

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 68th Annual Meeting of the  
Council of State Governments Southern Legislative  
Conference (SLC)**

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

**Little Rock, Arkansas, United States of America  
26–30 July 2014**

# Report

## DELEGATION MEMBERS AND STAFF

From 26–30 July 2014, Senator Céline Hervieux-Payette, P.C. and Mr. Scott Andrews, M.P. represented the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG) at the 68th annual meeting of the Council of State Governments Southern Legislative Conference (SLC). The meeting was held in Little Rock, Arkansas. The delegation was accompanied by Ms. June Dewetering, the Canadian Section’s Senior Advisor.

## THE EVENT

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

At the 68<sup>th</sup> annual meeting, each of the SLC’s six committees – Agriculture & Rural Development, Economic Development, Transportation & Cultural Affairs, Education, Energy & Environment, Fiscal Affairs & Government Operations, and Human Services & Public Safety – met. As well, plenary sessions were held and a food packaging community service project occurred.

## DELEGATION OBJECTIVES FOR THE EVENT

Members of the IPG’s Canadian Section have been attending the SLC’s annual meeting for several years. Their interactions with state legislators and others enable Canadian members of the IPG to achieve better the aims 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 provide the Canadian Section of the IPG with an important means by which 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 SLC’s annual meeting will continue.

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

## ACTIVITIES DURING THE EVENT

At the SLC’s 68<sup>th</sup> annual meeting, the plenary sessions were:

- The Evolving Role of Federalism Issues in State Transportation Policy
- Opening Plenary Session: Bill Courtney
- Closing Plenary Session: Joe Quinn.

The committee sessions were:

- Agriculture & Rural Development Committee:
  - U.S. Department of Agriculture Strike Force Initiative
  - Food and Drug Administration and the Food Safety Modernization Act
  - 2014 Farm Bill
  - State Rural Policy Initiative
- Economic Development, Transportation & Cultural Affairs Committee:
  - Leveraging Manufacturing to Expand Economic Growth in Arkansas
  - Funding Transportation in the States: Challenges and Strategies
  - Crystal Bridges: Revitalizing Arkansas' Cultural and Economic Landscape
  - Pathways to Prosperity: Southern State Efforts to Prepare a 21<sup>st</sup> Century Workforce
  - Advancing Logistics and Supply Chain Efforts in the 21<sup>st</sup> Century: Strategies for Policymakers to Consider
- Education Committee:
  - Creating Creative Designs in Education
  - Application of Neuroscience on Education Policy
  - Early Education Policy
- Energy & Environment Committee:
  - Fueling the Future: Shale Exploration and the SLC States
  - Bright Ideas: Infrastructure Development in the Energy Sector
  - Grid Security: Protecting America's Power
- Fiscal Affairs & Government Operations Committee:
  - Role of Incentives in State Economic Development Projects
  - Public Pension Funding Trends
  - Comparative Data Reports
- Human Services & Public Safety Committee:
  - Medicaid Expansion Update
  - The Rising Cost of Prison Healthcare
  - Mental Health Reforms.

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

## **LEVERAGING MANUFACTURING TO EXPAND ECONOMIC GROWTH IN ARKANSAS**

### **Grant Tennille, *Arkansas Economic Development Commission***

- The United States' southern states are actively pursuing manufacturing opportunities.
- Reshoring and onshoring are occurring in the United States, and some manufacturers are choosing southern states because of "good" logistics, deep-water ports, a low union presence, etc.
- As recovery from the Great Recession continues, capital investment in Arkansas' manufacturing sector has been at record levels, and the average wage in the state is continuing to rise; however, the size of the workforce is shrinking as investments in new and existing facilities introduce "modernizations" that reduce the demand for labour overall but increase the demand for highly skilled workers.
- There is a "middle-skills gap," and the challenge is locating individuals who can acquire the skills that match the needs of employers; often, these skills are in science, technology, engineering and mathematics.
- The workforce needs to be reskilled over time as what employers do, and how they do it, changes.
- The United States needs a range of skills in its workforce; unskilled, semi-skilled and highly skilled workers are needed to fill the wide variety of jobs available.
- The most recent invention for which the U.S. South is known worldwide is the cotton gin; the U.S. South needs to "make stuff," but it also needs to innovate and to have a "pipeline" from concept to implementation and commercialization.
- Engineers and designers should be co-located with the production team, if possible.
- The U.S. South is extremely capable and has major "pockets" of research and innovation; however, as no single state can compete against northern California or Cambridge, Massachusetts, the states in the U.S. South need to work together and collaborate where it makes sense, rather than always competing with each other for opportunities.

