

Canada - United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada - États-Unis
Section canadienne

**Report of the Canadian Parliamentary Delegation
respecting its participation at the Council of State
Governments-WEST – 64th Annual Meeting
Canada-United States Inter-Parliamentary Group
Honolulu, Hawaii, United States of America
July 30 - August 2, 2011**

Report

DELEGATION MEMBERS AND STAFF

From July 30-August 2, 2011, the Honourable Judy Sgro, P.C., M.P. and Mr. James Rajotte, M.P., Vice-Chairs of the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG), led a delegation to the 64th Annual Meeting of the Council of State Governments – WEST (CSG-WEST) in Honolulu, Hawaii. Other members of the delegation were the Honourable Pierre de Bané, P.C., Q.C., Senator from Quebec, and Mr. Terrence Young, M.P. The delegation was accompanied by the Canadian Section's Executive Secretary, Ms. Angela Crandall, and its Senior Advisor, Ms. June Dewetering.

THE EVENT

Founded 61 years ago, the CSG-WEST is a non-partisan organization comprised of the 13 western US states (see the Appendix). British Columbia and Alberta are associate members. It meets annually; to date, the meetings have been held in the United States. In 2012, for the first time in the CSG-WEST's history, the annual meeting will be held outside the United States; the meeting will be held in Edmonton, Alberta.

The CSG-WEST has seven committees as well as WESTRENDS, the Western Legislative Academy, the Border Legislative Conference and the Legislative Council on River Governance. The seven committees are:

- Education
- Energy and Public Lands
- Fiscal Affairs
- Future of Western Legislatures
- International Trade
- Water and Environment
- Western Economic Development.

DELEGATION OBJECTIVES FOR THE EVENT

Canada and the 13 US states represented in the CSG-WEST share a relationship that is mutually beneficial. Recent figures suggest that more than 1.8 million jobs in those states rely on Canada-US trade. As well, annual bilateral merchandise trade between Canada and these 13 states was recently valued at just under US\$67.4 billion: almost US\$23.4 billion was exported from the 13 states to Canada, while they imported more than US\$44 billion from Canada. Moreover, in a recent 12-month period, Canadians made almost 7.4 million visits to CSG-WEST states and spent just under US\$4.1 billion, while residents of these states made almost 2.9 million visits to Canada and spent just under US\$1.4 billion.

The interaction with state legislators enables members of the Canadian Section 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, the meetings with state legislators provide members of the Canadian Section with an important means to provide input to, and gather information about, state-level issues that affect Canada.

ACTIVITIES AT THE EVENT

At the 2011 Annual Meeting, the CSG-WEST's seven committees met, as did WESTRENDS and the Annual Legislative Training Assembly; as well, a variety of plenary sessions were held. A Health Forum also occurred.

The plenary sessions were:

- Keys to Political Communication: Likeability and Storytelling
- Secrets of Inspirational Leadership: What Lawmakers Need to Know
- Asia-Pacific Economic Cooperation: Challenges, Trends and Opportunities for the US and Western States
- To Tweet or Not to Tweet
- US Pacific Fleet: Security, Readiness, and Strength
- From Nation to States: Insights into 21st Century American Politics
- The Next Hundred Million: America in 2050.

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

- Education
- Energy and Public Lands
- Fiscal Affairs
- Future of Western Legislatures
- International Trade
- Water and Environment
- Western Economic Development.

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

ASIA-PACIFIC ECONOMIC COOPERATION: CHALLENGES, TRENDS AND OPPORTUNITIES FOR THE US AND WESTERN STATES

Charles Morrison, *East-West Center*

- the Asia-Pacific nations are dealing with a number of issues, including trade and energy

- the Asia-Pacific region is a trading region, and trade is an important part of economic development in the region; exports mean jobs
- there are three spheres to consider:
 - Asia
 - global trade
 - the US-Asia relationship
- Asian nations have large, fast-growing and rapidly aging populations that are increasingly well educated; as well, they have pressure on their resources, health challenges, and continuing political and international relations challenges
- China is a major contributor to carbon emissions, and these emissions are expected to continue to rise
- in Asian nations, meat consumption is rising as economic growth occurs; as well, the animal population is increasing, which leads to disease challenges, particularly in terms of cross-over from animals to humans
- in terms of global trade, some “behind the border” issues are important, including intellectual property rights, regulations and various standards
- in recent years, there has been a shift away from global trade agreements to bilateral trade agreements
- international production networks are growing
- in the United States, there is some opposition to trade liberalization as well as efforts to connect trade with other issues, such as human rights and the environment
- there are major imbalances in the trade between the United States and Asian nations; as well, there are differences in trade rules and systems, including different enforcement mechanisms and views about trade
- Asia-Pacific Economic Cooperation (APEC) sets norms and enforces trade rules; although it does not negotiate agreements, it does affect negotiating fora, such as the World Trade Organization and the Trans-Pacific Partnership

