

Canada – United States
Inter-Parliamentary Group
Canadian Section



Groupe interparlementaire
Canada – États-Unis
Section canadienne

Report of the Canada–United States Inter-Parliamentary Group

**Council of State Governments East's 62nd Annual Meeting
and Regional Policy Forum**

Toronto, Ontario

From August 20 to 23, 2023

REPORT

DELEGATION MEMBERS AND STAFF

From 20–23 August 2023, Senator Jane Cordy, Senator Tony Loffreda, the Hon. Lena Metlege Diab, M.P., Mr. Matt Jeneroux, M.P. and the Hon. David McGuinty, M.P. attended the Council of State Governments (CSG) East’s 62nd Annual Meeting and Regional Policy Forum. The delegation was accompanied by Céline Éthier, Secretary, and Marie Dumont, Advisor, to the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG).

THE OBJECTIVES OF THE CANADA–UNITED STATES INTER-PARLIAMENTARY GROUP

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 U.S. federal counterparts, and also attend meetings of state governors and legislators. In attending CSG East’s Annual Meeting, members of the Canadian Section engaged with U.S. state senators and representatives, as well as provincial counterparts.

THE EVENT

With the theme of “See the Other Side,” the CSG East’s 62nd Annual Meeting and Regional Policy Forum included sessions about energy and the environment, agriculture, border issues, artificial intelligence, military and veterans’ affairs, diversity, equity and inclusion, healthcare and Canada–U.S. relations.

This report summarizes key plenary and concurrent discussions from the meeting.

ENERGY AND ENVIRONMENT POLICY COMMITTEE: TOSSED ABOUT EN ROUTE TO NET ZERO, EH?

Dave Sawyer, Principal Economist, Canadian Climate Institute

- In Canada, there are 28 important federal policies that address climate change, including carbon pricing, ethanol mandates, clean fuel standards and other regulations. This patchwork system of policies can be “messy,” because there are gaps and exemptions. For example, not all policies apply to the same types of emissions, and not all emissions have the same costs. As well, policies can lack transparency about key design choices and outcomes.
- The carbon tax is one of the most politically charged policies in Canada, because its costs are visible and transparent. In contrast, the costs required to implement regulations to address emissions are not visible.

- Once carbon pricing is fully implemented, it can be used as a mechanism to continue reducing emissions by increasing the costs. This can be a more effective way to reduce emissions than implementing a different, parallel policy to further reduce emissions.

STRATEGIES FOR PROMOTING BENEFICIAL ELECTRIFICATION IN BUILDINGS

Keishaa Austin, Head of Community, Rewiring America

- To achieve carbon emissions reduction targets, more than 1 billion machines in the United States need to be replaced or installed by 2050. Many of those machines are within households, meaning that individual citizens will need to change their machines.
- The Inflation Reduction Act will help to increase electrification in the United States. Throughout the country, the average household can access up to US\$10,600 in federal incentives to switch to electric machines, including electric heat pumps or induction stoves.
- While encouraging electrification, states should work with local organizations that can educate, recruit and engage members of the community to drive down costs and increase the adoption of electric machines.

Luis Aguirre-Torres, Director of Financial Planning, Analysis and Financing Solutions, New York State Energy Research and Development Authority

- The state of New York has made a commitment to achieve an 85% reduction in emissions below 1990 levels by 2050. Achieving this reduction will not be cheap, and cannot only be paid for by the state government.
- The Inflation Reduction Act is the “Idea of the Century,” but, it is complicated because funding is distributed over many programs.
- The energy transition needs to engage with minority and vulnerable groups, and should expand access to affordable energy.

Assemblymember Didi Barrett, State Government of New York

- New York has a law that bans fossil fuel combustion for heating and cooking in most new building that are under seven stories beginning in 2026, with larger buildings banned from such combustion by 2029.
- While the law to ban fossil fuel combustion in most buildings will encourage electrification, there remain several challenges to its implementation, including ensuring that the electric grid can handle an increase in usage, and the high upfront costs.

