

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 67th annual meeting of  
the Council of State Government's  
Southern Legislative Conference (SLC)**

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

**Mobile, Alabama, United States of America  
July 27-31, 2013**

# Report

## DELEGATION MEMBERS AND STAFF

From July 27-31, 2013, three Vice-Chairs from the Canadian Section of the Canada-United States Inter-Parliamentary Group attended the 67th annual meeting of the Council of State Government's Southern Legislative Conference (SLC). The meeting, which was attended by Senator Paul J. Massicotte, Mr. John Carmichael, M.P. and Mr. Rick Dykstra, M.P., was held in Mobile, Alabama. The delegation was accompanied by Ms. June Dewetering, the Canadian Section's Senior Advisor.

## THE EVENT

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

At the 67th 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 well, plenary sessions were held and a food packaging community service project was completed.

## DELEGATION OBJECTIVES FOR THE EVENT

Canada and the 15 SLC states have a mutually beneficial relationship, and 12 of these states have Canada as their primary export market. Recent figures indicate that more than 2.8 million jobs in those states rely on Canada–U.S. trade, which was valued at almost US\$130 billion in one year: more than US\$79 billion was exported from the 15 states to Canada, while they imported almost US\$51 billion from Canada. Visits are also frequent. In a recent 12-month period, Canadians made more than 10.5 million visits to the SLC states and spent more than US\$5.6 billion.

At this event, the delegates conveyed to state legislators the nature, magnitude and importance of the relationship between Canada and the U.S. South. They also identified areas of new and existing cooperation and collaboration.

## ACTIVITIES DURING THE EVENT

At the 67th annual meeting, the plenary sessions were:

- Fiscal Plenary Luncheon: Preparing a 21st Century Workforce – Alabama's Workforce Development Strategy
- Opening Plenary: Preparing for Life's Challenges – An Up Close Interview
- Closing Plenary: Impact Alabama.

The committee sessions were:

- Agriculture & Rural Development Committee:
  - Water Management and Ag
  - New Options for Rural Housing
  - Farm Bill Update
  - The New Extension Service
- Economic Development, Transportation & Cultural Affairs Committee:
  - Ensuring Economic Growth: Investing in Infrastructure
  - Innovative Funding and Financing Tools for Transportation
  - Moving the Global Supply Chain Along: What Should States Do and What Are They Doing
  - Arts and Culture: Catalyst for Economic Growth
- Education Committee:
  - Scaling Innovation in Education to Improve Student Outcomes
  - Preparing a 21st Century Workforce: Alabama's Workforce Development Strategy
  - School Climate and Safety
  - The Third Grade Reading Hurdle
  - Remaking Remediation
  - The Teaching Profession in Transition
  - College and Career-readiness Crisis: Finding Solutions
- Energy & Environment Committee:
  - Innovations in Fossil Fuel Electricity Production
  - Regulation of Greenhouse Gas Emissions
  - NASA DEVELOP National Program
  - Southern States Energy Board's 2013 Legislative Digest
- Fiscal Affairs & Government Operations Committee:
  - Preparing a 21st Century Workforce: Alabama's Workforce Development Strategy
  - Tax Credits, Incentives and Exemptions: What Works and What Does Not
  - Public Pensions: Solutions from the SLC States
- Human Services and Public Safety Committee:
  - Juvenile Justice Reform
  - Expansion of Medicaid: Next Steps.

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

## **COMPETENCY-BASED PATHWAYS FOR STUDENT SUCCESS**

### **Senator Vivian Davis Figures, *Alabama Senate***

- Alabama has a strategic plan for education with the goal for every student to be successful, and to acquire the knowledge and skills needed to succeed without the need for remediation.
- Alabama's plan has four priorities, with objectives, strategies, targets and indicators; the four priorities are:
  - learners;
  - teachers and supports;
  - schools; and
  - other professionals.
- Efforts should be made to ensure proficiency, close the achievement gap, ensure effective classroom instruction, increase graduation rates, and ensure readiness for college and/or a career.

### **Sara Neil Lampe, *Former State Representative in the Missouri General Assembly***

- What happens in the classroom really matters.
- Common core educational standards are important, and should be adopted by all states.

