

Canada - United States  
Inter-Parliamentary Group  
Canadian Section



Groupe interparlementaire  
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Section canadienne

**Report of the Canadian Parliamentary Delegation  
to the 48<sup>th</sup> Annual Meeting**

**Canada-United States Inter-Parliamentary Group**

**Windsor, Ontario, Canada  
May 18 - 21, 2007**

# Report

From 18-21 May 2007, federal legislators from Canada and the United States participated in the 48<sup>th</sup> Annual Meeting of the Canada-United States Inter-Parliamentary Group in Windsor, Ontario. The meeting included opening and closing plenary sessions as well as concurrent committee meetings. This report summarizes the discussions that occurred at the meeting.

## **OPENING PLENARY**

During the opening plenary session, delegates introduced themselves and provided pertinent information about their constituency/district.

Delegates also provided a number of examples of the bilateral cooperation between Canada and the United States throughout history, with one delegate characterizing the bilateral relationship as “one part proximity and nine parts common sense and goodwill.”

Finally, preliminary discussions occurred on such issues as: the border; environmental issues; security and the fight on terror; and bilateral tourism and trade. Within this context, specific and repeated mention was made of Great Lakes issues – such as interbasin transfers, ballast water and invasive species – and of border issues – such as border crossings and the Western Hemisphere Travel Initiative.

## **COMMITTEE I – BILATERAL COOPERATION ON TRADE AND ECONOMIC ISSUES RESOLVING RESOURCE-RELATED TRADE IRRITANTS**

### **A. Background**

#### **1. Softwood Lumber**

On 12 October 2006, the Canada-U.S. Softwood Lumber Agreement came into force, ending years of litigation and implementing a system that it is hoped will provide a stable softwood lumber bilateral trade environment for the seven- to nine-year life of the Agreement.

In particular, the Agreement:

- revokes U.S. countervailing and anti-dumping duty orders that had been in place since April 2002;
- enables the return, to Canadian softwood producers, of duties collected during the course of the bilateral softwood lumber dispute;
- provides for the imposition of an export charge when the price of lumber is at or below US\$355 per thousand board feet;
- enables reduced export charges for Canadian exporters if other lumber-producing countries significantly increase their exports to the U.S. at the expense of Canadian producers;
- establishes consultative mechanisms to ensure the orderly and commercially viable operation of the Agreement;

- provides for a Bi-National Industry Council to support market development and sustainability initiatives and to foster increased cooperation between the lumber industries in both countries;
- allocates funding for meritorious initiatives in the United States, such as disaster relief and educational projects regarding the sustainability of forests as a source of building materials.

The Softwood Lumber Committee will supervise the implementation of the Agreement and the bilateral working groups established under it.

On 20 March 2007, Canada received a request from the United States for consultations under the Agreement's dispute-settlement mechanism. At issue were: Canada's interpretation of a technical provision (the adjustment factor) that affects the calculation of permissible export volumes in certain regions; several government programs in Ontario and Quebec; and the federal Forest Industry Long-Term Competitiveness Initiative. Consultations were held on 19 April 2007 between Canadian and American federal officials, with selected participation by Ontario and Quebec provincial officials. U.S. officials are reviewing the information presented during the consultations.

In Canada's view, the adjustment factor has been applied in a manner consistent with the Agreement, and the federal and provincial programs at issue are also fully consistent with it.

## **2. Agriculture**

In April 2006, Canada concluded anti-dumping and countervailing duty investigations in respect of U.S. grain corn imports. While dumping and subsidization were found, no measures were put in place since it was determined that the corn imports were not the cause of injury to the Canadian corn industry.

In 2005 and 2006, Canadian corn producers requested that the federal government seek World Trade Organization (WTO) consultations with the United States regarding U.S. corn subsidies. WTO consultations are the first step in the WTO dispute-settlement process. The legal standard in WTO cases is different than that for a domestic trade remedy injury test.

WTO consultations were held on 7 February 2007, and eight WTO members were present at the meeting, since other countries had requested the ability to join the consultations. At the meeting, it was clear that the U.S. intends to defend vigorously its policies. Canada is considering whether to request a WTO panel; one reason for such a request would be to attempt to influence the drafting of the 2007 U.S. Farm Bill. Pursuing WTO litigation would also support Canadian WTO-related efforts to discipline U.S. agricultural subsidies. A WTO panel could take eight to twelve months to issue a report, followed by an additional four to six months for an appeal.

Canada believes that U.S. corn subsidy programs cause, or threaten to cause, adverse effects for Canadian corn producers by significantly suppressing and depressing prices in the Canadian market. Moreover, it is felt that U.S. export credit guarantees serve to subsidize the exportation of certain U.S. agricultural products, including corn. In Canada's view, these programs are inconsistent with the United States' WTO

obligations. It is also thought that total U.S. trade-distorting agricultural support exceeds the U.S.' corresponding WTO commitment levels in certain years, which also violates WTO obligations.

### **3. Steel**

Canada and the United States continue to be each other's best customers in steel products; Canadian exports to the U.S. represent more than 80% of total Canadian steel exports, while U.S. exports to Canada represent just under 60% of total U.S. steel exports. Two-way steel trade is roughly in balance.

