

Interstate Compacts

Overview & Use

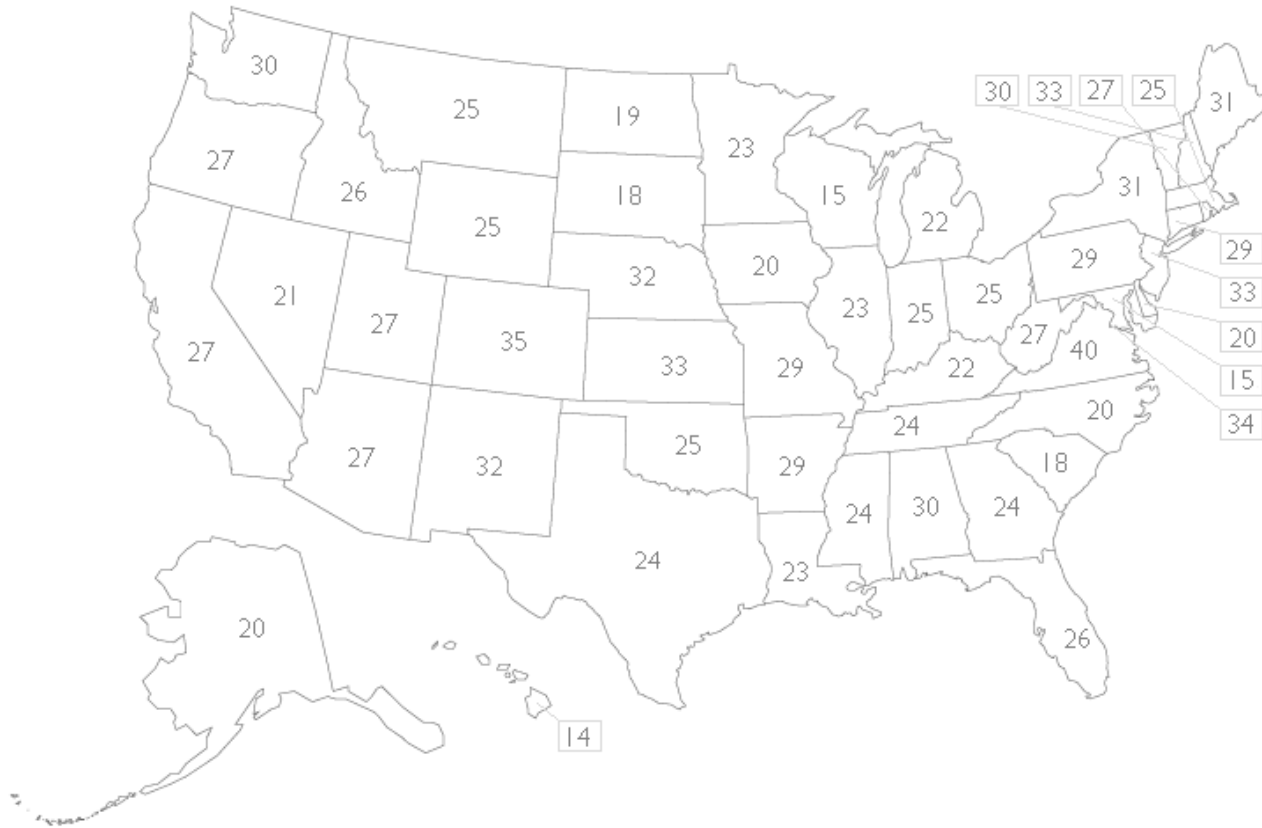
The Council of State Governments



What is an Interstate Compact?

- **Contract between states**
- **Creates independent, multistate authorities to address issues**
- **Establishes uniform guidelines and standards among the states**
- **Creates economies of scale**
- **Responds to national priorities with one voice**
- **Retains state sovereignty over issues belonging to the states**

Interstate Compact Membership



Interstate Compacts

- Key Benefits -

1. Effectiveness and efficiency

- *Goal achievement with lower costs (economies of scale)*

2. Flexibility and autonomy compared to national policy

- *“One size does not fit all”*

3. Dispute settlement among the states

4. State sovereignty

- *Protection against “coercive regulatory federalism”*

5. Cooperative behaviors leading to “win-win” situations

6. Threats of Federal preemption or mandates

- *Disparate state regulatory statutes*
- *Technology development*
- *Lobbying by other special interest groups*

Interstate Compacts

- *Operational Benefits* -

- National data & information sharing systems
- Enhanced enforcement and compliance mechanisms
- Uniform compact language and rules
- National office and staff *(if necessary)*
- Effective governance structures
- Centralized national training
- Uniform operations and procedures
- National interface with external stakeholders / national organizations
- Coordination with other interstate compacts

Interstate Compact Development

- 5 Keys to Success -

- Inclusive Process
- Effective “Sales Pitch”
- Broad-Based Marketing Strategy
- Network of Champions
- Proactive Transition Plan

Interstate Compact Development

- Key Players -

State Government

- Governors and policy staff
- Elected executive officials
- Executive agency directors
- Legislative leaders
- Legislators and staff
- Legislative Service Agency directors

External Stakeholders

- National Associations / Groups
- Media
- Academic / Scientific Researchers
- Industry
- Federal agencies

Interstate Compacts - *Development* -

Model Process

Advisory Board

- Composed of state officials, stakeholders, issue experts
- Examine the issues and current policy spectrum of issue
- Examine best practices and alternative structures
- Establish recommendations as to the content of an interstate compact

Drafting Team

- Composed of 5-8 state officials, stakeholders, issue experts (typically some overlap w/ Advisory)
- Craft interstate compact solution based on Advisory Group recommendations
- Circulate draft compact to specific states and relevant stakeholder groups for comment

Final Product

- Drafting team considers comments and incorporates into compact
- Final product circulated to Advisory Group
- Released to states for consideration

Interstate Compact Development - *Drafting Considerations*-

General Considerations

- Definitions
- Purpose statements
- Internal Organization & Governance

What to include? What can be ‘sold’?

- Degree of Complexity
- What Terms Are Fundamental
- Regulatory Issues
- Amendments/Bylaws/Rulemaking

Interstate Compacts

- Bottom Line -

- Self-interests v. **Cooperative Behaviors**
- Individual v. **Collective Actions**
- Disparity v. **Uniformity**
- State Rivalry v. **State Alliance**
- Competition v. **Cooperation**
- **“Federalism without Washington”**