

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 Legislative Summit of the National
Conference of State Legislatures
(NCSL)**

Canada–United States Inter-Parliamentary Group

**Los Angeles, California, United States of America
29 July–2 August 2018**

Report

DELEGATION MEMBERS AND STAFF

From 29 July–2 August 2018, Senator Michael L. MacDonald and the Honourable Wayne Easter, P.C., M.P., Co-Chairs of the Canadian Section of the Canada–United States Inter-Parliamentary Group, led a delegation to the annual legislative summit of the National Conference of State Legislatures (NCSL) in Los Angeles, California. The other members of the delegation were Senator Diane Griffin, Vice-Chair, Mr. John Brassard, M.P. and Mr. Brian Masse, M.P., Vice-Chair. The delegation was accompanied by Ms. Miriam Burke, Executive Secretary of the Canadian Section, and Ms. June Dewetering, the Canadian Section’s Senior Advisor.

THE EVENT

Founded in 1975, the NCSL is a bipartisan organization serving the legislators and legislative staff of the 50 U.S. states, as well as its commonwealths and territories. It provides research, technical assistance and a venue for the exchange of ideas on state issues. As well, it advocates state interests before the U.S. Congress and federal agencies.

The NCSL is governed by an executive committee, and has nine standing committees on which legislators participate. These committees are the following:

- Budgets and Revenue
- Communications, Financial Services and Interstate Commerce
- Education
- Health and Human Services
- Labor and Economic Development
- Law, Criminal Justice and Public Safety
- Legislative Effectiveness
- Natural Resources and Infrastructure
- Redistricting and Elections.

As well, legislators participate on the following nine NCSL task forces:

- Agriculture
- Cybersecurity
- Energy Supply

- Immigration
- Innovations in State Health Systems
- Insurance
- International Relations
- Military and Veterans Affairs
- State and Local Taxation.

ACTIVITIES AND DELEGATION OBJECTIVES FOR THE EVENT

At NCSL's 2018 legislative summit, presentations were made on a variety of subjects, many of which have relevance for Canada; at these sessions, delegates from the IPG's Canadian Section benefitted from information that will inform their legislative work. Typically, the sessions at the NCSL's legislative summit address such topics as agriculture, budgets, criminal justice, economic development, education, employment, energy, the environment, financial services, health, human services, immigration, information technology, insurance, natural resources, pensions, rural development, taxation, trade and transportation.

The interaction with state legislators on the full range of issues discussed at the NCSL's annual legislative summit enables members of the IPG's Canadian Section to achieve better the aim of finding points of convergence in respective 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 opportunity to give input to, and gather information about, state-level issues that affect Canada.

In addition to attending the sessions designed to inform state legislators, Mr. Easter spoke about the renegotiation of the *North American Free Trade Agreement* (NAFTA), and members of the Canadian Section joined legislators from about 20 countries or regions worldwide at some of the International Program's activities.

This report summarizes the discussions that occurred at selected sessions.

COLLABORATING TO BRING FOOD FROM FIELDS TO CAFETERIA

Breanna Hawkins, *Los Angeles Food Policy Council*

- Everyone should be able to access nutritious food.
- "Plate waste" is a significant issue.
- Because values influence policy, including in the context of food, values in relation to the following should be remembered:
 - nutrition;
 - animal welfare;

- local economies; and
 - environmental sustainability.
- When developing “food policy,” the following considerations might exist:
 - local;
 - sustainable;
 - fair;
 - healthy; and
 - humane.

Jayson Watts, *Office of the Lieutenant Governor of Hawaii*

- Through “farm-to-school” initiatives, more nutritious, fresh and local foods can be brought to school cafeterias; as well, connections between food, agriculture, land and culture can be strengthened, and agricultural demand, production and revenue can be increased.
- Students who are well nourished often perform better academically.
- “Farm-to-school” initiatives will only succeed if individuals want to farm.

TECHNOLOGICAL INNOVATIONS IN PLANT AND ANIMAL IMPROVEMENT – GENE EDITING AND THE FUTURE OF AGRICULTURE

Val Giddings, *Information Technology and Innovation Foundation*

- Agriculture has a significant impact on the environment.
- The appropriate balance must be found between feeding people and “having room” for biodiversity and wildlife.
- While it is possible to control insects with chemicals, it is perhaps preferable to use biological solutions that are based on an understanding of living organisms.
- “Gene editing,” which involves molecular modifications to genetic material, has agricultural applications and could revolutionize medicine.
- “Biotechnology” crops “deliver more” with fewer inputs and reduced greenhouse gas emissions, among other benefits.

FOR BETTER OR FOR WORSE: INTERNATIONAL TRADE & AGRICULTURE

A.G. Kawamura, *Western Growers Association and Orange County Producers, LLC*

- “Successful” agriculture sustains civilizations.
- Agriculture must “do well” if a number of the United Nations’ Sustainable Development Goals are to be attained; if these goals are realized, the world will be a much different place.

