Seventh Annual Legislators Forum
Ramkota Hotel
Pierre, South Dakota
July 25-27, 2007

Thursday, July 26

Thursday morning, Brad Crabtree, Great Plains Institute (GPI) Program Director, opened the meeting with a discussion of the Powering the Plains project and introduced the panelists.

Energy/Powering the Plains (PTP) Overview

Larry Diedrich, a farmer from the Brookings, SD area and former SD State Senator, discussed the PTP project and the proposed energy road map that had been developed for the region as a result of consensus among a very diverse number of players. He noted that such a broad consensus should make the development and passage of legislation relative to energy issues considerably easier in all of the legislatures represented at the Legislators Forum.

One of the questions PTP participants addressed was, "How can we reduce the amount of CO_2 emitted from fossil fuels and expand renewable energy in a way that will make the transition seamless?" During the PTP process, many of the participants were involved in a trip in 2003 to Denmark, the Netherlands, Germany and Iceland and discovered that much of Europe is ahead of the US in transitioning to renewable fuels. The participants realized it would be very difficult for the US to move in that direction without a long-term plan. Therefore, after several years of work, at the request of the Legislators Forum and other public policy makers, the members of the PTP have developed a long-term energy roadmap.

Paul Symens, also a former SD State Senator, noted that PTP is a unique group, and it was a pleasure to work with the other participants. The PTP effort has resulted in a long-term look at the future. He said, "What I see, as a result of this effort, is great opportunity and flexibility in fuel use. I believe the opportunity should excite our people. The long-term plan will demonstrate that, by combining new and traditional sources of energy, this region has an opportunity to lead the nation in energy sources and production in the next 40 to 50 years. If you are a believer, you will see nothing but opportunity for this region. That is the greatest vision of this morning's presentation."

Executive Director of GPI, Rolf Nordstrom, and Brad Crabtree, presented three handouts to the delegates, which summarized the PTP outcomes. Rolf noted that GPI was formed in 1997 and has been involved primarily with the states of ND, SD, MN, IA, WI and the Province of MB. The focus of GPI has been on energy because of the need for energy security, economic prosperity and environmental stewardship. Rolf described PTP as a public-private coalition dedicated to harnessing the full energy potential of our region. PTP has sought to add value to energy and agriculture while mitigating the risks of climate change and help the jurisdictions it serves capitalize on their energy strengths.

The PTP process undertaken by GPI has been related to the Legislators Forum since its second meeting and has addressed many of the issues requested by the delegates at prior meetings. He described the PTP six-year relationship with the Legislators Forum. At least in significant part because of the work PTP has done with the Legislators Forum and delegates, the following resolutions and legislation have passed in the jurisdictions involved in the Forum:

- Hydrogen legislation and resolutions in IA, MN, ND and SD (5 bills and 2 resolutions)
- Legislative authority for ND and SD participation in the Midwest Renewable Energy Credit Tracking System (M-RETS)
- Cellulosic biomass legislation passed in ND and a resolution passed in SD
- Renewable energy objective passed in ND

Rolf noted that the PTP process participants represent not only the states and province involved in the Forum, but also come from Wyoming, Montana, Wisconsin, Iowa and Illinois (other producing and consuming states in this region). GPI and PTP staff are also working with the Midwestern Governors Association to prepare for a November summit focused on energy security and stewardship. The overall question that PTP tried to address was how to add value to the energy and agriculture sectors in our region while dealing with the environmental issues.

Brad Crabtree presented on the specifics of the Energy Transition Roadmap for the future of this region on which consensus has been developed among a wide and diverse variety of stakeholders. He noted

that PTP has partnered with a University of Minnesota research team and developed a computer model to analyze how the region might meet energy demand and reduce CO_2 emissions 80% from 1990 levels by 2055. The model focuses on the region's power sector and considers all energy types and energy efficiencies.

Step 1 in developing the model was to determine current and projected CO_2 emissions. That research pointed to four urgent priorities for this region:

- Significantly increase efficiency in electricity and transportation sectors
- Build new, and repower existing electric generation with low and zero CO_2 emitting technologies
- Implement geologic and terrestrial carbon sequestration
- Deploy low and zero-carbon fuels and technologies in the transport sector

Based on these 4 priorities, it is necessary to:

- Provide an affordable, reliable and diversified portfolio of regional energy resources
- Enhance the region's economy and further develop its energy, agriculture and other key economic sectors
- Achieve ever greater levels of energy efficiency
- Avoid, reduce and offset emissions of CO_2

After determining projections for CO_2 emissions, step 2 of the process involved developing 3 scenarios for reducing power sector emissions by 80% from 1990 levels by 2055:

Scenario 1

- *High energy efficiency* with modest coal and renewables

Scenario 2

- *High renewables* with modest coal and energy efficiency

Scenario 3

- *High coal with carbon capture and storage (CCS)* and modest renewables and energy efficiency

The assumptions that went into developing the 3 scenarios are conservative and rely on existing technologies and current costs projected over the next 50 years. They indicate that it is possible to meet electricity needs and reduce CO_2 emissions 80% between now and 2055 without significant additional cost over business as usual. However, doing so will require significant efficiency and low and zero-carbon energy development over the next half century.

Step 3 of the PTP process was developing consensus. The participants reached a comprehensive agreement on efficiency, coal with CCS, wind, biomass, hydropower, nuclear power and hydrogen and fuel cells. They developed:

- Objectives for transitioning the region's economy to increased efficiency and low-carbon energy production
- Milestones to measure progress toward objectives
- Recommendations for how to achieve the objectives and milestones over time

Following their agreements, they gathered citizen input through town hall forums in 5 communities in ND, SD, MN, WI, IA, which 400 citizens attended. As a result, the final Roadmap product has been released in hard copy and on line. The delegates received hard copy reports, and the on line web site address is: www.poweringtheplains.org.

Frontiers of the Bio-Economy

Kevin Kephart, Vice President for Research, SD State University, then presented on biofuels, relative to opportunities for our region to lead North America's transition to development of energy from cellulosic biomass. He noted that we are at the cutting edge of such production and that what is not usually evident in situations like this is the considerable political collaboration and excellent working relationships among educational institutions within the region. That will be key to development of the cellulosic biomass industry.

He noted that agricultural feed stocks, such as corn, sorghum, sugarcane and sugar beets (starches and sugars) can be fermented to create ethanol and that rapeseed, soybeans, palm and camelina (oilseeds, algae and fats) can, through "transesterification," create biodiesel fuel. In addition, biomass feedstocks include: woody and herbaceous plant species (logging, thinnings, low cost wood chips and woody crops and herbaceous perennials) and ligno-cellulosics (perennial grasses such as switchgrass, big bluestem, miscanthus, prairie cordgrass, reed canarygrass and others), which can be fermented to create ethanol. It is estimated that, by 2030, this region will be able to supply 1.8 to 3.6 billion gallons of cellulosic ethanol from the Conservation Reserve Program

(CRP) and 24 billion gallons of ethanol from crop residues.

Limitations on the use of crop residues include yields and yield stability, farming practices, soil erosion and runoff, tillage and related carbon issues and water quality and quantity. The greatest hurdle may be transportation and aggregation. Kevin described the conversion technologies, indicating that low cost will be the key and concluded citing the goals and concerns relative to production of biofuels: Sustainability, the need for scientific advances in biomass production, meeting the needs of the foodstock conversion industry, pretreatment and transportation and conflicting demands for the natural resource, including for food, fiber, fuel, power and water.

