

The Lobby Monitor

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Lobbyist in Messy Fight Over Cleaning Up Oil Spills

The government's proposed cost recovery scheme for cleaning up oil spills has hit heavy opposition. Three top lobby firms are entering the fray.

See Cost Recovery, page 2

Research Lobby On Honour Roll

AUCC struck it rich in the latest budget. This lobby campaign had all the right components. *See Research Lobby, page 3.*

Will That Be Cash or Chargex?

Get the card-wiper ready — the defence lobby prepares for a post-election shopping spree. *See Military, page 6.*

Takin' it to the Lawns

Friends of Canadian Broadcasting is going to the grassroots to save the CBC. Key MPs are being targeted. *See Grassroots, page 8.*

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Registrations, page 4 and Registration Notes, page 5.

Lobby Organizations

Association House
Coopers & Lybrand
Creedy Associates
Earncliffe Strategy Gp
Finkelstein and Associates
Garry Rolston Associates
GPC Govt Policy Cons (Ott)
Lang Michener (Van)
Milner Fenerty (Edm)
Ogilvy Renault
Tactix Government Consulting Inc
The Capital Hill Group (Ott)

Client Organizations

Amoco Canada Petroleum Co Ltd
Bell Mobility
Cdn Chemical Producers Assn
Cdn Marine response management
Cdn Petroleum Products Inst
Cominco Ltd
Diavik Diamond Mines Inc.
Echo Bay Mines
Imperial Tobacco Ltd
Kasten Chase Applied Research
Kennecott Canada Inc
Ketcham Investments Inc.

Makhteshim Agan North America
Montank Inc.
Noranda Forest Inc.
North Bay Economic Development
Nu Pharm Inc
Pacrim LNG
Polypus International 1995 Inc
Rio Algom Ltd
Schenker of Canada Ltd
Shipping Fed of Canada
Western Canada Marine Response

Cost Recovery Tough Sell

Cost recovery is becoming as commonplace in government as interdepartmental committees. But being commonplace doesn't mean it's being done well. Recent registrations are a good indication that the government is having a tough time getting its head around the issue and setting up salable cost recovery systems. Joining ranks with the difficult cost recovery sells of pest management and food inspection, is the Canadian Coast Guard's emergency response to marine oil spills.

Marine Clean-Up

The new hot spot on the cost recovery front is the proposed fee structure and management regime for the emergency response to marine oil spills. The government published a proposed system in the Canada Gazette in 1995 that had the large oil companies running the oil spill response organizations and determining the fee structure necessary to support the program. This plan didn't sit well with some of the smaller independent facilities, 31 of whom filed objections to the system. The biggest criticism was the regional disparities in the fees and the anti-competitive nature by which the fees would be determined. Because the fees were determined by business volume, the small companies argued they would have to surrender sensitive corporate information to the response organizations, putting them at a competitive disadvantage.

As a result of pressure from the objectors, the government subjected the proposal to a committee review. The committee report, known as The Gold Report finds that "the Government has created a monopolistic utility without regulatory safeguards.." and that the fee structure "does not meet even the most basic fairness and equity criteria required by the Canada Shipping Act."

Fisheries and Oceans has responded to the report by asking the involved parties to negotiate a solution, with the Canadian Cost Guard acting as the mediator.

My Client Says..

Three heavy GR hitters are rolling up their sleeves and getting down to brass tacks to ensure that the revised marine oil spill response regime reflects the interests of their clients. **Gowling, Strathy and Henderson** is representing the interests of small, independent oil handling facilities. They have recruited some help, bringing in **Jean-Paul Sirois** and **Art Silverman** of **Association House**.

According to Gowling lawyer **Mark Madras**, "Our clients are concerned with the fairness and equity of the proposed fees. In our presentation to the Gold Committee we asked that the fees be re-negotiated and that components of the structure be revisited."