### **Fred Bramante, *National Center for Competency-Based Learning***

- In the past, hours in the classroom was "the constant" and learning was "the variable"; in fact, the reverse should be the model, with the level of achievement being "the constant."
- Students should move to the next grade only when they have mastered the needed skills and knowledge; credit should be given only when the required state standard is met, regardless of how long or how little time it takes to acquire a skill and regardless of where the learning is acquired.
- Mastering needed skills and knowledge need not occur only in the classroom; for example, as gymnastics can be learned at school or at the local gym, credit should be given for skills and knowledge acquired in both places or at either location.
- Students should take ownership of their learning.
- Communities should become part of the "business of educating children."

**Susan Patrick, *International Association for K-12 Online Learning***

- Learning should be transformed so that every student is prepared for the global society that he/she will be entering; students need world-class skills and knowledge.
- Technology should be used to individualize learning.
- States should “set the bar high,” and work with students and educators to ensure that students can meet the standard that is expected.
- New learning models that lead to better learning outcomes are needed; clear, explicit learning objectives are required.
- The United States cannot afford not to educate every student to the highest level.
- The focus should shift away from time in the classroom to amount learned; students should advance to the next grade based on their demonstrated mastery of required skills and knowledge.
- The educational standard should be fixed, and the time to attain that standard will vary across students.
- Learning occurs in a variety of locations and ways; it does not occur just in a classroom.
- Teachers should be viewed as learning engineers.

**CANADA AS A TRADING PARTNER**

**Steve Brereton, *Canadian Consul General in Atlanta***

- Canada and the United States share a great deal, and legislators play an important role in ensuring that the bilateral relationship moves forward for the joint benefit of the countries.
- Canada and the United States have common political and social values, as well as energy, environmental, security and other relationships.
- Canada and the United States share the largest bilateral trade relationship and the most vibrant integrated economic relationship in the world; the Canada–U.S. free trade agreement is now 25 years old, and bilateral trade has tripled since the agreement was signed.
- Canada is the primary foreign export market for 38 U.S. states, including 12 SLC states.
- Canadian-owned businesses operating in the United States employ thousands of Americans.
- As Canada and the United States make things together, both countries are able to be globally competitive.

- The Beyond the Border Action Plan and the Regulatory Cooperation Council Action Plan are important for the future of both countries.
- More than 25% of all bilateral merchandise trade crosses the Detroit-Windsor bridge, which is the largest and the busiest crossing between Canada and the United States; the presidential executive order needed in order to construct the new international crossing at Detroit-Windsor has been issued.
- Integrated supply chains mean that border crossings are important.
- The disputes that arise from time to time between Canada and the United States are often related to protectionist tendencies; in recent years, these disputes have included the following:
  - Buy American legislation federally and in some states – because of integrated economic sectors, Buy American provisions make it hard to respond to opportunities in a timely, cost-effective manner, and can lead to higher prices for consumers; and
  - mandatory country-of-origin labelling requirements – Canada is the largest foreign export market for U.S. agricultural goods and the countries rely on each other for inputs, with the result that these requirements are harming U.S. processors and packers.
- Trade is not a zero-sum game.
- Canada is the largest, most secure supplier of oil, gas, electricity and uranium to the United States.
- The southern “leg” of the Keystone XL pipeline is nearing completion.
- Canada’s energy sector needs suppliers, and more than 900 U.S. companies supply good, services and/or technology to Canada’s oil sands.
- Canada is committed to environmentally sustainable resource development.
- More than 60% of electricity in Canada is derived from non-emitting sources.
- Energy security is part of a broader North American security partnership.
- Canada and the United States need to defend their borders, people and way of life, and to work collaboratively to further the bilateral relationship.

## **ENSURING ECONOMIC GROWTH: INVESTING IN INFRASTRUCTURE**

**Henry Henderson, *Standard & Poor's***

- Credit ratings are opinions about relative credit risk; a rating is a forward-looking assessment of the ability and willingness to pay a debt in full and on time.
- Credit ratings are not guarantees or investment advice.
- Five areas are considered in determining a government's credit rating:
  - government framework;
  - financial management;
  - economic indicators;
  - budget performance; and
  - debt-liability profiles.
- At this time, overall state debt levels are moderate and most states do not have an unbearable debt burden; unlike many sovereign governments around the world, the states are relatively strong.
- In the future, there are likely to be significant demands on states for services, as well as requests for reduced taxes.
- The financing of infrastructure often occurs at the level of the user through fees and tolls; other financing sources also exist, including sales and property taxes, public-private partnerships, and revenue and other types of bonds.

