

Montana State Legislature

2013 Session

Exhibit: |

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Global Challenges Regional Solutions



*Pacific NorthWest
Economic Region*

2012 ANNUAL REPORT

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Pacific North West Economic Region

2012 - 2013
PNWER Executive
Committee*

January 14, 2013

MEMORANDUM FOR MONTANA LEADERSHIP

SUBJECT: PNWER 2012 Activities and Accomplishments

Hon. Lyle Stewart
Saskatchewan
President

Sen. Kevin Ranker
Washington
Vice President

Hon. David Ramsay
Northwest Territories
Vice President

Sen. Curt McKenzie
Idaho
Vice President

Rep. Mike Schaufler, Oregon
Imm. Past President

Hon. Mel Knight; Alberta
Past President

Sen. Lesil McGuire, Alaska
Past President

Alana DeLong; MLA
Alberta

Doug Horne; MLA
British Columbia

Rep. George Eskridge; Idaho
Past President

Hon. Currie Dixon; Yukon

Rep. Deb Eddy;
Washington

Sen. Cliff Larsen;
Montana

Hon. David Ramsay;
Northwest Territories

Colin Smith, APEGBC
Private Sector Co-Chair

Dan Kirschner, Northwest
Gas Association
Private Sector Co-Chair

We thank you for your support of the Pacific North West Economic Region (PNWER). As a founding member of PNWER, Montana has been a strong supporter over the past two decades and we greatly appreciate the state's leadership and \$36,000 annual dues for membership. We have leveraged these funds to bring significant benefit to your state and the entire region as a whole.

As you know, PNWER is the *only* statutory cross-border forum for legislators and the business community to come together to develop regional solutions to global economic challenges. With this in mind we have focused on a number of projects that aim at enhancing economic development for our member jurisdictions and working to encourage new opportunities for jobs and a better understanding of our interdependent economy across the region. 2012 has been a very significant year for PNWER and we have developed a number of program and projects that significantly benefit Montana.

Some of the highlights include:

- **Idaho Governor Butch Otter signed an Executive Order creating the Idaho PNWER Council.** The purpose of the PNWER Idaho Council is to ensure the Executive Branch is represented and integrated with the Legislative branch and the private sector to address issues impacting Idaho and the rest of the region. PNWER is exploring similar arrangements in the other PNWER states as well.
- **PNWER held the annual Economic Leadership Forum in Coeur d'Alene, Idaho in Nov. 2012.** The agenda focused on Transportation, Energy, Workforce and Innovation and included several tours focused on heavy equipment manufacturing and coin minting.
- **PNWER Hosted the 3rd Legislative Leadership Academy** in Victoria, BC with over 40 US and Canadian legislators to explore the practical differences between the US and Canadian political systems.
- **PNWER hosted the first regional Energy Storage meeting** in Victoria BC and formed the **PNWER Energy Storage Coalition**. This group met in Oct. 2012 in Portland OR with Public Utility Commissioners from

*Partial listing

Washington and Oregon to explore the implications of this growing field and its impact on energy planning in our region.

- **PNWER Legislators from several states and provinces travelled to Ottawa and met with key Canadian Federal Ministers, including Prime Minister Harper.** These meetings allowed our region to have a voice on a national level regarding improved cross border trade and security and provided important input to the US-Canada Beyond the Border and Regulatory Cooperation Council Action Plan.
- **Announcement of the US-Canada Beyond the Border and Regulatory Cooperation Council Action Plans.** PNWER played a significant role in providing input during the development of these action plans by assembling and then submitting over 66 recommendations from stakeholders on needed improvements to enhance trade and security between our two nations. Because of this, PNWER was recognized by both ambassadors for this effort.
- **PNWER legislators visited Juneau, Olympia, Boise, Whitehorse and Regina during legislative sessions in 2012.** PNWER delegates participated in a number of committee hearings and meetings with leadership to discuss important regional issues impacting our shared economy.
- **PNWER facilitated the 6th annual Critical Infrastructure Interdependencies Forum** focused on Economic Recovery after a major disaster at the Microsoft Campus in Redmond, WA. This event brought together emergency managers from four of Washington's largest jurisdictions with over 75 private sector companies and 35 government agencies to discuss the development of disaster recovery plans.
- **PNWER leaders took part in Regulatory Cooperation Council Meetings in Washington DC** to serve as the voice of the region in important discussions related to US-Canada regulations involving Crop Protection Products, Livestock Transport, Meat and Poultry Inspection, Foreign Animal Disease Zoning, Veterinary Drugs, and several other topics listed in the RCC Action Plan.
- **Hosted regional university presidents during the PNWER Summit.** 9 presidents and 4 senior administrators were present representing 3 American and 10 Canadian universities:

University of Alaska Fairbanks

University of Idaho

Portland State University

University of Saskatchewan

University of Northern British Columbia

Royal Roads University

University of Lethbridge

Grant MacEwan University

University of Calgary

Athabasca University

Justice Institute of British Columbia

Yukon College

University of Regina

- **Hosted meetings of the state/provincial energy chairs** to coordinate on regional energy policy and share best practices. Senator Cliff Larsen currently chairs our Energy working group.
- **Organized regional delegation trips to Washington DC** and met with Washington congressional delegation to discuss regional issues important to this region.
- **Held the 4th Annual Cross Border Livestock Health Conference** with over 75 state and provincial veterinarians and public and private animal health leaders to address issues impacting our region. This group also held monthly conference to share best practices and coordinate on livestock health issues, including the development of a regional proposal for Electronic Certification of Livestock shipments across the border.
- PNWER received funding from a Port Security grant to work with several ports, counties and cities in Washington to develop a **Maritime Social Media System** to prevent and mitigate disasters in the region. This innovative project will allow emergency managers and security personnel to utilize social media to provide a real-

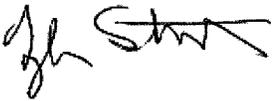
time situational awareness picture during any incident. The system involves the development of a smart phone app and a social media aggregator tool designed to compile and sort feeds from twitter, facebook, YouTube and other social media sites. The final product will be complete in Summer, 2013.