## **FUNDING TRANSPORTATION IN THE STATES: CHALLENGES AND STRATEGIES**

### **Scott Bennett, *Arkansas State Highway and Transportation Department***

- On 1 December 2010, Arkansas' Blue Ribbon Committee on Highway Finance presented its final report; it contained the following three recommendations:
  - Reissue GARVEE – or Grant Anticipation Revenue Vehicle – bonds for the Interstate Rehabilitation Program.
  - Implement a temporary, one half cent general sales tax to fund a multi-year construction program.
  - Dedicate "road user" revenues to highways, roads and streets.

- Arkansas has implemented a 10-year, one half cent sales tax to fund a highway program; the tax is not applied on groceries, medicine or fuel.
- Arkansas has had two state-wide highway programs: the first – the Interstate Rehabilitation Program – in November 2011 and the second – the Connecting Arkansas Program – in November 2012; the latter program, which has \$1.8 billion in funding, supports 40,000 jobs.
- Highway-related challenges in Arkansas include the following:
  - 12<sup>th</sup>-largest highway system in the United States;
  - 43<sup>rd</sup> in highway revenue per mile;
  - \$23 billion in needs over the next decade; and
  - \$4 billion in available revenue.
- A per-gallon motor fuel tax is the primary funding source for highways, but fuel consumption is declining as vehicles become increasingly fuel-efficient and people drive less; consequently, highway revenues from fuel are declining.

**Sherri LeBas, *Louisiana Department of Transportation and Development***

- Federal funding for transportation is likely to remain stagnant; Louisiana is heavily dependent on federal funds for this purpose.
- MAP-21 – the *Moving Ahead for Progress in the 21st Century Act* – is set to expire on 30 September 2014, and a series of extensions is likely; Louisiana is planning for “an uncertain future,” and is working on a contingency plan in case new legislation is not passed.
- The “buying power” of Louisiana’s gas tax has fallen from 16.0 cents in 1984 to 6.9 cents in 2014, as the tax is not indexed, cars are increasingly fuel-efficient and people are driving less; the gas tax funding stream is supplemented by dedicated vehicle registration fees, and by a state sales tax on new and used vehicles.
- The statewide transportation plan for Louisiana that was completed in 2003 is being updated and should be finalized in fall 2014; it is focused on economic growth for the state and covers all modes of transportation.
- In Louisiana, traffic signals are “sited” with a view to maintaining system efficiency; additional signals do not necessarily increase safety, as their effect can be more congestion.
- Access connections along highways contribute to traffic congestion, reduced roadway capacity and increased safety hazards; every access point along a highway is a conflict point and an opportunity for an accident to happen.
- Turn lanes and “J-turns” help to improve safety.

## **CRYSTAL BRIDGES: REVITALIZING ARKANSAS' CULTURAL AND ECONOMIC LANDSCAPE**

**Rod Bigelow, *Crystal Bridges Museum of American Art***

- It is hard to change the perception that art museums are only for the elite.
- A focus on the arts can create jobs and economic activity.

## **THE EVOLVING ROLE OF FEDERALISM ISSUES IN STATE TRANSPORTATION POLICY**

**Rodney Slater, *Former U.S. Secretary of Transportation***

- The issue of federalism is very important; partnerships among federal, state and local governments help to ensure “healthy federalism.”
- The United States is at a critical moment in terms of transportation policy and transportation funding.
- Transportation is “the tie that binds,” and is important to U.S. competitiveness and the quality of life of U.S. residents.
- Public policy issues should be resolved in creative and collaborative ways.