In recent years, global developments have led steel producers in the three North American Free Trade Agreement (NAFTA) countries to recognize the common challenges faced by them from outside the NAFTA market. Some of these challenges are considered by the North American Steel Trade Committee, which was announced in October 2003 and involves governments and steel producers. The Committee, which has met eight times since its establishment, discusses multilateral, trilateral and bilateral issues related to steel and steel trade. Through the Committee, the governments and the steel industries in the three NAFTA countries have been pursuing the elimination of subsidies and other global market distortions affecting steel. As well, multilateral collaboration and a coordinated approach to foreign market distortions in key countries – including China – are elements of the NAFTA approach to global steel issues.

Reflecting in part a strong steel market, in recent years there has been a dramatic decline in the number of steel trade remedy actions between Canada and the United States. At this time, an important steel trade issue for both countries is the impact that Chinese steel developments continue to have on global and NAFTA steel markets.

Multilaterally – in the World Trade Organization (WTO) and the Organisation for Economic Co-operation and Development – and bilaterally directly with Chinese authorities, NAFTA governments have questioned elements of China's 2005 steel policy, including nine export-oriented subsidy programs that benefit a number of industries, including steel. On 20 March 2007, the United States and Mexico held WTO consultations with China on these nine subsidy programs, with further consultations requested in May 2007; Canada opted to continue its bilateral discussions with China in the context of the March 2007 consultations but is deciding whether to join consultations occurring as a consequence of the May 2007 request.

In 2004, Canada was the first country to apply countervailing duty law to China in respect of imported barbecues. Since then, Canada has conducted countervailing duty investigations in respect of steel fasteners, laminated flooring and copper pipe fittings. On 30 March 2007, the U.S. Department of Commerce made a preliminary subsidy determination on imports of fine coated paper from China, which could result in further U.S. countervail petitions.

## **B. Discussion**

### **1. Softwood Lumber**

A U.S. legislator began the discussion by indicating U.S. softwood lumber producers believe that Canada is violating the bilateral Softwood Lumber Agreement. In noting that our countries disagree on this issue, he indicated that while consultations are under

way, hope is diminishing that they will result in a resolution to the issues. In particular, he suggested that Canada is violating the Agreement in two respects: the adjustment factor, and subsidies provided by the provinces of Ontario and Quebec. A colleague suggested that delegates should celebrate the fact that this meeting was the first annual meeting in quite some time that softwood lumber was not a “huge” issue.

A Canadian delegate responded that the province of Quebec has acted in order to help forestry workers in the province, since the softwood lumber industry is experiencing difficulties, including job losses. A colleague argued that the two countries have come a long way in one year; while not everyone in Canada supports the Agreement, stability for the next seven to nine years was desired.

## **2. Agriculture**

In beginning the discussion of agricultural issues, a Canadian legislator noted that older Canadian cattle, and beef and beef products from those cattle, have been unable to be exported to the U.S. market for some time; this situation continues to exist despite the fact that it was expected that access would be given in June 2006. He stressed the interconnected nature of the North American cattle market, and noted that Canada is meeting standards set by the OIE – the world organization for animal health – and, consequently, should be able to export to the U.S. market.

The legislator also argued that some cases of bovine spongiform encephalopathy (BSE) will always be found, despite such measures as the removal of specified risk materials, since BSE can occur in animals spontaneously. He concluded his comments on the issue of bilateral cattle and beef trade by noting that the rest of the world is looking at how we treat each other. A colleague argued that science should trump everything.

An American delegate responded by arguing that decisions such as these must be based on science rather than on politics. In this context, he mentioned the OIE standards. His colleague supported the importance of science-based decisions, mentioned that he is hopeful but not certain that normalized trade in cattle and beef will occur any time soon, and suggested that the United States is not closing its eyes to cases of BSE there.

Delegates agreed to the following resolution:

*The Canada-United States Inter-Parliamentary Group supports a science-based approach in respect of North American and international trade in cattle and beef products.*

Delegates also discussed a range of other issues. A Canadian delegate argued against the loss of Canada’s exemption in respect of a fee imposed by the United States Department of Agriculture’s Animal and Plant Health Inspection Service, which was announced in August 2006. In his view, the collection of this fee is unfair and the funds are really being used to finance security measures; its implementation will result in delays at the border.

The legislator also mentioned the World Trade Organization consultations requested by Canada in respect of corn. In light of the fact that, at one time, Canadian corn growers agreed that there was no justification for a challenge against the United States, an American delegate questioned what has changed and wondered why consultations are

being requested at this time. The Canadian legislator responded that new information has become available.

Moreover, delegates discussed country-of-origin labelling requirements. A Canadian delegate noted that these requirements complicate the movement of animals across the Canada-U.S. border and are costly. An American legislator responded that consumers should know the source of the food that they eat, although he argued that a North American exemption might be a good idea. He noted that Representative Peterson, who chairs the U.S. House of Representatives Committee on Agriculture, is talking about linking country-of-origin labelling legislation to animal identification. His colleague argued that a designation of “born, raised and slaughtered” will not work because of the way in which cattle move across the border from birth to slaughter. He noted that while there is political pressure in the United States regarding the implementation of country-of-origin labelling legislation, his preference would be a voluntary system that recognizes the movement of agricultural products across the border.

Finally, ethanol production was discussed. A Canadian delegate suggested that Canada could learn from the U.S.’s ethanol policy, which enhances energy independence, reduces the flow of funds to the Middle East where they could be used to finance terrorist activities, and provides a market for agricultural products. He argued, however, that there is capital available in rural America that is not available in rural Canada.

Another Canadian legislator commented that biofuels, particularly those that use cellulose, are likely to be important for the future. A colleague added that a continued focus on corn-based ethanol will likely result in complaints about livestock feed prices. An American delegate suggested that there is nothing bad about corn-based ethanol; rather, its benefits include a positive effect on the U.S. trade balance, a contribution to energy security, and an additional market for agricultural products.