- **The Energy Council partnered with PNWER** to host an annual 3 day conference in Washington DC focused on state and provincial energy issues.
- **PNWER hosted a one day Arctic Caucus conference at the US Capitol in Washington DC** with regional congressional leaders to discuss the importance of Arctic issues on the region. The meeting featured Senators Lisa Murkowski and Mark Begich from Alaska as well as members of the US State Department and Canadian Embassy.
- **The US Coast Guard and Transport Canada partnered with PNWER to launch the US-Canada Maritime Commerce Resumption Strategy project focused on ports in Washington and British Columbia.** The project involved over 250 stakeholders from across the region and involved several workshops and a tabletop exercise to design communication and information sharing protocols to quickly recover from a maritime incident. This was a major problem recently with hurricane Sandy on the eastern seaboard.
- **PNWER partnered with the Washington Economic Development Council, UW Bothell and the province of Saskatchewan to develop an Innovation Visualization Project** focused on mapping the region's innovation assets. This project is intended to identify the region's key Innovation assets and encourage better collaboration across state and provincial boundaries.
- **PNWER Hosted semi-annual WA First Coalition meetings** with business continuity and emergency planners from regional banks and insurance companies. These meetings allow for the financial sector to better collaborate to plan for catastrophic incidents and work with government leaders to quickly recover after an event.
- **PNWER hosted the annual Arctic Caucus Meeting in Whitehorse YT.** This meeting focused on tourism marketing and connections; research and innovation; development corporations: regional economic engines; regional priorities and perspectives of the first two years of the caucus; and policy best practices Yukon Environmental and Socioeconomic Assessment Act (YESAA). More than 50 delegates attended the Whitehorse gathering, including legislators and business leaders from Yukon, Alaska and the Northwest Territories, as well as from Washington, Oregon, British Columbia, and Ottawa.
- **PNWER helped facilitate a Stakeholder Roundtable** with the Canadian Consulate with Mr. Simon Kennedy, who was the Canadian lead on the Beyond the Border Action Plan. This session allowed private sector stakeholders to provide direct input on the impact of the Beyond the Border Action plan and potential improvements necessary to improve US-Canada trade and security.
- **PNWER worked with regional labor leaders in WA and OR and the province of AB** to explore temporary worker visa options to fill thousands of job openings in the Alberta Oil Sands with unemployed skilled workers from neighboring states, especially US veterans returning from Afghanistan and Iraq. The Edmonton Economic Development Corporation hosted a job recruiting event in Seattle, WA for several Alberta energy companies.
- **PNWER continued to host the Legislative Energy Horizon Institute certificate program** for state/provincial/territory legislators, together with partners, including the University of Idaho, the US Department of Energy, and Natural Resources Canada. This Nine month, 60 credit hour program was designed for legislators to understand the fundamentals of how the energy infrastructure functions. The course graduation was held at the Canadian Embassy in Washington DC. Over 80 legislators have now graduated from the program.
- **PNWER hosted a Regional Innovation Roundtable in Seattle WA** with key public and private sector leaders involved in Innovation planning. Regional leaders in entrepreneurship, business development and start-up financing took center stage at the first annual Pacific Northwest Innovation Summit, September 17- 18, 2012, held as part of Seattle Center's 50th anniversary celebration. The meeting included discussions on what makes successful innovation and collaboration in the region, and the role that start-ups, angel and venture capital play in this success.

- **PNWER participated in National Homeland Security Advisors Meeting in Seattle WA** and provided a briefing to the Homeland Security Directors from across the United States on the work PNWER is leading in Regional Disaster Resilience Planning.
- **PNWER held the 22nd Annual Summit in Saskatoon, SK in July 2012** where over 500 regional public and private sector leaders gathered to discuss issues impacting our region. These meetings resulted in the PNWER Action Plan and focuses on 17 topics such as energy, transportation, workforce, water policy and other topics important to the future of our region.
- **PNWER hosted the Emerald Down Cyber Security Seminar and Exercise** in September in Seattle, WA for over 100 public and private sector cyber leaders across the region. This event focused on a real world scenario impacting our region's critical infrastructure cyber assets and the overall response effort during a major disruption.
- PNWER is now in the planning stage for the 23rd Annual Summit in Anchorage Alaska, which will be held July 14 – 18, 2013.

We hope you will plan to join us at our Annual Summit in 2013 in Anchorage, AK July 14-18. For more information regarding the PNWER Summit, please visit www.pnwer.org We look forward to continuing to partner with you in the coming year.

Sincerely,



Hon. Lyle Stewart
PNWER President 2012-2013
Minister of Agriculture, Saskatchewan



Matt Morrison
Chief Executive Officer
PNWER



Montana

- 23,300 Montana jobs depend on trade with Canada
- 800 Montanans are employed by Canadian-owned businesses
- Montana sells more goods to Canada than to any other country in the world
- Total Canada–Montana goods trade: \$5.9 billion

Montana–Canada facts

Foreign export markets

- Largest export market: Canada
- % foreign-bound goods sold to Canada: 37%

Montana sells more goods to Canada than to the state's next four largest foreign markets combined

Merchandise trade

- Montana exports to Canada: \$591 million
- Montana imports from Canada: \$5.3 billion
- Bilateral trade: \$5.9 billion

Jobs*

- # jobs that depend on trade with Canada: 23,300
- # employed by Canadian-owned businesses: 800

