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LOBBYISTS REGISTRATION ACT

Annual Report

FOR THE YEAR ENDED
MARCH 31, 1996



Industry Canada Industrie Canada

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Canada

This publication is available electronically on the World Wide Web at:

http://strategis.ic.gc.ca/sc_mrksv/lobbyist/engdoc/report.html

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Cat. No. RG77-1/1996

ISBN 0-662-62546-3

51114B





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June 28, 1996

The Honourable John Manley, P.C., M.P.
Registrar General of Canada
House of Commons
Room 356, Confederation Building
Ottawa, Ontario
K1A 0A6

Dear Sir:

I have the honour to present to you the seventh Annual Report by the Registrar on the administration of the *Lobbyists Registration Act* (R.S.C. 1985, c.44 (4th supp.) as amended by S.C. 1995, c.12). This report is presented in accordance with the provisions of subsection 11.(1) of the Act. The report covers the fiscal year ending March 31, 1996.

Yours sincerely,

Corinne MacLaurin
Registrar

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This is the seventh Annual Report by the Registrar on the administration of the *Lobbyists Registration Act* (R.S.C. 1985, c.44 (4th supp.) as amended by S.C. 1995, c.12). This report covers the period from April 1, 1995, to March 31, 1996.

Purpose and Description of the Act

The *Lobbyists Registration Act* was enacted in 1988 and amended in 1995. The amended Act strengthens the disclosure requirements to make more meaningful and comprehensive information about lobbyists, and what they do, available to all Canadians.

Bill C-43, *An Act to amend the Lobbyists Registration Act and to make related amendments to other Acts*, passed the House of Commons on May 8, 1995, and the Senate on June 14, 1995. It was given Royal Assent one day later. The new registration requirements came into force on January 31, 1996.

Four basic principles are set out in the preamble to the Act:

- free and open access to government is an important matter of public interest;
- lobbying public office holders is a legitimate activity;
- it is desirable that public office holders and the public be able to know who is attempting to influence government; and
- the system for the registration of paid lobbyists should not impede free and open access to government.

Individuals who are paid to communicate with federal public office holders in an attempt to influence government decisions — i.e. lobby — are subject to the requirements for registration under the Act. Virtually anyone occupying a position in the federal government, including all elected or appointed officials, is considered a "public office holder" for the purposes of the Act.

The changes to the Act provide for three categories of lobbyists. The former Tier I or professional lobbyists are now known as consultant lobbyists. The former Tier II or employee lobbyists have been subdivided into in-house lobbyists (corporate) and in-house lobbyists (organizations).

Consultant lobbyists are individuals who, for payment and on behalf of a client, undertake to: arrange a meeting between their client and a public office holder; or to lobby for the making, developing or amending of any federal law, regulation, policy or program, or the awarding of any federal monetary grant, contribution or other financial benefit, or the awarding of any federal contract.

In-house lobbyists (corporate) are employees of corporations that carry on commercial activities for financial gain and who, as a significant part of their duties, communicate with federal public office holders in an attempt to influence the same activities as for consultant lobbyists, except the awarding of contracts. These employees are usually full-time officers of a corporation whose primary function is public affairs or government relations work.

For organizations, the senior officer must register as an in-house lobbyist (organizations) when one or more employees communicate with federal public office holders in an attempt to influence government decisions and where the accumulated activity of all such employees would constitute a significant part of the duties of one employee. Registration is required for the same activities as for consultant lobbyists, except the awarding of contracts.

All lobbyists are required to disclose certain information within time limits specified by the law. The information required under the amended legislation is much more extensive than that required prior to January 31, 1996, and includes: the name or description of the specific legislative proposals, bills, regulations, policies, programs, grants, contributions or contracts sought; the names of the federal departments or other governmental institutions lobbied; the source and amount of any government funding; and the communication techniques used, such as grassroots lobbying. Corporations and organizations must also provide a general description of their business or activities.

For a comparison of the registration requirements prior to and after January 31, 1996, see the Annex to this Annual Report.

