



NAVIGATOR

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# CANADIANS FOR FAIRNESS IN CLEAN FUEL POLICY

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January 2018

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THESE SLIDES ARE PART OF A NAVIGATOR PRESENTATION AND ARE INCOMPLETE WITHOUT ACCOMPANYING ORAL COMMENTARY

[The Clean Fuel Standard] is a really important piece of our climate plan. We know that we can have cleaner fuels. There is an economic opportunity. The details will be coming out soon.

Hon. Catherine McKenna  
Minister of Environment and Climate Change

Canada will continue to fight for the global plan that has a realistic chance of countering [climate change]. We have a responsibility to future generations and we will uphold it.

Rt. Hon. Justin Trudeau  
Prime Minister of Canada



## Where we are

**The Federal Liberals appear intent on passing a new Clean Fuel Standard that will hurt Canadian business. Making the government change its plans will be difficult.**

**Affecting a course correction on the part of the government on a public policy proposal so close to its core will require a highly calibrated and coordinated effort.**

The Government of Canada announced on November 25, 2016 that it would begin consultations to develop a regulatory framework for a Clean Fuel Standard (CFS) with the aim of reducing Canada's greenhouse gas (GHG) emissions through the increased use of lower carbon fuels and alternative technologies.

A number of interested parties are seeking to shape the public conversation regarding the proposed CFS, which will impact business' operating costs, competitiveness, and access to market ready fuels and technologies. To date, industry has not aggressively inserted itself in the debate. However, a one-sided public conversation led by the Government of Canada, environmental groups, media and regulators risks presenting a one-sided picture of a CFS – overlooking the macro-economic effects and pocketbook impacts for everyday Canadians.

As observed with the government's handling of small business tax reforms, the introduction of CFS through the publication of proposed regulations in Canada Gazette, Part I (anticipated early- to mid-2018) will afford an opportunity to influence the final outcome.



# Environment & Climate Change Canada

has launched a coordinated effort to build public support (and neutralize opposition) for the introduction of the government's single biggest piece of its carbon reduction strategy, the

## Clean Fuel Standard.



## We assessed the situation

We are not operating under false pretense: We know it will be hard, but we have done significant legwork to identify a path forward.

### 1. Nationwide qualitative discovery research

- To inform the development of campaign strategy Navigator conducted a program of qualitative research to better understand attitudes, opinions, and beliefs regarding environmental policy in Liberal-held swing ridings

### 2. Engaged key industry players

- Found strong support for a nuanced anti-CFS effort, while maintaining fair and reasonable positioning and acceptance of climate change science

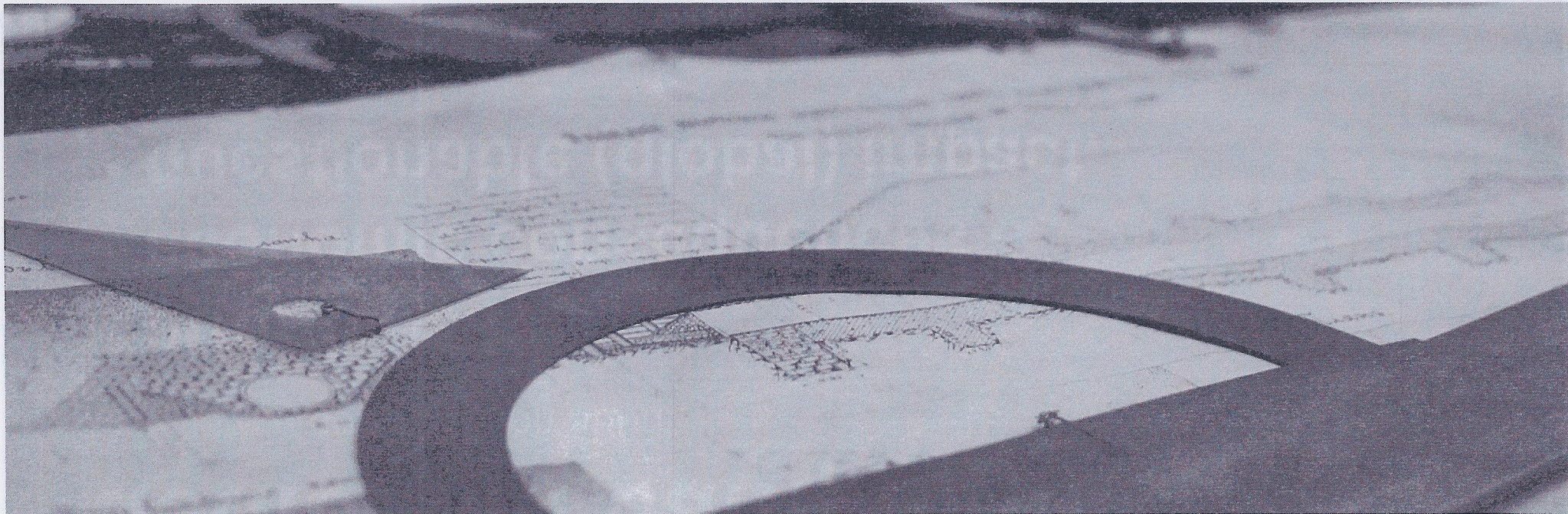
### 3. Intelligence gathering

- Approached key policy-making actors to understand government's intended approach

## We considered the research

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- **Minimal awareness of CFS**  
Canadians demonstrated no familiarity with or recognition of clean fuel policy or consultative efforts to date.
- **Limited knowledge and understanding of “amorphous” GHG issue**  
Few Canadians appear to be well-informed or highly-engaged on the issue of climate change. Very few Canadians made clear connections between fossil fuels, carbon, and climate change. Fewer still referenced the Paris Accord and Canada’s commitment to meet specific emission targets by 2030.
- **Canadians see CFS timeline as unrealistic**  
The target reduction of 30% of GHG emissions by 2030 seems overly ambitious to some, particularly if a detailed outline of how to achieve short-term objectives is not presented.
- **When environmental policy gets expensive, Canadians have a breaking point**  
Illustrating increases to the cost of living across the board has the potential to mobilize concern. The public already feels it is paying “too much,” suggesting that trumpeting the potential for snowballing costs to consumers has significant resonance. There is little tolerance for further “environmental” initiatives from the government that will hit them in the pocketbook, particularly in Ontario and Alberta.
- **Jobs and economy remain higher order concerns than environment**  
Environmental concerns were surpassed by expectations the government should turn its attention to the immediate areas where Canadians are experiencing challenges: access to healthcare resources, the need to protect jobs and generate more employment opportunities, managing the economy and reducing debt, and making post-secondary education more affordable.



## **We learned how to win**

**Elevating a conversation about fairness in clean fuel regulation and encouraging a public debate about the costs and effectiveness of the government's CFS strategy will require:**

**1. Focus on snowballing costs:**

- Not a fight about climate change, instead build story around cumulative cost of regulation

**2. Secondary role for industrial players (not front and centre):**

- Industry must be present, but efforts should appear organic and not stage managed

**3. Diverse voices at the table, including credible experts and 3rd parties:**

- Create a decentralized campaign that encourages a diverse network of interested actors to find their voice

**4. Persistent drum beat:**

- Create awareness through earned, paid, and owned media in the lead up to the government's announcement