Kang Wu, *East-West Center*

- oil is only one aspect of energy demand
- energy demand is affected by the economic situation in a country
- China is the leading Asian country driving oil demand growth
- oil prices fluctuate like a roller coaster
- globally, there is a heavy dependence on oil, followed by coal and natural gas
- commercially viable non-fossil-fuel energy accounts for 12% of global primary energy use

- energy challenges facing Asian nations include:
 - a relatively high dependence on coal
 - a relatively low dependence on natural gas
 - limited commercially viable non-fossil-fuel energy sources
- oil reserves are unevenly distributed across the world
- the Middle East dominates Asian oil supplies
- among APEC members, from an energy perspective:
 - China and the United States are the largest consuming and importing economies
 - Russia, Canada, Australia and Mexico are the largest producing and exporting economies
 - Indonesia, Malaysia, Vietnam, Peru, Brunei, Papua New Guinea and Thailand are small to medium-sized producing and exporting economies
 - other Organisation for Economic Co-operation and Development countries, Japan, Korea and New Zealand are exporting and importing economies
- enhanced energy security in APEC members will require:
 - expanding and diversifying the energy supply
 - promoting energy conservation and improved energy efficiency
 - promoting open and efficient energy markets
 - promoting clean energy use and technological innovation
- future use of fossil fuels will decline for technical, economic and environmental reasons
- China is “on track” for massive expansion in its nuclear power programs but with tighter safety measures

Christopher McNally, *East-West Center* and *University of Hawaii-Hilo*

- China has re-emerged as a global economic power, which is generating Sino-capitalism, a capitalist system that is already global in reach but that differs from Anglo-American capitalism in a number of respects
- the ascent of Sino-capitalism represents the first time since 1850 that a global capitalist system is experiencing the rapid rise of a continent-sized capitalist power with different characteristics than Anglo-American capitalism
- Sino-capitalism:
 - relies on informal business networks rather than on legal codes and transparent rules

- assigns the Chinese state a leading role in fostering and guarding capitalist accumulation
 - is highly entrepreneurial
 - has small and medium-sized enterprises that are flexible and that have global reach
 - has different values and international viewpoints than Anglo-American capitalism, with less emphasis on legal norms and standards as well as more emphasis on interpersonal relationships built on reciprocity, trust and human empathy
- China's rapid economic growth has occurred in a highly globalized era
 - to some extent, enormous international competition for trade and investment has conditioned Chinese policies
 - there is increasing reliance on China as an engine of global economic growth
 - since 2000, China and the United States have formed a symbiotic relationship that is beneficial to both countries; that said, the China-US "marriage" of economic interests may be coming to an end
 - since the end of the Cold War, the world's powers have generally agreed on the wisdom of letting market competition shape economic outcomes, and the world has seen the emergence of powerful state capitalist economies that, through offering government incentives, can decide that entirely new industries should be created
 - tensions in China-US relations have been increasing on various fronts since the global financial crisis of 2008

INTERNATIONAL TRADE COMMITTEE

Suresh Kumar, *US Department of Commerce*

- the world is a large place with large opportunities; in that context, it is important to survey opportunities, make choices among them and then engage
- President Obama is committed to working with US states and others to get the US economy "firing on all cylinders" again; although the economic recovery is under way, there is more that needs to be done
- the top priorities for the Obama Administration include innovation, education and commercialization; these priorities reflect market-driven competitive approaches
- one catalyst that may enhance US competitiveness and create jobs is President Obama's March 2010 National Export Initiative (NEI), which aims to double US exports in a five-year period; compliance with current trade agreements will continue, new companies will be assisted in their export efforts and existing exporters will be helped to export more
- the United States aims to expand its global footprint to reach more consumers, to export more and to reach new markets