**Kenneth Orski, *Innovation Briefs***

- The U.S. Highway Trust Fund is nearly insolvent, but states will continue to need it as a funding source.
- The only feasible way in which to raise the funds that are needed for transportation would be a substantial increase in the federal gas tax.
- In light of uncertainty about federal actions, some states are attempting to raise revenues for transportation infrastructure through such measures as the following:
  - increasing local fuel taxes;
  - issuing toll revenue bonds;
  - applying highway tolls;
  - establishing dedicated sales taxes; and
  - raising capital through a variety of financing instruments.
- In accessing long-term credit to finance transportation, the states are following the tradition used by the private sector, including rail companies.
- Some states are entering into public-private partnerships to fund transportation infrastructure.

## **FUELING THE FUTURE: SHALE EXPLORATION AND THE SLC STATES**

### **Rudy Underwood, *Georgia Chemistry Council***

- Natural gas is “a mixture of small hydrocarbon molecules that are all gasses at normal temperatures.”
- The constituents of natural gas are ethane, propane, helium and methane, the last of which is the most abundant.
- The United States is experiencing a “manufacturing renaissance” because of increased access to shale gas; as a result, manufacturing operations – and thereby jobs – are returning to the United States.
- Considerations when providing the United States’ chemical industry with a global cost advantage include the following:
  - taxes, including capital cost allowance rates;
  - permitting;
  - infrastructure;
  - workforce development; and
  - regulations.

### **Larry Bengal, *Arkansas Oil and Gas Commission***

- Shale gas has led to a “paradigm shift” in relation to energy.
- North America has significant shale gas deposits; it is important to ensure the existence of the right quantity and type of infrastructure to move the gas to market.
- In the United States, there are currently 480,000 miles of natural gas and hazardous liquid pipelines in place, which facilitates shale production.
- Most of the unconventional shale resources in the United States are located in states that have conventional oil and gas regulatory frameworks.
- Natural gas was produced in Arkansas for the first time in 1889, and oil was discovered in southern Arkansas in 1921; today, among U.S. states that produce natural gas and oil, Arkansas ranks 8<sup>th</sup> and 18<sup>th</sup> respectively.
- There are concerns in relation to shale gas development, including the following:
  - water use and contamination;
  - chemical disclosure;
  - seismic activity;
  - infrastructure; and
  - social acceptability.
- Arkansas has a water plan that documents current water use, future water needs and the amount of water that is available for energy use.

- A study found that there was no contamination of water wells as a result of shale production in Arkansas.
- “Fracking” is a micro seismic event.
- In Arkansas, oil and gas production is leading to economic activity, job creation, and revenue from mineral leases, royalty payments, permit fees, severance taxes, income taxes, sales taxes and other taxes.

### **George Sheffer, *Fayetteville Shale***

- In Arkansas, shale plays can be developed economically.
- In 2014, Arkansas ranked 8<sup>th</sup> out of 32 U.S. natural gas-producing states and 18<sup>th</sup> out of 31 crude oil-producing states.
- More than 560 natural gas industry-related businesses have been established to support operations in Arkansas’s Fayetteville Shale play.
- Since 2009, more than \$283 million in natural gas severance taxes has been generated for Arkansas.
- Those involved in the Fayetteville Shale play are attempting to reduce their operational footprint, develop community partnerships and work with regulatory agencies at all levels of government.
- Horizontal drilling gives greater access to more of the shale gas reservoir, yields higher volumes of natural gas and greater recovery, reduces environmental impacts and is more aesthetically pleasing.
- Efforts are directed to sourcing water for hydraulic fracturing operations in a way that reduces competition with water for public use and truck traffic.
- Arkansas was the first U.S. state to require hydraulic fracturing chemical disclosure; it did so in 2011.

## **BRIGHT IDEAS: INFRASTRUCTURE DEVELOPMENT IN THE ENERGY SECTOR**

### **Carl Handley, *American Electric Power***

- As electricity cannot be stored, it needs to be generated when it is needed.
- Reliable electricity is critical for sustaining growth.
- The term “base load” means the basic demand for power that exists “around the clock”; base load plants operate 24 hours each day, 7 days each week to meet daily needs for base load power.
- It is hard to rely on renewable energy sources to meet base load needs; for example, the wind typically dies down during the day.
- Intermediate load plants operate as demand rises and falls, while peak load plants operate to meet peak demand needs.