- The United States is at an historic high in terms of the difficulties that farmers are facing.
- In the United States, agricultural production is rising and fewer inputs are required to attain this higher level of production.
- Agricultural products are now being grown in some countries that, historically, were unable to grow those products.
- “Rooftop” gardening is part of an augmented food supply.
- The growing middle class in a number of countries “drives” demand for different foods, giving rise to new consumption patterns.
- From an agricultural perspective, the goal is to be in a state of abundance, not in a state of survival; abundance enables choice.
- Trade is built on strong relationships, and trust is key.
- Trade does not cease simply because governments are “wrong” about their trade policies and decisions.
- With appropriate marketing, it is possible to establish a “foothold” in a foreign market fairly quickly.
- Enhanced access to markets requires a constant focus on evolution and enhanced competitiveness.

CEO FORUM: THE NEXT GENERATION OF INNOVATION

Andrea Deveau, of TechNet, posed questions to Tim Chen, of Nerdwallet, Brynne Kennedy, of Topia, and Marco Zappacosta, of Thumbtack.

Tim Chen, *Nerdwallet*

- Decision makers can help to support innovation through consistency and clarity regarding regulations, including across states and administrations.
- A lack of regulatory consistency and clarity can compromise consumer protection.
- The “political pendulum” can be harmful for businesses; consequently, one focus could be the development of policies that could “survive” changes in political party leadership, with resulting stability.
- In the United States, many people have a part-time job in addition to their full-time occupation.
- Post-secondary education is too expensive for the average American.
- Entrepreneurs experience challenges in accessing capital, especially to expand.

Brynn Kennedy, *Topia*

- Globalization, global competitiveness, automation and artificial intelligence are affecting the workforce, which needs to meet employer requirements of the future, rather than those of the past.
- Regarding the fourth industrial revolution, there is a need to think intentionally about how automation could affect the entire population.
- Many jobs will continue to be “lost” because of innovation.
- When someone’s job changes, he/she needs a “personal learning path,” and to determine how existing or new skills can be applied to other tasks.
- People should be equipped to move among firms, locations, roles, etc.
- Everyone needs to understand the basics of technology; that said, they also need to have the human qualities of empathy and understanding.
- More people should be educated in science, technology, engineering and mathematics (STEM).
- The following actions should be considered to meet existing skills shortages:
 - Undertake comprehensive immigration reform.
 - Reskill existing workers.
 - Invest in education systems.
 - Ensure that existing employees have access to education and training.
- Entrepreneurs need access to capital, to global “talent” and to support for their “big ideas.”
- The benefits of globalization should be broadly shared.
- Tax measures can provide an incentive to engage in desired behaviours.

Marco Zappacosta, *Thumbtack*

- The way in which the word “entrepreneur” is interpreted should be broadened.
- Entrepreneurs need assistance finding customers, paying employees and meeting the requirements of occupational licencing regimes.
- The “rhetoric” about automation should be changed; automation has made the United States wealthy, has enabled “more” to be accomplished with “less,” and has meant that employees are less likely to be required to undertake repetitive tasks.

- The world is globalized, automation is disrupting a number of sectors, and non-routine jobs are increasingly prevalent.
- People should be enabled to work in a broad range of locations and of working relationships.
- There is a need to create pride in vocational trades.

INTERNATIONAL TRADE PANEL: RENEGOTIATING THE *NORTH AMERICAN FREE TRADE AGREEMENT*

Stephen Ezell, *Information Technology and Innovation Foundation*

- NAFTA is foundational to North America's "economic health."
- NAFTA should be updated in order to meet global realities, and negotiators should think in a global strategic context.
- The current NAFTA is preferred to no agreement at all.
- An estimated 5 million new U.S. jobs were created because of NAFTA.
- NAFTA is pivotal for deepening the relationship among the United States, Canada and Mexico, which have a symbiotic relationship, complementarities and integrated supply chains.
- Canada and Mexico are the United States' top two trading partners, and an estimated 14 million U.S. jobs depend on trade with them.
- More than 50% of Canada's economy is knowledge-based, and the country should join the United States in supporting stronger intellectual property rights.
- Increasingly, economies are digitally based; consequently, NAFTA should have a chapter that addresses digital issues.
- Despite "thorny" outstanding issues that include investor–state dispute settlement and a sunset clause, it is possible for the three NAFTA countries to soon conclude their negotiations for a modernized agreement.

Brian Lombardozzi, *Alliance for American Manufacturing*

- Free, fair and unfettered trade does not exist.
- Tariffs "level the playing field" when dumping occurs.
- The steel and aluminum tariffs that the United States is applying as a consequence of the national security investigation that occurred pursuant to section 232 of the *Trade Expansion Act of 1962* are beginning to have positive results; for example,

U.S. production capacity is rising, including through some rehiring of laid-off workers.