Keith Burrows, Director, Low Carbon Buildings, the Atmospheric Fund

- The Atmospheric Fund has a program called the Retrofit Accelerator, which offers free services to help with residential building retrofits.

- By implementing different technologies such as heat pumps and electric appliances, buildings can significantly reduce their emissions.

Senator Anne Watson, Vermont Senate

- The State of Vermont has enacted the Affordable Heat Act, which has the goal of reducing the carbon emissions from buildings.
- Reducing the carbon emissions of buildings is a slow process because buildings, and their heating systems, remain in place for very long periods.

ARTIFICIAL INTELLIGENCE TECHNOLOGY AND EMERGING LEGISLATION

Tony Gaffney, President and CEO, Vector Institute for Artificial Intelligence

- With the release of ChatGPT, there has been an acceleration in the development of new artificial intelligence (AI) tools. To manage these tools, guardrails need to be put in place.
- AI has an impact on the economy because it can derive productivity benefits throughout many sectors of society. At present, there are relatively benign implications of AI on the workforce. However, when AI is capable of completing cognitive tasks, there could be adverse consequences such as a collapse in wages.

Professor Anton Korinek, Economics of AI Lead, Centre for the Governance of AI

- AI requires guardrails through legislation and human supervision to function effectively.
- State governments should build expertise in AI, and should work with local and federal governments to determine how to effectively regulate this technology. Vermont has set up an Artificial Intelligence Task Force to investigate the technology and make recommendations.
- There are many biases in AI that policy-makers should be aware of, but also AI is being used to detect bias. For example, AI can detect patterns of discrimination within data.

THE FARM BILLS – A LOOK AT CANADA AND THE UNITED STATES

Josh Tonsager, Alex Noffsinger, and Allie Lock, Staff Members for U.S. Senator Debbie Stabenow, Chair, U.S. Senate Agricultural Committee

- The U.S. Farm Bill receives bipartisan support. It includes elements related to employment, international development and food security.
- One of the most expensive elements of the Farm bill is the Supplemental Nutrition Assistance Program (SNAP) benefit which provides funding for nutrition assistance. While the overall cost of the SNAP has grown, it is a program that mitigates malnutrition in the context of poverty.

Tom Rosser, Senior Assistant Deputy Minister, Agriculture and Agri-Food Canada

- Similarities between Canada's Sustainable Canadian Agricultural Partnership framework and the U.S. Farm Bill are that regulations are based on science, and there is a shared jurisdiction between the federal government and provinces or states.
- A significant difference between the approaches in Canada and the U.S. is the importance of SNAP in the U.S. Farm Bill compared to Canada's approach, which traditionally has not involved the federal government in school food programs.
- Canada has several active negotiations for free trade agreements, which generally receive multiparty support.
- Bees experience many threats, including weather and invasive species. In Canada, there have been massive bee deaths over the winters. Cooperation between Canada and the U.S. on the health of bees is imperative.
- The agricultural industry includes a significant amount of foreign labour. While many workers arrive to Canada as temporary foreign workers, there are examples of workers coming to Canada as permanent residents.

ORGANIZATION AND FINANCING OF HEALTHCARE IN THE U.S. AND CANADA: SIMILAR PROBLEMS, DIFFERENT APPROACHES

Shirley Girouard, CSG East Health Policy Consultant; Co-Director, Geriatric Workforce Program, SUNY Downstate

- Healthcare costs are going to increase by 8% in the U.S. and 5% in Canada from the previous year by the end of 2023.
- The U.S. healthcare system is different between all states. While the U.S. federal government has a role in health funding and policy, the states have a more significant role and have been innovators in developing health policy.

Jeffrey Novak, Acting Financial Accountability Officer of Ontario

- In Canada, approximately 70% of healthcare services are publicly funded. Privately funded healthcare services include prescription drugs, eye care and dental care.
- In Ontario, 41% of government spending is on healthcare, the amount of which will grow by 5% per year, in part due to an aging population.
- By 2028, there will be a shortfall of 33,000 nurses and personal support workers in Ontario. One reason for this shortfall could be restrained wages in the public sector, with nurses' salaries capped.

