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LOBBYISTS REGISTRATION ACT

Annual Report

FOR THE YEAR ENDED
MARCH 31, 1999

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

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June 30, 1999

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

Dear Sir:

I have the honour to present to you the tenth Annual Report by the Registrar on the administration of the information disclosure and public registry provisions 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, 1999.

Yours sincerely,

Corinne MacLaurin
Registrar

Canada

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This is the tenth Annual Report by the Registrar on the administration of the information disclosure and public registry provisions 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, 1998, to March 31, 1999.

Purpose and Description of the Act

Major amendments to the *Lobbyists Registration Act* and the *Lobbyists Registration Regulations* came into force on January 31, 1996, and require lobbyists to disclose more comprehensive information about their activities.

The Act provides for the public registration of those individuals who are paid to communicate with federal public office holders in attempts to influence government decisions, i.e., lobby. Public office holders are virtually all persons occupying an elected or appointed position in the federal government, including members of the House of Commons and the Senate and their staff, officers and employees of federal departments and agencies, members of the Canadian Armed Forces and the Royal Canadian Mounted Police.

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 general 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.

Lobbying, or the activity that is subject to the requirements for registration as a lobbyist, is communicating with federal public office holders, whether formally or informally, in attempts to influence:

- the making, developing or amending of federal legislative proposals, bills or resolutions, regulations, policies or programs;
- the awarding of federal grants, contributions or other financial benefits.

The Act provides for three categories of lobbyists.

Consultant lobbyists are individuals who, for payment, lobby on behalf of a client. Consultant lobbyists are also required to register if they undertake to arrange a meeting between their client and a public office holder, and if they lobby for the awarding of a federal contract. Consultant lobbyists may include government relations consultants, lawyers, accountants or other professional advisors who provide lobbying services for their clients.

In-house lobbyists (corporate) are employees of corporations that carry on commercial activities for financial gain who lobby as a significant part of their duties. These employees of a company are usually full-time officers who devote a significant part of their duties to public affairs or government relations work.

For non-profit organizations such as associations, the senior paid officer must register as an in-house lobbyist (organizations) when one or more employees lobby federal public office holders and where the accumulated lobbying activity of all such employees would constitute a significant part of the duties of one employee.

Specifically excluded from the registration requirements are public proceedings before parliamentary committees or other federal bodies; submissions to a public office holder with respect to the enforcement, interpretation or application of a federal law or regulation by that official; and submissions in direct response to written requests from a public office holder for advice or comment.

All lobbyists are required to disclose certain information within time limits specified in the Act. The information includes the name of the client, corporate or organizational employer; the names of the parent or subsidiary companies that would benefit from the lobbying activity; the organizational members of coalition groups; the specific subject matters lobbied; the names of the federal departments or agencies contacted; the source and amount of any government funding received; and the communication techniques used, such as grass-roots lobbying. Corporations and organizations must also provide a general description of their business or activities.

The *Lobbyists Registration Regulations* set out the detailed forms that lobbyists must complete and file. Lobbyists may complete and file these registration forms electronically, free of charge. The fee schedule for processing of forms submitted in paper format was published in the *Canada Gazette* Part I, December 16, 1995.

Registration under the Act is the responsibility of the individual lobbyist. The Act provides severe penalties for those who fail to register or who submit false or misleading information in their registration forms. Enforcement is the responsibility of the Royal Canadian Mounted Police, and the limitation period for such proceedings is two years.

Separately, the Act also provides for a mandatory code of conduct for lobbyists, and the submission of an Annual Report on this code. The *Lobbyists' Code of Conduct*, which took effect March 1, 1997, is the responsibility of the Ethics Counsellor.

The statute provides for a review of the administration and operation of the Act by a parliamentary committee four years after the coming into force, which will be January 2000.

Lobbyists Registration Branch

Responsibility for administration of the information disclosure provisions of the Act and maintenance of the public registry is assigned to a Registrar designated by the Registrar General of Canada (Minister of Industry). The Registrar heads the Lobbyists Registration Branch of the Office of the Ethics Counsellor.

Under the 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 this information. 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 Act authorizes the Registrar to issue advisory opinions and interpretation bulletins in order to provide greater certainty regarding the registration provisions.

