictions
- the second priority is related to perceptions; trade should not be viewed as a liability, and the benefits of trade should be communicated at the district and regional levels

Movement of People and Goods

- for a border that is successful in terms of security and prosperity, the concept of risk management must be a guiding principle
- human resources as well as physical infrastructure are needed
- regional sources of influence should be leveraged into national influence
- better coordination and better sharing of information should occur
- the Canada-US and US-Mexico borders are different, but they can inform each other
- shared experiences, and successes and failures, can be useful
- by 1 June 2009, actions should occur in respect of:
 - the creation of an entity similar to the Council of State Governments' Border Legislative Conference that would include all border states and provinces/territories
 - the establishment of common metrics to measure the impacts of border challenges as well as to determine the nature and degree of progress regarding the border

ELECTION 2008: IMPACTS ON LEADERSHIP IN THE NATION AND IN THE STATES

Bay Buchanan, *Author and Republican Political Strategist*

- three things influence US Presidential campaigns:

- the environment in which the campaign takes place
 - the nature of the one or two key issues on the minds of voters
 - the personalities of the candidates
- the environment could not be worse for Republicans in light of the sub-prime housing crisis, rising gasoline prices, an unpopular war in Iraq, the recession, etc.
- the number one issue during the 2008 Presidential campaign will not be the war in Iraq, which appears to be turning around and, in any case, is not a situation that the American people would want to abandon; unfortunately for the Republicans and Senator John McCain, the key issue will be the economy
- voters are likely to hold the Republicans responsible for the recession, and voters often want to change governing parties during difficult economic times
- the Republican base is not excited about Senator McCain
- Senator Barack Obama is seen as being larger than life, and is a fresh, new face with an incredible ability to excite and motivate people; however, he is not like an average politician, is less pragmatic than the candidate he beat for the Democratic presidential nomination and is a liberal, although he appears to be moving toward the middle and abandoning his liberal positions
- Senator McCain is relatively stronger than Senator Obama on national security issues
- an important question related to Senator Obama is: will the young voters who believed in him decide that he represents "politics as usual" and fail to vote in view of his "redefining" of, and "flip flopping on," positions
- if the economy is the big issue in the 2008 Presidential campaign, and if the election is driven by personality, then Senator Obama will win unless his inexperience reveals him to be unready for "prime time"
- some feel that Senator Obama is not committed to the US, as is evidenced by his failure to wear a flag pin, the absence of his hand on his chest during the US anthem and various comments that he has made
- on balance, the mood of the country indicates that Americans are angry and frustrated; they believe that "Washington" no longer listens to them and does not respond if it does listen
- state legislators are connected to the people

Donna Brazile, *Author and Democratic Political Strategist*

- in view of the US federal budgetary deficit, the war in Iraq, job losses and the sub-prime housing crisis, Americans are unlikely to support Senator John McCain in his quest to become President of the United States; Senator McCain is a great and honourable man, but his time is past
- the 2008 election presents Americans with a fundamental choice: stay the course or move in a new direction
- people are desperate for a new type of leadership; a key component of leadership is knowing when the time is right to do the right thing
- voters want change, and from the bottom up; when they have a problem, they do not call The White House: they call their state legislators
- America's youth is energized and engaged, and wants a country about which they can be proud
- the US is borrowing money from China in order to buy oil from Saudi Arabia

WATER & PUBLIC LANDS COMMITTEE

Update on Western States Water Council

Mr. Tony Willardson, *Western States Water Council*

- the Western States Water Council (WSWC) was formed in 1965; a key issue was cross-state and international water transfers
- the WSWC works with the Western Governors' Association (WGA) on water issues, and in June 2008 the WGA released its report *Water Needs and Strategies for a Sustainable Future: Next Steps*
- the *Water Needs and Strategies for a Sustainable Future: Next Steps* report contains recommendations in six areas:
 - water policy and growth
 - water to meet future demands
 - water infrastructure needs and strategies for meeting them
 - resolution of Indian water rights
 - climate change impacts
 - protecting aquatic species under the Endangered Species Act
- in respect of water policy and growth, key considerations include:

- sustainable growth policies
- collaborative water shed planning
- the identification of feasible alternatives to water transfers from agriculture
- in respect of water to meet future demands, key considerations include:
 - increased support and funding for data
 - the identification of data gaps
 - support for remote sensing capabilities
 - the identification of new sources of funding
 - the development of new programs and new technology
 - university research programs
 - a permanent National Integrated Drought Information System
 - broader national drought preparedness legislation
 - augmentation of existing supplies
 - evaluation of watershed programs
- in respect of water infrastructure needs and strategies, key considerations include:
 - increased Congressional appropriations for reclamation
 - actions regarding S. 895, the Rural Water Supply Act
 - enactment of new authority for the Water Resources Development Act and a US Army Corps of Engineers study
- in respect of the resolution of Indian water rights, key considerations include:
 - support for negotiated settlements
 - evaluation of the settlement process
 - the establishment of cooperative partnerships
- in respect of climate change impacts, key considerations include:
 - a focus on vulnerabilities

- study of the projected impacts of climate change, including with respect to reduced snow packs, earlier snow melts, more fires, more droughts and water quality changes
- in respect of protecting aquatic species under the Endangered Species Act, key considerations include:
 - the conflict between water management and the needs of species

Public Lands in the West: An Overview of Federal-State Land Management Practices and Revenue Sharing

Mr. Ted Murphy, *United States Bureau of Land Management*

- work must occur across jurisdictional boundaries in order to meet the challenges that lie ahead
- Alaska's public lands are critical for meeting US energy needs
- the sage grouse population is threatened because of habitat, fire and other issues
- as a result of climate change, fires are more frequent and widespread
- fires release a great deal of carbon dioxide
- climate change will affect the distribution of wildlife species
- water is not just an issue for the US West: it is a national issue
- many states have renewable portfolio standards
- the US needs to broaden its energy supply sources; both renewable and traditional energy sources are needed
- the US Department of the Interior's Bureau of Land Management (BLM) sees state and local governments as partners in the management of federal lands, including with respect to the improved health and productivity of these lands
- everything that the BLM does has the potential to affect states and local communities

Mr. Richard Mylius, *Western States Land Commissioners Association*

- Alaska's state lands are managed by the US Department of Natural Resources

- Alaska is still in the process of receiving the federal land grant it was given 50 years ago when it joined the union
- oil and gas revenues have essentially funded state government activities for the last 30 years
- states may exchange lands with the federal government; for example, an exchange may occur if state lands are "stranded," or surrounded by federal lands
- the 2008 Farm Bill contains provisions that affect land trusts

Water Management Strategies to Address Demographic Growth in the West

Mr. Herb Guenther, *Department of Water Resources, State of Arizona*

- you do not have anything if you do not have an adequate water supply, and you do not have an adequate water supply unless you have a sustainable water supply
- in 1922, there was a compact to divide the waters of the Colorado River Basin among Colorado, New Mexico, Utah, Wyoming, Arizona, California, Nevada, with Mexico added in 1944; the 1922 allocation was based on 30 years of data, and these three decades were the wettest years in history
- the Colorado River is over-allocated by perhaps 1.8 to 4.0 million acre feet
- management strategies for the Colorado River Basin include:
 - underground storage
 - conservation
 - re-use
 - augmentation
- underground storage has benefits for municipalities, Indian tribes and Basin states
- the benefits of underground reservoirs include:
 - long-term storage
 - large capacity
 - no loss to evaporation
 - reduced risk of subsistence

- to conserve water, good water habits should be communicated to the public; as well, incentives such as tax credits might encourage conservation
- conservation is also facilitated by limiting turf areas and through a focus on low-water-use and/or drought-tolerant plants
- in respect of re-use, the "yuck" factor must be overcome; this water might be appropriately used for turf and landscape
- according to a December 2007 agreement reached by representatives of the Governors of the seven Colorado River Basin states, the signatory states will pursue augmentation projects that will include weather modification, vegetation management and desalinization
- while large-scale desalinization and importation may be a few decades away, it may be the future water supply for most of the US West
- the world's oceans cover 71% of the earth's surface

Mr. Evan Sheffles, *Department of Ecology, State of Washington*

- the Washington State Columbia River Management Program is a vehicle for water supply management
- in Washington, there have been significant investments in new water storage facilities and in conservation; improvements and alterations to existing storage facilities are also occurring
- there are alternatives to ground water for agricultural uses
- water supply strategies include:
 - storage
 - conservation
 - acquisition
- the supply of water is dynamic and demand is rising; systems are not static, and yesterday is no predictor of tomorrow

