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**Media Scan**  
**Foreign Acquisitions of Canadian Companies & Government Reviews**  
**Updated: October 11, 2012**

**Print and Online Media**

**Ottawa strengthens investment rules**

The federal government is strengthening its ability to ensure foreign corporations live up to undertakings about jobs and investment in Canada when they buy a Canadian business. The much-maligned Investment Canada Act is being changed to allow the federal government to hold security bonds from foreign companies asking permission to complete a corporate takeover in this country. The security would cover "payment of any penalties ordered by a court for a contravention" of undertakings promised as a condition of the foreign acquisition, according to an announcement by Industry Canada on Friday. Toronto Star, A20 (2012-04-28)

**Opaque rules scare away Chinese investment: think-tank**

Canada is missing out on billions of investments from cash-rich China because of Ottawa's confusing foreign takeover rules, says a report from the Conference Board. The Ottawa-based think-tank makes clear it is a supporter of foreign investments, including from China, saying simply that economies that have access to global capital do better in terms of growth and job creation. But the Conference Board argues that once national security issues are resolved, China should be treated like any other foreign investor. As well, Canada should spell out its rules for investors so that they know the tests they need to pass. That's not the perception today, the report says. The Investment Act's "net benefit" rule, although seldom invoked to reject a takeover, is opaque, and as a result adds costs and political risk to what should be a business decision. The Conference Board says the Act should be amended along the Australian model with clearly defined rules about ownership and governance. It also calls for a national interest test and a national security test. Vancouver Sun, C1 (2012-07-06)

**Benefit rule tests China's patience**

Chinese investors are being turned off from coming to Canada, the Conference Board of Canada said Thursday, blaming the federal government's protectionist policies on foreign direct investment. Canada's thriving resources sector has attracted accelerating levels of interest from the rising Asian superpower in recent years. If the country wants those funds to continue flowing, the Ottawa-based think-tank argues in a new report, the indefinable "net benefit" test must be rewritten. Most Chinese investors are state-owned by the Communist government in Beijing, Mr. Hodgson said, "so it is perfectly legitimate to ask whether they have been behaving as commercial players or as agents of Chinese foreign policy, and if it is the latter we have every reason to ask questions about our national security interest." National Post, FP1 (2012-07-06)

**Nexen officials talked "security" with CSIS Director Richard Fadden last April**

An opinion piece states, "Just a few hours after news of the potential takeover of Alberta-based Nexen by the China National Offshore Oil Company went public, Industry Minister Christian Paradis issued a statement confirming that the proposal will undergo a full review under the Investment Canada Act, with approval to be granted only if he's "satisfied" that it would be "of net benefit to Canada...On what may or may not be a related noted, reports filed with the lobbying commissioner, Nexen officials met with CSIS director Richard Fadden on April 12 to discuss unspecified "security" issues.

Did the prospect of a deal with a state-owned Chinese energy company spur the sudden interest in foreign security? Given Fadden's controversial past comments on the risk of foreign influence and espionage, it would be fascinating -- if likely impossible -- to find out what he might have had to say on the matter if it came up during those discussions..." CBC News (2012-07-23)

### **China bets big on Canadian oil**

China is taking a historic step toward its ambition to become a global resources powerhouse with a \$15.1-billion (U.S.) bid to buy Calgary-based oil producer Nexen Inc. The bid by state-backed CNOOC Ltd. is the largest by a Chinese firm for a foreign company, and confirms that Canada has become a proving ground for China's rise in the global economic order as it deploys some of its trillions of dollars in foreign reserves to secure strategic resource properties around the world. The deal builds on a string of previous acquisitions by Chinese firms in Canada's oil sands. It would be the second-largest deal ever in Canada's energy sector and, if approved, the sixth-largest takeover ever in Canada. Though it may test the Harper government's stance on foreign ownership, two years after it blocked a \$39-billion (Canadian) takeover offer for Potash Corp. of Saskatchewan Inc., there are strong indications that the deal will be approved. Globe and Mail, A1 (2012-07-24)

### **Lessons learned on takeovers**

An editorial states, "Presumably, the Chinese government's pending purchase of Nexen, a major oil-and-gas producer based in Calgary, was in the works before **Premier Alison Redford** went to China mere weeks ago to drum up foreign investment... The deal requires a two-thirds majority vote of shareholders on Sept. 21 and with windfall profits in the offing, chances of acceptance seem high. That vote could become moot, however, if the deal doesn't pass muster during an Investment Canada Review conducted by Industry Minister Christian Paradis. CNOOC's president believes his company will prove a "net benefit" to Canada, which is at the crux of the review... Canadian government website lists factors influencing its review. They include the effect of the takeover on economic activity, productivity, technological development, competition and product innovation in Canada. Also, the government considers the degree of Canadian participation, compatibility with national industrial, economic and cultural policies and the contribution to Canada's ability to compete globally. Paradis will consult with industry and government officials, including Redford, as part of the review. Given that the premier and Prime Minister Stephen Harper have both travelled to China recently to embrace foreign investment, this deal should fit seamlessly into Alberta's vision of oilsands development... With those concessions in mind and governments in Alberta and Ottawa likely onside, the deal is likely to proceed." Edmonton Journal, A16 (2012-07-24)

### **Feds' probe into Chinese takeover could fall short**

There are new fears the federal review process for foreign takeovers of Canadian companies falls apart on issues of national security. "There's no definition of what national security is," said Terry Glavin, a journalist and author who is a strong critic of China. While Paradis has said the deal has to comply with national security requirements, the Investment Canada Act doesn't specify what criteria must be met. Toronto Sun, 28 (2012-07-26)

### **CSIS said to be probing First Nations, China links**

Canadian intelligence services appear to have probed financial links between First Nations groups and Chinese companies as scrutiny continues to mount on China's interest in this country's natural resources sector. This week, Chinese oil company CNOOC Ltd. announced a \$15-billion takeover bid for Calgary-based Nexen, a proposal that will have to pass scrutiny under the Canada Investment Act. The deal seems to be raising warning flags among politicians who fear the energy-hungry superpower's influence in Canada's oil patch. According to the CBC, Nexen's CEO also met with CSIS director Richard Fadden in April of this year to discuss security issues. National Post, A1 (2012-07-26)

### **Chinese have learned from mistakes made in Unocal bid**

An opinion piece states, "Experts, pundits and netizens have all weighed in on the pros and cons of a \$15.1-billion US purchase of Nexen by Chinese National Offshore Oil Corp. There have been various analyses of China's intentions and the implications for Canada's future relations with China... Today's Canada, in contrast, has enthusiastically encouraged Chinese investment, making energy diversification to Asian market a strategic priority. With even the NDP not opposing the Nexen deal, the Canadian government approval process is unlikely to see the kind of hostility the CNOOC-Unocal deal encountered in the U.S. in 2005...The entire process will still require review by the federal government, and there are some uncertainties as to how the American and British governments will react..." National Post, FP11 (2012-07-26)

### **Foreign firms covet Canada's energy**

This week's bid by a state-owned Chinese company for ownership of Calgary's Nexen Inc. underscores a growing Asian interest in companies involved in Canada's resource sector. The \$15-billion Nexen offer by the China National Offshore Oil Corporation (CNOOC) follows last month's proposed purchase of Progress Energy by Petronas, Malaysia's state-owned oil and gas company. Friday Petronas raised its bid from \$4.8 billion to \$5.16 billion to counter a competing offer. Both deals, which are subject to review under the Investment Canada Act, have implications for British Columbia because the targeted Canadian companies have large natural gas properties in B.C. Vancouver Sun, D3 (2012-07-28)

### **Slick road ahead**

CNOOC's bid to buy Nexen should be the catalyst to a national debate on the direction of Canada- China relations, says the head of the Institute for Asian Research. The deal must still be approved by Industry Canada and CNOOC has said Nexen's head office will remain in Calgary. Calgary Sun, 24 (2012-07-29)

### **U.S. senator wants to halt Chinese takeover of Nexen**

A U.S. senator wants his government to hold up a Chinese state-owned company's \$15.1-billion take-over of Calgary-based Nexen Inc. as a means to press China on its trade policy as the U.S. securities regulator also looks into allegations of insider trading surrounding the deal. Charles Schumer made his argument in a letter sent Friday to Treasury Secretary Timothy Geithner, who chairs the Committee on Foreign Investment in the United States, or CFIUS, a body that reviews foreign investments in U.S. companies. Calgary Herald, B3 (2012-07-30)