The new *Lobbyists Registration Regulations* were published in the *Canada Gazette* Part II, December 27, 1995, and came into force on January 31, 1996. They set out the detailed forms which lobbyists must complete and file. Lobbyists may complete and file these forms by using the Registry's dial-up electronic filing system or by paper copy.

Registration under the Act is the responsibility of the individual lobbyist. The Act provides for severe penalties for those who fail to register or who submit false or misleading information in their registration forms. An important change of the amended Act is that the limitation period for enforcement proceedings has been extended from six months to two years. Such proceedings are the responsibility of the Royal Canadian Mounted Police.

The amended law provides for a review of the administration and operation of the Act by a parliamentary committee after four years.

Lobbyists Registration Branch

Responsibility for administration of the information disclosure provisions of the Act and maintenance of the public registry system is assigned to a Registrar designated by the Registrar General of Canada. The Registrar heads the Lobbyists Registration Branch of the Office of the Ethics Counsellor. During 1995-96, the Branch consisted of a staff of five.

Under the new Act, lobbyists must provide clarification of any information they submit in their registration forms in response to a request from the Registrar. The Registrar also has the authority to verify information contained in any form or other document submitted. All forms submitted for registration are checked for completeness and clarity. Inconsistencies or obvious omissions are communicated to the lobbyist for correction or for supplementary information.

The new Act also authorizes the Registrar to issue advisory opinions and interpretation bulletins in order to provide greater certainty regarding the registration provisions.

The Lobbyists Registration Branch provides advice about the requirements for registration to lobbyists, potential lobbyists and the general public. Branch staff also assist members of the general public and public office holders to obtain information and to produce reports from the computerized registry system.

The Branch also disseminates information on the Act through publications, correspondence with potential lobbyists, interviews with the media, and presentations to professional associations, universities and federal government officials.

The Registrar regularly publishes articles in association newsletters, and makes presentations to industry and broader-based associations, on the *Lobbyists Registration Act*. The Registrar also participates actively in an international council of government administrators of ethics laws.

Public office holders are reminded about registration requirements for lobbyists and informed about the services of the Registry in letters sent with the Annual Report to federal deputy ministers and Governor-in-Council appointees.

Electronic Filing

The amended legislation permits lobbyists to file their returns electronically, via the Branch's own dial-up filing system. This allows easier filing and is a more cost-effective way for the Branch to handle the significantly increased data.

The electronic filing system was designed to enable contact from the most basic computer equipment, and to support virtually all makes of computers. Lobbyists need only a computer, modem and communications software to access the bilingual application. To ensure that only authorized users are given access to the system, a contractual agreement was developed which identifies the lobbyist's responsibility for electronic certification using a system of passwords. Organizations or companies that do not yet have the necessary equipment may file electronically using the facilities within the Lobbyists Registration Branch. Similar arrangements are being made with Industry Canada regional offices.

To encourage lobbyists to file their registration forms electronically, the Branch offers use of this technology free of charge. There is, however, a processing fee for those who file in paper format. The fee schedule for registration and other services is pursuant to the *Department of Industry Act*. It was published in the *Canada Gazette* Part I, December 16, 1995, and came into effect on January 31, 1996.

Of the total registrations received as of March 31, 1996, under the amended Act, 95 percent of consultant lobbyists had registered using the new remote on-line electronic registration system. Of the registrations filed by in-house lobbyists (corporate), 56 percent were received electronically, and 60 percent of organizations used the technology to register electronically.

Public Registry

The concept of openness is one of the fundamental principles that underlie the registration system of the *Lobbyists Registration Act*. All information collected under this Act and its Regulations is a matter of public record. The objective of the Registry is to ensure that the general public and public office holders know who is paid to attempt to influence government decisions.

However, as the parliamentary committee that amended Bill C-43 stated in its 1995 report, "The information disclosed by lobbyists and stored in the Registry is of use only to the extent that it is easily available to Canadians." Information submitted under the old Act is not as easily available as it could be because, even though automated, it can only be consulted in Ottawa by writing, telephoning or visiting the Lobbyists Registration Branch.