Xcel and Manitoba Hydro Proposed Pairing for Baseload

Betsy Engelking, Manager, Resource Planning and Bidding for Xcel Energy, and Bill Hamlin, Energy Policy and Emission Trading for Manitoba Hydro, discussed a proposed linkage being developed for hydro and wind combination baseload. Betsy noted that Xcel Energy's last baseload plant was added in 1987 and that its 2004 Resource Plan indicated a need for an additional 375 MW of baseload capacity by 2015. Because of the length of time necessary to gain approval for and develop additional baseload, Xcel was required to file its proposal for baseload development on November 1, 2006. And because the capital costs for new pul-

verized coal facilities have nearly doubled in just three years, Integrated Gasification Combined Cycle (IGCC) costs exceed those costs by another 25% and concerns about nuclear energy and future carbon regulation, working with MB Hydro, Xcel has proposed a unique combination of hydro and wind to provide for future baseload.

MB Hydro would provide firm capacity and on-peak energy, and wind would provide supplemental and off-peak energy. This would integrate the two and provide a low-cost, nearly emission-free alternative to use of coal and require little new transmission. Xcel would obtain on-peak power from MB Hydro. The wind power produced during periods of peak demand—when prices are highest and hydropower is available on contract—would be sold on the open market as excess capacity. The proceeds from the sale of on-peak wind energy would be used to purchase off-peak energy from the regional grid during those times when hydropower from Manitoba is not available and when wind power is insufficient or unavailable to meet demand—i.e., buy low, sell high. The proposal is currently before a MN administrative law judge, and Xcel expects a decision on the proposal by the end of the year.

Bill Hamlin added that MB Hydro is a major provider of power throughout the Midwest US and Canada and currently has 5,000 MW of existing hydro generation, 470 MW of thermal generation, 100 MW of wind generation and, through conservation measures, MB Hydro has avoided the need for 292 MW of additional generation between 1991 and 2004. It has the potential for generation of an additional 2,000 MW of power using low-impact, non-emitting hydro and wind power and through additional conservation measures. He characterized MB Hydro's policies as providing a sustainable approach excluding some waterways and revising designs to minimize flooding. MB Hydro ensures that people affected by new energy development are involved in the design process and share in the benefits. It is an environmental leader and has received significant awards because of its work. It provides clean, reliable and renewable energy. Bill noted that hydropower emissions are comparable to wind and 290 times less than emissions of conventional coal-pulverized powered plants that do not include carbon capture and carbon sequestration.

Building partnerships like those with MB's Aboriginal people and the one being proposed with Xcel is an essential part of MB Hydro operations. He said that the proposal with Xcel also enhances MB Hydro's

policy of being a good neighbor, building on a tradition of regional trade. It provides a renewable resource by blending domestic wind production with MB Hydro's electricity production. It delivers cleaner air by displacing high emission alternatives. It is reliable and affordable, designed to have minimal environmental impacts while delivering economic development benefits to local people, and it is sustainable.

2006 Delegation to Europe

Mike Gregerson, a Consultant to GPI and former utility industry executive, moderated the panel and began by indicating how impressed he had been with the recent trip to Europe, noting significant GPI work and contacts to ensure that the trip was meaningful and successful. He introduced the panelists.

Gary Hanson, Commissioner, South Dakota Utilities Commission, who participates in the PTP as part of the coal gasification working group (CGWG), presented an overview of the trip. He noted that, the CGWG, with the staffing by GPI and funding from the Joyce and Edgerton Foundations, has provided an opportunity to work together that participants could not otherwise have. Gary said the objectives of the delegation were to assess the European experience in commercializing advanced coal technologies with potential capture of CO_2 emissions for geologic

sequestration, to assess European climate policy and to increase their knowledge base in order to develop better agreements among all stakeholders and support regional initiatives. He also noted that the delegation was a diverse group of 27 individuals from 11 states and 21 public, private and non-profit institutions, with varied opinions, background and interest, but all had a thirst for knowledge that has helped eliminate problems and resolve conflicts. The activities in Europe gave them hands-on experiences and included technology briefings, site visits and policy briefings. Gary was impressed with the variety of plans and capabilities in Europe and their willingness to share ideas and initiatives.

David Hadley, VP for State Regulatory Relations for the Midwest Independent System Operator (MISO) and former Indiana Utility Regulatory Commissioner, reported on a site visit at the Buggenum in the Netherlands, the location of a 250 MW IGCC power plant, one of several such commercial plants in Europe and other site visits. The success of this plant has dispelled the myth that lignite coal is not acceptable to use with advanced coal gasification technologies. This plant went from low-availability and reliability, to high-availability and high-reliability through modifications and improvements based on operational experience. It co-gasified biomass at 30% (with a 50% target by weight in 2008). Officials are so confident in this plant that they are developing a much larger 1,200 MW Magnum Project, by 2011, and they are selling their technology to other companies as well.

Betsy Engelking, a prior speaker, summarized key observations from policy briefings the delegation had in Europe. She noted that European officials were thrilled to have US citizens coming to talk to them. There has been a global frustration about the lack of US involvement and activities related to climate change. While the US government claims climate change initiatives are cost prohibitive, Europeans look at them as opportunities for economic development. The delegation had discussions with officials of the Netherlands, Great Britain and Germany. She also noted that Europe is gaining more experience in emissions trading programs and is patterning its efforts on US examples. They are moving ahead on carbon capture and sequestration and have had some commercial coal gasification plants for the past 10 to 20 years, but European utilities are still struggling with many of the same questions as US utilities, acknowledging that the technology works, but also wondering whether it is commercially practical and dependable. Germany is most likely to meet Kyoto carbon targets, one of the few European countries that may do so. It will need to utilize new generation technologies and improve existing ones. In a summary of other briefings, Betsy also noted that European countries are looking for new solutions, interested in collaboration and discussions, are seeking energy security and self-determination, want to get new technology in place quickly, want to demonstrate success and believe that the PTP process is an excellent approach to finding solutions.

Unlocking the Transmission Challenge

Beth Soholt, Director of Wind on the Wires (WOW), explained that WOW was organized in 2001 to overcome the barriers to bringing wind power to market in the Midwest. Its members include wind developers, turbine manufacturers, the American Wind Energy Association (a wind industry trade association), non-profit advocacy organizations, and businesses that provide goods and services to the wind industry. They receive foundation funding and membership support to work in 3 areas: technical, regulatory, and education/outreach:

- Technical—they work with electric utilities and the Midwest Independent System Operator (MISO, the regional "grid" operator) on transmission planning for wind
- Regulatory—they are involved in cases where states are approving new transmission lines that will advance wind power
- Education/outreach—they speak to many people and groups about their work and issues

She noted that 6 other groups are doing similar activities across the country and that public policy at the state level has driven renewables development, with an increasing amount of energy coming from renewables, including wind, solar, biomass, and hydro. Twenty-two states now have renewable electricity standards (RES) or objectives (REO). A major barrier to increased use of wind for generation of electricity is transmission. The best wind resources are far away from loads, and current transmission systems are not designed to carry wind power long distances. Questions abound about where new wind farms will be located and who will pay for the transmission, who gets to use the capacity on the new lines being built and the fact that transmission takes far longer to build than a wind farm. In effect, it is a "chicken and egg" problem—Do you need transmission capacity before you build wind farms or, if wind farms are built, will transmission follow?

