

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 70th Annual Meeting
of the Council of State Governments–WEST (CSG-WEST)**

Canada–United States Inter-Parliamentary Group

**Tacoma, Washington, United States of America
15–19 August 2017**

Report

DELEGATION MEMBERS AND STAFF

From 15–19 August 2017, the Honourable Wayne Easter, P.C., M.P., Co-Chair of the Canadian Section of the Canada–United States Inter-Parliamentary Group (IPG), led a delegation to the 70th annual meeting of the Council of State Governments-WEST (CSG-WEST) in Tacoma, Washington. The other members of the delegation were David McGuinty, M.P., Vice-Chair, Larry Miller, M.P. and Senator Scott Tannas. The delegation was accompanied by the Canadian Section’s Senior Advisor, Ms. June Dewetering.

THE EVENT

CSG-West is a non-partisan organization comprised of the legislatures of the United States’ 13 western states (see the Appendix); British Columbia and Alberta are associate members. It meets annually and – with one exception to date – in the United States; in 2012, the annual meeting was held in Edmonton, Alberta.

CSG-West has eight standing committees, as well as Westrends, the Western Legislative Academy, the Border Legislative Conference and the Legislative Council on River Governance. The standing committees are:

- Agriculture & Water
- Canada Relations
- Education & Workforce Development
- Energy & Environment
- Finance & Economic Development
- Health & Human Services
- State & Federal Relations
- Transportation & Infrastructure.

DELEGATION OBJECTIVES FOR THE EVENT

Canada and the 13 U.S. states represented in CSG-WEST share a mutually beneficial relationship, and the relatively recent establishment of the Canada Relations Committee has been an important development because it provides a focused opportunity to discuss topics of Canada–U.S. interest. In addition, the North American Summit that is generally held during the CSG-WEST annual meeting enables a targeted discussion of issues that are relevant for Canada, the United States and Mexico collectively.

The interaction with legislators from the United States' western states allows members of the IPG's Canadian Section to achieve the aims of finding points of convergence in respective national policies, initiating dialogue on points of divergence, encouraging exchanges of information and promoting better understanding on shared issues of concern. Moreover, the discussions with state legislators provide members of the Canadian Section with an important means by which to provide input to, and gather information about, state-level issues that affect Canada.

During the North American Summit, Mr. Easter spoke to participants about the renegotiation of the *North American Free Trade Agreement* (NAFTA). As well, the delegation had a private meeting with Representative Denny Heck, who represents Washington's 10th district in the U.S. Congress.

ACTIVITIES AT THE EVENT

At CSG-WEST's 2017 annual meeting, the following plenary sessions occurred:

- Keynote Address: Margaret O'Mara
- Keynote Address: Mae Jemison
- Keynote Address: John Kelly.

The standing committee sessions were focused on the following topics:

- Agriculture & Water:
 - water rights adjudication in the U.S. West
 - international trade under the Trump Administration
 - successes and challenges for the industrial hemp sector in the U.S. West.
- Canada Relations:
 - policies influencing trade
 - economic development in Native American and First Nations communities
 - putting policy into practice from the perspective of Alberta's energy regulator.
- Education & Workforce Development:
 - world-class education
 - teacher shortages
 - career pathways and stackable credits.
- Energy & Environment:
 - regionalization of the grid in the U.S. West and changes to state and federal laws
 - technology for a 21st century grid

- regionalization and governance.
- Finance & Economic Development:
 - regulation of virtual currency businesses
 - models of innovative economic development
 - cost containment and innovative expansion regarding health care.
- Health & Human Services:
 - community paramedicine
 - preventing opioid addiction
 - the Affordable Care Act.
- State & Federal Relations:
 - state consultation efforts in the U.S. West
 - a local government perspective on state consultation
 - a national perspective on intergovernmental affairs
 - a model for state consultation
 - state and federal efforts regarding cybersecurity.
- Transportation & Infrastructure:
 - transportation policy in 2017
 - building coalitions for the construction of transit
 - innovative strategies for financing infrastructure projects
 - transit system expansion.

As well, presentations were made during the following non-committee sessions:

- Building Trust Through Civil Discourse
- Women in Politics
- International Program
- Public Safety Forum
- North American Summit
- Annual Legislative Training Assembly
- End the Rape Kit Testing Backlog
- Overseas Voting Initiative
- Westrends

- Technology Forum.