- 58% of US exporters export to only one market; consequently, there is a need for exporters to diversify their markets, and the US Department of Commerce will be helping some small and medium-sized enterprises (SMEs) to overcome export barriers
- in addition to the NEI, the November 2011 APEC conference, the Trans-Pacific Partnership, bilateral treaties with such countries as South Korea, Colombia and Panama, and the Pacific bridge initiative with Hong Kong support the US export goal
- the United States needs to out-innovate, -educate and -build the world
- a win-win situation is created when a connection is made between US exporters and importers worldwide
- 95% of the world's consumers live outside the United States
- the United States is at its best when it is inventing, and the United States must innovate in order to build and "own" the markets of tomorrow; winning the future will require the United States to focus on its inventive capabilities
- innovation is the foundation for sustained competitiveness in the 21st century
- global trade policies need to protect intellectual property rights and support innovation

Mark Calhoon, *Washington State Department of Commerce*

- US state economies are increasingly global in terms of both markets and competition
- state export promotion programs:
 - work closely with local governments statewide
 - focus on local priorities and context
 - provide local training and capacity building
 - market the state and its regions
 - leverage non-state resources and facilitate partnerships
- foreign students can be an important part of attaining export goals
- a significant aspect of exporting is financing

Brooks Ohlson, *Northern California Regional Center for International Trade Development*

- the NEI is the direction in which the United States needs to go
- it is critical that US products be marketed overseas
- SMEs may:
 - lack knowledge about exporting and export opportunities
 - not be export-ready

- not understand issues related to shipping and logistics
- trade shows and missions are important for “getting your face in front of buyers,” particularly if a company is industry-specific
- it is important that businesses know how to price their product and to be competitive in foreign markets

Sasha Sutcliffe-Stephenson, *Council of State Governments*

- a variety of state international development organizations exist; as well, the State Trade and Export Promotion grant program provides grants to states to assist exportation
- states create jobs and “boost” small businesses through counselling, foreign market identification, subsidized services such as trade missions, etc.
- exports are a gateway to true economic recovery, and the NEI represents the first time that an Administration has placed such a high priority on exports; that said, reaching the NEI goal of a doubling of exports within five years is hindered by projected slower growth in foreign markets to which US companies export
- free trade agreements are good for SMEs
- free trade agreements position the United States to compete in the global economy

US PACIFIC FLEET: SECURITY, READINESS AND STRENGTH

Patrick Walsh, *US Navy*

- the world in which we live is interconnected
- the largest and fastest-growing economies, militaries and populations are in the Pacific region
- the globe is 30% land and 70% water
- if there is such a thing as a strategic pivot point at sea, that point would probably be the South China Sea
- geography can facilitate as well as hinder the movement of people and goods
- the historical gap between the “west” and the “rest” is closing
- the Asian “economic miracle” was made possible by globalization
- shifting military and economic balances create risks and challenges
- the US Navy needs to have a ready and resilient fleet for today and tomorrow

FISCAL AFFAIRS COMMITTEE

Chris Whatley, *Council of State Governments*

- the deal reached regarding the US debt limit:

- allows the President to raise the debt ceiling by at least \$2.1 trillion and by as much as \$2.4 trillion through an initial increase of \$900 billion followed by a second increase of \$1.2-\$1.5 trillion pending action on new reductions and/or revenue measures
 - offsets the debt limit increase initially through reductions of \$917 billion over 10 years by setting federal budget caps that impose about equal spending reductions of \$90-\$100 billion annually between security spending – including defence, homeland security, foreign affairs, etc. – and non-security discretionary spending
 - creates and mandates the Joint Select Committee on Deficit Reduction to recommend at least \$1.2 trillion in additional reductions and/or revenue measures, including changes to mandatory spending on Medicare, Medicaid and Social Security
 - “sets the stage” for a vote on a balanced budget amendment by the end of 2011
- if the US Congress does not act on the recommendations made by the Joint Select Committee, reductions will be made automatically beginning in 2013 through sequestration, which would automatically lead to a reduction of \$1.2 trillion in security and non-security discretionary spending over nine years, averaging reductions of \$133 billion per year
 - Medicare reductions will be limited to 2%, which will be applied to providers and not to beneficiaries
 - most programs intended to assist the poor – including Medicaid, the Supplemental Nutrition Assistance Program and unemployment insurance – will be exempt from sequestration
 - the President can request a further increase in the debt limit if that increase is offset through reductions or sequestration; alternatively, if a balanced budget amendment is passed by Congress, the President can be blocked from making such a request with a two thirds vote from both chambers of Congress
 - the deal is expected to have no immediate impact on state finances; the reductions that Congress will impose on grants in aid in 2012 and beyond are unknown at this time
 - the Joint Select Committee is expected to propose at least \$100 billion in Medicaid reductions over the next decade
 - even small percentage reductions in domestic agency budgets will result in steep reductions in state funding; for example, proposed appropriations for the 2012 fiscal year for the US Department of Homeland Security reduces spending by 2.5% over the 2011 level, but will reduce state grants by 57%
 - the majority of the reductions in non-security spending made by the Joint Select Committee or accomplished through sequestration will likely occur through reductions in state and local grants in aid