LEADERSHIP LESSONS FROM AMERICAN PRESIDENTS

Ms. Doris Kearns Goodwin, *Author*

- President Abraham Lincoln had remarkable leadership skills; his leadership is evidenced by his:
 - choices for Cabinet, which included his chief rivals, each of whom was relatively better educated
 - refusal to disparage his rivals
 - ability to empathize, see both sides of almost any issue, and let others feel free to disagree without consequences
 - realization that the opponents of today may be the allies of tomorrow, highlighting the importance of not seeking revenge and not pursuing a strategy of retaliation
 - view that one should not allow personal judgments and feelings to interfere with making the right decision
 - resilience and ability to get through diversity
 - ability to learn on the job, and to acknowledge errors and learn from the mistakes that are made
 - ability to share credit for success, feeling that the path to success is broad enough for more than one person to walk side by side
 - shouldering of the blame for the failures of his subordinates
 - awareness of his own weaknesses and his compensation for them through the complementary strengths of his team members
 - channelling of his emotions in positive ways when angry or frustrated
 - understanding of public and current opinion, achieved in part by walking "amongst the troops"
 - mastery of the art of timing
 - commitment to remaining true to his convictions
 - ability to communicate his goals through stories, metaphors and beautiful language
- leadership is about human relationships
- the greatest leaders can deal with adversity and become stronger as a consequence
- President Lincoln believed that you can live on in the memory of others if you can accomplish something worthwhile during your lifetime

FISCAL AFFAIRS COMMITTEE

Recession and Recovery: Lessons Learned

Mr. Don Boyd, *Nelson A. Rockefeller Institute of Government*

- according to the *Wall Street Journal*, as reported in June 2008, 52% of surveyed forecasters believed that the United States is in a recession, with a mild recession projected; conditions appear to have deteriorated since then
- post-World War II, the United States has a history of moderate recessions in terms of duration and the depth of the decline
- although income and consumption are slowing sharply in the US, they are still relatively stronger than during the last recession
- while corporate profits are weakening in the United States, they are – as yet – not as badly affected as in prior recessions; the same can be said with respect to the typical state economy
- in February 2008, ten states had declining economies when compared with three months earlier; by May, this number had grown to 36 states
- a majority of Council of State Governments-WEST (CSG-WEST) state economies have experienced at least some deterioration in economic conditions during 2008; the declines are due to factors that include housing difficulties and declining labour market conditions
- since state economies vary, each faces special risks as well as experiences possible sources of growth or stability
- the CSG-WEST states include those with the strongest and the weakest economies, and those with the strongest tax growth and the worst tax declines
- housing prices have slowed in all states in the US West; particularly significant declines have occurred in California, Nevada and Arizona
- for the US as a whole, tax weakness has been relatively mild so far; it has, however, been severe in selected states, particularly in those with significant housing declines
- local tax revenues have been holding up relatively better than have state tax revenues
- property taxes have been holding up relatively better than other taxes; in general, property taxes tend to respond to changes in economic conditions with a lag
- the 2001 recession was disproportionately an "income tax crisis"

- at this point, capital gains are atypically high; they are important because:
 - they are extraordinarily concentrated
 - the gains are very sensitive to economic/financial conditions, and in unpredictable ways
 - many gains are highly discretionary and depend on tax planning strategies, policy choices, etc.
 - the timing of tax payments related to gains are volatile and "lumpy"
 - they "wreak havoc" on state finances
- while the states appear to have "dodged a bullet" at the 2008 fiscal year-end, the current economy and related tax collections are weakening significantly in a number of states and the outlook for the April 2009 tax returns is becoming gloomier, thereby creating substantial budget risks
- mid-year budget cuts often have practical limitations
- to date, the worst fiscal effects have been experienced in "housing-hammered" states, including Arizona, California, Florida, Nevada and Rhode Island
- Arizona, California and Nevada have had the largest budget gaps in the nation
- in terms of tax volatility, there is no clear "winner;" at times, income tax is more volatile than sales tax, while at other times the reverse is the case
- the structure of each individual tax affects its volatility
- even states with relatively low volatility have far more volatility than they can manage, and states with low average volatility can have great fiscal difficulty in the right environment
- a structure that is stable in one environment can be volatile in another
- in order to avoid revenue volatility, states should strive for a diversified revenue portfolio and stable individual taxes; such an approach has tax-policy downsides
- in order to sustain tax revenues, governments may have to increase property tax rates

WHAT LEADERS NEED TO KNOW ABOUT NEGOTIATING WITH "THE POWER OF NICE"