### **3. Steel**

The issue of steel was discussed by Canadian delegates, who identified concerns about dumping into the Canadian market and about the trade-distorting assistance provided by China, India and the Ukraine.

## **MOVING FORWARD ON RULES-BASED TRADE**

### **A. Background**

#### **1. North American Free Trade Agreement**

It is commonly believed that the North American Free Trade Agreement (NAFTA), which has been in effect for fourteen years, has resulted in positive benefits for all three NAFTA partners in terms of trade and investment as well as enhanced competitiveness. Moreover, it is thought that the increased economic activity and production has stimulated capital flows, caused innovation to rise and technology to spread, resulted in more and better-compensated jobs, and brought about higher productivity.

Particularly in view of new global economic players and increasingly integrated global value and supply chain networks, Canada remains committed to the NAFTA and continues to pursue a NAFTA work plan. At a 2006 meeting of the NAFTA Free Trade Commission, trade ministers agreed to:

- identify sectors in which work could be undertaken in order to remove non-tariff barriers;
- examine how the NAFTA countries might collaborate in trade agreements with other countries; and
- conduct a thorough review of the operation of the NAFTA working groups and committees in order to verify that they meet the needs of the current trading environment.

As well, the three countries are continuing their work regarding liberalization of the rules of origin, regulatory cooperation and increased transparency.

## **2. World Trade Organization**

The Doha Development Agenda of the World Trade Organization (WTO), which was launched in Doha, Qatar in November 2001, has been characterized by deadlines that have been missed repeatedly despite engagement and some progress. Although negotiations were suspended in July 2006 after WTO members were unable to bridge their differences on modalities for the key issues of domestic agricultural subsidies, agricultural market access and non-agricultural market access, negotiations were re-launched on 31 January 2007 following quiet diplomacy, technical discussions and other actions in the intervening period.

Canada is committed to reaching an ambitious outcome to the Doha Development Round, with the objectives of:

- creating a level playing field for the agri-food sector;
- increasing market access for goods and services;
- providing improved and clarified rules on trade remedies as well as strong and binding rules on trade facilitation; and
- securing a development outcome that provides real benefits to developing countries.

Canada believes that an ambitious outcome will reduce poverty and help developing countries integrate better into the multilateral trading system. From the U.S. perspective, it should be noted that Trade Promotion Authority ends on 1 July 2007.

## **B. Discussion**

Delegates did not discuss the issue of rules-based trade.

# ENSURING NORTH AMERICAN ECONOMIC PROSPERITY

## A. Background

### 1. Intellectual Property

Canada is engaged in international fora on intellectual property issues – including in the Organisation for Economic Co-operation and Development, the Asia-Pacific Economic Cooperation forum, the World Customs Organization, the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO) – and actively participates in initiatives to promote and support rights in this regard. For example, a fake-free North America is an initiative within the trilateral Security and Prosperity Partnership among the North American Free Trade Agreement (NAFTA) countries. Other efforts include dialogue designed to encourage selected countries to recognize counterfeiting and piracy as a global problem.

Canada's regime for the protection of intellectual property rights is consistent with WTO and NAFTA obligations; WIPO internet treaties are designed to address changes in technology, and the federal government is considering of *Copyright Act* amendments regarding a number of digital issues.

The United States is pressuring Canada to change some aspects of its domestic intellectual property regime. In particular, Canada is being urged to address: copyright reform; illegal camcording of first-run feature films in Canadian cinemas; and border enforcement measures. It should be noted that unauthorized camcording of a feature film in Canadian theatres violates the *Copyright Act*, which could result in civil and criminal remedies.

Canada is committed to finding solutions to the global problem of counterfeiting and piracy, and is working in a variety of international fora. The importance of enhancing the domestic intellectual property regime to respond to technological change is recognized in order to ensure that Canada is internationally competitive and able to attract foreign investors.

## B. Discussion

The discussion of intellectual property started with an American legislator suggesting that, as we increasingly move toward a creative economy, intellectual property issues must be addressed. He also noted that while Canada has signed a number of international protocols in respect of intellectual property, Canada has not always ratified them. Moreover, he mentioned that pirated materials may be coming through Canada and argued that border protocols are not sufficiently strong; he identified the difference between civil seizure and criminal enforcement at the border. In his view, there is a need for bilateral cooperation, and opportunities to work together must be identified. A colleague supported the designation of camcording as a criminal offence in Canada, and identified a need for the Royal Canadian Mounted Police to have prosecutorial authority. He also noted that some U.S. movies are not being shown in Canadian theatres. According to another colleague, Canada is on the watch list pursuant to the U.S. Trade Act.

A Canadian delegate continued by noting that two House of Commons committees are studying intellectual property issues, and that legislation is expected to be introduced



soon; while a provision in Canada's *Copyright Act* could be used to address piracy, this approach is felt to be impractical and the *Criminal Code* may be amended to make camcording in movie theatres a criminal offence. He indicated that Canada recognizes piracy and counterfeiting as serious problems, and that China – among a handful of source countries – is a particular contributor to the problem. He identified the pressure that exists for Canada and the United States to work together in this area. A colleague argued that it is not just inexpensive knock-offs that are of concern to work.