** Job numbers from trade (2010 data) and Canadian-owned businesses (2009 data) are from a 2012 study commissioned by the Government of Canada*

Tourism

- Montana visits by Canadians: 1,006,600, \$317 million spent
- Montana visits to Canada: 134,300, \$43 million spent

Top exports

- Fuel oil: \$109 million
- Automobiles: \$55 million
- Petroleum coke & bitumen: \$51 million
- Salt, sulfur, earth & stone, lime & cement: \$41 million
- Natural gas & other gases: \$37 million
- Aircraft: \$28 million
- Wood & semi-finished wood products: \$22 million
- Agricultural machinery: \$18 million
- Engines & turbines: \$14 million
- Trucks: \$13 million
- Animal feed & food industry residues: \$12 million
- Live animals: \$12 million
- Inorganic chemicals: \$8 million

Top imports

- Crude petroleum: \$4.4 billion
- Fertilizers: \$181 million
- Natural gas & other gases: \$157 million
- Iron & steel tubes, pipes & sheets: \$48 million
- Fuel oil: \$29 million
- Softwood lumber: \$29 million
- Animal feed & food industry residues: \$28 million
- Wood & semi-finished wood products: \$27 million
- Agricultural machinery: \$23 million
- Inorganic chemicals: \$21 million
- Oil seeds: \$19 million
- Hoists, derricks & lifting equipment: \$17 million
- Aircraft: \$12 million



Montana exports \$591 million in goods to Canada

- Energy (33%)
- Transportation (22%)
- Equipment & machinery (12%)
- Minerals & metals (10%)
- Agriculture (10%)
- Chemicals (5%)
- Other (7%)

Montana imports \$5.3 billion in goods from Canada

- Energy (87%)
- Chemicals (4%)
- Equipment & machinery (3%)
- Minerals & metals (2%)
- Agriculture (1%)
- Forest products (1%)
- Other (2%)



A truck-mounted Sanjel Cyclonic Mixer used in cementing steel casing in oil/gas wells, remedial cementing, or executing well kills to keep the pressure of formation fluids from entering the well bore

Sanjel Corp

Sanjel, a Calgary-based oil/gas pressure pumping firm, recently chose Billings for its new U.S. training facility. The company now brings more than 100 new hires a month from across the U.S. to the site, where they receive up-to-date training on best practices for developing shale gas and shale oil. Sanjel chose Billings for its investment because of its proximity to the booming Bakken shale oil play, its transportation and infrastructure network, and its access to other U.S. oil/gas producing areas.

Avmax Group

Calgary-based **Avmax Group**, a large aircraft maintenance repair and overhaul (MRO) company, opened a facility in Great Falls, Montana in 2006. The firm now employs more than 150 workers at its 40,000 square ft. facility, a former WWII hangar. Half of Avmax's employees are either current national guard or retired military personnel, many having formerly been stationed at Malestrom Air Force Base, also in Great Falls. Avmax's Great Falls facility includes two heavy service lines for work on regional-sized aircraft, and a full paint shop. Avmax also operates similar facilities in Jacksonville, Florida and in Canada.



Stillwater Mining Company

Stillwater Mining Company is engaged in the development, processing and marketing of palladium, platinum and associated metals (PGM). Stillwater's main operations are at southern Montana's M-M Reef, the only significant U.S. source of PGMs. The metals are used in auto catalysts, fuel cells, hydrogen purification, and other industries. In 2010, Stillwater acquired the platinum assets of Marathon PGM in Canada, now renamed Stillwater Canada. In October 2011, Stillwater acquired another Canadian company, Peregrine Metals of Vancouver. The company's Canadian investment will eventually total more than \$600 million and create 350 permanent jobs, principally in Ontario.

Research (WISER): Canada's export ranking (2/2012 release). **U.S. Census Bureau:** trade (2/2012 release). Services trade data not available at a sub-national level. Figures may not add up due to rounding. Produced by the Embassy of Canada in Washington, D.C.

**For more information on
Montana's trade with
Canada, please contact:**

Consulate General of Canada

1625 Broadway, Suite 2600 •
Denver, CO 80202
Phone: (303) 626-0640 • Fax:
(303) 572-1158

August 2012

Unless otherwise mentioned, all figures are based on 2011 data in U.S. dollars (US\$1.00=C\$0.9891). **Statistics Canada:** tourism, based on combined same-day and overnight travel (5/2012 release); goods & services trade (2/2012 release). **World Institute for Strategic Economic**

For Immediate Release
1:00 p.m., Friday, December 14

For More Information
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PNWER applauds, pushes for continued efforts on U.S.-Canada Perimeter Action Plans

*Harper, Obama release first annual 'report card' for border, regulatory
cooperation action plans*

SEATTLE - The U.S. and Canadian federal governments have released one-year "report cards" on the U.S.-Canada Perimeter Security and Beyond the Border (BTB), Regulatory Cooperation Council (RCC) action plans. The Pacific NorthWest Economic Region (PNWER) applauds both governments for the necessary focus to increase efficiency in the most important economic trading relationship in the world.

"With more than \$1 million per minute in trade between our two countries, the progress seen in the report released today on the first year of these action plans is critical for the economic health of North America and the entire Pacific Northwest region," said Hon. Lyle Stewart, President of PNWER and Minister of Agriculture for Saskatchewan.

The reports identify key accomplishments, including: the development of a cross-border integrated cargo security strategy to address risks early from offshore shipments, joint planning and communication guides to facilitate maritime commerce recovery in the event of an emergency, the creation of a dedicated NEXUS lane at Canadian airports, a streamlined NEXUS renewal process, mutual recognition of air cargo security programs, the start of an entry-exit pilot project at four common land borders, and a joint Border Infrastructure Investment Plan.