## **INNOVATIVE FUNDING AND FINANCING TOOLS FOR TRANSPORTATION**

**Joung Lee, *American Association of State Highway and Transportation Officials***

- As the federal gas tax was last increased 20 years ago, its purchasing power has diminished.
- Higher CAFE standards will mean a reduction in Highway Trust Fund revenue; at present, there is a \$15 billion gap between Highway Trust Fund outflows and inflows.
- A variety of revenue options can fund transportation infrastructure, including a gas tax, a portion of general revenues collected and fees based on vehicle miles travelled.
- The states are making progress regarding the funding of transportation infrastructure; for example, some states are increasing their gas tax rates, dedicating a portion of general revenue to transportation infrastructure, and imposing user fees for vehicle miles travelled.

- “Themes” for “success” in relation to transportation infrastructure include the following:
  - Needs are reasonable and relatable for the public.
  - The potential benefits of infrastructure investments are clear.
  - There is political leadership from the executive branch.
  - There is a broad coalition of support beyond self-interested groups.
- Transportation representatives must be “at the table” when larger spending discussions occur.

## **PREPARING A 21ST CENTURY WORKFORCE: ALABAMA’S WORKFORCE DEVELOPMENT STRATEGY**

**Greg Canfield, *Alabama Department of Commerce***

- New companies and sectors need to be attracted to a state; workforce development and education are key, and one is needed in order to have the other.
- In planning for the future, there is a need to have representatives of the full range of education, economic development and businesses interests “at the table.”
- The future of workforce development is linked to future economic success.

**Mark Heinrich, *Alabama Community College System***

- The mission of the community college system should be coordinated with businesses and state government.
- At this point, the United States has a workforce crisis, and this crisis needs to be addressed in new and unusual ways.
- Those who are underemployed should be retrained and reskilled to meet the needs of the 21st century workplace.
- About 40-50% of those who are in the workforce now could retire now but remain in paid employment because of the economy; as the economy improves, they will retire.
- Some individuals are of working age but are being paid to stay at home.
- Soft skills are important, and there is a need to invest in such skills.
- Dual enrolment should be affordable for everyone, and there should be a community college in every high school.



**Jim Bolte, *Toyota Motors and Manufacturing***

- Companies should recognize that there may always be a better way of doing something; consequently, they should hire problem solvers who are focused on continuous improvement.
- The relevant labour market from which an employer recruits varies depending on the job; local recruitment may be suitable for some jobs, while others may require regional or national recruitment efforts.
- There is a need to support science, technology, engineering and mathematics programs.

**REGULATION OF GREENHOUSE GAS EMISSIONS**

**Howard Feldman, *American Petroleum Institute***

- Despite thoughts to the contrary, air quality is improving.
- “Fuel switching” is occurring, with a decrease in coal plants and an increase in natural gas.
- The U.S. Environmental Protection Agency will be working on new rules for power plants, and the rules may vary by energy source; it is also working on rules for existing power plants.
- Businesses and households care about the cost of electricity.
- In the energy sector, as people compete on the basis of price, people are already incentivized to be energy-efficient.

**Carol Kemker, *U.S. Environmental Protection Agency***

- Air quality is improving in the United States, along with growth in gross domestic product, and an enhanced quality of life and standard of living.
- Science indicates that the planet is changing.
- Last year was the warmest year on record in the United States, and it was among the driest; precipitation is falling in fewer, but more profound, events.
- No single weather event is caused by climate change, but all weather events are affected by a warming planet.
- The United States should reduce its reliance on foreign oil.
- The U.S. Environmental Protection Agency will build on state leadership to develop standards for new and existing power plants.
- Power is needed for economic growth.
- The use of renewable fuels should be increased.

- Individuals and businesses need to reduce their energy use.
- Efforts to address climate change need to include both mitigation and adaptation.
- No country can meet climate challenges alone, and no single action will reduce the effects of climate change.

