

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
to the Western Governors' Association - 2008 Annual
Meeting**

**Canada-United States Inter-Parliamentary Group
Jackson Hole, Wyoming, United States of America
June 29 - July 1, 2008**

Report

INTRODUCTION

From 29 June to 1 July 2008, the Honourable Donald Oliver, Q.C. represented the Canada-United States Inter-Parliamentary Group (IPG) at the 2008 Annual Meeting of the Western Governors' Association (WGA) in Jackson Hole, Wyoming.

The WGA includes the Governors from 19 western US states (see the Appendix) as well as from American Samoa, Guam and the Northern Mariana Islands. Canadian Premiers from the provinces of British Columbia, Alberta, Saskatchewan and Manitoba also participate in the WGA's activities. In attendance at this meeting were the Premiers of the four Western provinces, as well as Governors Freudenthal, Wyoming; Huntsman, Utah; Napolitano, Arizona; Ritter, Colorado; Otter, Idaho; Schwietzer, Montana; Heineman, Nebraska; Rounds, South Dakota; Gregoire, Washington and Richardson, New Mexico. At the meeting, Senator Oliver spoke to the Premiers as well as to Governors Freudenthal, Ritter, Schweitzer and Rounds.

The WGA uses six basic strategies in achieving its goals: develop and communicate regional policy; serve as a leadership forum; build regional capacity; conduct research and disseminate findings; form coalitions and partnerships; and build public understanding and support for regional issues and policy positions.

The 19 states in the WGA are important to the Canada-US relationship. Of the estimated 7.1 million US jobs that depend on bilateral trade, almost 2.4 million of those jobs are located in the WGA states; trade between Canada and these states recently was valued at more than \$111 billion annually. In addition to trade, tourism is also important. According to recent estimates, more than 4.1 million residents of the WGA region travelled to Canada in a one-year period, spending almost \$2.1 billion. Moreover, more than 7.2 million Canadians travelled to the 19 WGA states in that same period and spent more than \$3.6 billion.

The WGA's 2008 Annual Meeting included four plenary sessions:

- Protecting Wildlife Corridors in the West
- Managing Water in the West
- Transmission Expansion – When, Where, How Much? and
- Energy and Climate Change.

The interaction with Governors enables members of the IPG to achieve better 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, meetings with Governors 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 sessions.

PROTECTING WILDLIFE CORRIDORS IN THE WEST

The focus of the plenary session was the actions needed to protect and sustain wildlife corridors and habitat in view of threats related to population growth, climate change, and infrastructure, land use and energy development.

Secretary Dirk Kempthorne, United States Secretary of the Department of the Interior

- residents of the US West are stewards of vast and beautiful lands, and they are facing ongoing and escalating challenges, including fires that come earlier and last longer, drought, diminishing habitat for species such as the sage grouse and a range of issues related to the urban-rural interface
- often, “world-class” wildlife habitat sits above “world-class” energy reserves; there is no need for them to be mutually exclusive
- President Bush’s recent Healthy Lands Initiative is designed to maintain healthy landscapes, sustain wildlife and secure energy in a holistic approach to natural resource management and restoration in eight states in the US West
- multidirectional drilling reduces the acreage footprint
- in the future, energy supplies must come from traditional as well as from renewable resources
- water is a precious finite resource, and is more precious than gold for someone who is thirsty
- the future has enormous challenges as well as enormous opportunities; there are many best practices from which everyone can learn and benefit

Mr. Jack Dangermond, ESRI, Inc.

- the American West is characterized by open spaces and wildlife that are worth preserving and maintaining
- the changes being experienced in the US West are largely driven by human actions, such as energy development, population growth and transportation changes, among others
- wildlife habitat is disappearing rapidly, which has implications for species
- there is a need to be more thoughtful in guiding future development, and to use better information in order to make better decisions
- humans and nature – including urban development and nature – must “co-evolve,” and it should be recognized that each of us is part of the “human footprint”

- since habitats do not stop at state boundaries, states must collaborate and cooperate; collaboration and cooperation must also occur between states and the federal government
- information that can be used across boundaries, and that can assist in the making of informed tradeoffs, is needed; information should be consistent, include systematic inventories that are integrated into regulatory and other systems, use a common vocabulary, and include a conservation and development plan
- technology and methods are available now, but a broader, deeper penetration is needed
- information systems can help decision makers to avoid, minimize and mitigate
- efforts to protect wildlife corridors will help to create a more secure future