### **The 'petro-dictators' are among us**

British Columbia Premier Christy Clark's belated but necessary assertion of B.C.'s bottom lines on the preposterously irresponsible \$5.6-billion Enbridge Inc. pipeline-and-tanker scheme has caused a great deal of windy indignation to erupt from Ottawa. Clark is hijacking the prospects for a national energy strategy, we're told. Even worse, what's at stake is the delicate balance of Confederation itself. Applying the Investment Canada Act's "national security" test to the CNOOC bid will set off a similar charade because that's what it's intended to be, too. When the Act was amended in 2009, the federal cabinet ruled out any definition of "national security" and explicitly rejected recommendations to conduct national security reviews according to "concrete," "objective" and "transparent" criteria. Just trust us, we know what's best. "This deal prompts great concern about the Chinese government's continued attempts to use its state-owned enterprises to acquire global energy resources." Who said that about CNOOC's Nexen bid? Was it Industry Minister Christian Paradis? NDP boss Tom Mulcair? Liberal helmsman Bob Rae? No. It was Drew Hamill, spokesman for U.S. Ottawa Citizen, A11 (2012-07-31)

### **The net losses test**

The recent announcement that CNOOC, China's large multinational oil company, is bidding \$15.1-billion for Canadian energy producer Nexen brings into focus the Canadian government's vetting process. Under the Investment Canada Act, foreign takeovers of large Canadian companies must pass a "net benefit" test. That is, a foreign takeover of a Canadian company must convey additional economic benefits to the Canadian economy over and above those currently being realized under domestic ownership. National Post, FP13 (2012-08-01)

### **Lowe's offers to buy Canada's Rona for \$1.8B**

Under the Investment Canada Act, Ottawa can review any foreign investment worth more than C\$330 million and can block a deal it thinks is not in Canada's best interests. It has exercised that prerogative only twice, most recently in 2010 when it said BHP Billiton's BHP.AX hostile bid for Canadian fertilizer maker Potash Corp POT.TO was not of net benefit. Telegraph-Journal, B2 (2012-08-03)

### **Canada will widen export markets**

An opinion piece states, "...If approved, China National's acquisition of Calgary-based Nexen will be the largest foreign acquisition ever by a foreign company in Canada... The punditocracy in the U.S. and Canada worry that China's appetite for energy will interfere with our ability to utilize our own natural resources. Politicians on both sides of the 49th parallel will want to use the approval process to extract concessions on market access issues, never an easy proposition, especially with China... While we are the closest of allies, Canada and the United States have divergent energy interests. Canada is a net energy exporter. The United States is a net importer. Canada wants to diversify its markets, while the U.S. wants a reliable supply of imports. Canada will create incentives for its energy companies to diversify their customer base. The U.S. hadn't even considered the possibility of Chinese competition for Canadian oil..." The Record, A9 (2012-08-10)

### **Quebec parties vow to give local companies teeth of veto power over foreign takeovers**

Quebec could become the first province to arm companies with a veto power over foreign takeovers, under a proposal with potential domino-effect implications for other parts of the country. Two political parties have now promised that if they win the Sept. 4 election they would allow a company's board of directors to repel a foreign acquisition if it's deemed to be against the interest of workers or the greater community. The latest such pledge from the Charest Liberals, whose promise Monday resembles an earlier one from the Parti Quebecois, prompted one analyst to predict copycat moves elsewhere in Canada. The Guardian, A5 (2012-08-14)

### **CNOOC's bid for Nexen is a key move on China's global chess board**

An opinion piece states, "...Moreover, might some of the people who come to Canada with CNOOC to run Nexen be operatives of Chinese security agencies with mandates to engage in political and economic espionage? At present, the RCMP, CSIS and CSEC do not have the resources to effectively counter any Chinese state challenge to Canada's security. If CNOOC moves in, Ottawa would have to rethink its priorities for domestic counter-intelligence, and make some

hard budgetary decisions. In the end, if the Harper government decides that CNOOC's \$15.1-billion investment meets the "net benefit to Canada" test, we must be prepared for the implications of enhanced Chinese state presence in our economy." Toronto Star (2012-08-22)

### **CSIS warns of threats of foreign takeovers - Report comes as Tories review Chinese firm's bid for Nexen**

As the federal government reviews a proposed takeover of a Calgary-based energy company by a state-owned Chinese oil giant, Canada's spy agency is warning such acquisitions can pose a threat to national security. The shareholders of petroleum producer Nexen overwhelmingly approved Thurs-day the \$15.1-billion US foreign takeover of the company by the China National Offshore Oil Corporation (CNOOC). The vote by Nexen share-holders came the same day the Canadian Security Intelligence Service warned in its latest annual report that some state-owned foreign companies are pursuing "opaque agendas" in Canada and that attempts to acquire control over strategic sectors of the Canadian economy pose a threat to national security. Ottawa Citizen

### **Ottawa awaits CNOOC proposal**

Canada's industry minister says there is no deadline for his decision to approve or reject a Chinese state-owned company's multibillion-dollar bid for Calgary-based Nexen Inc. The deal faces a review by both Industry Minister Christian Paradis and the federal Competition Bureau. Paradis said his department is still waiting for a formal proposal from the Chinese company before a review can begin. "I was told that CNOOC was going to table a proposal soon so that is the state of the matter. After that this will be a reviewable transaction," Paradis told reporters in Calgary. Paradis said once the official proposal is received by his department, the offer will be scrutinized to make sure there is a "net benefit" for Canada. Edmonton Journal, B3 (2012-08-23)

### **A different kind of oil takeover**

The proposed sale of Nexen Inc. to China National Offshore Oil Corporation (CNOOC) is being applauded by some as potentially opening the doors to Asian oil and gas markets and providing an assured source of capital for resource development. On the other hand, some regard it as yet another sale of Canadian petroleum resources to foreign interests that could have serious long-term implications for Canadian energy security. Vancouver Sun, A11 (2012-08-23)

### **Harper vows scrutiny of CNOOC-Nexen deal**

Prime Minister Stephen Harper said Thursday that the federal government will closely evaluate a Chinese company's bid for the largest takeover of a Canadian energy company. In a sign that the government is acutely aware of public perception of China having a controlling stake in Canadian energy resources, Harper said not only will the deal be scrutinized for its net benefit to Canada under federal law, but also the long-term policy implications of allowing the deal to go through. The proposed takeover must still receive federal approval under the Investment Canada Act. According to the act, the foreign takeover of a Canadian company can only happen if the government considers it to be of net benefit to the Canadian economy. This new takeover bid has again run into political obstacles in the United States where Nexen has holdings, and in Canada where the deal must be reviewed by the Competition Bureau and under Investment Canada Act. Calgary Herald, A8 (2012-08-24)

### **Outcome of Nexen/CNOOC merger murky**

The thick smoke signals sent by Prime Minister Stephen Harper in recent days on the proposed \$15.1-billion takeover of Nexen Inc. by CNOOC Ltd. are a warning to the market that a wide range of outcomes is possible. As the prime minister correctly noted, Canada's response to China's largest overseas takeover offer would have big implications for the economy. It would also mark a point-of-no-return for the Canadian oil and gas industry. The market has been betting on two outcomes: Most believe the deal will get federal approval because it fits known "net benefit" criteria under the **Investment Canada Act**. National Post, FP5 (2012-08-25)

### **CNOOC seeks Ottawa's approval for Nexen takeover**

CNOOC Ltd. applied for Investment Canada approval for its proposed \$15.1-billion acquisition of Calgary-based Nexen Inc. on Wednesday, setting the clock ticking on a key decision for the federal government in its relations with China. The proposed deal has sparked concerns about growing investment by state-owned enterprises in the Canadian oil and gas sector, and Ottawa has pledged to take those concerns into account as it assesses the CNOOC-Nexen deal. Globe and Mail (2012-08-29)

### **CSIS warns against takeovers by state-owned firms**

Opposition MPs believe when Canada's spy agency warns that foreign, state-owned companies taking over strategic sectors of the economy could pose a threat to national security, the government should listen. "When I read that CSIS is concerned about foreign companies and their investments in Canada raising security risks, I want to know more," said Liberal MP Geoff Regan. Calgary Sun (2012-09-22)

### **National security a priority in Nexen takeover, Fast says**

The federal government sought to reassure Canadians Friday that national security will be a priority as it reviews a state-owned Chinese oil giant's proposed takeover of Calgary-based energy company Nexen. "The Investment Canada Act contains provisions to protect national security," Foreign Affairs Minister John Baird said in the House of Commons, "and the people of Canada can be sure that our government has done its job and makes good decisions in the interest of Canada." The comments come a day after Canada's spy agency warned that some state-owned foreign companies are pursuing "opaque agendas" in Canada as they attempt to acquire control over strategic sectors of the Canadian economy. The Ottawa Citizen (2012-09-22)