Scott Pattison, *National Association of State Budget Directors*

- for US states, budgeting is becoming a year-round activity
- the state fiscal outlook includes:
 - revenue improvements in most states
 - spending pressures, especially in relation to health care
 - health care reform
 - limited federal funds
 - significant restructuring in some states
- funds to states under the *American Recovery and Reinvestment Act of 2009* (ARRA) are winding down
- on average, almost 35% of state funds are from the federal government
- the United States has had eight straight quarters of lacklustre growth
- foreclosures are especially high in California, Nevada and Arizona
- the unemployment rate continues to be high
- some states have implemented employee furloughs, early retirement, salary and benefit reductions, etc.; as well, there have been layoffs
- state spending has not returned to the peak levels prior to the global financial and economic crisis that started in 2008; similarly, revenues continue to be below their pre-recession levels
- a number of states have reduced their spending in such areas as education, public assistance, Medicaid, corrections and transportation
- US state debt levels continue to be low when compared to advanced Group of Twenty nations
- about 20 states have no money in their “rainy day” fund
- going forward, states might consider:
 - ensuring sound fiscal management
 - asking performance questions
 - asking for outcome data
 - using performance information to justify program changes
- in the near future, major challenges to state budgets may include:
 - demands for spending
 - limited revenue growth
 - health care cost pressures
 - continued winding down of ARRA funds

- the need to address long-term liabilities
- court cases/federal mandates

Jason Frierson, *Member of the Nevada Assembly*

- Nevada is experiencing a trifecta of problems; from the national perspective, the state leads all others in:
 - the foreclosure rate, with one in 93 properties in foreclosure
 - the unemployment rate, at 12.5%
 - the rate of homes “under water,” at 65%
- it is in everyone’s interest to avoid more foreclosures
- lenders are passing on fees to homeowners
- sanctions are needed to ensure compliance
 - **Robert Herkes, *Member of the Hawaii House of Representatives***
- in some cases, homeowners are “steamrolled” into foreclosure in situations where loan modification was a more appropriate choice
- there are instances of tremendous abuse of homeowners by lenders

FROM NATION TO STATES: INSIGHTS INTO 21ST CENTURY AMERICAN POLITICS

Candy Crowley, *CNN*

- politicians are a microcosm of society, and they believe in what they are doing
- civil discourse is impeded by such developments as:
 - the speed of communication – with around-the-clock news, blogs, tweets, etc., there is no time for thought, and urgency is created with respect to things that really should require thought
 - the Internet – with anonymity, people can be relatively more vitriolic and, as well, the media are contributing to the vitriol
- now, the sense can be given that something that is happening in a microscopic way is happening in a “big” way; one example of this phenomenon is the Casey Anthony situation
- so much information is on the Internet, and people tend to believe what they read
- like-minded voters send like-minded candidates to Washington, which contributes to an inability to see other points of view
- the deal reached in Washington regarding the federal debt ceiling will hurt states, since they will receive less funding from the federal government
- the relative focus in the debt ceiling deal on spending reductions rather than revenue increases indicates the power of the Tea Party movement
- when the US Congress does not function well, incumbents tend to suffer

- some of President Obama’s liberal supporters think that he gives in too much and too early
- in 2008, the United States was ready for someone who “hoped” their hopes and dreamed their dreams; consequently, candidate Obama, who was/is inspiring, was preferred to candidate Clinton, who was/is smart
- some people still have an emotional connection to President Obama
- presidential incumbents can raise a great deal of money, and money matters
- there are many ways in which President Obama is “beatable”
- Democrats are counting on three groups to “bring back the mojo”:
 - voters who are Hispanic
 - voters who are 18-21 years of age
 - voters who are lesbian, gay, bisexual or transgender
- three years into the Obama Administration, 57% of survey respondents blame former President Bush for the United States’ current economic “mess”
- in large part, the 2012 election will be about jobs