The presentations at the Public Safety Forum were focused on: recent developments in justice reform, reinvestment efforts and reducing recidivism in the U.S. West; the Stepping Up Initiative and behavioural health in justice reform; and lower barriers to long-term employment for criminals.

The focus of the North American Summit was the state of North America and the renegotiation of NAFTA, including the path to NAFTA 2.0, federal and state/provincial legislative efforts, and stakeholders' efforts.

The Annual Legislative Training Assembly heard a presentation on the issues of current media and communication trends, reporting styles, and best practices for crafting and controlling messages.

Westrends held discussions on the topics of state budget trends in the U.S. West, and the intersection between technology and transportation.

This report summarizes the discussions that occurred at selected sessions.

INTERNATIONAL PROGRAM

Robert Daly, *Woodrow Wilson International Center for Scholars*

- The United States is now facing a challenge that it has not faced since becoming a superpower; for the first time since at least the Second World War, the United States faces a “peer competitor”: China.
- China is the only country that has the ability to challenge the United States' global pre-eminence.
- For Americans, being “number one” matters and they have a strong sense of “exceptionalism”; however, China has a longer history than the United States and a longer history of exceptionalism.
- The U.S.–China relationship is a long-term dynamic with a long-term historical arc.
- In the United States, there is an increasing realization that its relationship with China is both cooperative and competitive, although this cooperative-competitive approach is “waning” and the relationship is become more the latter than the former.
- To some extent, the United States is focused on bringing China into existing international frameworks and other elements of “global order.”
- Despite its “solo” and “insular” propensity, China is becoming an integrated power, and the country's “story” continues to be one of change.

- In 1978, foreigners were again able to enter China because the country wanted investment, managerial expertise and technology; now, China is its own source of investment and managerial expertise, and it is a technological leader, with the result that the country is becoming “less hospitable” to foreigners.
- China is making strategic investments in next-generation technologies, and the United States cannot match those investments; China invests heavily in emergent technologies and has the ability to scale up.
- China’s largest strategic advantage is its significant number of hard-working people who have purchasing power; the country has the world’s largest middle-class.
- From the perspective of purchasing power parity, China has the world’s largest gross domestic product; the country is the world’s largest trading nation and is becoming its largest investing nation.
- China has the world’s largest workforce and banking system when measured by assets.
- From a manufacturing perspective, China is the world’s largest producer of vehicles and it is the global leader in manufacturing competitiveness.
- China is the world’s largest emitter of carbon dioxide.
- For the future, China is focused on political stability, economic development, and greater international status, influence and power; like other nations, it wants to shape the international environment to be more conducive to enabling it to achieve its own ends.
- China has a relatively homogeneous culture and authoritarian government, with control over the media, education system, etc.
- Canada and Mexico are considering trade negotiations with China, and may become more focused on a relationship with China if they become “too upset” by the United States.
- For at least some countries, China’s market is more important than that of the United States.

PUBLIC SAFETY FORUM

Jennifer Kisela, *Council of State Governments Justice Center*

- Increasingly, U.S. states use data to ensure that justice-related investments are “properly” allocated.

- When examining data trends, it is important to recognize that local experiences may differ from those of the state.
- Data should be examined in an historical context; data for a given year may be an aberration, rather than part of a trend.
- Data can be used to identify the most appropriate strategies for resolving problems
- From a criminal justice perspective, the nexus between substance abuse and mental illness should be recognized.
- Many individuals in jails suffer from mental illness; efforts and resources should be directed to reducing the duration of their stay, connecting them to needed resources upon their release, and decreasing the rate of recidivism.
- Law enforcement officers should receive training in behaviour health screening tools and crisis intervention.
- Those with a criminal record face relatively greater barriers to employment; for that reason, efforts and resources should be allocated to improving skills and employment opportunities while individuals are incarcerated.
- Employers that are willing to hire individuals who have a criminal record should be identified, and should be assisted as they deliver training to those who are or have been incarcerated.
- Those who have been incarcerated should be provided with an opportunity to explain the context for their incarceration.

KEYNOTE ADDRESS: MARGARET O'MARA

Margaret O'Mara, *University of Washington*

- At the U.S. federal level, “political civility” is a phrase that should not be used to characterize 2017.
- History can be the most powerful weapon in understanding “how we got here” and in identifying options for the path forward; although it can cause people to despair, it can also give hope.
- Although history does not repeat itself, patterns can emerge; for example, the late 19th century, late 20th century and early 21st century can be characterized by “extraordinary” economic, social and political transformation.
- The advent of “new media” has led to “new rules,” and there is always “new” – or disruptive – media.

