

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

Canada-United States Inter-Parliamentary Group

**Chicago, Illinois, United States of America
8–11 August 2016**

Report

DELEGATION MEMBERS AND STAFF

From 8–11 August 2016, Senator Michael L. MacDonald and Mr. Brian Masse, M.P., Vice-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 Chicago, Illinois. The delegation also included Senator Jim Munson, Mr. Kerry Diotte, M.P. and Mr. Colin Fraser, M.P., and was accompanied by 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 the following nine standing committees on which legislators participate:

- 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 eight NCSL task forces:

- Agriculture
- Cybersecurity
- Energy Supply
- Immigration
- Innovations in State Health Systems
- International Relations
- Military and Veterans Affairs
- State and Local Taxation.

ACTIVITIES AND DELEGATION OBJECTIVES AT THE EVENT

At the NCSL's 2016 legislative summit, presentations were made on a variety of subjects, many of which have relevance for Canada, and 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 topics that include the following: agriculture; budgets; criminal justice; economic development; education; elections; 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 important means 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, members of the Canadian Section participated in some of the International Program's activities. This year, representatives from more than 20 countries/regions were involved in this program.

This report summarizes the discussions that occurred at selected sessions.

WEATHERING THE STORM: RISK, VULNERABILITY AND THE ELECTRIC GRID

Devon Streit, U.S. Department of Energy

- It is important to enhance emergency preparedness, response and recovery.
- Because responding to an emergency involves many people and entities, it is important to develop partnerships, and to work collaboratively to minimize risks and threats.
- Drones can be useful in helping to assess storm-related damage.
- Emergency response exercises are critically important in helping to assess the response by various individuals and entities, and identify ways in which to improve collaborative efforts and prepare better for disasters.
- There has been an increase in the number of malicious cyberattacks, which could have negative implications for the electric grid.

Duane Highley, Arkansas Electric Cooperative Corp.

- Critical infrastructure must be protected against malicious cyberattacks, and mandatory protection standards should exist.
- Electric utilities are relatively well-prepared for cyberattacks and natural disasters, with around-the-clock monitoring for threats and attacks.
- The United States is on the "front line" of international cyberattacks.

- Vulnerabilities include equipment failure, cyberattacks, physical attacks and natural disasters.
- Redundancy should be built into the electric grid, with “backups to the backups.”
- The United States has had an integrated electric grid since the 1950s, and systems would continue to work if the Internet were to be unavailable.
- Built-in redundancy, the existence of partnerships, routine threat exercises and mandatory standards help to ensure the reliability of the electric grid.

Ted Koppel, *Journalist and Author*

- To date, relatively little attention has been paid to the possibility of a cyberattack on a U.S. power grid.
- Despite its benefits, the Internet has become a “weapon of mass destruction.”
- When the Internet was designed, no one thought that anyone would ever attack it; the Internet is vulnerable because total defence is not possible.
- If attacks cannot be stopped, then it is important to be prepared for the consequences of one or more of the United States’ power grids becoming inoperative; because the United States is in danger, it is past time to begin formulating a plan.
- It is difficult to respond to an attack unless the source is known with certainty; 100% certainty is a very high standard.
- Russia attacked Ukraine’s power system, but the system was back online quickly because it is run manually and does not depend on the Internet; China is also a source of attacks.
- There are two types of people and organizations: those that have been hacked; and those that do not yet know that they have been hacked.
- Regarding the conflict between privacy rights and the gathering of intelligence, the latter should prevail.

BLOCKCHAIN – THE NEXT BIG THING AFTER THE INTERNET

Jerry Cuomo, *IBM*

- The blockchain technology is a business network in which transactions of digital assets occur through a ledger; the business network connects participants across geographical and regulatory boundaries, and the ledger is a system for recording transactions.
- The blockchain technology will have positive impacts on the world.
- The blockchain technology underpins bitcoin; while bitcoin pioneered this technology, this technology is not bitcoin.
- Cryptocurrencies are probably just one of 10,000 applications of the blockchain technology.