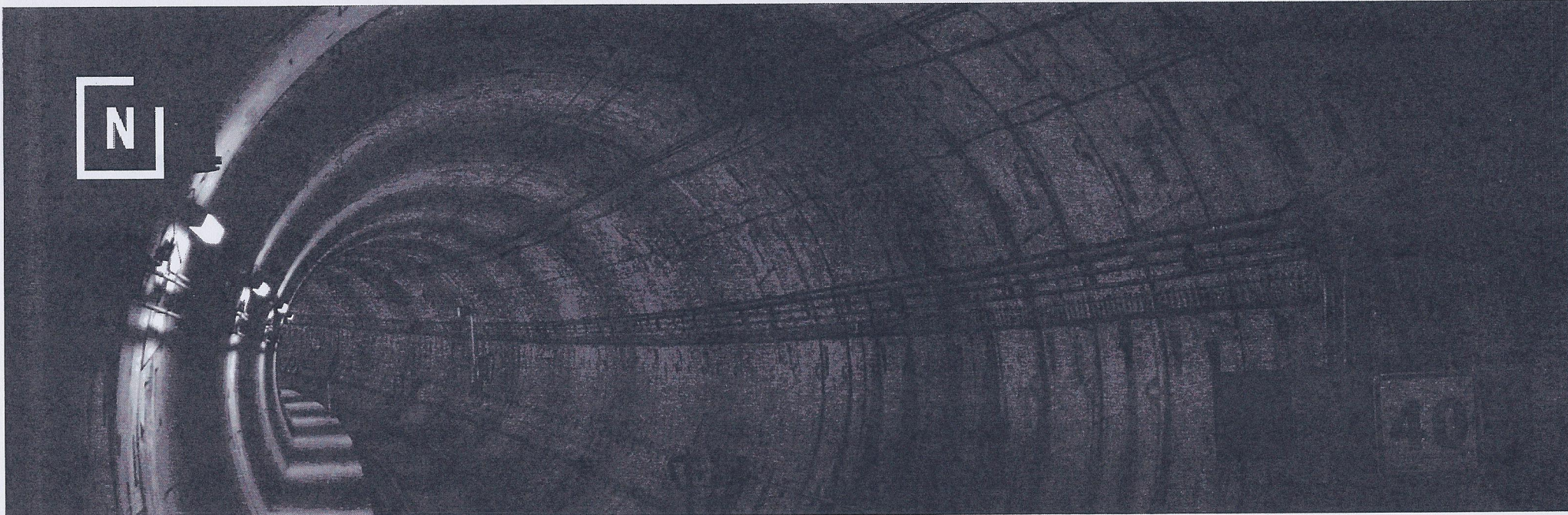
Engaging the government in a discussion about potential alternative strategies will require a

# **dedicated campaign**

to initiate a conversation about:

- **affordability**
- **economic consequences &**
- **questionable (global) impact.**



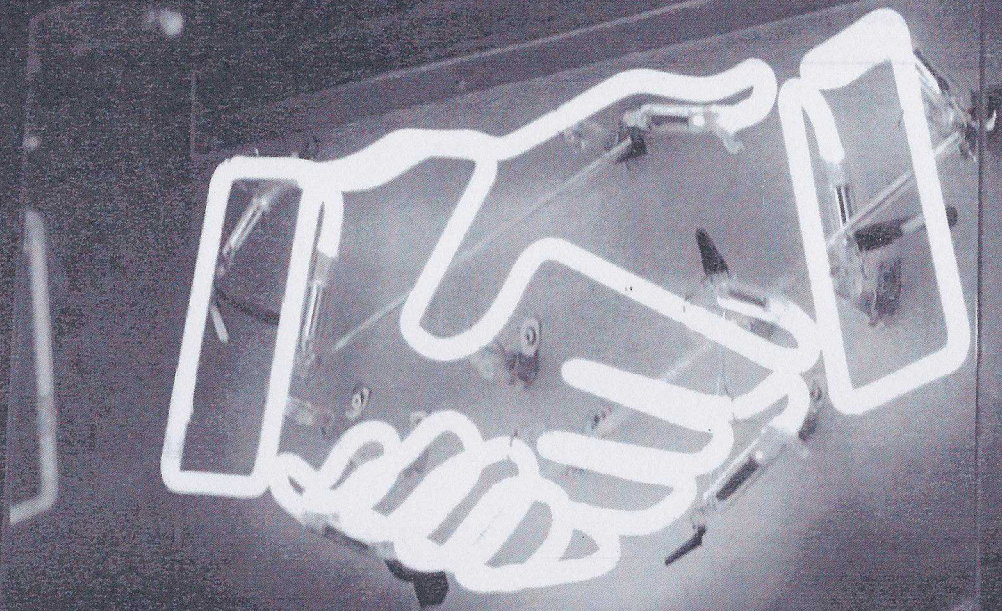


## A campaign that looks like

Persuading the federal government will require a dedicated campaign with the following facets:

- Distributed command and control effort
- Digital home
- Think tank research
- Opposition and backbench engagement
- Coordinated messaging
- Media





## Building a coalition

The right coalition will require four types of partners, contributing in different ways:

### 1. Industry

- Examples: Imperial Oil; George Weston, Onex, Magna International, Walmart Canada, TFI International

### 2. Industry associations

- Examples: Canadian Manufacturers and Exporters; Business Council of Canada; Automotive Industries Association of Canada; CFIB; Retail Council of Canada; Canadian Propane Association