During the year, therefore, work proceeded within Industry Canada to give the public electronic access to the increased information now available. By summer 1996, work to make the registry database available to the general public through Strategis, Industry Canada's Web site, will be completed. To encourage users of the data to use their own computers and to conduct their own searches without registry staff assistance, access to the information on lobbyists will be made available at no cost.

When completed, users will be able to search and retrieve such information as who lobbies, the clients and employers of lobbyists, the parent and subsidiary companies of corporations that benefit from the lobbying, the organizational members of coalition groups, a general description of the activities of corporations and associations, which government departments or agencies are contacted, and the specific subject-matters of lobbying activities.

The Lobbyists Registration Branch is also working to complete installation of a public terminal where users will be able to search the data themselves free of charge from a computer located in the registry office. However, if users require special reports, they will be charged according to a fee schedule based on full costs for staff, computer systems and supplies.

Transition to the Amended Act

Once the new information disclosure provisions of the Act were passed in June 1995, new regulations were prepared, computer systems development was accelerated and a public education program was designed.

An extensive information campaign was implemented throughout the year to ensure that lobbyists would understand their obligations under the new Act. In July, a chart comparing the changes in registration requirements was distributed to all registered lobbyists. In September, broad-based consultations were conducted on the draft registration forms when they were published in the *Canada Gazette* Part I.

A *Guide to Registration* was prepared, which covers the basic requirements of the legislation, explains how the registry system operates and answers questions on the application of the Act. The Registrar issued an interpretation bulletin on the meaning of the phrase "significant part of the duties" as it applies to in-house lobbyists for corporations and organizations. A second interpretation bulletin clarified the requirement to report government funding. These publications were mailed in December 1995 to all registered lobbyists. As well, an informal consolidation of the Act was prepared.

In March 1996, these publications were made broadly available to the general public through Strategis, Industry Canada's gateway to the Internet. Shortly before the new Act came into force, information was also sent to all Members of Parliament and Senators.

In January 1996, a technical manual for lobbyists on how to file electronically was published and a directive for initial access to the electronic filing system was issued. Branch staff also conducted intensive training sessions and responded to hundreds of calls for telecommunications and other technical assistance.

The amended legislation required that lobbyists who had not completed or terminated their lobbying activities re-register by March 31, 1996. To remind lobbyists of this obligation, notices were sent in early March to all lobbyists who had not yet re-registered. As well, arrangements were made to publish a reminder "Message from the Registrar" in an industry newsletter.

Public education campaigns, presentations, the distribution of information kits and the provision of advisory assistance will continue to be the major tools for informing lobbyists of their potential obligations.

Statistical Review

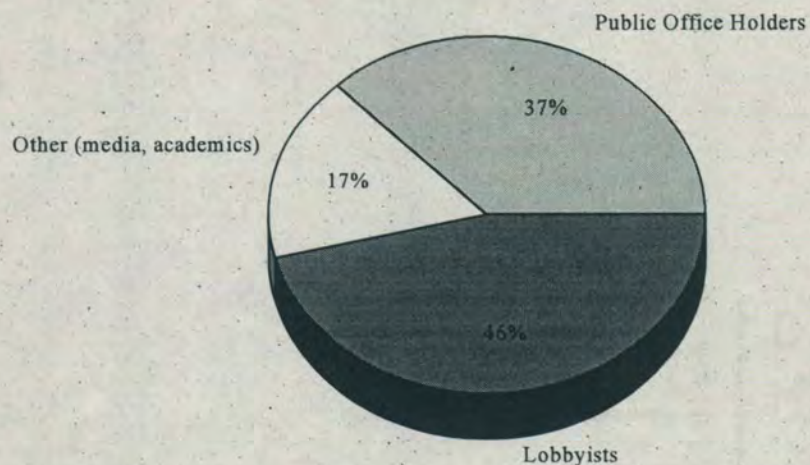
ADVISORY AND INFORMATION SERVICES

In the last three months of 1995-96, staff responded to more enquiries than in any entire year before. The total number of telephone enquiries increased by 90 percent over the previous fiscal year, from 1312 to 2510. There were 1560 telephone calls for advice on the registration requirements, of which 600 calls related to the new Act. In addition, there were 950 telephone calls to the Help Desk for technical assistance related to the new on-line electronic filing system.