EDUCATION COMMITTEE

John Barry, *Aurora Public Schools*

- every child has the right to learn
- students should be partners in change, since if you have choice, you have ownership, and if you have ownership, you have motivation, even if you are very young
- “academics” needs to be aligned with economic development; those in the education field need to know what employers want and need, and must then supply students who have the needed skills
- virtual education is powerful, and enables the sharing of information across institutions, communities and states

David Conley, *University of Oregon, Center for Educational Policy Research and Educational Policy Improvement Center*

- readiness has four dimensions:
 - work – meets basic expectations about workplace behaviour and demeanor
 - job – possesses specific knowledge needed to begin an entry-level position
 - career – possesses sufficient foundational knowledge and skills as well as general learning strategies needed to begin students in a career pathway

- college – is prepared in the four dimensions of college readiness needed to succeed in entry-level general education courses
- college- and career-readiness can be defined as success – without remediation – in credit-bearing general education courses or a two-year certificate program; in short, success is defined as being able to enter and progress successfully in the chosen program
- there are four keys to college- and career-readiness that, when mastered, indicate success:
 - key content knowledge – key terms and terminology, factual information, linking ideas, organizing concepts
 - key cognitive strategies – problem formulation, research, interpretation and communication, which demonstrate an ability to hypothesize, strategize, identify, collect, analyze, evaluate, organize and construct
 - key learning skills and techniques – time management, study skills, retention of factual information, goal setting, self-awareness, persistence, collaborative learning and ownership of learning
 - key transition knowledge and skills – admissions requirements, college types and missions, career pathways, affording college, college culture, relations with professors and social/identity issues in transitioning
- there are two mindsets:
 - intelligence is static – with this fixed mindset, students avoid challenges, give up easily, see effort as fruitless, ignore feedback and are threatened by the success of others; consequently, they plateau early and achieve less than their full potential
 - intelligence can be developed – with this growth mindset, students embrace challenges, persist through obstacles, see effort as required, learn from feedback and are inspired by the success of others; consequently, they achieve at higher levels
- secondary schools tend to treat all learners as “novices,” and emphasize procedural learning; although content may be new, the learning strategies are the same, with the result that students do not develop deep expertise as learners in general or as thinkers in any particular subject area
- when learners are treated as novices, they arrive at college and workplaces with little understanding of how “experts” think; they expect to be told what to do, and believe that following directions leads to wholly sufficient performance for which they should be rewarded
- students should be moved from “novice” to “expert” learners
- novice learners:
 - tend to focus on discrete knowledge in isolation
 - reason in specific contexts by using recently acquired information

- know individual facts about topics
- are relatively slower and more deliberate
- learn about pieces of systems
- recall information by rote
- expert learners:
 - are relatively faster and more accurate
 - connect new and prior knowledge
 - learn through example and analogy
 - create mental cues to facilitate recall
 - integrate pieces of knowledge into systems frameworks
 - generalize knowledge to new settings and circumstances
 - organize facts into “chunks” for better recall and application
 - use analytical skills to apply knowledge and select procedures
- students who would be the first in their family to pursue post-secondary education share some characteristics; they:
 - lack key contextual knowledge about tertiary education opportunities, costs, purposes, pre-requisite skills, and organizational/cultural values and norms
 - may not view post-secondary education as valuable or realistic
 - tend not to use available support resources
 - may suffer from “imposter syndrome” and be more likely to give up when faced with performance problems
- recommendations that should be considered include:
 - design accountability systems to measure more than the results from tests of content knowledge of only mathematics and English
 - pay particular attention to schools with a high proportion of college attendees that are the first in their family to pursue post-secondary education
 - embrace more complex accountability systems that include measures of: student cognitive skills; student time management, goal setting skills, persistence and “ownership” of learning; student knowledge of college requirements; student applications to all forms of post-secondary education; and teacher knowledge and skills in the aforementioned areas

Raymond Coward, *Utah State University*

- elementary school systems, consolidated high schools, private schools and those who home school need to be connected with applied technology colleges,

community colleges, public four-year institutions, private certificate institutions and private four-year institutions; in short, the K-12 system needs to be connected to higher education systems