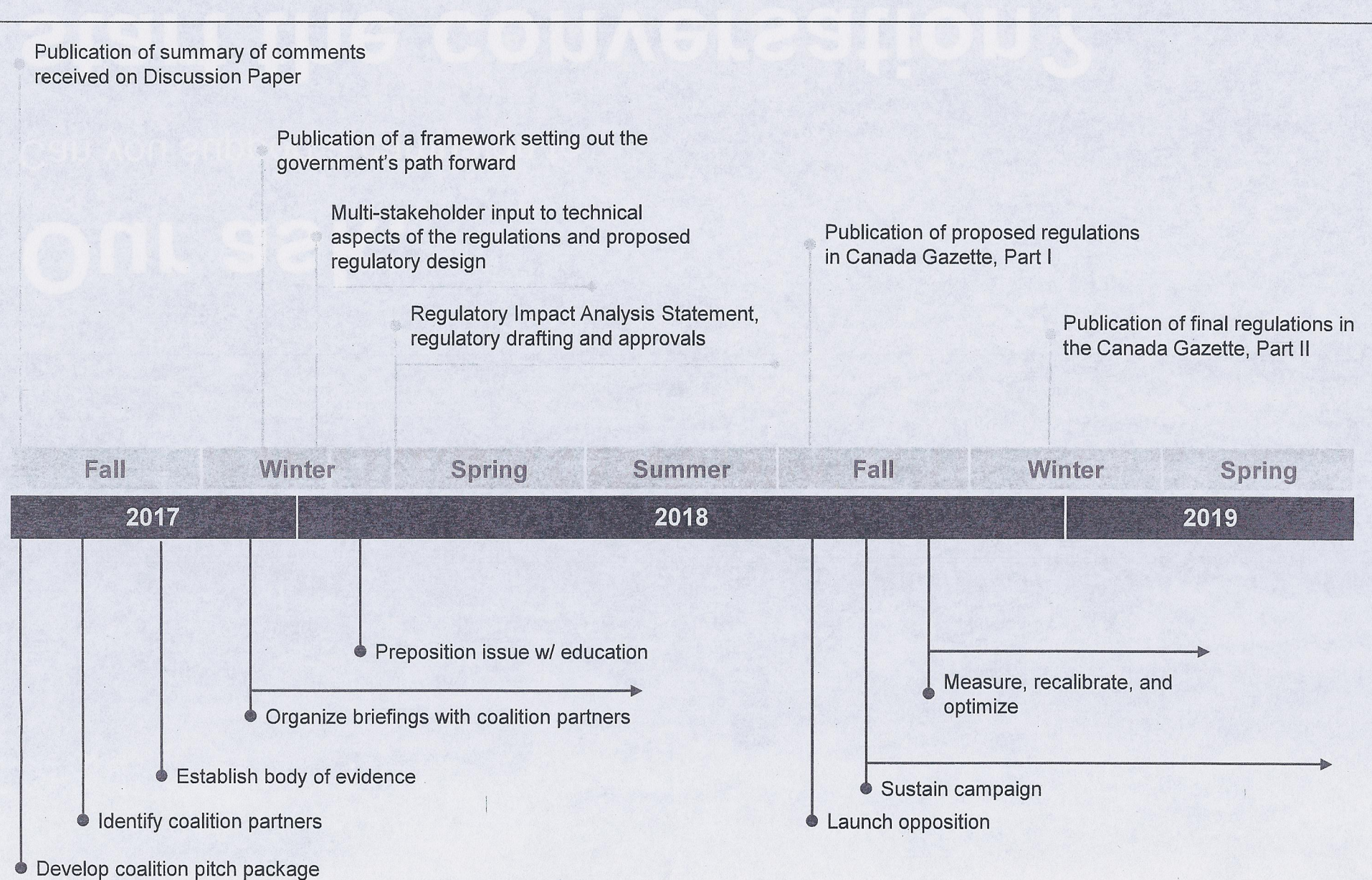
### 3. Think tanks & NGOs

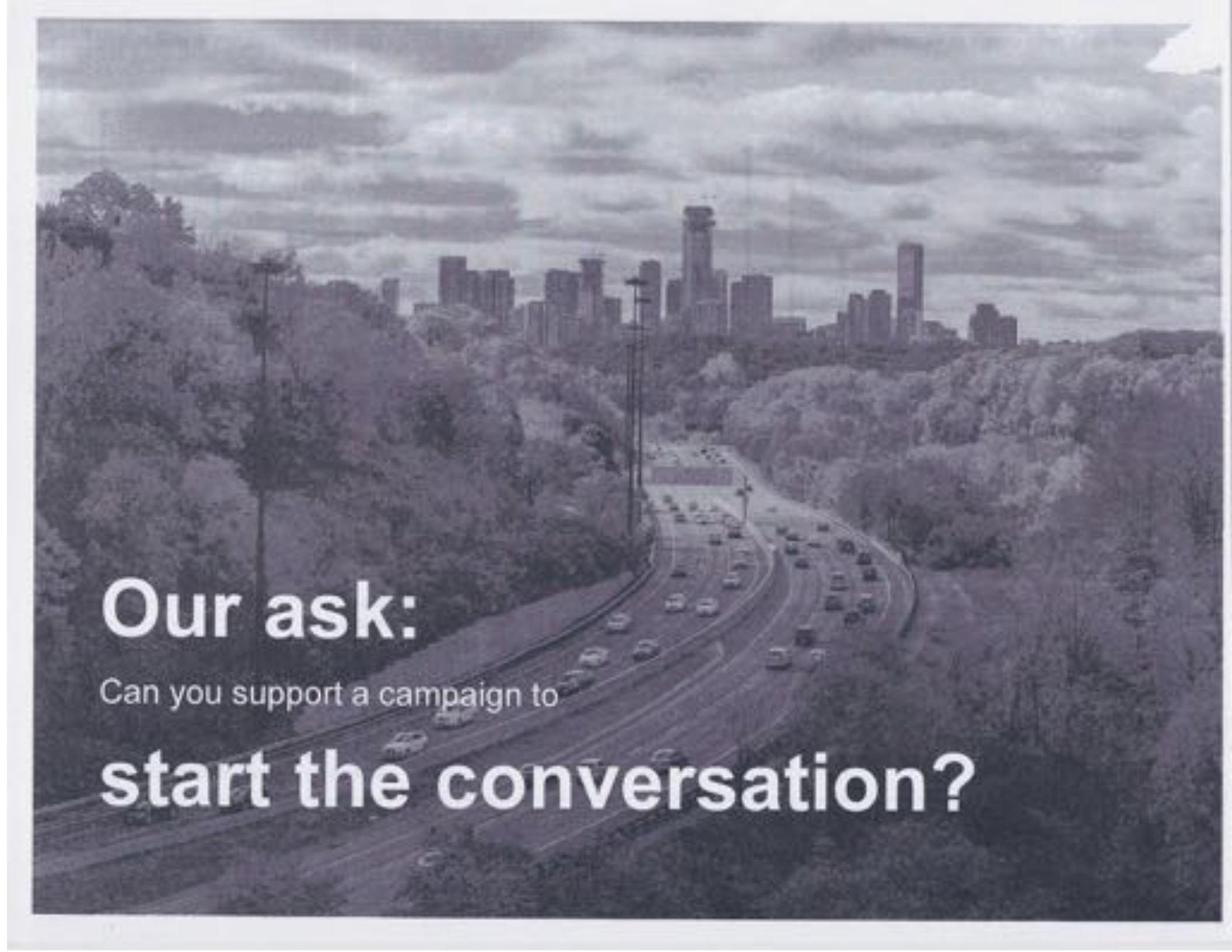
- Examples: C.D. Howe Institute; Canada West Foundation; Mowat Centre; AIMS; Montreal Economic Institute

### 4. Labour

- Examples: Unifor; United Automobile Workers; United Steelworkers; LIUNA

# Timeline



An aerial, black and white photograph of a multi-lane highway curving through a wooded area towards a city skyline. The highway is filled with cars. The city skyline in the background features several tall buildings, some under construction. The sky is overcast with clouds.

# Our ask:

Can you support a campaign to

# start the conversation?

ΥΠΟΣΤΗΤΑ ΜΕ ΣΤΑΘΕΡΟΤΗΤΗ ΣΑΛΑΜΑΚ

**There is  
*always*  
a way  
forward.**

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Appendix I: Campaign overview



## Objectives

The primary objective will be to start a dialogue amongst a widespread coalition of industry, academics, economists, and everyday Canadians in opposition to the government's introduction of CFS regulation.

Additional objectives include:

1. Educating and informing media and the public about the economic consequences of clean fuel regulation
2. Driving a conversation about the unintended and uncommunicated effects of arbitrary or miscalculated clean fuel regulation
3. Compelling ECCC and the federal government to acknowledge competing economic priorities and validity of concerns

# Strategy

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**A campaign will require broad-based support from a wide cross-section of Canadian interests.**

The introduction of a CFS will have significant business implications for a number of stakeholder audiences. A multi-faceted communications effort in a complex and changing environment requires that all components of the campaign be managed directly to ensure all activities are synchronized.

Recognizing the government's preferred approach to the introduction of CFS regulation, and mirroring the current pushback against proposed tax reforms, Navigator recommends prepositioning the issue and building awareness amongst thought leaders, media, and the general public in the lead up to the government's announcements of its proposed regulations (expected fall 2018). Once the draft regulations are introduced, we would amplify the conversation by counterpunching against the overreach and encouraging a public debate about the costs and effectiveness of the proposed CFS strategy.

An anti-CFS campaign strategy presented here is shaped by three factors more than any others:

1. Recognition the lift required to put this issue on the public radar will require broad support
2. Opposition to CFS is broader than Big Oil
3. Appreciation that fighting climate change is a losing battle



# Strategy cont.

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## 1. Recognition the lift required to put this issue on the public radar will require broad support

