

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 National Governors
Association Winter Meeting**

Canada-United States Inter-Parliamentary Group

Washington, D.C., United States of America

February 24-27, 2012

Report

DELEGATION MEMBERS AND STAFF

From February 24-27, 2012, the Honourable Janis G. Johnson, Senator, Co-Chair of the Canadian Section of the Canada-United States Inter-Parliamentary Group (IPG) led a delegation to the winter meeting of the National Governors Association (NGA) in Washington, D.C. The delegation included the Honourable Wilfred P. Moore, Q.C., Senator, the Honourable Wayne Easter, P.C., M.P., Vice-Chair, Mr. Mark Adler, M.P., Mr. John Carmichael, M.P., Vice-Chair, Mr. Brian Masse, M.P., Vice-Chair, and Mr. Mathieu Ravnat, M.P., Vice-Chair. The delegation was accompanied by Angela Crandall, the Canadian Section's Executive Secretary, and June Dewetering, Senior Advisor to the Canadian Section.

THE EVENT

Founded more than a century ago when President Theodore Roosevelt gathered state governors in order to discuss the nation's resources, the NGA is the collective voice of U.S. governors from the 50 states, three territories and two commonwealths. It is also a public policy organization that represents the governors on Capitol Hill and before the U.S. Administration on federal issues that affect them, and that develops and implements solutions to public policy challenges.

The NGA, which meets in the winter and summer each year, is supervised by a chair, vice-chair and nine-person executive committee, and governors participate on four standing committees – Economic Development and Commerce; Education, Early Childhood and Workforce; Health and Human Services; and Natural Resources – as well as on special *ad hoc* bipartisan committees and task forces. At the 2012 Winter Meeting, each of the four standing committees held a session, the Special Committee on Homeland Security and Public Safety met, and there was an opening plenary session.

The theme for the NGA's activities this year – including the winter and summer meetings – is "Growing State Economies," which was selected by Nebraska Governor Dave Heineman.

DELEGATION OBJECTIVES FOR THE EVENT

Members of the Canadian Section of the IPG have been attending the winter and summer meetings of the NGA for several years. At this winter meeting, which involved a large number of newly elected governors, Canadian delegates were able to continue their dialogue with governors on issues of Canadian and/or joint interest. In particular, they spoke with Governors Beebe, Beschear, Brown, Chafee, Christie, Gregoire, LePage, Malloy, O'Malley, Patrick, Schweitzer and Shumlin about the nature and scope

of the Canada-U.S. relationship, the 8 million U.S. jobs that depend on bilateral trade and the cooperative will to move forward together in a range of areas.

Their interactions with governors enable members of the Canadian Section to achieve better the aim of finding points of convergence in respective national policies, initiate dialogue on points of divergence, encourage exchanges of information and promote better understanding on shared issues of concern. Moreover, the NGA meetings provide the Canadian Section with an important means to provide input to, and gather information about, state-level issues that affect Canada. It is anticipated that the Canadian Section's attendance at the winter and/or summer meetings will continue.

ACTIVITIES DURING THE EVENT

The 2012 Winter Meeting of the NGA included the following sessions:

- Growing State Economies (Opening Plenary)
- Creating an Entrepreneurial Culture for Economic Growth in the States (Economic Development and Commerce Committee)
- Innovations in Reducing Health Care Costs While Improving Services (Health and Human Services Committee)
- Feeding America's Children: Governors' Efforts to Eliminate Childhood Hunger (Education, Early Childhood and Workforce Committee)
- The World's Energy Future (Natural Resources Committee)
- The Changing Role of the National Guard (Special Committee on Homeland Security and Public Safety).

This report summarizes the main points that were made at the plenary and selected standing committee sessions.

GROWING STATE ECONOMIES

Jim Clifton, *Gallup*

- the "correct" solutions are developed only after the "correct" premises have been outlined
- for decades, the "great American dream" was peace; then it was family
- now, the great American dream is to have a good job, which affects:
 - whether and when one marries
 - whether, when and how many children to have
 - migration patterns
 - who is supported in an election
 - how workplaces are managed
- the United States has relatively high unemployment and some degree of underemployment; many Americans have a feeling of hopelessness

- the great American dream of having a good job has become the dream of the world; a “good job” involves at least 30 hours of work each week on a consistent basis and the supply of “good jobs” in the world is less than the demand for such jobs
- “betting the future” on innovation is risky; it is possible to “get it wrong,” and innovation has no value until it has a customer
- the United States has a huge oversupply of inventions; the problem is a lack of entrepreneurship to commercialize the inventions
- the United States is the best in the world in terms of intellectual development
- at present, each morning more than 6 million chief executive officers get up in the United States, and 6 million have fewer than 100 employees; their focus upon waking is not about how to hire another employee, but instead about how to reduce the number of employees and/or find more customers
- of the 6 million U.S. businesses with fewer than 100 employees, 75% are not trying to grow, which leaves 1.5 million small businesses that are focused on growth; the chief executive officers “do what they do” because they want the freedom to be their own boss