### **Nixing Nexxen deal would be good for Canada's soul**

David Kilgour was an Edmonton Member of Parliament for 27 years, and during that time served in both Conservative and Liberal governments, and finally became an independent MP on issues of principle. At present he is best known for investigative work with human rights lawyer David Matas, into China's appalling record of harvesting human organs from convicts and Falun Gong dissidents for sale to foreigners. Their book, *Bloody Harvest*, is a powerful indictment of the practice and is taken seriously in the UN and around the world. So, Kilgour is no fan of Beijing's policies or methods. Right now he's upset -justifiably so -at China's bid to buy Nexen, Inc., Canada's sixth largest oil company, for \$15 billion. The sale would reap a tidy profit for Nexen share holders, who overwhelmingly have voted to accept the offer. The prospective buyer is the China National Offshore Oil Corp (CNOOC), which means the Beijing government. Kilgour notes that it is now up to Prime Minister Stephen Harper to decide whether the sale represents a "net benefit" to Canada, and doesn't undermine or threaten "national security," as defined by the Investment Canada Act. Edmonton Sun (2012-09-23)

### **Ambassador promoting Nexen takeover**

China's ambassador in Canada is on a charm offensive, appealing to the public to look favourably on Chinese investment in the oilpatch. Ambassador Zhang Junsai has given two recent media interviews coming just after Nexen shareholders overwhelmingly approved a generous takeover from Chinese state-owned CNOOC - a deal that still needs Ottawa's blessing to go ahead. In interviews with the *Globe and Mail* and CTV, Zhang said Chinese businesses are interested in Canada because the investment climate is stable and regulations are "mature." The Vancouver Sun (2012-09-24)

### **Nexen: la Chine en mode séduction**

L'ambassadeur de la Chine au Canada tente présentement de séduire le public afin qu'il voie d'un oeil favorable les investissements chinois dans le secteur du pétrole canadien. Zhang Junsai a accordé deux entrevues dans la foulée de l'approbation par une majorité écrasante d'actionnaires de l'achat de Nexen, une entreprise de Calgary, par la société d'État chinoise China National Offshore Oil Corp. (CNOOC), une transaction à laquelle Ottawa doit toutefois donner son aval pour qu'elle devienne réalité. Le Devoir, A4 (2012-09-24)

### **Takeover of large resource companies by foreigners needs scrutiny**

A senior Conservative cabinet minister says the federal government must apply a "rigorous lens" to takeovers of large Canadian resource companies by stateowned foreign enterprises, such as the CNOOC-Nexen deal. Immigration Minister Jason Kenney, one of Prime Minister Stephen Harper's top lieutenants and a longtime critic of China's human rights record, said Monday the \$15.1-billion takeover bid of Calgary-based energy producer Nexen by a Chinese state-owned oil giant will be reviewed by the government in an impartial and lawful way. The Conservative cabinet is currently examining whether to approve China National Offshore Oil Corporation's (CNOOC) takeover of Nexen under the Investment Canada Act, and whether the deal is of "net benefit" to Canada. The agreement was overwhelmingly approved last week by Nexen shareholders. Their blessing came the same day Canada's spy agency warned some state-owned foreign companies are pursuing "opaque agendas" in Canada as they attempt to acquire control over strategic sectors of the Canadian economy. Montreal Gazette, A17 (2012-09-25)

### **Huge potential in China deal**

An opinion piece states, "Four in 10 Canadians see China as a threat, if opinion polls are to be believed. Seven in 10 oppose approval of the \$15.1-billion bid by China's CNOOC for Calgary oil company, Nexen... This was clearly the fear of China's ambassador in Ottawa, Zhang Junsai, who is urging that the deal be judged solely on business terms... But for the Harper government to bow to its baser political instincts would be to put short-term political self-interest ahead of the long-term prosperity of the country. There appear to be no reasons of any substance to blow up the transaction." National Post, A4 (2012-09-25)

### **Nexen debate should be all about security**

An opinion piece states, "Ottawa's forthcoming decision whether to approve the take-over of Nexen by the Chinese National Offshore Oil Corporation (CNOOC) will set an important precedent in this country. The decision will also reverberate globally, not least because this is the largest Chinese SOE acquisition anywhere in the world. Almost all of the Canadian commentary to date has centred on the economics and business merits of the acquisition... These are important questions to be sure, but they fail to address the fundamental issue, namely, could CNOOC's acquisition of Nexen be inimical to Canada's foreign policy and national security?" Ottawa Citizen, A13 (2012-09-25)

### **Ottawa should quash Chinese bid for Nexen**

A letter states, "The Chinese National Off-shore Oil Company's bid to take over Nexen, one of Canada's largest energy companies, is against our national interests and should be quashed... Even our national spy agency, CSIS, is raising concerns about such takeovers." Vancouver Sun, A10 (2012-09-25)

### **CSIS report raises a question to be asked about the CNOOC-Nexen deal**

An editorial states, "Foreign espionage is surely not a net benefit to Canada. That phrase is the essential criterion for the approval of takeovers by foreign companies, under the Investment Canada Act. It is striking that the most recent annual report of the Canadian Security Intelligence Service, released last Thursday, implicitly draws a connection between foreign-investment policy and security and intelligence a point that decision-makers and policy-makers need to bear in mind. In particular, CSIS's report says that certain state-owned enterprises and private firms with close ties to their home governments have pursued opaque agendas or received clandestine intelligence support for their pursuits here." Globe and Mail (2012-09-25)

### **China eyes pipeline tech**

Canada's spy agency, CSIS, has warned that foreign state-owned companies that buy up significant portions of Canada's oilpatch threaten the sovereignty and security of this country by gaining access to sensitive technology and strategic resources. Chinese oil companies have invested billions of dollars into the Alberta oilpatch, and one of them is seeking to purchase Calgary-based Nexen Inc. Edmonton Sun, 22 (2012-09-26)

### **Asking how close are the ties to the state**

An editorial states, Foreign espionage is surely not a "net benefit to Canada." That phrase is the essential criterion for the approval of takeovers by foreign companies, under the Investment Canada Act. It is striking that the most recent annual report of the Canadian Security Intelligence Service, released last Thursday, implicitly draws a connection between foreign-investment policy and security and intelligence - a point that decision-makers and policy-makers need to bear in mind. In particular, CSIS's report says that "certain state-owned enterprises and private firms with close ties to their home governments have pursued opaque agendas or received clandestine intelligence support for their pursuits here." To be fair, it must be said that the International Energy Agency published a paper last year, which said that CNOOC Ltd. and two other state-owned Chinese oil companies are not "state-run" but "state-invested." CNOOC's application to Investment Canada for its purchase of the Canadian oil company Nexen Inc. is pending. Globe and Mail, A18 (2012-09-26)

### **Big questions over Chinese bid for Nexen**

A opinion piece states, The Chinese state company CNOOC's \$15-billion bid for Nexen, a major Canadian oil and gas company, raises major issues about the future of Canada's economy. Red Deer Advocate, A4 (2012-09-26)

### **DBRS: Net benefits of Nexen takeover somewhat mixed'**

The net benefit of a \$15.1-billion takeover of Nexen Inc. (TSX:NXY) by a Chinese company is "somewhat mixed" because the deal offers only limited direct financial benefits but may help trade relations, says the DBRS debt-rating agency. Alberta Tory MP Ted Menzies has said he's been getting a lot of negative feedback from constituents about the takeover by a state-owned Chinese firm. The Canadian Security Intelligence Service report for 2010-11 also warned last week that when companies with links to foreign intelligence agencies or hostile governments try to acquire control over strategic sectors of the Canadian economy, it can represent a threat. Canadian Press (link to CTV News) (2012-09-26)

### **Editorial: The Nexen test**

An editorial states Generally speaking, foreign investment in Canada is a good thing. That holds true in the oilpatch just as in other sectors of the economy. If the China National Offshore Oil Corporation wants to pay a premium to take over Canadian-based oil and gas company Nexen Inc., that's good for the shareholders and could have all kinds of knock-on benefits in Canada. That said, critics of the deal are right to point out that CNOOC is not just a company like any other. It's owned by the Chinese state, which happens to be run by communists who do not respect human rights within China or outside it, and whose foreign policy on crucial security matters often runs directly counter to Canada's. If a deal poses a national security threat, the Canadian government should nix it. Ottawa Citizen (2012-09-26)

### **The Nexen test**

An editorial states, ...If a deal poses a national security threat, the Canadian government should nix it. But the law that governs foreign take-overs has left the definition of national security so loose that no one really knows whether Chinese investment in the oil-patch qualifies Ottawa Citizen, A12 (2012-09-27)

### **Energy CNOOC may need to boost spending to secure Nexen**

CNOOC Ltd. may need to boost investments in Canada to secure government approval for its \$15.1 billion takeover of Nexen Inc., according to two people familiar with the Beijing-based company's plans. Financial Post (2012-09-28)

