
The Lobby Monitor

September 15, 1997

Vol. 8, Number 21

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Vermont, a state just south of the border, recently decided to impose a 5% tax on all lobbying expenditures. The tax applies on everything from lobbyist's salaries to the cost of stamps used in a mail campaign — and don't forget the printing, either. *See page 2*

Greenpeace wants to keep the heat going on the Hamilton fire. The organization is hoping for help on the international side.. *See page 2*

What issues are likely to keep government and the lobbyists engaged over the next 12 months? *See page 3*

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Cdn Assn of Factors and Credit Insurers
Cdn Trucking Assn
Centon
Churchill Transportation Inc
Columbia Health Care
Construction Market Data Gp Inc
Cyanimid Canada
Digital Equipment of Canada
Dylex Limited
GE Capital Mortgage Insurance
GFI Control Systems Inc

Hudson's Bay Co
Inco Limited
J.B. Hunt Transport Inc
Jones Apparel Group Canda Inc
Lanchile
Mary Kay Inc
Nations Way Transport Service Inc
Oshawa Group (The)
Redd Line Transport International Inc
Schneider National Carriers Inc
Soft-1 Inc
Union Gas Limited
Yellow Corp
Yellow Freight System of British Columbia

Lobby Firms

Corporation House Ltd (Ott)
Gowlings (Tor)
GVI Consultants Inc
Hendin, Hendin & Lyon
Hession, Neville & Assoc
IGRG-Industry Govt Reln
Intersect, Alliance Inc
J.J.Schneiderman Consult
Prospectus Associates
SAMCI (Ott)
The Capital Hill Group (Ott)

Vermont puts tax on lobbying

What would you say to a five percent surtax on all lobbying expenses? The tiny state of Vermont, which has seen more than its fair share of lobbying, says that sounds like a swell idea.

Vermont was the site of one of the most hotly-contested lobby battles a couple of years back. The issue was the production of genetically-altered foods. The state, which is widely known for its agricultural produce, particularly dairy products, saw the proponents of BsT, led by **Monsanto**, take on the lobby spearheaded by Vermont's famous **Ben & Jerry's Ice Cream**.

Labeling what's in or what's not

Ben & Jerry's wanted all foods made from BsT milk to be labeled as such. The proponents of bio-agriculture pulled out all the stops to halt the move dead in its tracks. Ben & Jerry's sort of lost, with the outcome being what is now referred to as negative labeling, which allows products to be declared free of BsT, but does not require products containing milk from BsT cows to be labeled as such.

The 5% solution

Perhaps the recollection of the millions spent in this small state on the BsT issue spurred state legislators to consider applying a tax on lobbying when it came to raising money for other purposes. Whatever the reason, as part of its campaign financing law passed in June, Vermont adopted a provision that will levy a tax of 5% on all moneys spent on lobbying in the state.

Section 264(a) of Act Relating To Public Financing Of Election Campaigns states:

Tax On Expenditures Of Lobbyists

(a) *There is imposed and shall be collected a tax on the expenditures of lobbyists and employers of lobbyists. The tax shall be at the rate of five percent of the amount*

of the expenditures in excess of \$2,500.00 required to be reported in each calendar year by lobbyists and employers of lobbyists under section 264 of this title.

As reported in the Washington newsletter, *Political Finance & Lobby Reporter*: "Vermont's lobbying law includes 'compensation' as 'lobbying expenditure' and includes 'solicitation of others to influence legislation' in its definition of lobbying. These provisions mean that amounts paid in contractual fees to lawyers and lobbyists, as well as salaries paid to in-house lobbyists and their supporting staffs, will be subject to the 5% political tax."

Similarly, the tax would be owed on the total expenditures associated with orchestrating a grassroots lobby campaign.

Numerous constitutional challenges are in the works. In the interim, the cost of lobbying in Vermont just went up. While the tax on lobbying would make a sizable contribution to the election campaign fund, the bulk of the money is expected to be raised by the fees imposed on corporations doing business in the state. These will be raised by \$10 for instate companies and \$50 for out of state companies.

Things are so cheap in Canada.