- A number of U.S. presidents have been “media savvy”; for example, President Franklin Roosevelt used the medium of the radio for his “fireside chats,” President Richard Nixon “re-invented” himself and his message for the age of television, and President Donald Trump uses Twitter to talk to Americans.
- In political campaigns, the candidate who is proposing the most change is often the winner.
- The Democratic and Republican parties are “incredibly durable.”
- There is no “swinging pendulum”; rather, there is a “shifting centre.”
- Times of great disruption bring about disruptive leadership.

NORTH AMERICAN SUMMIT

Roberto Dondisch Glowinski, *Mexico Ministry of Foreign Affairs*

- For many years, Mexico was closed to international trade; although politically it was not an easy decision, the country saw NAFTA as a way in which to enter the “modern economy,” and to establish a new direction for Mexico–U.S. relations based on a partnership in addition to geographical proximity.
- NAFTA has created a shared “economic space,” and has led to economic growth, market expansion and joint manufacturing operations.
- At one point, Mexico had an advantage in terms of labour costs; however, China, India and some other nations have become more competitive in that respect.
- An estimated 5 million U.S. jobs depend on trade with Mexico, and the country is either the primary or second most important foreign export market for 28 U.S. states; as well, Mexico is the United States’ primary destination for foreign direct investment.
- Mexico is open to ideas about ways in which NAFTA could be improved and modernized; for example, the country supports provisions regarding digital trade and changes that would improve joint production platforms, such as the removal of impediments.
- In Mexico’s view, a win-win-win NAFTA agreement is needed in order for the agreement to endure, and the focus should be what North America wants to achieve in the long run; NAFTA is a decision about trade, but also about the future of North America.
- Regarding trade, Mexico supports a “level playing field” with clear rules.

James Hill, *Global Affairs Canada*

- NAFTA is a “fundamentally good” agreement that, when it was negotiated, was a “landmark” that addressed trade in services, procurement and dispute resolution in addition to trade in goods.
- NAFTA resulted in enhanced trade, job creation and an enhanced quality of life; it has created opportunities in the three countries, and provided a platform for them to work together to enhance competitiveness and improve access to global markets.
- North America has become a “hugely” integrated market.
- Following the 2016 U.S. election, Canada began to think about modernization of NAFTA; Canada has a number of free trade agreements (FTAs), and is accustomed to modernizing and updating them.
- The world – and the world’s economies – have changed since NAFTA was implemented in 1994, and it is time to modernize the agreement; labour mobility, transparency, electronic commerce, and small and medium-sized enterprises are among the areas that require attention.
- Canada and Mexico agree that NAFTA should continue to be a trilateral agreement; such an approach is integral to North American production.
- Trade negotiations are never easy, and NAFTA must continue to meet the needs of the three countries in a win-win-win manner.
- Progressive and inclusive trade provides opportunities for all.

Gary Clyde Hufbauer, *Peterson Institute for International Economics*

- The U.S. president’s fast track negotiating authority will expire on 1 July 2018, although the Administration can request a three-year extension; an extension will be granted unless either the Senate or the House of Representatives disapproves.
- With fast track negotiating authority, the U.S. Congress has an “up or down” vote on the implementing legislation in its entirety.
- For the first time since 1930, there has been a shift in U.S. trade policy; trade was a high-profile issue during the recent federal election.
- The Trump administration defines “trade fairness” as bilateral trade balance and “mirror image” reciprocity.
- The United States’ trade with Canada is practically balanced, and there is a large U.S. trade surplus if energy trade is excluded from the calculation; the United States has a trade deficit with Mexico.

- The Trump administration prefers bilateral agreements to regional or multilateral agreements.
- Many of the United States' negotiating objectives for NAFTA will be difficult for Mexico and Canada to accept.
- President Trump has threatened to withdraw the United States from NAFTA; in that case, trade between the United States and Canada would again be governed by the *Canada–United States Free Trade Agreement*, and – as with other World Trade Organization members – U.S.–Mexico trade would be subject to most-favoured-nation tariffs.
- The United States is aggressively using trade statutes and national security reviews to impose restrictions on certain U.S. imports, such as steel.
- NAFTA has led to larger exports and larger imports, and provided a new foundation for U.S.–Mexico relations; it has also fostered Mexico's transition from a one-party system of state capitalism to a multi-party, market-oriented system.
- FTAs make businesses more “comfortable” in making investments in supply chains.
- FTAs generally have little net effect on levels of national employment, but they do contribute to “churn” in labour markets.