Delegates agreed to the following resolution:

*Recognizing the growing problem of intellectual property theft, the Canada-United States Inter-Parliamentary Group supports reciprocal provisions which would ensure that such theft – including camcording in movie theatres – constitutes a criminal offence. Adequate human and financial resources should be devoted to the enforcement of provisions in respect of counterfeited and pirated goods, particularly at the shared border.*

## **COMMITTEE II – BILATERAL COOPERATION ON DEFENCE, ENVIRONMENTAL AND DEMOCRATIZATION ISSUES**

### **NATO AND AFGHANISTAN**

#### **A. Background**

Canada and the United States were both founding members of the North Atlantic Treaty Organization (NATO) in 1949. While the Alliance moved in the 1990s to undertake operations beyond the territory of its member states, it only invoked its “Article V” collective defence provisions for the first time following the terrorist attacks of 11 September 2001. In the years that have followed, both Canada and the United States have contributed to international efforts – codified in the Afghanistan Compact – to assist the Government of Afghanistan in meeting serious challenges in the areas of security, governance and prosperity. In 2001, United Nations Security Council Resolution 1386 authorized the deployment of a multinational military force in and around Kabul to help stabilize Afghanistan and to create the conditions for self-sustaining peace. NATO agreed to take over command of the International Security Assistance Force (ISAF) in 2003. Progressively, and at the request of the Afghan government, the ISAF expanded throughout Afghanistan, completing this process in fall 2006.

By 2006, a Taliban-led insurgency had strengthened in the south of that country, where close to 2,500 Canadian military and other personnel are based; by May 2007, Canada had lost more than 50 Canadian Forces members and one diplomat in Afghanistan. The United States is the largest foreign troop contributor in Afghanistan; it had almost 25,000 military personnel – many of whom do not serve under NATO command – there in early March 2007, and had lost about 308 individuals in and around Afghanistan. By 2007, insurgents in Afghanistan had largely abandoned direct military confrontation with NATO forces, relying instead on increasingly sophisticated and deadly improvised explosive devices and suicide attacks. In general, most observers now argue that the priority for the international community should be to train Afghan military and police

forces, as well as to help improve the governance of that country. Canada's military mission in southern Afghanistan is scheduled to end in February 2009.

## **B. Discussion**

A Canadian delegate began the discussion by noting that while coalition operations in Afghanistan were approved by the United Nations (UN), the fact that they were commanded by the North Atlantic Treaty Organization (NATO) led most Canadians to feel that the country had moved beyond the traditional peacekeeping role. It also did not help that the majority of the fighting in Afghanistan seemed to be done by only about four countries, while others imposed national "caveats" on the actions of their troops. A colleague said that the Canadian public was evenly split on the mission. At the same time, Canadian personnel deployed to Afghanistan were convinced they were doing valuable work. We cannot be "peacekeepers" in Afghanistan because there is no peace to keep. While it would be great to do more through the United Nations, that organization did not have a great track record in this area. Perhaps some sort of UN reform could mean that NATO could do less of what it is now doing in Afghanistan.

An American delegate suggested a resolution that would both express support for the troops and their families and underline the continuing importance of NATO. A colleague argued that President Truman had seen the United Nations as a source of hope for world cooperation, but also understood the need for NATO, which was meant to preserve democracy through guarding liberty. The UN was not designed to do everything, and it is not really necessary to merge the two organizations. Sometimes people have to struggle to be free, as was the case in Korea. In Afghanistan, Canada and the United States are doing what our soldiers have traditionally done: helping free people maintain their liberty in the face of a trans-national threat that would take it away from them. The practical matter in NATO is that its members have not really understood trans-national threats. There is frustration when we see what some countries are *not* doing in Afghanistan, and while Western European states are reconsidering the future of the Alliance, Eastern European states want to join it. We should reaffirm the traditional commitment of our nations, and ask NATO to clarify its role in the face of trans-national threats.

A Canadian delegate who had closely studied the history of NATO argued that it had come about because of a convergence of interests. The UN was deadlocked, Russia was expanding, the United Kingdom was withdrawing because it was bankrupt, and although President Truman and British Prime Minister Churchill wanted to keep forces in Europe, their popularity fell. While Canadian Prime Minister Mackenzie King was isolationist, he was persuaded to join with the Americans and the British to form NATO. (NORAD was the North American extension of this). Leaders wanted to establish a transatlantic relationship among democratic countries to defend democracy and liberty around the world. While North Americans had been reluctant to send troops to the Balkans, we did so. NATO's Article V was invoked two days after the 11 September 2001 terrorist attacks, and there are UN resolutions on Afghanistan. We should not set a deadline. If we fail there, we will have weakened the only security architecture of democratic countries in the world. We should push other NATO members more, and the countries that have recently joined the Alliance should do more in Afghanistan.

Delegates discussed updating and focusing last year's resolution in light of recent events and the preceding discussion. One problem with public opinion was that one group of nations seemed to be doing all of the heavy lifting. Delegates agreed to propose the following resolution, as modified and adopted by all delegates at the plenary session:

*The Canada-United States Inter-Parliamentary Group recognizes the enormous sacrifice of those Canadians and Americans serving in Afghanistan as part of the United Nations (UN) mandated international mission to stabilize that country. Delegates affirm the importance of the North Atlantic Treaty Organization (NATO), based on its historical role as the primary transatlantic mechanism for the preservation and expansion of liberty and democracy. Delegates believe that all NATO allies must accept adequate burden-sharing and recognize the challenges of trans-national threats.*

## **CLIMATE CHANGE AND ENERGY**

### **A. Background**

Over the past several years, there has been increasing recognition of the challenges posed by climate change. A major contributor to climate change is the emission of greenhouse gases, notably those produced from the use of fossil fuels such as oil. In 1995, the United Nation's Intergovernmental Panel on Climate Change (IPCC) concluded that the balance of evidence suggested discernable human influence on the global climate. Two years later, the Kyoto Protocol was negotiated as a framework for reducing greenhouse gas emissions by 2012. While some countries are on track to reach their Kyoto reduction targets, others – including Canada – are not. An important factor in the failure to reach reduction targets is probably that these would involve difficult decisions and have negative economic impacts, at least in the short term. The fact that some major developing nations and greenhouse gas emitters – such as India and China – have no binding reduction targets under the Kyoto Protocol leads some to condemn the exercise as not only unfair, but also ultimately ineffective.