Senator Gustavo Rivera, New York State Government, CSG East Health Committee Chair

- The U.S. healthcare system has innovation that makes it the best in the world, but it is accessible only to those with enough money.
- Insurance companies are in the business of denying healthcare. Despite the U.S. spending the most money per capita on healthcare globally, this spending has not led to the best health outcomes.
- The U.S.'s current multi-payer insurance system has proven to be more costly than a single-payer system. By having a single payer medical insurance system, the risks are distributed among all users, making healthcare more affordable for all. Likewise, a single-payer system for pharmaceuticals would be better able to negotiate cheaper drug prices and purchase pharmaceuticals in bulk.

THE COSTS OF THE NORTH AMERICAN AFFORDABLE HOUSING CRISIS

Tim Aubry, Professor, University of Ottawa, and Co-Chair, Canadian Housing First Network

- Homelessness and overcrowded shelters are an outcome of a broken housing system.
- There are four strategies that have helped countries like Norway and Finland reduce the amount of homelessness: legislation, including the right to housing policies; prevention; rapid rehousing; and housing first strategies, which prioritize providing homes to those who need them.

Ryan Fecteau, Senior Advisor, Community and Strategic Initiatives, Governor's Office of Policy Innovation and the Future, Maine

- In Maine, housing prices have increased by 13% and supply is not keeping up with demand.
- Maine is a coastal state and should plan for climate-related disasters that will affect the state's housing availability.
- Globally, the frequency of climate or weather-related disasters that cost more than \$1 billion to respond to is approximately one event every 18 days. We can anticipate that this frequency to continue to increase.

Jesse Helmer, Senior Research Associate, Smart Prosperity Institute

- City planners should avoid repeating the past mistake of building large and expensive homes on large plots of land. Instead, the priority should be to build homes that are close to public transit and public amenities.
- People have become obsessed with property values, at the expense of focusing on housing for what it does.
- Housing in North America is generally built by the private sector. The private sector cannot be forced to build housing when construction costs are high. Through countercyclical government investments when labour and materials are overpriced, the government can encourage an increase in construction.

- There are many examples where addressing homelessness has been successful. Policy-makers should look closely at those examples to scale, amplify and multiply the idea, rather than finding new, and untested, ideas to address this serious problem.

CANADA–UNITED STATES RELATIONS

Assemblymember Billy Jones, New York, Co-Chair, CSG East Canada–U.S. Relations Committee

- The newly formed New York–Canada Task Force will raise awareness about the importance of New York’s relationship with Canada.
- We need to rethink the concept of “Buy America,” and “Buy New York” to include Canada. The concept of “Buy North America” will benefit more people, including Americans.
- Canadian legislators need to inform U.S. legislators about the beneficial relationship between Canada and the U.S.

Hon. Susan Crystal, Consul General, U.S. Consulate General in Toronto

- About 10,000 U.S. passports were issued in Toronto through the U.S. Consulate General last year.
- The U.S. is aiming to promote its educational institutions to Canadians, including through the Fulbright scholarship and exchange programs with first-generation Canadians and Indigenous people in Canada.

Respectfully submitted,

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

Hon. John McKay, P.C., M.P.
Co-Chair
Canada-United States Inter-
Parliamentary Group

Travel Costs

ASSOCIATION	Canada-United States Inter-Parliamentary Group
ACTIVITY	Council of State Governments East's 62 nd Annual Meeting and Regional Policy Forum
DESTINATION	Toronto, Ontario
DATES	From August 20 to 23, 2023
DELEGATION	
SENATE	Hon. Jane Cordy Hon. Tony Loffreda
HOUSE OF COMMONS	Hon. David McGuinty Mr. Matt Jeneroux Ms. Lena Metlege
STAFF	Ms. Céline Ethier Ms. Marie Dumont
TRANSPORTATION	\$6,425.42
ACCOMMODATION	\$5,003.20
HOSPITALITY	\$0.00
PER DIEMS	\$1,111.96
OFFICIAL GIFTS	\$0.00
MISCELLANEOUS	\$3,795.35
TOTAL	\$16,335.93