The solution, she said, is integrated, aggregated, and forward-looking transmission planning:

- Integrated—plan for wind power along with other generating resources
- Aggregated—a large amount of wind power rather than one wind farm at a time
- Forward looking—plan infrastructure today for large amounts of wind power tomarrow

Specifically, WOW is working with the MISO to encourage proactive transmission planning and developing ways to reduce the "churn in the MISO queue," proposed projects dropping out due to long delays and costs in securing transmission. The current MISO Transmission Expansion Plan includes all current state renewable energy requirements. For the 2008 MISO Plan, 4 "future scenarios" are under development, including: high coal, high renewables, environmental and constrained supply of natural gas. Beth reviewed many activities in which WOW is currently playing a role relative to renewable energy standards transmission planning in this region. She concluded by suggesting that, in order to reach a 20% wind and transmission expansion, the following requirements need to be met:

- State renewable standards or goals
- Legislation to allow timely cost recovery for new transmission
- Support for regional markets (such as MISO)
- Solving the transmission "seam" between the Dakotas and the MISO market
- Locating wind manufacturing facilities and component parts suppliers in the Midwest
- Applications for wind power beyond the traditional role of supplying electricity

Beth provided the WOW web site address: www.windonthewires.org.

Will Kaul, Vice President for Transmission, Great River Energy, described the progress of CapX 2020 (Capacity Expansion for the Year 2020), addressing potential reliability and transmission grid issues. CapX is a collaboration of 11 utilities service customers in MN, WI, ND, and SD. These utilities forecast between 4,500 and 6,300 MW of load growth in the region through 2020. CapX has begun the regulatory approval process in MN for its Group 1 projects, 3 - 345 kV lines and one 230 kV line, totaling nearly 700 miles and $1.3 billion. CapX has notified 73,000 potentially affected landowners about the projects, the regulatory approval process and how they can become involved. Will asked for the support of legislators in the region. CapX projects a regulatory time frame for the process into 2010 with an in-service date of 2014.

Will framed two issues related to overcoming institutional barriers and made the following observations:

Are existing institutions, policies and processes workable?

- Open access has produced mixed results
- MISO economic dispatch and congestion management has been good but congestion still exists
- Disintegrated planning for generation and transmission is a difficult problem

The regulatory approval process has high transaction costs and uncertainty.

- Renewable Energy requirements are starting to accrue in states
- Regional/national/international issues are being dealt with at a state level
- Economic jingoism is an issue
- FERC/MISO initiatives and debates on who pays for grid expansion

He concluded by noting that, in his opinion, policies, processes and institutions are maturing: there is better institutional alignment among utilities, regulators and stakeholders, and alignment of state and federal policy is improving. He stated that a clean energy future is a must and invited delegates to check out CapX 2020 at: www.CapX2020.com

David Hadley, a prior speaker, described transmission planning in the broader Midwest. He noted that MISO is an independent, non-profit reliability coordinator for the transmission of high voltage electricity across all or parts of 15 states and Manitoba covering a million square miles.

MISO's role is to:

- Provide transmission services and seamless coordination
  - Market to non-market & market-to-market
- Maintain and enhance reliability
  - Ensure real-time operating reliability of the interconnected bulk transmission systems
  - Interact with 26 Balancing Authorities and maintain system reliability
- Centralize generation dispatch and outage management
  - Efficiently dispatch market generation assets every 5 minutes

  - Manage congestion via Locational Marginal Pricing (LMP), Transmission Loading Relief (TLR) and Seams Agreements
  - Evaluate all resources within the Midwest ISO footprint as a pool
- Provide liquidity via market services
  - Operate Day-Ahead and Real-Time Markets (2 settlements)
  - Administer auctions for Financial Transmission Rights (FTR)
- Regional Planning
  - Ensure long-term (1+years) plan availability for adequate resources and transmission
  - Integrate and assess transmission and resource plans

He noted that MISO's role was essential due to the interdependence of the MISO system members:

- Failure on one system can cause problem on another
- Upgrades on one system may benefit loads/facilities on other systems
- Free-riders result without cost-sharing
- Expansion solutions to one condition can cause added congestion for other conditions
- Generation dispatch costs and transmission investment costs are alternatives (mainly in non-peak hours)

Agreements Relative to Regional Energy Issues

After discussion relative to energy issues, delegates agreed to the following resolution:

We commend the Energy Transition Roadmap developed by representatives of industry, agriculture, nongovernmental organizations, and state and provincial governments through the Great Plains Institute's Powering the Plains (PTP) project. The Roadmap provides a comprehensive and strategic blueprint for cooperative efforts among our jurisdictions to implement policies, projects and inter-jurisdictional initiatives that will accelerate our region's transition to a low-carbon energy system based on increased energy efficiency, clean renewable and fossil energy production, and carbon sequestration.

Therefore, we encourage the Great Plains Institute to continue its work with interested Legislators Forum delegates, PTP participants and other stakeholders to implement Roadmap recommendations legislatively, consistent with each jurisdiction's particular needs and resource opportunities.

Given that achieving the Roadmap's consensus goals and objectives will require expansion of the region's electric transmission capacity, we specifically request that the Institute bring public and private stakeholders together with Legislators Forum delegates from each jurisdiction to support and strengthen existing regional transmission planning efforts such as those underway through CapX 2020 and the Midwest Independent System Operator.

In order to demonstrate how each jurisdiction can benefit economically from a coordinated regional approach to transmission, we recommend focusing on implementation of the Roadmap recommendation calling for joint development of a major generation and transmission corridor that:

- Advances economic development and energy security goals of all Legislators Forum jurisdictions;
- Brings stranded energy resources to market;
- Demonstrates the many opportunities for beneficial integration of our region's abundant energy resources in a diversified, reliable and environmentally sound energy portfolio; and
- Deploys major low and zero-carbon energy technologies that build on the respective strengths of each jurisdiction, notably:
  - Renewable wind, hydro and biomass generation (including promising energy storage technologies);
  - Advanced coal with carbon capture and sequestration, including integrated gasification-combined cycle and advanced combustion technologies;
  - Enhanced oil recovery using carbon dioxide captured from power plants and other facilities; and
  - Hydrogen production from all energy sources, coupled with fuel cells and other energy conversion technologies.

Luncheon Guest Speakers

Canadian Consul General Kim Perry Butler spoke to the delegates at lunch. This meeting is the third Legislators Forum he has attended, and the Canadian Consulate has been a generous supporter of the Forum. Consul General Butler thanked the state and provincial delegates for allowing the Consulate General of Canada to continue to participate in the Forum. He pointed out that the issues that the legislators work on during the Legislators Forum—and back home in their capitals and constituencies—include many of the same issues that are part of the US and Canadian federal governments' bilateral work. He also highlighted the importance of the Canada-US relationship, especially the unique relationship in this region, not only in economic terms, but also in terms of cultural and social connections. Consul General Butler highlighted several initiatives that the Consulate General in Minneapolis has been working on over the past year, as well as the Government of Canada's positions on several issues of particular importance in the Upper Midwest.

US Consul and Principal Officer Mary Speer, speaking at her first Legislators Forum meeting, expressed her pleasure at attending the meeting and commended the legislators from the various jurisdictions for working together to understand the somewhat different cultures in the two countries. She noted that she has come to realize that, because we are geographically and culturally so close to one another, we expect to be sharing a common set of facts and understandings. "In North America, it seems, our very similarity makes it harder to understand something we do not believe. Very similar renderings of events create very different perceptual spaces. I have begun to think that this is why we sometimes find it so hard to reach a conclusion on long-standing cross-border issues such as softwood lumber and Devils Lake. We anticipate that our differences will be brokered with rationality, while perhaps not seeing that we have some blind spots." She said it may be a matter of all of us—because of the infinite variety of relationships between our two peoples—being willing to find practical solutions in the policy realm that overcome the need to see things in a similar way, yet will work for the benefit of us all.