While the Kyoto Protocol has been the centrepiece for international debates on greenhouse gas reductions, action has also been taken through other fora. The G-8 – which was founded in the 1970s in the aftermath of the first OPEC oil embargo – has long been preoccupied with energy issues, and at the Gleneagles Summit in 2005 began a "Dialogue on Climate Change, Clean Energy and Sustainable Development" with five key countries – Brazil, China, India, Mexico and South Africa – that do not have binding targets under the Kyoto Protocol. In addition to this "G-8+5" process, an Asia Pacific Partnership for Clean Development and Climate was announced in July 2005. The vision of this Partnership is to accelerate the development and deployment of clean energy technologies, ensure energy security, reduce national air pollution, and address climate change in ways that promote sustainable economic growth and poverty reduction. The countries involved in this "AP-6" partnership are Australia, the United States, India, China, Japan and South Korea, which together represent approximately one-half of the global population, Gross Domestic Product and greenhouse gas emissions.

While Canada is a major energy producer, its geography and economy have also traditionally made it a major per capita energy consumer. Despite the fact that it signed and ratified the Kyoto Protocol, Canada's greenhouse gas emissions actually increased significantly in the years that followed, leading the current federal government to argue that Canada's Kyoto Protocol target for greenhouse gas reductions is now unattainable. The government continues to support international action to reduce greenhouse gas emissions, however, and has taken action on both air pollutants and greenhouse gases. Prime Minister Harper has also called Canada an emerging "energy superpower," and the government places great importance on the production of energy, as well as on energy cooperation with the United States; Canada is the largest supplier of energy to the United States.

The United States has traditionally been the world's largest greenhouse gas emitter. Although it did not ratify the Kyoto Protocol, arguing that the science was not proven, the U.S. has reduced greenhouse gas emissions more effectively than has Canada. The U.S. has aimed to reduce the energy-intensity of its economy, and has focused on developing long-term climate-friendly energy technologies. Importantly, California and many other states have moved forward with policies designed to reduce greenhouse gas emissions. The United States has also placed great emphasis on increasing its energy security, which involves both reducing dependence on foreign – particularly Middle Eastern – oil and making more efficient use of energy.

Canada and the United States have met regularly since the late 1970s to discuss energy issues, and now also do so trilaterally with Mexico. In March 2002, Canada and the United States agreed to expand and intensify bilateral cooperation on climate change, and formed a bilateral working group on the topic. The areas of joint cooperation include energy efficiency, transportation, scientific research, reporting and measurement, mitigation technologies and adaptation to climate change.

## **B. Discussion**

A Canadian delegate began the discussion by stating that citizens in both Canada and the United States have made it clear that climate change is a major issue that must be addressed. While the United States eventually decided not to ratify the Kyoto Protocol, it has done a better job of reducing emissions than has Canada. China and India are rapidly increasing their production of greenhouse gases, and China will very soon pass the United States to become the world's largest emitter. The fact that there are many coal-fired plants on the drawing board that use 1950s technology should be of concern. An American delegate agreed, adding that instead of just sitting around criticizing ourselves, we have to make sure China is also beginning to use the same kind of remedial measures as are used in North America.

The Canadian delegate added that the "G-8+5" process had elevated the issue to a much higher political level, and since Canada and the United States are major players, delegates should encourage this development. An American delegate agreed that these international efforts should be supported, but argued that we should not use that as an excuse not to do anything ourselves. A Canadian legislator added that we can sell environmentally friendly technologies, which are good for business. He discussed the

capture and storage of carbon dioxide, as well as other issues such as intellectual property and industrial espionage.

An American legislator repeated that while we can consider all of these issues, China and India do not want to respect rules such as intellectual property and/or to address issues such as climate change. While Canada and the United States have taken actions, Mexico has not done anything. A colleague responded that the U.S. federal government has not done anything: all action has come from the states. She argued that national goals were needed. A Canadian delegate added that respiratory disease is increasing dramatically in India. As a middle class emerges there, they will demand health and environmental protection from their government. A colleague said that we must hold other countries accountable. Some countries have done better public relations than others on climate change. Europeans did the calculations on the Kyoto Protocol, and Australia and North America were punished. Delegates should underline the need to address energy policy from a coordinated North American perspective, as well as put an emphasis on new technology, since it is impossible to eliminate carbon dioxide from all production. Another Canadian legislator said that delegates should acknowledge that human activity plays a role in climate change (not 100%), and that solutions must include developing countries.