LM

Hamilton Fire

The Hamilton PCB fire may be one of those issues that grows on us, in more ways than one. The people at Greenpeace are convinced that we have not heard the end of this event, partly because the organization has adopted measures to make sure this is the case. For starters, they are putting pressure on the government to stage an inquiry into the fire and, more important, its aftermath. One of the first recommendations they would expect from an inquiry would be proposals to monitor the effects of the fire on the health of people living in the immediate vicinity.

From Greenpeace's perspective, the jurisdictional split between the federal government and the province, along with the delicate state of federal provincial nego-

tiations on the environment, mean that no one is owning up to the seriousness of the event.

World view

According to Greenpeace lobbyist **Doug Coupar**, neither Ontario nor Canada have done anything to notify foreign governments of possible ground contamination from what was the fourth biggest fire of toxic substances in history. Meteorologists say that, for one of the four days, the winds blew the toxic debris over western New York State. For the other three, the plume of ashes was carried over the far north, where it rained down on much of the Arctic and may have well made it to the Nordic countries.

Greenpeace has had considerable success with using international pressure to change the postures of Canadian governments. They are applying this model, along with domestic grassroots pressures from those living near the site, to get an inquiry going. As they say, stay tuned.

LM

Dominant lobbies 1997-98

What lobbies most likely to dominate the scene in the coming year? This is a question which the LM will be putting out to practicing professionals over the next few weeks. In the meantime, LM puts out its own favourite candidates to top the agenda.

Major policy area: Environment. With the CEPA amendments due, the BCNI wary about the UN Climate Change talks, the animal groups preparing a major campaign on the seal hunt, and Greenpeace stirring-up the Hamilton fire, and biotech issues popping up all over, the environment looks to be a hot spot this year.

Major regulatory issue: Health. With the drug patent battle past the crescendo and the cost recovery issue simmering, the big battle will be efforts to license and control the many elements of the alternative health system. Things like homeopathic/naturalist/herbs/therapeutics are coming of age, and some inside and outside of government think the field needs more regulation and control.

On the procurement side, once the military contract for the replacement of the Labrador S&R helicopters is out of the way, attention will focus on the replacement for the Sea King. Of course, lurking somewhere just beneath the surface is the ever-present submarine lobby.

Across all departments, the big procurement dollars, and much of the bread-and-butter lobbying activity, are directed at opportunities in information technology.

The order could change quickly if the heat under the pot holding all **U.S.-Canada trade** issues should be turned up. Given the importance of the trade to key government priorities, changes in this relationship have the ability to push other things off the political agenda rather abruptly.

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Additions to the Lobbyists Registry