Mr. Ron Shapiro, *Shapiro Negotiations Institute*

- life is about negotiations: at work, with children, with a spouse, with friends, etc.
- negotiating is a process, not an event
- "win-lose" can easily become "lose-lose"
- it is important to ensure that a temporary win does not become a long-term loss
- ego should not be allowed to get in the way and to interfere with the process
- there is a difference between "negotiations" and "egotiations"
- the goal is to make deals that are good for you and at least acceptable to the other side
- it is important to avoid the attitude of "we will burn that bridge when we come to it"
- negotiators should think "win-win; " negotiators should attempt to be creative and to increase "the size of the pie"
- listening, particularly for opportunities, is critically important in negotiations; negotiators should take the time to explore the full range of creative alternatives
- in order for you to get what you want, you should help your "opponent" to get what it wants; in order to do so, you should attempt to determine the other side's bottom-line wants and needs, as well as motives and desires, and to give the other side a measure of what is desired
- "win-win" is not "wimp-wimp"
- the "Three Ps" provide a straightforward system for negotiations:
 - prepare
 - probe
 - propose
- in terms of preparing, key considerations in respect of the "preparation checklist" include:
 - objectives
 - precedents
 - alternatives
 - interests
 - strategy

- timeline
- team
- script
- preparation is the only aspect of a negotiation over which you have control; good preparation increases the probability of success in negotiations
- scripting helps you:
 - avoid miscommunication
 - avoid backsliding
 - avoid having to say "why did I say that" or "why did I say that in that way"
 - become comfortable with your position
 - gain insight
 - develop an impactful message
 - deliver a hard message with greater conviction and confidence
 - be the "best prepared guy" in the room
 - "make the case" with difficult positions
- in terms of probing, key considerations include:
 - determining why you want what you want, and why the other side wants what it wants
 - ascertaining what might be the other side's subsidiary areas of importance
 - determining whether you can both get what you want
 - asking open-ended questions
- in terms of making proposals, key considerations include:
 - if you speak when you are angry and ill-prepared, you will give the best speech you will ever regret
- God gave us two ears and one mouth in order that we can listen twice as often as we speak
- negotiators should use listening as a tool to:
 - collect information

- learn what the other side wants
- show respect
- you know that they are not listening when:
 - there is poor eye contact – be sure to maintain good eye contact
 - there are distractions – eliminate distractions
 - there are interruptions – take notes rather than interrupt
 - responses are irrelevant – clarify and confirm your understanding
 - body language is poor – use attentive body language

WESTRENDS

Mr. John Petersen, *Arlington Institute*

- the rate of change is exponential; think about the changes that are occurring in such areas as population, the number of patents granted, the use of inventions, random access memory, the number of internet users, the amount of carbon dioxide in the air, etc.
- the extent to which a single individual can cause a catastrophe, either intentionally or unintentionally, is significant; consider, for example, terrorists, computer hackers, etc.
- at this point in history, "really big things" are happening really quickly
- each succeeding era has nine times more complexity than the preceding era, and in respect of technological change alone, 80 times the advancements of the last century are expected to occur in the next decade
- the time to "the next event" is becoming shorter and shorter, and major paradigm shifts occur more quickly
- the future is not the past
- the world's population has grown more in the last 50 years than in the 4 million years that preceded it; population growth has not been evenly distributed across countries
- we are at the beginning of the end of the age of petroleum, and we need to begin to prepare for this eventuality
- the financial system is unstable, and derivatives are "time bombs," or the "financial weapons of mass destruction"

- we are on the edge of a massive unravelling of the financial system that will reverberate around the world
- regarding climate change, it should be recognized that, over time as the problem grows, you lose the power to intervene; some systems will collapse
- while a global pandemic has a low probability of occurring, it would be a high-impact event
- the next generation of artificial intelligence will be artificial general intelligence; by 2012-2015, there will be the equivalent of a human brain in a computer
- the amount of computer power that can be purchased for the same cost doubles every 18 months
- the year 2029 may witness a single computer that is one billion times more powerful than all human brains on the planet
- it is expected that, by 2015, everything in the human body except the brain and the central nervous system will be capable of being replicated; this reality raises such questions as: if something is 85% manufactured and 15% human, is it human? and since everything is "programmed" to have people live to be perhaps 80 years of age, what if you could live to be 200 years of age?
- we are on our way to an "all-electric" world; the key question in this regard is: how can we produce and store the electricity that is needed?
- to deal with big change, you need foresight, innovation, resilience and sustainability
- in terms of foresight, it should be recognized that, in the future, we are likely to have less and less notice of what is "coming down the pike"
- long-term thinking, rather than a focus on short-term benefits, should be promoted
- in terms of resiliency, the following may become increasingly important: decentralization, redundancy, adaptation and localization
- in terms of sustainability, it is important to promote conservation and efficiency, as well as to reduce dependence on external suppliers
- in terms of innovation, the new world operates on the basis of different ideas, and the old and new problems that are faced cannot be solved with existing thinking
- we should protect and reward those who develop solutions to our biggest problems and challenges
- global security is national security
- cooperation is our only salvation

