

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 54th Annual Meeting and
Regional Policy Forum of the Council of State Governments'
Eastern Regional Conference (ERC)**

Canada-United States Inter-Parliamentary Group

**Baltimore, Maryland, United States of America
3–6 August 2014**

Report

DELEGATION MEMBERS

From 3–6 August 2014, Mr. Rick Dykstra, M.P., Vice-Chair led a delegation from the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG) to the 2014 Annual Meeting and Regional Policy Forum of the Council of State Governments' Eastern Regional Conference (ERC). The other delegates were Senator David P. Smith, Senator David M. Wells and Mr. Pierre-Luc Dusseault, M.P. The delegation was accompanied by Mr. Pascal Tremblay, Advisor to the Canadian Section.

THE EVENT

The ERC is a regional association of legislators from 18 member legislatures from the United States and Canada (see the Appendix). By facilitating cooperation among its member jurisdictions, the ERC promotes multi-state or region-wide solutions to the problems and challenges facing U.S. state and Canadian provincial legislators.

The ERC's 54th annual meeting and regional policy forum, which was held in Baltimore, Maryland, had the theme of "Strengthening States through Innovation and Entrepreneurship."

DELEGATION OBJECTIVES FOR THE EVENT

The ERC provides provincial legislators from eastern Canada with an opportunity to discuss, with their neighbouring American counterparts, issues of shared concern. Canada and the 11 ERC states share a mutually beneficial relationship, and Canada is the largest export destination for nine of these states.

Members of the delegation from the IPG's Canadian Section found the ERC's 54th annual meeting and regional policy forum to be an important opportunity to speak with eastern U.S. state legislators about challenges that are common to North America.

At the Canada–U.S. Relations Committee meeting held during the annual meeting and regional policy forum, the IPG delegation was pleased to support resolutions aimed at making permanent the preclearance programs to expedite the crossing of goods at the common border, and to support free and open procurement policies in the United States and Canada. As well, delegates spoke with U.S. state legislators about the negatives effects of the U.S. Environmental Protection Agency's changes to ballast water regulations, on Canada, and other countries.

IPG delegates attended presentations on a variety of subjects, including Canada–U.S. relations, transportation infrastructure, innovation, health, education and the environment. The IPG's Canadian Section believes that continued attendance at the ERC's meetings would be worthwhile, as attendance provides a valuable opportunity to advocate Canadian interests in the eastern United States.

The IPG aims to find points of convergence in respective national policies, to initiate dialogue on points of divergence, to encourage the exchange of information and to promote better understanding among legislators on shared issues of concern. Members of the IPG's Canadian Section meet regularly with their federal counterparts and, in recent years, have attended meetings of governors and state legislators. At these events, Canadian delegates engage in conversations that help the Canadian Section to achieve its objectives, and that explain the nature and scope of the bilateral relationship.

ACTIVITIES AT THE EVENT

The following plenary sessions and committee meetings were held at the ERC's 2014 annual meeting and regional policy forum:

- State Strategies to Promote Innovation and Entrepreneurship
- Strategies for Improving Regional Water Quality
- The Infrastructure Crisis – Finding Solutions "Passengers + Freight x The Future = Challenges"
- Criminal Justice Session on School Discipline
- The Psychology of Risk: Why We Get Risk Wrong, How That Can Raise Our Risk, and What We Can Do About It
- Marijuana and Opioids, Drugs and Rural Communities State Roundtable
- State–Federal Dialogue on Forging Resilience to Severe Weather Conditions
- Building Trust through Civil Discourse
- Lessons from the Edge: Cybersecurity – Balancing Promise with Privacy
- The Opioid Addiction and Treatment Options
- Connecting Ready-to-Work Americans with Ready-to-be-Filled Jobs
- Balancing Access and Quality in Distance Education.

This report summarizes the discussions that occurred at selected sessions.

STATE STRATEGIES TO PROMOTE INNOVATION AND ENTREPRENEURSHIP

Majora Carter, *StartUpBox*

- An innovator is someone who looks at a problem and explores ways to fix it; old ideas can be applied in non-traditional ways to design solutions to problems.
- Economic development in low-income communities can be promoted by finding innovative solutions to local problems; for instance, well-designed, small, entrepreneurial initiatives can create jobs locally, which in turn gives access to better jobs and improves the living environment in low-income neighbourhoods.

- The urban environment needs innovative solutions to solve problems that maintain the cycle of poverty, such as poor housing conditions, a high density of fast-food restaurants and a lack of grocery stores; as well, when individuals must shop in other neighbourhoods because of a lack of shops in their own area, wealth and job creation in their neighbourhoods are reduced.
- The gentrification development model does not break the cycle of poverty; this model just moves low-income individuals and communities elsewhere.
- Several steps to successful innovation are:
 - Identify market and policy needs.
 - Look for an “attractive” solution, and develop a pilot project.
 - Obtain investment for the pilot project.
 - Launch a “beta version” of the pilot project for people to see and to which they can respond.
 - Learn from the pilot project and refine the proposed solution.
 - Replicate and expand the pilot project.