They are also displeased with the regional disparities of the fees and want the fees to be based more on environmental risk and value for service than straight business volume. As Madras explains, "Some of our clients have low risk commodities. They want a distinction made between persistent and non-persistent oils in the fee structure to be more equitable."

On the issue of value for service, Madras says that some of their clients are located at points distant from where the emergency response stations are located. "We submitted to the Gold Committee that the stations were too far away to be relevant to these clients in responding to an oil spill

and therefore were of little value," says Madras.

Gowlings is using the folks from Association House in the coming round of negotiations because, as Madras says "We don't have the marine expertise at Gowling that Jean-Paul Sirois and Art Silverman have.. They will be providing us with public policy advice and helping with the negotiations."

The Other Side of the Story

On the other side of the table, the large oil companies through the **Canadian Marine Response Management Corporation**, have retained the services of **Tony Stikeman** of **Tactix Government Consulting** to monitor any proposed changes to the currently proposed regime. Stikeman downplays the regional disparities in fees. "The equipment to clean up a spill costs the same, regardless of the business volume and region," says Stikeman. He says that the basis of the recalcitrance is the fee structure. "Anything else is a red-herring." He also wants on the record that more than 4,000 agreements have been reached with other participants in the cost-recovery clean-up program.

Lobby pressure isn't intense at the political level — yet. An assistant in Fisheries Minister Fred Mifflin's office says there have not been many calls on the issue. "No date has been set for a decision," he says. "The Minister wants to give the process time to evolve but he is prepared to step in if necessary." For the time being, lobbying activity will be taking place at the bureaucratic level in the ranks of the Canadian Coast Guard.

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Research Lobby Scores Big

As the “*new Bell*” ads say, it’s a long, slow road to being an overnight success. So it was with the lobby that saw the universities win big in the latest federal budget. All in all, it took almost two years to put the various pieces of the lobby into place but, the wait, or rather the work, was worth it. In the end, the universities won hundreds of millions to modernize and enhance their research facilities.

Campaign Components

The key elements of the traditional lobby campaign were involved — getting the right people to say the right things (and the same things) in all the right places and at the right time. A number of groups played significant parts in the lobby effort: major academic groups such as the **Canadian Association of University Teachers**; an organized consortium made up of research associations, societies and federations in both the natural and social sciences; student groups (**Canadian Alliance of Students Associations, the Canadian Federation of Students** and their graduate student counterparts); major corporations that could profit from an enhanced university research program; and, of course, the universities. All of these were combined into an orchestra that played the same tune, under the capable baton of the **Association of Universities and Colleges of Canada** (AUCC). It was the AUCC that was responsible for making sure the tune was played — and heard — in all the right places.

Don’t Wait for the Right Time, Create It

The universities have been working for years to have the federal government increase direct support for university research. Part of their problem was public and political perceptions fostered by the programs already in place. There are ma-

jor research granting councils, and then there is the centres of excellence program, what more could they need? As well, there’s that ever troublesome constitutional issue of federal intervention. But with federal funding to post-secondary education in deep decline, and the provinces cutting back as a result, the research infrastructure was deteriorating badly.

Barring a major crisis, it takes a long time to change political and public perceptions and you have to make use of every opportunity that arises. The AUCC has been working on increased funding for research for years. It could sense that the federal government wanted to get more involved and was looking for a way to channel money directly to the universities even as it was cutting its indirect support through the CHST.

The problem was, it hadn’t found the right mechanism that would yield results without offending some or all of the provincial governments, the universities, the corporate sector, other MPs or the public.

The AUCC, under its new president, **Bob Giroux**, undertook the job of paving the way for the feds to act.

Get the Tune Down Pat

“Getting ready to compete against the world.” It’s a familiar refrain that goes well with the importance of ideas, innovative capacity, intellectual property, a well-trained workforce and all those other things said to be crucial in the new global economy. The strategy of the AUCC was to get all of the players to link these new mantras of the ‘90s to the importance of research to the economy, and the subsequent importance of universities to research. That was the tune to be played and they should all play it in harmony.

