

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 56th Annual Meeting and
Regional Policy Forum of the Council of State Governments'
Eastern Regional Conference (ERC)**

Canada–United States Inter-Parliamentary Group

**Quebec City, Quebec
7–10 August 2016**

Report

DELEGATION MEMBERS AND STAFF

From 7–10 August 2016, Senator Paul Massicotte, Vice-Chair led a delegation from the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG) to the 2016 Annual Meeting and Regional Policy Forum of the Council of State Governments' Eastern Regional Conference (ERC) in Quebec City, Quebec. The other delegates were Senator Bob Runciman, the Honourable Candice Bergen, P.C., M.P., the Honourable Denis Paradis, P.C., M.P. and Mr. Pierre-Luc Dusseault, M.P. The delegation was accompanied by Ms. Miriam Burke, the Canadian Section's Executive Secretary, and Mr. James Lee, Advisor to the Canadian Section.

THE EVENT

The ERC is a regional association of legislators from 11 U.S. states and five Canadian provinces; Puerto Rico and the U.S. Virgin Islands are also members (see the Appendix). By facilitating cooperation among its member jurisdictions, the ERC promotes multi-state or region-wide solutions to the problems and challenges facing the United States' eastern states and Canada's eastern provinces. Each year, the ERC holds an annual meeting and regional policy forum.

The ERC's 56th annual meeting and regional policy forum had the theme of "Global Challenges, Regional Solutions."

DELEGATION OBJECTIVES FOR THE EVENT

The IPG aims to find points of convergence in respective national policies, to initiate dialogue on points of divergence, to encourage the exchange of information and to promote better understanding among legislators on shared issues of concern.

Members of the IPG's Canadian Section meet regularly with their federal counterparts and, in recent years, have attended regional and national meetings of governors and state legislators. At these events, Canadian delegates engage in conversations that help the Canadian Section to achieve its objectives, and explain the nature and scope of the Canada–U.S. relationship.

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

Members of the Canadian Section found the ERC's 2016 annual meeting and regional policy forum to be a valuable occasion during which to discuss the opportunities for Canada, especially its eastern provinces, and the eastern U.S. states to collaborate in a number of areas. Furthermore, they benefited from presentations on a variety of issues, including Canada–U.S. relations and border issues, the political outlook in the United States and climate change.

ACTIVITIES DURING THE EVENT

The ERC's 2016 annual meeting and regional policy forum included plenary and concurrent sessions with the following titles:

- The North American Opportunity: An Island of Calm in an Unsettled Global Economy
- Political Outlook 2016 – What's Next?
- Crumbling Communities: Tackling the Impact of Blight and Aging Infrastructure in CSG's Eastern Region
- Comparison of U.S. and Canadian Dairy Industries, Practices and Policies
- Equal Access
- Climate Change: The Changing Arctic Ecosystem, the Paris Agreement and Subnational Policies
- A Regional Partnership for Shared Prosperity
- Building a Better Border and Expansion of Passenger and Freight Preclearance: Are We Making Progress?
- Catalyzing the Clean Energy Economy
- Moving Beyond No Child Left Behind: The *Every Student Succeeds Act*.

This report summarizes selected plenary and concurrent discussions that occurred at the ERC's 2016 annual meeting and regional policy forum.

BUILDING A BETTER BORDER AND EXPANSION OF PASSENGERS AND FREIGHT PRECLEARANCE: ARE WE MAKING PROGRESS?

Chris Sands, *Johns Hopkins University*

- President Barack Obama has had a thoughtful and forward-looking approach to Canada–U.S. and North American issues, which is not what many had expected.
- Unlike President George W. Bush, who wanted a single strategy to apply to both the United States' northern and its southern borders, President Obama favoured a separate strategy for each border.
- Progress has been made with the Beyond the Border Working Group, and the North American Leaders Summit.
- The current U.S. presidential campaign means a protectionist year in the United States; while both presidential candidates appear to oppose the *North American*

Free Trade Agreement (NAFTA), President Obama also did so as a candidate; nevertheless, as president, he continued with NAFTA.