- Some ways in which the blockchain technology could be used include the following:
 - You can see all of the places that your food has travelled from the farm to your table.
 - The title and registration for your new vehicle can be texted to your phone before you leave the auto dealership.
 - You can be absolutely certain that your vote was counted.
 - Your digital identity no longer needs to be represented by a userid and password.
- As evidenced by fraud, identity theft, data breaches, etc., the current methods for managing personal and proprietary information are inadequate.
- The blockchain technology enables the creation of trusted networks where personal information is safe, secure and accessible only to those who are authorized to access it.
- Compared to current systems, which are inefficient, costly and vulnerable, blockchain systems are speedy, secure and less costly.
- Using the blockchain technology saves time because transactions are instantaneous, reduces costs because it eliminates intermediaries, increases trust because it involves shared processes and recordkeeping, and lowers risk because of an “audit trail” and an inability to tamper with the ledger.
- The “key players” regarding adoption of the blockchain technology are regulators, industry groups and “market makers.”

THE ECONOMY – TOP 5 THINGS YOU NEED TO KNOW

Ron Insana, *CNBC*

- In October 1987, the “Wall Street panic” did not become a “Main Street problem.”
- In 1991, the United States’ recession was short and “shallow.”
- In the United States’ recent “Great Recession,” which the U.S. Federal Reserve was able to prevent from becoming a depression, unconventional monetary policy and other relatively unused policy tools were employed.
- In the 1930s, it took 25 years for the United States’ stock market to recover; in 2008, it took between two and three years.
- Economically, the United States has outpaced and outperformed the rest of the world.
- The United States can become increasingly self-sufficient in energy, manufacturing, etc.
- Going forward, the United States’ political environment may be the largest single risk; to support economic growth, progress is needed regarding immigration, education and training, entitlement reform, infrastructure and tax reform.

- U.S. workers who are older should be paired with workers who are younger so that knowledge and experience can be paired with energy.
- American infrastructure should be reimagined so that it is appropriate for the 22nd century.
- The United States' economy is resilient and – as has always been the case – will deal with challenges as they arise.
- In the future, coding is expected to be the most important skill.
- Japan is continuously in and out of a recession, Australia and Canada are teetering on the brink of a recession, and Brazil and India have – and always will have – great potential.
- Japan and China are being “held back” by demographic challenges.

FOOD AND FARM

Marcy Grossman, *Government of Canada*

- Canada–U.S. trade in agricultural and agri-food products has more than tripled since implementation of the *North American Free Trade Agreement*.
- Canada and the United States are a part of integrated agricultural and other supply chains, including integrated food supply chains.
- Canada is committed to trade with the United States; the two countries have a mutually advantageous and highly integrated relationship, and agricultural and agri-food products are a significant aspect of that trade.
- “Buy American” provisions in U.S. legislation harm Canada even when Canada is not the target of the provisions.
- About 80% of Canadian communities exist along the border that Canada shares with the United States.

TEACHER SHORTAGES: CRISIS OR OPPORTUNITY

Ellen Behrstock-Sherratt, *American Institutes for Research*

- The issue of teacher shortages in the United States is not discussed in a coherent manner.
- Teacher shortages exist in selected areas at this time, including in poor regions, in rural regions, in the topics of science, technology, engineering and mathematics, etc.
- There is a lack of consensus and a lack of clarity about appropriate teacher vacancy measures.
- Recognizing that labour markets are imperfect, there is a lack of real goals or targets regarding an “appropriate” teacher attrition rate.
- Perceptions vary about the extent to which teacher shortages in the United States are a widespread problem, or limited to certain geographical and topic areas.

- Data and political will are needed to identify solutions and policy interventions in relation to teacher shortages.
- With a lack of data about the nature and scope of teacher shortages, it is difficult to identify solutions.

Representative Jacqueline Sly, *South Dakota Legislature*

- A range of factors contribute to school funding and “teacher pipeline” issues.
- Because various geographical regions in the United States have different circumstances and needs in relation to teachers, a “menu of options for a solution” is needed.
- Often, teachers leave their profession after a limited number of years in the classroom.
- It can be difficult to attract and retain teachers in rural and remote regions.

PRESCRIPTION DRUGS AND COSTS: CHALLENGES AND OPPORTUNITIES

Chuck Shih, *The Pew Charitable Trusts*

- Regarding health care, there is an intensifying need to demonstrate value.
- There are cost concerns throughout the U.S. health care system, including in relation to prescription drugs, hospital stays and medical devices.
- The cost of prescription drugs is rising more rapidly than the cost of health care overall; new drugs and new biologics are significant “drivers” of spending growth, and there are increased expenditures on specialty drugs.
- Most Americans believe that prescription drug costs are unreasonable and that prices are higher in the United States than they are in other countries.
- In the United States, health care payment and delivery options are evolving rapidly.
- Innovative therapies are saving lives and allowing people to live longer.
- Medical decision making is changing, with increased involvement of patients.
- Health care incentives must be properly aligned.
- Proposals to address high prescription drug costs include the following:
 - Allow the U.S. Department of Health and Human Services to negotiate prescription drug prices.
 - Increase competition in relation to generic and biosimilar drugs.
 - Ensure greater transparency regarding prescription drug costs and pricing.