Minister Deron Bilous, *Legislative Assembly of Alberta*

- Alberta is a strong proponent of trade, and believes that opportunities should be expanded and enhanced; that said, opportunities come with risks.
- Alberta is concerned about the potential negative consequences of “Buy American” provisions in U.S. legislation.
- The United States is Alberta's most important trading partner, and energy is one of Canada's most important exports to the United States.
- Alberta supports the shared development of North America's energy infrastructure, and believes that efforts to integrate energy infrastructure should continue.
- Alberta's Climate Leadership Plan includes investments in technology to meet environmental goals and create jobs.
- Regarding Canada–U.S. trade in softwood lumber, it is important to have fair and predictable market access; the current dispute regarding this trade is leading to higher housing costs for Americans.

- NAFTA has facilitated trade, “fuelled” prosperity and integrated the economies of the three signatory countries; however, the economies have changed since the agreement’s implementation in 1994, and there is a need for Canada to update its FTAs, including NAFTA.
- The renegotiation of NAFTA in a win-win-win manner should lead to another 20 years of economic growth.
- Canada’s provinces and the United States’ states have an important role to play regarding trade.

Honourable Wayne Easter, P.C., M.P., *Canadian Section of the Canada–United States Inter-Parliamentary Group*

- Certain electoral realities may be affecting renegotiation of NAFTA, including the desired date for the conclusion of the discussions; for example, presidential elections will be held in Mexico in July 2018, and mid-term elections will be held in the United States in November 2018, with U.S. presidential trade promotion authority also expiring in 2018.
- In a number of respects, NAFTA is a model that has been “copied” in a variety of locations, at various times and to varying extents throughout the world.
- The NAFTA countries share a sizable economic relationship.
- In 2016, the United States continued to be Canada’s largest merchandise and services trade partner, and Mexico was the country’s third-largest merchandise trade partner.
- An estimated 9 million U.S. jobs depend on trade with Canada, which is the primary foreign export market for about 70% of the United States’ states; nearly 5 million U.S. jobs are thought to depend on the United States’ trade with Mexico.
- In 2016, trade among the NAFTA countries was valued at almost US\$1 trillion, which is a more than threefold increase since 1993; investment too has increased substantially.
- The NAFTA countries build things together and sell things to each other in the world’s largest economic zone; the countries together account for more than 25% of the world’s gross domestic product, and their collective market is valued at US\$21 trillion and about 480 million consumers.
- In a number of ways, NAFTA has contributed to economic growth in all three signatory countries; the economies and supply chains are integrated, and – since the agreement’s implementation – jobs have been created throughout North America.

- Most economists agree that, 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, which is one reason why individuals and sectors are sometimes provided with transitional assistance.
- NAFTA was implemented some time ago, and Canada believes that modernization is required in order to implement lessons learned from FTAs concluded with other nations since 1994, and to incorporate provisions to address issues that did not exist nearly 25 years ago, such as digital trade.
- Canada, the United States and Mexico should work together in modernizing NAFTA with a view to enhancing the ability to compete with other countries and regions throughout the world.
- Perhaps because of a legislative requirement to do so, the U.S. Trade Representative released the United States' objectives for renegotiation of NAFTA in July 2017; they are the starting point for the renegotiation, and it is expected that trade-offs and compromises will be made during negotiations.
- From Canada's perspective, the United States' NAFTA renegotiation objectives reflect informal discussions that officials in the two countries have had in recent months.
- It is probably the case that each of the NAFTA countries will have at least one "make or break" issue; for Canada, they may be related to Chapter 19 in NAFTA, provisions regarding dairy trade and domestic preference programs.
- The United States is seeking to eliminate Chapter 19 on dispute settlement and trade remedies; according to some sources, a dispute-resolution mechanism in relation to a country's trade remedy process was a deal-breaker for Canada during the negotiation of the *Canada–United States Free Trade Agreement*.
- Canada's dairy sector is likely to be raised by U.S. negotiators, and Canadian negotiators are expected to continue to defend Canada's supply management systems, which are working well for Canadian farmers and consumers.
- Canada does not accept the proposition that its dairy policies or systems are causing financial losses for U.S. dairy farmers; instead, the country believes that the United States' dairy sector is being affected by U.S. and global overproduction, and that Canada is not a contributor to this situation.
- Canada–U.S. dairy trade favours the United States, and by a factor that – in 2016 – was nearly five to one; as well, like Canada, the United States also has measures in place to support its dairy sector.
- "Buy American" and other U.S. domestic preference programs have a negative impact on cross-border supply chains and affect millions of jobs in both Canada