Serge St.-Laurent, *Aéroport de Québec Inc.*

- The need for a preclearance facility at Quebec City's Jean Lesage International Airport was first discussed in 2001, and a letter of intention was sent to the U.S. government in 2014.
- In March 2016, President Obama and Prime Minister Justin Trudeau made an announcement about a pre-clearance agreement; the desire to expand pre-clearance operations to a number of Canadian airports, including Quebec City's Jean Lesage International Airport, was part of that announcement.

Minister Jean-Thomas Bilodeau-Fortin, *Government of Quebec*

- Discussions about emergency management cooperation in the eastern region of Canada and the United States began about 1987; following the ice storm in 1998, an International Emergency Management Assistance Memorandum of Understanding was signed in 2000.
- Agreements that deal with large events are not sufficiently nimble to deal with all of the day-to-day assistance that is needed, such as with firefighters.

Speaker Dave Levac, *Legislative Assembly of Ontario*

- The federal government is responsible for shared border issues, and discusses these issues with the provinces in a cooperative manner.
- Following the terrorist attacks of 11 September 2001, some Americans thought that the terrorists entered the United States from Canada.
- With the creation of the U.S. Department of Homeland Security, the United States' borders "tightened," with a focus on protecting borders rather than facilitating trade at them.
- Ease of cross-border trade is very important to the economies of Canada and the United States.

THE NORTH AMERICAN OPPORTUNITY: AN ISLAND OF CALM IN AN UNSETTLED GLOBAL ECONOMY

Daniel Altman, *New York University*

- Recent developments in the global economy include a slow recovery in the United States, fiscal and economic crises in the European Union (EU), an economic slowdown in China, continued economic weakness in Japan, and political and economic crises in Brazil and Russia.

- North America has had relatively strong economic growth in recent years; Canada and Mexico have also done well in terms of foreign direct investment as a share of gross domestic product.
- In the medium term, there is likely to be moderate steady growth throughout the NAFTA region, continued difficulties in the EU, debt-related adjustments and potential reforms in China, and slightly higher economic growth in Japan.
- Recurring issues in North America include relatively low Canada–Mexico trade, disputes at the World Trade Organization, immigration challenges in the United States, and terrorism and drug problems.
- There is an opportunity to “make trade work” for everyone.
- “Winners” from trade include business owners and workers at companies that import inputs, business owners and workers at companies that export, consumers who import and taxpayers as a whole.
- “Losers” from trade include business owners and workers at companies that lose business and taxpayers in areas that are disproportionately affected.

POLITICAL OUTLOOK 2016: WHAT’S NEXT?

Charlie Cook, *Political Analyst and Publisher of the Cook Report*

- As people watch the current presidential race in the United States, there is a natural temptation to look for polls that reinforce existing perceptions.
- While personality is important, some “bigger things” are “going on” in American politics, such as alienation.
- Over time, the Democratic Party and the Republican Party have become more ideological.
- In the United States, some older people have lost their jobs and cannot be retrained, and some sectors have disappeared.
- Society is changing; some see it changing too fast, while others see it not changing fast enough.
- Some conservatives feel betrayed because, in 2010, Republican leaders promised to repeal President Obama’s agenda if the Republicans had the majority of seats in both the Senate and the House of Representatives; the leaders did not follow through on their promise.

CRUMBLING COMMUNITIES: TACKLING THE IMPACT OF BLIGHT AND AGING INFRASTRUCTURE IN THE COUNCIL OF STATE GOVERNMENTS’ EASTERN REGION

