



House of Commons
CANADA

Standing Committee on Access to Information, Privacy and Ethics

ETHI • NUMBER 030 • 1st SESSION • 38th PARLIAMENT

EVIDENCE

Tuesday, June 14, 2005

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Chair

Mr. David Chatters

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Tuesday, June 14, 2005

•(0905)

[English]

The Acting Chair (Mr. David Tilson (Dufferin—Caledon, CPC)): Good morning, ladies and gentlemen. I call the meeting to order.

The orders of the day are pursuant to Standing Order 108(3)(h), a briefing on the regulations and the changes to the Lobbyists Registration Act coming into force on June 20, 2005.

Before us is Mr. Michael Nelson, Registrar of Lobbyists. Good morning, Mr. Nelson.

Mr. Michael Nelson (Registrar of Lobbyists, Lobbyists Registration Branch, Department of Industry): Good morning, Mr. Chair. How are you today?

The Acting Chair (Mr. David Tilson): I'm well today, and thank you for coming. You have three colleagues with you. Perhaps you could introduce them to us.

Mr. Michael Nelson: I'll do that. I have with me this morning Karen Shepherd, director of the lobbyists registration branch; Mr. Pierre Ricard-Desjardins, deputy director of the branch; and Bruce Bergen who is our legal counsel.

The Acting Chair (Mr. David Tilson): I believe this is a briefing that you're going to be giving us. We see some slides behind me, so I trust they will be used, and I trust the slides are in this package that has been given to us.

Mr. Michael Nelson: They are absolutely, the same deck.

The Acting Chair (Mr. David Tilson): You and your colleagues may proceed with the briefing. The members of the committee may or may not have questions at the conclusion of that.

Thank you, and please proceed.

Mr. Michael Nelson: Thank you, Mr. Chair.

I won't spend a lot of time on formal opening remarks; I don't have any. I just wanted to express our gratitude for being able to come and give you this briefing. I consider the appearances before this committee that I and my team make to be an important part of the way I discharge my responsibilities under the act, so I'm very grateful for the opportunity to be here today.

You might recall that the way we're organized is that we do have a director of the lobbyist registration branch who handles the day-to-day and indeed most of the business of the branch, other than the decision-making parts. That's Karen Shepherd. I'm going to ask Karen to take us through the presentation. We'd be pleased to answer

any questions—the four of us—after the presentation, should you have any. I'll just hand it over to Karen.

The Acting Chair (Mr. David Tilson): Thank you, sir.

Mrs. Karen Shepherd (Director, Lobbyists Registration Branch, Department of Industry): Good morning. Just before getting to the amendment of the act, we thought we'd walk you through some of the history and evolution of the Lobbyist Registration Act as well.

Presenting certain views to administrators, rulers, elected or not, to influence them, as well as to other people who have the authority to change things has been an integral part of human societies throughout history. Known under various names such as advocacy and, more recently, lobbying, the activities are essential to the political process in that they allow individuals, organizations, groups, and other intermediary bodies to participate in the political and administrative decision-making process.

Perceptions have profoundly changed over the years. The public expects higher levels of probity and transparency from holders of public office than ever before. Many things that were considered normal, for example, 40 years ago are no longer tolerated today, which is why between 1965 and 1985, more than 20 private members bills were introduced in Parliament. Generally triggered by scandals or public outcry, none succeeded.

In 1985, following extensive consultations and considerable debate, Bill C-22 was introduced and became Canada's first Lobbyists Registration Act. The legislation was trying to address the public perception that individuals seeking access to government through political or personal contacts were abusing the system. The creation of a public registry was seen as one of the means to address this issue.

[Translation]

Even though the 1985 legislation was revolutionary, its disclosure provisions were limited to what has been jokingly referred to by some as a business card. Pretty soon, people started to find that the legislation was not going far enough and that, consequently, it did not allow the level of transparency that they were expecting.

The current legislation came into force in 1989. It was based on four principles that remains the same in the amended legislation. It recognizes that lobbying is an integral part of our democratic system. During the activities leading up to the development of the Lobbyist Registration Act, the government has done its utmost to recognize that lobbying is a legitimate activity. In Canada, the registration of lobbyists is a self-declaratory system and the onus is on lobbyists. In a democratic society, debates must be public so that informed citizens can participate fully. It is in the public interest that all information concerning lobbyists be freely accessible to all citizens in a timely fashion. The information disclosed to the public must be complete enough that citizens know which groups or individuals are attempting to influence public office holders.

Thanks to the new technologies, it is now possible to design systems allowing a continuous access in real time to the information. The online lobbyist registration system has been designed to ensure free and open access at all times.

● (0910)

[English]

We consider the act to have five key sectors of activity. Registrations and disclosures comprise the legislative, regulatory, and administrative requirements governing the receipt, custody, and public disclosure of the information provided by lobbyists. The act requires each year, before both houses of Parliament, that the Registrar of Lobbyists table an annual report of the registration of lobbyists and another annual report on the Lobbyists' Code of Conduct.

The Lobbyists' Code of Conduct sets principles to assure Canadians that lobbying is done ethically, with a view to conserving and enhancing public confidence and trust in the integrity, objectivity, and impartiality of government decision-making. The code complements the registration requirements of the act. It is developed and enforced by the registrar.

There are two series of penalties under the act. The first relates to breaches of its registration and disclosure requirements, for example, failure to register, to disclose complete and timely information, or even false declarations. The second relates to breaches of a code of conduct, for example, dealing with integrity, honesty, openness, and professionalism. There are no fines or jail terms for breaches of the code; however, the results of investigations conducted by the registrar under the code must be tabled before Parliament.

[Translation]

In order to ensure the effectiveness of the Lobbyists Registration Act of Canada, legislators have decided that there would be a parliamentary review of the act every four years. Such a review should allow the public to make comments on positive aspects of the act and to indicate potential improvements.

The last review was conducted in 2001 by the House of Commons Standing Committee on Industry, Science and Technology. The committee heard from a range of witnesses: lobbyists, public office holders and academics. They were asked to give their opinion on the Lobbyists Registration Act and to suggest improvements to the system for registering lobbyists in Canada. The committee tabled a report suggesting various amendments to the act.

In order to improve the Lobbyists Registration Act, four major issues were addressed by legislative amendments. The definition of "lobbying" was streamlined. The phrase "attempt to influence" has been eliminated because it is difficult to prove that there has been such an attempt. It has been replaced by the notion of "communication made to a public office holder", which can be explicitly defined and determined.

In doing so, the legislator has somewhat extended the scope of the act in an attempt to cover legitimate lobbying activities that were not covered by the former legislation. For limits to be reasonable, the legislator has provided an exemption for simple requests for information. A loophole has been eliminated by removing the exemption from registration where a public office holder sends a written invitation, for example during a consultation.