**Private Members' Biz Watch: Is the CNOOC/Nexen merger the next "human being" debate?** A blog post states, Inspired, it seems, by his former caucus colleague's ill-fated attempt at special committee creation, Independent MP Peter Goldring has adopted the same procedural strategy -- and, indeed, much of the same wording -- in crafting a pitch, in the form of a private members' motion, for full parliamentary review of the controversial CNOOC/Nexen takeover bid:.. Inside Politics Blog CBC News (2012-09-28)

#### **Foreign takeover map pledged**

It's guiding a huge chunk of foreign investment in Canada and the government's broader economic goals, but critics assail it for being too vague and lacking necessary safeguards to protect the economy and national security. The Investment Canada Act is steering the federal government's decisions on major foreign takeovers that could have huge ramifications on the national economy - including China National Offshore Oil Corp.'s \$15.1-billion takeover bid of Calgary-based petroleum producer Nexen. The Gazette, C10 (2012-09-29)

#### **Takeovers need clear rules**

An editorial states, "If a deal poses a national security threat, the Canadian government should nix it. But the law that governs foreign takeovers has left the definition of national security so loose that no one really knows whether Chinese investment in the oilpatch qualifies. "While the vast majority of foreign investment in Canada is carried out in an open and transparent manner," the Canadian Security Intelligence Service warned in its 2010-2011 report, "certain state-owned enterprises (SOEs) and private firms with close ties to their home governments have pursued opaque agendas or received clan-destine intelligence support for their pursuits here." ..." Vancouver Sun, D3 (2012-09-29)

#### **Canada can't be naive about China**

An opinion piece states, "Canadians should be upset and insulted that China's biggest grab for control of a major resource company anywhere in the world is the \$15-billion Nexen Inc. deal. Clearly, China is testing whether this Boy Scout of a nation will roll over. This is just one of many reasons why Canada must reject this takeover. Another is a warning by CSIS against foreign buyouts of strategic assets, and another is that polls show public opposition to the deal. National Post, FP2 (2012-09-29)

#### **Time to prove Canada open for business**

An opinion piece states, "...Last week CSIS reported again that Chinese industrial espionage is a serious threat. This is nothing new; CSIS has been issuing this warning for a decade. Will rejecting a needed investment change this behaviour? Not in the slightest. The cure for illegal behaviour is law enforcement, not market restrictions. CNOOC is not proposing to buy a \$15-billion oil company to better spy on industrial rivals! ..." National Post, FP17 (2012-09-29)

#### **CNOOC-Nexen deal not worth taking a foreign-investment stand on**

An opinion piece states, "As national and international debate over the CNOOC-Nexen deal heats up it becomes more and more obvious that Ottawa should just wave a wand of approval over the \$15-billion takeover. China, which owns CNOOC Ltd., is a growing global threat, politically and economically, but that's no reason for Ottawa to rush into a new interventionist foreign-investment stance over what is essentially a marginal transaction for a company — Nexen Inc. — that is of no strategic importance.." Financial Post (2012-09-29)

#### **China's big play**

A crossroads in Canada's relations with China is fast approaching, with Prime Minister Stephen Harper's government on the verge of a foreign investment decision that will spell out the risks Ottawa is willing to take to tap into Asia's economic juggernaut. As political and commercial stakes mount by the day, federal officials are secretly laying the groundwork for a yes-or-no decision on the \$15.1-billion play by China's state-controlled oil giant for a precedent-setting role in Canada's oil sands development. Toronto Star, IN4 (2012-09-30)

#### **Nexen deal reveals clash of cultures**

An editorial piece states, "As the rhetoric intensifies over the purchase of Calgary oil and gas producer Nexen by a Chinese state oil company and issues from free trade to human rights are raised as bargaining chips to approve the deal it speaks to a clash of cultures in the changing geopolitical reality globally..." Calgary Herald (2012-09-30)

#### **Nexen deal beneficial, Redford says**

Premier Alison Redford says her government believes "there's a lot of benefit for Alberta and Canada" in the proposed sale of Nexen Inc. to a state-owned Chinese firm. In an interview with the Herald, Redford said her office has advised the Harper government in its review of China National Offshore Oil Corp.'s contentious \$15.1-billion US bid for the Calgary based petroleum producer. Calgary Herald, A4 (2012-10-01)

#### **There's good reason to be wary of China**

An opinion piece states, "...Clearly, Canada's CEOs never met a Chinese business opportunity they did not want to embrace. And yet these titans of our business world weren't listening to what was being said at their own conference...Is

this the same China whose ambassador to Canada threatened us recently that if we didn't approve of a Chinese state-owned company's bid for Nexen, a Canadian energy company, that we "wouldn't be able to do business together?" The same China that ruthlessly and insouciantly throws peasants off land they have been farming for generations with little or no compensation because their presence has become inconvenient for Communist Party apparatchiks?...China respects strength and resolve. So should we." Calgary Herald, A11 (2012-10-01)

#### **Alberta leader backs Nexen deal, executives less sure**

The premier of the oil-rich province of Alberta said she sees benefits from the proposed \$15.1 billion sale of Canadian oil producer Nexen Inc to a Chinese state-owned company, but a survey published on Monday showed half the country's executives would oppose a no-strings deal. Reuters UK; Financial Post (2012-10-01)

#### **Best to show strength in dealings with China**

An editorial states, "East is east and west is west, wrote Rudyard Kipling, and never the twain shall meet. It's plain dear old Rudyard was never exposed to the Canadian business class hot on the scent of Chinese profits...Is this the same China whose ambassador to Canada threatened recently that if we didn't approve of a Chinese state-owned company's bid for Nexen, a Canadian energy company, that we "wouldn't be able to do business together?" The same China that ruthlessly and insouciantly throws peasants off land they have been farming for generations with little or no compensation because their presence has become inconvenient for Communist Party apparatchiks?..." The Province, A16 (2012-10-02)

#### **Don't rubber-stamp CNOOC-Nexen deal, Canada opposition urges**

Canada's main opposition party urged the Conservative government on Tuesday not to rubber-stamp a bid by China's CNOOC Ltd to buy oil company Nexen Inc without public consultations, saying opinion had hardened against the deal. Reuters; CTV News (2012-10-02)

#### **No Need for Manners in Nexen Deal, Canada**

An opinion piece states, "Canadians should be upset and insulted that China's biggest grab for control of a major resource company anywhere in the world is the \$15-billion Nexen deal. Clearly, China is testing whether this Boy Scout of a nation will roll over. This is just one of many reasons why Canada must reject this takeover. Another is a warning by CSIS against foreign buyouts of strategic assets, and yet another is that polls show public opposition to the deal..." Huffington Post (2012-10-02)

#### **Takeover process entirely arbitrary**

An opinion piece states, "As a general rule, there is no particular reason to treat a foreign takeover any differently than a domestic one. When Acme Ballbearings of Guelph, Ont., makes a bid for Ballbearings R Us of Brandon, Man., no government agency is assigned to ponder whether the transaction is of "net benefit" to Canada...Still, if that's where we're drawing the line now - no longer opposed to foreign takeovers as such, but only to those emanating from repressive regimes - that's progress in itself. The prime minister has promised a broader redrafting of foreign investment rules in the wake of the Nexen decision. If rejecting or modifying CNOOC's bid provided cover for a general opening of our borders, that would be a pretty good trade." Ottawa Citizen (2012-10-02)

#### **Approving Nexen deal would be treason, Canada MP says**

Canada's Conservative government will commit treason if it approves a \$15.1 billion bid by China's state-owned CNOOC Ltd to buy Canadian oil company Nexen Inc, opposition Member of Parliament Pat Martin said on Tuesday. Martin was speaking during debate in the House of Commons on a motion by his left-leaning New Democratic Party demanding that the government hold public consultations before deciding whether to approve the deal. Reuters; Canadian Press (2012-10-02)

#### **Hearings on Nexen illegal, Tory says**

The federal government would be breaking the law if it held public hearings on the CNOOC-Nexen deal as the opposition demands, Treasury Board President Tony Clement says. The federal NDP, which will announce this week whether it supports CNOOC's take-over of Nexen, wants public hearings into foreign ownership in the Canadian energy sector by state-owned enterprises such as Beijing-based CNOOC. Christian Paradis stressed that the government has made several changes to the Investment Canada Act over the past few years, including new guidelines for state-owned enterprises, additional national security provisions and more ability to communicate decisions to the public. Ottawa Citizen, A4 (StarPhoenix; Edmonton Journal; Calgary Herald); Globe and Mail (2012-10-03)

#### **There are bigger threats than China's purchase of Nexen**

An editorial piece states, "If Canada's potential tensions with China are confined to matters such as the purchase of Nexen by the Chinese National Offshore Oil Company, CNOOC, we are the envy of the world. To begin with, the CNOOC purchase is as close to a no-brainer as you can get. CSIS, Canada's counterspy bureaucracy, trying to prove it is still



useful, muttered imprecations about Chinese spies. But Nexen, like CNOOC, is an exploration company." Calgary Herald, A14 (2012-10-03)