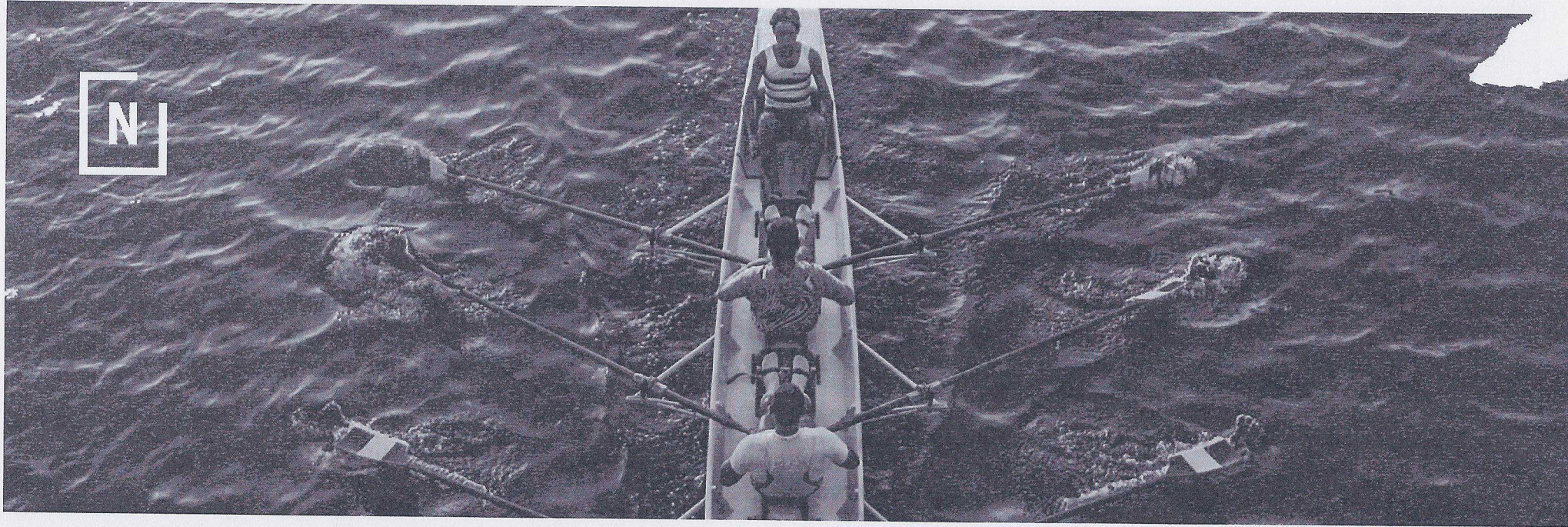
- Need to raise awareness in the interim
- A counterpunch strategy should be used: Allow the government to announce its CFS plan, use the time to discreetly organize a loud initial reaction to the plan, with an immediate ongoing campaign against it
- More will be gained through a hard push back on the proposed regulation, than by attempting to speak to a topic that has little awareness
- If an opposition campaign were to lead, the government would be able to respond to all the campaign's messages

## 2. Opposition to CFS is broader than Big Oil

- Bring many diverse voices to the sustained campaign to help demonstrate opposition
- Industry and other parties should raise their concerns
- Cost and complexity estimates for meeting the challenge should be the focus, balanced with desire to help in fair and reasonable ways

## 3. Appreciation that fighting climate change is a losing battle

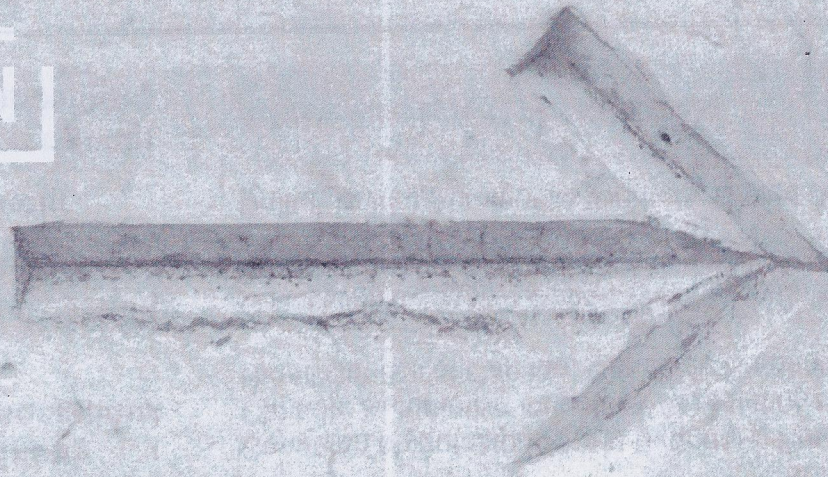
- Advance arguments about:
  - Costs for everyday Canadians
  - Job losses for Canadians
  - Middle class 'green' cost burdens
  - Challenge of other countries doing less
  - Industry needs support, not leg irons



## Establish industry's position

An effective stakeholder campaign requires industry to be present in the campaign. Industry must demonstrate the intensity and willingness to publicly engage for others to buy in. Industry should communicate confidently, adhering to the following messaging guardrails:

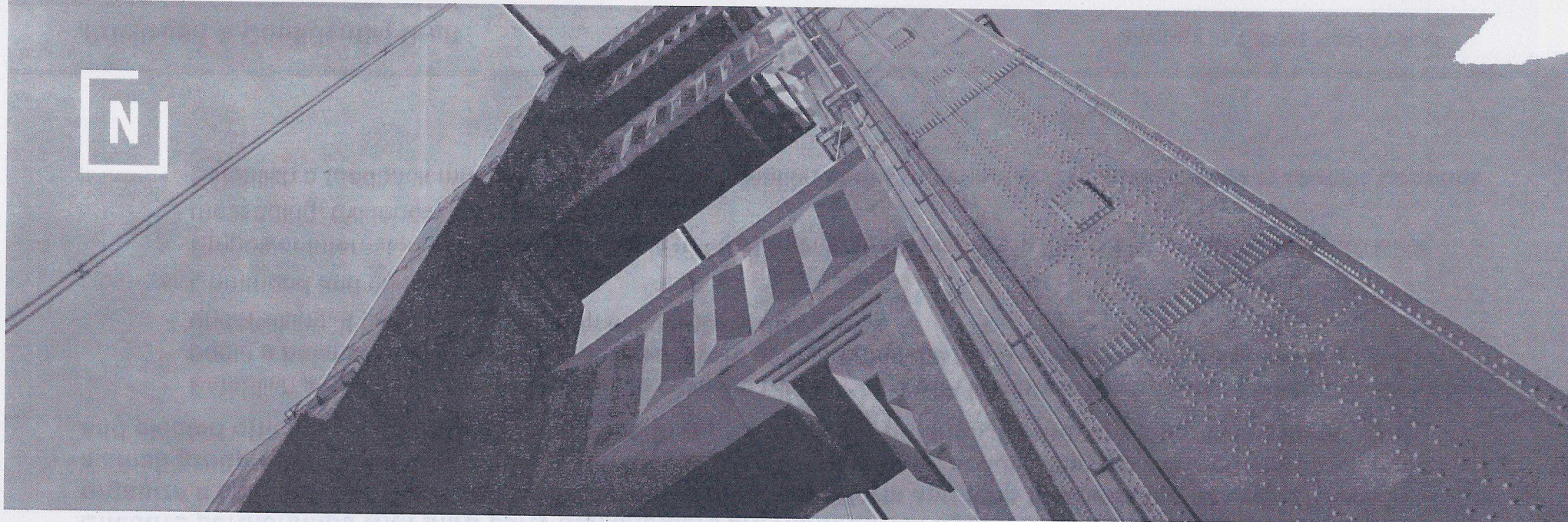
- As a responsible Canadian business, industry has license to lookout for the communities in which it operates
- Drive a moderate message
- Own “fair and reasonable”
- Identify flexible compliance mechanisms
- Quietly support government’s climate change agenda



## Stakeholder mobilization

Effective partnerships with third party stakeholders are required. An aggressive outreach program to build and organize a coalition of likeminded interests will amplify our efforts and help to neutralize potential opposition. Even a small group of engaged supporters – employees, industry partners, academics, labour organizations, think tanks and elected officials – can be “activated” to either promote your position, or prevent them from going off-side.