- Retrofitting power plants can have benefits, including the following:
  - New technology is added to a valuable existing asset.
  - Critical reliability is maintained.
  - New environmental regulations are met.
  - The price impact on customers is limited.
  - Jobs are preserved or increased.
- The U.S. Environmental Protection Agency (EPA) has proposed regulations for greenhouse gas emissions from existing power plants; the proposed rules would have significant impacts on the cost and reliability of electricity, and would “threaten” investments in power plants that were made to meet previous EPA regulations.
- There are four EPA “building blocks” to achieve reductions in carbon dioxide:
  - heat rate improvements for coal plants;
  - an increase in natural gas plants to displace coal;
  - an increase in renewable and nuclear energy; and
  - an increase in energy efficiency and demand-side management.
- Regulated utilities are required to provide the least expensive megawatt to their customers.
- A diverse, reliable and affordable supply of electricity is critically important for customers, communities and the economy.

**Duane Highley, *Arkansas Electric Cooperatives***

- It is important to be a good steward of the land.
- The EPA’s proposed regulations for greenhouse gas emissions from existing power plants would create a U.S. energy policy, at long last; they will change the way in which electricity is generated and used in the United States.
- Power plants are no longer operated state by state; instead, an organization may own assets in State A to provide power to residents and businesses in State B.
- The lowest-cost megawatt of energy is the megawatt that you never had to generate in the first place.
- Energy efficiency is an important goal.

## ROLE OF INCENTIVES IN STATE ECONOMIC DEVELOPMENT PROJECTS

Patrick McHugh, *North Carolina General Assembly*

- Scholarly research on business incentives suggests that incentives – whether statutory or discretionary – have little or no measurable effect on employment or economic growth.
- While businesses care about incentives, “business fundamentals” are often relatively more important; these fundamentals include the following:
  - the quality of the workforce;
  - ease of access to inputs;
  - ease of access to customers;
  - high-quality transportation systems and “logistics”;
  - adequate research and development “capacity”; and
  - high quality of life.
- Recognizing that – at some point – incentives may end, it is important for businesses to find a location that “works” without incentives.
- Incentives do not change macroeconomic outcomes; you cannot incent your way to lower unemployment, higher earnings, etc.
- For businesses, the “site selection” process is increasingly data-driven; the process has four stages:
  - Define requirements.
  - Identify locations that might “make sense.”
  - Conduct site visits.
  - Finalize “the deal,” in respect of which incentives are a consideration.
- When thinking about incentives, states may want to “think broadly,” and to consider the following:
  - the quality and quantity of the available workforce;
  - the adequacy and quality of the infrastructure;
  - the business environment;
  - access to affordable and adequate business financing;
  - the region’s quality of life; and
  - the availability of business networks.
- Incentives may be considered most at the beginning and at the end of the site selection process, and they may “make the difference” when a business is choosing between or among locations that are similar in all other respects.

- Since the end of the recent recession, risk mitigation is “driving” a lot of business decisions; companies are increasingly sophisticated in how they assess their risk exposure, which requires them to be more data-driven and analytical.
- In developing incentives, states may want to consider the difference between statutory tax credits and discretionary grant programs, as well as the opportunity cost of incentive funds; it may also be important for states to attempt to answer the following question: would that company be doing what it is doing even without an incentive?
- Incentives may be designed to meet public policy objectives, rather than economic development goals.
- Incentives in the form of discretionary grant programs generally have a return on investment that exceeds that with statutory tax credits, and may be the better fiscal choice.

## **PUBLIC PENSION FUNDING TRENDS**

**Chris Mier, *Loop Capital***

- Disagreement continues to exist about the severity of the “pension problem”; if you cannot agree on the size of the problem, it is harder to agree on possible solutions.
- The possible solutions to resolving the “pension problem” are relatively limited; reducing benefits and increasing contributions are among the solutions.
- Over the 2012 to July 2014 period, 46 states enacted almost 450 bills regarding public pensions.
- “Good governance” matters for “good performance.”
- The two basic metrics that describe performance in meeting pension obligations are the “funded ratio” and the “annually required contributions.”
- As a government’s taxing authority can be used to “cover the balance,” a funded ratio of 80% has been cited as a benchmark for assessing whether a pension plan is actuarially sound; this ratio is, however, coming under attack.
- Notwithstanding being five years into the economic recovery, consistent improvements in state general fund revenues and four years of “solid” investment returns, less than 50% of U.S. states had a funded ratio that – as of 30 June 2013 – was at least 75%.
- As of 30 June 2013, 21 states had committed to pay at least 100% of their annually required pension contributions; other states instead chose to reduce bonded debt, replenish reserve funds, restore program spending, decrease taxes or fund capital improvements internally.