### **Le NPD réclame des audiences publiques**

Le Nouveau Parti démocratique (NPD) a une fois de plus pressé le gouvernement Harper de tenir des audiences publiques sur la vente de la société pétrolière Nexen à des intérêts chinois, hier, estimant que l'opinion publique canadienne se cristallise contre la transaction. Le gouvernement Harper doit bientôt décider s'il donne son aval à la transaction de 15 milliards de dollars qui permettrait à l'entreprise étatique China National Offshore Oil Company (CNOOC) d'acquérir la société de Calgary. La Presse, S6 (Le Quotidien) (2012-10-03)

### **Redford sets terms for Nexen bid approval**

Premier Alison Redford has set out specific conditions for Alberta's approval of the sale of Calgary-based petroleum producer Nexen to a company controlled by China's state-owned national offshore oil corporation, but she remains supportive of the deal. The premier has asked the federal government to impose stricter employment and management conditions on CNOOC's \$15.1-billion takeover of Nexen, including a guarantee that half of the corporation's management and board is Canadian, according to a report from Bloomberg. Calgary Herald, A6 (2012-10-04)

### **Nexen deal difficult from policy angle: PM**

Prime Minister Stephen Harper says CNOOC's takeover bid for Canadian energy company Nexen "raises a range of difficult policy questions" for his government as it decides whether to approve the \$15-billion transaction. The Conservative cabinet is currently reviewing, under the Investment Canada Act, whether China National Offshore Oil Corporation's (CNOOC) \$15.1-billion takeover of Calgary-based petroleum producer Nexen is of "net benefit" to Canada. Edmonton Journal, A8 (Calgary Herald, Times & Transcript); Toronto Sun (2012-10-05)

### **Nexen: Are we naive or visionary?**

An opinion piece states, the NDP lost a vote in the Commons which would have forced the Conservatives to hold public hearings into the takeover bid. Julian acknowledged national security concerns, but conceded there are more questions than answers. He referred to a previous statement from the company in which it referred to itself as a "mobile national territory," hardly the definition of a Crown corporation that would be familiar to Canadians. In Canada, national security concerns posed by foreign takeovers are left to the industry minister and the cabinet to arbitrate. Hamilton Spectator, A19 (2012-10-05)

### **Chinese wall needed**

An editorial states, China National Offshore Oil Corp.'s proposal to acquire Nexen for \$15-billion should be approved - with specific conditions attached that address the underlying concerns of citizens and business leaders. In addition, the minister should commit to modernizing the Investment Canada Act in the near future. By creating the right policy framework around the Nexen deal, Canada would finally clarify for investors at home and around the globe what they can expect when making a major capital investment in the Canadian economy. National Post, FP11 (2012-10-05)

### **Canada 'at risk' from Chinese firm, U.S. warns - Head of U.S. committee says ordinary Canadians should be worried about Huawei**

The head of the powerful U.S. Intelligence Committee is urging Canadian companies not to do business with the Chinese telecommunications giant Huawei as a matter of national security. In a scathing report released Monday in Washington, the congressional committee branded Huawei a threat to U.S. national security, and urged American telecommunications companies using the Chinese firm to find other vendors. But in an exclusive interview with CBC News, committee chairman Mike Rogers warns that Canada is equally at risk. CBC News (2012-10-09)

### **China syndrome: Is sinophobia driving dread of Nexen takeover?**

An opinion piece states What's so scary about the CNOOC-Nexen deal? Is it the litany of human rights abuses by CNOOC's ultimate owner the Chinese government? Is it the suspicions of espionage and intellectual property theft that swirl around most big-ticket Chinese industries? Is it the fact CNOOC is a state-owned enterprise (SOE)? Pinpointing exactly what irks Canadians about CNOOC's takeover of Nexen can be baffling. As for espionage, most news reports offer a brief quote from CSIS director Richard Fadden in 2010 regarding his suspicions about Chinese spies and a couple of ultimately inconclusive examples. iPolitics.ca (2012-10-09)

### **Bell not worried despite U.S. concerns on Huawei**

A U.S. Congressional committee report attacking two Chinese telecom network equipment makers raises questions of whether Canadian governments and enterprises should feel their data is secure here. The finding raises concern in this country because Huawei is a major equipment supplier to BCE Inc.'s Bell Canada, Telus Corp., Videotron and SaskTel. ZTE is a supplier to Public Mobile. This morning, a Bell spokesman issued a statement saying the telco has no worries.

Bell networks are secure, the statement said. Indeed our high levels of security are a primary reason most Canadian governments and businesses choose to rely on Bell network services. IT World Canada (2012-10-09)

#### **Huawei faces exclusion from planned Canada government network**

Canada indicated strongly today it would exclude Chinese telecom equipment giant Huawei Technologies Co Ltd from helping to build a secure Canadian government communications network because of possible security risks. Reuters (2012-10-09)

#### **McGuinty sticks up for Chinese firm Huawei accused of spying**

Premier Dalton McGuinty has come to the defence of Huawei Canada, a unit of China's biggest telecom equipment maker that is facing U.S. accusations of espionage. Toronto Star (2012-10-09)

#### **ON Tories call on McGuinty gov't to review Huawei grant amid security concerns**

The Ontario Tories are calling on the Dalton McGuinty government to review a \$6.5-million provincial grant to a China-owned company deemed a national security threat by the US House of Representatives Intelligence Committee. Sun News Network (2012-10-09)

#### **NDP says Huawei concerns in U.S. a wake up call to Canada on Nexen**

A U.S. congressional panel's scathing criticism of China technology firms should give the Harper government cause to reject the proposed Chinese takeover of Alberta oil company Nexen, the opposition NDP said Tuesday. Canadian Press (2012-10-09)

#### **Cisco Bashes Huawei, Cuts Ties With ZTE**

Networking giant Cisco is making it clear that it wants no part of doing business with ZTE and Huawei, two Chinese technology companies that have come under fire in the United States in recent months for their dealings with Iran and alleged ties to elements within the Chinese government who pose a threat to U.S. cybersecurity. PC MAG (2012-10-09)

#### **Telecom networks at risk, experts warn**

If Chinese telecommunications firms are allowed to provide components for Canadian networks, the rising Communist super-power could compromise this country's security. The warning comes from the U.S. congressional intelligence committee that labelled Huawei Technologies Co. and ZTE Corp. as national security threats. National Post, FP1, Ottawa Sun (2012-10-10)

#### **Ottawa mum on which firms getting contracts**

The Harper government is invoking a "national security exemption" as it hires firms to help build a secure communications network for Canada. However, it is refusing to say if that exemption - which allows the government to discriminate against companies and nations considered security risks - will be used to block the Chinese company, Huawei Technologies Co. Ltd, from getting a contract. National Post, A8; Globe and Mail; Ottawa Citizen; Montreal Gazette (2012-10-10)

#### **Sasktel defends relationship**

SaskTel's president is downplaying security concerns about Chinese telecom equipment giant Huawei Technologies Co. Ltd. after the Canadian government hinted strongly it would exclude the company from helping to build a secure government communications network. Leader-Post, A1 (2012-10-10)

#### **Tories ask for review of deal**

The Ontario Tories are calling on the Dalton McGuinty government to review a \$6.5-million provincial grant to a China-owned company deemed a national security threat by the U.S. House of Representatives Intelligence Committee. The grant to Huawei, based in Markham, Ont., has meant an employment boost for the province, McGuinty said. London Free Press, B3; Toronto Sun; Toronto Star (2012-10-10)

#### **Huawei warning another reason to nix Nexen deal, says NDP**

The opposition New Democrats say a U.S. congressional panel's scathing criticism of China technology firms should give the Harper government cause to reject the proposed Chinese takeover of Alberta oil company Nexen. Industry Canada could announce as early as this week the result of its review of the \$15.1-billion bid by the state-owned China National Offshore Oil Co. for Calgary-based Nexen Inc. Chronicle Herald, C2 (2012-10-10)

#### **Oilsands stake for Canadians**

An opinion piece states "Premier Alison Redford's pursuit of foreign investment, in particular from China, works against any Canadian Energy Strategy, which is rapidly becoming an oxymoron. Chasing after the seductive, easy money from China does not serve Canada's national security." Edmonton Journal, A20 (2012-10-10)

### **U.S. fears Huawei's equipment**

Washington's real concern with Huawei--and the reason a U.S. Congress intelligence committee recommended it be banned from U.S. markets -- is a fear that the Chinese telecom giant could be churning out equipment riddled with security "back doors." The switches and routers Huawei produces, warns the intelligence committee's Monday report, might arrive in the United States with hidden code that would allow the Chinese military to control the devices from afar. National Post, A7 (2012-10-10)