Mr. Steve Elbert, BP America

- energy is required in order to sustain human life and our standard of living
- a diverse energy supply is a more secure energy supply
- regarding energy development, the first question should be whether development should occur; debate on this question is driven by the values that people hold in their heart
- high energy prices are a consequence of too little supply and too much demand; they also reflect past decisions that were, and that were not, made
- global competition for energy is intensifying, which will place continued upward pressure on energy prices
- much can be done to encourage conservation and to provide greater incentives for renewable energy
- high energy prices are likely to continue for the foreseeable future because of:
 - the forces of energy supply and demand
 - a relatively higher cost of renewable energy when compared to traditional energy, at least for a period of time
 - carbon pricing
- stakeholders should work together in order to produce the energy that is needed in a manner that is compatible with environmental goals and wildlife habitat preservation
- ongoing efforts to reduce our environmental footprint must occur
- the benefits of extended-reach drilling include:

- lower costs
 - efficiency gains
 - reduced impact on habitat and wildlife
 - smaller surface footprint
- states play an important role in creating frameworks as well as in establishing limits and guidelines
 - wildlife corridors should be a consideration when resource development decisions are made
 - it should be recognized that it is not always possible both to develop traditional energy resources and to protect wildlife and habitat
 - people may share the same goals but have different thoughts about how best to accomplish those goals
 - we get better over time because we use the lessons learned in the past to improve the way things are done in the future

Mr. Tom Brokaw, NBC News

- although the US West is an exhilarating and challenging environment, life can be difficult
- the rest of the US is now looking to the West in a way that it has not done since the 19th century; it is examining the actions that the West is taking in such areas as climate change, energy, water, immigration and population growth, among others
- there is a need to think regionally and in a bipartisan manner; in order to thrive and survive, more cooperation and a greater shared vision are required
- human desires and needs must be balanced with those of nature
- the world is changing, and there are opportunities to ensure that the changes are for the better

MANAGING WATER IN THE WEST

The focus of the plenary session was challenges faced by Western water suppliers in the US West resulting from population growth and climate change, as well as the strategies needed to help Western states reduce conflicts, mitigate the impacts of water shortages, manage water resources and plan for sustainable future water supplies.

Mr. Brad Udall, University of Colorado and National Oceanic and Atmospheric Administration

- although reputable groups have issued credible reports on the subject of climate change, some people continue to believe that climate change is not occurring
- there is a connection between water and energy; considerations in respect of the water-energy nexus include:
 - water is heavy
 - there is no water without energy
 - many projects use electricity
 - saving water means saving energy in terms of water heating, treatment, etc.
- regarding new water projects, key questions are: how much energy is required? and what type of energy is required?
- regarding new energy projects, a key question is: how much water is required?
- there is a connection between water and climate change; water planning must consider the changing climate, which is altering the water cycle
- climate change results in higher temperatures; higher temperatures lead to more evaporation, heavier downpours (with regional winners and losers), longer periods between downpours, more and longer-lasting droughts, more floods, more rain, less snow and a rising sea level
- there are a number of possible strategies to deal with climate change, including:
 - mitigate greenhouse gas emissions
 - adapt
 - suffer
- water is a zero-sum game in many parts of the US West and, with climate change, is a negative-sum game in some parts
- the Great Lakes compact would preclude water diversion to the American Southwest
- the US' driest states are in the West
- with reduced snow melt-off and increased droughts, there are more fires
- recreational economies are growing in the US West
- data are critical, and better climate models are needed; current models operate at a level that is far too big for local decisions

- people must “get serious” about water; water is too inexpensive, and under-pricing results in over-consumption and under-investment
- since technology to clean up water is available, re-use should be pursued as an option for both potable and non-potable uses

Mr. Duane Smith, Oklahoma Water Resources Board

- historically, water rights were developed in order to ensure economic development, without specific consideration given to sustainability or environmental protection; although it is difficult to change from a paradigm of economic development to another view, the realization that sustainability and environmental protection are important requires that a paradigm shift occur
- the *Water Needs and Strategies for a Sustainable Future: Next Steps* report contains a number of key recommendations, including:
 - the Western States Water Council should enter into a formal agreement to create a Western states federal agency support team, which would change the nature of federal interaction with Western states and provide states with a focal point for discussion with the federal government and its agencies
 - the Western Governors’ Association should urge the US Congress to require federal water resource agencies to include integrated water resources planning and assistance as one of their primary missions, with state leadership being supported by federal assistance

TRANSMISSION EXPANSION – WHEN, WHERE, HOW MUCH?

