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Subject: October 20th-

Always difficult even at this stage to predict what is likely to happen on Oct 19th and who will wake up with the thought "oh my god I am still or I am the Prime Minister of Canada". The minority government scenarios are also complicating factors but I list in two sections below some general advice which might be helpful

A. Election Night and the Morning After

The transition process is much easier for a returning government. For the Liberals and NDP they will have a real awakening on the 20th with a list of things to do :

1. Engaging the Clerk of the Privy Council
2. Senior PMO appointments
3. Organization of your Ministry- how many Ministries . Who will be senior ministers given surprises of election returns. Parliamentary Secretaries and Junior ministers can wait till later.
4. Cabinet decision-making process-much of this is in stilled except how the new PM will want to organize the governance relationship between the PMO and the Ministries.
5. What to do with the Senate ? Necessary issue in order to get future legislation passed.
6. Early Key Appointments

The period from October 19th to the swearing-in of a government (November 5-9) requires intense scheduling and effective decision-making. Early briefings will be determined by an intensive international agenda of meetings in October/November.

These include :

1. November 11 Remembrance Day Ceremony
2. November 15/16 G20 in Antalya, Turkey
3. November 18/19 Asia Pacific Economic Summit (APEC) Philippines
3. November 27/29 Commonwealth Heads of Government (CHOGM) Malta
4. November 30 COP21 (Climate Change) Paris

These events provide a robust platform for demonstrating Canada's new engagement with multilateral and bilateral relations. Certainly in a Liberal or NDP scenario the first call will either be from or to President Obama .

As far as the window for getting to the new minister (s) or the PMO the first 20 days will prove difficult as new Ministers are briefed by their deputies and officials. Normally first time ministers if not all are cautioned about saying anything on substance until they master their briefings and issues. There will also be mandate letters from the PM outlining their priorities and scope of action.

First Steps could include :

1. Fiscal and economic update - Finance briefing will or is usually an eye opener for a new government. This includes fiscal policy and expenditures as well as tax issues
2. Implementation of infrastructure and growth agenda
3. Refugee support
4. TPP
5. Climate Change in light of Paris Conference

Return of Parliament

The return of Parliament in a hung Parliament could be sooner than expected to test whether the Confidence of the House is there but barring exceptional circumstances it is safer to assume this would be in January, with the Speech from the Throne (SFT).

Since there is no supply issue the window for a budget is not an immediate priority. A budget could be as early as February or perhaps a little later.

Likely Impacts of a Liberal or NDP Minority:

- smaller cabinet
- reducing the size of PMO/ ministerial staff, clear mandates
- early, pre-SFT meeting with premiers on the agenda for COP21(Paris Conference) as a demonstration of working with premiers
- new approach to infrastructure

B. Constitutional Realities.

As the incumbent Prime Minister, Mr. Harper has the right to test confidence in the House. Until confidence is established the "caretaker convention" would continue to circumscribe prime ministerial behaviour and could cause the Governor-General(GG) to refuse certain requests of the Prime Minister which require his signature or consent. For example, were Mr. Harper to attempt to fill Senate vacancies, the GG could refuse to sign the Orders-in-Council (OIC) until confidence was clearly established. This "caretaker convention is the same that governs the PM and Cabinets powers during an election.

Popular vote would be part of the legitimizing argument for a change in government and the discussions with the Governor-General will be a determining factor. The existing OIC which dissolved Parliament, calls for the return of Parliament on November 16th. Were PM Harper wishing to delay the return of Parliament it would require a new OIC and the GG's signature. Depending on the specific circumstances, seat count, party leaders' statements, popular vote etc., the GG might consent to a minimal delay but not later than the end of January.

Supply provisions to fund the activities of government would not require the return of Parliament before the end of the fiscal year. Should PM Harper intend to test confidence, delay the return of Parliament to January, he would have the right to participate in the multilateral events – G20, APEC, CHOGM, COP21- but the constraints of the "caretaker convention" would need to be respected .
Should PM Harper intend to face Parliament, and should the GG consent, PM Harper could be expected to swear in his new Cabinet as early as the first week of November.

Implications for TC/EE.

The signs with one of the opposition forming government will be:

- a) the appointment of Ministers of Natural Resources and of the Environment . If the trend is to reduce the size of Cabinet to say 25 , Ministers will find themselves with expanded mandates . Of course the Finance minister will be critical.
- b) extremely important that in terms of the revision of NEB rules and standards TC and the industry find an early entry point so that the process does not impede timing on projected in- service dates. This is sensitive but on the other hand if the Premiers and the new PM want investment and jobs they will have to provide a lead and an efficient time-frame for getting this done.
- c) If there were ever a time for energy companies to act with a clarity and uniformly it would be in a change of government scenario. An energy strategy for Canada is on the radar and we need a spear carrier for those in the industry who are part of the solution going forward rather than refusing to grasp the implications of a changing global reality .

The last point is critical as Federal leadership and a discussion with Premiers will take place early. This is where we can play and help them get things right.

Glad to answer any questions.

Dan