and the United States; such programs also distort investment, lead to higher prices and give rise to pressure on Canada's federal government to establish similar measures.

- If the objective is to compete as a North American bloc against other countries and regions throughout the world, to the greatest extent possible, the focus of the NAFTA countries should be "Buy North American."
- As the renegotiation of NAFTA continues, Canada's negotiators will defend the country's interests and values, and will be informed by the input that has been – and will continue to be – gained through national consultations that started in February 2017.
- As of July 2017, Global Affairs Canada had received NAFTA-related input from more than 20,000 groups and individuals about such topics as regulatory cooperation, the environment, culture, supply management, value chains, investor–state dispute settlement and Indigenous rights.
- When speaking to U.S. governors in Rhode Island in July 2017, Canadian Prime Minister Justin Trudeau emphasized the need to modernize and strengthen NAFTA for the benefit of all three countries, as well as to avoid trade barriers, which harm economic growth and can lead to a "race to the bottom" where everyone loses.
- In highlighting the desire to "keep making history together" and to share the benefits of growth – including that which results from trade – fairly across citizens, Prime Minister Trudeau noted the integrated supply chains that exist throughout North America and the need to work together for our shared future; the three countries are "in the North American space together."
- In August 2017, Mr. Matt DeCoursey, M.P. – Canada's Parliamentary Secretary to the Minister of Foreign Affairs – participated in a trade-focused panel discussion at the annual legislative summit of the National Conference of State Legislatures.
- Parliamentary Secretary DeCoursey has noted that the economic relationship among the NAFTA countries is the largest in the world, and that NAFTA has made Canada, the United States and Mexico the most competitive economic bloc in the world, partially because of the integrated supply chains that enable capabilities to be maximized.
- According to Parliamentary Secretary DeCoursey, NAFTA should continue to be a trilateral agreement, and there is a need to minimize "chill" on business and investment decisions, and to recognize the contribution that a modernized NAFTA would make to Canada's progressive trade agenda.
- In August 2017, Ms. Chrystia Freeland, P.C., M.P. – Canada's Minister of Foreign Affairs – appeared before the House of Commons Standing Committee

on International Trade to discuss the renegotiation of NAFTA; during her appearance, she noted the consequential nature of the renegotiation of NAFTA for Canada, and highlighted the country's eagerness to begin negotiations, partly to reduce uncertainty.

- Regarding NAFTA, Canada is committed to a good deal – not just any deal – for the country, and believes that the provisions contained in the *Canada–European Union Comprehensive Economic and Trade Agreement* provide a model in a number of areas.
- Canada is willing to work with the United States and Mexico in modernizing NAFTA to address new realities, and to reflect lessons learned with this and other trade agreements since NAFTA was implemented in 1994; there is ample scope for NAFTA to be modernized in a manner that could be described as win-win-win, and in a way that will contribute to Canada's progressive and inclusive trade agenda.
- A key challenge for legislators and decision makers in all three NAFTA countries is likely to be communicating to citizens the benefits of international trade generally, and of NAFTA in particular; this challenge is likely to be particularly significant at a time when “international trade” is being “blamed” for job losses relating to technological change and the rise of China, among other factors.
- Recognizing that “selling” some North Americans on the benefits of NAFTA – and trade more generally – may be challenge, one way in which this challenge might be addressed is through ensuring that trade-related benefits are shared and that – to the extent possible – information is conveyed to stakeholders in a timely manner.

Matt Morrison, *Pacific NorthWest Economic Region*

- The 21st century is the “North American century.”
- The Trans-Pacific Partnership (TPP) agreement would have “upgraded” NAFTA; with the United States' withdrawal from the TPP, the focus during the NAFTA negotiations should be to “do no harm,” which is relatively less ambitious than what was achieved with the TPP agreement.
- “NAFTA-light” is better than “NAFTA-no.”