### **The trouble with Huawei**

Here at Maclean's, we appreciate the written word. And we appreciate you, the reader. We are always looking for ways to create a better user experience for you and wanted to try out a new functionality that provides you with a reading experience in which the words and fonts take centre stage. We believe you'll appreciate the clean, white layout as you read our feature articles. But we don't want to force it on you and it's completely optional. Click "View in Clean Reading Mode" on any article if you want to try it out. Once there, you can click "Go back to regular view" at the top or bottom of the article to return to the regular layout. After seeming not particularly concerned five months ago about Huawei's dealing with Canadian firms, the Prime Minister is now maybe concerned about the possibility of the Chinese telecommunications company dealing with the federal government. Maclean's (2012-10-10)

### **Canada won't say if security exemption shuts China's Huawei out of contract**

The federal government is invoking a national security exemption as it hires firms to help build a secure communications network for Canada. However, it refuses to say if that exemption which allows the government to discriminate against companies and nations considered security risks will be used to block the Chinese company, Huawei Technologies Co Ltd, from getting a contract. StarPhoenix

### **Huawei faces exclusion from planned Canada government network**

Canada indicated strongly on Tuesday it would exclude Chinese telecom equipment giant Huawei Technologies Co Ltd from helping to build a secure Canadian government communications network because of possible security risks. Meanwhile, the European Commission has delayed a trade case against Huawei and another Chinese telecom equipment maker, ZTE Corp, easing tensions between the European Union and China, its second-biggest trading partner. BDNews24

### **Huawei corruption allegations given to FBI**

The U.S. intelligence committee has turned over to the FBI evidence of possible bribery and corruption by Chinese telecommunications firm Huawei, CBC News has learned. The U.S. intelligence committee released a scathing report Monday about the security risks of dealing with China's two leading telecommunications firms, Huawei and ZTE. CBC News (2012-10-10)

### **Fear not China**

An opinion piece states, Over the past few months, a number of public figures have pronounced themselves on CNOOC's purchase of Nexen Inc. Many have sounded an alarm about China and the peculiar threat of state-owned firms. Even Canada had a flagship state-owned oil firm until quite recently - PetroCan. But now the hue and cry goes that Petro can but China can't. China is uniquely opaque, apparently. Have you been to Saudi Arabia lately? These state-owned companies are under the thumb of the Chinese Communist Party. Inconveniently, yes, they are. I happen to be an expert on the CCP, and these days the CCP actually wants those firms to be active market players run on commercial terms. National Post, FP11 (2012-10-11)

### **A seat in front row for CNOOC**

An opinion piece states, As the debate intensifies over whether Ottawa should open the floodgates to Chinese investment in the Canadian oil and gas sector, some argue that Nex-en Inc., the Calgary-based oil and gas producer targeted by CNOOC Ltd., isn't worth protecting because its assets are predominantly based overseas. CNOOC is paying big money to own it, but has it earned it and should it be for sale? National Post, FP1 (2012-10-11)

### **Complaints against Huawei, ZTE probed**

A U.S. congressional report that urged American companies to stop doing business with Chinese telecom equipment makers Huawei and ZTE has triggered a fresh wave of complaints against the firms, opening a second phase to the panel's investigation. Adding to Huawei's problems, Canada indicated on Tuesday that it could exclude Huawei from firms allowed to build a secure Canadian government communications network, citing possible security risks. Ottawa Citizen, A5 (2012-10-11)

### **The challenge with China**

Yes, China should be treated differently. That's the consensus view of security experts examining the dealings of both Chinese telecommunications technology company Huawei, which has been vying for federal government communications

work, and the bid by China National Offshore Oil Corporation (CNOOC) to take over an Alberta oil company. The lack of transparency in China's business methods means corporate espionage is always a concern for both Canadian firms and legislators, they say. Ottawa Citizen, A5 (2012-10-11)

### **Risk to national security**

A letter to the editor states, Using any foreign company, except maybe one of our closest allies, to build Canada's secure communication network would be highly risky to our national security.

Using China's Huawei in this capacity would plain and simply be foolhardy. The takeover of Nexen poses very little national security concern, especially since most Nexen assets are outside Canada. Ottawa Citizen, A12 (2012-10-11)

### **Wall defends ties to Chinese company**

Premier Brad Wall is defending SaskTel's relationship with controversial Chinese company Huawei Technologies Co. Ltd., about which security concerns continue to be raised in other parts of the world. A U.S. House Intelligence Committee report this week said Beijing could use equipment made by Huawei, the world's second-largest manufacturer of routers and other telecom gear, and ZTE Corp, the fifth largest, to engage in espionage and endanger vital systems. The panel urged network providers to seek other vendors. StarPhoenix, A3(2012-10-11)

### **Chinese firm says it's no threat**

It's business as usual for Huawei in Canada despite allegations the telecom giant's technology is susceptible to being used by the Chinese government for cyber-espionage. "We remain committed to Canada," spokesman Scott Bradley said on Wednesday. "We've been operating (in Canada) since 2008 without issue." Huawei sells mobile technology to companies that include Bell Canada, Telus, Wind Mobile, Sasktel and Ice Wireless, but has come under intense scrutiny following a recent scathing report from a U.S. congressional committee outlining cyber-espionage concerns with Huawei and another global telecom company, ZTE. Ottawa Sun, 12 (2012-10-11)

### **Harper in pickle over China telecoms**

An opinion piece states, The fuss over Chinese telecom firms and national security has put Prime Minister Stephen Harper in a quandary. On the one hand, his free-market instincts tell him that business knows no nationality, that cheapest is best and that, if Chinese companies can deliver high-quality telecommunications equipment at low prices, then Canadian firms would be fools not to buy it. And for the rest of us? Don't get too spooked. Most of our Internet and phone conversations are already susceptible to monitoring, either by Canada's Communications Security Establishment or the U.S. National Security Agency. Just don't put anything online that you don't want the CIA - or the Chinese Communist Party - to know. Toronto Star, A6 (2012-10-11)

### **Cyber fears go beyond trade with China**

An opinion piece states, Yes, China should be treated differently. That's the consensus view of security experts examining the dealings of both Chinese telecommunications technology company Huawei, which has been vying for a federal government communications work, and the bid by China National Offshore Oil Corporation (CNOOC) to take over an Alberta oil company.

The lack of transparency in China's business methods means corporate espionage is always top of mind for both Canadian firms and legislators, they say Vancouver Sun, B1 (2012-10-11)

### **Spy scandal may help swing Nexen deal**

An opinion piece states, In the peculiar world of global geopolitical frenemies, U.S. allegations that China's two largest phone-equipment makers facilitate spying by Beijing may prove to be a benefit for the Chinese company that is seeking to take over Calgary oil producer Nexen

While Canada should address national security, industrial protectionism and human rights with Beijing that shouldn't preclude pragmatic economic engagement with China. Calgary Herald, D1 (2012-10-11)

### **Federal government gives itself another 30 days to decide on Nexen takeover bid by Chinese company**

The Conservative government has extended its review of the CNOOC-Nexen deal by 30 days, until mid-November, although even more time than that may be needed before a final decision is announced. The Cabinet has been examining whether to approve China National Offshore Oil Corporation's (CNOOC) \$15.1-billion takeover bid of Nexen under the Investment Canada Act, and whether the deal is of "net benefit" to Canada. The government's original 45-day review period was set to expire Friday, so the announcement Thursday morning gives it another month to make a decision, although another extension beyond November is also possible. Montreal Gazette (2012-10-11)

### **Former Bank chief David Dodge says Canada should allow CNOOC's bid for Nexen**

Canada should approve CNOOC Ltd.'s \$15.1 billion bid for Nexen Inc., the former head of the country's central bank said. Former Bank of Canada Governor David Dodge said the proposed acquisition by Beijing-based CNOOC is in the

country's interest, and that opposition to the purchase of Calgary-based Nexen may be rooted in anti-Chinese sentiment Financial Post (2012-10-11).