- Issues that should be addressed as NAFTA is renegotiated include rules of origin, intellectual property rights, digital trade, labour and environmental standards, currency manipulation and the rise of state capitalism.
- The labour and environmental provisions in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership would be a good “starting point” for the provisions that should be included in NAFTA.
- Regarding government procurement, the United States does not need to provide more access; the market is already sufficiently open.
- Concerning investor–state dispute settlement, all three NAFTA countries have relatively good legal systems and it is not clear that three nations that are members of the Organisation for Economic Co-operation and Development need an investor–state dispute-settlement mechanism.
- NAFTA should be modernized for the benefit of all and in a way that results in more balanced trade.

Honourable Wayne Easter, P.C., M.P., *Canadian House of Commons and Canada–United States Inter-Parliamentary Group*

- NAFTA is a model that has been copied at various locations and times, and to varying extents, throughout the world; according to many observers, on balance, NAFTA has had positive consequences for Canada, the United States and Mexico.
- In 2017, the value of trade among the NAFTA countries exceeded US\$1 trillion, which is a more than threefold increase since 1993; trilateral investment has risen substantially too.
- In 2017, the United States continued to be Canada’s largest merchandise and services trade partner, while Mexico was its third-largest merchandise trade partner.
- An estimated 9 million U.S. jobs depend on trade and investment with Canada, which is the primary foreign export market for most of the U.S. states; as well, nearly 5 million U.S. jobs are thought to depend on the United States’ trade and investment relationship with Mexico.
- Within the world’s largest economic zone, the NAFTA countries build things together and they sell things to each other; together, the three countries account for more than 25% of the world’s gross domestic product, have a market valued at US\$22 trillion and comprise more than 480 million consumers.

- In various ways, NAFTA has contributed to economic growth in all three countries; economies and supply chains are integrated, and – since the agreement's implementation – jobs have been created, as well as lost because of trade, technological change and the rise of China, among other factors.
- As trade brings about opportunities for countries to focus on their areas of comparative advantage, employment patterns shift; while the overall effect may be positive, there are likely to be job gains in some areas and sectors, and job losses in others.
- NAFTA was implemented some time ago, and it is time for modernization; the countries should learn from trade agreements that they have concluded with other nations since 1994, and should incorporate provisions to address issues that did not exist nearly 25 years ago, such as digital trade.
- The NAFTA countries should work together with a view to ensuring that, as “North America,” they can compete with other countries and regions throughout the world.
- In a June 2018 appearance before the House of Commons Standing Committee on International Trade, Canada's Minister of Foreign Affairs indicated that NAFTA negotiators have concluded their discussions about the following nine chapters:
 - technical and commercial barriers;
 - North American competitiveness;
 - good regulatory practices;
 - sanitary and phytosanitary measures;
 - publications and administration;
 - small and medium-sized businesses;
 - the fight against corruption;
 - telecommunications; and
 - competition policies.
- The NAFTA countries continue to have differences in a number of areas, including a sunset clause, dairy trade, and whether a trilateral agreement or parallel bilateral agreements should be pursued.
- Since the issue of a sunset clause was first raised by the United States during the NAFTA renegotiation, a number of North American businesspeople and legislators have expressed their opposition to such a clause, feeling that such a provision would create uncertainty, with negative investment and other implications.
- Canada's position regarding a sunset clause has been consistent and clear: a modernized NAFTA should not contain such a clause; according to Canada's Minister of Foreign Affairs, this position may be particularly important given current discussions about NAFTA's auto rules of origin.
- Both the current and future Mexican administrations are thought to oppose a sunset clause.

- Despite Canadian and Mexican opposition to a sunset clause, such a clause continues to be a U.S. priority; during a U.S. Senate committee hearing in July 2018, the U.S. Trade Representative (USTR) said that a sunset clause is “clearly” needed, thereby reiterating a comment he made in June 2018 to Republican legislators in the U.S. Congress.
- According to Senator Robert Portman, a former USTR, Article 2001 of NAFTA established the “Free Trade Commission” comprised of cabinet-level representatives or their designees from each of the three countries; section 4 requires the Commission to convene at least annually, thereby requiring – in Senator Portman’s view – ongoing dialogue about possible improvements to NAFTA.
- Regarding Canada–U.S. dairy trade, President Donald Trump, Administration officials, some U.S. Senators and members of the House of Representatives, and others have suggested that this trade is unfair.
- Canada believes that neither its dairy policies nor its dairy systems are causing financial losses for U.S. dairy farmers, and that the United States’ dairy sector is being affected by U.S. and global overproduction; Canada represents less than 0.3% of global dairy exports and is not having a negative impact on U.S. dairy producers.
- Both Canada and the United States have measures in place to support their dairy producers, and Canada–U.S. dairy trade currently favours the United States; according to the U.S. Census Bureau, in 2017, U.S. dairy exports to Canada were valued at US\$469 million, while U.S. imports from Canada totalled US\$136 million.
- When Canadian Parliamentary Secretary Matt DeCoursey spoke at NCSL’s legislative summit in 2017, he said that NAFTA should continue to be a trilateral agreement; in February 2018, when federal legislators from Canada and Mexico met, Canadians stated that Canada supports a trilateral agreement, a message that was also delivered by the Canada–United States Inter-Parliamentary Group’s Canadian Section during Congressional meetings in May 2018 and the Group’s annual meeting in June 2018.
- Canada’s position has been consistent: a trilateral agreement is best for all three countries, and is preferred to parallel bilateral agreements, which would increase costs and reduce the ability of North American companies to compete internationally.
- Mexico supports a trilateral NAFTA.
- The Canadian and Mexican view about a trilateral NAFTA is potentially at odds with at least some Americans; during an 18 July 2018 cabinet meeting, President Trump reportedly reiterated the possibility of bilateral trade agreements, with a U.S.–Mexico agreement being followed by negotiations with Canada “at a later time.”