Russell Jones, *Border Trade Alliance*

- More than 38 million U.S. jobs depend on trade; among these, about 9 million depend on trade with Canada and approximately 6 million on trade with Mexico.
- Renegotiation of NAFTA should “do no harm.”

- NAFTA, which should continue to be trilateral, should be future-focused and aligned with modern economies.
- The NAFTA negotiations should be conducted with some urgency in order to minimize uncertainty.
- NAFTA's labour mobility provisions should be improved; professionals should be able to move back and forth across North American borders with few bureaucratic delays.
- The NAFTA countries should work toward a shared view of what constitutes "adequate" border security.
- The United States, Canada and Mexico should implement a "North America single window" concept for customs processing, with one set of data for all import and export transactions within North America, as well as an improved dispute-settlement tool so that governments can resolve differences in opinion about classifications.
- The North American Development Bank should be modernized; it requires an expanded ability to develop and finance certain projects.
- Regarding cross-border financial transactions within North America, a trilateral regime is needed in order to accommodate frequent, small-value banking transactions.

POLICIES INFLUENCING TRADE: ALBERTA'S PERSPECTIVE

Estefania Cortes-Vargas, *Legislative Assembly of Alberta*

- The Canada–U.S. relationship is mutually beneficial, and the goal should be economic prosperity for both countries.
- From a value perspective, the United States' trade relationship with Canada is balanced.
- Alberta is a major energy exporter to the United States.
- "Buy American" provisions in U.S. legislation are protectionist and disrupt integrated supply chains.
- Regarding the current softwood lumber dispute between Canada and the United States, some Americans have misperceptions about the stumpage that is paid when harvesting on Crown lands; the dispute is leading to higher housing costs for American consumers, and Canadian lumber has qualities that are valued by these consumers.

- Alberta's Climate Leadership Plan has five key elements: pricing greenhouse gas emissions; ending pollution that is the result of coal-generated electricity; increasing renewable energy; putting a limit on emissions from the oil sands; and reducing methane emissions.

ECONOMIC DEVELOPMENT IN NATIVE AMERICAN AND FIRST NATIONS COMMUNITIES

Janet Lane, *Canada West Foundation*

- Successful economic partnerships and engagement are needed between businesses and Indigenous communities, and the reasons for successful partnerships should be identified and then disseminated as best practices.
- Regarding the Truth and Reconciliation Commission in Canada, it is time to move beyond words to action.

Representative Shane Morigeau, *Montana House of Representatives* and Jason Smith, *Montana Governor's Office of Indian Affairs*

- State-tribal relations vary across U.S. states.
- Some U.S. states enter into agreements with tribes in order to avoid double taxation.
- Tribes contribute economically and otherwise to their local communities.
- Tribal tourism is an emerging focus.

Kim Blanchette, *Alberta Energy Regulator*

- Alberta has significant energy infrastructure and energy resources, including oil, natural gas and coal; its "complex" energy mix is unmatched elsewhere in the world.
- Many of Alberta's energy exports are destined for the United States.
- Alberta is committed to ensuring that energy resource development occurs in an environmental manner, and puts regulations in place to ensure this outcome; it is important to consider the cumulative effects of resource development.
- Regulators, which help to ensure that governmental resource development goals are met, need credibility with the government, businesses, consumers and the international community.
- Among other considerations, regulators should focus on their role in protecting people and the environment.
- Every incident involving a pipeline is preventable.

KEYNOTE ADDRESS: MAE JEMISON

Mae Jemison, *The Jemison Group*

- Although time is limited, it has infinite possibilities.
- While we live in the present, we should build for an unknown future; an extraordinary “tomorrow” should be pursued in order to create a better “today.”
- No matter how far people go, the horizon is still beyond them.
- Because people do not “make it” in this world on their own, it is important to help people – particularly those who are disadvantaged – develop their potential.
- Not everyone can be “number one,” but everyone can be excellent; it is possible that the person who is “number one” is not realizing his/her potential.
- People should become engaged, and use their perspective to bring another type of conversation “to the table.”
- It is important to question basic assumptions.
- Science and engineering research no longer rely on a single academic discipline.