- Establish a dedicated campaign team to cultivate relationships with leaders in the broader stakeholder universe to begin a balanced conversation about new layers of environmental regulation; this must be seen as a full-time undertaking, it cannot be done from the corner of one’s desk
- Command and control effort
- Empower interested parties with the tools needed to effectively engage in the public conversation, including messaging, evidence, Q&A and op/eds
- Establish a feedback mechanism to collect information about sentiment and potential issues in specific locations



## Stakeholder outreach: Priority partnerships

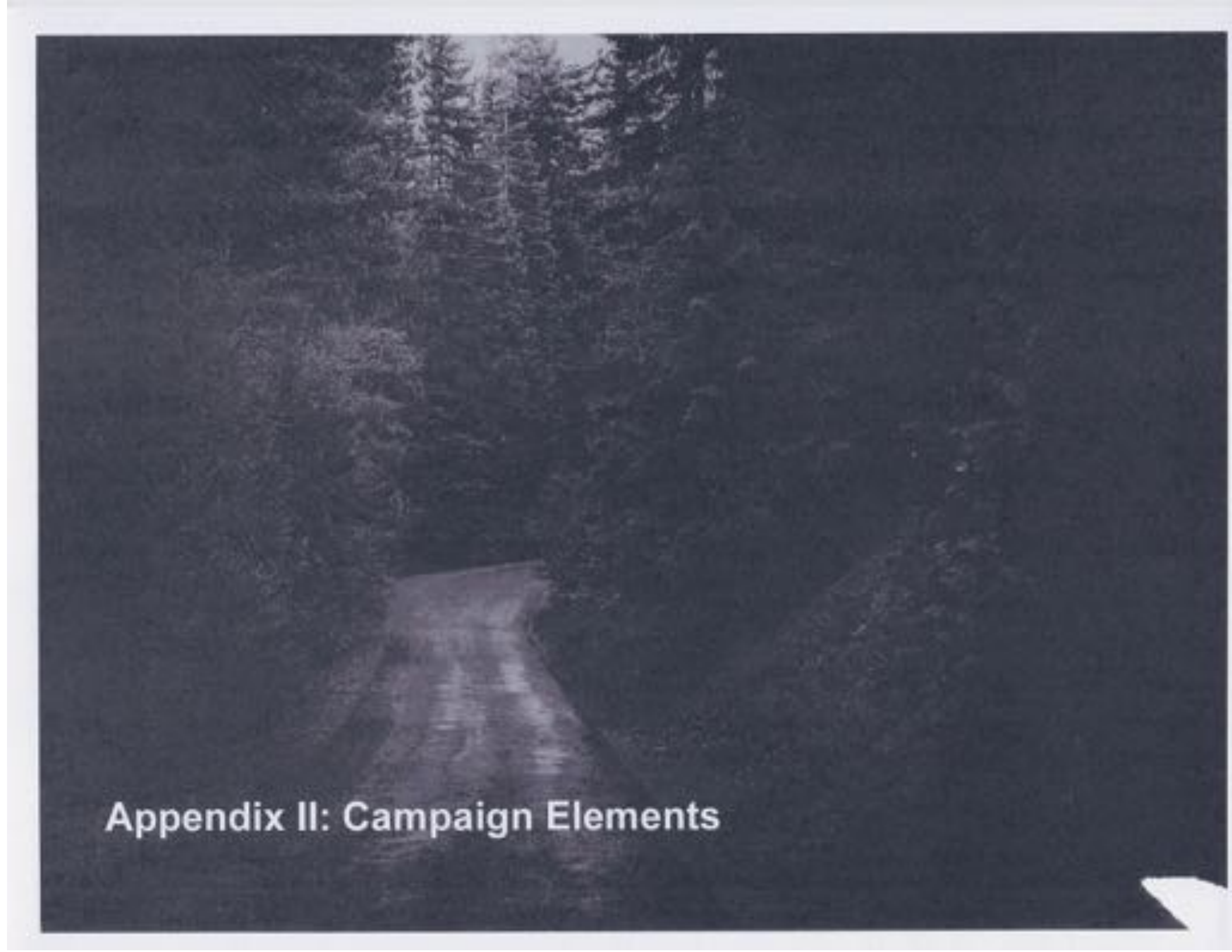
CATEGORY	TYPES OF STAKEHOLDERS	ASK
Industry peers	Imperial Oil; George Weston, Onex, Magna International, Walmart Canada, TFI International	<ul style="list-style-type: none"><li>• Financial contribution</li><li>• Coordinated, moderate public comment</li></ul>
Industry associations	Canadian Manufacturers and Exporters; Business Council of Canada; Automotive Industries Association of Canada; CFIB; Retail Council of Canada; Canadian Propane Association	<ul style="list-style-type: none"><li>• Financial contribution</li><li>• Activate and engage membership</li><li>• Messaging proxy</li></ul>
NGOs & think tanks	C.D. Howe Institute; Canada West Foundation; Mowat Centre; Atlantic Institute for Market Studies; Montreal Economic Institute	<ul style="list-style-type: none"><li>• Study and report on true cost of CFS and its related household economic impacts</li></ul>
Labour	Unifor; United Automobile Workers; United Steelworkers; LIUNA	<ul style="list-style-type: none"><li>• Messaging proxy</li></ul>
Government (opposition)	Andrew Scheer, Ed Fast, Kelly Block	<ul style="list-style-type: none"><li>• Political opposition</li><li>• Messaging proxy</li></ul>

# Proposed message surrogacy

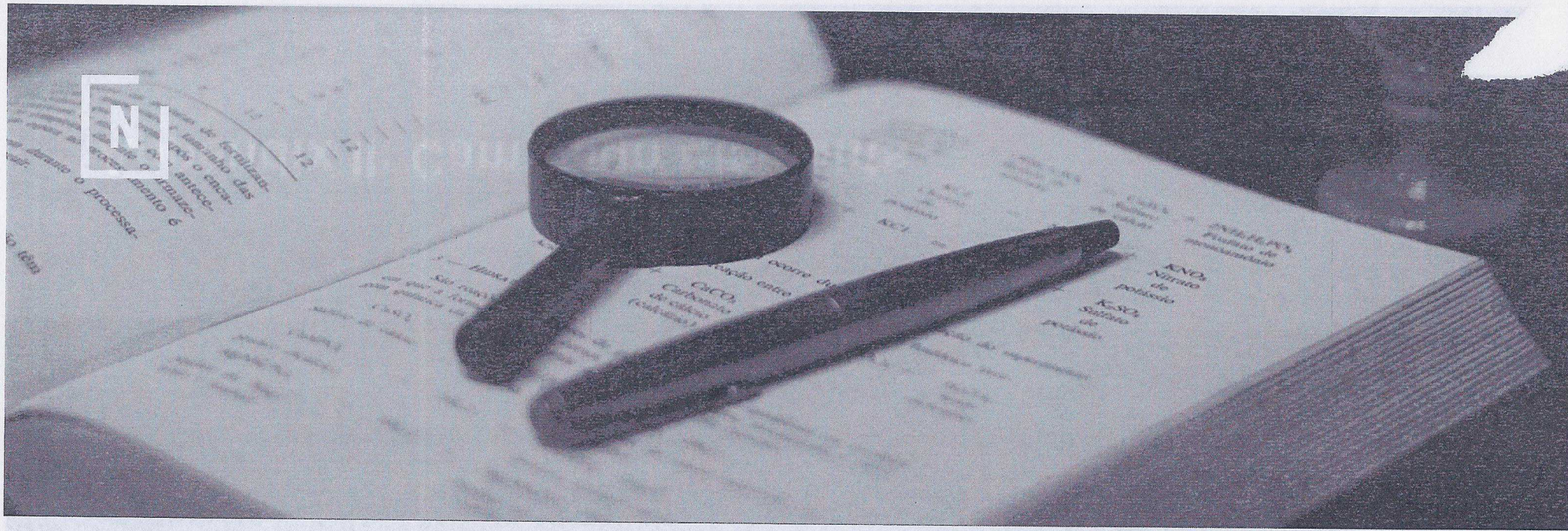
MESSENGER ARCHETYPE	MESSAGE THEME
<p><b>Benjamin Dachis</b> Associate Director; Research, C.D. Howe Institute</p>	<ul style="list-style-type: none"> <li>• How the introduction of CFS regulation will have sweeping financial ramifications for the average Canadian household and lessen Canadian economic competitiveness</li> </ul>
<p><b>Jason McLinton</b> President, Retail Council of Canada</p>	<ul style="list-style-type: none"> <li>• Financial impact of CFS will be felt beyond the gas pump</li> <li>• Retail pricing in every sector will be impacted</li> </ul>
<p><b>Jerry Dias</b> President, Unifor</p>	<ul style="list-style-type: none"> <li>• The introduction of CFS will kill Canadian jobs and harm the Canadian economy</li> </ul>
<p><b>Andrew Scheer</b> Leader of the Federal Opposition</p>	<ul style="list-style-type: none"> <li>• Another example of Liberals prioritizing virtue signaling policy over the health and wellbeing of the Canadian economy and struggling Canadian workers in Strathcona, Sarnia, and Nanticoke</li> </ul>
<p><b>John Manley</b> President &amp; CEO, Business Council of Canada</p>	<ul style="list-style-type: none"> <li>• The CFS will hurt Canada's economic competitiveness as Canadian business look to lower-cost jurisdictions in which to operate</li> </ul>
<p><b>Patrick Brown</b> Leader of the Ontario Provincial Opposition</p>	<ul style="list-style-type: none"> <li>• This is another Liberal government putting the environment above the needs of everyday families who pay enough, as it is</li> </ul>
<p><b>Globe &amp; Mail</b> Editorial Board</p>	<ul style="list-style-type: none"> <li>• Even if Canada were to meet its 2030 targets, it would be just a drop in the bucket; it's not clear whether the ends justify the means</li> </ul>