Enhancing Broadband Technology in the Region

Otto Doll, South Dakota's Chief Information Officer (CIO) since 1996,

presented on the use of and potential for broadband technology in this region. He began by indicating the variety of broadband options and said that the various options are judged by their mobility and speed, and users want both upload and download to be fast. There has been an evolution of technology and levels of service, but there are still vast rural (70% of SD is considered "frontier") areas in our region with inadequate levels of service.

While government has ensured that every citizen has access to electricity and telephone service, in SD only 69% of the people have access to broadband. Relative to the digital divide, the issues are geography, economics, education, accessibility and culture. In the context of geography, frontier areas and inner cities share many of the same effects. Relative to economics, "money matters." Broadband falls into the area of discretionary spending and, therefore, competes with such things as cable television and other recurring costs. The private sector, not the public sector, selects customers; and the private sector goes where it can get the highest number of paying customers.

In order to improve the availability of broadband, computer literacy must improve. If people are not comfortable with technology or are not Internet savvy, they will be less likely to demand access to broadband technology, and the adoption rate suffers. And, even if they do, broadband accessibility costs are high, and where does government or business draw the line? People matter the most in making this determination. While the young are relatively computer and Internet savvy, the older generation is not. The culture, as a whole, does not value broadband access highly enough. There are the questions of entertainment versus enrichment and whether Internet access should be free or pay as you go.

In South Dakota, the experience to date is that "E-Government" transactions require modest bandwidth; so neither the public nor business use can justify broadband. The government, therefore, hesitates to provide public access for more complex transactions. When people are asked, they indicate their values relative to the Internet in the following order of preference:

- Better on-line experience
- On-line marketplace
- Gaming
- Video on demand
- VoIP (Internet phone calls)
- Distance education
- Telemedicine
- Telecommuting

In order to create a "Digital Dakota Network," making the whole state a digital neighborhood, more is needed than simply installing fiber. People need to know how to use it and value it, and technicians need to know how to install and maintain it. Education administrators and teachers need to support and integrate the technology into classrooms, and our general personal and business environments need to be modified so we are all interconnected.

In order to provide adequately for a South Dakota intranet, Internet 2, which is linking universities across North America, needs to be made available to link all the sectors in order to provide not only for a high speed research network for higher education but also for individual access. And neighboring states and provinces need to develop this together, or it will not work. Where do we need to go from here? We need to remove barriers to the adoption of broadband by inciting people to use it and inciting Telco's to ubiquitous deployment, or we can simply wait for "generational pace" adoption, or have the public sector take over.

Randy Houdek, General Manager of Venture Communications Cooperative in SD, gave his perspective as a provider of broadband services. Venture Communications is a provider of voice, data and video services, with 13,200 access lines, 3,800 high-speed Internet customers, 1,500 dial up Internet customers and 3,800 video customers. He noted that, with 1.9 subscribers per square mile, inclusive of higher population areas, it has a similar customer base to other states and provinces in this region.

Randy explained various technologies, including "fiber in the loop" (FITL) and advanced "fiber to the home (premises)" (FTTH). The FTTH would offer enough bandwidth for future services, is a new technology and not well understood, and is not susceptible to electrical interference while the FITL has a limited ability to offer future services, is subject to electrical interference but is well understood by technicians. Almost all (95%) of Venture Communications customers have access to FITL technology now.

"Universal service" has become the focal point for discussions at the national level, in Congress, the Federal Communications Commission (FCC), the Joint Board and elsewhere. Federal law requires increased

access to advanced telecommunications throughout the nation—including to low income, rural, insular and high cost areas at rates reasonably compared to those charged in urban areas. However, the "Universal Service Fund" is used for several purposes, and there has been insufficient funding to enhance broadband service to rural areas.

While the average provider in SD receives approximately 30% of company revenues from that fund, it is not sufficient to fund network support in rural areas. Non-rural support averages 41%. Therefore, companies like Venture advocate reforms in the Universal Service Fund that would consider the carrier of last resort status, the type of regulation that applies to such carriers and the costs to serve a particular area. If these small cooperatives had to compete with large wireless companies or, if there were a re-auction process, as has been proposed by some, they would likely put the small companies out of business.

Questions and Answers (Throughout this publication questions and comments by delegates are italicized.)
How do you deal with the needed staff time

to keep these computer systems up?

There is a big difference between individuals and companies. It is disheartening to see an elderly person try to cope with technology issues. Some simply give up when they have such issues. Businesses and government need to get vendors to standardize and provide easier use and better maintenance of their products. Vendors need to understand that they cannot continue to do what they are doing to customers. It will become even more difficult to maintain systems as technology continues to get more complex.

Large numbers of people in the rural areas do not have services and have limited options due to other economic demands. The local cooperatives do a good job. Large companies that are far removed are more difficult to manage and do not provide effective or responsive service.

We continue to deal with regulations and spend large amounts of money to keep the system available. We cannot continue to offer de-regulated service on a regulated plan because of costs. If those barriers were removed, it would be much easier. We operate on a smaller margin than the large, national companies. We may be able to use payments for services in municipalities to subsidize rural services. Broadband may need to be made a required service.

The Western Hemisphere Travel Initiative (WHTI)

Marianne Rude, a Canadian citizen living in Maryland, works with the Manitoba Government on various public policy issues. She has been spending a great deal of time over the last few years on the Western Hemisphere Travel Initiative (WHTI), involving cross-border identification issues, and, in this case, identification issues on the US-Canadian border. As a former customs officer and having grown up near the US-Canadian border, she has particular interest in and knowledge about the issues involved with the WHTI. One of the recommendations of the 9/11 Commission was to "close the loophole," the exemption of the passport requirement for US and Canadian citizens crossing into the US from Canada. Congress passed and the President signed a bill doing that in 2004. While Section 7209 of that law requires a document or "set of documents" in hopes that various alternatives to passports would be consid-

ered, the Departments of Homeland Security and State have selected the passport requirement in their regulations. Marianne noted that the majority of people in the US and Canada do not have passports.

Motor vehicle travel at the busiest border crossings between the two countries has decreased 15% since last year at least in part because people believe that the pass-

Agreements Relative to Broadband Technology

Delegates expressed mutual concerns about how smaller and rural areas can connect and stay connected to the broadband highway. They agreed that it is essential that institutions within communities find ways to share access to broadband among all community stakeholders by having more fiber-optic lines shared with small businesses and homes. They also agreed that the lack of computers and broadband access creates and will, in the future, create even more economic barriers between the haves and have-nots. Policy-makers need to provide more incentives in order to get computers into homes, businesses and, in particular, all educational institutions in our region. They noted the need to work together among all of the jurisdictions to make broadband technology available throughout the region and advocate at the federal levels in the US and Canada on behalf of broadband access for rural areas to ensure equity, no matter where our citizens choose to live. In addition, policy makers need to ensure that "providers of last resort" are adequately funded so that the concept of "universal service," as implemented relative to electricity and telephone services, is also implemented with regard to broadband technology.

port requirement is already in place for such travel. At this point, it is only in place for travel by air, but many believe it applies to all travel between the US and Canada. There has been significant lobbying by the tourism industry in both countries and by mayors, especially of communities on the border. Because of the huge influx of passport requests in both countries, time frames for "closing the loophole" have been extended, and various exemptions have been allowed. Air travel rules were extended for those who could prove they had applied for a passport, but there is no such proof available in Canada. Different time frames have been put in place for those who travel by sea and air versus by land. Confusion abounds.