The amended act changes the requirements for compliance by requiring all lobbyists, whatever category they belong to, to update their declaration semi-annually. The notification period remains the same for contracts that are awarded.

Before, consultant lobbyists were required at registration to indicate the duration of their contract. If a consultant lobbyist had a five-year contract, the system was not expected to hear from him during this period. However, he was required by the legislation to give notice of any changes made to the contract or of the termination of the contract.

● (0915)

[English]

As I mentioned earlier, the potential loophole allowed lobbyists to avoid registration in cases where the government initiated the communications.

There have also been, for enforcement, indications that where there was not compliance with the registration requirements of the act, the branch would conduct an administrative review of the facts and circumstances, which could lead the registrar to refer the file to the RCMP if he had reasonable grounds to believe that a breach had occurred. There is a fine of \$25,000 upon summary conviction and/or six months in jail. Penalties can reach a \$100,000 fine and/or two years in jail by way of indictment for the most serious offences. There has been no conviction to date under the act.

All lobbyists who are consultants, corporations, and organizations will now file on a semi-annual basis. This should significantly improve the quality of the information disclosed. Lobbyists who are former public office-holders will have to disclose additional information relating to the positions they previously held within the government. The act imposes no limit on how far back the disclosure of past employment must go. As a result, all previous employment will be disclosed, including summer jobs. However, to keep the administrative burden to a minimum, the Registrar of Lobbyists will ensure that the disclosure requirements remain simple and focused on essential information.

Registration for commercial corporations will be streamlined. Instead of having each employee of a corporation register, the most senior officer of the corporation will register once for the entire entity. Employees involved in lobbying activities will simply be listed in the filing. This approach, modelled on previous filing requirements for not-for-profit organizations, has the advantage of ensuring that the ultimate responsibility for filing will rest at the highest echelons.

[Translation]

Another bill that was passed recently also had an impact on the Lobbyists Registration Act, namely Bill C-4, also known as an Act to Amend the Parliament of Canada Act (Ethics Commissioner and Senate Ethics Officer) and other acts in consequence. That bill enabled the creation of a separate administrative entity within Industry Canada, charged with the responsibility of overseeing compliance with the lobbyists registration provisions and the management of the public registry of lobbyists.

[English]

Next, the coming into force of the amended act and regulations.

The regulations set out the administrative measures for complying with the act. The regulations amending the lobbyists registration regulations were pre-published in part I of the *Canada Gazette* on December 18, 2004. This was followed by a 60-day comment period, which ended on February 16, 2005. Comments received focused primarily on four areas, the definition of the expression “to communicate”, frequency of registrations, the new registration requirements for corporate lobbyists, and the disclosure of past employment for former public office-holders.

As most of the comments received were focused on legislative provisions and not on regulatory requirements, they did not lead to subsequent modifications to the regulations. However, in light of the comments received, the registrar will take all possible steps to improve the registration process through administrative measures and interpretation bulletins. As a result, the proposed regulations were approved unchanged by the Governor in Council on May 17, 2005. They were subject to final publication in part II of the *Canada Gazette* on June 1, 2005. The regulations and the act will come into force simultaneously on June 20.

Also as a result, the lobbyists registration branch will be launching a new, more user-friendly lobbyist registration system on June 20, the day the amended act and regulations come into force. Considerable efforts have been devoted to improving the registration process of the branch's website in order to ensure that Canadians have full and easy access to the information compiled and developed by the branch.

I will thus leave you with the recap of the major changes that have been brought to the act. We are confident they will constitute a step forward to improving the transparency of lobbying in Canada.

We are now available to answer your questions, and we thank you for your attention.

● (0920)

The Acting Chair (Mr. David Tilson): Thank you, Ms. Shepherd.

Mr. Nelson, do you have any other concluding comments?

Mr. Michael Nelson: Perhaps I have just one. To the extent this presentation was useful, was not useful, or could be clarified in parts, we'd be very interested in your comments, because as we communicate the act and its requirements to lobbyists and to others across the country, we'll be using a presentation such as this. If it was useful, then that's great. If it wasn't, then we'd love to improve it.

The Acting Chair (Mr. David Tilson): Thank you, sir.

Questions?

Mr. Lukiwski.

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Thank you, and thank you very much for the presentation.

My questions aren't really directed at the amendments and the changes, although from what I've seen, I agree with them. I think you've done a good job there.

I have some questions you may have heard before. I'm relatively new to the committee, so I apologize in advance if I ask you questions you've dealt with at committee level before.

The first one is just about the potential for appearance of conflict of interest. I understand, Mr. Nelson, you're an ADM in the Department of Industry?

Mr. Michael Nelson: I am the ADM of comptrollership and administration at the Department of Industry.

Mr. Tom Lukiwski: That's where I see, at least perhaps from the public's standpoint, that there may be a bit of a conflict of interest. If your department is under investigation for some reason and you as an ADM of that department are, as a registrar of the Lobbyists Registration Act, in charge of the investigation, do you not see that there might be the perception of some conflict? If you want to take it to the extreme, it's as if the Auditor General also worked for the Department of Finance. How do you reconcile the fact that while the goals of the Lobbyists Registration Act are admirable, you might be open to some criticism as to a perceived conflict?

Perhaps you could just expand upon that and give me some background information.

Mr. Michael Nelson: Sure.

As to the way the act is put together, the Registrar of Lobbyists is designated by the Registrar General of Canada, the Minister of Industry. I'll ask Mr. Bergen, if I get this a bit wrong, to clarify it. He or she can designate a person in their office. That means the people who can be named under the legislation are limited to the office of the Minister of Industry, which means somewhere in Industry Canada.

I don't tell you this as a means of explaining the conflict of interest; I'm just acquainting you with the mechanics of why a person in Industry Canada ended up being the Registrar of Lobbyists.

In respect of the investigation, you gave an example having to do with the department being under investigation. Under the code of conduct, I carry out investigations of lobbyists, not departments. So there wouldn't be an example where I would be investigating the Department of Industry, the Department of Health, or the Department of National Defence. I'd be investigating lobbyist X, who might have had a relationship. There's where I can see one could segue into, "Well, I have to be talking to people in the same department".

Two of the other functions I'm responsible for at Industry Canada are audit and security. In both of these capacities, I end up having to take a step back from my colleagues when my auditors are carrying out an internal audit of people within the department. So I'm not a stranger to a role where I am seen to have an independence with respect to security investigations or audit information.