Dr. William E. Kirwan, *University System of Maryland*

- Universities must consider how to use research to broaden the “knowledge economy.”
- Universities can be involved in partnerships with state governments to promote entrepreneurship and the creation of new businesses; for example, the University System of Maryland is involved in a partnership with the State of Maryland.
- In order for innovation and entrepreneurship to succeed, the community must be involved in entrepreneurial initiatives.
- Tax incentives should encourage the community and the entrepreneurs’ relatives to invest in ideas and innovation.
- One of the main problems in the United States is under-education; the country needs to find ways to make education, including lifelong learning, more accessible to all Americans.

Todd Erdley, *Videon Central*

- Private-sector entrepreneurs do not necessarily understand what universities do; the gaps in the relationship between private-sector entrepreneurs and universities need to be filled.
- The establishment of a networking group comprised of entrepreneurs and college representatives in Pennsylvania has contributed to close the gaps between these groups.

Dane Stangler, *Ewing Marion Kauffman Foundation*

- According to research, some popular job creation programs implemented by states, such as tax incentives and business incubators, seem to be disincentives to entrepreneurship; these programs are not necessarily aligned with the needs of companies.
- From the states' point of view, focusing on big companies may be less conducive to the creation of opportunities for unemployed people in the local labour market, as these companies may move trained or skilled workers from other states to the state where they need employees.
- There is a need to “rethink” education, as the current high school system was developed when the transition to the “industrial economy” was occurring.

THE INFRASTRUCTURE CRISIS – FINDING SOLUTIONS "PASSENGERS + FREIGHT X THE FUTURE = CHALLENGES"

Leo Penne, *Leo Penne Consulting*

- Crises usually bring about action, but the action is often too late; for instance, at present, infrastructure in the United States is inadequate in light of population growth, and it does not connect the United States to emerging international trade routes in an efficient manner.
- Other countries have done a better job than has the United States in planning and investing in infrastructure; for instance, Canada is investing in its gateways, China in its interstate highway and rail systems, and Brazil and European countries in their transportation systems.

Brian T. Pallasch, *American Society of Civil Engineers*

- U.S. infrastructure is aging, but some of its components – including roads, bridges and railways – have improved slightly.
- According to a report by the American Society of Civil Engineers, U.S. infrastructure deserves a grade of D+, which is “poor.”
- According to a report by the American Society of Civil Engineers, in order to achieve a grade of B by 2020, US\$3.6 trillion must be invested in U.S. infrastructure by 2020; at present, planned funding is an estimated US\$2 trillion.
- In the longer term, the U.S. infrastructure investment gap will increase costs for businesses and workers, and will result in a lower standard of living and a less competitive U.S. economy; in turn, gross domestic product, personal incomes and the number of jobs will be lower than would otherwise be the case.

- Solutions to the U.S. infrastructure crisis include: improved leadership; increased sustainability and resiliency of infrastructure; and better prioritization, planning and funding of infrastructure.
- Infrastructure systems are the foundation that connects the nation's businesses, communities and people, and drives the U.S. economy and quality of life; to remain competitive, the U.S. economy needs world-class infrastructure.

Caitlin Hughes Rayman, *U.S. Department of Transportation*

- Challenges in relation to U.S. transportation infrastructure are quite complex.
- To increase the efficiency of – and to optimize – the transportation system, the United States needs to think in term of intermodal infrastructure and to invest more resources in its borders and at airports.
- Initiatives like the Beyond the Border Action Plan, which involves Canada and the United States, and the U.S.–Mexico Bilateral Working Group, which involves the United States and Mexico, help to improve planning and coordination of the efforts needed to address transportation infrastructure problems.
- With the exception of New York, U.S. states do not have freight plans; such plans would help in the prioritization of investments.

Jack Basso, *Parsons Brinkerhoff*

- America has a long history of federal/state/local partnerships to fund surface transportation; a hallmark of that partnership has been stable, predictable funding that is based mainly on user fees.
- The United States spends less on infrastructure than do many other countries.
- Since 2008, the United States' Federal Highway Trust Fund has faced imminent bankruptcy; the U.S. Congress has taken the extraordinary step of providing General Fund bailouts, but this solution does not solve the funding problem in the longer term.

Lloyd Brown, *American Association of State Highway and Transportation Officials*

- The stakeholders that advocate addressing the United States' infrastructure crisis must determine what they want to say, to whom they want to say it, and how to reach that audience in the most effective way.
- To communicate the need for new infrastructure investments, words matter; those who use infrastructure want to hear such concepts as “mobility/freedom,” “sustainability/longer term,” “new technology/innovation” and “upgrade,” rather than “preservation” and “maintenance,” or “crumbling infrastructure.”

- To earn public support for new infrastructure investments, a more positive story needs to be told; concepts such as the following could be used in the communications: “economic development,” “quality of life,” “get there more quickly,” “seamless connections” and “social justice.”
- To “make their case” for new infrastructure investments, stakeholders must establish credibility, and develop a plan that clearly describes the needed investments and their costs.