Congress has tried to respond to the administrative shortcomings in implementing the WHTI and to respond to the public outcry, but, at this point, is adding to the confusion. There appears to be broad support in both houses of Congress to implement benchmarks that would have to be met by Homeland Security before implementation of passport requirements. The White House has indicated it will veto the current bill with the large amounts of spending attached to it. If it passes and is vetoed, the legislation will likely be reintroduced in the fall with the WHTI benchmark provisions intact. A key provision of the proposed legislation is $200 million in funding for WHTI implementation with benchmarks.

Various US federal officials have described the implementation of the passport requirement for air travelers as being completely problem-free. Homeland Security has indicated that 99% of air travelers have been compliant with WHTI passport requirements. While that may be true, air travel represents only 12% of crossings between Canada and the US. There is also a domino effect for the passport requirement that has caused huge problems in passport backlogs. Travelers may not have been aware of the backlog and applied for their passports within the usual time frame, approximately 8-10 weeks, and have been unable to secure them for several months because of the backlog.

The number of actual passport applications has hugely exceeded expectations in both countries. Homeland Security and the State Departments view the backlog as a success and proof that Americans and Canadians support the measure and are showing that by rushing to apply for passports. Meanwhile, others claim that Americans are applying for passports to be able to prove US citizenship in response to recent immigration debates.

There are many questions about the passport requirement, including whether it will have any effect on the security issues it was intended to address or whether it is simply fear-driven. This is especially true in light of increased cooperation between customs and other officials on the US-Canadian border. Additional concerns have been raised about addressing the backlog in a way that will make prior practices in verifying documentation go by the wayside. There are also concerns that a passport often previously kept in a safe deposit box or other secure place will be kept in a glove compartment or in a handbag and, therefore, subject to identity theft. Special concerns have been raised by border communities, which have become very integrated and about changing a way of life to which they have become very accustomed. Other alternatives that have been suggested have raised concerns as well. The "Pass Card" has been suggested, but it is confusing, and concerns have been expressed about the need for a protective sleeve and correlated data. The NEXUS option is not available, and it is not anticipated to be made available at most crossings. A better idea would be to expand NEXUS or Enhanced Driver Licenses. Another source of good information about the issues related to the passport requirement is on the website of the BESTT Coalition at www.besttcoalition.com/.

One of the observers at the meeting, a congressional staff member, noted that the passport work in her office has doubled or tripled over the last year. She noted they are now dealing with passport and border identification issues on a daily basis.

Questions and Answers

Is there any evidence of bad things that have happened because of improper screening at the border?

No. The hallmark has been the sharing of information that has prevented any type of incident. Too many public policy decisions on terrorism and security are driven by panic and fear, past mistakes, pork barrel politics and unrealistic expectations of invulnerability. And the estimated costs have focused only on the actual costs of issuing the passport and not many other related costs, such as lost time in crossing the border, trips that were planned but are no longer planned, etc.

Is it true that entering Canada remains easy, while getting into the US is more difficult?

Canada has strengthened its immigration laws and, by comparison, does not allow more immigrants into the country than the US and has also responded to criticism by improving screenings.

The idea is to improve security. What happened that has caused the need for this, and what about the unintended consequences?

A key comment made by Canada and the provinces when the WHTI regulations were first initiated is that it is simply creating a false sense of security. What is needed is the tightening of the issuance and verification of foundation documents.

Update on 2 Nation Tours

Billie Jo Waara, Director of Tourism in SD provided an update on an initiative of the Legislators Forum, the 2 Nation Tours, an inter-jurisdictional program initially promoted and sponsored by the Legislators Forum. This year, the Tourism Directors

from all four jurisdictions asked to be able to give an update on the program.

Billie informed the delegates that the 2 Nation Tours initiative had been developed in 2001 and has continued since that time. It is intended to foster regional cooperation on tourism in order to provide cost-effective marketing, increase the number of visitors and establish a partnership approach. They began with tour operator note books and are now focusing on joint itinerary planning and "familiarization tours" (FAM), direct mail efforts and media and trade shows for travel and tour agents both intra and inter-jurisdictionally. Billie showed various routes and themes of these tours. New tour ideas include student, golfing and wildlife watching. She indicated that the four jurisdictions are doing their printing and marketing cooperatively and are always seeking new ideas. She also said that, while tourism nationally is forecasting a 5% decline in tourism between the two countries due to the WHTI, SD has actually seen increases in Canadian visitors by up to 17% over the past year, so the joint efforts may be having a positive impact in spite of the WHTI concerns.

Agreements Relative to the WHTI

The Departments of Homeland Security and State need to understand that issues along the US-Canadian border are unique and therefore require unique and mutual solutions. Current proposed regulations are driven by fear and, likely, will not address the terrorism/security concerns in any significant way. In addition, concerns are shared among the delegates that the economic analysis conducted in the Notice of Proposed Rule Making was not sufficient in scope to recognize the impact that will surely be felt by border businesses that depend on customers and relationships across the border for survival. Impacts on these businesses do not appear to have been considered. Nor, presumably, were the costs to the State Department to catch up on the massive backlog of passport requests included in that analysis. Delegates to the Legislators Forum believe that these proposed regulations will place greater burdens on the states, provinces and their citizens without concomitant benefits. Therefore, other ways of better addressing terrorism and security concerns need to be thoroughly explored.

Better ways may include expanding programs like NEXUS, enhancing drivers' licenses, building upon what is already much improved cross-border inspection cooperation and ensuring the validity of foundation documents needed for any identification program adopted. The new and proposed regulations are also likely, in fact, to create greater incentives for identity theft. Therefore, the identification process needs to guarantee that foundation documents utilized to issue passports or other identification are valid. They also need to ensure that the document(s), if stolen, are able to be invalidated or not capable of use by such thieves.

Whatever decisions are made with regard to implementation, there needs to be sufficient time to develop a thorough, comprehensive and accurate cost-benefit analysis of all proposed solutions; sufficient time to implement the regulations; and sufficient time to ensure that all privacy concerns are adequately addressed. Finally, the regulations need to be affordable by states and provinces and their citizens.

Questions and Answers

Has there been any effort to cooperatively market to Europe or other parts of the world? There is a lot of interest on the part of Northern Europeans.

Yes. SD has cooperated with Montana, Idaho and Wyoming on an approach to Europe. Obviously, that is not the same as the 2 Nation Tours effort, but it is an initiative.

How are you working with nontraditional tourism, through the FAM tours?

FAM tours usually take place in the off-season, and can be done at any time of the year, especially for year-round attractions. But our emphasis has been on trade shows, and that is an ongoing effort.

Has there been any consideration of changing the signature attractions such as any emphasis on the Native American/ Aboriginal populations and attractions?

There are varied itineraries that have been developed. Some focus on the traditional, but others are more off the beaten path. Just one tour and sampling is not intended to cover everything that the tourist can do. We work hard to show all aspects of our jurisdictions.

The delegates expressed their appreciation for the continued efforts of the jurisdictions' Tourism Departments working together.