"As a partner in the Pacific Northwest and as a province that places great value on our regional trade relationships, British Columbia supports the continued development of the U.S.- Canada Beyond the Border Action Plan," said Douglas Horne, Parliamentary Secretary to the Premier of British Columbia. "A secure but open border is key to our economic prosperity, and by working with our American neighbours we will continue to make the movement of people and goods between us simpler and more efficient."

"These efforts have significantly increased collaboration with officials from both sides of the border focusing on critical issues identified by stakeholders," said Matt Morrison, PNWER CEO, "yet more remains to be done. Governments must streamline legitimate business travel for example, and implement an electronic 'single window' for all import/export regulations between the two countries, which will increase competitiveness," Morrison said. "This progress is important for the economic prosperity of the region, given the level of economic integration between northwestern states and western Canada."

For more information on the reports, "Beyond the Border Implementation Report" and Regulatory Cooperation Council Progress Report to Leaders," go to: <http://bit.ly/beyondtheborder> and <http://bit.ly/RCCreport>.

Beyond the Border One Year Implementation Report: Executive Summary

The United States and Canada are staunch allies, vital economic partners, and steadfast friends. We share common values, links among our citizens, and deeply rooted ties. We enjoy the largest bilateral trading relationship in the world; some \$1.6 billion worth of goods and over 300,000 people cross our shared border each day for business, pleasure, or to maintain family ties. The secure and efficient flows of legitimate goods and people are vital to our economic competitiveness and mutual prosperity.

To preserve and extend the benefits our close relationship has helped bring to Americans and Canadians alike, President Barack Obama and Prime Minister Stephen Harper announced the *Beyond the Border Declaration and the Canada-United States Regulatory Cooperation Council* on February 4, 2011. Both initiatives seek to deepen our partnership and enhance our security, prosperity and economic competitiveness while respecting each other's sovereignty. The Beyond the Border Declaration articulates a perimeter approach to security in which both countries work together to address threats at the earliest point possible – within, at, and away from our borders – while facilitating the lawful movement of people, goods, and services into our countries and across our shared border.

The *Beyond the Border Action Plan*, released by the President and by the Prime Minister in December 2011, outlines specific initiatives in support of this transformational vision. It also calls for Canada and the United States to generate a joint Beyond the Border implementation report annually for a three year period, with the expectation of continuation. The enclosed report covers Beyond the Border activities for 2012.

Our governments made significant progress over the past year in realizing these initiatives. Our progress has been guided by extensive and constructive engagement with stakeholders in the United States and Canada. Through in-person meetings and on-line submissions, we have heard from all levels of government, non-governmental organizations, the private sector, and individuals about the security, trade, and travel issues that matter most to them. We are informed by the input received as we implement the *Beyond the Border Action Plan* and intend to continue to work with stakeholders as we move forward. We strive for transparency and accountability, providing information to the public through websites and press releases.

This report organizes the implementation efforts into the four key areas of cooperation outlined in the *Beyond the Border Declaration*.

- I. Addressing Threats Early
- II. Trade Facilitation, Economic Growth, and Jobs
- III. Integrated Cross-Border Law Enforcement
- IV. Critical Infrastructure and Cyber Security

In order to advance the Beyond the Border Action Plan in 2012, Canada and the United States:

- Developed and released the *Joint Statement of Privacy Principles* to inform and guide information sharing under the *Beyond the Border Action Plan*;

- Achieved mutual recognition of our respective air cargo security programs for passenger aircraft, eliminating the need for rescreening except for cause;
- Initiated a joint entry/exit pilot project at the land border, starting with third-country nationals and permanent residents, whereby the record of entry into one country is shared and becomes the record of exit from the other country;
- Developed an Integrated Cargo Security Strategy to address risks as early as possible associated with shipments arriving from offshore based on informed risk management and initiated pilots to validate and shape the implementation of the strategy;
- Initiated a one-year sector-based pilot project that provides for advance review and clearance of official certification and alternative approaches to import inspection activities;
- Developed a detailed operational model for the upcoming deployment of the truck cargo facilitation pilot project;
- Developed a land border traffic management guide to manage traffic in the event of an emergency;
- Commenced the first cross border Regional Resilience Assessment Program project to improve the security and resilience of cross-border critical infrastructure;
- Released a joint *Cybersecurity Action Plan*;
- Expanded and enhanced the trusted traveler program NEXUS by providing additional benefits to members such as access to expedited passenger screening lanes at airports in Canada and Transportation Security Administration (TSA) Pre[®] lanes in the United States;
- Conducted consultations to facilitate cross-border business travel and implemented various improvements;
- Announced regularized *Shiprider* operations; and
- Developed a joint Border Infrastructure Investment Plan to ensure a mutual understanding of available funding for targeted projects and the schedule, scope, and responsibilities for those projects in consultation and coordination with all applicable local, state or provincial, and federal stakeholders.

While significant progress has been made over the past year, our work is not yet done. Several initiatives including the harmonization of trusted trader programs, the full implementation of an entry/exit program at the land border, the negotiation of a preclearance agreement for the land, rail, and marine modes and an update to the existing preclearance agreement for the air mode are underway. We look forward to reporting on progress on these and other initiatives in subsequent *Beyond the Border* implementation reports.

For the entire report please visit:

http://www.whitehouse.gov/sites/default/files/docs/btb_implementation_report.pdf

Highlights from the Regulatory Cooperation Council One Year Implementation Report

As partners in the largest bilateral trading relationship in the world, and as part of highly integrated supply chains, individual Canadian and American firms move tens of thousands of shipments of goods back and forth across our shared border on a daily basis to access each other's market. Such shipments often experience impediments both at and behind the border because of the two nations' individual regulatory requirements.