# Campaign audiences

AUDIENCE	APPROACH	TACTICAL EXECUTION
General public	<ul style="list-style-type: none"> <li>Educate with credible facts and figures</li> <li>Regular, frequent communication</li> <li>Redefine issue in terms of tangible direct (economic) impact, not aspirational (environmental) goal</li> </ul>	<ul style="list-style-type: none"> <li>Establish body of evidence</li> <li>Engage and activate third parties to speak out (op-eds, commentary)</li> <li>Define economic consequences in terms of household finances, employment, and economic competitiveness</li> </ul>
Stakeholder and third parties	<ul style="list-style-type: none"> <li>Engage and organize in order to activate and mobilize</li> <li>Leverage existing agendas to demonstrate opposition to the government's agenda</li> <li>Inform receptive stakeholders of our messaging to help neutralize potential opposition</li> </ul>	<ul style="list-style-type: none"> <li>Identify key stakeholders and determine campaign function</li> <li>Engage reasonable voices (that people will listen to) to amplify concerns</li> <li>Develop pitch document outlining costs and benefits</li> <li>Build coalition</li> </ul>
Government (Liberal caucus)	<ul style="list-style-type: none"> <li>Highlight competing regional interests</li> <li>Convey electoral consequence</li> <li>Invoke parallels to Ontario Green Energy Act, "green shift", NEP</li> </ul>	<ul style="list-style-type: none"> <li>Localized campaign focusing on jobs and employment</li> <li>Extra effort with suburbs and swing ridings</li> </ul>
Media	<ul style="list-style-type: none"> <li>Establish countervailing narrative</li> <li>Provide dissenting voices</li> </ul>	<ul style="list-style-type: none"> <li>Editorial board meetings with national outlets</li> <li>Profile local impact stories in regional media</li> <li>Engage and activate third parties (op-eds, commentary)</li> </ul>



**Appendix II: Campaign Elements**

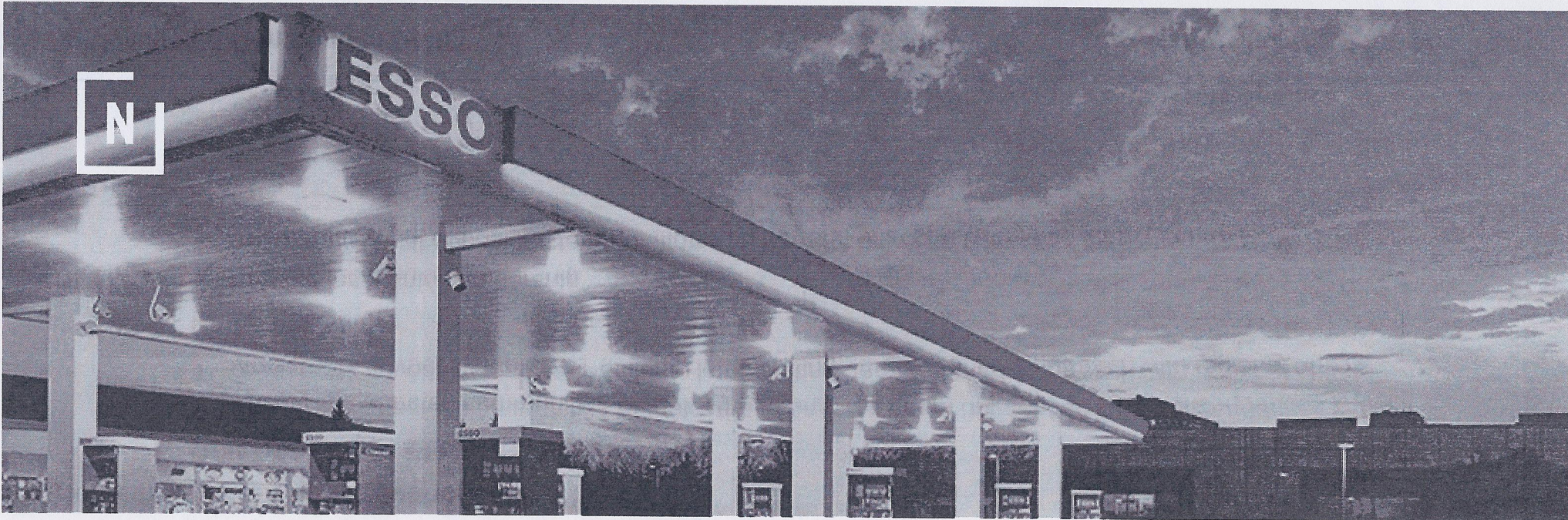


## Establish facts and figures to underpin position

Engage think tanks and academics to study and report on true cost of CFS and its related household economic impacts.

- Approach C.D. Howe Institute, Mowatt Centre and other non-partisan economically-minded public policy focused research institutes to study the financial impact of stringent fuel regulation
- Likewise, convene academics and economists to study issue
- Use evidence-based research to demonstrate widespread financial consequences to aspirational policy as basis for messaging and communications





## Price sensitivity: Gas and household goods

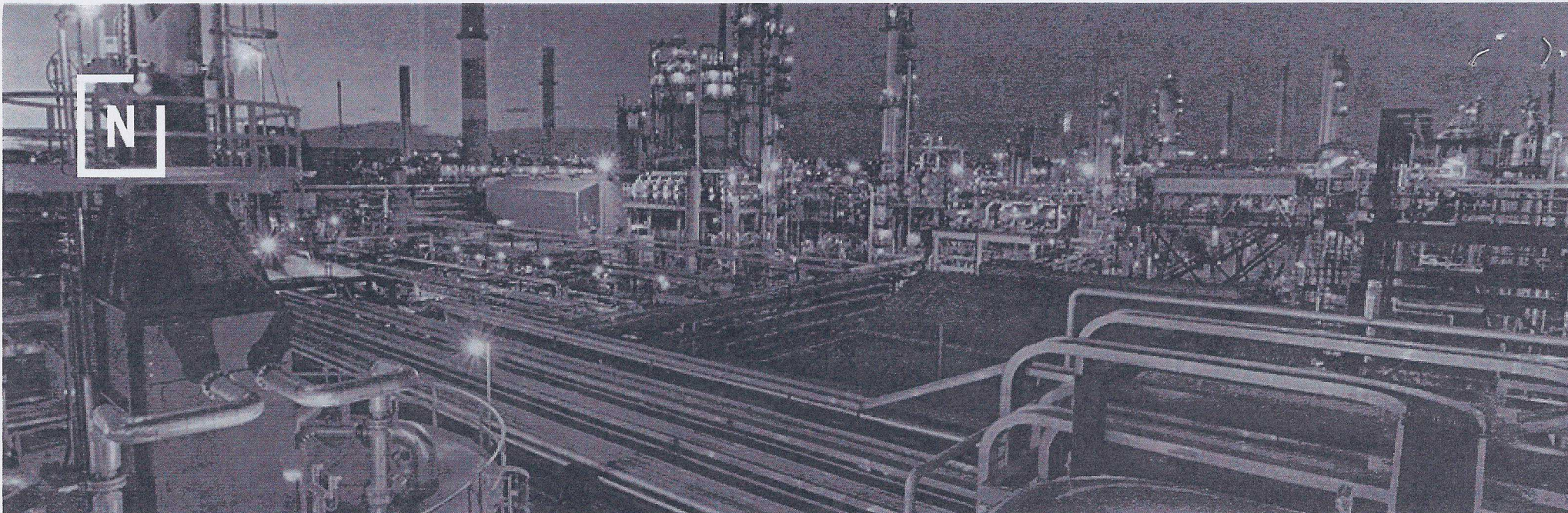
Canadians expressed a desire for aspirational environmental policy – to a point. Once policy has a noticeable impact on day-to-day household finances that support weakens and policy objectives are met with heightened scrutiny and skepticism.