- in order to prepare students to succeed in college, actions are needed regarding:
 - curricula – should be more rigorous in high school
 - developmental placements – should be better
- while making the connection between the K-12 system and higher education systems is a laudable strategy for creating a more seamless transition between levels of education, implementing the connections is not easy and nor is it straightforward
- students should have a seamless transition from one level of education to the next

Karen Lee, *Hawaii P-20 Partnerships for Education*

- there is a need to “strengthen the pipeline” so that all students – from early childhood to higher education – achieve college and career success
- the jobs of today require relatively more education and training
- those with more education have a greater likelihood of being able to earn a family-sustaining income
- according to Federal Reserve Chairman Ben Bernanke, “no economy can succeed without a high-quality workforce, particularly in an age of globalization and technical change” and cost-effective education is crucial to developing a better workforce; as well, early childhood education and efforts to promote lifelong learning are beneficial for both the individuals and the economy
- in order to ensure that children are prepared, the following actions should be taken:
 - recognize that increasing the number of educated citizens benefits everyone
 - work in partnership across education sectors, state government, businesses and community organizations
 - set high standards

Pam Goins, *Council of State Governments*

- in the United States’ “Class of 2010,” 1.3 million students dropped out; if one half of these students had graduated, the results would have included:
 - \$7.6 billion in increased earnings
 - \$5.6 billion in increased spending
 - \$2 billion in increased investment
 - \$19 billion in increased home sales

- \$741 million in increased automobile sales
- \$9.6 billion in economic growth through 54,000 new jobs
- \$713 million in increased tax revenue
- high school completion does not always mean college- and/or career-readiness
- the United States has a national educational crisis; 30% of students will not graduate from high school, and one third of those who graduate from high school are not college- and career-ready
- blue-collar jobs are gone, and workers need skills and credentials
- there is a direct connection between education and economic growth as well as prosperity
- academic barriers could be addressed through:
 - the implementation of internally benchmarked academic standards to ensure that students who graduate are college- and career-ready
 - the creation of effective educational governance systems at all levels to provide a seamless transition to college
 - the creation of pilot programs to award grants to underachieving schools that encourage innovation
 - improvements to technology infrastructure, especially in rural areas
 - an increase in the number of guidance counsellors
 - the implementation of a system that would enable students to graduate from high school when they demonstrate competency
 - the provision of financial assistance to teachers to enable them to return to college to enhance their teaching skills
 - the creation of post-secondary readiness assessment systems in high schools
 - the creation of longitudinal data systems to ensure fair, comprehensive and transparent data
 - an ability for public colleges and universities to award competency-based degrees
 - the adoption of performance-based funding partly tied to student retention and degree/certification completion
 - improvements to adult education programs to prepare non-traditional older adults to enrol in post-secondary education
 - alignment of post-secondary and economic development goals to ensure that students are studying in fields for which jobs will exist upon completion of their studies
- financial barriers could be addressed through:

- the creation of more inclusive college savings plans
- the creation of need-based state financial aid grants
- the creation of a comprehensive college planning program that provides financial aid counselling
- investments in programs that enable students to receive post-secondary credits while enrolled in high school
- the creation of tuition waivers for students who are graduating from high school in fewer than four years
- an increase in the number of school counsellors
- investments in user-friendly Internet programs
- the enactment of reciprocal agreements for residency
- the enactment of the “Dream Act” for undocumented residents
- limits on enrolment at flagship universities
- increases in state scholarships for districts with historically low rates of post-secondary attendance
- the enactment and enforcement of “truth in lending”
- the enactment of student loan forgiveness
- the establishment of transfer and articulation agreements
- an ability for four-year institutions to condense degree programs
- an expansion in, and pursuit of, methods to reduce the cost of textbooks
- the granting of tuition waivers for special populations
- the creation of state tax credits or deductions in relation to tuition costs
- social barriers could be addressed through:
 - the enactment of legislation that encourages or requires parental involvement
 - a requirement for elementary schools to monitor non-academic factors
 - encouragement of peer mentoring in public schools
 - the provision of professional development for middle and high school guidance counsellors
 - the provision of grants to schools that propose innovative programs and practices
 - a requirement for public institutions to adopt an integrated approach to retention efforts
 - the creation of early warning systems that track student performance on a daily basis