It was in this context that Canada's Prime Minister Stephen Harper and United States President Barack Obama issued a Joint Statement on February 4, 2011, creating the Canada-United States Regulatory Cooperation Council (RCC) which subsequently issued the Joint Action Plan on December 7, 2011. In the year since this announcement, steady progress has been achieved in advancing regulatory cooperation between our two countries:

- **Completed Work Plans:** In January 2012, draft Work Plans for each of the 29 initiatives set out in the Joint Action Plan were shared with interested stakeholders from both sides of the border at an RCC stakeholder engagement event held in Washington, D.C. Following stakeholder input and Canada-U.S. agency negotiations, all 29 Work Plans were completed and posted on the RCC's Canadian and American websites between March and July 2012.

- **Early Deliverables:** After individual Work Plans were announced, implementation began. Early deliverables include steps to mitigate particular misalignments between Canadian and American regulations. Work is also well underway on the development of Memoranda of Understanding, discussion papers, initial statements of work on regulatory changes and various assessment activities. Specific examples of regulatory cooperation progress achieved over the past year include:

- the launch of pilot projects for simultaneous submissions to regulators in both countries for crop protection products;
- in the area of veterinary drugs, simultaneous reviews by regulators in both countries for three drug submissions;
- initiation of a pilot project for the joint inspection of non-Canadian and non-U.S. flagged vessels entering the Great Lakes-St. Lawrence Seaway, focusing on security and pollution prevention, and monitoring living and working conditions for workers on these vessels; and
- discussion of common policy principles that would guide an aligned approach to the regulatory oversight of nanotechnology and nanomaterials.

- **Ongoing Alignment Mechanisms:** Efforts to implement the 29 Work Plans have underlined the importance of finding systemic solutions to avoid creating new regulatory misalignments. In pursuit of such ongoing regulatory alignment mechanisms, Canadian and American officials have begun discussions on how to formalize cooperation in their areas of responsibility.

- **Stakeholder Engagement:** Stakeholders are engaging with the RCC on two levels: activities oriented toward regulatory cooperation in general, and those at a technical level with the Working Groups. Initial

feedback indicates that stakeholders have been encouraged by the outreach, but that there is considerable room for additional engagement.

KEY RCC MILESTONES

Steady progress has been achieved to date with respect to fostering Canada-United States regulatory cooperation via the RCC. The following is a summary of key events marking the RCC's efforts thus far.

- February 4, 2011 – Prime Minister Stephen Harper and President Barack Obama announced the creation of the Canada-United States RCC.
- June 1, 2011 – Canada and the United States issued the Terms of Reference outlining the mandate, principles, and organization of the work to be performed by the RCC.
- August 29, 2011 – the Canadian Regulatory Cooperation Secretariat released a publication entitled Summary Report on Consultations with Canadians on Regulatory Cooperation between Canada and the United States.
- December 7, 2011 – Prime Minister Harper and President Obama released the Joint Action Plan for the Canada-United States Regulatory Cooperation Council.
- January 30 and 31, 2012 – the RCC and its bi-national working groups facilitated stakeholder meetings in Washington, D.C.
- May 1, 2012 – President Obama issued an Executive Order entitled Promoting International Regulatory Cooperation.
- March through July 2012 – Work Plans guiding the implementation of RCC Joint Action Plan initiatives were completed and posted on the Internet.

For the entire report please visit: http://www.whitehouse.gov/sites/default/files/docs/pco_bnet-30471-v38-rcc-progress_report_-_dec_2012_final.pdf

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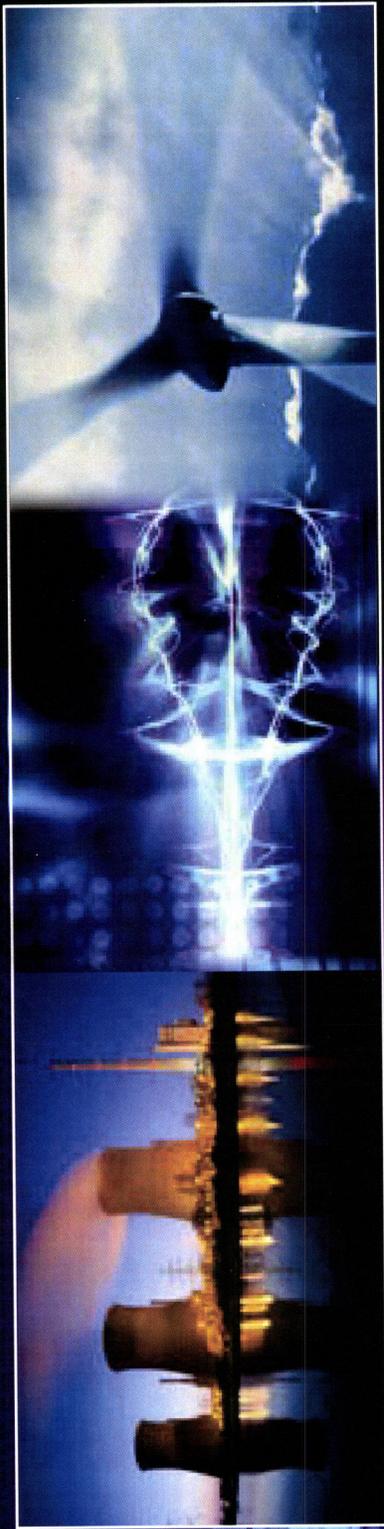


Pacific NorthWest
Economic Region

Matt Morrison
Executive Director

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Legislative Energy Horizon Institute



About the Institute

The Legislative Energy Horizon Institute educates legislators on the North American energy infrastructure and delivery system. High turnover in legislators decreases the institutional knowledge of complex energy issues. Legislators who develop energy policy often lack a comprehensive understanding of how energy infrastructure operates. The complex issues associated with electricity, natural gas and petroleum infrastructure; regulation governing this infrastructure; and interdependencies are just some of the areas that legislators must understand to make responsible and informed policy decisions. The Pacific Northwest Economic Region (PNWER) and the National Conference of State Legislatures (NCSL) partnered with the University of Idaho and the Department of Energy to create the Institute.