WESTERN REGIONAL STATE CONSULTATION EFFORTS

Jim Ogsbury, *Western Governors Association*

- The U.S. federal–state relationship must become more effective and functional; there is a need for authentic and enduring legacy changes to the existing relationship.
- The United States’ federal departments and agencies should engage in early, meaningful, substantive and ongoing consultations with the states.
- Some of President Trump’s executive orders require that input from the states be sought.
- In May 2017, House of Representatives Speaker Paul Ryan and Democratic Leader Nancy Pelosi announced the creation of the bipartisan Task Force on Intergovernmental Affairs; the Task Force’s mandate includes partnering with state, tribal and local governments to balance the interests of governments.

STATE CONSULTATION: A LOCAL GOVERNMENT PERSPECTIVE

Pete Obermueller, *Wyoming Country Commissioners Association*

- In the United States, state, tribal and local governments should have appropriate and meaningful opportunities to engage with federal departments and agencies.

- There is a difference between having “the right to be at the table” and “belonging at the table.”
- Local governments have specific and important expertise in certain areas.
- U.S. state and local officials should be enabled and empowered.

A NATIONAL PERSPECTIVE ON INTERGOVERNMENTAL AFFAIRS

Representative Denny Heck, *U.S. Congress*

- At the current time, U.S. federal–state relations are at least as important as they have ever been.
- Federal and state governments should work together.
- Many issues examined by the U.S. Congress, such as financial services, have implications for the states.
- The U.S. Constitution’s Tenth Amendment, and the respective roles of the state and federal governments, must be respected.

KEYNOTE ADDRESS: JOHN KELLY

John Kelly, *Starbucks*

- For-profit, public companies should be globally responsible, strengthen communities and create opportunities.
- Young people are not someone else’s problem; they are our opportunity.

WATER RIGHTS

ADJUDICATION IN THE WESTERN STATES

John Simpson, *Barker Roshold & Simpson LLP*

- Drought and other water supply challenges can give rise to water rights adjudication.
- Water rights adjudication is expensive, but may be needed to help identify water ownership and rights.
- Water rights must be catalogued before they can be administered.
- Water supplies need to be managed in order to ensure sustainability.

Alan Reichman, *Washington State Office of the Attorney General*

- Because water rights adjudication is costly, efforts should focus on ways to increase its effectiveness and efficiency, and make it less expensive and more timely.
- Water rights adjudication helps to determine the validity and extent of water rights, and can make it easier to regulate those rights.
- Knowledge of water rights helps to identify the water that should be used for human needs, agricultural purposes, economic development pursuits, recreational endeavours, etc.

INTERNATIONAL TRADE UNDER THE TRUMP ADMINISTRATION

Laurie Trautman, *Border Policy Research Institute*

- • Canada and Mexico are the United States' most important trading partners, and supply chains are integrated on a North American basis in a number of sectors; that said, Canada is declining in importance as a trading partner for the United States, partly because of oil and gas prices.
- Since 1990, the importance of China as a U.S. trading partner has been rising.
- For some Americans, “fair trade” means “balanced trade.”
- Regarding the renegotiation of NAFTA, the United States' objectives include formalizing the Regulatory Cooperation Council, making changes to rules of origin and eliminating the dispute-resolution mechanism found in Chapter 19; Canada and Mexico support the retention of Chapter 19.
- On balance, the private sector supports a “do no harm” approach to the renegotiation of NAFTA, which differs from the “political reality” of the need for “major changes to NAFTA.”

Gary Martin, *North American Export Grain Association* and *International Grain Trade Coalition*

- The United States and Canada are major exporters of grains and oilseeds.
- The United States' agricultural sector takes advantage of global trading opportunities.
- Because many agricultural products are perishable, “rapid response mechanisms” should exist at borders.
- The freedom and ability to market grains and oilseeds are critically important.
- Market access should be “sound,” “responsible” and predictable.

- The interests of the United States' agricultural sector should be defended against abuses.
- Trade negotiations should be undertaken with the understanding that retaliation can occur.
- Regulatory cooperation within North America is an important objective.
- Official and commercial border-related documentation should be digitized.
- Global food security should be improved.
- During the NAFTA negotiations, critical market access for the United States – including in relation to Canada's supply-managed sectors – must be addressed.

