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LOBBYISTS REGISTRATION ACT

Annual Report

FOR THE YEAR ENDED
MARCH 31, 2002

Canada

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June 28, 2002

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

Dear Sir:

I have the honour of presenting you the thirteenth 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, 2002.

Yours sincerely,

Diane Champagne-Paul
Registrar

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This is the thirteenth 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, 2001, to March 31, 2002.

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 (RCMP).

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.

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.

PARLIAMENTARY REVIEW

The *Lobbyists Registration Act* provides for a review of the administration and operation of the Act by a parliamentary committee four years after the coming into force.

Between March and May 2001, the Standing Committee on Industry, Science and Technology undertook the four-year review of the administration and operation of the *Lobbyists Registration Act* and tabled its report, *Transparency in the Information Age: The Lobbyists Registration Act In The 21st Century*, in June 2001.

The Standing Committee concluded that the system is working well in that it provides the kind of transparency for which it was created. The Committee did however, make some recommendations for improvements to the Act particularly with respect to the strengthening of the enforcement provisions and the simplification of the registration requirements.

The Government tabled its response, *Government Response to the Fourth Report of the Standing Committee on Industry, Science and Technology — Transparency in the Information Age: the Lobbyists Registration Act in the 21st Century*, in November 2001.

The Government agreed with most of the Standing Committee's recommendations and a Bill will be introduced in the Fall to enhance clarity, transparency and enforcement.

More information on the Standing Committee's report and the Government's response is available on the Internet (<http://strategis.gc.ca/lobbyist>).

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.

As reported previously, consultations were undertaken with a view to making revisions to the interpretation bulletin addressing the meaning of the expression "significant part of the duties" as it applies to in-house lobbyists (corporate). It was concluded at the time that this would be more appropriately addressed as part of the review of the Act. The Standing Committee on Industry, Science and Technology which was mandated with the review did consider whether the Act should be amended to incorporate a qualitative approach for assessing whether lobbying activities performed by corporate employees constitute a significant part of their duties. The Committee did not recommend the adoption of such an approach as it felt it presented considerable difficulties.

All of the publications and bulletins issued on the Act, as well as those on the code of conduct for lobbyists, and reports relating to the Parliamentary Review are available on the Internet (<http://strategis.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.

The Lobbyists Registration Branch has been providing clarifications on its role and responsibility as questions are received demonstrating a lack of understanding relating to the *Lobbyists Registration Act*, its purpose and objectives. The Lobbyists Registration Branch does receive occasionally, queries such as whether it is necessary to obtain a lobbying licence or calls for lobbyists referrals.

During the year, the Registrar responded to queries about the federal lobbyists legislation and its supporting computer systems from various groups and she also continued to participate actively in the work of an international council of government administrators of ethics laws.

As well, during the year the Registrar met and consulted with officials from other provinces who were interested in understanding how the lobbyists registration system operates.

Electronic Filing

Lobbyists may file their registration forms electronically, free of charge, through the Internet (<http://strategis.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, 2002, 98 percent of the consultant lobbyists actively lobbying continue to register electronically. This year, 99 percent of both organizations and in-house lobbyists (corporate) filed their registrations electronically.

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.

The past year only two individuals used the facilities within the Lobbyists Registration Branch to file their registrations electronically. It is also possible for lobbyists to use the facilities of the Industry Canada regional offices.

To expedite the renewal process, the Lobbyists Registration Branch issues renewal notices via electronic mail. The implementation of this practice has resulted in a faster response rate in having registrants complete their renewals within a shorter time frame thus eliminating time lags and substantially decreasing the need for follow-up calls.

A total of 799 renewal notices were issued representing 511 reminder letters addressed to in-house lobbyists (organizations) and 288 reminder letters addressed to in-house lobbyists (corporate). In the case of the in-house lobbyists (organizations), 417 of these or 81 percent were issued by electronic mail, the balance of the renewal notices were either faxed or sent by regular mail given that no e-mail address was available. Renewal notices issued to in-house lobbyists (corporate) were sent by regular mail or fax given that for the most part only Web site addresses rather than e-mail addresses were provided by the corporate registrants. As a result of these notices, the Lobbyists Registration Branch sent 42 termination letters for failure to file a renewal within the required time period. Upon being advised of the termination of their registration nineteen (19) or 45 percent of the individuals in question immediately proceeded to re-register thereby acknowledging the need for them to maintain their registration and have it appear on the public register. The remaining cases did not renew either due to the individuals having left their employment and no longer holding their position or re-evaluating the need to maintain their registration.

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 (<http://strategis.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. It is also possible to access a list of recent registrations that includes all new registrations, amendments and terminations that were processed within the past 30 days.