An executive energy policy certificate program providing state and provincial legislators intensive exposure to the North American energy system.

How it Works

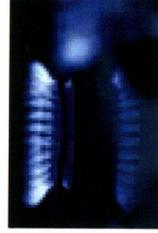
With each graduating class, The Legislative Energy Horizon Institute produces a corps of legislators with knowledge about how energy is delivered to consumers. These individuals bring an increased understanding of how the complex energy systems work and knowledge about infrastructure, costs and timelines to their caucuses and legislatures. By working together across jurisdictional boundaries to understand our energy system, policymakers will be able to forge the necessary relationships to address multi-state/provincial and North American energy infrastructure and policy issues.



Eighty legislators who are committed to energy policy will be selected every two years to participate in a 60 hour 12-month university certificate program in energy policy planning awarded through PNWER's Energy Horizon Institute and the University of Idaho.

The certificate program will be executed through two intensive 3 and one-half day classroom sessions during the course of one year. Session locations will be determined each year. The program will also include webinars scheduled between the two classroom sessions and additional training materials. Each class will consist of 40 legislators from the U.S. and Canada.

PNWER, in partnership with NCSL and with the support from the U.S. Department of Energy, has teamed with the University of Idaho. The University delivers the Utility Executive Course, which has earned a worldwide reputation as the premiere executive utility education program.



Faculty Bios

J. Richard Moore has more than 30 years of experience in both regulated and unregulated segments of the energy industry. He has held senior management positions in oil and gas production companies, interstate and intrastate natural gas pipelines, gas and electric utilities, and natural gas gathering, processing and marketing companies. Dick previously served on the board of directors of the Gas Processors Association and currently holds an adjunct faculty position in the economics department at Richland College in Dallas, Texas. In addition to being a member of the University of Idaho Utility Executive Course faculty, he also serves as a speaker on energy topics for the Maguire Energy Institute at Southern Methodist University. He holds BBA and MBA degrees from the University of Oklahoma.



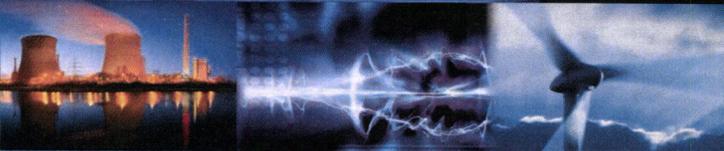
Legislative Energy Horizon Institute



INSTITUTE PARTNERS:
Pacific NorthWest Economic Region
University of Idaho
U.S. Department of Energy
National Conference of State Legislatures
Government of Canada

Legislative Energy Horizon Institute Overview & Results

Legislative Energy Horizon Institute



INSTITUTE PARTNERS:
Pacific NorthWest Economic Region
University of Idaho
U.S. Department of Energy
National Conference of State Legislatures
Government of Canada

Genesis of Legislative Energy Horizon Institute

- Action item from 2008 Vancouver PNWER Summit to ramp up legislators' knowledge on how energy delivery systems work, are built and operated.
- White paper created for a legislative energy executive course.
- Seed grant from the US Dept. of Energy to construct proposal pilot program "Legislative Energy Horizon Institute (LEHI)" in PNWER region. If successful, graduate from a regional to national program with NCSL.
- Partnered with acclaimed University of Idaho Utility Executive Course.

Legislative Energy Horizon Institute

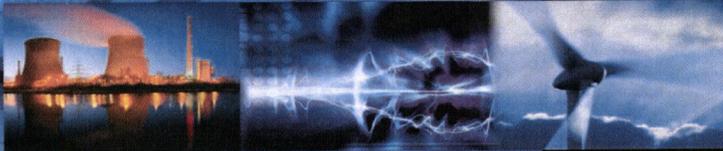


INSTITUTE PARTNERS:
Pacific NorthWest Economic Region
University of Idaho
U.S. Department of Energy
National Conference of State Legislatures
Government of Canada

Genesis of Legislative Energy Horizon Institute

- First 60 hours of curriculum assembled, private sector partners recruited and Legislative class recruited in 2009 and graduated in 2010.
- Pilot program deemed success by all participants. US Dept. of Energy gives five year funding authorization for national program. PNWER and NCSL each recruit 50% of legislative participants, first 60 hours of national curriculum assembled, private sector partners recruited and first PNWER/NCSL national class recruited in 2011 and graduated in 2012.
- First National program deemed a success decision to move to annual classes of 40 instead of biannual class. Recruiting for 2013 and 2014 classes occurring now.

Legislative Energy Horizon Institute



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Government of Canada

Evaluation Process Overview

Pre-course Self Assessment

- Program orientation 1st class room session

Faculty/Content Evaluation

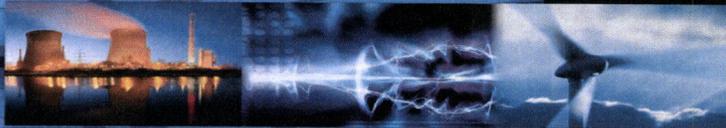
- Completed at the conclusion of each course module

Post-course Self Assessment & Final Program Evaluation

- Program wrap-up, D.C.

Focus Group Session

- Program wrap-up, D.C.