Delegates agreed to propose the following resolutions, as modified and adopted by all delegates at the plenary session:

*The Canada-United States Inter-Parliamentary Group recognizes climate change as an important issue. Individual citizens as well as nations – including developing nations – must be good stewards of the environment. Reducing greenhouse gas emissions is critical to our sustainable future and will require efforts by all nations.*

*The Canada-United States Inter-Parliamentary Group recognizes that a cooperative approach to develop a North American Energy Strategy and solutions is critical. Our future energy security will depend on conservation and the development and implementation of new technologies. The transfer of technology globally will help to address the global problem of air pollution and climate change. Both countries should be encouraged to become world leaders in: conservation; carbon dioxide capture and sequestration; coal gasification; efficient use of fossil fuels; and development and implementation of a wide variety of alternative energy sources. Delegates support efforts by North American trade partners to work toward an energy security plan characterized by self-sufficiency. This plan should focus on both renewable and non-renewable energy sources, and should contemplate minimum standards for renewable energy.*

## **COMMITTEE III – BILATERAL COOPERATION ON TRANS-BORDER ISSUES**

### **WESTERN HEMISPHERE TRAVEL INITIATIVE (WHTI)**

#### **A. Background**

The Western Hemisphere Travel Initiative (WHTI), passed by the U.S. Congress, will require all U.S. citizens and previously exempt foreign nationals, including Canadians, to have a passport or other acceptable alternative documents when entering the U.S. from the western hemisphere.

Canada is pursuing a two-track strategy in response to the WHTI. The first track includes engaging the U.S. Administration directly on developing a transparent implementation plan, including technology and infrastructure as well as acceptable alternative documents, and establishing a transition period. The second track, delivered primarily through the Canadian Embassy in Washington and the network of Canadian consulates in the U.S., involves advocacy efforts to communicate Canadian concerns and positions to Members of Congress, state governments and key stakeholders on both sides of the border.

The WHTI was implemented at air ports of entry on 23 January 2007. The U.S. Administration has indicated that it intends to implement the WHTI at land and sea ports of entry no later than 1 June 2009.

In May 2007, the U.S. government announced that it was delaying strict enforcement of requirements for Americans to have passports to re-enter their country if they are travelling by air until the end of September 2007. Because of the backlog of passport applications, Americans will be able to fly home from Canada, Mexico and the Caribbean this summer with other forms of identification, such as a driver's licence, if they can show a U.S. Department of State receipt indicating that they have applied for a passport. Canada is asking the U.S. to show the same flexibility towards Canadian travellers.

Also in May 2007, Canada announced simpler rules for Canadians when they apply for passports. The new procedures, which come into effect on 15 August 2007, mean that Canadians renewing passports will no longer have to provide original proof-of-citizenship documents or birth certificates. They will only need to submit two new passport photos and their old passport. First-time applicants will be able to use a current passport holder as a guarantor rather than having to select someone from among a small list of government-approved guarantors such as doctors or lawyers.

## **B. Discussion**

The Western Hemisphere Travel Initiative (WHTI) continues to be of great interest to both Canadian and U.S. delegates. Discussions centred on the development of acceptable documentation other than a passport for crossing the Canada-United States land border.

Canadian delegates raised their concerns with the "thickening" border (i.e., the imposition of inspection fees for goods crossing the border as well as the cessation of talks by the United States on the pre-clearance initiative) and stressed the economic necessity of having a free flow of goods and people across the border.

While Canadian legislators recognized that the WHTI for the land border would not be repealed, they would like to see the United States establish a firm deadline for its implementation. U.S. delegates responded by stating that while no fixed date has been set for implementation, the date could be extended if needed. It was also noted by some U.S. delegates that the U.S. Congress will be proposing a cost-benefit analysis of the Western Hemisphere Travel Initiative.

Delegates from both countries agreed that implementation of the WHTI on the northern land border should be done in a manner that minimizes border delays, harm to business and tourism, and inconvenience to individuals.

Delegates agreed to the following resolution:

*The Canada-United States Inter-Parliamentary Group recommends that the Departments of Homeland Security and State develop and implement the regulations for the Western Hemisphere Travel Initiative (WHTI) in a manner which minimizes border delays, harm to business and tourism, and inconvenience for individuals. Delegates urge the U.S. Administration to intensify cooperation with Canada to identify mutually agreeable documentation requirements and ensure a common vision for WHTI implementation. Consultation with stakeholders in the business community, and outreach to the general public, will also be necessary for smooth implementation of the regulations.*

## **CANADA-UNITED STATES LAND PRE-CLEARANCE**

### **A. Background**

In December 2004, the governments of Canada and the United States announced two land pre-clearance pilot projects: Fort Erie, Ontario and Alexandria Bay, New York.

The implementation of these two pilot projects required a formal agreement between the two countries on the legal, policy and operational terms and conditions that would underpin border inspection and subsequent law enforcement activities in the territory of the host country.

Canadian and U.S. officials worked hard over the last two years to conclude a bi-national agreement on these projects and significant progress was made.

While both Canada and the United States have agreed on conditions regarding the taking of fingerprints where individuals wish to enter the U.S., the major unresolved issue pertains to taking compulsory biometric information from individuals who decide not to enter the U.S. and seek to withdraw from the land pre-clearance area while they are on Canadian territory.

More specifically, the U.S. indicated that it would like to have the discretion to refer to secondary inspection, without reasonable suspicion, some individuals who wish to withdraw, at which point they could be compelled to provide fingerprints. The U.S. has expressed concern that individuals could probe border operations in an attempt to facilitate a future offence.

From a Canadian perspective, once an individual decides to withdraw from the land pre-clearance area and remain in Canada, this individual can no longer be treated in a border/pre-clearance context. Compelling fingerprints from all individuals who decide to remain in Canada raises significant concerns. Fingerprints may only be taken involuntarily in Canada in specific circumstances, such as under the *Identification of Criminals Act* when an individual is charged with an indictable offence.