Richard Ascroft, *Takeda Pharmaceuticals, U.S.A., Inc.*

- In the United States, insurers often target medicines for high rates of cost-sharing and restricted access.
- Despite more insurance, rebates, co-pays and other measures, many U.S. patients are struggling to afford access to the prescription drugs that they need; on average,

patients pay out of pocket for nearly 20% of their total prescription drug costs, compared to 5% of the cost of hospital care.

- It is estimated that doubling co-pays reduces U.S. patients' adherence to prescribed medicines by between 25% and 45%, and increases emergency room visits and hospitalizations.
- At 10%, spending on retail prescription medicines is the same percentage of U.S. health care spending today as it was in 1960.
- Most health care spending in the United States is allocated to hospital care, and to physician and clinical services.
- Chronic diseases are the “true driver” of health care costs; in the United States, these diseases are responsible for 80% of health care spending because of hospitalizations, physician care and long-term care.
- Chronic diseases – including cancer, diabetes and heart disease – are the leading causes of disability and death in the United States.
- In the United States, the biopharmaceutical sector is the single largest funder of U.S. business research and development, at 21% in 2011.
- The U.S. biopharmaceutical sector supported almost 3.4 million jobs in 2011, comprised of the following:
 - 814,000 direct jobs in the innovative biopharmaceutical sector;
 - 1,022,000 indirect jobs related to vendors and suppliers; and
 - 1,528,000 induced jobs related to additional private economic activity.
- Solutions to consider in helping to address concerns about health care costs include the following:
 - Modernize the drug discovery and development process.
 - Promote value-based health care.
 - Engage and empower patients.
 - Address market distortions.

Steve Fitton, *Health Management Associates*

- U.S. health care costs are continuing to grow at a rate that exceeds the growth in state revenue and in gross domestic product.
- Over the 1980–2006 period, the “pharmacy” component of U.S. health care costs grew at an average rate of more than 10%, while drug cost increases were very modest over the 2007–2013 period; in 2014, national prescription drug spending rose by 12.2%.
- In the United States, Medicaid drug costs increased 24.3% in 2014 because of higher enrollment and spending on drugs that treat hepatitis C.
- Strategies to control U.S. drug costs include the following:

- multi-state purchasing pools;
 - lists of preferred drugs;
 - supplemental rebates from pharmaceutical manufacturers; and
 - co-payments, sometimes at a rate that varies by the value of the drug.
- High-cost specialty drugs are particularly challenging, and state Medicaid populations are often disproportionate users of new and very expensive specialty drugs.
 - Specialty drugs may be used to treat hepatitis C, cystic fibrosis and HIV/AIDS.

SMARTLABEL™ – DELIVERING TRANSPARENCY TO CONSUMERS

Deb Arcoleo, *The Hershey Company*

- Consumers are demanding information about food and other products beyond what can be put on the package; for example, they often want to know the following:
 - Was the food made in the United States?
 - Was the food exposed to nuts?
 - Was the product tested on animals?
 - Are ingredient claims, such as organic or gluten-free, accurate?
 - Were pesticides used in producing the food?
 - Does the company that is producing the food or other product adhering to the principles of corporate social responsibility?
 - Does the product contain microbeads?
- Packaging is the most common platform for communicating information about food and other products; however, space is limited, labels are already crowded, and the information on packaging can be costly and time consuming to change.
- Entrepreneurs have responded to consumers' desire for more information about food and other products with apps, but the information is not sourced from companies and manufacturers and – consequently – may not be complete, current or accurate; moreover, no single app covers all categories and issues.
- Because consumers do not want to see ingredients that they cannot pronounce or do not recognize, there is a trend toward simpler ingredients.
- SmartLabel™ was announced in December 2015; its design objectives include the following:
 - credible;
 - informative;
 - comprehensive;
 - straightforward; and

- approachable.
- SmartLabel™ has the following five tabs that are used to present information:
 - nutrition;
 - ingredients;
 - allergens;
 - other information; and
 - company/brand.