The other tack I try to take on this is, what is the reality? What am I observing, having been in this position since last July? I can tell you that there has never been an approach from my minister's office, or any minister's office, to ask me how things are going on a file. I've certainly never asked for their advice. For instance, when I come here, if I were being called in my ADM capacity, I'd ask the permission of the minister's office to make an appearance. In this capacity, I don't ask anybody. If the chair calls, I show up.

So it seems to be working out as it was intended. There is no interference. We'll just have to see how it works out.

● (0925)

The Acting Chair (Mr. David Tilson): We have to keep moving on this.

Mr. Michael Nelson: Yes, I'm sorry for the long answer.

Mr. Tom Lukiwski: Do you see any potential for conflict? There hasn't been any to date, which is great, but do you see, in an extreme situation somewhere down the line, possibilities of conflict?

Mr. Michael Nelson: I can see the potential for the appearance of conflict. Someone might be lobbying one of my colleagues in Industry Canada and I might be required to carry out an investigation of that person under the code of conduct. If they weren't registered, I would just hand it over to the RCMP. Then I'm out of the picture. That's kind of an off-ramp.

I can see your point with respect to the appearance, but in these instances I would have to go through the same rationale I was using a few minutes ago. I don't report to the minister or the deputy minister on any of these files, and the evidence so far is that they don't interfere with me.

That's the best I can do on that question, sir.

Mr. Tom Lukiwski: Taking a little different turn, you mentioned in your presentation that you had taken over some of the responsibilities of the Ethics Commissioner. Could you give me a thumbnail sketch of some of these responsibilities?

Mr. Michael Nelson: Just to be clear for the record, the Ethics Counsellor was Mr. Wilson. The Ethics Commissioner is now Mr. Shapiro, as you know from this committee.

Anything to do with the registration system for lobbyists is entirely within my domain. As Karen was explaining, we run the system. Anything to do with the conduct of investigations under the

breaches to the code of conduct is entirely mine. If it's about people registering, that's mine. If it's about whether they should be lobbying someone because they've only been out of office for a little while, that's post-employment code territory and is more under Mr. Shapiro. I handle whether they register and the conditions under which they register.

Mr. Tom Lukiwski: Thank you.

The Acting Chair (Mr. David Tilson): Mr. Laframboise.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Thank you, Mr. Chairman.

First of all, I want to tell you that you have made a good presentation.

How many registered lobbyists are there as we speak?

Mr. Michael Nelson: We have the figures here. There are presently 1,092 consultant lobbyists, 233 corporation in-house lobbyists and 303 organization in-house lobbyists within the system.

● (0930)

Mr. Mario Laframboise: In your opinion, will the amendments to the legislation bring about a greater number of registrations?

Mr. Michael Nelson: Yes, probably. From now on, it will be clearer that as soon as you contact someone in government, it is an activity that requires registration. It is not necessary to prove that there is an attempt to influence. So I anticipate more registrations.

Mr. Mario Laframboise: Have you made an analysis or will you wait and see what are the results?

Mr. Michael Nelson: We have not made an analysis to determine the number of persons, but we have created an electronic registration system that will be able to accept a much greater number of registrations.

Mr. Mario Laframboise: Excellent.

Of course, there will still be an exemption for any oral or written communication made to a public office holder by an individual on behalf of any person if the said communication is restricted to a request for information. You say here that there is an interpretation bulletin. Is that interpretation bulletin ready, or will it be issued later?

Mr. Michael Nelson: I will probably publish that bulletin on the Website next week. It is important for lobbyists to know that there will be changes regarding registration when the act comes into force.

Let me give you an example. Someone could ask to a person within government to describe the process to receive a contribution. That would be a request for information. However, if the same person goes on to ask how a client applying for a contribution would be assessed and what could be done to accelerate the decision-making process in this file, in my view, it would then be an activity requiring registration. It would not be necessary to prove that there was an attempt to influence, but the simple fact of communicating with a person and asking what can be done for an application to be dealt with faster is covered by the lobbyists registration legislation, in my view.

Mr. Mario Laframboise: I am a little bit concerned by this, because it is difficult to draw the line. If you merely want to ask for information, it is not necessary to register. However, if you ask what you should do for an application to be dealt with faster, it requires registration.

In any case, I am anxious to see your interpretation bulletin. Obviously, one can already anticipate that people will use the excuse that they were only asking for information.

Mr. Michael Nelson: I agree. There is still somewhat of a grey area. That is why we will give clear examples in the interpretation bulletin. For example, we will tell people that if they say this or that, it probably comes under the registration provisions. So we will try, using our experience, to add more clarifications in the bulletin by using examples.

Mr. Mario Laframboise: If I understood correctly, all lobbyists must register anew within 60 days after June 20. How will you communicate this? Do you have several presentations on your agenda? Did you already contact all lobbyists?

Mr. Michael Nelson: We have written to all lobbyists that are presently in the system. We have also started to give the lobbyists association more details on the new legislation. These people will have to register once more. There will be an increased demand for information under the new legislation.

Mr. Mario Laframboise: If they do not do so by the specified deadline, do they incur fines or penalties? You have there an act that has some teeth. Will you be able to enforce it or will you show some tolerance?

Mr. Michael Nelson: Two months is quite enough in my view, even though it is during the summer. I don't know what you think about it.

• (0935)

Mr. Mario Laframboise: I agree. I for one want you to enforce the act. Penalties will have to be assessed to those who have not registered within the deadline. Is it your intention to do so?

Mr. Michael Nelson: Yes.

Mr. Mario Laframboise: Excellent.

Thank you very much, Mr. Chairman.

[English]

The Acting Chair (Mr. David Tilson): Mr. Zed.

Mr. Paul Zed (Saint John, Lib.): Thank you, colleagues.

I want to first congratulate the panellists.

As you may know, back in 1988 I appeared before the Holtmann commission on behalf of the Canadian Bar Association. Ultimately, I had the honour and distinction of putting together the first bill. I have to tell you that it's interesting to watch this bill nine years later.

I think some points that my colleague Tom makes are valid. There is a blur that continues between the Minister of Industry.... In other words, you folks are members of a department. I think that's a valid point. I just wanted to observe that.

I have a couple of quick questions. How have you dealt with the issue of contingency fees? Has that been dealt with? It's a question that comes up a lot. Just for the benefit of the committee, do you want to deal with that, because it's a question that we get from time to time?

Mr. Michael Nelson: Sure.

Just to be clear on what contingency fees are, for those who are not aware, it's the idea that if I manage to get you a contract, then I'll take 10% of that.

Mr. Paul Zed: Successful.

Mr. Michael Nelson: Exactly right.