The focus of the plenary session was reasons for the limited number of electricity transmission grids under construction coincident with an unprecedented number of proposals to build new transmission lines, actions that can be taken by governments to expedite the construction of transmission capabilities, and future electric generation resources in light of public policies limiting carbon dioxide emissions.

Mr. Jeff Sterba, PNM Resources

- clean and diversified energy is a priority for the future
- since it is not possible to do one without the other and be cost-effective, generation and transmission should be integrated
- reliability is a key priority for consumers
- in an environment of increasing costs, the term “affordability” must be redefined; the era of inexpensive energy is over
- a significant proportion of the resources that will be needed in the future do not yet exist, and these resources should have low emissions

- there is no “energy silver bullet,” and solutions to future energy needs should include enhanced energy efficiency, new renewable energy sources and a portfolio of technologies
- wind and solar power are major, low-cost energy sources; location and economic considerations are important in increasing their production
- since the best wind resources are not near population centres, transmission is important
- coal is a plentiful resource in the US, and must remain a viable part of the energy mix; in this context, carbon capture and storage is a critical tool
- nuclear power must be retained as an option
- increased investments in private and public energy technology should occur
- a national strategy, for the pricing of carbon rather than a state-by-state or regional approach is needed
- at present, renewable portfolio standards are not consistent or coherent across states
- developing mandates and initiatives is not enough: they must be implemented

Mr. David Sokol, MidAmerican Energy Holdings Company

- global climate change is a multigenerational issue
- in the future, there should be a greater focus on energy efficiency, the use of renewable energy to the greatest extent possible, a reduction in siting and transmission roadblocks, and increased investments in technology development and the deployment of commercially proven technologies
- a cap-and-trade system is a tool, rather than a policy, to aid in the resolution of emissions challenges; a policy that incorporates tools is needed

Mr. Michael Niggli, San Diego Gas & Electric Company

- electricity flows at the speed of light, and is a companion to a clean environment
- an interconnected electricity grid is a high priority; the interdependence of networks, and the benefits that result from interdependence, should be recognized
- the cost of new transmission is driven by such factors as the cost of land, the cost of labour and the quality of the resource
- a renewable energy credit-trading market should be created

Mr. John Fielder, Southern California Edison

- in California, wind, solar, biomass and geothermal power exist
- California leads the US in energy efficiency
- solar power continues to be relatively expensive
- at present, California has no nuclear plant, and no plant can be built until the issue of nuclear waste is resolved; nuclear power must be part of the future energy mix
- the link between the profitability of utilities and electricity usage must be severed
- consumers should have an incentive to use less electricity
- energy efficiency is the least expensive form of energy

ENERGY AND CLIMATE CHANGE

The focus of the plenary session was state actions to mitigate greenhouse gas emissions, the challenges and opportunities associated with climate change, and how to ensure that the US Congress, the next Administration and federal agencies understand Western issues as federal climate policy is being developed.

Mr. Erik Peterson, Center for Strategic and International Studies

- we live in a world of accelerating change, and there are seven revolutions – or critical drivers of change – that will be important in the future; they are related to:
 - population
 - resources
 - technology
 - information
 - integration
 - conflict
 - governance
- by 2025, the global population is expected to grow from about 6.5 billion today to approximately 7.9 billion individuals; by 2050, this number may grow to 9.2 billion
- there is an expanding spectrum of high-population-growth countries as well as dozens of countries experiencing depopulation; for some countries, immigration will increase significantly, giving rise to economic, commercial, and security and stability issues
- by 2025, the US will import 70% of its oil, an increase from the 36% that was imported during the 1973 Arab oil embargo