- Between 2010 and 2013, 17 U.S. states reduced, suspended or eliminated their cost-of-living allowance (COLA) clauses in relation to pension benefits; eliminating a 2% compounded COLA clause could reduce lifetime pension benefits by an estimated 15-17%.
- For some pension plans, the aggregate funded ratio has stabilized because of:
  - strong investment returns in recent years;
  - increased pension contributions as state budgets recover; and
  - cost savings resulting from pension reform measures.
- When assessing funded ratios, pension performance seems to be very state-specific.
- The goal of the Government Accounting Standard Board's (GASB's) statements 67 and 68, which alter the reporting of pension activity and which began to be phased in in June 2013 and June 2014 respectively, is to improve accounting and financial reporting in relation to government pension plans; in particular, statement 67 revises the financial reporting guidelines for most pension plans, while statement 68 revises and establishes new financial reporting requirements for most governments that provide pension benefits to their employees.
- The GASB's new requirements adopt an "accounting-based" approach to the evaluation of a pension plan's ability to ensure accounting of the overall costs of providing current and future pension benefits; with the previous, "funded-based" approach, the focus was annual contributions and various – often vague – actuarial assumptions.
- While GASB's new requirements will provide some meaningful information, past data will not be comparable to future data.
- While the financial performance of public pensions has stabilized, the situation is precarious in a number of states and, as the five-year stock market rally will end some day, the funding problem for some pension plans will be exacerbated.
- The resolution of municipal bankruptcies may affect the way in which pension liabilities and state protection of pension benefits are viewed in municipal bankruptcy proceedings.

## **OPENING PLENARY SESSION**

**Bill Courtney, *Classic American Hardwoods* and *Former Volunteer Football Coach, Manassas High School***

- "Keep it real" and be humble.
- We no longer dream "right."
- If we lose REM – rapid eye movement – sleep, we lose our deepest dreams; it is the ability to dream – rather than the sleep, *per se* – that is important, and without dreams we become ill.

- A segment of society lacks the ability to dream and, consequently, is sick; death may be the ultimate result.
- People should build a proper legacy, and should demonstrate commitment, integrity, grace, civility, forgiveness, fortitude, etc.
- People should inspire dreams to fix the ills among us.
- What we do for ourselves dies with us; what we do for others lives forever.
- Nothing profound ever happens in our “comfort zone.”

## **APPLICATION OF NEUROSCIENCE ON EDUCATION POLICY**

### **Mariale Hardiman, *Johns Hopkins University***

- Brain science and education can converge to answer the following question: how do people think and learn?
- Teachers and parents should know the following about the findings from brain sciences:
  - plasticity – experience changes the brain’s structure and chemistry;
  - neurogenesis – the brain grows new cells at any age;
  - emotions and learning – as emotions are central to learning, they can enhance or impede learning; and
  - sensitive periods – “windows of opportunity” exist for critical brain changes, including in childhood and adolescence.
- “The arts” can improve learning, as can physical activity.
- There are certain “neuromyths” of which teachers should be aware, including the following:
  - There are certain periods during which certain things must be taught and learned.
  - People use only 10% of their brain.
  - Because of hormones, teenagers are unable to learn during puberty.
  - Listening to Mozart makes babies smarter.
  - Some people are “left-brained,” while others are “right-brained.”
  - Multi-tasking is a good way in which to get work done.
  - Teachers should teach to each child’s individual learning style.
- It is hard to move “the needle” of attitude.
- Teachers have better outcomes when they understand the cognitive sciences.
- “Toxic stress,” to which schools may make a contribution, impedes learning and affects brain structures.

