

Executive Director Report 2017

Focus on Government Relations and Semi-Annual Meeting



As the new FDFA Board of Directors begins to review the strategic options for the industry association, please note the following two areas for consideration: Government Relations and Semi-Annual Meeting 2017.

Government Relations:

The following considerations by the Board on GR will have to be reviewed by the newly struck 2017 GR Committee. Once reviewed by the formal Committee, the Committee then refers their final recommendation for the Board's approval.

Advocacy 2017

- As background, L. Karson has provided a lobbying/advocacy plan of action for consideration by the GR Committee. This plan has a strong focus on developing more Liberal political relationships in Ottawa and a grassroots component. Attached separate plan provided to board for referral purposes.
- Cost for a plan is very minimal since the recommendation is not to hire a lobbying firm, but have all meetings organized from the FDFA office and L. Karson to represent the FDFA.
- Costs would incur on an ad hoc basis, if very senior level meetings i.e. PMO was solidified and the GR Committee/Board decided to bring in senior board level members to attend. Additionally, it would be recommended that a stronger social media presence be considered for the FDFA and a new industry position paper was developed. Given the majority of MP offices in Ottawa are heavily millennial demographically based, a focus on communications that appeal to this group should be adhered to.
- As of today (January 26th), the Federal government just announced an almost complete change to all Parliamentary Secretaries. The advocacy report will be updated to reflect these new positions.
- **RECOMMENDATION for FDFA GR PR – Given Canada's 150th Anniversary celebrations, it is recommended that the FDFA update its consumer website banner, FDFA member website banner and any future GR Communications graphics to reflect the celebrations of Canada 150. The Canadian government offers free banners via the Canada 150 website. An online application to use one of their logos is required, so they can manage how it is being used but is free once approved. The FDFA has submitted an application. This may be a good recommendation to our stores to also follow suit for their respective website, store promotions or summer customer communications.**
- <http://canada.pch.gc.ca/eng/1469551801167> - example of logos that one can choose from.

Program Integrity Review/Lease Rate Review/CBSA Relationships:

- L. Karson continues to await the next steps from CBSA in their Program Integrity Review which is a focused review on the D432 as a result of last year's Peace Bridge RFP situation. We have been informed by Shawn Riel, CBSA in December 2016, that they are still analyzing the file and will communicate with us in the New Year. L. Karson will reach out to Shawn once again in early February to identify where they are in the process. They have committed to us that they will share with us their draft recommendations before any final decisions are made.
- The Lease Rate Review which is being spearheaded by Charles Chenard of CBSA is well underway. They have conducted all their respective interviews with the stores impacted by this initiative. Mr. Chenard has informed me that they should have their recommendations by early March 2017.
- Within the advocacy plan, it notes the importance of the FDFA maintaining good relationships with senior CBSA officials given the oversight of CBSA on the industry. The new Senior Executive VP (2nd in command

at CBSA) is Tina Naminesoski, and is a good friend of L. Karson should the FDFA seek the highest level of decision maker for a meeting on matters of importance.

Road TRIP 2017/2018

- The FDFA has conducted two initiatives asking the Federal Government to grant the FDFA the ability to oversee and implement a three-year pilot program to reinstate the GST to foreign visitors in a cash back program only available at land border duty free shops.
- Any such initiative would have to be approved federally by Finance via the Federal budget.
- In 2015, we were very close to success but due to other impending oil and overriding national tourism “asks” (Connecting America”), we lost the bid. While we pursued the initiative again – the 5% of ONLY goods, we had many challenges due to the new Liberal Government and trying to establish relationships and so many other competing industries with multiple government “asks”.
- FOR DISCUSSION AND CONSIDERATION: The FDFA should consider and discuss whether the new GR Committee should examine and discuss the feasibility of pursuing a 2018 Road TRIP initiative in the 2018 Budget. Given the new head of the Hotel Association – Susie Grynol, we have an opportunity to potentially look to have a three-year pilot not only for goods but for accommodation tax as well. When the VRP was originally cancelled, many have speculated that the previous President of HAC undermined the duty free industry in order to save the tour group component of the original VRP program.
- The consideration by the board/GR Committee could again within a future proposal exclude third party rebates and mail-in receipts to government. The proposal could begin in 2017 and have ample time to develop a solid working plan, a new economic report that showcase cost to government and economic benefits to Canada with both a goods/accommodation rebate program, new grassroots Summer 2017 campaign and then strategy to initiate federal meetings beginning in Fall 2017 with the objective of a 2018 (March) Federal Budget inclusion.
- Destination Canada and their overarching objectives would have to be a consideration in a strategy moving forward as they typically receive the most tourism funding. How could we partner with Destination Canada or other stakeholders to work in our favour?
- I would guesstimate the costs would run approx. 30 to 40K i.e. economic report, travel, communications, etc.
- On the Board website, Allison has posted previous Road TRIP electronic binders which includes previous economic reports, one page summaries and all MP, stakeholder, border mayor’s letters of support – over 200 in total.