Alan Mallach, *Center for Community Progress*

- Communities have significant challenges when they have aging infrastructure and blight – vacant buildings and lots, substandard and deteriorating but occupied buildings, visual disorder and deteriorating infrastructure – but limited financial and technical resources.
- Blight is a condition that flows from multiple factors, and is visible in many different ways; it is a physical and – thereby – visible expression of social and economic problems.
- Blight has a number of effects; for example, abandoned properties undermine neighbourhoods, “problematic” rental properties pose health and safety hazards, infrastructure that has visibly deteriorated diminishes the quality of life, and all of these and other effects reduce municipal revenues and increase costs for municipalities.
- Dealing with blight requires legal powers and tools, capacity and leadership.
- Legal powers and tools available to local governments may include the ability to: require registration of vacant properties; use receivership to gain control of vacant or neglected properties; and require that rental properties have a licence.
- “Capacity” includes technical capacity, management systems, interagency coordination and information systems.
- Leadership is important, including by mayors, civic and neighbourhood organizations, and business partners.
- It is important to have a strategy for addressing blight and aging infrastructure, and to make it a political and civic priority.
- While local governments may not be able to eliminate blight, it can be reduced with effective strategies and resources, leading to positive consequences for quality of life and economic growth; state governments are essential partners in these efforts.

HEALTH

Dan Ollendorf, *Institute for Clinical and Economic Review*

- Health care costs are rising, and these increases are affecting other public spending priorities.
- The prices of new, high-impact drugs may be disconnected from perceptions of value.

- In the United States, drug prices are set by drug companies, and negotiations about prices may then occur; in Canada, drug companies negotiate prices with the provinces before drugs are released.

David Seltz, *Massachusetts Health Policy Commission*

- According to the State of Massachusetts, access to health care is a human right.
- Growth in health care costs is having a “crowding out effect” on state budgets, and is affecting the private sector and families.
- The goal is better health, and better health care, at lower cost.

Sara Sadownik, *Massachusetts Health Policy Commission*

- Drug costs represent about 10% of total U.S. health care spending, and about 20% of employer spending.
- The introduction of new drugs is a major driver of growth in health care spending; factors affecting that growth include spending on new branded drugs, a low rate of patent expirations and spending on generic drugs.

Mélanie Bourassa Forcier, *University of Sherbrooke*

- Canada has a universal public health care system where all “medically required” health care services provided within a hospital or at a clinic are “covered,” and all “medically required” drugs given at a hospital are “covered.”
- Biologic drugs play a major role in spending on drugs.
- According to a recent study, drug innovation contributes to reduced health care expenditures.

CLIMATE CHANGE: THE CHANGING ARCTIC ECOSYSTEM, THE PARIS AGREEMENT AND SUBNATIONAL POLICIES

Honourable Bruce A. Heyman, *U.S. Ambassador to Canada*

- The Paris Agreement on climate change was historic.
- Prime Minister Trudeau and President Obama have established a goal of transitioning to clean energy.
- Climate change, the environment and energy were discussed at the June 2016 North American Leaders Summit.

Minister David Heurtel, *Government of Quebec*

- Climate change is the moral imperative of our time and the most important challenge for our generation.
- Climate change does not recognize borders.
- The most ambitious climate-related targets are at the Canadian provincial and U.S. state levels.

Jean Lemire, *Filmmaker and Biologist*

- In the Arctic, ice is the basis of the chain of life; the algae that forms under it feeds animals, which in turn are the basis of Inuit life.
- When compared to 2002, the Arctic now has much less ice, and the ice that is there is younger and weaker, which has a negative impact on polar bears.
- The Arctic plays a key role in global climate change; protection, conservation and adaptation will be required.
- Canada and the United States must be leaders in climate change, and the Paris Agreement must be a success.

Louis Fortier, *Laval University*

- The Arctic is warming at a rate that is faster than in any other region of the world; the consequences of this warming will include an absence of sea ice and melting glaciers on land.
- The thawing of the Arctic will have multiple impacts, including on Canada's 55,000 Inuit.
- Reaching the Paris Agreement goal of limiting the rise in global temperature to 2 degrees Celsius above pre-industrial levels -- with the goal of limiting the rise to 1.5 degrees -- is possible, but it will be socially and politically difficult to achieve.

Mark Alan Hughes, *University of Pennsylvania*

- For subnational and local government leaders, the issue is not whether climate and other goals can be reached, but rather whether they should be reached.
- The Paris Agreement's goals are too weak; however, once progress is made, commitments and goals may rise.
- An estimated 50% of the national pledges in the Paris Agreement require subnational action; an important consideration is the extent to which cities, regions, states and provinces have the capacity to implement those national pledges.