SUCCESSSES AND CHALLENGES FOR THE HEMP INDUSTRY IN THE WEST

Colleen Keahey, *Hemp Industries Association*

- Industrial hemp is a variety of cannabis, and there is a need for clarity about the difference between hemp cannabis and marijuana cannabis.
- Some U.S. states are considering a definition for “industrial hemp” that differs from the federal definition for this term.
- Industrial hemp is being grown globally, and has been grown for a relatively long period of time in some countries; at present, the United States is not competitive.
- More varietal trials are required in regions throughout the United States in order to provide data about the hemp varietals that can be grown in various locations.
- Industrial infrastructure for hemp as a foodstuff and as fiber is lacking.

TECHNOLOGY FORUM

Michael Schutzler, *Washington Technology Industry Association*

- The world is being transformed by technology.
- For the technology sector, workforce issues are a challenge; jobs are being created more quickly than people can be recruited and retrained for those jobs.

Ryan Harkins, *Microsoft*

- The world is going through the fourth industrial revolution, which is being driven by cloud computing.
- Millions of Americans lack access to broadband; this situation is a national crisis that has existed for far too long.

Megan Schrader, *Amazon*

- The cloud is becoming the “new normal.”
- As the cloud becomes increasingly important, there is a need to ensure an adequate supply of workers with the right skills.
- Public–private partnerships are important in such areas as cybersecurity and workforce development.

Renee Radcliff Sinclair, *TVW*

- Digital data need to be managed in a way that ensures easy access.
- Streaming enables people to watch what they want, when they want, where they want and on the device they want.

WORLD-CLASS EDUCATION

Senator Howard Stephenson, *Utah State Senate*

- Students need to graduate with proficiency in mathematics and the “language arts.”
- In some countries, teachers are paid based on the performance of their students; in the United States, they are paid based on seniority.
- The United States spends vastly more per student than is the case in many other countries, but it has relatively lower student outcomes.
- When compared to a number of other countries, the United States’ graduation rates are low.

TEACHER SHORTAGES: WHAT CAN STATES DO?

Ellen Sherratt, *National Board for Professional Teaching Standards*

- The problem of teacher shortages persists because of incoherent dialogue and a lack of data-driven, solution-oriented discussions.
- While solutions should be informed by data, it is important not to wait for “perfect” data and a consensus before taking action.
- Teacher shortages differ across geographical areas – such as urban and rural – and subject-matter areas – such as science and the “language arts.”
- Teachers leave their profession for reasons that include a lack of supportive leadership, inadequate professional development, low pay, a shortage of high-quality teaching resources and the absence of a collegial work environment.

Lyle Cox, *Utah's Washington County School District*

- The traditional school schedule may not be using public educational resources in the most efficient manner.
- In addition to their instructional time, teachers should be compensated for the time they spend in preparing lessons.
- On average, teachers work 71 fewer days per year than do other employees.

CAREER PATHWAYS, SECTOR PARTNERSHIPS AND STACKABLE CREDENTIALS

Amanda Bergson-Shilcock, *National Skills Coalition*

- Not everyone will go immediately from secondary education to higher education.
- Secondary education, higher education and other educational processes should be aligned so that people can “jump in and out of” education and workplace training as they engage in lifelong learning.

Senator Ann Millner, *Utah State Senate* and *Weber State University*

- For businesses, labour supply is critically important.
- Predicting future labour needs is important for educating and training today for the labour demand of tomorrow; in essence, a “pipeline” of workers is needed.
- “Stackable credentials” are a partial solution to ensuring that businesses are able to access the workers that they need.

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

U.S. STATES REPRESENTED IN THE COUNCIL OF STATE GOVERNMENTS— WEST

Alaska

Nevada

Arizona

New Mexico

California

Oregon

Colorado

Utah

Hawaii

Washington

Idaho

Wyoming

Montana

Travel Costs

ASSOCIATION	Canada–United States Inter-Parliamentary Group
ACTIVITY	70 th Annual Meeting of the Council of State Governments–WEST (CSG-WEST)
DESTINATION	Tacoma, Washington, United States of America
DATES	15–19 August 2017
DELEGATION	
SENATE	The Hon. Scott Tannas
HOUSE OF COMMONS	The Hon. Wayne Easter, P.C., M.P. Mr. David McGuinty, M.P. Mr. Larry Miller, M.P.
STAFF	Ms. June Dewetering, Senior Advisor
TRANSPORTATION	\$ 10,228.77
ACCOMMODATION	\$ 3,852.05
PER DIEMS	\$ 1,745.13
MISCELLANEOUS / REGISTRATION FEES	\$ 1,995.23
TOTAL	\$ 17,821.18