- encouragement of institutions to develop “inviting” campuses
- the development of career counselling programs
- encouragement of social events to facilitate interaction among students

WESTERN ECONOMIC DEVELOPMENT COMMITTEE

James Rajotte, *Member of the Canadian House of Commons*

- there are many ways in which Western Canada and the states in the CSG-WEST as well as Pacific Rim countries can work together for joint benefit.
- Western Canada’s economies, like the economies in a number of CSG-WEST states, are resource-driven; they are also dependent on trade to a significant extent
- according to one estimate, the United States is the largest trading partner for Western Canadian provinces, accounting for about 80% of the region’s total exports; that said, a dependence on natural resources and one significant export market leads to vulnerability
- until the global financial and economic crisis that started in 2008, Western Canadian provinces benefitted from high commodity prices as well as strong domestic and international demand; like others, these provinces were affected by the crisis but recovery is occurring
- in Western Canada, there are opportunities in such areas as manufacturing, industrial and residential construction, science and technology innovation, and services
- in achieving their goals, Western Canadian provinces are assisted by the only federal department that is headquartered in Western Canada: Western Economic Diversification Canada (WD)
- established in 1987, the mandate of WD is to improve the long-term economic competitiveness of Western Canada and the quality of life of its citizens; thus, the department supports the diversification of Western Canadian economies that is a key sustained economic success in the long term, with particular initiatives related to three topics that are important to all regions: innovation, business development and community economic development
- through grants and contributions, the development and diversification of the economies of Western Canadian provinces are key goals of WD
- WD works with other levels of government, the private sector, academic institutions, research centres and not-for-profit organizations
- in terms of a strengthened innovation system in Western Canada, WD supports the creation and growth of knowledge-based clusters in new economy sectors; at present, the department is supporting the growth of technology clusters in such sectors as life sciences, information and communication technologies, and other technologies, including synchrotron, environmental technologies, composite technologies and nanotechnology

- in terms of business development and assuring a competitive and expanded business sector in Western Canada, WD has identified the United States and Asia as key international markets; in addition to being instrumental in the development of the Western Canadian Business Services Network, the department supports research as well as trade and investment opportunities
- in terms of community economic development in order to ensure viable rural and urban communities in Western Canada, WD supports communities with infrastructure funding, job creation and maintenance measures, and research and development, among other measures
- the objective of Western Canada being a key partner in the Asia-Pacific region, including in respect of trade, is facilitated by the Asia-Pacific Gateway and Corridor Initiative, which was launched in October 2006 and is an integrated set of investment and policy measures focussed on trade with the Asia-Pacific region; in particular, the focus is a transportation network that facilitates global supply chains between North America and Asia
- the Asia-Pacific Gateway and Corridor Initiative involves strategic infrastructure investments across Western Canada, innovation in the form of intelligent transportation systems technology to improve traffic flow and safety, and improved reliability for Canadian and North American exports; as well, it includes targeted marketing in the United States and Asia, as well as trade missions

Peter Ho, *Bank of Hawaii Corporation*

- APEC has existed since the late 1980s and includes the 21 largest economies in the Asia-Pacific region; these economies represent about one half of the world's population, more than one half of global gross domestic product and about one half of global trade
- APEC meets annually to discuss trade and business relations
- the Asia-Pacific region is the fastest-growing part of the world and will represent growth for the next generation
- without broadly based community support, things work less well than they could

Chris Gibbons, *Business/Industry Affairs for Littleton, Colorado*

- “economic gardening” is an entrepreneurial approach to economic development
- economic gardening is economic development that:
 - is focused on “growing your own”
 - is focused on strategic, rather than operational, issues
 - uses high-end corporate tools
 - uses sophisticated concepts
 - is relatively more focussed on emerging growth companies that sell outside of the community than on start-up or local businesses

- the concept of economic gardening was created in Littleton, Colorado in 1987 in response to a layoff of 7,000 employees at Martin Marietta; in a 20-year period, the number of jobs doubled from 15,000 to 30,000 and sales tax revenue grew from \$6 million to \$21 million, and these changes occurred without any money being spent on incentives
- in working with the economic gardening approach, businesses receive:
 - a core strategy
 - market analysis
 - mapping of markets
 - web marketing
 - sales prospect lists
 - competitor intelligence
 - information about industry trends
 - team slotting
- the tools used with the economic gardening approach include:
 - database research
 - geographic information systems
 - search engine optimization
 - network mapping
 - Google adwords and analytics
 - listening posts/consumer chatter
- the economic gardening approach is being used in Colorado, Georgia, Indiana, Arizona, Louisiana, Wyoming and Michigan