FRAUD ALERT: A NEW WAVE OF FEDERAL AND STATE TAX RETURN FRAUD

David Ransom, *McDermott Will & Emery*

- Organized gangs and schemes are leading to the theft of tax returns and identities.
- Collaboration among the federal and state governments, as well as the private sector, is needed to detect and prevent stolen-identity tax refund fraud.
- There is a need to authenticate that a taxpayer really is who he/she says he/she is.
- Challenges in combatting stolen-identity refund fraud include the following:
 - ensuring adequate funding for the U.S. Internal Revenue Service to address the issue;
 - ensuring that the U.S. Congress funds an information sharing and analysis centre; and
 - addressing such other issues as legal barriers designed to protect taxpayer privacy.

INTERNATIONAL TRADE

Ed Gresser, *Office of the U.S. Trade Representative*

- For the next six months, the Trans-Pacific Partnership agreement is at the centre of the Obama Administration's trade agenda.
- The United States is still working through the effects of the most recent financial and economic crisis; people tend to save more and growth can be constrained unless other sources of demand are identified.
- Trade is an important tool that contributes to U.S. prosperity; on average, trade-related jobs are compensated at a rate that is 18% higher than the average.
- The United States needs to ensure that international trade obligations are respected.
- The global economy is being "opened up" through logistics and technology, and the cost of communications and of transporting goods is falling.

- With increased global competition, trade policy is part of a suite of policies that ensure competitiveness; other policy areas include infrastructure, trade adjustment assistance and rigorous enforcement of trade agreements.
- China should not be permitted to determine “the rules of the game.”

Celeste Drake, *ALF-CIO*

- The Trans-Pacific Partnership provided an opportunity to negotiate a 21st century free trade agreement; however, during five years of negotiations behind closed doors, opportunities were lost and the mistakes of prior free trade agreements were repeated.
- The Trans-Pacific Partnership agreement would put U.S. jobs at risk, including in the auto sector, and would give power to corporations that want to increase profits at the expense of employees.
- The U.S. trade adjustment assistance program is “stingy.”
- In the United States, the link between wages and productivity is “broken.”
- Regarding trade, a “race to the top,” rather than a “circle to the bottom,” is needed.

Jennifer Riccardi, *Delegation of the European Union to the United States*

- Efforts should be directed to ensuring that the benefits of trade are spread more evenly across people and communities than is currently the case.
- The conclusion of the Transatlantic Trade and Investment Partnership negotiations by the European Union and the United States, which were launched in 2013, would result in the largest combined market in the world.
- Investment is more important to the relationship between the European Union and the United States than is trade; the European Union is the United States’ largest investment partner.
- Foreign investors and domestic investors should be treated in the same manner.
- In the context of the negotiations between the European Union and the United States for the Transatlantic Trade and Investment Partnership, consideration is being given to an investment court system as an alternative to the traditional investor-state dispute-settlement model.

KIDS COUNT

Lisa Hamilton, *Annie E. Casey Foundation*

- In comparing 2014 to 2008 on four indicators of children’s economic well-being, improvements had occurred in relation to children living in households with a high housing cost burden, and teens not in school and not working; the indicators of children in poverty and children whose parents lack secure employment had worsened.
- In comparing years between 2012 and 2015 to years between 2007 and 2009 on four indicators of children’s education, improvements had occurred in relation to

fourth-grade students not proficient in reading, eighth-grade students not proficient in math and high-school students not graduating on time; the indicator of young children not in school had worsened.

- In comparing 2013 or 2014 to 2007 or 2008 on four indicators of children's health, improvements had occurred in relation to low-birthweight babies, children without health insurance, child and teen deaths per 100,000, and teens who abuse alcohol or drugs.
- In comparing years between 2010 and 2014 to years between 2006 and 2010 on four indicators of family and community, improvements had occurred in relation to children in families where the household head lacks a high school diploma and teen births per 1,000; the indicators of children in single-parent families and children living in high-poverty areas had worsened.
- According to recent child well-being rankings, the top five states are the following:
 - overall, Minnesota, Massachusetts, Iowa, New Hampshire and Connecticut;
 - from an economic well-being perspective, Wyoming, North Dakota, Minnesota, Iowa and Nebraska;
 - from an education perspective, Massachusetts, New Jersey, Connecticut, New Hampshire and Vermont;
 - from a health perspective, Minnesota, Connecticut, Iowa, Massachusetts and Washington; and
 - from a family and community perspective, New Hampshire, Utah, Vermont, Minnesota and Iowa.
- According to recent child well-being rankings, the lowest five states are the following:
 - overall, Alabama, Nevada, Louisiana, New Mexico and Mississippi;
 - from an economic well-being perspective, Alabama, California, New Mexico, Mississippi and Louisiana;
 - from an education perspective, West Virginia, Mississippi, Alabama, Nevada and New Mexico;
 - from a health perspective, Arkansas, Florida, Wyoming, Mississippi and Louisiana; and
 - from a family and community perspective, Arizona, Texas, Louisiana, New Mexico and Mississippi.