- there is a need to focus on strategic resource management, including in respect of water, energy and food; constraints exist regarding arable land, land degradation, water shortages and global warming, all of which affect agricultural production
- China is likely to surpass the United States as a user of energy
- there will be continued dependence on oil, gas and coal for the foreseeable future
- food, water and energy issues have sustainability and environmental aspects
- when land becomes degraded, the extinction of species becomes a concern
- there are likely to be interstate conflicts, including regarding water
- supercomputers can compute 280 trillion calculations per second, and knowledge expansion through technology is too large to quantify
- at present, there are 16.5 million blogs, and that number doubles every five months
- information and data move easily around the world
- we live in a knowledge-intense environment, and human capital is increasingly perishable
- “we choose our truth”: we filter the data and information we encounter in order to separate what is “right” from what is “wrong”
- by 2015, 80% of all current technology will be replaced
- by 2025, Brazil, Russia, India and China – the BRIC countries – together will have an aggregate economy that is 50% the size of the aggregate economy of the US, Japan, Germany, the United Kingdom, France and Italy, and by 2040 the aggregate economy of the four BRIC countries will surpass the size of the aggregate economy of the six countries noted; economic integration is expected to transform the world
- global economic integration is resulting in increased cross-border movements of goods, services, capital and labour
- at present, 120 countries or groups are developing information warfare systems, and cyberwarfare will be a major future threat
- terrorists are likely to use the attacks of 11 September 2001 as a “standard of success”
- when responding to disasters, recovery and continuity plans are important
- institutional capacity to respond “real time” is needed
- opportunities should be exploited and risks should be mitigated

- companies should determine "what they stand for" beyond profits and internal operating efficiency
- coalitions that cross traditional spheres of interest and influence may be important in the future; the future involves a system of linkages that no previous generation has had to face
- we have a leveraged future in front of us, with both "hyper-promise" and "hyper-peril;" leveraged leadership will be needed

Mr. Jeffrey Immelt, General Electric

- there are four pillars of competitiveness:
 - education
 - health care
 - financial innovation
 - energy
- the price of energy is likely to remain relatively high for some time
- in respect of energy, there is a "fear factor": who owns the oil? who are energy "haves" and who are energy "have nots"?
- the market will not solve all problems, since it does not fully price security, infrastructure, etc.
- leaders, including Governors, must drive the solutions of the future
- at the present time, there are a number of important "philosophies," including:
 - energy security means energy diversity
 - every new technology must be commercialized
 - global warming must be addressed
- there are three strategies – or levers – that organizations and/or governments can embrace regarding clean energy and clean water:
 - innovation and technology are the solutions
 - clean energy is a growth industry that creates jobs and can give a competitive advantage
 - a supportive public policy needs to exist in respect of the two strategies above

- there is a need to invest in research and development, since innovation, venture capital and technology can drive massive change
- investments should be made in:
 - energy efficiency, especially in respect of core products
 - conservation, including LEDs and hybrid vehicles
 - renewable energy, including in wind and solar power as well as to achieve scale
 - exploration, including sub-sea oil and gas
 - “big bet” base load technology, including coal gasification, new-generation nuclear reactors, and carbon capture and storage
 - distribution, including a more efficient and better grid
 - clean water, including desalinization and zero-liquid discharge
 - venture capital, which is nascent but growing
 - the commercialization of technology
- innovation can be used to create economic growth
- clean energy and clean water are growth industries, and there are opportunities to export green technologies and products; if the US does not do so, then some other country or countries will do so
- Governors will drive change and shape policy in the future
- renewable portfolio standards have been effective in driving change
- through supportive public policies, Governors should endorse and support “big bet” technologies
- Governors should update regulatory frameworks in respect of siting, permitting, transmission, distribution and water rights
- Canada should be included in the solutions in respect of coal, gas and uranium, among other areas
- there is a need to support education and to use universities to launch an entrepreneurial culture
- energy policy should consider:
 - the energy mix

- standards, including renewable portfolio standards
- incentives to reduce cost and increase security
- goals regarding reduced greenhouse gas emissions
- in some areas, technology exists but is unproven

customers want benefits without risks

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 WESTERN GOVERNORS' ASSOCIATION

Alaska

Arizona

California

Colorado

Hawaii

Idaho

Kansas

Montana

Nebraska

Nevada

New Mexico

North Dakota

Oklahoma

Oregon

South Dakota

Texas

Utah

Washington

Wyoming

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Western Governors' Association - 2008 Annual Meeting
DESTINATION	Jackson Hole, Wyoming, United States of America
DATES	June 29 - July 1, 2008
DELEGATION	
SENATE	Hon. Donald H. Oliver, Q.C., Senator
HOUSE OF COMMONS	Ø
STAFF	Ms. June Dewetering, Analyst
TRANSPORTATION	\$1,128.01
ACCOMMODATION	\$3,994.68
HOSPITALITY	\$ Ø
PER DIEMS	\$646.49
OFFICIAL GIFTS	\$ Ø
MISCELLANEOUS/REGISTRATION FEES	\$1,539.42
TOTAL	\$7,308.60