During the year, consultations were completed regarding a revision to the interpretation bulletin for the phrase "significant part of the duties" as it applies to in-house lobbyists (corporate). At issue was whether the current quantitative guideline, which requires a registration when lobbying is 20 percent or more of an employee's duties, should also include a qualitative sense; that is, should registration also be required where the lobbying would have an important effect or impact on the attainment by a company of its goals or objectives. It was concluded that this would be more appropriately addressed as part of the forthcoming review of the Act by a parliamentary committee.

As well, many queries were received as a result of the revised advisory opinion issued last year to clarify the requirements for registration as consultant lobbyists by outside chairs and members of a corporate Board of Directors. Consequently, the Registrar issued a letter intended to eliminate ambiguity about the need for registration when lobbying activity is within the mandate, duties or expected activities or an assignment of the outside director. As well, this letter reminds readers that the two key principles of the legislation are the legitimacy of lobbying activity and transparency.

All of the publications and bulletins issued on the Act, as well as those on the code of conduct for lobbyists, are available through *Strategis*, the Industry Canada Web site (<http://strategis.ic.gc.ca/lobbyist>).

The Registrar continued an active public information campaign to discuss and provide advice to lobbyists and potential lobbyists about the requirements for registration and to encourage firms, companies and associations to review their situations. The Lobbyists Registration Branch also disseminated information on the Act and Regulations through interviews with the media, and discussions with professional and industry associations, universities and government officials.

Federal government public office holders were reminded about the 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.

During the year, the Registrar responded to queries about the federal lobbyists legislation and its supporting computer systems from provincial government officials in Ontario, Quebec and British Columbia, as well as officials from Washington, D.C. She also continued to participate actively in the work of an international council of government administrators of ethics laws.

Electronic Filing

Lobbyists may file their registration forms electronically, free of charge, using the *Strategis* Web site, Industry Canada's gateway to the Internet (<http://strategis.ic.gc.ca/lobbyist>). This user-friendly interactive technology validates basic data such as names and addresses, reminds lobbyists to complete all required information and permits them to easily edit their own forms. Data, once verified, are moved immediately to the registry database where the general public can search for information and produce reports from their own computers.

Of the total registrations received as of March 31, 1999, 95 percent of the consultant lobbyists actively lobbying continue to register electronically. This year, 96 percent of both organizations and in-house lobbyists (corporate) filed their registrations electronically, an increase of 6 percent since last year.

Before lobbyists can use the computer systems to file the registration forms required by the Act, they must provide identification for system access. They must then also sign a contractual agreement acknowledging the responsibility for security of their electronic signature or password used to certify the validity of the information they submit.

Officials from several organizations, companies and firms that do not yet have the necessary equipment used the facilities within the Lobbyists Registration Branch to file their registrations electronically. As well, lobbyists may use the facilities of the Industry Canada regional offices.

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.

The registry database is available to all Canadians through *Strategis*, Industry Canada's Web site (<http://strategis.ic.gc.ca/lobbyist>). Anyone can use their own computer to easily search and retrieve information on who lobbies for which firms, corporations, organizations or associations; the parent and subsidiary companies or 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 name or description of the specific legislative proposals, bills, regulations, policies, programs, grants, contributions or contracts sought.

As well, users can produce their own summary reports of lobbyists registered as well as copies of the individual registration forms.

Users who search and retrieve the data directly from their own computers may do so free of charge. If registry staff are requested to search and retrieve information, a service charge is applicable.

Statistical Review

ADVISORY AND INFORMATION SERVICES

The Lobbyists Registration Branch provides advice on the registration requirements, reminds lobbyists to update and re-file their registration forms, and verifies that all forms are consistent and complete.

As a result of the consultations this year on the proposed revisions to the interpretation bulletin for in-house lobbyists (corporate) on the definition of the phrase “a significant part of the duties,” and the issuance late last year of the advisory opinion on the requirements for registration by outside chairs and members of company Boards of Directors as consultant lobbyists, the number of calls for advice on the application of the Act increased. As well, general information and compliance calls increased. Overall, there were 1134 program calls in 1998-99, an increase from 915 last year.

The number of calls for technology assistance remained basically the same as last year, even with the easier and more user-friendly Internet system for electronic filing. Branch staff and the Industry Canada *Strategis* help desk personnel responded to calls for the lobbyists registry site address, navigational assistance, forgotten passwords, broken links and other technical problems. This year, there were 776 help line calls, compared to 823 calls last year.