- According to *Reuters*, at the recent G20 economic leaders meeting, the U.S. Secretary of the Treasury indicated that the United States is still committed to a trilateral NAFTA.
- At present, it is unclear when the NAFTA negotiations will resume and end, the compromises that the three countries will be prepared to make about outstanding issues, and whether the agreement will continue to be trilateral, which – from one perspective – might be part of the compromises that are made.
- There appears to be a desire for renewed NAFTA negotiations, including at the ministerial level and perhaps particularly because Mexico’s federal election was held on 1 July 2018; in some sense, this approach would elevate the bilateral and trilateral discussions that have been occurring since the last ministerial-level meeting in May 2018.
- Regarding the conclusion of the NAFTA negotiations, the USTR recently noted the United States’ hope that an agreement in principle will be reached in August 2018; if so, with the requirement that the U.S. Congress must be notified 90 days before an agreement is signed, a modernized NAFTA could be signed before Mexico’s new president takes office in December 2018.
- The USTR has expressed his confidence about the United States’ ability to reach “some kind of a conclusion” to the NAFTA negotiations with Mexico, with such an action catalyzing Canadian engagement and leading Canada to “begin to compromise”; in his view, Canada has not compromised in the same way that the United States and Mexico have done.
- Concerning compromises, it is virtually impossible to predict the compromises that the three NAFTA countries will be prepared to make once the negotiations resume, including about the agreement’s trilateral nature; it is possible that the compromises may be linked to outcomes regarding what might be characterized as ongoing and potential “trade irritants.”
- During a June 2018 appearance before the House of Commons Standing Committee on International Trade, Canada’s Minister of Foreign Affairs said that the United States’ section 232 tariffs are “quite separate from the ongoing negotiations between Canada, the United States, and Mexico to modernize NAFTA”; at least in part, the Minister’s view reflects the reality that section 232 is a national security provision in U.S. law.
- Some believe that trade-related progress in one area might have benefits in other areas; in that context, the following “trade disputes” between Canada and the United States might be remembered:
 - U.S. duties on certain Canadian softwood lumber products, which – according to the National Home Builders Association – have increased the price of a single-family home by as much as US\$9,000;

- U.S. section 232 tariffs on certain Canadian steel and aluminum products, with an initial exemption ended allegedly due to slow progress in the NAFTA negotiations; and
 - the section 232 investigations relating to autos and auto parts, and – more recently – uranium.
- The future is uncertain, but Canada is willing to engage in “good faith” NAFTA negotiations designed to address new realities, reflect lessons learned with this and other trade agreements since NAFTA was implemented in 1994, and conclude a 21st century agreement; that said, there must be a shared commitment to rules-based trade, enhanced North American competitiveness and a win-win-win agreement.
 - Going forward, the focus should be a North American future in which the first collective priority of the NAFTA countries is to compete effectively with other countries and regions throughout the world.

HEALTHY WORKPLACES: CULTURE TRUMPS COMPLIANCE

Johnny Taylor, *Society for Human Resource Management*

- Workplace culture can be transformed to address human resource issues, including all forms of harassment; “harassment” exists along a spectrum.
- Compliance rules, education and training are not adequate for dealing with some human resource issues, and culture always “trumps” compliance.
- An estimated 94% of U.S. organizations have harassment policies, yet harassment continues to occur; written rules do not matter if unwritten rules allow certain behaviours to exist and persist.
- Sexual harassment in the workplace is common; it is also often unreported because of a fear of retaliation and the belief that the organization would not take any action against the alleged harasser.
- People may leave an organization because of harassment, which is a loss for both the person and the organization that has invested in him/her.
- It is important to take specific and affirmative steps to address harassment.
- Rules need to recognize that humans are humans, and that people will pursue their colleagues, bosses, mentors, etc. if that is what they want to do; organizations should consider a policy of disclosure, rather than forbidding workplace relationships.
- All harassment complaints should be addressed in a swift, transparent, fair, appropriate and confidential manner; investigations should be undertaken by an independent panel, rather than by an independent person who could have biases.