Actually, the act doesn't forbid contingency fees. It doesn't say this is something that should not happen. On the other hand, the transfer payment policy of the government says that if you're using a lobbyist—first of all, it has to be a registered lobbyist—then that lobbyist cannot, for the purposes of getting you a grant or a contribution, for example, charge a contingency fee.

Just to answer your question more clearly, if I could just take a second, what we do—since the law doesn't forbid it, but we know there's a policy that says you've got to be very careful about this, and you actually can't do it if you're going to sign a contract—is when somebody registers, one of the fields they have to fill in is whether there is a contingency fee being charged here. If they say yes, what we do, even though this is all electronic, is verify the information. We call them back and say there's a problem if they're trying to get a grant or a contribution with the transfer payment policy. We tell them we think they should be in contact, or their client should be in contact, with the agency and let them know that this is happening.

Mr. Paul Zed: I think, Mr. Chairman, the important thing to note is that it is an area—and some of you may know that I was a public office-holder and then I became a lobbyist, because I've been on every possible side of this equation—that does merit some further clarification in the future because of the blur, the chance of conflicts occurring.

The other thing that I think is important for the future—and you asked us a question as a committee—in my view, is criteria for lobbying. As some of you may know, colleagues, we have a Government Relations Institute that you interface with on a regular basis, but you really don't need any qualifications to be a lobbyist. If you lobby the government, you can just pick up the phone and register with this gentleman and then you're a lobbyist.

One of the things I would strongly suggest you consider now, as the registrar, is establishing some criteria with the Government Relations Institute. That's just a suggestion.

That was not a question, but I do have a question about government-initiated consultation. My concern, and I share Mario Laframboise's point, is that if you're initiating the contact from the government—in other words, if Industry Canada calls the Canadian Automobile Association and asks questions, that's one thing, but presumably they're already registered as an in-house lobbyist—how do you avoid the onus being shifted on members of Parliament or on ministers when they ask somebody something at a cocktail reception?

I really worry in this environment of transparency and openness, which is what the law was intended to protect and to promote, that we don't use it as a reverse onus on folks who are acting in that way. So I think you should be really clear about having some clarification or some interpretation bulletins on that.

Did you have a comment for us?

• (0940)

Mr. Michael Nelson: May I take a crack at it? Sure.

That is a concern. You don't want to trigger a lobbyist registration accidentally, if you will, or unnecessarily.

One of the things we would look at, and this is worth either an interpretation bulletin or a Q and A because it comes up, and it's going to come up even more with the communication under this act.... Let's say a minister calls up a small businessman in Halifax—where I'm from, or wherever—and says, I'd really like your opinion on this. If the person they're contacting, lobbying, doesn't spend more than 20% of their time, then it wouldn't trigger a registration in that case. That's the sort of thing we have to make clear, so we don't create a sort of freeze, a chill, on the exchange of information, which is what this is about.

So I agree with you, I have to be as clear as I possibly can, with the examples on this.

Mr. Paul Zed: I have a last point, Mr. Chairman. I've been on both sides of the equation, and I thought you might be interested to know about my experience in this, just as potential information for the future, in case you do run into this, because I know you have post-employment issues. Once I became a nominated candidate, I imposed, even though I wasn't obliged to, on myself—so in other words, once I actually sought the nomination of a political party, which in my case was the Liberal Party—the de-registration of all of my clients.

The other interesting point, by way of observation, is that there is no onus on me now that I'm an MP to have not dealt with somebody who was a client of mine. But I also imposed on myself—and these are some things that we might want to consider as future recommendations, again on the issue of transparency—not speaking to anyone who had been a client of mine for a year.

For example, the Salmon Growers Association were a client of ours. They weren't even a client of mine, but of our firm. I have refused any discussion about salmon growers or meetings about salmon growers. And not to be pristine about it, but I think again it's because of the public interest—and that's what I think Tom's point is: it's perception.

I'm sorry, Mr. Chairman, to go on a bit, but—

The Acting Chair (Mr. David Tilson): You don't even have time for an answer.

Mr. Broadbent.

Hon. Ed Broadbent (Ottawa Centre, NDP): I think it's terrible in this committee, Mr. Chairman, to have someone taking part and asking questions who actually knows in depth something about the subject.

Voices: Oh, oh!

Hon. Ed Broadbent: It's a very serious breach of parliamentary ethics, I think.

The Acting Chair (Mr. David Tilson): You've raised a good point. We have these rules we have to follow.

Mr. Paul Zed: I understand.

The Acting Chair (Mr. David Tilson): Mr. Broadbent.

Hon. Ed Broadbent: I apologize for being late. I have another committee at 11 a.m. that deals with other important matters, and I was detained doing some work for it.

Subsections 5(1) and 7(1) in the act, as you know, require lobbyists to register if they are paid to communicate with a public office-holder with respect to laws, regulations, or changes, or whatever. But then paragraph 4(2)(c) seems to me to constitute a rather serious loophole, because it states that you don't have to register as a lobbyist if the communication is restricted to simply a request for information.

Isn't there a potential problem in this? For example, if there is consideration of charging someone for failing to act under subsections 5(1) and 7(1), the reply almost inevitably would be, I'm told by a lawyer acquaintance, that they were simply acting under the provisions of paragraph 4(2)(c); i.e., they were just trying to get information. I'm told by this lawyer of my acquaintance that any crown prosecutor would be unlikely to prosecute under subsections 5(1) and 7(1) if the answer could be simply, "I was just trying to get information".

How do we deal with that?

• (0945)

Mr. Michael Nelson: I think we're closer than we were before, when you had to actually prove that whatever the person was saying was an attempt to influence. Now it's more about the very fact of a conversation taking place. I'm not disagreeing with you, by the way, that proving something here would get right down to interviewing whoever was—in my view, anyway—the public office-holder and asking what exactly was said. If it was a written communication, that ends up being a little bit easier. If it's an e-mail—and a lot of stuff happens by e-mail. But the facts of each case are going to have to be determined right down to that level of precision—what was said in that meeting, or what was said in that room—unless it was a written communication, which you could prove.

I guess my take on it is that we're closer than we were before, in that we don't have to prove the words were there to influence the awarding of a contract or any of those things, but you would really have to ask.... As I was saying a little bit earlier, I think the transition happens in the moment somebody calls up and asks, "How do I apply for one of these grants on behalf of one of my clients?" I would say that's information-gathering. "How do I get this file moving a little faster?" is something else. The only way to prove that, were one to—

Hon. Ed Broadbent: Sorry, isn't the second a request for information too?

Mr. Michael Nelson: It depends on exactly.... Is it already in progress? I'm not disagreeing with you that the exact facts of every situation are going to.... The attitude with which it's said....