Tour of George Mickelson Criminal Justice Center and Dinner With Governor Rounds

Following the update on 2 Nation Tours, the delegates were taken on a tour of the new, state of the art George S. Mickelson Criminal Justice Center, conducted by Monte Farnsworth and Charlie Wharton (SD). The tour was followed by a reception and dinner at the Governor's residence, hosted by Governor Mike Rounds and his wife, Jean. During his remarks to the delegates, Governor Rounds welcomed the delegates and stressed the need for the region to work together to develop multiple forms of energy to enhance both the economy and environment of the

region and both of our countries. This region, he said, has the capacity to provide huge amounts of renewable and traditional energy to both of our nations. He applauded the delegates for the work they

have been doing together for the last seven years and encouraged them to continue to meet and address issues of mutual concern in the region.

Friday, July 27

The delegates began Friday morning with "Issue Tables," meeting with the panelists in a more specific way to begin to develop potential agreements relative to those issues.

Addressing Drought/Drought Tolerance/Water Availability Issues in the Region

Dennis Todey, who had participated in a panel on the region's climate during the prior year's Legislators Forum meeting in St. Paul, coordinated the panel and introduced the other panelists.

Michael Hayes of the National Drought Mitigation Center of the School of Natural Resources, University of Nebraska in Lincoln, presented on the need to address drought issues. He said he was here to provide information on the bigger picture relative to drought in the US. He explained, "It's about water, a critical issue, because without water there is no life. No one is water rich." He said that there is no easy definition of drought and that different definitions have been used. But drought differs from other natural disasters in that it is of slow onset, there is nothing exciting about it, its severity is best addressed by multiple indicators rather than one definition, and its impacts are "non-structural" and often spread over large areas. As a result, progress on reducing the risk of drought has been slow. Whatever else it is, drought is a disaster. There have been 12 significant drought events in the US since 1980, which have caused triple the economic damage of hurricanes. He explained that, at any given time, 14% of the US is in severe or extreme drought. He described the "Hydro-Illogical Cycle," which suggests that because droughts are cyclical and broken by rainy periods, there is often apathy between droughts and no impetus to prepare for the next one. "We need to plan when it is raining for the next drought."

As a result of recent droughts, we have learned that: The impacts are becoming more complex, and there are increasing conflicts over water; we need to monitor and provide early warnings and integrate drought planning in our water management in order to be effective; federal assistance programs are numerous, poorly coordinated and reactive; planning and mitigation reduce vulnerability, impacts, and the need for government intervention and, as such, are a good investment, and that all drought is local.

Michael quoted a study by the Council of Governors Policy Advisors, which concluded that drought mitigation planning will be difficult unless public officials understand the economic impacts and quantitative benefits of doing so. One of the actions the Center has taken is to receive local information from climatologists across the nation and has developed a national drought monitor map that brings the information together in a more manageable and useful fashion. The current map indicates that drought is not simply a western issue but a national one.

Three essential components of drought plans are:

- Monitoring, early warning and prediction
- Risk and impact assessment
- Mitigation and response

In 1982, only 3 states had plans to address drought. Now, 39 have them, but only 8 currently have mitigation components. It will take a paradigm shift to deal with drought before it happens. In the US, federal appropriations for drought initiatives and pilot projects are slated to begin in 2008.

Dwight Williamson, Director of the Water Science and Management Branch of the MB Department of Water Stewardship, presented on drought management preparedness planning in MB and the region. He noted that the Red River Basin Commission's (RRBC) drought preparedness strategy has recently been initiated. This strategy intends to identify short and long-term actions needed to prepare adequately for a basin-wide drought and to identify how water will be shared within the international Red River basin. Scoping is presently underway, and an initial phase of the plan is scheduled to be completed in the second half of this fiscal year.

A 5-year, $3 million study on a Drought Research Initiative is underway in western Canada including Manitoba. This initia-

tive will conclude in 2010 and is funded by the Canadian Foundation for Climate and Atmospheric Sciences. The initiative is intended to gain a better understanding of the physical characteristics of and processes influencing Canadian Prairie droughts, and to contribute to their better prediction, through a focus on the recent severe drought of 1999-2004/2005. A broad array of provincial and federal experts and researchers are involved in the study. It is intended to quantify the physical features of that drought, improve understanding of the processes of the drought, assess and reduce the uncertainties of prediction, compare this drought to

previous droughts in this and other regions and apply what is learned to address critical drought issues.

In addition, MB's Water Protection Act proclaimed into law on January 1, 2006, allows the Minister of the Department to declare a serious water shortage and to identify which uses may have to be reduced or discontinued to prevent, minimize or alleviate the water shortage. It also provides a mechanism to compensate those entities required to reduce or discontinue water use. Because drier conditions are anticipated for the future, development of a provincial comprehensive drought management and preparedness plan is underway and will include short, medium and long-term responses. Coordination will be required with other MB departments, the Canadian federal government, adjoining states and provinces and various transboundary institutions. The hope is that the plan will lead to development of a long-term vision for water supply sustainability and the steps needed to achieve that vision, including conservation, demand-side management, and mitigation.

Adnan Akyuz, North Dakota State Climatologist, discussed the situation in ND. He noted that, currently, 60% of ND is experiencing drought and that, at this time last year, 100% of the state was in drought. In April and May of this year, it was wet in ND, but by June and July drought had become widespread. In fact, June to July of this year has been the 13th driest period on record in ND. However, because of the April and May rains, actual agricultural drought, to the extent that drought may be defined by soil conditions, is not present. Adnan explained that the current ND structure has been established to respond to droughts, not mitigate them. Therefore, ND needs to establish a standing committee of appropriate experts and stakeholders that would meet regularly, whether it is rainy or dry, to develop a state drought assessment and mitigation plan.

Dennis Todey discussed the situation in SD, where he said there has been and is plenty of drought. He explained that the state is working to improve monitoring but is well short of what is needed to do so effectively. He said that SD needs to be able to assess soil moisture and temperature as well as precipitation. Water usage is expanding, and its lack of availability is limiting development in some areas of the state. Even the Missouri River water availability has been significantly impacted in recent years. Relative to planning and drought mitigation, Dennis noted that we need to determine what is important to us and what we can and are willing to do to address drought issues, which impact ranches, tourism, wildlife and other aspects of life important to the people of SD. He also said that what we need to do in SD is focus on local, regional, national and international plans and efforts and also to look at what we can do to mitigate droughts.

Questions and Answers

The RRBC needs to look at water management plans that include drought and water supply and plan their interaction. The overuse of Red River water clearly affects MB. Drought has been the forgotten child, and it needs to be added to augment plans.

I agree. There needs to be a comprehensive plan that includes the neighbors and users to address flooding and to be positioned to protect ourselves at times of water shortage. The challenge is that you can have a flooding situation in one year and drought the next or even in the same year. So we need a comprehensive plan to address these complex issues, and we need to be proactive to survive short, medium and long-term drought.

SD bases water restrictions on the level of the rivers, but since much water use comes from aquifers, that is not a reliable indicator of drought. It becomes an education aspect, so everyone knows that is the case.

In the Red River Valley, the difference between flood and drought is 6 weeks. The RRBC will identify how water will be shared. How do we mitigate drought and still work out how to share water? What agreements are there today?