<i>Lobby Firm</i>	<i>Lobbyist</i>	<i>Client</i>	<i>Issue</i>
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Corporation House Ltd (Ott)	Lefebvre, Ronald C.	Inco Limited	INCO's corporate profile with federal government
Gowlings (Tor)	Saul, Dean	Arkansas Best Freight Corp	amend Can cust tariff act, regulations concerning importing foreign truck equipment
Gowlings (Tor)	Saul, Dean	Cdn Trucking Assn	amend Can cust tariff act, regulations concerning importing foreign truck equipment
Gowlings (Tor)	Saul, Dean	Churchill Transportation Inc	amend Can cust tariff act, regulations concerning importing foreign truck equipment
Gowlings (Tor)	Saul, Dean	J.B. Hunt Transport Inc	amend Can cust tariff act, regulations concerning importing foreign truck equipment
Gowlings (Tor)	Saul, Dean	Nations Way Transport Service	amend Can cust tariff act, regulations concerning importing foreign truck equipment
Gowlings (Tor)	Saul, Dean	Redd Line Transport Intl Inc	amend Can cust tariff act, regulations concerning importing foreign truck equipment
Gowlings (Tor)	Saul, Dean	Schneider National Carriers Inc	amend Can cust tariff act, regulations concerning importing foreign truck equipment
Gowlings (Tor)	Saul, Dean	Yellow Corp	amend Can cust tariff act, regulations concerning importing foreign truck equipment
Gowlings (Tor)	Saul, Dean	Yellow Freight System BC	amend Can cust tariff act, regulations concerning importing foreign truck equipment
GVI Consultants Inc	Verret, Gilles	Mary Kay Inc	womens's status, enterprise
Hendin, Hendin & Lyon	Hendin, Stuart E.	Lanchile	all matters pertaining to airline service between Canada and Chile
Hession, Neville & Assoc	Christensen, Ross	Digital Equipment of Canada	market development related to IT outsourcing services. Assist on procurement proposals
Hession, Neville & Assoc	Hession, Raymond V.	GE Capital Mortgage Insurance	CMHC act amendments to commercialize CMHC's mortgage insurance fund
IGRG-Industry Govt Relh	Teeter, Michael G.	Accord Business Credit Inc.	export devlpmt corp (EDC) mandate review, export devlpmt corp act
IGRG-Industry Govt Relh	Teeter, Michael G.	Cdn Assn Factors Credit Insurers	export dev corp (EDC) mandate review, export dev corp act
IGRG-Industry Govt Relh	Teeter, Michael G.	Jones Apparel Group Canda Inc	tariff relief on fabrics
Intersect, Alliance Inc	Harrison, Gordon	Centeon	Canadian blood system
Intersect, Alliance Inc	Maase, Jill	Centeon	Cdn blood system
J.J.Schneiderman Consult	Schneiderman, J.	Soft-1 Inc	program for export market development, federal office of regional development (Quebec)
Prospectus Associates	Creary, Thomas R.	Digital Equipment of Canada	procurement of maint services in I, maint services for DND micro-computers solicitation
SAMCI (Ott)	Craig Garrison, Margo	Columbia Health Care	reform of disability benefits program of Canada pension plan
SAMCI (Ott)	Shields, Gordon	Cyanimid Canada	commercialization, policy in agriculture & food, enviro, health pesticide, biotech, label
SAMCI (Ott)	O'Rourke, Dominique	Dylex Limited	fiscal & monetary policy affecting retail, harmonizing GST & prov tax, competition law reform, tarif
SAMCI (Ott)	Shields, Gordon	GFI Control Systems Inc	market dev program, development of environmental tech programs
SAMCI (Ott)	O'Rourke, Dominique	Hudson's Bay Co	fiscal & monetary policy affecting retail, harmonizing GST & prov tax, competition law reform, tarif
SAMCI (Ott)	O'Rourke, Dominique	Oshawa Group (The)	policy affecting retail, harmonizing GST&prov tax, competition law reform, tariff policy
SAMCI (Ott)	Shields, Gordon	Union Gas Limited	GST, Cdn environmental protection act, climate change
The Capital Hill Group (Ott)	Dyer, David	Construction Market Data Gp Inc	Proposed amendment to S. 19 of Income tax Act, (advertising expense deduction)
The Capital Hill Group (Ott)	Metcalfe, Herb	Construction Market Data Gp Inc	Proposed amendments to S. 19 Tax Act (advertising expense deduction)

REGISTRATION NOTES

Commercialization

Changes to allow greater private sector participation continue to provide opportunities for lobbyists both for and against reductions in program activities and funding. The people at SAMCI, including newcomer *Margo Craig-Garrison*, are working for **Columbia Health Care** on the reform of disability benefits under the **Canada Pension Plan**. Also working on changes to government programs is *Ray Hession*, of **Hession, Neville & Associates**, who joins many other lobbyists working on changes to the mortgage insurance regime of **Canada Mortgage & Housing**. Hession, who was once the President of CMHC, is working on behalf of **GE Capital Mortgage Insurance**.

Truckin along

Toronto lawyer *Dean Saul* of **Gowling Strathy Henderson** is building up a coalition of trucking interests. Saul's clients thus far include **Churchill Transportation Inc.**, **Nationsway Transport Service Inc.**, **Arkansas Best Freight Corporation**, **J.B. Hunt Transport Inc.**, **Schneider National Carriers Inc.** and **Yellow Corporation** from the U.S.A. and **Canadian Trucking Association**, **Yellow Freight System of BC Inc.**, **Redd Line Transport Int'l Inc.** from Canada. They are after amendments to the Canada Customs Tariff Act regarding the importation of foreign-based truck transportation Equipment.

Request granted

Obtaining government grants isn't easy. The process can be very time-consuming and demand considerable knowledge of what information is needed, how best to present it, and so on. That's why many firms do not find it cost-effective to apply for them, or why others are prepared to use the expertise of grant-getters to

collect all the information and fill out all the forms. For fees (most often contingency fees) that range from 5% to 50%, consultants will advise on what grants are available and go after them. It is unusual to process a batch of registrations without coming across a "grant-getter" application. In this issue, it is *Jonathan Schneiderman* of **J.J. Schneiderman Consultants Regd.** who has registered for **Soft-1 Inc** of Montreal. The firm is after a PEMD grant from FORDQ.