Of course it’s not only the tune you play but where its played that’s important.

The AUCC seldom let a venue go by without sending at least a string ensemble of research groups, whether it was the Industry Committee looking at S&T policy or a caucus group exploring R&D. It worked particularly hard with the Liberal caucus group under Peter Adams as well as with the Commons Finance Committee.

Two years ago, in the pre-budget consultations, the concerns of the post-secondary community were lumped into a roundtable consisting of representatives for the academic research community and the pork producers. This year, the AUCC offered to organize its own roundtable for the Finance Committee’s pre-budget hearings. The offer was accepted and the discussion, not to mention the budget outcomes, were quite different.

Putting Insider Knowledge to Work

When it hired Giroux as its new president, the AUCC acquired someone who was steeped in government decision-making. Giroux knew the government was keen to do something for university research if the opportunity presented itself. He also knew it was gun-shy to take the kind of action the situation seemed to warrant. Government had to be helped in crafting a suitable program. More importantly, it had to be assured that any action taken would be well received, or at least wouldn’t put them in Pariseau’s kettle of lobsters.

With the perception of the need for more financial resources changed and the fiscal situation improved, the last remaining hurdles for the AUCC was government hesitancy, in part tied to the constitutional issue. The AUCC knew that government’s willingness to undertake

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REGISTRATION NOTES

Stikeman Expands

Tony Stikeman of **Tactix Government Consulting Inc** has registered for five new clients, two of which, **Cdn Marine Response Management**, and **Western Canada Marine Response**, are related to the spitting match over oil spill clean-up fees (See story, page 2). Stikeman is also working for **Makhteshin Agan North America**, the large manufacturer of generic pesticides. While Stikeman is monitoring the PMRA cost-recovery issue, his primary role at the moment is to push for the implementation of legislation that has been in the pipeline for years, namely an approval/negotiation/arbitration process that would allow manufacturers to produce a generic version of a pesticide, and pay a royalty fee to the original patent holder.

Another new Stikeman client is **Kast Chase Applied Research**, an IT company that specializes in high-speed data communications. The issue here is government procurement. Finally, Stikeman has also registered for the **Cdn Petroleum Products Institute**. For them, he is looking in all the nooks and crannies of government to see what issues could affect CPPI in the medium term.

Responsible Care

Graham Creedy, principal of **Creedy Associates**, has registered with the **Canadian Chemical Producers' Association** (CCPA). Creedy will be the project manager for Responsible Care, the CCPA's self-regulatory initiative for health and environmental safety that all member companies must comply with. Creedy will be assuring the government that Responsible Care is setting and maintaining acceptable standards, and he will be monitoring pressures on government to replace self-regulation with a mandatory regulatory regime.

In the Line of Duty

Finkelstein and Associates has registered with **Schenker of Canada**, an international trade organization. **Michael Finkelstein** will be lobbying Revenue Canada on requests for re-missions. He will be looking to save Schenker money in customs fees and duty taxes which are levied on their many import and exports.

Don't Call Us

Garry Rolston Associates have registered with Bell Mobility. President, **Garry Rolston**, says his company will help **Bell Mobility** prepare for its IMT 2000 meeting being held in Toronto this

fall. IMT stands for International Mobile Telecommunications. The 2000 is a "catchy phrase thrown in for effect," says Rolston. IMT 2000 is a major international project Bell has launched to help promote standards in cellular communications. Rolston will be persuading the government that Bell Mobility's cellular standards are the superior choice in a competitive, global market.

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BUDGET '97 OFFERS SLIM PICKINGS

Budgets often present new business opportunities for lobbyists. Whether its new wrinkles in the tax system, or new export programs to access, the budget usually provides some prospects of new business. Last week when the new budget was brought down, the results of the, "most predictable budget in years" were disappointing on that score. The only new funding comes in the form of an \$850 million Innovation Fund for research and development at universities and hospitals. While that may sound like a big opportunity, it doesn't seem to have sounded off any bells and whistles in the GR community. As **Scott Proudfoot** of **Industry Government Relations Group** (IGRG) said, "There was nothing new and startling in this year's budget. Any and all changes were made in pre-

vious budgets, and so there is really very little to get excited about."