CREATING AN ENTREPRENEURIAL CULTURE FOR ECONOMIC GROWTH IN THE STATES

Amy Wilkinson, *Harvard Kennedy School Center for Business and Government and Woodrow Wilson International Center for Scholars*

- the United States needs high-impact entrepreneurs who will start and scale companies
- 1% of “young” companies, where “young” is interpreted to mean fewer than five years in business, create 10% of net new jobs
- high-impact aptitudes, or leadership characteristics, include:
 - find the gap, or spot the opportunity/opportunities
 - drive for daylight, or focus on “the horizon”
 - fly the OODA loop, or observe, orient, decide and act
 - fail wisely, or innovate incrementally in order to avoid catastrophic mistakes
 - network, or do not operate in a silo
 - gift small goods, or remember the importance of small kindnesses
- focus on people, places and policies
- in terms of people:
 - the baby boomers are creating a new entrepreneurship boom, are redefining retirement, and are acting as angel investors, mentors and advisors

- in terms of generation Y, 40% of young adults want to start a business and 60% will be serial entrepreneurs; “entrepreneurship education” is important, which means that education in grades kindergarten through twelve should be strengthened, there should be a focus on science, technology, engineering and mathematics, and attention should be paid to entrepreneurial learning
- foreign-born “founders” represent 30% of new business owners and 25% of high-technology start-up businesses, and networks of foreign-born entrepreneurs should be encouraged
- if women had the same access to capital as that of men, they could add 6 million jobs to the U.S. economy in a five-year period, including 2 million jobs in the first year; female entrepreneurs are an economic imperative, and networks for them should be developed
- in terms of places:
 - technology transfer offices expedite the commercialization of faculty innovation, encourage universities to adopt standardized licence agreements and experiment with the “free agency” model of licencing
 - innovation vouchers, such as the type that are used in the Netherlands, spur collaboration between small and medium-sized companies and universities, and target high-technology start-up businesses
 - university incentives can better align the mission of higher education with state economic development efforts, and universities could conduct research related to industry clusters and well as provide technical assistance to local companies
- in terms of policies:
 - the establishment of a “one-stop shop,” which could – for example – strengthen business registration through an integrated website, may encourage business creation
 - a web-based mentor-matching tool could be created to, for example, connect retired business executives with entrepreneurs
 - U.S. tax policy should be streamlined and simplified, with a widely based corporate income tax structure

Jeff Weedman, *Proctor & Gamble*

- help should be provided to small companies so that they can grow and not fail
- small and medium-sized businesses are a source of innovation, job creation, etc., but they are also consumers
- there are three key opportunities for creating an entrepreneurial economy:
 - help universities and research institutions to be more business-friendly
 - help entrepreneurs and start-up companies to make connections, such as with potential partners

- support the development of capital funding sources in order to foster and support start-up companies
- focus on ideas, people and the environment, and capital
- in terms of ideas:
 - it takes too long to build partnerships
 - there is too much red tape
 - it is not just a question of revenue but also of business engagement
- in terms of people and the environment:
 - businesses should be assisted to make needed connections
 - universities and the private sector should combine their expertise and then get a third party to provide funding
 - state economic development agencies should understand what entrepreneurs need
- in terms of capital:
 - some start-up businesses find it difficult to secure financing
 - while governments should provide incentives, they should not be the sole funding source for businesses
 - incentives may be particularly important as early-stage capital or seed investment
- small businesses are both the greatest creators and the greatest destroyers of jobs

FEEDING AMERICA'S CHILDREN: GOVERNORS' EFFORTS TO ELIMINATE CHILDHOOD HUNGER

Secretary Tom Vilsack, *U.S. Department of Agriculture*

- the federal and state governments share common goals regarding children, including in respect of nutrition; the U.S. Department of Agriculture is a partner in this regard
- one third of American children are obese or are at risk of becoming obese
- there are food-insecure children living in food-insecure homes
- one element of the *Healthy, Hunger-Free Kids Act of 2010* is efforts to correlate, to a better extent, food in schools with nutritional guidelines; to this end, there is a focus on more fruits, vegetables and whole grains, on low-fat dairy choices, and on less sodium, fat and sugar
- the "Let's Move!" program is an issue of calories in, but it is also an issue of calories out
- the "HealthierUS School Challenge" involves better nutrition and more physical activity
- the "Chefs Move to School" program involves efforts to make school meals more delicious