Playing with a full DEC

Digital Equipment of Canada or **DEC** is a big enterprise with a broad band of interests. Thus, it is not surprising when the registrations include two registrations from two different companies on completely separate issues. *Thomas Creary* of **Prospectus Associates in Corporate Developments Inc.** has registered to help DEC win a micro-computer maintenance contract with **DND**. Meanwhile, *Ross Christenson* of **Hession Neville & Associates** is also working for another part of DEC. His role is to win some IT outsourcing services for DEC from a variety of departments.

INCO's ID

Every so often, giant mining company, **INCO**, wants to know how it is perceived among senior policy-makers. The person usually hired to do this is *Ron Lefebvre* of **Corporation House**. Right about now, when INCO is in the midst of very important approval process associated with its multi-billion dollar investment in Voisey Bay seems a propitious time for Lefebvre to be out there probing around senior government circles. It would hardly be a good time to allow any negative thoughts to persist.

Delta File: new lobbyists added to the registry

Consultant Lobbyists:

Owen Anderson	Partner	BDO Dunwoody
Brian J. Kelley	Principal	Brian Kelly Consulting
Robert Church	Self employed	Church, Robert
Anna Diminno	Manger	Deloitte & Touche (Tor)
Andrew W. Dunn	Partner	Deloitte & Touche (Tor)
John Stacey	Partner	Deloitte & Touche (Tor)
Robert K. Rae	Partner	Goodman Phillips & Vineberg
Dean Saul	Partner	Gowlings (Tor)
Philip H MacNeill	Pub Affrs Coord	H. Philip MacNeill
John Mavridis	Lawyer	Lavery, de Billy Barristers
Denis Tanguay	Directeur Gen.	Le Group Cortan
Rick Moorcroft	Consultant	Moorcroft Quaiattini
Gordon Quaiattini	Consultant	Moorcroft Quaiattini
Sean Aylward	Partener	Osler,Hoskin & Harcourt (Tor)
Philip Heath	Partner	Osler,Hoskin & Harcourt (Tor)
Mark Rudolph	President	Rudolph & Associates
Margo Craig Garrison	Sr. Consultant	SAMCI (Ott)
Dominique O'Rourke	Gvt Relations	SAMCI (Ott)
Gordon Shields	Gvt Relations	SAMCI (Ott)
John Philips	Consultant	Summa Strategies
Douglas Young	Chairman	Summa Strategies
Paul Zed	President	Summa Strategies
Sonja MacDonald	Consultant	Tactix Government Consulting
James Blanchard	Shareholder	Verner,Liipfert, Bernhard
Rosemary Freeman	Dir Public Affr	Verner,Liipfert, Bernhard
William A. MacDonald	President	W.A. MacDonald & Assoc

Organization Lobbyists:

Philip Legg	Dir, Legi-Resea	B.C. Federation of Labour
Jane Staschuk	Dir, Community	B.C. Federation of Labour
Gaylene Alton	Youth Intern Co	Cdn Coun for Human Resources in Environmental Industries
Lorraine McLachlan	Council Manager	Cdn Direct Marketing Assn
Frances Rodenburg	Exec. Director	Cdn Fed of Humane Societies
Marilyn Braun	Dir, Prov Affs	Cdn Fed of Ind Business
Nancy Gordon	Admin. Asst.	Cdn Fed of Ind Business
Anne P. Kothawala	VP, Policy	Cdn Newspaper Assn
Adolfo Silva	Dir, Enviro Aff	Cdn Petroleum Products Inst
David A. Betts	VP, Programs	Information Tech Assn of Canada

Corporate lobbyists

Robert Noakes	Dir, Regul. Aff	ACC Telenterprises
Ross Anderson	Mgr. Gov't Aff.	Bank of Nova Scotia
Kaz Flinn	Dir, Gov't Aff	Bank of Nova Scotia
Shaun E. Masterson	Assc. Dir, Fed	Bell Canada
William C. Labossiere Bees	VP. Ops.	Cangene Corp
Gerald Conaboy	Dir. Gov't Rela	Coltec Aerospace Can. Ltd
Kieth Nixon	Dir, Gov't Publ	Credit Union Central of Sask
Levon Makaroglu	Dir. of Ops.	Customs Brokers Assn of Can.
Robert Day	VP Gov't Affair	Nova Corp.
Gerry Finn	VP, Corp/Gov't	Nova Corp.
Bruce Clark	VP. Sci Aff.	Sanofi Winthrop
Suzi Manara Shediak	Dir. Drug reg.	Sanofi Winthrop
Robert Westbury	VP Gov't Affair	Transalta Corp