His comments were echoed elsewhere. Thus it appears to be business as usual around town as the Liberals hack away at the deficit.

But not everyone in the lobbying business has had time to comb the budget with a magnifying glass. **Tim Denton**, a private consultant, was shocked when asked if he found any exciting opportunities in budget '97. "Who's had time to look at it yet? Are other people finding stuff out? Maybe I should know if there are new opportunities." According to most, Denton can relax and take his time.

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Military Getting Charge Card Ready

All's been quiet on the Western and Eastern fronts during the past four years of Liberal rule. After canceling the order for the EH 101 helicopters — and as a result paying approximately \$470 million in contract compensation to **Agusta/Westland** and **Paramax** — the Liberals have to be extra cautious when it comes to buying new choppers. But with the national deficit reaching projected lows, it appears the Liberals are prepared to check off a few items on **DND's** lengthy wish list, particularly once the election is over.

Coming Soon and Sooner

Anticipation is high that, by year's end, the government will finally address the issue of the Sea King helicopters, and decide whether Canada is going to play the submarine game. As well, the CF-18 and Aurora planes are due for refits. However, though it isn't yet prepared to take the risk of buying a replacement for the aging Sea Kings, the government is going ahead with the purchase of 15 Search and Rescue Labradors.

If you listen carefully you can hear the lobbyists scurrying about, deftly putting the final touches on their bid package proposals for the SAR helicopters. Heavy lobbying is not the name of the game at the moment. Key players are beavering away in their respective camps to develop the most attractive bid possible. The bids are due on May 5th, and a contract should be issued later this fall, presumably after the election.

Searching for the Contract

Four companies are expected to enter bids for the SAR choppers: **Sikorsky**, **Agusta/Westland**, **Boeing** and **Eurocopter**. Each will be offering an off-the-shelf helicopter. Lobbyists are working to ensure the bid they enter meets or exceeds what could be the deciding factor in all of this, the regional-benefits specs.

George Capern is on the case for Boeing. With more than thirty years experience in the Airline industry, 11 with the **Air Transport Association of Canada**, Capern knows his way around procurement.

Murray Ramsbottom, a retired Admiral, is hoping to give the edge to Eurocopter. Ramsbottom was the Project Manager of Canada's \$5 billion CF-18 fighter plane acquisition back in 1984.

Geoffrey Craven, a former navy pilot and senior associate of **InterCon Consultants** is the lead lobbyist for the Sikorsky team.

Jamie Deacey of **Association House** is working with Agusta/Westland in its reoffer of the CH 101 Cormorant.

All Copters Being Equal

Capern is counting on Boeing's presence in Canada — it has plants in Winni-

will benefit from Sikorsky's involvement," he notes "a majority of benefits will go to **CAE Aircraft** in Edmonton." (NB, That's good Liberal territory) Plus, in a game where familiarity counts, Sikorsky has the longest history with the Canadian military. The current fleet of Sea King helicopters are Sikorskys, as were their predecessors, the H04S Horse. In fact, every Canadian Maritime helicopter except Boeing's Ch 113 Labrador has been a Sikorsky. What are the odds the next one will be as well?

Ramsbottom and Deacey would like to buck those odds.

Gilding the Regional Lily

Boeing's presence in Canada may help, but it could hinder, as well. With plants already in place, where's the added benefit? Besides, it remains to be seen whether these would be enough to fulfill DND's stipulation that the company chosen must generate industrial benefits equal to the value of the contract, and spread across Canada.