#### **Canada minister: CNOOC bid being reviewed for security**

A Canadian government review of the \$15.1 billion Chinese bid for Nexen Inc will take security concerns into consideration in addition to a broader economic analysis of the transaction, Public Safety Minister Vic Toews said on Thursday. Toews' remarks came in response to questions about the effect that reports of Chinese espionage might have on the government's decision on whether to approve the proposed takeover of the Canadian oil producer by state-owned CNOOC Ltd. "I can tell you that every transaction that is referred to cabinet is considered from a security and safety point of view," Toews told reporters. Reuters (2012-10-11)

#### **Broadcast Media**

*CBC News' The National* reported on Nexen and a CSIS report regarding the potential threat of foreign takeovers in Canada. Rough Transcript (2012-09-20)

*CTV News' Power Play* interviewed Wehran Jang with the Asia Pacific Foundation on CSIS' annual report that raises concerns on foreign takeovers. Rough Transcript (2012-09-21)

*CBC News' Power & Politics* interviewed Conservative MP Pierre Poilievre, NDP MP Paul Dewar and Liberal MP Geoff Regan regarding the Nexen takeover bid from China and a tabled CSIS report examining the potential threat of foreign takeovers in Canada. Following this, *Power & Politics* speaks with CBC reporter Greg Weston regarding the subject. Rough Transcript (2012-09-21)

*CBC News' Power & Politics* interviewed Ray Boisvert, former assistant director of intelligence for CSIS regarding the issue of foreign takeovers in Canada. Rough Transcript (2012-09-21)

*CBC News' Power & Politics* spoke with CBC reporters Greg Weston, Kady O'Malley and Canadian Press reporter Rob Russo regarding the Nexen takeover bid and a CSIS report examining the risk posed by foreign takeovers in Canada. Rough Transcript (2012-09-21)

*CTV's Power Play* interviewed former CSIS assistant director Ray Boisvert on CSIS' annual report that raises concerns on foreign takeovers. Rough Transcript (2012-09-21)

*Global News' The West Block* interviewed Foreign Affairs Minister John Baird on Chinese investment in Canada and national security concerns. Rough Transcript (2012-09-23)

*CTV's Question Period* interviewed China's Ambassador to Canada, Zhang Junsai, on Chinese investment in Canada and national security concerns. Rough Transcript (2012-09-23)

*CBC News* reported on findings from the U.S. Congress House Intelligence Committee that Chinese communications companies Huawei and ZTE Corporation may pose a security threat to American interests. Rough Transcript (2012-10-08)

*CNN* reported on the potential security threat posed to the United States by Chinese communications companies Huawei and ZTE. Rough Transcript (2012-10-08)

*CBC News* reported on reactions from Ontario Premier Dalton McGuinty and others on reports from the U.S. of security concerns over Chinese company Huawei. Rough Transcript (2012-10-09)

*CTV News' Power Play* interviewed Wenran Jiang, Senior Fellow at the Asia Pacific Foundation, and Geoffrey O'Brian, former Director General of Counter-Intelligence at CSIS, regarding the threat posed by Chinese telecom firm Huawei. Rough Transcript (2012-10-09)

*CBC News' Power & Politics* reported on the national security threat posed by Chinese telecommunications firm Huawei. MPs Pierre Poilievre, Paul Dewar, and Wayne Easter were then interviewed for their insight on this topic. Rough Transcript (2012-10-09)

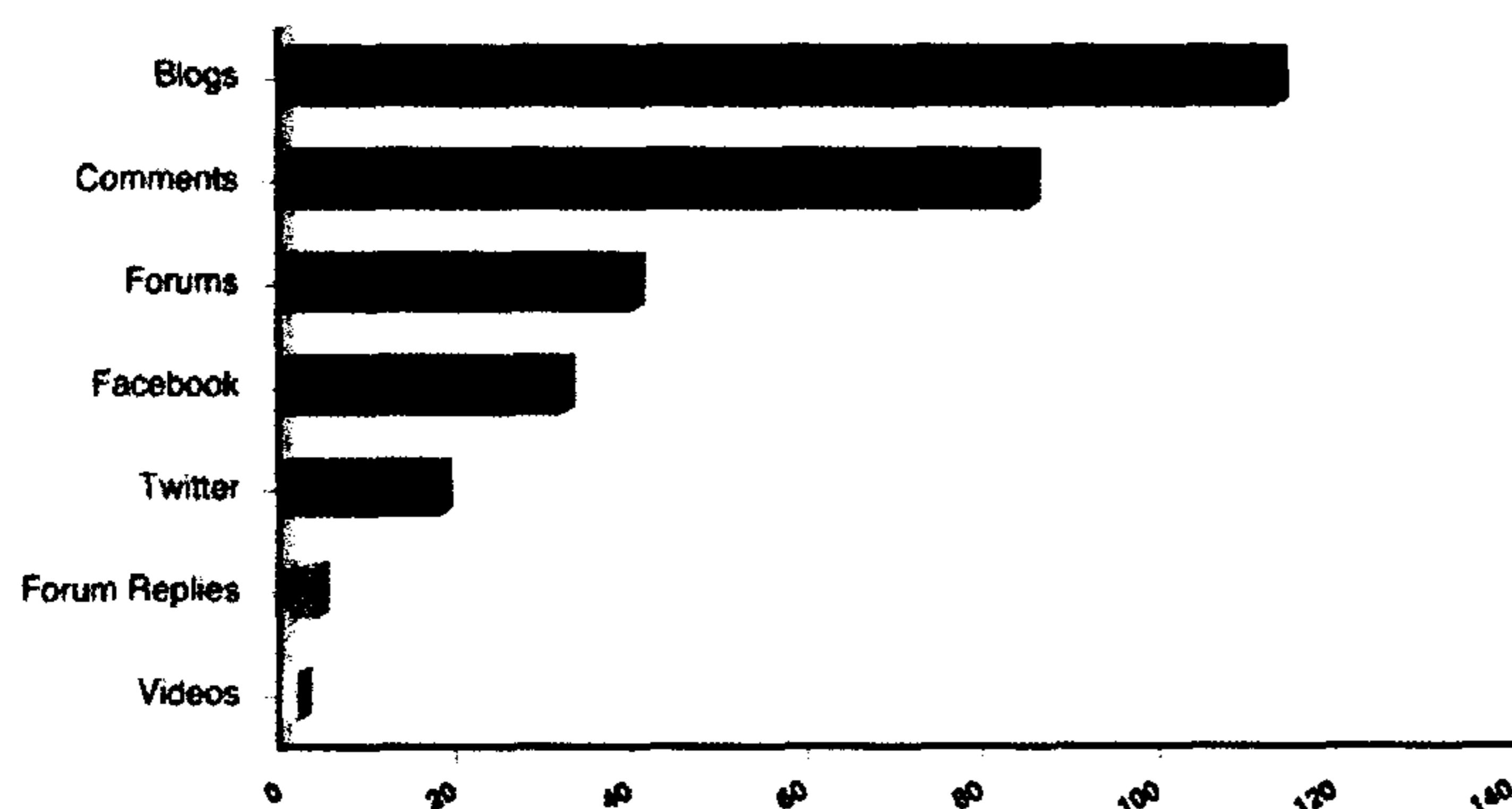
CTV News' Power Play interviewed MPs Paul Dewar, Pierre Poilievre, and Geoff Regan regarding the threat posed by Chinese telecom firm Huawei. Rough Transcript (2012-10-09)

CBC News' The National reported on the national security threat posed by Chinese telecom firm, Huawei. Rough Transcript (2012-10-09)

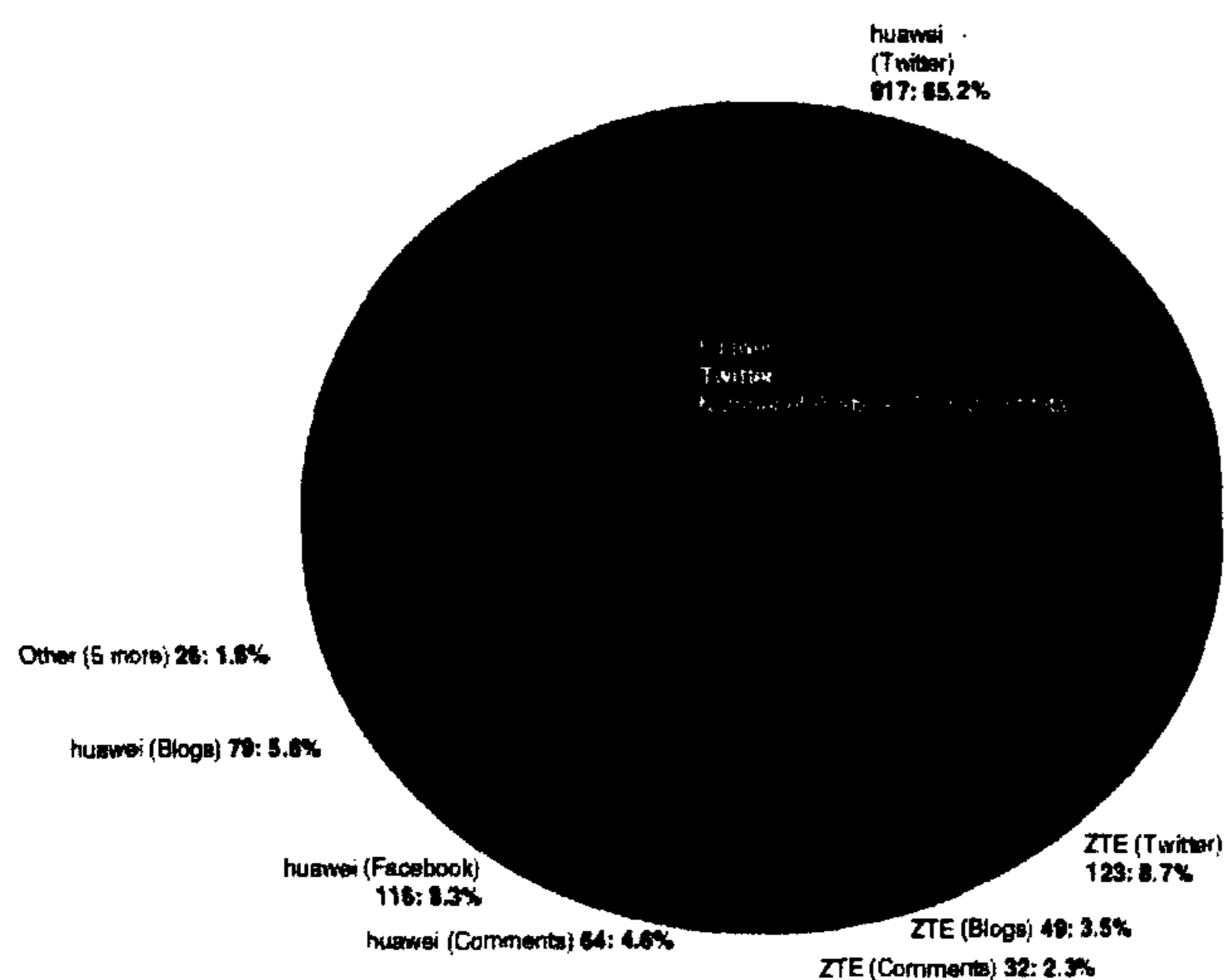
CBC News' Power & Politics interviewed Nik Nanos on whether Canadians are suspicious of doing business with China. Rough Transcript (2012-10-10)