REDUCING POVERTY – A BIPARTISAN APPROACH

Ron Haskins, *The Brookings Institution*

- The major factors that influence poverty and opportunities include family, work and education.

- In the United States, trends in family composition, employment and education are “moving in the wrong direction” if the goal is to reduce poverty and increase opportunity.
- The “best bets” for reducing poverty and increasing opportunity in the United States are the following:
 - Combine work and work supports.
 - Reduce the number of unplanned pregnancies.
 - Prepare children for the skilled jobs available in their local area.
 - Ensure the availability of early childhood education.
- Education always “pays,” so more and better education is needed.
- In the United States, the most disadvantaged group in society is unmarried women.

Ronald Mincy, *Columbia University*

- The problems of low-income families cannot be solved unless “disconnected” men become “engaged.”
- Children need two parents who are employed; there is a need to connect low-income women and low-income men to employment.
- Not all non-resident fathers have child support orders and not all of the fathers who have such orders make the full amount of their child support payments.

Michael Strain, *American Enterprise Institute*

- The efficiency of the United States’ economy is hampered by a lack of economic mobility.
- If someone works hard and applies himself/herself, then he/she should be able to achieve his/her goals, regardless of birth.
- Neither liberals nor conservatives have a monopoly on the truth or what is “right.”

Senator Sally Doty, *Mississippi Senate*

- Unplanned pregnancies can lead to emotional and financial struggles.
- Those who have an unplanned pregnancy are less likely to finish school and are more likely to be incarcerated.

Senator Catherine Pugh, *Maryland Senate*

- There is a need to ensure that the United States’ education system is functioning as it should.
- Governments should provide services and opportunities, and the latter should be broadly available.
- Businesses create opportunities for income expansion.

Senator Howard Stephenson, *Utah Senate*

- All Americans are entitled to life, liberty and the pursuit of happiness.

- Governments need to protect children who are living in stressful situations.

DEMOGRAPHICS, DEMOCRACY AND THE FUTURE

Karlyn Bowman, *American Enterprise Institute*

- Increasingly, the American electorate is both diversified and unmarried.
- There is an absolute decline in the number of white Americans, and white Americans' share of the electorate is declining by two percentage points every four years.
- The United States' Hispanic population is growing, and Hispanics are often more socially conservative than are white Americans; most Hispanics favour a robust role for governments, and most voted for President Obama in 2008 and in 2012.
- In the November 2016 election, demographic forces favour Democrats and geographic forces favour Republicans.
- Older voters are more likely to vote and, when they do so, they are more likely to be conservative and to vote for Republican candidates.
- Although the number of millennial voters and of baby boomer voters is similar, the former are less likely to vote than the latter; as well, the former are more sceptical of governments, less trusting of institutions, more likely to consider themselves to be independents from a political perspective, and less likely to believe that social security benefits will be available for them when needed.
- People usually become more conservative as they age, get married and have children.
- Changing demographics in the United States are affecting American politics and culture.

Jim Johnson, *University of North Carolina*

- The “browning” of America is occurring, especially in the U.S. South; as well, America is “greying.”
- In the United States, people are eating better, engaging in more physical activity and benefitting from regenerative medicine.
- In the future, elder care – rather than child care – will be important; at present, human resource policies do not accommodate elder care requirements.
- The first American who will live to be 130 years of age has already been born.
- In the United States, the Hispanic population has a replacement rate of 2.1.
- When people are in their 20s, health care crises are acute; when they are in their 40s, people are more likely to experience chronic diseases, which are relatively more costly to treat.
- The United States is experiencing shifting marriage patterns, with more interracial marriages.

NATURAL DISASTERS – PLANNING, PREPARING AND PAYING FOR THEM

Stephanie Tennyson, *U.S. Department of Homeland Security*

- As a nation, the United States can be made more resilient.
- Natural disaster–related mitigation and resiliency should be incentivized.
- Historically, public assistance obligations have varied widely across U.S. states and disaster types.