So far, Murray Ramsbottom has lined up Canadian partners with **IMP** in Halifax, **SNC Lavalin** in Montreal, and **Spar Aerospace** in Toronto. Eurocopter has a plant located in Fort Erie, Ontario, however, the majority of business conducted is repairs to commercial helicopters. Thus far Eurocopter has yet to finalize business deals in Western Canada.

Adding to Eurocopter's difficulties is the fact that the current assembly line is located in France. However, Eurocopter has let it slide out that it would be willing to build an assembly line in Canada if it were to receive the contract to replace the Sea King on top of the SAR.

Continued, next page



peg and Armprior — tot be a major selling point. Boeing also has a track record of sorts with DND. Its fleet of CH 113 Labradors has served Canada's SAR team since 1963.

Geoffrey Craven, meanwhile, has assembled "Team Maple Hawk" to help give Sikorsky a competitive edge. While Craven assures that "all regions of Canada

Companies comprising Sikorsky's "Team Maple Hawk" are **Canadian Marconi Corp, Litton Systems of Canada, Nicholls Offset of Ottawa, and Ex-Comm**. CAE Aircraft, located in Edmonton has been designated Sikorsky's main construction site. If awarded the contract, Sikorsky will dismantle the Blackhawks at their main plant in Stratford, Connecticut, and ship the helicopters to CAE Aircraft where they will be re-assembled. One of the strengths of the canceled EH 101 project was the wide distribution of regional benefits. Included in Team Cormorant are Canadian companies **Bombardier, Bristol, and CAE**. **Canadian Helicopters**, located in St. John's, Newfoundland is also expected to hop on board with Agusta/Westland and provide a leasing option and follow-on maintenance. Agusta/Westland is the only company that has presence in Newfoundland.

This could be a strong point in their favor.

Other Items on List

Although the Search and Rescue competition is the big item currently, lobbyists can expect an RFP for the new grenade projectors in June. Also, RFPs for phase one Clothe The Soldier items will be out soon. But the big items, the Sea King replacements and the submarines, as well as the F-18 and Aurora refits will all come after the electoral dust settles.

Even if Boeing loses the choppers, it still could have an especially good year with the expected RFP for the F-18. Boeing is in the process of merging with **McDonnell Douglas**, the company that created the F-18. Anyone know if **Jean Boyle**, the new vice-president of international marketing with McDonnell Douglas, still has pull at DND?

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Research Lobby

Continued from page 3

the bold action required was directly linked to the amount of public support and provincial acceptance for a federal initiative in this area.

All governments have an ear for the tunes the corporations are singing these days. The AUCC reckoned that a demonstration of broad-based corporate support might kill a bunch of birds with one stone. The question was, how to do this.

Is Advocacy Advertising Effective?

The jury is still out on the effectiveness of advocacy advertising in deciding the outcome of any lobby campaign. Most admit that an ad with the right message at the right time in the right place

can help. The problem is, the three rights — message, time and place — are seldom found.

Those who research such matters would do well to exam the impact of the AUCC ad on corporate support of government funding to research. The ad was simply a page of neatly-spaced signatures — not a printed list of thousand of names — of the heads of the largest corporate agencies. The ad gave a strong impression that they were endorsing — if not a federal blank cheque — at least the notion of strong federal support for research Canadian facilities.

AUCC vice president **Sally Brown**, says that ad played a big part in making

the federal government feel comfortable about doing something for the research community. Until then, they knew the need, felt the urge, but they just didn't have the nerve to go. After that, it was full speed ahead — well almost.

Can't Call It Quits, Yet

The government still has to feel its way through the federal-provincial minefield of sensitivities surrounding post-secondary education and health. That means that the lobbying effort, while successful thus far, cannot end here. The budget set aside the money, but the means remain very sketchy. There's legislation to draft, programs to put in place, criteria to be developed, all of which will have a big impact on the final outcome. Giroux will have to keep the orchestra playing the final movement of what has already been a very long symphony.

