

Face time on the Hill: The energy lobby pipeline to Ottawa

Dec 4/12 B1

SHAWN McCARTHY OTTAWA

The Canadian energy industry has forged unrivalled access to the federal government among major industries, as key companies and their associations met frequently with politicians and senior bureaucrats in recent years to craft common messages and discuss regulatory changes, a new report shows.

In just one year to this September, senior industry officials held 791 separate meetings with ministers, members of Parliament and officials even as the federal government was pursuing major regulatory changes that critics claim amount to a gutting of environmental protection, according to a study of the lobbyist registry by the Polaris Institute, a left-leaning, Ottawa-based think tank.

Over the course of that one year, some 52 of those sessions were with members of cabinet, including Natural Resources Minister Joe Oliver, Environment Minister Peter Kent, Foreign Minister John Baird and Finance Minister Jim Flaherty.

The most frequent visitors to the government were from the Canadian Association of Petroleum Producers (CAPP), Trans-Canada Corp., Imperial Oil Ltd.; the Canadian Energy Pipelines Association (CEPA), Suncor Energy Corp. and Enbridge Inc.

In that same time period, ministers met with a lobbyist from the environmental community only once, although those organizations are far less likely to register as lobbyists or to seek such meetings.

Oil, Page 4

Oil: TransCanada asserts that consultation process is transparent

6+M Dec 4/12 B4

» The energy industry's apparent widespread engagement with government provides ammunition for critics who accuse the government of favouring the resource sector at the expense of the environment.

The oil and gas sector outstripped other industries in its access. In the four years reviewed by Polaris, the two leading oil industry associations registered 734 "communications" - either meetings or pre-planned phone calls - with government officials, compared to 412 for the two top mining groups and 157 for the auto sector.

"To us, this shows a fundamental shift in our democracy from government working for the peo-

ple to government working for private interests such as industry," said Richard Girard, the institute's researcher co-ordinator and a co-author of the report, which is to be released Tuesday.

The Conservative government has never shied away from defending Canada's oil and gas sector - whether branding environmental critics as "radicals" for their anti-oil-sands advocacy, lobbying European and U.S. governments to defeat punitive rules and ensure access to markets, or overhauling legislation to provide changes to environmental review processes that were supported by industry.

CAPP president David Collyer said the industry represents one

of the largest, fastest-growing sectors in the Canadian economy - with roughly \$50-billion a year in investment - and its member companies are highly regulated and exposed to decisions not just of the Canadian government but of foreign ones.

"Simply by virtue of the importance of the industry to the Canadian economy and its economic growth, I think there's a case for the oil and gas industry engaging with the Canadian government," he said.

To be sure, the oil industry also prospered under the former Liberal government, which responded to concerted lobbying in the mid-1990s to provide tax breaks to a struggling oil sands sector.

TransCanada has worked with Natural Resources and Foreign Affairs to win support for the Keystone XL pipeline in the U.S. And the companies and associations have regular closed-door sessions with officials and ministers on changes to environmental legislation that were included in two major budget bills this year.

TransCanada chief executive officer Russ Girling personally met Mr. Kent just days after he was appointed Environment Minister in January, 2011, to brief him on the company's efforts to have the Keystone XL pipeline approved by Washington, according to a newly-released Access to Information document given to Otta-

wa researcher Ken Rubin. Mr. Girling was also "seeking regulatory clarity" on proposed rules covering natural-gas-fired power plants, the documents show.

Company spokesman Shawn Howard said the process is transparent, given that the lobbyist registry has a record of all meetings and the subject matter. He said the company has an enormous range of government-related issues that affect its business.

"Being part of a dialogue around issues that could impact our employees, operations and shareholders is the kind of normal, expected and responsible communication that we will continue to have with government officials and others," he said.