David Lassner, *University of Hawaii*

- the United States is lagging other nations in terms of broadband, including in terms of three main measures of broadband capability:
 - broadband penetration
 - speed of generally available technology
 - price per megabit per second
- advanced broadband services are an essential infrastructure for an innovation economy and a knowledge society in the 21st century
- it is estimated that a seven-percentage-point increase in broadband adoption could result in:
 - \$92 billion through 2.4 million jobs created or saved
 - \$662 million saved per year in health care costs

- \$6.4 billion per year in mileage savings
- \$18 million in carbon credits associated with 3.2 billion fewer pounds of carbon dioxide emissions per year
- \$35.2 billion in value from 3.8 billion more hours saved per year from accessing broadband at home
- broadband is essential in the 21st century for health, education, public safety, cultural preservation, sustainability and economic development, among others
- it is not about wired versus wireless, but rather about wired and wireless
- rural areas will always lag in terms of broadband, but “a rising tide raises all boats”
- the ARRA:
 - created new grant and loan programs in the US Department of Commerce and the US Department of Agriculture in an effort to deploy broadband in accordance with a clearly defined set of statutory purposes as well as to provide support for broadband adoption and usage
 - tasked the Federal Communications Commission to create the United States’ first national broadband strategy
 - provided funding for a grant program for state-based data collection efforts to implement the *Broadband Data Improvement Act of 2008*
- from a broadband perspective, the countries that have advanced have done so through intentional public policy choices; according to one view, we do not leave it to “the market” to decide whether or where to build roads, sewers or emerging smart power grids, so why should “the market” decide with respect to broadband
- many countries subsidize broadband infrastructure

THE NEXT HUNDRED MILLION: AMERICA IN 2050

Joel Kotkin, *Author*

- the US West is the epitome of what America is all about; that said, it is at a very critical point in its history and, in some ways, seems to have lost its way
- the US West will be increasingly important because it has a great deal of what the world will need, including energy, food and rare earth minerals
- Asian nations are witnessing the growth of a vast middle class, and that middle class wants many of the things found in the US West
- the US West is in secular decline as a political region; as well, it seems to be having some difficulties in adjusting to global changes
- one part of the US West is cannibalizing other parts of the US West
- the US West has lost its boldness and moxy; in that sense, there is a poverty of ambition

- going forward, there are three critical issues:
 - rethink how the US West is dealing with the environment
 - consider demographic change and the impact that racial issues may have on economic issues
 - think about class and income mobility, including consideration of the difficulties experienced by the middle class and the crisis in economic opportunities
- America has three great advantages, and the US West is particularly advantaged in respect of these advantages:
 - demographics, with aging that is occurring relatively less quickly than is the case in major competitors
 - enormous natural resources
 - an enormously diverse culture
- it was inevitable that China and India would return to their historic greatness and be superpowers; that said, this inevitability does not mean that the United States is in decline
- the US middle class continues to be “squeezed,” a trend that started in the 1970s
- the problem needs to be understood clearly before solutions are developed and implemented
- the United States is not a homogeneous society, so things must be done at the local level
- the states are the laboratories of democracy
- governments should make it easier for companies to grow and to hire people

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

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 – 64th Annual Meeting |
| DESTINATION | Honolulu, Hawaii, United States of America |
| DATES | July 30 – August 2, 2011 |
| DELEGATION | |
| SENATE | Hon. Pierre de Bané, P.C., Q.C., Senator |
| HOUSE OF COMMONS | Hon. Judy Sgro, P.C., M.P., Vice-Chair Mr. James Rajotte, M.P., Vice-Chair Mr. Terrence Young, M.P. |
| STAFF | Mrs. Angela Crandall, Executive Secretary Ms. June Dewetering, Senior Advisor |
| TRANSPORTATION | \$11,056.86 |
| ACCOMMODATION | \$7,765.14 |
| HOSPITALITY | \$Ø |
| PER DIEMS | \$1,227.46 |
| OFFICIAL GIFTS | \$Ø |
| MISCELLANEOUS/REGISTRATION FEES | \$2,816.33 |
| TOTAL | \$22,865.79 |