- Positive emotions increase the scope of attention, global thinking and thought-action responses.
- Studies have shown the following:
  - Optimal lighting enhances learning.
  - Noise in the environment can impair recall.
  - Scents in an environment lead to improvements in attention-related tasks.
  - Exercise strongly influences cognition.
  - Sleep affects memory.
  - Learning is optimized when children are in environments that are free of clutter and are aesthetically pleasing.
- Knowledge is organized around core concepts of “big ideas” that shape thinking.
- Understanding connections among elements helps with abstract thinking and understanding relationships among disparate “chunks” of information; students can see overarching themes through the use of “graphic organizers.”
- “Window gazing” is important for memory and retention; learning and memory are intricately connected.
- Recall is improved through rehearsal/repetition and the number and “richness” of “elaborations” on information; with “elaboration,” thinking is “furthered” and deepened.
- In the brain, creative thinking differs from conventional thinking; engaging in creative activities can result in measurable changes to brain volume, structure and function, as well as increased performance on cognitive tests.
- The “21<sup>st</sup> century skills” are innovation, creativity, collaborative learning and problem solving.
- Enhanced learning occurs when assessments are:
  - frequent and provide students with useful feedback;
  - provided in a manner that allows students to retrieve information actively;
  - spaced over specified time periods; and
  - provided in a manner that allows artistic thinking and problem solving.

**Ronald Kalil, *University of Wisconsin-Madison***

- Children have a better vocabulary if people read to them.
- Reading enhances the bond between a child and his/her parents.
- Much of what is characterized as bad memory is instead a problem with the retrieval of information.
- Being poor “warps” the “cognitive bandwidth.”

## EARLY EDUCATION POLICY

Steven Barnett, *Rutgers University*

- Early childhood education has impacts on children and society at large; for example, it has benefits that include the following:
  - increased achievement in school;
  - reduced “school failure”;
  - higher levels of educational attainment;
  - a decrease in behavioural problems, delinquency and crime;
  - increased employment, earnings and “economic success”;
  - lower levels of “risky behaviour,” such as smoking, drug use and teen pregnancy;
  - improved mental and physical health;
  - reduced government costs for schools, social services, crime and health care;
  - higher rates of economic growth; and
  - fewer social problems, such as crime and inequality.
- High-quality early childhood education is rare and most children do not have access to such programming.
- High-quality early childhood education can have economic returns of 10:1; the benefits and effectiveness of early childhood education depend on the quality of programming, with quality generally low and variable both within and among states.
- Raising the quality of early childhood education requires the following:
  - high standards;
  - continuous improvement; and
  - adequate funding.
- Early childhood education programs might have larger gains, and more of the achievement gap might be eliminated, if attention is paid to the following:
  - engaging in “intentional teaching”;
  - focusing on individualization and small groups;
  - designing programs to have short-term gains that are twice as large as the desired long-term gains; and
  - engaging in data-driven continuous program improvement.
- A “continuous improvement” cycle for early childhood education includes the following elements:

- Develop standards that the early childhood education programming should meet.
- Analyze and plan the programming.
- Implement the programming, including professional development and technical assistance.
- Measure and assess progress in meeting the pre-determined objectives.
- As spending on early childhood education is discretionary in most states, funding for such programming declined in a number of states, standards in relation to quality “wavered” and enrolment fell in some states.

**Bruce Atchison, *Education Commission of the States***

- Most states focus on pre-kindergarten education and third-grade reading; kindergarten-to grade three education has lacked the attention that it needs in terms of the following:
  - teacher training, certification and licencing;
  - kindergarten entry assessments;
  - full-day, full-year kindergarten;
  - kindergarten curricula;
  - training for principals;
  - parental and family engagement;
  - teaching tools; and
  - transitions from pre-kindergarten into kindergarten to grade three, grade six into middle school and high school into college.

**PATHWAYS TO PROSPERITY: SOUTHERN STATE EFFORTS TO PREPARE A 21<sup>ST</sup> CENTURY WORKFORCE**

**Senator Mark Norris, *Tennessee General Assembly***

- History never looks like history when you are in the middle of making it.
- The United States gave up much of its manufacturing strength 20 to 30 years ago.
- The United States has a skills gap, and there is a “tremendous” need to close that gap to support the United States’ manufacturing “renaissance.”
- The education system should be aligned with employer needs.
- There is almost an unlimited amount of capital waiting to be invested; some are afraid to expand, despite having the desire to do so, because of an inadequate supply of labour with the right skills.