The number of reports produced during the year by branch staff on who was registered under the legislation prior to January 31, 1996, was basically stable: in 1995-96, staff produced 659 reports, as compared to 749 reports in the previous fiscal year.

One of the principles of the *Lobbyists Registration Act* is that public office holders and the public should be able to know who is attempting to influence government. Statistics, which are kept by category of user requesting a report on who lobbies and on whose behalf, show that public office holders and the general public continue to use the information held by the registry system.

**Reports Produced (by category of user)
1995-96**



SUBJECT-MATTERS OF LOBBYING ACTIVITIES

Under the old Act, Tier I lobbyists were required to identify the subject-matters of their lobbying activities. The following list identifies, in descending order, the 20 most frequently identified subject areas, before the transition to the amended Act.

- | | |
|--------------------------------------|----------------------------------|
| 1. Industry | 11. Transportation |
| 2. International Trade | 12. Health |
| 3. Government Procurement | 13. Foreign Affairs |
| 4. Regional and Economic Development | 14. Federal-Provincial Relations |
| 5. Science and Technology | 15. Intellectual Property |
| 6. Taxation | 16. Defence |
| 7. Corporate Affairs | 17. Communications |
| 8. Investment | 18. Employment |
| 9. Consumer Issues | 19. Fiscal and Monetary Policy |
| 10. Environment | 20. Energy |

REGISTRATIONS

Before the amended legislation came into force on January 31, 1996, 988 Tier I lobbyists were registered under the old Act. By March 31, 1996, when the transition period for registration under the amended Act had ended, this number had decreased to 805 Tier I lobbyists, as many notified the Registrar that they had terminated or completed their lobbying activities.

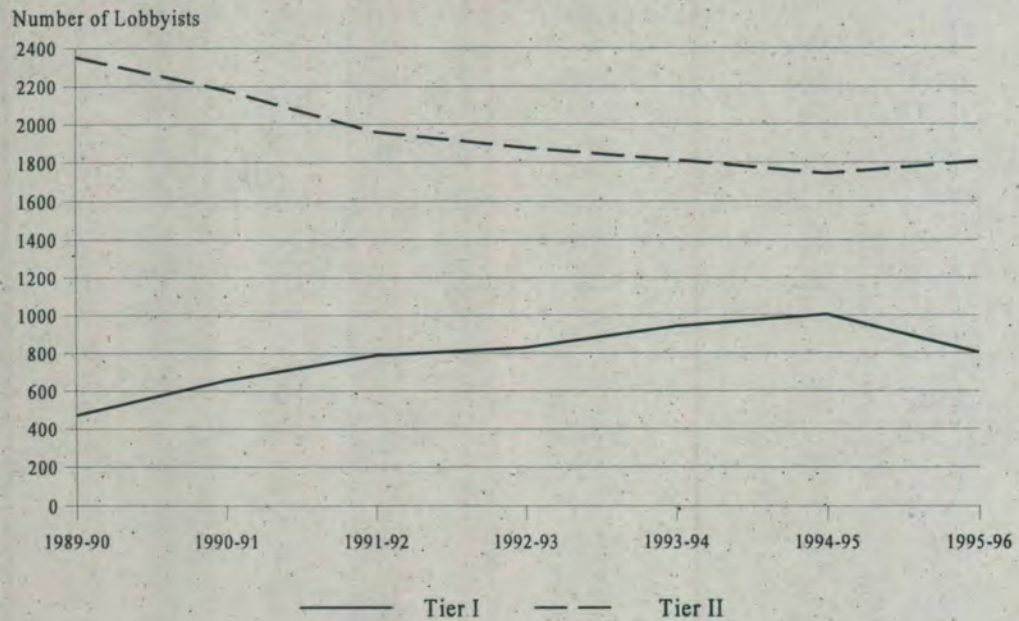
Under the old Act 1808 Tier II employee lobbyists were registered for some 345 corporations and 475 associations as of March 31, 1996.