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Grassroots Battle Planned

On budget day, Parliament Hill may have been teeming with association heads and interest groups, each trying to out-spin the other with their respective take on the government's fiscal philosophy. But like Sherlock Holmes' dog that didn't bark in the night, for some groups, the most important piece of the budget pie was the one conspicuous by its absence.

According to *Ian Morrison*, spokesman for **Friends of Canadian Broadcasting**, the budget represented the last chance for this government to show Canadians that it would keep its Red Book promise to restore stable funding for Canada's national broadcaster. "Instead, we got nothing but a cynical election ploy," he states, pointing to the \$10 million surprise for CBC radio announced earlier this year. Morrison insists that FCB "would be delighted" if the government decided to keep its promise. But in the meantime, FCB members aren't going to sit around waiting for the collective conscience of the Liberal Party to react to the broken promises – an FCB pre-election lawn-sign campaign in already in full swing.

Sign of the Times

Using its grassroots connections and support, FCB is taking its message to the streets, in ridings across Canada that are currently held by Liberal MPs. The signs, which read "CBC promise - Keep It!" have been spotted sprouting up in neighborhoods from Vancouver to St. John's, and have recently arrived in the nation's capital. An 800 number invites like-minded Canadians to call for more information on FCB and its fight to save the CBC, but Morrison hopes the medium gives more than one message to its audience. "We wanted to pick ridings that were both vulnerable and visible, where

there is some unhappiness with the Liberal performance. We'd like the government to see that keeping the CBC promise would eliminate one of the potential trouble spots." Morrison would like to see the government's CBC commitment linked to other broken Liberal promises. "We're trying to connect it to the integrity issue, and fit it into the larger context. The Prime Minister personally promised something, and hasn't done it – that's the issue."

Sprouting New Targets

The lawn sign campaign began last fall, when ridings held by — surprise, surprise — *Heritage Minister Sheila Copps*, as well as *Transport Minister David Anderson* and *Energy Minister Anne McLellan*. Liberal MPs *Mary Clancy* and *Bonnie Hickey*, both from Atlantic Canada, also discovered an out-crop of lawn signs scattered through their respective ridings. Morrison points to the early success of the campaign in Anderson's riding of Victoria as testament to the strong base of support for FCB and its goals. "In Victoria, there were 1,000 signs. And, with an 800 number, people would see the signs and call to say 'I agree with that.'"

In January, the campaign landscape grew to include 27 ridings. Morrison says the plan is to expand to a total of forty ridings by the time an election is called. "We're especially looking at ridings that PMO strategists might see as critical to keep a majority in the next Parliament." Other criteria are also being used to help FCB finalize its campaign targets, including vulnerability of the Liberal candidate within the riding itself, and the current political atmosphere, including past electoral behaviour.

Household Names?

Some MPs that could find themselves on the hot seat when door-to-door campaigning? *Andy Scott*, *Clifford Lincoln*, *Lucienne Robillard*, *Herb Gray*, *Art Eggleton*, *Ralph Goodale* and *Anna Terrana*, among others. Terrana, for one, is taking the issue seriously, according to Morrison. "[She] held a public meeting on the CBC, and 300 people showed up. She might be aware that the PM's actions against the CBC could cost her a seat." He believes a lot of back bench Liberal MPs are also worried about being greeted at the door by someone asking why the government broke its promise on the CBC. "We've been fortunate, in a negative way, because the impacts of cuts made by the Liberals will become very visible in 1997. People may not care about press releases from FCB, but it's a different story when a favourite show disappears."

Morrison says that FCB supporters in targeted ridings are being trained to be effective opponents during the upcoming election campaign. "Most of our work will be done by the time the writ is issued." He says that partisan politics doesn't play a role in FCB's campaign. "We're looking for people concerned about the future of the national public broadcaster. By trying to raise the profile of this issue in these more vulnerable ridings, we hope that, at the very least, every member of the next Parliament will have an enhanced sense of the importance of the CBC."

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