

# FDFA GOVERNMENT RELATIONS REPORT

## OVERVIEW OF KEY GR ISSUES FOR DISCUSSION

### **ROAD TRIP – Current Status & Discussion on 2015/2016 Lobbying Strategy**

National Chamber of Commerce – as reported to the GR Committee on Sunday, the National Chamber voted 100% unanimously in support of Road TRIP. What was not noted via my Sunday email communication was the following:

- Out of 59 resolutions, Road TRIP and one other initiative were the only proposals with 100% support. Road TRIP was the only initiative out of 59 that received applause from the full delegation.
- Road TRIP will now be placed in the National Chambers taxation section of “asks” to the new government for implementation
- We may have some operator members who want us to ask for accommodations to be included in the next Road TRIP round of lobbying given that the Liberals are in power.

### ***What are the next steps for Road TRIP?***

Consideration on updating our one-page Road TRIP to reflect current tourism numbers, economic numbers? Position? Do we show the Liberals the support i.e. Road TRIP book of letters of support we received last year?

- We have time to assess our strategy as the government settles back into Ottawa and given the 200 new MP's, it will take time to establish meetings. More significantly, we need to understand who the new Ministers will be, which will be critical to Road TRIP. Additionally, a new pre budget submission will have to be announced – possibly December or even early January 2016.
- Do we hire TSA or other lobbying firm for i.e. two to three months to assist navigating the new political landscape to support our Road TRIP objectives?
- Attached in your documentation is a spreadsheet outlining the current MP listings (Post Election) and who remains on the list that supported Road TRIP and who we will have to meet with on the issue.
- What are the key messages to the operators at the November meeting on Road TRIP? Request meetings in their ridings during the holidays? Report outcome of said meetings to the FDFA?

### **Federal Election**

- Operator Communication sent to members with on overview of election with chart outlining post-election duty free MP's provided – including key stats

- As per TSA's briefing, the likelihood of MP's settling in Ottawa will be near the end of November with the Throne Speech expected for December. Federal Budget should be expected at the beginning of April 2016 according to sources.

## **Tobacco**

- With the Liberals now the Majority Government, the Liberals tobacco policies are quite strict and could have damaging implications to the duty free industry. For consideration on high level Liberal tobacco policies
- The spending review that the Liberals will conduct to get back to balance will put everything under the microscope. Duty free limits could get captured by that, but it would be a stretch.
- **Menthol Tobacco**
- A federal menthol ban is a definite risk with the Liberals. Concern is that Mark Holland won for Ajax, ON and he is a very big tobacco control lobbyist specifically for a ban on Menthol.
- The Liberals have already said they will implement plain packaging.
- No comments were ever received to the FDFA from the Ontario Government on our Menthol communications. Philippe Bachand can update the group on the menthol issue in Quebec
- **Discussion:** We need to determine over the course of the next few months if we want to pursue tobacco as a key "ask" to the new government – what areas we want to discuss with the Liberals and overall strategy to accomplish said goals. Do we want to bring in political consultants?

## **CBSA Survey and Recommendations to CBSA**

- As per our meeting in Chicago with Brent McRoberts, Mr. McRoberts agreed that the FDFA would provide him with some key recommendations on administrative and policy/regulatory issues that we would like to streamlined or changed to ensure our businesses run more effectively. Mr. Mc Roberts noted to Peter Brain and Laurie Karson that he would review our recommendations before the Operator's meeting and highlight key topics to the members at the meeting. He would not be able to make final decisions in November – given it is post-election and their team are still assessing the new government and their policies, etc.

## **Post Survey Recommendations from FDFA Operators – Online as well Telephone Interviews Conducted.**

- GR Committee Discussion on Survey Responses Required – as clarification is needed on results
- First, 21 stores actually completed survey as some members own multiple stores that completed survey.
- Administrative Forms: B116, E15, etc. – there were clear recommendations in all forms such as electronic usage moving forward, allowing products to be cleared not just during office hours but in a 24 hour period, etc. – Recommendation – To provide CBSA with all comments on key forms to hear back on their recommendations

- Larger CBSA issues – Ecommerce came up multiple times during the survey and telephone interviews – but no one was able to explain how an e-commerce process with our industry would work?
- Leases – several stores such as BHT de Philipsburg are still experiencing issues with CBSA – specifically stores who have CBSA as their landlords. Philippe Bachand was told by CBSA that a 2 year CBSA study has been conducted on our national lease issues and will be discussed with us before the end of the year. This could be similar to the estate planning whereby a decision has been made but due to the election they could not discuss. We should press the issue to Brent in terms of where the study is sitting and when the decision is going to be made.

#### **Formal Industry Brief:**

- In 2014, the FDFA developed a two-page Industry Brief as per our relationship building initiative/objective. Given new priorities and a new government, we should assess updating document as part of upcoming GR meetings.

#### **November Operator's Meeting Components/Future MP Dinner in Ottawa**

- At the upcoming meeting, discussion on the Federal Election, plans for Road TRIP, Possible social interaction in Spring with new MP's/Key Ministers?
- Confirmed Leo Duguay to speak at meeting on post-election outcome. Key RCC GR representative speaking on post-election and what this means for Canadian Retail.
- A dinner in Ottawa or a social event with key political figures could be costly and one to be considered in context to all GR Priorities.

#### **Future FDFA Communications on GR**

- Given the amount of GR Issues upcoming, the FDFA GR committee may have to meet once a week via teleconference. However, the FDFA will only provide once a week brief communications as updates on activities. Only if there is an emergency of key item that requires timely update to the committee will the FDFA Communicate with the GR Committee.