### 1. Digital campaign

- Widely accessible ballot-box question: “Are you prepared to pay more?”
- Explain linkage between CFS and increased retail gas prices
- Call to action: Register opposition with online advocacy toolbox, including petition and form-letter

### 2. Stakeholder mobilization

- Linkage to consumer household goods
- Engage and activate third party voices to articulate broader economic ramifications of higher gas prices



## Localized campaign: Job impacts

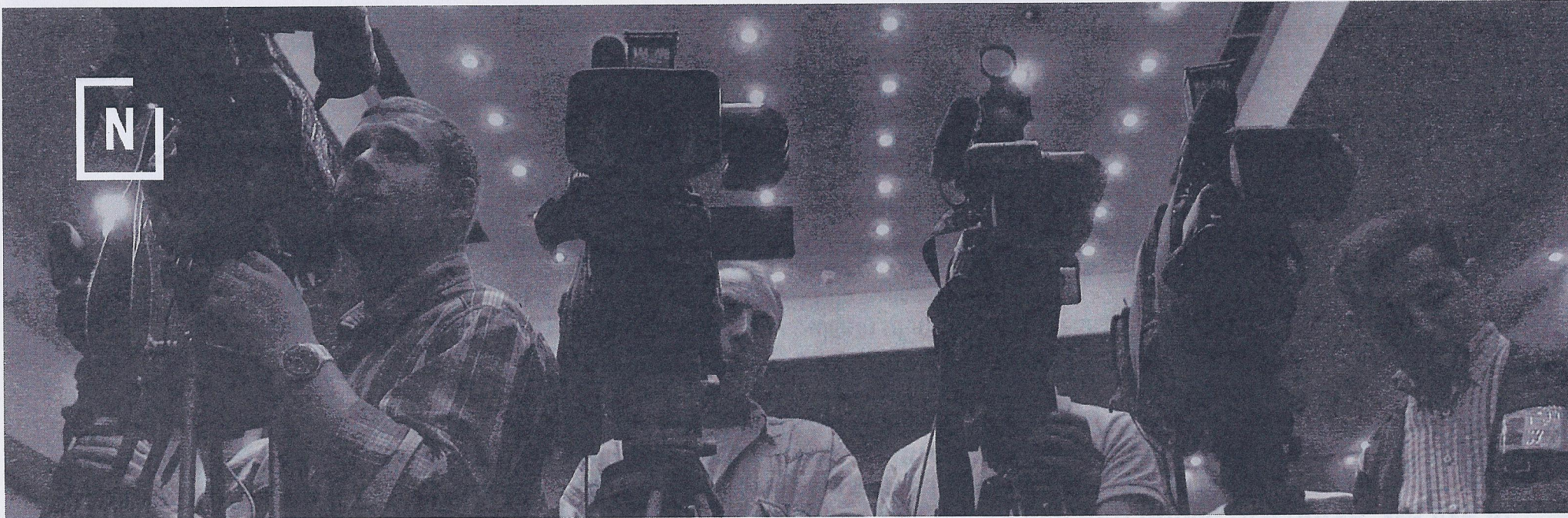
Focusing on the communities in which refining operations are present, run a targeted campaign focusing on employment consequences of CFS.

### 1. Grassroots opposition

- Encourage affected communities to make their concerns about unintended CFS consequences known
- Grassroots advocacy toolbox: Petitions, letter writing, targeted media outreach with regional outlets

### 2. Union outreach

- Engage local union leadership
- Encourage vocal opposition to regulation with harmful effect on Canadian jobs and prosperity



## Proactive Earned Media

When engaging with media, either directly or through surrogates, there are three primary outcomes we should seek to (i.) constructively critique the federal government's narrative, (ii.) locally, profile employment impact, and (iii.) demonstrate public opposition to CFS initiative.

### 1. Establish counter narrative

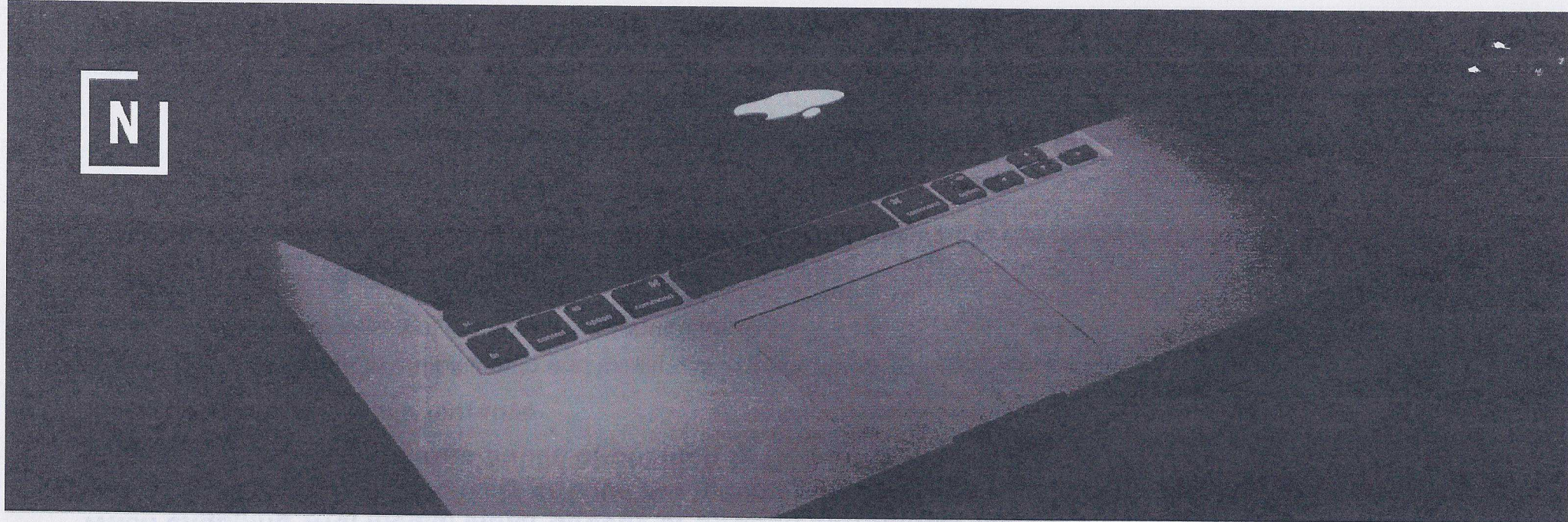
- Demonstrate opposition to and weakness in government's chosen approach
- Educate media of economic consequences to CFS