## **TAX CREDITS, INCENTIVES AND EXEMPTIONS: WHAT WORKS AND WHAT DOES NOT**

**Josh Goodman, *The Pew Center on the States***

- The definition of the term “tax incentive” has three elements:
  - They are exceptions to regular tax rules.
  - They are meant to achieve an economic goal.
  - They are meant to encourage people or businesses to do something that they otherwise would not have done.
- It is difficult to develop incentives that only incent behaviour that would not otherwise have occurred; incentives almost always reward some behaviour that would have occurred in any event.
- The “stakes are high” for states’ budgets and state economies; tax incentives are an important tool.
- States should undertake evaluations at regular intervals to ensure that tax incentives are having the desired effects, and an evaluation of incentives should be part of budget deliberations.
- Legislators need data in order to make evidence-based decisions; for example, they need a reliable estimate of the cost of an incentive when considering it or considering expansion of it.
- Trade-offs exist, and money spent on tax incentives is not available to be spent on something else.
- As it is difficult to estimate exactly how popular an incentive will be in either the present or the future, a cap may be needed to ensure affordability.

**Dan White, *Moody’s Analytics***

- Some wonder how tax revenue “interacts with” economic growth; it is felt that more of the latter should mean more of the former.
- For much of the last 50 years, growth in tax revenue has exceeded economic growth, in part because of new tax bases at the beginning of the 50-year period; that said, more recently, economic growth has exceeded growth in tax revenue.

- Over the last 10-15 years, there has been an “enormous” influx of new tax expenditures.

## **PUBLIC PENSIONS: SOLUTIONS FROM THE SLC STATES**

### **Senator Arthur Orr, *Alabama Senate***

- A number of employers, including state governments, are deciding whether to continue to offer a defined benefit plan, to switch to a defined contribution plan or to offer a hybrid plan that includes both defined benefit and defined contribution elements.
- If the pension plan design keeps people working longer, contributions are higher and retirement benefit payments are lower.

## **PREPARING FOR LIFE’S CHALLENGES: AN UP CLOSE INTERVIEW**

### **Bo Jackson, *Former Professional Athlete***

- Tell media what you want them to know, not what they want to know.
- Give respect when and where respect is due.
- Surround yourself with a “first-rate supporting cast.”
- God puts speed bumps on everyone’s highway; we have a responsibility to slow down and overcome them.
- Get out of your comfort zone.
- Look at life with your eyes wide open.
- As children emulate adults, it is important for adults to set the right example.

## **FARM BILL UPDATE**

### **Nathan Smith, *University of Georgia***

- The farm bill that replaces the 2008 Farm Bill is likely to be much different than any previous farm bill.
- The 2008 Farm Bill was essentially a continuation of the 2002 Farm Bill.
- The budget situation in the United States is not sustainable; as the agricultural sector is doing relatively well, there is no perceived need to support the sector when some other sectors are not doing as well.
- Whereas farm bills have historically been affected by regional politics, farm bill discussions are now affected by partisan politics.

## THE NEW EXTENSION SERVICE

Jimmy Henning, *University of Kentucky*

- Extension services add value and are “locally driven” within a national network.
- Extension services need to be as relevant to the urban market as they are to the rural market.
- Extension services are using technology, including social media.
- Agricultural businesses add significant value, including with respect to processing, inputs, equipment, etc.
- As many agricultural producers need off-farm employment, the existence of employment opportunities in rural communities is very important.
- Youth who participate in 4-H are more likely to succeed in school and to participate in civic activities.

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

## U.S. 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>	67th annual meeting of the Council of State Government's Southern Legislative Conference (SLC)
<b>DESTINATION</b>	Mobile, Alabama, United States of America
<b>DATES</b>	July 27-31, 2013
<b>DELEGATION</b>	
SENATE	Hon. Paul J. Massicotte
HOUSE OF COMMONS	Mr. John Carmichael, M.P. Mr. Rick Dykstra, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
<b>TRANSPORTATION</b>	<b>\$ 5,113.72</b>
<b>ACCOMMODATION</b>	<b>\$ 1,714.96</b>
<b>HOSPITALITY</b>	
<b>PER DIEMS</b>	<b>\$ 952.28</b>
<b>OFFICIAL GIFTS</b>	
<b>MISCELLANEOUS / REGISTRATION FEES</b>	<b>\$ 1,943.04</b>
<b>TOTAL</b>	<b>\$ 9,724.00</b>