Split runs

As government prepares its next response to the WTO ruling on split-runs and other measures to protect Canadian media, a number of companies are getting nervous. There's no telling who or what might be affected by the new rules. That explains what **Construction Market Data Group Inc.** which publishes some specialty broadsheets out of Toronto (*Daily Commercial News & Construction Record*) and Vancouver on pre-bid and out-for-tender information in the building industry, has hired lobbyists **Herb Metcalfe** and **David Dyer** from **The Capital Hill Group**. The company is concerned that changes to the advertising expenses deduction rules could have a serious impact on its bottom line.

Teeter fodder

Michael Teeter of **Industry government Relations group (IGRG)** is getting his clients ready for the mandated review of the **Export Development Corporation**. No one is quite certain what the review, which is supposed to take place in 1998, will entail. However, Teeter is lining up a coalition of clients in the factoring business who don't like some of the business with EDC is writing up these days. Teeter's clients, which thus far include **Accord Business Credit** and the **Canadian Association of Factors and Credit Insurers**, hold the view that EDC is providing inappropriate competition, and will be pushing their case before the reviewing body, should one ever materialize.

Teeter has also joined **Peter Clark** who is already working for part of the **Jones Apparel Group Canada Inc.** empire. Jones is seeking tariff relief on a special fabric that it uses for a line of accessories. Fabrics with these characteristics are not made in Canada.

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SAMCI's new face

President **Jim Everson** and Researcher **Andrew Jones** are the only old hands left at the SAMCI offices in Ottawa. **Kim Doran's** departure last month means that everyone else has joined SAMCI in the last 14 months, most in the last four. It also means there are lots of new names appearing on the registry for the first time. Here's a rundown of the ones you'll see.

Margo Craig Garrison joined SAMCI in July as a Senior Consultant. Prior to that, she was president of the **Canadian Lung Association**. Her government experience was at Health Canada where she worked on various child health problems and at **Canada Post** where she developed national strategies on corporate philanthropy.

Michael Pearson, a grandson of Lester B., joined SAMCI as a Senior Consultant in August from Foreign Affairs, where he had served as was policy advisor to **Andre Ouellet** and **Lloyd Axworthy**. Prior to that, Pearson worked for four years in Liberal Caucus Research Bureau.

Jerry Zypchen is a retired Colonel who came to SAMCI as a Senior Consultant just prior to the election from the office of **Doug Peters**, the minister responsible for financial institutions. Zypchen's last work in the armed forces was related to downsizing and commercialization.

Gordon Shields, a Government Relations Consultant, is another new face added this summer. Shields, spent the last four years working for various MPs on Parliament Hill.

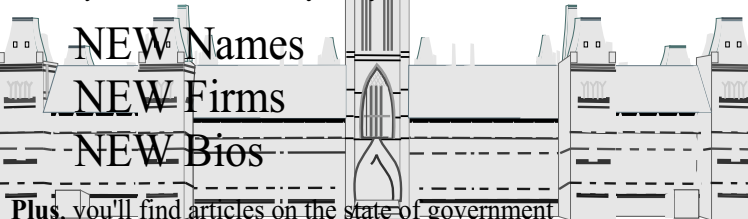
Dominique O'Rourke is not a new face at SAMCI, but she has moved up the rung from Researcher in Toronto to Government Relations Consultant in Ottawa. O'Rourke's background in politics was gained in the Canadian Parliamentary Internship Program.

The two other people in the Ottawa office are Senior Consultant **Michelle Bishop** (Dec. 1996) and Government Relations Consultant **Don Moors** (Nov. 1996).

The Federal Lobbyists 1997/8

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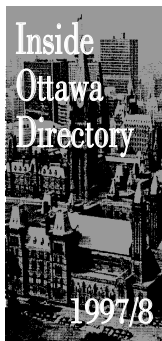
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