- children do not learn when they are hungry; as well, they do not progress and may, in fact, regress
- when school is not in session, some children are food-insecure; this situation is addressed, to some extent and in some areas, by summer feeding sites
- mobile food opportunities at parks, swimming pools, etc. take food to where the youngsters are, rather than having the children come to the food
- in terms of food in vending machines, efforts should be directed to making the “nutritious” choice the “easy” choice
- the federal government is working with the states regarding the Supplemental Nutrition Assistance Program (SNAP), which mainly benefits seniors, children, the disabled, and working men and women; 97% of SNAP benefits are spent within 30 days of receipt

Julie Gehrki, *Walmart Foundation*

- jobs are at the forefront of the minds of Americans
- with customers “hurting,” Walmart wants to help
- in May 2010, Walmart made a commitment to help fight hunger; the commitment involves cash grants, food donations and efforts designed to engage stakeholders in fighting hunger
- at present, Walmart donates 257 million pounds of food to food banks each year
- the expertise that Walmart has regarding logistics and distribution is helping food banks to optimize their food distribution routes
- people should not have to choose between healthy food and affordable food
- partnerships are needed in order to fight hunger
- reduced hunger leads to higher educational attainment and fewer behavioural problems

Daniel Weekley, *Dominion Resources*

- corporations have a corporate social responsibility in the communities in which they operate; they should improve the social, environmental and economic well-being of those communities
- Dominion Resources supports charitable needs in the areas of basic healthcare, food, shelter, etc.
- when children do not eat, they cannot learn
- children need access to adequate and nutritious food in order to thrive, and this food is needed throughout the year, including in the summer months when children are not in school; summer meals programs can be publicized through flyers
- 16 million American children lack daily access to food
- food is fundamental to life and to growth

THE WORLD'S ENERGY FUTURE

Daniel Yergin, *IHS Cambridge Energy Research Associates*

- discussion of a national energy policy too often neglects the crucial role of states regarding energy policy
- energy is always on the agenda since it is the lifeblood of an economy; it should be reliable, affordable, secure and environmentally sound
- the U.S. energy situation is changing for the better
- global gasoline supplies are limited and this reality, along with potential instability in Iran, puts upward pressure on gasoline prices
- the renewable energy industry is 30 years old, and significant progress has been made
- today, the United States is twice as energy-efficient as it was in the 1970s
- the biggest energy innovation of the 10-20 years is shale gas; shale gas is responsible for more than one third of U.S. natural gas production today
- the United States is self-sufficient in terms of liquefied natural gas
- shale gas has long supply chains, which leads to a great deal of job creation
- Venezuela is poised to become an oil “giant”
- infrastructure must exist to move energy from producers to consumers
- in 1973, President Nixon put energy independence on the agenda
- the United States’ energy situation is improving, and the states have a strong role to play; that said, the United States is part of a global market
- austerity creates new challenges for renewable energy
- energy research and development is important

Daniel Esty, *State of Connecticut*

- renewable energy and energy conservation are ongoing foci, and cleaner and less expensive energy are shared goals
- regarding energy, there is a need to focus on innovation in technology, financing, incentives and policy frameworks
- since government funds are limited, private capital should be leveraged
- since there is no “energy silver bullet,” a diverse energy mix is required
- the United States should innovate, and provide leadership regarding cleaner and less expensive energy

Reed Hundt, *Coalition for Green Capital*

- there is no good or service whose price varies more on a state-by-state basis than electricity

- the energy sector is plagued by the false notion that the “solution” must come from the federal government rather than from the states
- technological development over time can result in huge momentum for change

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

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	National Governors Association Winter Meeting
DESTINATION	Washington, D.C., United States of America
DATES	February 24-27, 2012
DELEGATION	
SENATE	Hon. Janis G. Johnson, Senator, Co- Chair Hon. Wilfred P. Moore, Q.C., Senator
HOUSE OF COMMONS	Hon. Wayne Easter, P.C., M.P., Vice- Chair Mr. Mark Adler, M.P. Mr. John Carmichael, M.P., Vice-Chair Mr. Brian Masse, M.P., Vice-Chair Mr. Mathieu Ravnat, M.P., Vice- Chair
STAFF	Ms. Angela Crandall, Executive Secretary Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$1,492.92
ACCOMMODATION	\$7,132.91
HOSPITALITY	\$Ø
PER DIEMS	\$2,527.63
OFFICIAL GIFTS	\$Ø
MISCELLANEOUS/REGISTRATION FEES	\$9,021.06
TOTAL	\$20,174.52