		1994-1995 (Old Act)	1995-1996 (Old Act)
Registrations Active as of March 31			
Tier I	Professional	3510	2696
Tier II	Employee	1809	1879
Lobbyists Active as of March 31			
Tier I	Professional	1006	805
Tier II	Employee	1744	1808

REGISTRATIONS: A HISTORICAL PERSPECTIVE

At the end of the first fiscal year after the *Lobbyists Registration Act* came into force in 1989, there were 473 Tier I lobbyists and 2355 Tier II lobbyists registered. On March 31, 1996, when the transition period for registration ended, 805 Tier I and 1808 Tier II lobbyists were registered under the old Act.

Old Act Registrations By Fiscal Year
(Fiscal year ends March 31)



INITIAL REGISTRATIONS UNDER THE AMENDED ACT

Although the transition period for registration under the amended Act ended on March 31, 1996, registrations are not yet complete and have been increasing daily since the end of the fiscal year. This transitional picture of steadily increasing registration is to be expected with the coming into force of an amended Act with new obligations. Comparisons with past years' registrations cannot yet be made because of incomplete data; furthermore, the change in definition of Tier II lobbyists will need to be taken into account. The Registrar plans to issue a release setting out comparative statistics in the early fall.

To ensure that lobbyists are fully aware of their obligations, the Registrar is continuing a public information campaign targeting all lobbyists registered under the old Act as well as potential lobbyists who may fall under the ambit of the new legislation.

Additional Information

For the legal text of the Act and Regulations, consult:

- *Lobbyists Registration Act*, R.S.C. 1985, c.44 (4th supp.) as amended by S.C. 1995, c.12;
- *Lobbyists Registration Regulations*, *Canada Gazette* Part II, December 27, 1995; and
- *Lobbyists Registration and Service Fees*, *Canada Gazette* Part I, December 16, 1995.

The *Guide to Registration*, the interpretation bulletins and the informal consolidation of the Act may now be accessed via Strategis, Industry Canada's gateway to the Internet. The registry data will be available shortly. Look for Lobbyists Registration under Marketplace Services at the following address:

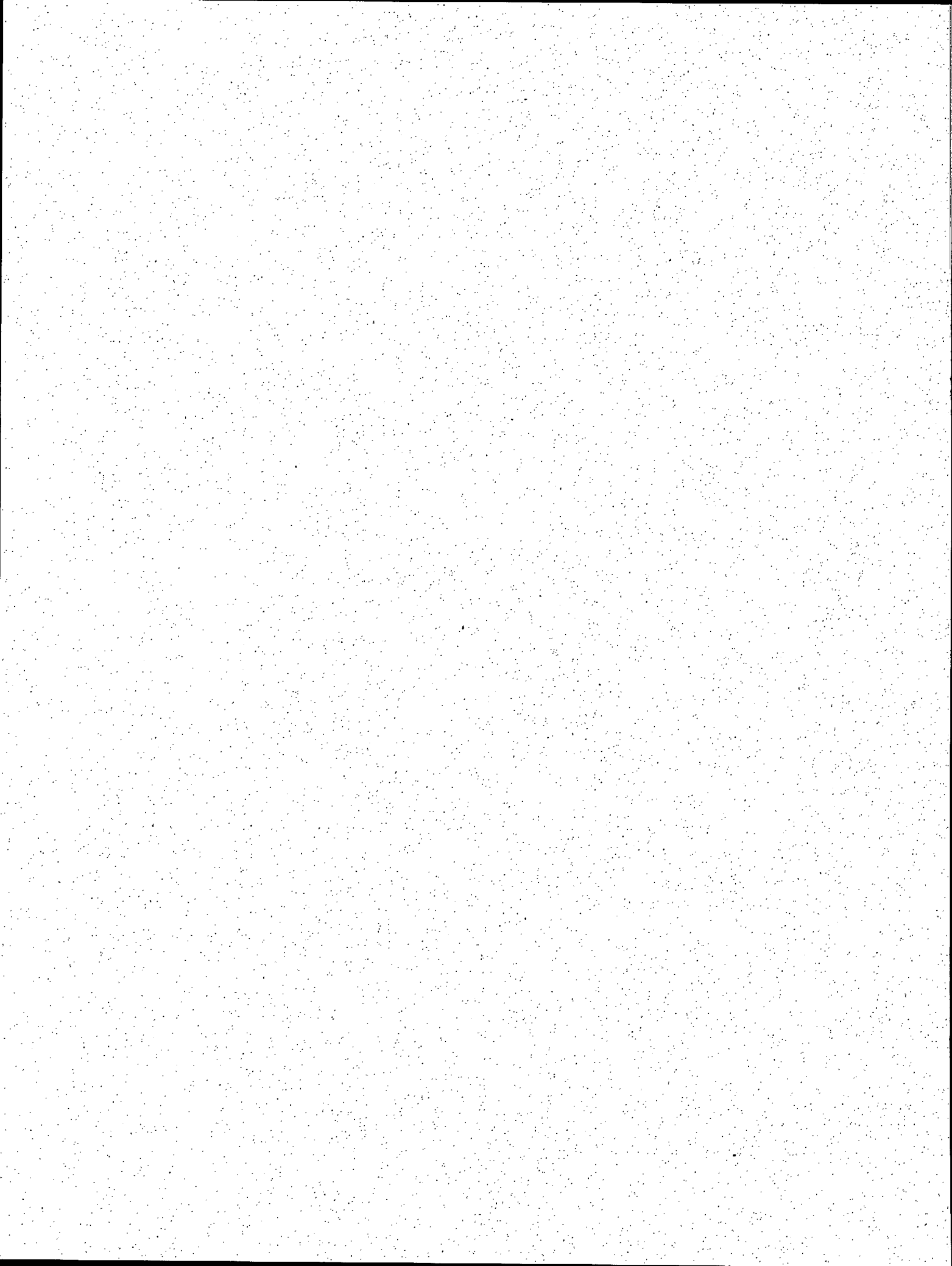
<http://strategis.ic.gc.ca/>

For further information, contact:

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Lobbyists Registration Branch
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Industry Canada
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Tel: (613) 957-2760

Fax: (613) 957-3078



Annex: Quick Reference Guide to the *Lobbyists Registration Act*

This guide has been prepared for convenience only. For a precise statement of the law, consult the *Lobbyists Registration Act* (R.S.C. 1985, c.44 (4th supp.) as amended by S.C. 1995, c.12).

OLD ACT

(prior to January 31, 1996)

Tier I Lobbyists

- Individuals who lobby for clients
- Must register within 10 days
- Register any changes to information previously submitted as soon as practicable
- Register by undertaking
- Register for arranging meetings with public office holders; or for attempting to influence legislative proposals, bills or resolutions, regulations, policies, programs, award of grants or contributions or other financial benefits, award of contracts
- Act does not apply to:
 - public proceedings before parliamentary committees or other federal bodies
 - submissions to a public official with respect to the enforcement, interpretation or application of a law or regulation by that official

AMENDED ACT

(came into force January 31, 1996)

Consultant Lobbyists

- Individuals who lobby for clients
- Must register within 10 days
- Register any changes to information previously submitted, or termination, within 30 days
- Register by undertaking
- Register for arranging meetings with public office holders; or for attempting to influence legislative proposals, bills or resolutions, regulations, policies, programs, award of grants or contributions or other financial benefits, award of contracts
- Act does not apply to:
 - public proceedings before parliamentary committees or other federal bodies
 - submissions to a public official with respect to the enforcement, interpretation or application of a law or regulation by that official
 - submissions in direct response to written requests from the federal government for advice or comment

OLD ACT

Tier I Lobbyists (cont'd)

- Must disclose:
 - lobbyist's name, position title and business address
 - lobbying firm and business address
 - client name and business address
 - name of the principal representative of the client

- if client is a corporation, the name and business address of the parent corporation and all subsidiaries

- from a checklist, the broad subject-matters only

AMENDED ACT

Consultant Lobbyists (cont'd)

- Must disclose:
 - lobbyist's name, position title and business address
 - lobbying firm and business address
 - client name and business address
 - name of the principal representative of the client
 - name and business address of anyone who directs or controls the client's activities