### 2. Profile local employment impact

- Provide clear and relevant proof-points that CFS will be harmful to communities with refining operations

### 3. Demonstrate public opposition

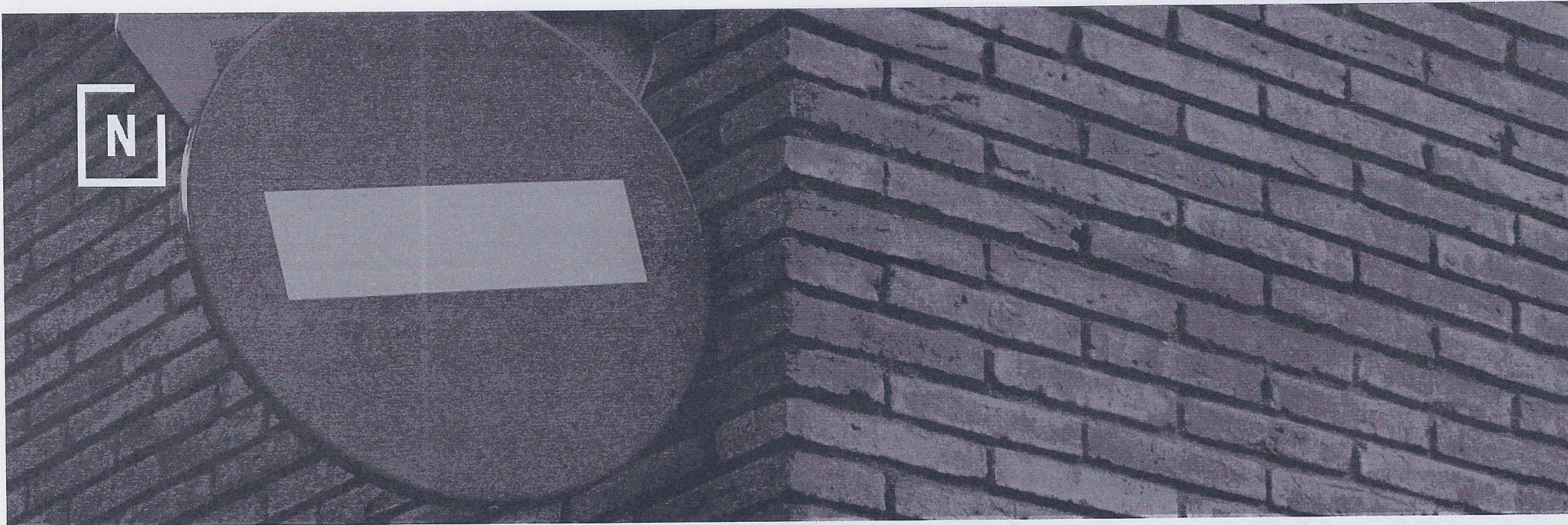
- Activate public pressure to demonstrate blowback against government approach



## Digital campaign toolbox

Digital campaigns provide an additional venue for injecting key messages into public discourse. We live in a digital democracy where people will make their voices heard if you activate them. Digital strategies allow us to find your target audience with pinpoint precision using the most cost-efficient tactics possible. They also provide an important opportunity to track the conversation.

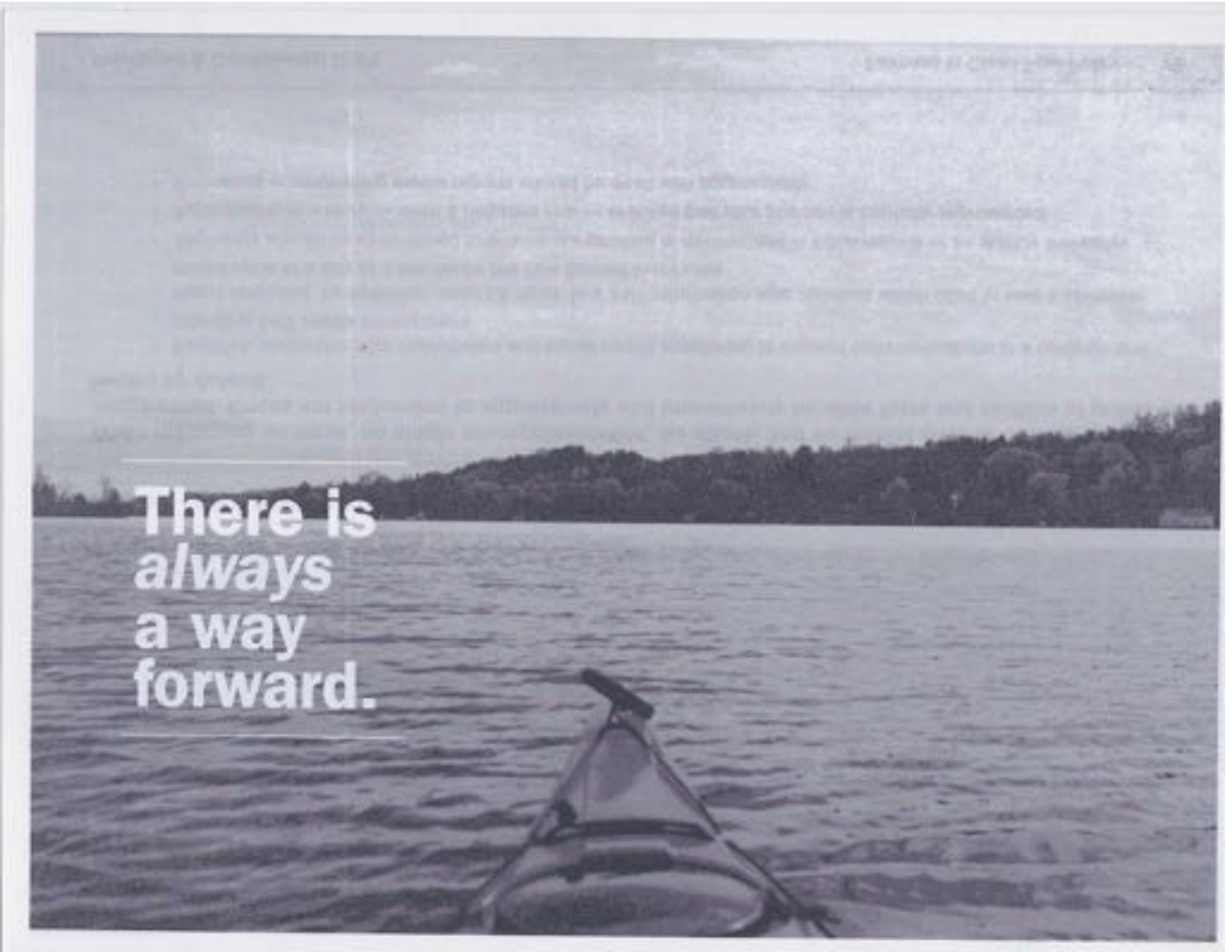
1. “Canadians for Affordable Energy Solutions” Website, Facebook, Twitter
  - Establish an online presence for a broad-based coalition of interests
  - Engage with receptive Canadians, where they reside – online
2. Promote and aggregate content
  - Front window content that supports position
3. Measure and monitor
  - Be responsive to volume and tone of conversation; adjust and optimize accordingly



## Issue management: Rapid response

When managing an issue, no single misrepresentation, no attack, and no factual error or omission can go unanswered. Errors not responded to aggressively and immediately become facts and matters of public record by default.

- Establish comprehensive mainstream and social media monitoring to support communications in a complex and changing 24/7 media environment
- Rapid response, by definition, must be rapid: In a 24/7 information age, opinions which used to take a complete media cycle of a day or a few hours are now formed in minutes
- Approvals should be streamlined to ensure our position is represented in initial reports or as quickly thereafter
- Participating in a story — even a negative one — ensures that your position is correctly represented
- Erroneous or misleading media reports should be dealt with aggressively



There is  
*always*  
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forward.