Hon. Ed Broadbent: [*Inaudible—Editor*]

Mr. Michael Nelson: Well, let's say—

The Acting Chair (Mr. David Tilson): Who would you assign it to?

Mr. Michael Nelson: You can only do that in terms of interviewing someone. I'm not making up law here. I'm trying to imagine how one would get at the nub of the question Mr. Broadbent is asking here and acknowledging that there's still going to be a requirement to get right down to what was said. Is this an e-mail that says, "My client has been waiting for three months for this application and I want to know what we need to do next" or "I think this file has to move forward"? I guess that's how I would say "attitude".

I could be proven wrong in the event, but I'm not disagreeing with you that this is not going to be easy. Where I have to be very vigilant is in giving as many precise examples as I can of what would be registerable.

Hon. Ed Broadbent: Can you tell us how this issue is dealt with in U.S. law?

Mr. Michael Nelson: I can't. I can certainly get back to you with some examples. I don't know if any of my colleagues could answer that question. I don't want to put them on the spot, because we weren't prepared for that, but if my—

Hon. Ed Broadbent: Go ahead. That's all right.

Mr. Bruce Bergen (Counsel, Industry Canada Legal Services, Department of Industry): Sorry, I can't claim in-depth knowledge of the U.S. lobbying laws.

Mr. Michael Nelson: We could certainly get back to you with some information on that.

What we have noticed is that there are a lot of U.S. laws. They have lobbying registration at a lot of levels in the U.S. I'm sure this is something they would struggle with as well.

Hon. Ed Broadbent: Okay. Thanks.

The Acting Chair (Mr. David Tilson): That concludes the seven-minute round.

We're on to Ms. Jennings for the next three minutes.

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Thank you, Chair.

Thank you for your presentation.

I'm quite interested in this as well, because I was actually on the industry committee when this legislation came through in 2001 and participated in the review of the previous legislation and all the amendments brought forward.

I want to come to two points. I'll try to do it very quickly, although that's something of a challenge for me.

One is the issue of information that's in the public domain, which goes beyond the example you just gave, where an individual, on behalf of an organization or a corporation, calls and says, "We wish to apply for this program", or "We have a project. Is there any federal program that might provide grants, contributions, loans", depending on the nature...and the public office-holder provides that information, which is in the public domain. Then, say, several months later, he receives a call from the same individual on behalf of the same organization or corporation, who says, "We in fact applied and we have not heard anything, not even a written acknowledgement. Can you suggest what we should do?" The information, which would be provided, would again be in the public domain, which would be, "The program falls under this service and this department. This individual runs it. Here's the telephone number. Call." In my view, that would not be influence-peddling, and it would not be any reason to register if the individual is not already registered. If the individual is registered—either because they are registered or their company or organization does 20% of their time in that—to me, that would not be crossing the line. Again, it's public information. That's it. I'd like your comments on that aspect.

The second is about the issue of a potential conflict. If you were undertaking an investigation of a lobbyist, and if the public office-holder that the lobbyist would have been in contact with and might call into question the quality of his or her conduct was a public office-holder in Industry Canada, I honestly don't think that's a major problem. I would, however, like to know how you would deal with information, in the course of an investigation, for instance, that doesn't initially concern Industry Canada—or it could concern any other ministry—where in the course of an investigation you have information that a public office-holder may have violated the code of conflict of interest for public office-holders.

• (0950)

The Acting Chair (Mr. David Tilson): Ms. Jennings, my comment is the same to you as to Mr. Zed. You're now at three and a half minutes.

Hon. Marlene Jennings: I apologize.

The Acting Chair (Mr. David Tilson): Well, no, there's nothing to apologize for. I have to follow the rules here. We're going to have to cut you off, and you'll have to try to remember those questions. Perhaps we can do it at the end, but to give others a chance....

Mr. Hiebert.

Hon. Marlene Jennings: Thank you.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Thank you.

I have a series of questions. I'll try to keep them to the point, and I hope we get some straightforward answers.

I thought the presentation was helpful. You wanted some feedback on that. I'm not sure what else you could provide, although the discussions we're having now are useful as well. So perhaps you could consider adding some of that information to the presentation.

My first question is, do you work with or do you have any communications with the Ethics Commissioner in dealing with the oversight of the act?

Mr. Michael Nelson: I guess the quick answer to that question is that we don't work with them. We don't not work with the commissioner. If there was a file that I got mistakenly that I thought should be referred to Mr. Shapiro, then I would refer it.

Mr. Russ Hiebert: But other than that, you don't have any regular communications.

Mr. Michael Nelson: No.

Mr. Russ Hiebert: Okay.

Are you familiar with the case of two former ministers who were given an exemption from the one-year cooling-off period?

Mr. Michael Nelson: Can you give us a little bit more...?

Mr. Russ Hiebert: Recently there were two ministers who were given an exemption. From what I understand, there is a one-year cooling-off period for former office-holders, and—

Mr. Michael Nelson: I've just been reminded that there was something in the paper. Would you care to give me...?

The Acting Chair (Mr. David Tilson): You're going to have to help him. Maybe you can give him the names.

Hon. Ed Broadbent: Give him the two names.

Mr. Russ Hiebert: I think John Manley was one of them. I'm not sure who the other one was.

Mr. Michael Nelson: I'm familiar to the extent that I've read about it in the newspaper.

Mr. Russ Hiebert: Okay.

Does anybody else know who the other person was?

• (0955)

The Acting Chair (Mr. David Tilson): Well, we have one name.

An hon. member: John Manley.

Mr. Russ Hiebert: One of the questions we've been asking of the Ethics Commissioner was the basis for that exemption.

I wonder if you could inform the committee where in the act you would find room or there would be some provision that would allow an exemption to be made to shorten the one-year cooling-off period.

Mr. Michael Nelson: There is nothing in the Lobbyists Registration Act that speaks to that. There is just nothing there.

Mr. Russ Hiebert: So can you elaborate on the one-year cooling-off period, what it says or what it requires?

Mr. Michael Nelson: No, I can't. I'm not refusing to answer the question; it's just that it's not the act I'm here for, so I'm not competent to answer questions with respect to that. I would expect Mr. Shapiro—

Mr. Russ Hiebert: So it's a different piece of legislation.

Mr. Michael Nelson: Yes, it is. The Lobbyists Registration Act is a different piece of legislation entirely.

Mr. Russ Hiebert: I see. So a former office-holder is not under this act that you administer. It's under a different act that the Ethics Commissioner is entirely responsible for.

Mr. Michael Nelson: Yes. The act I'm responsible for has to do with what lobbying is and under what circumstances various types of individuals have to register if they are lobbying, and a number of things with respect to that. It's about registration and about codes of conduct. It's not about post-employment.