- if client is a corporation, the name and business address of the parent corporation and those subsidiaries which directly benefit from the lobbying
- if client is a coalition, the names and business addresses of the corporation and organizational members

- subject-matter, including the specific legislative proposal, bill or resolution, regulation, policy, program, grant or contribution or other financial benefit, contract
- name of each department or other governmental institution lobbied
- source and amount of any government funding received by the client
- whether payment is contingent on the success of the lobbying
- communication techniques used, including grassroots lobbying

OLD ACT

Tier II Lobbyists

- Employees who lobby as a significant part of their duties
- Must register annually
- Register any changes to information as soon as practicable
- Register for attempting to influence legislative proposals, bills or resolutions, regulations, policies, programs, award of grants or contributions or other financial benefits
- Act does not apply to:
 - public proceedings before parliamentary committees or other federal bodies
 - submissions to a public official with respect to the enforcement, interpretation or application of a law or regulation by that official
- Must disclose:
 - employee's name and position title
 - employer's name and business address

AMENDED ACT

In-House Lobbyists (Corporate)

- Employees of corporations who lobby as a significant part of their duties
- Must register annually
- Register any changes to information previously submitted, or termination, within 30 days
- Register for attempting to influence legislative proposals, bills or resolutions, regulations, policies, programs, award of grants or contributions or other financial benefits
- Act does not apply to:
 - public proceedings before parliamentary committees or other federal bodies
 - submissions to a public official with respect to the enforcement, interpretation or application of a law or regulation by that official
 - submissions in direct response to written requests from the federal government for advice or comment
- Must disclose:
 - employee's name and position title
 - employer's name and business address
 - name and business address of the parent corporation and those subsidiaries that directly benefit from the lobbying
 - general description of the employer's business or activities

OLD ACT

Tier II Lobbyists (cont'd)

AMENDED ACT

In-House Lobbyists (Corporate) (cont'd)

- subject-matters, including specific legislative proposals, bills or resolutions, regulations, policies, programs, grants or contributions or other financial benefits sought
- name of each department or other governmental institution lobbied
- source and amount of any government funding received by the employer
- communication techniques used, including grassroots lobbying

OLD ACT

Tier II Lobbyists

- Employees who lobby as a significant part of their duties
- Must register annually
- Register any changes to information as soon as practicable
- Register for attempting to influence legislative proposals, bills or resolutions, regulations, policies, programs, award of grants or contributions or other financial benefits
- Act does not apply to:
 - public proceedings before parliamentary committees or other federal bodies
 - submissions to a public official with respect to the enforcement, interpretation or application of a law or regulation by that official
- Must disclose:
 - employee's name and position title
 - employer's name and business address

AMENDED ACT

In-House Lobbyists (Organizations)

- Organizations where the lobbying by one or more employees would amount to a significant part of one employee's duties
- Senior paid officer must register semi-annually; registration is both retrospective and prospective
- Register for attempting to influence legislative proposals, bills or resolutions, regulations, policies, programs, award of grants or contributions or other financial benefits
- Act does not apply to:
 - public proceedings before parliamentary committees or other federal bodies
 - submissions to a public official with respect to the enforcement, interpretation or application of a law or regulation by that official
 - submissions in direct response to written requests from the federal government for advice or comment
- Must disclose:
 - senior paid officer's name and position title
 - organization's name and business address
 - name of employees who lobby including, as applicable, the senior paid officer

OLD ACT

Tier II Lobbyists (cont'd)

AMENDED ACT

**In-House Lobbyists (Organizations)
(cont'd)**

- general description of the organization's business or activities
- general description of the organization's membership
- subject-matters, including the specific legislative proposals, bills or resolutions, regulations, policies, programs, grants or contributions or other financial benefits sought
- name of each department or other governmental institution lobbied
- source and amount of any government funding received by the organization
- communication techniques used, including grassroots lobbying



Industrie Canada Industry Canada

LA LOI SUR L'ENREGISTREMENT DES LOBBYISTES

Rapport annuel

POUR L'EXERCICE TERMINÉ
LE 31 MARS 1996

Canada