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 refile their registration forms, and verifies that all forms are consistent and complete. During the past year, 1747 registrations were processed, of which 944 were consultant lobbyist registrations, 239 were in-house lobbyist (corporate) registrations and 564 were in-house lobbyist (organizations) registrations.

As with the previous year, with the initiation of the parliamentary review, the Lobbyists Registration Branch received a number of calls inquiring as to the expected timing of the tabling of the Committee's report and Government's response. General information and compliance calls were also received. In total, there were 451 calls in 2001–2002, an increase from the 368 calls received the previous year.

The number of calls for technology assistance decreased from last year. 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 612 help line calls, compared to 907 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 has been a decrease in the number of visits and pages of text and data accessed on *Strategis* by users from their own computers. The previous year there were 37 119 visits and 231 166 pages accessed. In 2001–2002, there were 35 647 visits to the Lobbyists section of the site, during which some 146 848 pages were accessed. Despite the decrease, this still represents 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>2000-2001</u> | <u>2001-2002</u> |
|---|------------------|------------------|
| Industry | 1 | 1 |
| International trade | 2 | 2 |
| Taxation and finance | 3 | 3 |
| Environment | 4 | 4 |
| Transportation | 8 | 5 |
| Science and technology | 5 | 6 |
| Health | 6 | 7 |
| Internal trade | 10 | 8 |
| Consumer issues | 7 | 9 |
| Energy | 12 | 10 |
| Employment and training | 9 | 11 |
| Regional development / Intellectual property* | 13/14 | 12 |
| International relations | 11 | 13 |
| Government procurement | 16 | 14 |
| Infrastructure | 18 | 15 |
| Agriculture | 15 | 16 |
| Small business | 17 | 17 |
| Labour | 19 | 18 |
| Telecommunications | 20 | 19 |
| Aboriginal Affairs** | n/a | 20 |

* These two areas of concerns were equally identified by lobbyists in their registrations for the reporting period.

** This subject-matter did not form part of the 20 most frequently identified for the previous reporting period.

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>2000–2001</u> | <u>2001–2002</u> |
|---|------------------|------------------|
| Industry Canada | 1 | 1 |
| Finance Canada | 2 | 2 |
| Foreign Affairs and International Trade | 3 | 3 |
| Environment Canada | 5 | 4 |
| Transport Canada | 7 | 5 |
| Health Canada | 6 | 6 |
| Revenue Canada | 4 | 7 |
| Privy Council Office | 8 | 8 |
| Natural Resources Canada | 10 | 9 |
| Human Resources Development Canada | 11 | 10 |
| Public Works and Government Services Canada | 9 | 11 |
| Canadian Heritage | 13 | 12 |
| Agriculture and Agri-Food Canada | 14 | 13 |
| Treasury Board of Canada | 12 | 14 |
| Fisheries and Oceans Canada | 15 | 15 |
| National Defence | 16 | 16 |
| Justice Canada | 17 | 17 |
| Western Economic Diversification Canada | 19 | 18 |
| Indian and Northern Affairs Canada* | n/a | 19 |
| Canadian International Development Agency | 18 | 20 |

*This department did not form part of the 20 most frequently identified departments for the previous reporting period.

REGISTRATIONS

On March 31, 2002, there were 858 registered active consultant lobbyists, an increase of 9 percent from the 788 consultants registered last year. These consultants, who work for 469 firms across Canada, include government relations consultants, lawyers, accountants, and other professionals who provide lobbying services for their clients.

On March 31, 2002, there were 233 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 27 presidents/chief executive officers. The interests of 139 corporations were represented in the registry systems, a decrease from last year due to continued corporate restructuring 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 357 non-profit societies and interest groups as well as business, trade, industry, and professional organizations or associations, a decrease of 1.7 percent since last year.

| | <u>2000-2001</u> | <u>2001-2002</u> |
|--|------------------|------------------|
| Lobbyists active as of March 31 | | |
| Consultant lobbyists | 788 | 858 |
| In-house lobbyists (corporate) | 299 | 233 |
| Organizations (senior officers) | 356 | 351 |
| Registrations active as of March 31 | | |
| Consultant lobbyists | 2682 | 3003 |
| In-house lobbyists (corporate) | 300 | 234 |
| In-house lobbyists (organizations) | 363 | 357 |

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; the *Lobbyists' Code of Conduct*; reports by the Registrar; and information relating to the parliamentary review of the Act.

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

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

For further information, please contact:

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LA LOI SUR L'ENREGISTREMENT DES LOBBYISTES

Rapport annuel

POUR L'EXERCICE TERMINÉ
LE 31 MARS 2002

Canada

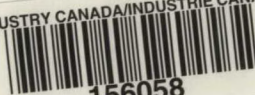
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