Bryan Koon, *Florida Division of Emergency Management*

- In the United States, the number of natural disasters is rising, as is the cost of disasters.
- It is important to determine states' true ability to respond to disasters.
- If a situation is not declared a disaster, federal funding is not given and all costs are borne by the state and local taxpayers.

CYBERSECURITY SHOWDOWN – CHALLENGES AND STRATEGIES FOR STATES

Andrew Bochman, *Idaho National Laboratory*

- According to forensic analysis, the 23 December 2015 blackout in Ukraine started in spring 2015; it was caused by a cyberattack, the groundwork of which occurred without any person or any entity knowing about it.
- It is important to undertake exercises, to make mistakes, and to learn from the mistakes.

Joe Demarest, *Ernst & Young LLP*

- Efforts should be devoted to identifying actors, targets and vectors; actors can include nation states, targets can include critical infrastructure and vectors can include malware.
- In addition to external threats, threats can be internal; for example, an employee may inadvertently open a file that contains a virus.

Ashwini Jarral, *IJIS Institute*

- Technological change occurs at an amazing pace, and individuals tend to adapt more quickly than businesses.
- Increased connectedness means that risks are greater; there are more “gates” that hackers can use to enter systems.
- Cybersecurity must become a national priority.
- Regarding cyber, there is a need to share lessons learned, develop a policy, implement a risk-management framework, ensure the existence of a response plan, etc.

U.S. ECONOMIC OUTLOOK

David Oppedahl, *Federal Reserve Bank of Chicago*

- The United States' recovery from the recent recession was much slower than is typically the case, and the recovery is still ongoing; the recession was not overly long.
- As the United States was attempting to recover from the recent recession, the U.S. Federal Reserve's main policy tool – the federal funds rate – could not provide enough assistance; consequently, new tools – such as quantitative easing – were used.
- The Federal Open Market Committee will monitor the United States' economic conditions, and will “tailor” future actions with the goal of maximizing employment and ensuring an inflation rate of 2%.
- With low gasoline prices, U.S. consumer spending and saving have increased.
- In the United States, inflation remains very low.
- The percentage of unemployed Americans who are without work for more than six months continues to be quite high.
- The Federal Open Market Committee believes that the United States' unemployment rate will be near the natural rate of unemployment by the end of 2016.
- In 2015, the value of U.S. exports and imports declined.
- The Federal Open Market Committee expects the United States' gross domestic product to grow at a rate near its trend through 2018 and in the longer run.
- U.S. employment is expected to rise moderately, with the unemployment rate falling.
- Growth in the United States' manufacturing output is expected to resume.
- Given world conditions, U.S. net exports are likely to be a “wild card” in the foreseeable future.
- Education matters for employees and for society.
- In the United States, job gains have not resulted in higher wage increases, partly because of slow productivity.

POLITICS

Mara Liasson, *FOX News and NPR*

- The 2016 election is likely to be the most extraordinary in our lifetime, and the Democratic and Republican presidential nominees are the most unpopular candidates in history; in this “hold your nose” election, people will not be voting for one of the candidates, but rather against the other candidate.
- Republican presidential nominee Donald Trump is seen as the change candidate, and Democratic presidential nominee Hillary Clinton is perceived to be the status quo candidate.

- Voters are unhappy about the “gridlock” in Washington, D.C.
- The “centre” of the political spectrum is shrinking, and Democrats and Republicans increasingly live in separate political universes; for example, people watch only the media that reinforce their views.
- The media are finding it difficult to be fair and balanced in their coverage during this election cycle.
- “America First” is a powerful message.

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
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Travel Costs

ASSOCIATION	Canada–United States Inter-Parliamentary Group
ACTIVITY	Annual Legislative Summit of the National Conference of States Legislatures (NCSL)
DESTINATION	Chicago, Illinois, United States of America
DATES	8–11 August 2016
DELEGATION	
SENATE	The Hon. Michael L. MacDonald The Hon. Jim Munson
HOUSE OF COMMONS	Mr. Kerry Diotte, M.P. Mr. Colin Fraser, M.P. Mr. Brian Masse, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$ 6,536.67
ACCOMMODATION	\$ 8,928.42
PER DIEMS	\$ 2,434.14
MISCELLANEOUS / REGISTRATION FEES	\$ 5,189.64
TOTAL	\$ 23,088.87