FDFA Semi-Annual Meeting 2017 Recommendation Options:

- Historically the FDFA has typically hosted a Semi-Annual meeting with only the FDFA land border operators in the May to June timeline. Previously the agenda was constituted of association agenda items i.e. committee updates, industry issues, maybe a special keynote speaker at times.
- In 2013, the FDFA board decided to change the format to a more business and professional development format. The first business and professional development format was held in Whistler, followed by Kelowna, Chicago and finally Las Vegas.
- In December 2016, the new Board decided to consider a Canadian city and maybe moving back to a more traditional format. Here are two considerations for Board discussion.
- Recently Philippe Bachand suggested to both Abe and L. Karson an excellent suggestion for the Board’s consideration. Hosting our semi-annual in conjunction with the RCC STORE Conference. I have taken this idea and researched how this could look for the board’s consideration.

Toronto in May – Attach to the Retail Council of Canada STORE Conference

- Potential for consideration is to have a one day operator meeting in either Mississauga or Toronto on Monday, May 29th.
- Operator dinner on May 29th
- Have all members attend the day and half RCC tradeshow and speaker series on Tuesday, May 30th and 31st. RCC Store Conference has over 60 different speakers and working panels with a retail oriented trade floor.
- Recommendation would be that the FDFA potentially cover the cost of every delegate attending's registration fee for the RCC show in lieu of a potential key note speaker(s) at a semi-annual meeting. A one day meeting separate for the land border operators would still take place to discuss RFP issues, strategic convention committee recommendations, Government relations, national marketing, etc.
- Currently, RCC is finalizing their agenda and speaker series. However, L. Karson had a joint meeting with RCC and they have provided us with last year's agenda, speakers series listing to give our board a good sense of their program.
- L. Karson negotiated for the board's consideration a rate of \$500 per person (their early bird rate is \$599), and if we had 20 stores attend (only one free registration per store), it would cost approx.. 10K to the FDFA. This would be a good member benefit.
- While the RCC conference is two days – the last half day (afternoon of Wed.) is really dedicated to grocery store retailers. Our group would only be interested in all day Tuesday and then half day Wed. Gala tickets for their meeting of Retailing Excellence hosted by Ben Mulrone y is on Tuesday evening – separate fee.
- 2016 RCC STORE Conference agenda is provided for this meeting on board portal.
- If approved by board to move forward with this recommendation, the FDFA board would decide whether to host our meeting downtown Toronto or have host hotel only in Mississauga near RCC Store Toronto Congress Centre.

NOTE From RCC

- For this year's speakers, we've already posted a bunch to our site:
<http://www.storeconference.ca/speakers> - but as you know all too well, we're in negotiations with about 20 other speakers right now. When all is said and done we'll have 55-60 confirmed speakers for the event on topics on all things retail. Our educational tracks are also similar to what is listed in last year's program:
 - Operations
 - Marketing
 - E-comm / digital
 - Supply Chain & fulfillment
 - Entrepreneurs (independent retail)
- ERA Awards tickets can't be discounted unfortunately, but there are discounts if you buy a full table. It's a fun evening for sure, if your group is attending you'll definitely need a late-night shuttle back to your hotel
 - RCC Member individual tickets are \$249.00 and a table of 8 is \$1,599.00, our website is going live tomorrow.

Ottawa Semi-Annual – May or June

- The FDFA Board may want to consider hosting a one day meeting in Ottawa in conjunction with a lobbying strategy i.e. lobbying day, meeting with strategic MP's, industry stakeholders, etc.
- I have posted the schedule for May, June and the House is sitting most days in those two months before parliament rises.
- <http://www.parl.gc.ca/HouseChamberBusiness/ChamberCalendar.aspx?Language=E> – House Schedule