Mr. Russ Hiebert: Okay.

The Acting Chair (Mr. David Tilson): Mr. Powers.

Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.): Would you please answer Ms. Jennings' first question?

Hon. Marlene Jennings: I've got them well trained.

The Acting Chair (Mr. David Tilson): Just don't ask her to repeat the question.

Mr. Russ Powers: You have the question. Would you respond to it, please?

Mr. Michael Nelson: If the information is in the public domain, then I would agree with you that it would not be a registerable activity.

I guess it's again back to Mr. Broadbent's example of, where do you cross the line? We will have to make it very clear in giving examples, but if it's in the public domain and someone is just asking someone to repeat that, then that would be very difficult to prove to be a registerable activity.

Hon. Marlene Jennings: If it goes to an individual who says, "How do I...?", and the individual gives advice that they would give to anyone—

The Acting Chair (Mr. David Tilson): I assume they're sharing their time.

Mr. Russ Powers: Yes, it sounds like it's with me.

Mr. Michael Nelson: I'd have to look at the exact facts of that case, but the line you're suggesting is one where we have to be very, very clear, because there's a lot of that that goes on every day, as you know. I guess that's the point.

Of the things that I need to be clear about, some of them happen 200 times a day. Those are the things I should be really clear about, so we'll make sure the interpretation bulletin is very clear on that particular point.

Hon. Marlene Jennings: Great.

I have another question that I believe you might be able to answer, given that Mr. Powers has given me his time.

Mr. Russ Powers: I'm sharing my time.

On the second question...?

Mr. Michael Nelson: On the second question, the potential for conflict of interest, for one thing, as you might know, the act requires that if I do an investigation, that it be done in private. So in terms of handling the information, this would be sort of a cone of silence affair, which is why when the media or anyone else asks me if I am investigating so-and-so, I don't comment whether I am or I am not, because the act requires that these things be done in private.

That's not the question?

Hon. Marlene Jennings: No. I didn't really have any major concerns about the fact that you're lodged within Industry Canada and the possibility that you might be investigating. It was that if in the course of an investigation, regardless of where the public office-holder was, as a lobbyist who was in contact with a public office-holder, you gained information that led you to believe that maybe the lobbyist didn't do anything wrong, but that possibly the public office-holder had potentially violated the code of conflict of interest for public office-holders, are you authorized to, or what legislative act or code would require you to, lay a complaint before the Ethics Commissioner for public office-holders?

Mr. Michael Nelson: I'd have to get back to you on that one. One place I would take guidance is that if I come across any law that's been broken, under the new act I'm required to refer that to the RCMP.

Bruce, did you want to...?

• (1000)

Mr. Bruce Bergen: I don't think there's anything specific in the Lobbyists Registration Act about that circumstance. For instance, if Mr. Nelson, in the course of his activities, forms the impression that there's been a breach of the code about conflict for public office-holders, there's no mention of that code in the Lobbyists Registration Act. I think it would be necessary to look at the circumstances of that particular case, as Mr. Nelson mentioned. If there was evidence that there was a potential breach of the legislation, then he might refer the matter to the police for investigation.

This may be a very parallel situation in which, depending on the circumstances, it might be necessary to refer it to the Ethics Commissioner, but I think it would really depend on those particular circumstances. In the end, the act is silent about that. It doesn't make reference to the codes, aside from the Lobbyists' Code of Conduct that's provided for in the legislation.

The Acting Chair (Mr. David Tilson): Mr. Broadbent.

Hon. Ed Broadbent: Mr. Chairman, I've managed, through the good, efficient, comprehensive work of the staff of this committee, to get the answer to my question about the United States. It's interesting to me, because it avoids a potential loophole that I see here. Here is the U.S. wording at the federal level. The definition of "'lobbying contact' means any oral or written communication...to a covered executive branch official or a covered legislative branch official that is made on behalf of" a client "with regard to...." That's the phrase, "with regard to", so legislation, regulations, etc.

Instead of having two clauses, there's one clause, and it's any conversation on behalf of a client. Whether it's the seeking of information or whether it's trying to get the government to change policy, it's defined as a lobbying activity. That seems to me to be better, in the sense that it avoids the potential loophole I referred to.

Would you care to comment on it?

Mr. Michael Nelson: It would have prevented me from having to put out an interpretation bulletin, I can certainly say that. As you know, what I'm dealing with is the act we have, so I'm trying to make it as clear as possible under the act.

That U.S. legislation, then, doesn't have any exemptions whatsoever in other parts of the...?

Hon. Ed Broadbent: As you may suspect, I don't know the answer to that question.

Mr. Michael Nelson: Sorry. I shouldn't be asking you questions either. I'm the one who's answering questions.

Hon. Ed Broadbent: I may be able to find that out for you. If you contact my office, I'll see what I can get for you on that.

Mr. Michael Nelson: I'm sorry about that. I do apologize.

Hon. Ed Broadbent: No, you don't need to apologize at all.

I'll stop being facetious. I think it's a very serious problem. I think the U.S. wording, from that point of view, is better.

To go back to your own regulations, your regulations aren't legally binding, are they?

Mr. Michael Nelson: I think the regulations are, but the interpretation bulletins aren't.

Hon. Ed Broadbent: Yes, that's what I meant. Your interpretation bulletins aren't legally binding.

Mr. Michael Nelson: No.

Hon. Ed Broadbent: Wouldn't it be a good idea to have them legally binding?

Mr. Michael Nelson: I don't know whether it would be a better idea to have the interpretation bulletins legally binding or to have the act, the next time it is amended, made clearer, in the first instance, and avoid the necessity for another instrument, in terms of agreeing with you about that particular clause.

It seems to me it would be better to have extreme clarity in the legislation than to require an official to come out with an interpretation bulletin to that effect.

Hon. Ed Broadbent: Okay. Thank you.

The Acting Chair (Mr. David Tilson): Thank you, sir.

Mr. Bains.

Mr. Navdeep Bains (Mississauga—Brampton South, Lib.): I'll be allocating my time to Ms. Jennings. It's a deal we negotiated.

The Acting Chair (Mr. David Tilson): Okay.

Hon. Ed Broadbent: We know who's in charge on that side.

Hon. Marlene Jennings: Did you doubt it? You're an intelligent man, Mr. Broadbent. You should have known that right from the beginning.

The Acting Chair (Mr. David Tilson): Okay. The clock is running.

Hon. Marlene Jennings: Yes, but it's my clock now.

Mr. Navdeep Bains: It's a conspiracy, I tell you.