Some progress is being made. Some work on the technical and scientific side has been done with the International Joint Commission (IJC) on this issue. The first step is to understand the impediments, and we know what some of those are. We have fundamental differences in water law in this region. So, we need to identify any legal impediments. We are working

toward agreements on how we share water between the US and Canada. There are existing models in other areas, but not in the Red River Basin.

In Manitoba, the Water Stewardship Minister has control—just one person? We had total average annual rainfall by the first of June, and now have drought conditions. When rural water systems were developed, there was little thought to some of the economic demands, such as those for ethanol plants, so water policy needs to change to meet these new demands.

The Manitoba Water Stewardship Minister does have full authority in that regard, but when drought occurs, there are also options for shared responsibility. Previous legislation issued legal water rights to a block of water, and, while there was some ranking during water shortages, the senior water rights holders were usually the last ones to lose their water. Under the current legislation, the Minister can make decisions to direct the use and supply of water to other users. During times of drought, this approach allows better sharing and reduces the amount of water used. We now have many demands and developments that had not been planned for or even thought of when the systems and laws were first developed several decades ago, so we need to develop new approaches.

Water-intensive needs are growing. For example, the Sioux Falls Lewis and Clark project will need to use more water. Fargo

Agreements Relative to Addressing Drought and Water Availability Issues

Delegates agreed that all disaster planning and water management policies need to address drought and water availability issues, and drought planning needs to be long-term, continuous and include planning for and implementing drought mitigation measures. Policy makers need to help educate our citizens on water and drought issues. They need to encourage developers to build small water retention structures. Policy makers also need to help to develop a consistent and broad network of people and resources to provide reports on the drought situation in local areas. These four jurisdictions should work together in developing drought and drought mitigation plans and developing agreements on sharing information, data and water. The delegates also agreed that a coalition of these jurisdictions on the management of the Missouri River (not to address inter-basin water transfer issues) would be helpful.

and Grand Forks are water need areas. It will be difficult to sort out and prioritize the varying demands.

Water will become as important to us as oil is now. How can we get people to rethink the old idea that water is so plentiful?

We need to start right now with education. We need to begin and keep the educational approach going, to train everyone to be responsible water users in the next 10 to 15 years—e.g., look at it in the same terms as recycling. Teaching about recycling started long ago. We need to start educating now and persevere. Nebraska has a project for 5th graders to learn about water use and, as with recycling, kids educate parents.

There are proposals on water supply and mitigating drought but not a lot of data/information. We need data and then we need to start developing components. Education is critical to citizens. The only time people worry is when they turn on the tap and nothing comes out. Fargo has water violations all the time. We should treat such violations like sump pump violations. Maybe we need a "water police." Ethanol development is also a concern because of the lack of planning when it comes to water. There are plans now to use Fargo sewer water in Casselton (1 million gallons a day), taking it out of the Red River. Rural water system design should have "territorial integrity," just like with electricity. There will be legal issues between jurisdictions. Do we have a drought mitigation plan for ND?

The Drought Mitigation Website (www.drought.unl.edu/) has all states' plans. ND, MN and SD do not have drought mitigation plans, and MB is in the process of developing one.

Alternatives to Incarceration

The facilitator noted that, at last year's Forum, a great deal of concern was voiced by delegates about the need for treatment and other alternatives to incarceration due to the high increase in inmate populations. To follow up on that discussion, panelists were invited to present on innovative activities going on in various jurisdictions in that regard.

Bill Mickelson, Special Assistant Attorney General for Special Projects, discussed the growing 24/7 Program in SD. He noted the problems with recidivism, especially among those who are substance abusers. The 24/7 Program, which began in one county in 1991, requires those convicted of multiple Driving Under the Influence (DUI) convictions to come to the sheriff's office for Breathalyzer tests twice a day. Four years ago a Corrections Study implemented by SD Governor Rounds reexamined the 24/7 Program. SD received a federal grant to get that program restarted on a pilot basis. It has been operational for almost 3 years, and the grant expires in September of this year. During this pilot project, 4,000 participants have taken 500,070 Breathalyzer tests, with a pass rate

of 98.4%, and the program has kept individuals sober for lengthy periods of time.

Because of that success, the SD legislature has authorized the program to go statewide, and, already, 90% of the counties have indicated they will be on board by the end of August 2007. Four testing methods will be available: the two-a-day Breathalyzer, a dip panel device, a scram bracelet for counties with limited law enforcement personnel and the PharmCheck Drug Patch. The program is not an "unfunded mandate" for counties. The offender pays for the testing, with rates on a sliding scale depending upon income. Payments go to the sheriffs' offices, and they can use those payments as they deem appropriate. There will be a web-based reporting system that all sheriffs will be able to access. And several other state agencies, including the Department of Human Services and others, are participating. Training aids and other guidelines are available to other states, provinces and local governments.

David Brickwood, Acting Executive Director, Aboriginal Probation Initiatives, noted that MB is suffering from crime problems associated with a growing Aboriginal and immigration population. The murder rate is up; there is an increasing gang and substance abuse problem, and jails are at 140% of capacity. There is a need to reduce crime in Winnipeg and the Province as a whole. In order to do so, MB has taken a three-pronged approach: prevention, intervention and suppression. In that context, several relatively new programs have been initiated.

Through the Community Justice program, the court system and community agencies deal with offenders by diverting both adults and youth. Crimes committed by these offenders are at the lower end of the crime scale. No offenders involved in violent crime, gang cases, crimes resulting in personal harm or criminals with a long history are diverted. It is a victim-involved mediation, healing circle, community justice forum or regular panel session, designed to help the victim as well as the offender. Offenders may have to pay restitution, attend education or treatment programs or find employment. Its aim is to prevent further involvement in criminal activity. Direct involvement with the victim is effective. However, many victims do not want to participate for obvious reasons. It is a good program but only involves about 2,000 cases per year of the 40,000 to 50,000 cases per year. It is effective only if an offender is involved early, before developing a history of crime.

"Empowering Justice" is a 3-year anti-auto theft program of the Canadian federal

government. Auto thefts are often unique because young people are stealing vehicles for the thrill of it, because they enjoy street chases and drug dealing. The two target groups are at-risk or early and repeat auto theft offenders. Criminal justice officials work with various groups, agencies and schools. They have learned that lack of intervention leads to escalating behaviors and crimes. Assessing needs, engaging these youth in positive activities, involving families and communities are all important components. It is an innovative, but voluntary program. It tries to address issues before they reach the court. They want to intervene as early and extensively as possible. Younger siblings are often affected and involved as well.

The "Spotlight" project involves close supervision of gang members and works with police and other services. The close supervision helps reduce re-involvement and further court appearances. Street mentors and family therapists are utilized. The project provides linkages and support to offenders and their families. It, too, is relatively new but has seen early successes, and there are positive behavior changes. It is very difficult to deal with gang-involved youth because of these gang affiliations and significant income made through drug trafficking.

Drug Courts are limited in nature. Those convicted are assessed after a guilty plea has been entered and then referred to treatment. It is a specialized program and difficult to get into. There are only 20 slots available and 2 graduates to date.

Fetal Alcohol Spectrum Disorders (FASD) Courts deal with increasing numbers of offenders in the Aboriginal population in particular. These offenders have special limitations and needs. The FASD Courts take an interagency approach to ensure FASD youth receive formal diagnosis and services. To date, 141 cases have been referred and 25 diagnosed with FASD.