Canada has suggested that, subsequent to withdrawal of a suspicious individual, the Royal Canadian Mounted Police could – as appropriate – investigate the individual further, and inform U.S. authorities of relevant findings.

On 26 April 2007, the U.S. informed Canada that it no longer wishes to pursue land pre-clearance negotiations.

## **B. Discussion**

Delegates from both countries addressed the issue of land pre-clearance, and more specifically the stalled discussions between Canada and the United States on this subject. They believe that land pre-clearance offers significant promise for both countries. Relocating border facilities to the side of the border that most easily permits their physical expansion would allow more efficient and secure processing of legitimate travellers and goods across the border.

Legislators argued that pre-clearance talks should resume, and that the issue should move forward to ease congestion and facilitate movement across the border.

Delegates agreed to the following resolution:

*The Canada-United States Inter-Parliamentary Group urges Canada and the United States to find a way to resolve the outstanding issues surrounding the subject of pre-clearance at our border.*

## **GREAT LAKES WATER QUALITY**

### **A. Background**

The Great Lakes are home to more than 300 invasive or non-native species, many of which threaten the health of the marine ecosystem. Invasive species include the zebra mussel, the round goby and the Asian carp. Many of these arrive in the ballast water used to provide stability to cargo ships. When the ship discharges its ballast water into foreign regions, it often releases a host of organisms from its home port, many of which can be destructive and harm the well-being of the Great Lakes. Coupled with this reality is the fact that there are a multiplicity of agencies (state, provincial and federal) on both sides of the Great Lakes that are attempting to deal with these issues. The result can be a lack of coordination and a slowness in response when dealing with these problems.

### **B. Discussion**

Canadian and U.S. delegates stressed that the Great Lakes are a shared resource, and that a collaborative approach by both countries is required to ensure the future viability of the Great Lakes. U.S. participants voiced the opinion that the Great Lakes are under siege from such things as invasive species, poor water quality, reduced water levels and ballast water contamination. Canadian delegates believe that we need a long-term strategy with a strong enforcement program to deal with water quality and ballast water problems. Finally, legislators from both countries felt that there were too many agencies in both countries dealing with the Great Lakes and that a rationalization of organizations is required in order to facilitate a more coordinated and visible approach to Great Lakes issues.

Delegates agreed to the following resolution:

*The Canada-United States Inter-Parliamentary Group urges the Prime Minister of Canada and the President of the United States, within the framework of the existing international agreements, to declare a bilateral commitment to the restoration of the*



*Great Lakes and that a compromise plan be agreed upon between Canada and the United States to achieve this restoration.*

## **DETROIT RIVER INTERNATIONAL CROSSING (DRIC)**

### **A. Background**

The Windsor-Detroit Gateway is comprised of four border crossings – the Ambassador Bridge being the busiest – between Canada and the United States, and accounts for 28% of total Canada-U.S. two-way trade. It is the busiest land-border crossing in North America and badly in need of increased capacity to facilitate cross-border traffic. The federal governments in Canada and the United States are partners with the governments of Ontario and Michigan in a bi-national partnership to develop new crossing capacity at the Gateway. The partnership is considering options for the entire border transportation system – river crossing, inspection plazas and access roads – to achieve an end-to-end solution that will best meet current and future mobility needs, while minimizing impacts on the surrounding communities and environment.

In addition to considering options for a new border crossing, the Canadian federal government is working with its bi-national partners to develop a governance regime for the new crossing which will provide appropriate public oversight. The scope of the governance entity will be the bridge and inspection plaza only.

The Ambassador Bridge is a privately owned suspension bridge connecting Windsor, Ontario to Detroit, Michigan. Completed in 1929, it consists of four undivided lanes and is the busiest border crossing in North America. The private ownership group has moved forward with its own independent proposal to twin the Ambassador Bridge as an alternative to the bi-national study, and to address current and projected congestion issues associated with the bridge crossing. This submission is separate from the bi-national partnership study to identify the location for a new Detroit River Crossing.

### **B. Discussion**

Canadian and American delegates stressed the fact that there has long been a need for an additional bridge crossing. Steadily increasing traffic, with attendant congestion, is causing undue delays and hindering the flow of trade across the border. Canadian delegates believe that the additional crossing should be in the public domain because of the significant trade and security implications of such an artery. U.S. legislators voiced similar opinions regarding a public bridge. One idea that was discussed by delegates to promote the timely construction of an additional crossing was the possible creation of a bi-national border authority for the region to operate the new entity.

Delegates agreed to the following resolution:

*The Canada-United States Inter-Parliamentary Group recognizes the need for an additional crossing at Detroit-Windsor and encourages the expediting of its construction.*

## **CLOSING PLENARY**

During the closing plenary session, delegates discussed the resolutions that had been agreed during the committee sessions, and developed a concluding statement. The committee resolutions are re-iterated below:

*The Canada-United States Inter-Parliamentary Group recommends that the Departments of Homeland Security and State develop and implement the regulations for the Western Hemisphere Travel Initiative (WHTI) in a manner which minimizes border delays, harm to business and tourism, and inconvenience for individuals. Delegates urge the U.S. Administration to intensify cooperation with Canada to identify mutually agreeable documentation requirements and ensure a common vision for WHTI implementation. Consultation with stakeholders in the business community, and outreach to the general public, will also be necessary for smooth implementation of the regulations.*