The key principle of the *Lobbyists Registration Act*, transparency, is that public office holders and the public should be able to know who is attempting to influence government. The lobbyists registry is directly accessible through *Strategis* to all users for searches and information retrieval on their own computers. Users are gaining their own expertise in how to directly access and search the computerized registry system. This year, there was a slight increase from the 151 calls handled last year as Branch staff provided assistance to 173 callers seeking information or reports, of which 34 percent were government officials.

There was a dramatic fourfold increase this year in the number of pages of text and data accessed on *Strategis* by users from their own computers. Some 120 000 pages were accessed during 1998-99, an impressive total for a small program.

SUBJECT MATTER OF LOBBYING ACTIVITIES

All lobbyists are required to identify the broad subject matter of their lobbying activities from a pre-selected checklist. The following list identifies, in descending order from active registrations, the 20 subject areas most frequently identified by lobbyists in their registrations as of March 31.

	<u>1997-98</u>	<u>1998-99</u>
Industry	1	1
Taxation and finance	2	2
International trade	3	3
Environment	4	4
Science and technology	5	5
Health	8	6
Transportation	6	7
Consumer issues	7	8
Internal trade	10	9
Employment and training	9	10
Energy	11	11
Government procurement	12	12
Financial institutions	18	13
International relations	14	14
Intellectual property	15	15
Regional development	13	16
Labour	16	17
Telecommunications	19	18
Small business	20	19
Agriculture	17	20

GOVERNMENT DEPARTMENTS AND AGENCIES

All lobbyists are required to identify the names of the government departments and agencies that they contact or expect to contact in the course of their lobbying activities. The following list identifies, in descending order from active registrations, the 20 departments and agencies most frequently identified by lobbyists in their registrations as of March 31.

	<u>1997-98</u>	<u>1998-99</u>
Industry Canada	1	1
Finance Canada	2	2
Foreign Affairs and International Trade	3	3
Revenue Canada	5	4
Environment Canada	4	5
Health Canada	7	6
Transport Canada	6	7
Privy Council Office	9	8
Natural Resources Canada	8	9
Public Works and Government Services Canada	10	10
Human Resources Development Canada	12	11
Treasury Board of Canada	11	12
Canadian Heritage	14	13
Agriculture and Agri-Food Canada	13	14
Fisheries and Oceans Canada	15	15
National Defence	16	16
Justice Canada	20	17
Canadian International Development Agency	18	18
Statistics Canada	21	19
Western Economic Diversification	17	20

REGISTRATIONS

On March 31, 1999, there were 618 registered active consultant lobbyists, an increase of 6 percent from the 584 consultants registered last year. These consultants, who work for 326 firms across Canada, include government relations consultants, lawyers, accountants, and other professionals who provide lobbying services for their clients.

During the year, to help ensure that the lobbyists registry remained up-to-date, the Registrar asked all consultant lobbyists who had registered between January 1996 and June 1997 to review and update the 1625 registrations they had filed during this period. Subsequently, 410 registrations, or 25 percent, were terminated and an additional 250 registrations, or 15 percent, were amended for address or subject-matter changes.

On March 31, 1999, there were 352 employees registered as lobbying the federal government on behalf of their corporate employer as a significant part of their duties. These in-house lobbyists (corporate) include 37 chief executive officers. The interests of 188 corporations were represented in the registry systems, a slight decrease from last year due to corporate mergers and re-evaluations by officials of their need to register when lobbying activity is less than 20 percent of their duties.

Senior paid officers had registered as in-house lobbyists (organizations) for 362 non-profit societies and interest groups as well as business, trade, industry, and professional organizations or associations, an increase of 11 percent since last year.

	<u>1997-98</u>	<u>1998-99</u>
Lobbyists active as of March 31		
Consultant lobbyists	584	618
In-house lobbyists (corporate)	367	352
Organizations (senior officers)	322	362
Registrations active as of March 31		
Consultant lobbyists	2012	2060
In-house lobbyists (corporate)	367	352
In-house lobbyists (organizations)	327	362

Additional Information

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

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

Publications available on the Internet include the *Guide to Registration*, which covers the basic requirements of the *Lobbyists Registration Act* and contains a summary *Quick Reference Guide to Registration*; the advisory opinions and interpretation bulletins; an informal consolidation of the Act; previous annual reports; and the *Lobbyists' Code of Conduct*.

The lobbyists registry data are accessible free of charge on the Internet for viewing, searching, and production of summary reports.

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

For further information, contact:

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