Pre-course Self Assessment

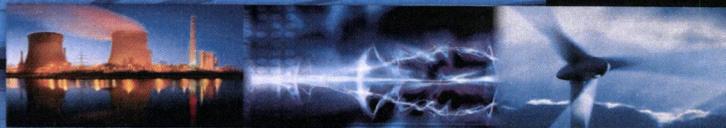
Current knowledge and ability to apply that knowledge in each of the Institute's course modules for both classes

Most knowledge in:

- Alternative Energy Sources
- Climate Change and Energy
- Energy Industry Challenges

Least knowledge in:

- Canadian Energy Future
- Financing Energy
- Technology (electric generation, natural gas, petroleum)
- Regulation



Relevancy & Usefulness of Content

All sessions were rated satisfactory or above

2009-2010 Class

Boise (range: 3.04—4.86)

➤ 3.99 average

Webinars (range: 3.73 - 4.14)

➤ 3.87 average

San Diego (range: 4.00 - 4.73)

➤ 4.27 average

Washington, D.C. (range: 2.84 - 4.54)

➤ 3.85 average

2011-2012 Class

Portland 2011 (range 3.39 - 4.68)

➤ 4.03 average

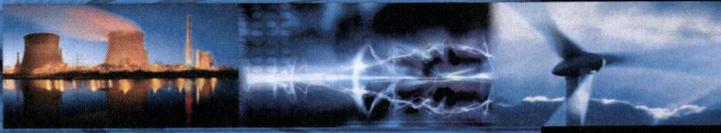
Webinars (range: 3.00 - 4.19)

➤ 3.66 average

Washington, D.C. (range: 3.42 - 4.67)

➤ 3.99 average

Scale: 1=unsatisfactory; 5=excellent



Post-course Assessment & Evaluation

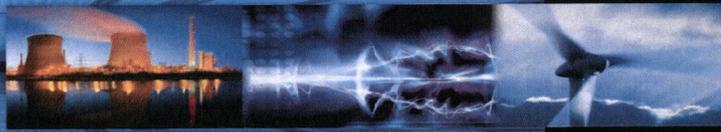
Participants rated their knowledge and ability to apply that knowledge in each course module

2010 Final Evaluation Results

Overall rating of Institute	4.38
Timeliness of the topics	4.41
Relevancy of the topics	4.61

2012 Final Evaluation Results

Overall rating of Institute	4.60
Timeliness of the topics	4.65
Relevancy of the topics	4.55



Top Five Topics in Largest Gain of Knowledge

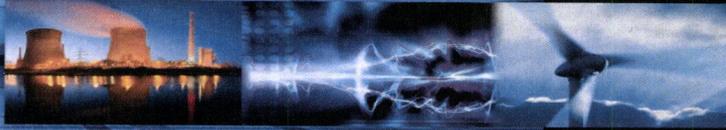
2009-2010 Class

+79%	Canadian Energy Future
+66%	Petroleum 401
+59%	Natural Gas Production, Transmission, Distribution
+47%	Electric Power Generation, Transmission & Distribution
+40%	Regulatory Complexity

2011-2012 Class

+105%	Canada's Energy Situation
+76%	Canadian Energy Future
+49%	Solar Market Issues
+48%	Oil/Gas Tax Royalty Rates
+47%	Nuclear Energy: Today and Tomorrow

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Top Five Topics in Relevancy and Usefulness to Legislators

2009-2010 Class

Class Mean

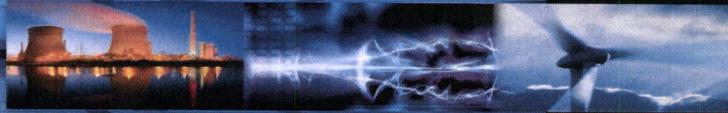
- 4.86 Electric Power Generation, Transmission & Distribution
- 4.44 Petroleum 101
- 4.73 Smart Grid
- 4.58 Petroleum 401 (price at pump)
- 4.34 Natural Gas Production, Transmission & Delivery

2011-2012 Class

Class Mean

- 4.68 Electric Generation, Transmission, & Distribution
- 4.67 Conservation and Decoupling
- 4.53 Petroleum 101
- 4.46 Financing Natural Gas Projects
- 4.45 Integrating Renewables

Legislative Energy Horizon Institute



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Government of Canada

Legislative Energy Horizon Institute Alumni

Alabama

Rep. Mac Buttram '12

Alaska

Sen. Cathy Giessel '12
Senator John Coghill '12
Rep. Eric Feige '12
Rep. Neal Foster '12
Representative Mark Neuman '10
Senator Bert Stedman '10
Representative Anna Fairclough '10
Senator Gene Theriault '10
Senator Bill Wielechowski '10

Alberta

MLA Diana McQueen '10
MLA Len Webber '10
MLA Len Mitzel '10
MLA Kyle Fawcett '10

Arizona

Rep. Frank Pratt '12

Colorado

Sen. Gail Schwartz '12

Hawaii

Rep. Denny Coffman '12

Idaho

Sen. Michelle Stennett '12
Rep. Jeff Thompson '12
Sen. Russ Fulcher '12
Senator Curt McKenzie '10
Senator Elliot Werk '10
Rep. Stephen Hartgen '10

Massachusetts

Rep. Thomas Golden, Jr. '12

Michigan

Sen. John Proos '12

Montana

Sen. Chas Vincent '12
Representative Robyn Driscoll '10
Representative Duane Ankney '10
Senator Cliff Larsen '10

Nebraska

Sen. Chris Langemeier '12

Nevada

MLA Kelvin Atkinson '12

New Jersey

MLA Upendra Chivukula '12

New Mexico

Senator Lynda Lovejoy '10

New York

MLA Kevin Cahill '12

Ohio

Rep. Andy Thompson '12
Sen. David Daniels '12

Oklahoma

Rep. Mike Jackson '12

Saskatchewan

MLA Doreen Eagles '12
MLA Gord Wyant '12
MLA Fred Bradshaw '12
MLA Dan D'Autremont '12
MLA Michael Chisholm '10
MLA Nadine Wilson '10
MLA Tim McMillan '10
MLA Randy Weekes '10