LESSONS FROM THE EDGE: CYBERSECURITY – BALANCING PROMISE WITH PRIVACY

Jeffery Chester, *Center for Digital Democracy*

- Americans do not hesitate to share information in the context of social media, but data collection has encouraged a “commercial surveillance society” that operates without very many rules.
- Information is collected regarding everything that people do, including – due to the Global Positioning System (GPS) embedded in many devices – where they go and do not go.
- Data that are collected as a consequence of social media usage are used to create consumer profiles.
- Social media, like Facebook, act as “data brokers”; the consumer profiles that are generated can affect credit card rates, health insurance prices, etc.
- On one hand, data collection – or “big data” – can help companies identify markets for their products, and thereby expand their sales; on the other hand, data collection creates risks for the public as a result of autonomous and opaque collection methods.
- State and local legislators need to find ways to protect citizens from the risks relating to autonomous and opaque data collection.

Joseph Turow, *University of Pennsylvania*

- People do not understand the risks that data collection poses for them; as people need to know about the risks, awareness about them should be part of education.
- Companies are able to determine a range of information about a consumer, including where he/she shops and what he/she buys, and can share this information with third parties; for instance, they can identify the particular row in a specific drugstore at which a consumer is shopping, and what products are located in that row.
- People need to know about the risks; fostering awareness about these risks should be part of their education.

Deven McGraw, *Manatt, Phelps & Phillips, LLP*

- In the context of health care, data collection presents both risks and opportunities, and the balance between the two is difficult to achieve.
- People care about the security of their health care data; some will not seek care, or will seek care in another area, because of concerns about how – and by whom – their data may be used.
- Despite privacy risks, health care data collection has the potential to improve the health care system.

Assemblyman Upendra J. Chivukula, *New Jersey General Assembly*

- There is a need for more protection of privacy; in the absence of federal action on this issue, states should develop standards.
- In addition to privacy protection that could be provided by the states, people are responsible for the protection of their information; data that they want to be protected should not be posted in cyberspace.

CONNECTING READY-TO-WORK AMERICANS WITH READY-TO-BE-FILLED JOBS

Thomas Perez, *U.S. Secretary of Labor*

- The “economic confidence” of both unemployed people and employers is rising; more people are looking for jobs and businesses are optimistic about the future.
- There is growth in the U.S. manufacturing sector, and the average person in the manufacturing sector is working 42 hours per week.
- Fifty-two percent of U.S. manufacturers want to bring jobs back to the United States.
- The resurgence of the United States’ manufacturing sector is not a temporary phenomenon; factors such as the country’s “energy advantage,” the high quality of the U.S. work force and the currently low shipping costs are fuelling the sector’s resurgence.
- Many Americans have not experienced the economic recovery, and their reality must be understood; the longer that someone is unemployed, the greater is the stigma of being unemployed.
- In the past 30 years, salaries in the United States have not risen at the same rate as productivity gains.
- Federal grants are available to provide on-the-job “skills refreshment” to those who have been unemployed for a long time; the grants fund a percentage of the salary paid to a long-term unemployed person who becomes employed.

- Americans must consider the apprenticeship model; jobs exist for apprentices, and children must be shown that it is “cool” to be employed in the manufacturing sector and to be an apprentice.
- The United States is the only high-income country without a national paid family leave policy; that said, California, Connecticut and some cities in the United States have enacted such policies.
- States have labour policy tools; for instance, some states have implemented increases in their minimum wage – including to a level that exceeds the national minimum wage rate – and job growth in those states exceeds job growth in the other states.

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. and Canadian Member Legislatures in the Council of State Governments' Eastern Regional Conference

- Connecticut
- Delaware
- Maine
- Maryland
- Massachusetts
- New Brunswick
- New Hampshire
- New Jersey
- New York
- Nova Scotia
- Ontario
- Pennsylvania
- Prince Edward Island
- Puerto Rico
- Québec
- Rhode Island
- U.S. Virgin Island
- Vermont

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	54 th Annual Meeting and Regional Policy Forum of the Council of State Governments' Eastern Regional Conference (ERC)
DESTINATION	Baltimore, Maryland, United States of America
DATES	3–6 August 2014
DELEGATION	
SENATE	The Hon. David P. Smith, Senator The Hon. David M. Wells, Senator
HOUSE OF COMMONS	Mr. Rick Dykstra, M.P. Mr. Pierre-Luc Dusseault, M.P.
STAFF	Mr. Pascal Tremblay, Advisor
TRANSPORTATION	\$ 4,944.08
ACCOMMODATION	\$ 5,086.56
HOSPITALITY	\$ 00.00
PER DIEMS	\$ 1,348.57
OFFICIAL GIFTS	\$ 0.00
MISCELLANEOUS / REGISTRATION FEES	\$ 1,898.12
TOTAL	\$ 13,277.33