### **William Wampler, *New College Institute***

- It is important to try to match degrees, credentials and other indicators of educational attainment to the skills needed by employers; in that context, curricula should be designed to give students the certificate, etc. that “puts them at the top of the employer’s pile.”
- Rigour is needed in classrooms, even if the result is that some students do not pass.
- Students should not be afraid to try; equally, they should not be afraid to fail.

### **Glen Fenter, *Mid-South Community College***

- Many of the jobs currently being created require more than a high school diploma but less than a four-year degree.
- Short-term education programs can lead to middle-class wages.
- The way in which people are educated should be changed; they need to be educated so that they can go to work.
- Old educational models, which are unrelated to the global economy, are still being used to educate people.
- The past should not continue to define the future and, as we are in a global economy, we need to think differently and to have different strategies.

## **ADVANCING LOGISTICS AND SUPPLY CHAIN EFFORTS IN THE 21<sup>ST</sup> CENTURY: STRATEGIES FOR POLICYMAKERS TO CONSIDER**

### **Russell Gwatney, *Gwatney Enterprises, Inc.***

- Global gross domestic product has risen from just under \$38.9 trillion in 1990, to almost \$53.9 trillion in 2000, to just over \$79.8 trillion in 2013.
- China’s gross domestic product has risen from just over \$356.9 billion in 1990, to more than \$1.37 trillion in 2000, to more than \$9.5 trillion in 2013.
- In terms of global trade, the Pacific Rim started to “rise” in the early 1950s.
- In the United States, there are four locations where all Class 1 railways converge:
  - New Orleans, Louisiana;
  - Memphis, Tennessee;
  - St. Louis, Missouri; and
  - Chicago, Illinois.
- Today, manufacturing is about mass customization and synchronized delivery.
- It is important to focus on moving people and goods, rather than on specific modes of transportation.

- Transportation systems should be seamless, and efficiency, effectiveness, environmental sensitivity, public safety and congruency should be goals.

## **CLOSING PLENARY SESSION**

### **Joe Quinn, *Walmart***

- In terms of manufacturing, the United States' southern states "get it."
- A number of companies are focused on bringing jobs back to the United States.
- For companies, including manufacturers, the quality of the workforce and transportation systems are important issues.
- Manufacturing is now high-technology, clean and well-compensated.
- There is a need to prepare youth for the realities of the global marketplace.
- Although price is important, many Americans prefer to purchase goods that have been made in the United States.
- The brand is important when purchasing some, but not all, goods; for example, people generally do not care about the brand of their patio furniture.
- The United States is often cost-competitive; in situations where it is not, the gap in labour costs is narrowing.

Respectfully submitted,

Hon. Janis G. Johnson  
Senator, Co-Chair  
Canada-United States  
Inter-Parliamentary Group

Gord Brown, M.P.  
Co-Chair  
Canada-United States  
Inter-Parliamentary Group

# Appendix

## U.S. STATES IN THE SOUTHERN LEGISLATIVE CONFERENCE

Alabama

Arkansas

Florida

Georgia

Kentucky

Louisiana

Mississippi

Missouri

North Carolina

Oklahoma

South Carolina

Tennessee

Texas

Virginia

West Virginia

## Travel Costs

<b>ASSOCIATION</b>	Canada-United States Inter-Parliamentary Group
<b>ACTIVITY</b>	68th Annual Meeting of the Council of State Governments Southern Legislative Conference (SLC)
<b>DESTINATION</b>	Little Rock, Arkansas, United States of America
<b>DATES</b>	26–30 July 2014
<b>DELEGATION</b>	
SENATE	The Hon. Céline Hervieux-Payette, P.C., Senator
HOUSE OF COMMONS	Mr. Scott Andrews, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
<b>TRANSPORTATION</b>	<b>\$4,596.47</b>
<b>ACCOMMODATION</b>	<b>\$ 758.30</b>
<b>HOSPITALITY</b>	<b>\$ 0.00</b>
<b>PER DIEMS</b>	<b>\$ 670.95</b>
<b>OFFICIAL GIFTS</b>	<b>\$ 0.00</b>
<b>MISCELLANEOUS / REGISTRATION FEES</b>	<b>\$1,510.34</b>
<b>TOTAL</b>	<b>\$7,536.06</b>