- At least 35 U.S. cities and 16 U.S. states have adopted the target of reducing greenhouse gas emissions by at least 80% by 2050; however, while 100% of climate change mitigation costs are borne by local and subnational jurisdictions, nearly all of the benefits occur outside the borders of cities and states.
- Adaptation should consider people, rather than places.

A REGIONAL PARTNERSHIP FOR SHARED PROSPERITY

Premier Philippe Couillard, *Government of Quebec*

- Canada is a friend, ally and business partner of the United States.
- In these challenging times, people worry about security, but also about jobs; policies should not block the rapid transit of people and goods.
- Energy is the cornerstone of any society; a transition to a more sustainable, low-carbon economy will lead to innovation.

Governor Paul LePage, *State of Maine*

- Although the United States and Canada are neighbours, the two countries do not do enough work together.
- As a region, the northeastern part of North America has high energy costs; these costs must be reduced.

MANAGING THE CANADA–U.S. RELATIONSHIP

Laura Dawson, *Woodrow Wilson Center*

- While there are very few Canada–U.S. disputes, there is a lot of misunderstanding, particularly at the federal level; relations between states and provinces are relatively stronger.
- While leaders do not define the Canada–U.S. relationship, they are important, and the relationship between President Obama and Prime Minister Harper was poor.
- While Canada is cooperative and helpful to the United States, it is not a foreign policy priority for that country; ironically, there is no other foreign government that is as important for the United States' domestic policy as Canada.
- What happens at the federal level in Canada and the United States is important, but it is not determinant; most of the bilateral relationship takes places at the subnational level.
- Regarding security, Canada and the United States will continue to work together against the Islamic State; the priority will be the interoperability of the two

countries' military forces, and the sharing of information so that both know who is crossing the shared borders.

- Canada's refugee policy is large and inclusive; all Syrians coming to Canada are fully checked against U.S. watch lists, etc.
- Regarding trade, both U.S. presidential candidates are critical of trade agreements; Canada needs to focus its efforts on the diversification of markets, including in Asia.
- Regulatory cooperation between Canada and the United States is continuing, including to align inspections and other processes; at this time, such cooperation occurs only at the federal level, but the states and provinces could focus on regulatory cooperation as well.

Frédéric Gagnon, *University of Quebec at Montreal*

- In the United States, power is much more decentralized than is the case in Canada.
- If Hillary Clinton wins the presidency, there will be continuity with the policies of the Obama administration, except perhaps with respect to trade.
- If Donald Trump wins the presidency, it is difficult to determine the extent to which his comments are simply campaign rhetoric that would not result in action.

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

Appendix

MEMBER U.S. STATES OF THE EASTERN REGIONAL CONFERENCE

Connecticut	New Jersey
Delaware	New York
Maine	Pennsylvania
Maryland	Rhode Island
Massachusetts	Vermont
New Hampshire	

Puerto Rico and the U.S. Virgin Islands are also members.

MEMBER CANADIAN PROVINCES OF THE EASTERN REGIONAL CONFERENCE

New Brunswick	Prince Edward Island
Nova Scotia	Quebec
Ontario	

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Ontario	

Travel Costs

ASSOCIATION	Canada–United States Inter-Parliamentary Group
ACTIVITY	56 th Annual Meeting and Regional Policy Forum of the Council of State Governments' Eastern Regional Conference (ERC)
DESTINATION	Quebec City, Quebec, Canada
DATES	7–10 August 2016
DELEGATION	
SENATE	The Hon. Paul J. Massicotte The Hon. Bob Runciman
HOUSE OF COMMONS	The Hon. Denis Paradis, P.C., M.P. The Hon. Candice Bergen, P.C., M.P. Mr. Pierre-Luc Dusseault, M.P.
STAFF	Ms. Miriam Burke, Executive Secretary Mr. James Lee, Analyst
TRANSPORTATION	\$ 3,085.29
ACCOMMODATION	\$ 3,999.54
PER DIEMS	\$ 827.11
MISCELLANEOUS / REGISTRATION FEES	\$ 3,131.98
TOTAL	\$ 11,043.92