- Organizations should apply rules consistently; sexual harassment is about power, and is perpetrated by those who are in control.
- Organizations should be clear about what is, and what is not, appropriate workplace behaviour.
- Human resource experts should be hired to address human resource issues, as required; human resource experts have a particular skill set, and not everyone in a workplace has the skills that are needed.

BROADBAND, SMART COMMUNITIES AND BEYOND

Satya Parimi, *Data and Cloud Products*

- It is possible to transform communities digitally in order to add economic and societal value.
- Ubiquitous connectivity is important.
- Sensors can gather information, with the resulting data fed into a system so that analytics can occur, perhaps by using artificial intelligence.

Michael Sherwood, *Information Technologies*

- Disruptive technologies can help economies to grow and societies to be prepared for the future.
- Decisions should be based on data, rather than on assumptions or guesses.

INCREASING CONSUMER ACCESS TO CLEANER, HEALTHIER AND CHEAPER FUELS

Michael Lorenz, *Sheetz Inc.*

- Many consumers are looking for fuels that are less expensive, better for the environment and for engines, and renewable; as well, they are seeking fuels that support U.S. jobs and U.S. energy independence.
- E15 is a fuel that has many of the characteristics desired by consumers; 90% of vehicles on the road today are approved for E15 by the U.S. Environmental Protection Agency (EPA), and 81% of new cars are certified to use E15.
- E15 is safe, green, high octane and less expensive than a number of other fuels.
- Ethanol, of which 15% is E15, can be one of the least expensive sources of octane.
- Ethanol supports cleaner air by reducing carbon dioxide, benzene, toluene and xylene emissions, which contribute to smog.

Angela Tin, *American Lung Association*

- When a person is unable to breathe, nothing else matters.
- The causes of lung disease and cancer include smoking, exposure to radon gas and such workplace chemicals as asbestos and silica, and transportation and industrial sources of air pollution.
- Lung cancer is the deadliest cancer, and is mostly caused by smoking; while the number of smokers is declining, the incidence of lung cancer is rising.
- Air pollution arises from natural sources, home heating, industrial sources, traffic, indoor sources and outdoor burning, such as camp fires.
- Health conditions, such as lung cancer and emphysema, that are linked to exposure to air pollution are often fatal.
- In 2016, air pollution caused 6.1 million deaths worldwide, representing 12% of global deaths; 4.1 million of those deaths were attributed to outdoor or ambient air pollution.
- From a sectoral perspective, U.S. hydrocarbon emissions are the following:
 - fires: 29%;
 - mobile: 26%;
 - industrial processes: 19%;
 - consumer or commercial use of solvents: 16%;
 - fuel combustion: 3%; and
 - miscellaneous: 7%.
- From a sectoral perspective, U.S. nitrogen oxide emissions are the following:
 - fires: 3%;
 - mobile: 62%;
 - industrial processes: 9%;
 - consumer or commercial use of solvents: 16%;
 - fuel combustion: 26%; and
 - miscellaneous: less than 1%.
- A new vehicle today is up to 95% cleaner than a new vehicle in 1970.
- The U.S. EPA's 1974 removal of lead from gasoline led to parallel reductions in the lead content in gasoline and the blood lead level of the average American.
- "Reformulated gasoline" is gasoline with additional processing and refinement; it has reduced evaporation, an oxygenate to improve combustion, less benzene and – often – 10% ethanol.
- Reformulated gasoline is needed because there are twice as many cars on the road today, and cars are kept longer.

- Today, cars are 98% “cleaner” than they were 30 years ago.

SUPPORTING K-12 STUDENTS THROUGH ENGAGING AFTERSCHOOL PROGRAMMING

Bill Fennessy, *Think Together*

- High school afterschool programs are a “real need,” not a “nice to have.”
- The “secret to success” in older youth afterschool programs is relationships.
- Older youth typically have a minimum of eight hours per day that can be allocated to either positive or negative activities; because they are in the midst of developing and practising their “agency” and self-determination, they “vote with their feet.”
- Every high school has its own culture, and older youth afterschool programs must be customized for each school.
- The developers of afterschool programs should work directly with school administrators and use specific school-site and student data to determine needs, such as help with homework, athletic tutorials, targeted interventions, etc.
- The developers of afterschool programs should collaborate with teachers to coordinate and integrate different learning modalities in afterschool programs that directly support instruction, such as project- and work-based learning, and skills development.
- The developers of afterschool programs should survey a school’s student population in order to identify what students really want to do after school.
- Currently, high school afterschool programs are focusing on: nutrition, and healthy living and behaviours; drug prevention; social emotional learning; trauma-informed practices; and workforce readiness.

INTERNATIONAL INVESTMENT AND STATE ECONOMIC DEVELOPMENT OPPORTUNITIES

Evan Hoffman, *Organization for International Investment*

- It is important to establish a policy environment that will attract foreign direct investment into the United States; global investments in the United States are a “vote of confidence” in the U.S. economy.
- Foreign companies are largely responsible for the United States’ manufacturing resurgence.
- Foreign companies want to do the following:
 - compete in an “open” environment;

- participate in integrated supply chains;
- access the right number of employees with the skills sets that are needed;
- access capital; and
- access the infrastructure that is needed to get their products to consumers.