Hon. Marlene Jennings: To come back to the last point that we were discussing, I understand that the legislation does not touch on what, if anything, you are required to do as registrar, if in the course of an investigation or in the exercise of your authorities and powers under the act you uncover or become aware of information that seems to potentially show that a public office-holder may have violated the code of conflict of public office-holders. I know there's nothing in the act.

My question is this. Is there something in other legislation, whether it's the code of conflict for public office-holders itself, that creates a requirement if a public office-holder uncovers or becomes aware of information that tends to show another public office-holder may be in conflict with the code of conflict for public office-holders, where you have an obligation to inform the Ethics Commissioner, who is the one who applies that code? That's what I'm asking.

•(1005)

Mr. Michael Nelson: My answer today is I don't know the answer to that in terms of other legislation, but I certainly believe that you've asked a very important question. I will find the answer to that for my own use, as well as to inform this committee, because it's a very important question.

Hon. Marlene Jennings: Great.

I have one last point in terms of the American legislation on lobbyists. That was a point of consideration for the industry committee back in 2001. If my memory serves me correctly, notwithstanding the definition, all kinds of pieces of that legislation would allow a Mack truck to drive through it. I believe that was one of the reasons why the committee, in its recommendations, didn't follow the American model for Canada.

Our researchers may wish to pull up some of the documents on the various models that exist elsewhere, which were provided to the industry committee back in 2001. It would give this committee a good indication, and you may wish to look at it yourself.

Mr. Michael Nelson: Thank you very much.

Hon. Marlene Jennings: Thank you.

Thank you, Mr. Chair.

The Acting Chair (Mr. David Tilson): Before Mr. Epp, this might be useful, Mr. Nelson. You've given some undertakings to different members on comments that you would like to get back to us on. In the near future, if you could provide a memorandum to the clerk for distribution, we would appreciate that on those issues.

Mr. Michael Nelson: That's exactly what I'll do, sir.

The Acting Chair (Mr. David Tilson): Thank you.

Mr. Epp.

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Thank you very much.

I don't know whether I can have my time or whether I need to cede it to Ms. Jennings.

Hon. Marlene Jennings: Oh, are you not giving me your time?

Mr. Ken Epp: I'll take it myself.

I want to get some clarification here. Under the old rules, a person did not have to register if the public office-holder initiated the communication. That has now been changed and everybody has to register. What happens if they don't? If you find out that somebody is actually communicating with a minister, or whoever, and needs to register but hasn't, what do you do?

Mr. Michael Nelson: There are two situations. If it happened within two years, there's a two-year statute of limitations, if you will, in the act. It says that if someone has committed a violation, in what you're describing is a violation of the registration provisions, and it's within two years, then I'd refer that to the RCMP.

Mr. Ken Epp: Oh, really. It's a Criminal Code offence.

Mr. Michael Nelson: Yes.

Mr. Bruce Bergen: Yes, it's a specific offence set out in the legislation. It's what I call a quasi-criminal or regulatory offence. It's not actually in the Criminal Code, but it has those types of sanctions.

Mr. Ken Epp: Okay. Thank you.

Do you have any specific function in your office for monitoring this or do you depend on people squealing?

Mr. Michael Nelson: We observe the newspapers. If someone writes to us and complains, then we will look into a complaint. The way the legislation in Canada is set up, the obligation is on the lobbyist. We don't go banging on doors, but if we become aware or are made aware, then we look into that.

Mr. Ken Epp: There's nothing in the legislation that requires the public office-holder to disclose it.

Mr. Michael Nelson: That's right.

Mr. Ken Epp: Should there be?

Mr. Michael Nelson: That was debated last time, and parliamentarians decided not to include that.

Mr. Ken Epp: That's true, but should there be, in your opinion? Would that help you?

Mr. Michael Nelson: It might.

Mr. Ken Epp: The other thing is that you indicated, Ms. Shepherd, in your presentation that there is no time limit. In the code there's nothing that indicates how far back they have to go. There should be a time limit. This is in the fourth bullet on your first page, that public office-holders must "list their past employment with the federal government", but it's not specific as to how far back in time it needs to go. There should be a time limit there, shouldn't there?

Eventually it doesn't matter. If we picked up somebody who was a member of Parliament in 1950, it really wouldn't matter any more.

Are you concerned that there's not a time limit?

•(1010)

Mrs. Karen Shepherd: The act is silent in that the word "all" is not in the act in terms of limiting employment...and that is one of the things we've been looking at for an interpretation bulletin we're currently working on that'll come out next week.

But given the spirit of the act, some of the comments received, and the transparency issue, we got into discussions on limiting it. Where do you limit? When you consider the fact that a summer job in the Department of Finance in 1996 might have given some contacts that might be valuable today—some of the information or knowledge you might acquire in some of the specific fields—how do you limit it? So one of the things we're looking at is how can we, respecting the transparency and the spirit of the act, get at that information without being onerous on the lobbyist and/or inundating the database with information?

The Acting Chair (Mr. David Tilson): Thank you.

Mr. Zed.

Mr. Paul Zed: Thank you, Mr. Chairman.

Unfortunately, Mr. Broadbent is not here, but I agree with my colleague, Mrs. Jennings, on one point she mentioned, about the American experience and the number of very wide-ranging loopholes.

I disagreed with you when you replied to Mr. Broadbent that perhaps it needs to be more regulated, because I believe your interpretation bulletins are part of the fluidity, if you will, of the cut and thrust of the business we're in and the cut and thrust of the business of the lobbying industry.

I would respectfully observe, Mr. Chairman, that you might not want to overregulate this. Mr. Epp and I are veterans of the first committee, and I think you want to be very careful not to put in so many rules that it just makes it impossible to go through it. That's one of the concerns I have about the exemption and this question of intending to influence communications. Interpretation bulletins are good.

The other thing is, Mr. Chairman—I know I'm just speaking, but I wanted to give them an opportunity to hear my views—

The Acting Chair (Mr. David Tilson): It's your time, Mr. Zed.

Mr. Paul Zed: I wanted you to be concerned about the issue as you go forward with....

•(1015)

Mr. Navdeep Bains: A very deep and profound issue.

Mr. Paul Zed: It was a deep and profound one.

A voice: The contingency fees.

Mr. Paul Zed: The contingency fees, yes. I wanted to bring that up again, because in New Brunswick, where I'm a member of the New Brunswick law society, and in Ontario, with the Ontario law society, not only are you required to note that there's a contingency fee but you are obliged to register the arrangement. I would suggest that this is an area that is still going to be fraught with risk in the future. I'm just suggesting that you might want to look at something further, that not only should they tick "contingency fee" on your form but they should actually file the legal arrangement.

Mr. Epp, you might remember that subject from the time we had that conversation with Mr. Bryden and with Mr. Bellehumeur of the Bloc. There was a discussion about registering the arrangement, which lawyers do in fact.