*Recognizing the growing problem of intellectual property theft, the Canada-United States Inter-Parliamentary Group supports reciprocal provisions which would ensure that such theft – including camcording in movie theatres – constitutes a criminal offence. Adequate human and financial resources should be devoted to the enforcement of provisions in respect of counterfeited and pirated goods, particularly at the shared border.*

*The Canada-United States Inter-Parliamentary Group supports a science-based approach in respect of North American and international trade in cattle and beef products.*

*The Canada-United States Inter-Parliamentary Group recognizes the enormous sacrifice of those Canadians and Americans serving in Afghanistan as part of the United Nations (UN) mandated international mission to stabilize that country. Delegates affirm the importance of the North Atlantic Treaty Organization (NATO), based on its historical role as the primary transatlantic mechanism for the preservation and expansion of liberty and democracy. Delegates believe that all NATO allies must accept adequate burden-sharing and recognize the challenges of trans-national threats.*

*The Canada-United States Inter-Parliamentary Group recognizes climate change as an important issue. Individual citizens as well as nations – including developing nations – must be good stewards of the environment. Reducing greenhouse gas emissions is critical to our sustainable future and will require efforts by all nations.*

*The Canada-United States Inter-Parliamentary Group recognizes that a cooperative approach to develop a North American Energy Strategy and solutions is critical. Our future energy security will depend on conservation and the development and implementation of new technologies. The transfer of technology globally will help to address the global problem of air pollution and climate change. Both countries should be encouraged to become world leaders in: conservation; carbon dioxide capture and sequestration; coal gasification; efficient use of fossil fuels; and development and implementation of a wide variety of alternative energy sources. Delegates support efforts by North American trade partners to work toward an energy security plan characterized by self-sufficiency. This plan should focus on both renewable and non-renewable energy sources, and should contemplate minimum standards for renewable energy.*

*The Canada-United States Inter-Parliamentary Group urges Canada and the United States to find a way to resolve the outstanding issues surrounding the subject of pre-clearance at our border.*

*The Canada-United States Inter-Parliamentary Group recognizes the need for an additional crossing at Detroit-Windsor and encourages the expediting of its construction.*

*The Canada-United States Inter-Parliamentary Group urges the Prime Minister of Canada and the President of the United States, within the framework of the existing international agreements, to declare a bilateral commitment to the restoration of the Great Lakes and that a compromise plan be agreed upon between Canada and the United States to achieve this restoration.*

The 48<sup>th</sup> Annual Meeting concluded with agreement on the following statement:

*The North American space we share exists within a global context. We work together to ensure North American competitiveness and prosperity, as well as a rising standard of living and quality of life for all our citizens. To ensure this outcome, we must look beyond our North American boundary and assess worldwide events affecting us.*

*The Canada-United States Inter-Parliamentary Group believes there are looming issues that have yet to be mutually explored. We will monitor them as they affect our bilateral relationship. These issues include: the global environment and climate change; emerging transnational security threats; and manufacturing developments that have economic and trade consequences.*

*The Group's aim is to find points of convergence in our respective national policies, initiate dialogue on points of divergence, encourage the exchange of information, and promote better understanding between Canadian and American legislators on shared issues of concern.*

Respectfully submitted,

Hon. Jerahmiel Grafstein, Senator  
Co-Chair, Canada-United States  
Inter-Parliamentary Group

Rob Merrifield, M.P.  
Co-Chair, Canada-United States  
Inter-Parliamentary Group

## Travel Costs

<b>ASSOCIATION</b>	Canada-United States Inter-Parliamentary Group
<b>ACTIVITY</b>	48 <sup>th</sup> Annual Meeting
<b>DESTINATION</b>	Windsor, Ontario, Canada
<b>DATES</b>	May 18-21, 2007
<b>DELEGATION</b>	
SENATE	Hon. Jerry Grafstein, Senator, Co-Chair Hon. Frank Mahovlich, Senator
HOUSE OF COMMONS	Mr. Rob Merrifield, M.P., Co-Chair Hon. Wayne Easter, P.C., M.P. Hon. Judy Sgro, P.C., M.P. Hon. Shawn Murphy, P.C., M.P. Hon. Charles Hubbard, P.C., M.P. Mr. Claude Bachand, M.P. Mr. John Maloney, M.P. Mr. Bob Mills, M.P. Mr. James Rajotte, M.P. Mr. Alan Tonks, M.P. Mr. Brian Masse, M.P. Mr. Guy André, M.P. Mr. Gord Brown, M.P. Mr. Brad Trost, M.P. Mr. Jeff Watson, M.P. Mr. Marcel Lussier, M.P.
STAFF	Elizabeth Rody, Chief of Protocol and Director of Events Daniel Charbonneau, Executive Secretary Fiona Bladon, Logistics Coordinator Kelly-Ann Benoit, Protocol Officer Nathalie Labelle, Logistics Officer Monique Levesque, Administrative Assistant  June Dewetering, Analyst John Christopher, Analyst

Jim Lee, Analyst

<b>TRANSPORTATION</b>	<b>\$20,163.38</b>
<b>ACCOMMODATION</b>	<b>\$21,416.00</b>
<b>HOSPITALITY</b>	<b>\$46,311.01</b>
<b>PER DIEMS</b>	<b>\$3,714.50</b>
<b>OFFICIAL GIFTS</b>	<b>\$2,376.25</b>
<b>MISCELLANEOUS/REGISTRATION FEES</b>	<b>\$6,517.41</b>
<b>TOTAL</b>	<b>\$100,498.55</b>