Dex Battista, *Magna International Inc.*

- Some of the factors that attract businesses to a location include the following:
 - access to customers;
 - responsive economic development agencies;
 - the availability of a workforce with the skills that are needed; and
 - a favourable legislative and regulatory environment.
- Federal policies have state and local impacts.

Patricia Elliott, *Global Affairs Canada*

- Canada, the United States and Mexico are part of a single, integrated economy; the three countries buy and sell to each other, and make things together to be sold to the world.
- North America's countries comprise about 7% of the world's population and 27% of global gross domestic product.
- Free trade has kept North America globally competitive, with shared supply chains, efficient energy markets and a culture of innovation helping to make North America the world's largest and most competitive economic region.
- Since 1993, when NAFTA was signed, the total value of trade among the three North American countries has nearly quadrupled.
- NAFTA opened up new export opportunities, provided a stimulus to build internationally competitive firms, and helped to attract significant foreign direct investment into the three countries.
- From a North American perspective, investing in each other's economies and removing barriers to trade and to the movement of goods and people have been among the keys to economic growth over the last 25 years.
- Because of integration within North America, U.S. tariffs on steel, aluminum, newsprint and solar panels, as well as threatened tariffs on autos, are self-defeating.
- The *Canada–European Union Comprehensive Economic and Trade Agreement* is one of the most ambitious trade agreements ever completed, and the European Union's first trade agreement with a G7 country; investors are seeking access to the European Union through investments in Canada.

- Canada is involved in negotiations for a free trade agreement with the Pacific Alliance countries of Chile, Colombia, Mexico and Peru, and with the Mercosur countries of Argentina, Brazil, Paraguay and Uruguay.

KIDS COUNT

Leslie Boissiere, *Annie E. Casey Foundation*

- All children should have the opportunity to reach their full potential.
- Children do not have a voice, a vote or financial resources.
- In comparing 2010 to 2016 on four indicators of children's economic well-being, all four had improved: children living in poverty; children whose parents lack secure employment; children living in households with a high housing cost burden; and teens not in school and not working.
- In comparing years between 2009 and 2011 to years between 2014 and 2017 on four indicators of children's education, fourth-grade students not proficient in reading and high-school students not graduating on time had improved; young children not in school and eighth-grade students not proficient in math were the same.
- In comparing 2009 or 2010 to 2015 or 2016 on three indicators of children's health, children without health insurance had improved, low-birthweight babies had worsened, and child and teen deaths per 100,000 was unchanged; because of methodological changes, a comparison for the fourth indicator – teens who abuse alcohol or drugs – could not be made over time.
- In comparing years between 2008 and 2012 to years between 2012 and 2016 on four indicators of family and community, children in families where the household head lacks a high school diploma and teen births per 1,000 had improved; children in single-parent families had worsened, and children living in high-poverty areas was unchanged.
- According to the child well-being rankings for 2018, the top five states are the following:
 - overall, New Hampshire, Massachusetts, New Jersey, Minnesota and Iowa;
 - from an economic well-being perspective, North Dakota, Nebraska, New Hampshire, Iowa and Minnesota;
 - from an education perspective, New Jersey, Massachusetts, Connecticut, New Hampshire and Vermont;
 - from a health perspective, Massachusetts, New Hampshire, New Jersey, New York and Washington; and
 - from a family and community perspective, Utah, New Hampshire, Vermont, North Dakota and Minnesota.

- According to child well-being rankings for 2018, the lowest five states are the following:
 - overall, Alaska, Nevada, Mississippi, Louisiana and New Mexico;
 - from an economic well-being perspective, Arizona, West Virginia, Mississippi, New Mexico and Louisiana;
 - from an education perspective, Oklahoma, Louisiana, Alaska, Nevada and New Mexico;
 - from a health perspective, Montana, Mississippi, New Mexico, Wyoming and Alaska; and
 - from a family and community perspective, Arizona, Texas, Louisiana, New Mexico and Mississippi.

WHEN LEGISLATORS AND CITIZENS ENGAGE

David Holwerk and Claire Snyder, *Kettering Foundation*

- Elected officials are searching for more connections with their constituents and their communities, and are seeking deeper engagement.
- A lack of trust is undermining elected officials' ability to do their job well.
- “Connecting” is key to being effective; the ability to “connect” is undermined by the following:
 - a lack of thinking in civic terms;
 - a lack of trust;
 - an inability to get people to engage; and
 - concerns about physical and psychological dangers.
- People feel “bereft” over the lack of connections to other people and to institutions.