So that's a suggestion.

Thank you, Mr. Chairman.

If he has time, he could answer, but if not....

The Acting Chair (Mr. David Tilson): Well, he has a few seconds. There don't seem to be too many more questions, so he could respond to that.

Mr. Michael Nelson: I would just take that under advisement. I certainly would agree with you that the whole issue of contingency fees and how they work is one of those areas that could use a little more illumination.

Mr. Paul Zed: "Trust fee" is sometimes another term.

The Acting Chair (Mr. David Tilson): Mr. Nelson, I have a few questions.

There have been some excellent questions. Mr. Zed has raised some, Mr. Broadbent has raised some, and Ms. Jennings has raised some.

It makes me observe that this bill was last reviewed in June of 2001. It received royal assent in June of 2003. The regulations are going to come in soon, next week. All of this means the next review won't take place until 2010.

Mr. Michael Nelson: Right.

The Acting Chair (Mr. David Tilson): I'd like you to comment on this, because what we're essentially into is raising questions that would normally be in a review, and they're really outstanding questions. I mean no disrespect to you, but there are a whole slew of unanswered questions that have been thrown out here—the definition of information, the contingency fee issue Mr. Zed has raised, whether your rulings are legally binding, and whether you have a conflict of interest. You may or may not. We went through this before when you were here before; I was sitting over there. I think you do, but maybe I'm wrong. But all of these questions are left up in the air.

So my question to you is, acknowledging that this review can't take place until 2010, is there any other way we can look at this, where you can work with us?

Mr. Michael Nelson: As Mr. Zed has pointed out, we do have the interpretation bulletin route. Having now gone through what for me has been, as you can imagine, a very instructive learning period after not quite a year in the office and having been in front of this committee twice and having got great questions....

I agree with you, these are great and important questions. The route that is certainly open to me is to determine what I can move forward through interpretation bulletins. There is another device, the advisory bulletins. We're going to be putting one of those out in the academic sector to help them.

I take this very seriously. As I said at the beginning, my appearances before this committee are instructive and very useful to me, and whatever I can do to make this act work better—

The Acting Chair (Mr. David Tilson): I just think it's a shame that we won't look at this for another five years, when technically it was designed to be looked at this year. For some unearthly reason, it took two years to do the regulations.

I'm not expecting you to respond to that. It's just an observation.

Like the average person on the street, I don't even know what your budget is. I know we've discussed it; maybe you can remind me.

For the money spent, is the taxpayer getting good value?

Mr. Michael Nelson: What we're buying here is transparency, and faith that government is working the way it's supposed to work. I can't put a price on it. I can tell you what my budget is. My budget is \$700,000 or so a year. Those members of the committee who have been part of this process would have views on that as well. I can't really answer your question in the sense of verifying that they are getting \$700,000 worth. More than that is spent—your own time around this committee. I just think it's really important.

When I see lobbying come up in the newspapers, I want it to be seen as an example of government working the way it should. My job is to make sure the transparency part works incredibly well, using the Internet and everything else I can to make it work as well as I can, sir.

•(1020)

The Acting Chair (Mr. David Tilson): There appears to be another question, perhaps as a result of questions I asked.

Mr. Epp.

Mr. Ken Epp: No, actually it's quite a different line. I have another question for Ms. Shepherd. Her presentation was on top here, and I was just glancing at it.

From June 9 to June 19 there was no activity in your office.

Mrs. Karen Shepherd: June 9 to 19, no.... When we were looking at sending out information to inform lobbyists that the new requirements were coming up June 20, one of the things we did—and it's on there now—was a notification to let them know that although we have to put the new computer system up and do transfer of data, they are still under legal obligation to file what we're calling a letter of intent.

Mr. Ken Epp: I'm aware of that. My problem is with your computer system. If a bank just shut down their systems for 10 days while they transferred to a new computer system, or if a vehicle registration system with the government did that, it would not fly.

Usually computer people set up a system so that they can transfer the data. At computer-fast speed.... I don't know how much data you have, but it can't be more than 30,000 or 40,000, which a computer could transfer from one file to another in a matter of minutes. I'm really surprised that you didn't contract with your computer people to set up a turnkey system that would allow you to transfer the data in one night between 1 and 3 a.m. In the morning the switch is flipped and you're ready to fly. That really surprises me. I wonder how much you're paying for your computer contracts and whether you're getting your money's worth.

Mrs. Karen Shepherd: Pierre's been working more closely on the files. I'm going to defer to him.

Mr. Pierre Ricard-Desjardins (Deputy Director, Lobbyists Registration Branch, Department of Industry): The new computer system requires a major update and major manipulations of the registration data. As you're aware, the information requirements under the new act are, in some cases, substantially different. We're dealing here with a system that is, well, 12 to 15 years old.

Mr. Ken Epp: You didn't get a new one?

Mr. Pierre Ricard-Desjardins: Yes. Exactly. In terms of computer years, that's very old.

What we have to do is take almost every registration, manipulate it so that we can add fields, and transform the information so that it becomes available on the new system, which is brand new and uses different and more effective database management software. It is a very time-consuming and very delicate operation.

In order to ensure that we have continuity of operations, we've put in place a system of notification of intent—

Mr. Ken Epp: I'm aware of that.

Mr. Pierre Ricard-Desjardins: —and we're using that system to make sure there's continuity in the registration process. Of course, our advisers are available on the phone at all times. In order to ensure that continuity, we've put those systems in place, but we do have to take some time to manipulate the data and bring it into the new database. The objective here is to ensure maximum transparency; when the new system comes in place, all the information will be available 24/7, as before. The idea is always to maximize transparency.

Mr. Ken Epp: I hear your explanation, but I don't accept it. As I said, in any other organization you would not have a ten-day downtime on your computer system. That system would be built so the transition could take place. They would test it on numerous days beforehand, and then on the day of transition, that button is pushed, as I say, at 2 o'clock in the morning, and by 3 or 4 a.m., the new system is up and ready to go. I don't know anything about your computer operations and who you're contracting with, but I think you need to do a little more work. I used to teach this stuff, so I know what I'm talking about.

Thank you, Mr. Chairman.

The Acting Chair (Mr. David Tilson): That appears to conclude the questions, Mr. Nelson, for you and your colleagues. I thank you very much for coming. I think we'll all be looking forward to looking at your interpretation bulletins to see what you think about things.

Mr. Michael Nelson: Thank you, Mr. Chair.

The Acting Chair (Mr. David Tilson): Thank you kindly for coming.

We're going to recess for a couple of minutes so we can go in camera. There are a couple of business items we need to discuss.

[Proceedings continue in camera]

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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