FINDING THE LEADER WITHIN: LESSONS FROM WAR AND PEACE

Mr. James Bradley, *Author*

- perhaps the difference between getting something done and not getting it done is:
 - attitude
 - perspective
- we should always think that the "impossible" is "possible"

EDUCATION COMMITTEE

Mr. Benjamin Lignugaris-Kraft, *Utah State University*

- nationally, 14% of teachers leave the classroom after one year, 33% leave within three years and more than 50% leave within five years
- the greatest teaching shortages exist in the areas of special education, mathematics and science
- efforts must be made to increase the supply of teachers and to retain them once they are in the profession
- some states have relatively low teacher salaries and relatively high student-to-teacher ratios
- the No Child Left Behind (NCLB) measure requires that teachers be "highly qualified" in content areas, such as science, mathematics, language arts, etc.
- NCLB has highlighted the chronic shortage of teachers in science, mathematics and special education
- key questions include how to increase the supply of qualified teachers and how to increase the retention of those teachers

Ms. Susan Bergman, *Advancement Via Individual Determination (AVID)*

- Advancement Via Individual Determination (AVID) provides a direct support structure for first-generation college-goers
- AVID is an elective class held during the school day, and involves a rigorous course and study path; its foundation is writing, inquiry, collaboration and reading

- AVID's goal is to ensure that all students will succeed and graduate; in particular, the mission of AVID is to ensure that all students will:
 - succeed in rigorous curriculum
 - complete a rigorous college preparatory path
 - enter mainstream activities of the school
 - increase their enrolment in four-year colleges
 - become educated and responsible participants and leaders in a democratic society
- the levels of readiness needed by high-school graduates to be prepared for college and for workforce training programs are comparable
- a college degree greatly increases employability
- high-level skills identified for success include:
 - basic skills in reading, writing and mathematics
 - an ability to know how to learn
 - listening and oral communication skills
 - creative thinking and problem-solving skills
 - interpersonal skills and an ability to work in teams
 - leadership skills
 - the ability to motivate and set goals
 - occupational and professional competencies
- students wishing to participate in AVID must apply and be interviewed in order to have their desire and determination as well as their academic potential assessed; as well, they must be the first generation in their family to attend college, be part of a group historically underserved in four-year colleges, be low income and/or have special circumstances
- AVID closes the achievement gap for all students
- the five things that matter most are:
 - defined outcomes
 - persistence

- challenging content
- engaged adults
- personalization

Mr. Bob Whicker, *Apple, Inc.*

- one model for success is a high-access learning environment through 1:1 laptop learning, which increases the quality of the student experience and leads to higher student achievement
- successful economic development requires a well-educated, technologically savvy workforce
- teachers require training on how to use technology in the classroom in order to enhance teaching and learning
- the 21st-century student learning/skills framework includes a focus on:
 - life and career skills
 - learning and innovation skills
 - information, media and technological skills
- life and career skills include:
 - flexibility and adaptability
 - initiative and self-direction
 - social and cross-cultural skills
 - productivity and accountability
 - leadership and responsibility
- learning and innovation skills include:
 - creativity and innovation
 - critical thinking and problem solving
 - communication and collaboration
- information, media and technological skills include:
 - information literacy

- media literacy
- information and communication technology literacy
- 21st century themes include:
 - global awareness
 - financial, economic, business and entrepreneurial literacy
 - civic literacy
 - health literacy
- large-scale projects require proven partners with proven success as well as local knowledge and support

Respectfully submitted,

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

Dean Del Mastro, M.P.
Acting Co-Chair
Canada-United States
Inter-Parliamentary Group

APPENDIX: STATES REPRESENTED IN THE COUNCIL OF STATE GOVERNMENTS-WEST

Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Council of State Governments-WEST: 2008 Annual Meeting
DESTINATION	Anchorage, Alaska, United States of America
DATES	July 16-20, 2008
DELEGATION	
SENATE	Hon. Percy Downe, Senator
HOUSE OF COMMONS	Mr. Rob Merrifield, M.P., Co-Chair Mr. Michel Guimond, M.P.
STAFF	Ms. June Dewetering, Analyst Ms Elizabeth Kingston, Executive Secretary
TRANSPORTATION	\$5,879.68
ACCOMMODATION	\$6,876.35
HOSPITALITY	\$67.00
PER DIEMS	\$1,697.45
OFFICIAL GIFTS	\$61.17
MISCELLANEOUS/REGISTRATION FEES	\$2,186.20
TOTAL	\$16,797.85