U.S. ECONOMIC OUTLOOK

Christopher Thornberg, *Beacon Economics*

- The United States' economy has been on a steady path since the 2014–2015 global commodity bust, and the country is experiencing strong growth trends in relation to labour markets, business investment, wages, exports, energy and housing.
- There is a low chance of the United States experiencing a recession in the next 24 months.
- Some constraints in relation to future U.S. economic growth include the following:
 - labour shortages that are negatively affecting employers;
 - rising long-term interest rates;
 - sharp growth in government deficits;
 - concerns in relation to both global trade and global security;

- limited efforts to address the underinvestment in infrastructure, growing wealth and income inequality, rising health care costs, and issues regarding pension and other entitlements; and
- a “disconnect” between economic realities and political discourse.

PLAY-BY-PLAY LEADERSHIP LESSONS

Amy Trask, *BIG3, CBS and Author*

- Elements of a “good” business environment vary; there is no single model.
- Every person in an organization contributes to its success.
- It is not possible to predict the source of an organization’s next great idea, and no idea should be dismissed on the basis of its contributor; there are no bad ideas, and sub-optimal ideas can generate discussion that leads to good ideas.
- Civil discourse is important, and people can disagree without being disagreeable.
- Because people do things differently, it is important to learn from each other.
- Hard work matters, and people should work as hard as they can.
- People should focus on the “4 Cs”: communicate; cooperate; compromise; and collaborate.

CRYPTOCURRENCY: CURRENCY OF THE FUTURE OR JUST A FAD?

Andrew Beal, *Ernst & Young*

- Millennials are twice as likely as any other age group to buy cryptocurrency, and 30% of them would rather invest \$1,000 in Bitcoin than in government bonds.
- An estimated 251 hedge funds are investing in cryptocurrency; of these funds, 200 have been launched since the beginning of 2017.
- In September 2016, there were 48 cryptocurrency exchanges worldwide; by April 2018, that number had risen to more than 500.
- Everything that can be tokenized will be tokenized.

Lucinda Fazio, *Washington State Department of Financial Institutions*

- Blockchain is a software platform; Bitcoin is just one of that platform’s uses.
- It is important to have good policy based on knowledge, not bad policy based on ignorance.

Peter Van Valkenburgh, *Coin Center*

- With Bitcoin, the real innovation is the underlying registry.
- Some issues in relation to cryptocurrencies are consumer protection, investor protection, money laundering and tax treatment.

A CHANGING U.S. WORKFORCE: OPPORTUNITIES AND CHALLENGES

Alistair Fitzpayne, *The Aspen Institute*

- According to some estimates, about 50% of “independent work” – such as Etsy, Airbnb and Uber – is supplemental.
- Because their income often fluctuates from month to month, income volatility and financial planning are challenges for many “independent workers”; a partial solution to these challenges would be portable benefit legislation across the United States, with the *Affordable Care Act* perhaps serving as federal model.
- U.S. federal tax subsidies support an employer-based benefits model, including retirement, health care, child care, transportation and education assistance.

Jeff Wald, *WorkMarket*

- A number of factors have “broken” the “lifetime employment contract,” including globalization, technology and shareholder activism.
- On average, people remain in a job for five years; this average duration has existed for “a long time” and is true for all demographic groups.
- According to one prediction, by 2025, a Fortune 2000 company will exist with no employees outside the “C-suite.”

IT’S ALL ABOUT COUNTRY: POLITICS, POLLING AND POP CULTURE

Margie Omero, *GBA Strategies*

- Both Democrats and Republicans feel that the United States is divided, and they feel disconnected from people who are supporters of the other political party.
- President Trump dominates all political news, and it is hard to “get messages out” about anything else.
- When assessing the priorities of voters, it is important to recognize that health care is very salient for people; as well, firearms and social issues are important to them.
- It is important for candidates and elected officials to be authentic and honest.
- Polls differ in terms of their methodology and the groups of individuals who are polled; the way in which the questions are phrased is also vitally important, and the phrasing should be clear.

- People should not pay attention to polls about the election in 2020; it is too far away to be able to predict anything in a meaningful manner.
- Democrats will want to fall in love with, and feel excited about, their 2020 presidential candidate.

Kristen Soltis Anderson, *Echelon Insights*

- Politics is now two coalitions: the coalition of transformation; and the coalition of restoration.
- Younger voters tend to be “presidential election voters”; they tend not to vote as often during mid-term elections.
- Younger voters are not always progressive.
- If people are not getting their information from traditional news sources, it is important to consider the extent to which they are getting their information from Twitter or Facebook.
- The presidential job approval rating for President Trump has been quite stable.
- In 2018, there are many open Congressional seats; many Republicans in the House of Representatives are retiring, including from such senior positions as committee chair, and – in the Senate – President Trump is quite popular in a number of states that have Democratic Senators.
- Many Republicans think that President Trump defied the odds in the 2016 election and continue to see him as a winner; in Republican primaries, the key question is which candidate would support President Trump’s agenda.
- Some people are not truthful in their responses to poll questions.