The MB Intensive Support and Supervision Program (ISSP) helps to manage high-risk youth who qualify for release or probation. The focus is on relapse prevention in the community. Under the Canadian federal Youth Criminal Justice Act, incarceration is the last alternative to be used for youthful offenders and, when they are sentenced to incarceration, only one-third of the time can be spent in jail. The remainder of the time must be spent in the community. Among high-risk youth, there is a significant risk of re-involvement. Involvement in ISSP is through court order or referral by a probation office. The offender has a case manager who assists with reintegration into the community, and support services with monitoring are provided. There is virtually zero-tolerance for non-compliance and consequences are swift. An evaluation of the program has shown a 76% success rate while youth are in the program.

ND State Representative Joe Kroeber, who chaired the ND Commission on

Alternatives to Incarceration, presented on two treatment programs in ND. He provided delegates with a description of incarceration and community supervision programs in ND and indicated he would discuss the Bismarck Transition Center and the Robinson Recovery Center in Fargo.

The Bismarck Transition Center is an alternative to direct release for selected offenders. It is a public-private partnership begun in 2002, and close monitoring is an essential component of the program. It is not an early release program. Candidates are normally within 8 months of their parole eligibility. They do not permit entrance of offenders who have serious medical or mental health issues, sex offenders, or repeat violent offenders. The Center has a capacity of 155, including a new wing opened in April of 2006 with space for 8 women. Significant security features are in place.

Programs offered at the Center include: chemical dependency, anger management, batterer's intervention, criminal thinking errors, family relationships (parenting) and cognitive restructuring (which is mandatory). It is a phased system providing freedom through responsibility: Orientation is about 21 days; Phase 1 is limited privileges for about 6 weeks; Phase 2 is increased privileges for about six weeks and Phase 3 is broad privileges, and many do not reach this phase.

The Transition Center is a resident resource program, which helps the offender to obtain and maintain employment at regular wages. All money earned is put into their accounts. Offenders pay $13 per day to attend the program, and the state pays $50.25 per participant day to operate the center. To date, offenders have paid $190,957 for family support; $40,499 for community and victim restitution and have paid state and federal taxes on their earnings. Participants also pay for their own medical and dental care. The Center has no problem placing the participants in jobs. In summary, the Center's philosophy is, "Programs don't change people. People change themselves—freedom through responsibility." To date, the program has had 887 residents, and 647 have completed the program, while 105 have been returned to the penitentiary. The average length of stay at the Center has been 147 days.

The Robinson Recovery Center is also a public-private partnership, which is receiving $600,000 in ND State funding per year. It is a methamphetamine treatment center and not part of the corrections system, but those on probation who are first time offenders can be admitted. Participation is voluntary, and referrals come from human service centers, families and others. The Center is a 20 bed residential, co-ed center. In 2006, the Center admitted 63 individuals of 146 referred. The most significant reason for non-admittance (41%) was unresolved legal issues. The staff includes a residential coordinator, two social workers (case managers), two licensed addiction counselors and a clinical director. It is housed in an apartment complex in Fargo, ND, together with 2 other "ShareHouse" programs.

Treatment at the Center includes required completion of 2 months of intensive treatment incorporating the "MATRIX Model," which is an evidence-based program, demonstrating effectiveness and developed by UCLA. There is no average length of stay because the program is individualized, and there are no typical addictions. Treatment includes cognitive restructuring, anger management, healthy relationships, continuing care, family group sessions, and recreation and exercise groups.

A client is expected to seek a minimum of 20 hours of employment per week initially and full time employment near the end of treatment. A sponsor/mentor is mandatory. In order to be "successfully discharged" a client must meet the following criteria: a minimum of 4 months of treatment, gainful employment or completion of a GED, attendance at self-help support groups, 1 or 2 permanent sponsors and random urinalysis screening for 6 months.

Questions and Answers

We do have a unique situation in MB with our demographics. What measurable expectations do we place on the participants to make certain programs are working and what responsibilities are placed on offenders? What are the real consequences?

It has been a challenge, but options with regard to youth are fairly limited. Breach of a court order will result in an offender's being brought back into the system. The real challenge is the limited time of incarceration for youth, and the significant issues to be addressed. We need to engage them earlier and longer. Consequences are also a significant issue. The totals of accumulated restitution orders become badges of honor for some offenders, and they cannot possibly pay them. Many come from very difficult family backgrounds with little to offer in terms of future options.

"Teen Challenge" is very successful. Bills to provide assistance to such faith-based programs have been introduced in the SD legislature, but have not been passed. I am interested in how the programs are being funded in ND and would appreciate information.

We have the same problems with public funding going to private and faith-based programs. Funding is only provided for room and board for participants to avoid potential conflicts. We started funding

Teen Challenge on a small scale, and the best lobbyists for the program are the young adults who attend and graduate. They help maintain support for program. Currently, the program receives $800,000 per biennium in ND.

Do you have some comments about prevention, any thoughts or ideas on addressing this through social policy?

MB is beginning to work on this issue at a grass roots level and trying to improve interagency cooperation. We are placing

an emphasis on early and extended intervention and support services, identifying individual and family needs and providing support and services to them. We need to have a more coordinated approach. It often takes 10 to 15 years to see long-term results from prevention programs, but we need to make the investment.

In SD, if you run on a platform of more dollars for corrections, you are not likely to be a popular candidate. No one wants to put more funding into corrections, so we have to be more efficient and effective. These things are not rocket science, but, as David said, we need to focus on early identification and intervention.

ND needs to recognize the efforts of Senator Larry Robinson in terms of his work on early identification and intervention. But the legal system is right outside the door. If given the opportunity to be in a program gives them a chance to avoid the legal system, that is an incentive. Senator Robinson has worked very hard on these issues.

In ND, our warden has said that 80% of inmates are there because of alcohol and drug related crimes. Are there similar figures in SD and MB?

The figure may not be that high in MB, but it is interesting to note that often incidents involve youth who were not previously known to the system, and drugs were involved. We are now beginning to require immobilizers on certain vehicles offenders often steal to try to reduce auto theft.

SD's numbers are almost exactly the same. That is why the 24/7 Program has been expanded from drunk drivers to all offenders.

Agreements Relative to Treatment and Alternatives to Incarceration

Delegates agreed that the use of "street mentors" and counselors to address at-risk youth and substance abuse appeared to be very positive innovations for prevention and that much more emphasis needs to be put on prevention (an example of the Montana media campaign addressing substance abuse issues was given). They agreed there should be assessments and interventions at the earliest possible levels, even before people get into trouble. They recognized that the human service and corrections systems are seeing far more complex cases than in the past and the dual or multiply diagnosed individuals need to be treated appropriately. For some, such as those with fetal alcohol spectrum disorders and other special conditions, unique, individualized, and culturally sensitive treatments may be essential. Public policy makers as well as the public must be educated more about the need for assessment, treatment and alternatives to incarceration. There was broad support among the delegates for drug courts, transition centers and the use of new technologies, such as those SD has adopted in its 24/7 Program. However, delegates also emphasized the need for early apprehension and real consequences for criminal activities.

Concluding Discussions/Next Year's Meeting

Delegates thanked the South Dakota delegation, particularly the Co-hosts and Steering Committee members, Senators Smidt and Hanson, for their work in putting the meeting together, and they recognized SD Representative Tim Rounds for his "work on the ground" in Pierre. Delegates agreed that the current structure for the meetings continues to work well, and Steering Committee members asked for whatever input delegates could give them to improve next year's meeting. Delegates discussed the 2008 meeting and tentatively agree to hold it in Bismarck, ND June 11-13.