Oregon

Sen. Jackie Dingfelder '12
Rep. John Huffman '12
Representative Brad Witt '10
Representative Matt Wingard '10

Utah

Rep. Stephen Handy '12
Sen. Kevin Van Tassell '12

Washington

Sen. Linda Evans Parlette '12
Sen. Marlyn Chase '12
Rep. Terry Nealy '12
Rep. Cathy Dahlquist '12
Rep. Dave Upthegrove '12
Rep. Jim Jacks '10
Rep. Shelly Short '10
Rep. Deb Eddy '10
Senator Phil Rockefeller '10
Senator Jim Honeyford '10
Senator Kevin Ranker '10
Senator Janea Holmquist '10
Senator Jerome Delvin '10
Senator Bob Morton '10

Classes of 2010 and 2012



Recruiting for 2013 and 2014 LEHI Classes

PNWER Recruitment Criteria

- Nominations by leadership of each caucus
- Each caucus gets one nominee and one alternate for both the 2013 and 2014 classes
- Preference for newer legislators with little formal energy background, who are committed to energy policy throughout their public service, and serve on the Committee with jurisdiction over energy policy

To be accepted each Nominee must

- Be available for the class session dates
- Sign a Commitment Letter to the program for availability, attendance and goals.

LEHI makes an approximate \$10,750 investment in each Legislator's education by providing for tuition and travel. The legislator's investment is their time.



Questions?

For more information please contact:

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World Trade Center West
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Seattle WA, 98121
jeffmorris@energyhorizonllc.com
Phone: 206-443-7724
Fax: 206-443-7703

Legislative Energy Horizon Institute

COURSE OBJECTIVES

- Provide a concrete understanding of the electric grid and how it operates
- Describe how the various energy sectors interface to produce and deliver energy
- Examine the rules and regulation of electric, natural gas and petroleum infrastructure
- Explain the regulatory, financial and planning challenges associated with building new energy infrastructure
- Apply technical knowledge to implement informed and effective energy policy
- Analyze the relationship between climate and Energy

MAJOR TOPICS

- North American fuel mix: coal, gas, nuclear, Petroleum, hydroelectric and renewable
- Energy alternatives and limitations
- Energy Efficiency
- Climate Change and Environmental Considerations
- Imported versus exported sources
- Annual energy use by sector
- State policy options and implications
- Federal policy and regulation
- Financing and markets

MODULES

The Legislative Energy Horizon Institute is broken into three modules:

1. How Do Energy Systems and Infrastructure Work?
 - a. What is AC vs. DC? Single Phase vs. Three Phase?
 - b. What is Upstream, Midstream and Downstream in Fossil Fuel?
2. How Do You Build and Finance Energy Infrastructure?
3. How Do You Operate Energy Infrastructure Under Regulatory and Market Pressures?



Faculty Bios

A.R. "Skip" Collier is a course manager for Professional Training Systems Inc. He has an extensive background in utility design, construction, maintenance and operation. While working for the General Electric Company, he served as construction engineer, start-up engineer and construction project manager. He was also an electrical engineer at Bonneville Power Administration. He holds an MBA from Portland State University.

Institute Partners



Pacific Northwest
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A LEGACY OF LEADING

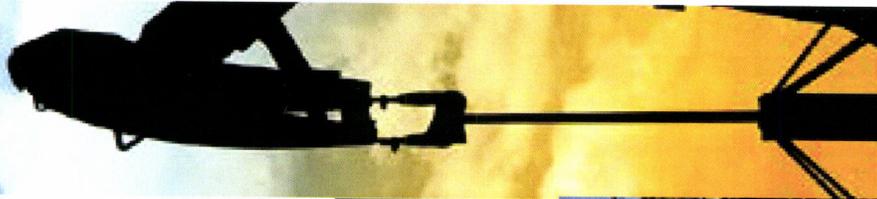


U.S. DEPARTMENT OF
ENERGY



NATIONAL CONFERENCE
of STATE LEGISLATURES

The Forum for America's Ideas



Testimonials

Representative Shelly Short, Washington, Class of 2010

"This has been a phenomenal program. It has given us access to a broad array of information. As we know on energy issues - any decisions we make really impact the future of the energy that is available to the citizens in our state."

MLA Kyle Fawcett, Calgary, Class of 2010

"We are bombarded with various issues - probably nothing more complex than energy and environmental issues and probably nothing more important right now particularly with some of the environmental challenges and economic challenges that we are going through."

Representative Steve Handy, Utah, Class of 2012

"LEHI has certainly been one of the most valuable and rewarding experiences I have had as a legislator. I believe the states must lead in the development of sensible energy policy, and look forward to applying the knowledge base I've developed from LEHI to that discussion."

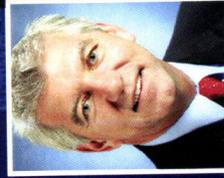
Assemblymember Kevin Cahill, New York, Class of 2012

"The breadth of information was exceeded only by the depth of knowledge the presenters brought to this forum. I now have a much better understanding of the real world context of our legislative decision-making."

Jeff Morris, Director, PNWER's Energy Horizon Project

"We have developed a curriculum which provides a foundation for legislators to make better decisions. Instead of having to explain how systems work, infrastructure owners and operators can spend time discussing problems and potential solutions with legislators who have completed the Legislative Energy Horizon Institute."

NCSL | Denver Office: Tel: 303-364-7700 | Fax: 303-364-7800 | 7700 East First Place | Denver, CO 80230
Washington Office: Tel: 202-624-5400 | Fax: 202-737-1069 | 444 North Capitol Street, N.W., Suite 515 | Washington, D.C. 20001
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