BIG DATA: HOW THE INFORMATION EXPLOSION CAN GUIDE GOOD POLICY

Monty Faidley, *LexisNexis*

- “Big data” can be used to answer complicated questions, such as the following:
 - How much does spending on preventative care reduce health care costs?
 - What is the magnitude of identity fraud?
 - How many people are likely to be affected by flooding resulting from a particular hurricane?
 - What is the impact of the opioid crisis on a state’s finances?
- “Big data” can be used to help address tax refund identity fraud and unemployment insurance fraud, among other concerns.

- “Big data solutions” are constrained by data silos, privacy and security concerns, and technical and human capacity limitations.
- To overcome data silo constraints, consider: challenging beliefs that data sharing is not permitted; using technology to make it easier to link data sets; and encouraging inter-agency coordination.
- To address privacy and security concerns, consider: evaluating the reasons why data are collected and used, and how long they are retained; communicating risks and benefits; and following federal security regulations and the best practices used by the private sector.
- To deal with technical and human capacity limitations, consider: making appropriate investments: using analytics to streamline and prioritize results; and partnering with the private sector to enhance and educate staff.

John Scianimanico, *Laura and John Arnold Foundation*

- The term “big data” means the data that governments collect and “own” from constituents whenever these individuals receive a government service.
- “Data” is not identical to “information.”
- Data can be used to make decisions that are more informed and to save lives; in that context, consideration should be given to building an integrated data system, which would allow a 360-degree perspective.
- Predictive analytics extracts existing data to help identify patterns, and to predict future outcomes and trends.
- Legislation is one of the most effective means for enabling greater sharing of data.
- Before they receive additional funding or are increased in size, data should be used to determine if programs are effective.

STRENGTHENING RURAL COMMUNITIES

Chris Mehl, *Headwaters Economics*

- Montana is among the U.S. states that is growing at a faster rate than the U.S. average in terms of employment, personal income and per capita income.
- In the U.S. manufacturing sector, productivity is higher than at any other time, but it is occurring with fewer workers; 88% of job losses are the result of automation.
- In the United States, 95% of new jobs are in the services sector.
- Rural economies can be strengthened through measures that include the following:

- improved access to markets;
- supportive fiscal policies; and
- attention to “quality of life” factors as a means of attracting human capital.

THE ENGINE OF CHANGE AND ECONOMIC GROWTH: COMPUTER SCIENCE EDUCATION

Juan Navarro and Monica Roman, *The College Board*

- The U.S. Bureau of Labor Statistics has estimated that, by 2026, almost 3.5 million new jobs in computer science fields will be created.
- Computer jobs are the primary source of new wages in the United States.
- There are an estimated 500,000 computer job openings in the United States, and they exist in every sector and state; these openings are predicted to increase at twice the rate of all other jobs.
- Of the more than 9 million STEM jobs that are anticipated to be available in the United States in the next decade, it is expected that 50% will require computing experience; this type of experience is becoming an imperative for current students and tomorrow’s workforce.
- In 2017, just under 43,000 computer science graduates entered the United States’ workforce; this number is significantly below the requirements to meet current and future U.S. labour market needs.
- There is a need to address the “disconnect” between the job market and the education system; to prepare students for jobs relating to computer science and other STEM fields, U.S. states must significantly increase the number of trained computer science educators and the number of computer science courses that are available to students.
- The challenges to expanding computer science include the following:
 - teacher shortages in the field of computer science;
 - enrollment and participation barriers; and
 - the sustainability of computer science programs.
- To address the challenges to expanding computer science, states could take actions that include the following:
 - support training and professional development for teachers;
 - require computer science courses be offered to all students; and
 - provide financial incentives to support the offering of computer science courses.
- Women and visible minorities are underrepresented in computer science.

- The number of computer science graduates could be increased by engaging students in real-world topics that are of interest to them, and by focusing on the creative and collaborative aspects of computer science.

Senator Joyce Woodhouse, *Nevada Legislature*

- STEM skills are important for competitiveness and innovation.
- Knowledge of computer science is critical for a broad range of occupations.
- The workforce that employers will need to be competitive in the future will require computer skills, including coding.
- Girls are underrepresented in computer science courses.

Respectfully submitted,

Hon. Michael L. MacDonald
Senator, Co-Chair
Canada–United States
Inter-Parliamentary Group

Hon. Wayne Easter, P.C., M.P.
Co-Chair
Canada–United States
Inter-Parliamentary Group

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Legislative Summit of the National Conference of State Legislatures(NCSL)
DESTINATION	Los Angeles, California, United States of America
DATES	29 July– 2 August 2018
DELEGATION	
SENATE	The Hon. Michael L. MacDonald The Hon. Diane Griffin
HOUSE OF COMMONS	The Hon. Wayne Easter, P.C., M.P. Mr. John Brassard, M.P. Mr. Brian Masse, M.P.
STAFF	Ms. Miriam Burke, Executive Secretary Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$ 11,913.90
ACCOMMODATION	\$ 0.00
PER DIEMS	\$ 600.93
MISCELLANEOUS	\$ 3,711.00
TOTAL	\$ 16,225.83