## Social Media

Coverage on foreign acquisitions of Canadian companies & government reviews, specifically CNOOC's proposed takeover of Nexen, was distributed over social media platforms as follows:



Coverage of Huawei and ZTE was distributed over social media platforms as follows (2012-10-01 – 2012-10-11):



A conversation cloud captures the most common terms on Twitter – re: Nexen and CNOOC:



A subsequent conversation cloud captures the most common terms on Twitter – re: Huawei, ZTE, Nexen and CNOOC (2012-10-01 to 2012-10-11):



**Noteworthy Tweets:**

metroottawa

Canada's spy agency warning that some foreign takeovers are a threat to national security <http://ow.ly/dSaol> (2012-09-20)

CTVNews

Spy agency warns foreign takeovers are risky for security <http://ow.ly/dT5VM> (2012-09-21)

PnP\_CBC

Geoff Regan tells [#pnp](#) the CSIS report, released yesterday, shows Canadians should be concerned about the Nexen deal. [#cdnpoli](#) (2012-09-21)

ctvqp

Nexen is on the stockmarket and is ultimately responsible to its shareholders, says China's Ambassador to Canada [#ctvqp](#) [#cdnpoli](#) (2012-09-23)

CBCNews

Federal NDP opposes Nexen takeover bid <http://bit.ly/QvxC3o> (2012-10-04)

BloombergNews

U.S congressional report says Huawei, ZTE provide opportunities for China spying | <http://bloom.bg/UwCmvd> (2012-10-07)

Reuters

China rejects U.S. accusations against telcoms firms <http://reut.rs/QQG12Y>

CP24

NDP says Huawei concerns in U.S. a wake-up call to Canada on Nexen <http://www.cp24.com/news/ndp-says-huawei-concerns-in-u-s-a-wake-up-call-to-canada-on-nexen-1.989226> ... (2012-10-09)

Forbes

A Better Approach To Huawei, ZTE And Chinese Cyberspying? Distrust And Verify <http://bit.ly/RcaGIC> (2012-10-10)

YahooFinanceCA

Ex-central banker David Dodge says Canada should approve CNOOC bid for Nexen <http://yhoo.it/QYNSKk> (2012-10-11)

660News

The gov't is extending the review period for CNOOC's proposed takeover of Nexen by 30 days under the Investment Canada Act. (2012-10-11)

Reuters Canada

Canada minister: CNOOC bid being reviewed for security <http://reut.rs/RzX07J> (2012-10-11)

TechRadar UK

UK Government: Huawei and ZTE are safe: In light of reports from the US Intelligence Committee saying Huawei and... <http://bit.ly/TC26Vp>

*Prepared by Public Safety Canada Media Monitoring /  
Préparé par la Surveillance des médias de Sécurité publique Canada*



**Durand, Stéphanie**

**From:** Swift, Andrew  
**Sent:** Thursday, October 11, 2012 6:33 AM  
**To:** Durand, Stéphanie  
**Subject:** FW: First Scan of Headlines / Les manchettes à première vue

**From:** Public Environment Analysis / Analyse de l'environnement public  
**Sent:** October-11-12 6:32:07 AM (UTC-05:00) Eastern Time (US & Canada)  
**Subject:** First Scan of Headlines / Les manchettes à première vue

**First Scan of Headlines / Les manchettes à première vue**

**2012-10-11**

**Treasury Board President | Président du Conseil du Trésor**

'Action plan' ads come at a high price

The Conservative government has approved tens of millions of dollars in "economic action plan" ads this year even as it cites fiscal restraint to cut programs such as scientific research and environmental monitoring. While Finance officials are refusing to disclose the budget for the current "action plan" media blitz blanketing Canadian airwaves, a Treasury Board document shows that cabinet appro...

GLOBE AND MAIL - 2012-10-11

Bruce Cheadle

Budget officer to see details on cuts

Parliamentary Budget Officer Kevin Page has won a major concession in his battle with the Conservative government for information on billions in spending reductions, with four deputy ministers agreeing Wednesday to turn over details on the cuts and job losses in their departments. Page had given officials in 56 departments and agencies until Wednesday to provide the information and said he was wi...

OTTAWA CITIZEN - 2012-10-11

Kathryn May

Compressions budgétaires - Kevin Page entrevoit un déblocage

Le directeur parlementaire du budget a-t-il gagné une manche contre le gouvernement conservateur ? Plusieurs ministères et le bureau du Conseil privé ont accepté mercredi d'entreprendre des discussions avec Kevin Page à propos des compressions budgétaires en cours ou à venir, reportant du coup l'imminence d'un recours judiciaire. Kevin Page tente depuis des mois d'obtenir du gouvernement fédéral ...

LE DEVOIR - 2012-10-11

Hélène Buzzetti

**Information Technology / Security | Technologie de l'information / Sécurité**

The challenge with China

Yes, China should be treated differently. That's the consensus view of security experts examining the dealings of both Chinese telecommunications technology company Huawei, which has been vying for

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OTTAWA CITIZEN - 2012-10-11

Jordan Press

**Government Operations | Opérations gouvernementales**

**XL Foods**

Permettez-moi de réagir à l'éditorial de Pierre Bergeron ("Le ministre, la bactérie et notre confiance", LeDroit, 9 octobre), notamment en ce qui a trait à la transparence de l'Agence canadienne d'inspection des aliments (ACIA) et à ses efforts de communication. La priorité numéro un de l'ACIA est la salubrité des réserves alimentaires canadiennes et un volet important de cet objectif est de faire...

LE DROIT - 2012-10-11

George Da Pont, Président de l'ACIA

**Compensation, Pensions and Labour Relations | Rémunération, pensions et relations de travail**

**Disabled veterans won't face clawbacks**

OTTAWA - Canada's Veterans Affairs Department has ended its longstanding, controversial policy of clawing back the benefit payments of soldiers, sailors and aircrew with disabilities - a move critics say has been far too long in coming. Effective immediately, the Harper government will no longer deduct the amount of a veteran's pension from benefits for lost earnings and Canadian Forces income su...

THE CHRONICLE-HERALD - 2012-10-11

Murray Brewster

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Visitez le **Infomédia SCT** pour les nouvelles, analyses de la couverture médiatique et transcriptions d'actualité.

## Swift, Andrew

---

**From:** Swift, Andrew s.19(1)  
**Sent:** Wednesday, October 10, 2012 4:40 PM  
**To:** Duval, Jean Paul; Filipps, Lisa  
**Subject:** RE: Is this a media call?

**Categories:** ATI PRINT

Great, thanks.

### Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

**From:** Duval, Jean Paul  
**Sent:** Wednesday, October 10, 2012 4:38 PM  
**To:** Swift, Andrew; Filipps, Lisa  
**Subject:** RE: Is this a media call?

Indeed, I'm waiting on a call back from M. Matz to discuss further.

Call was logged not to forget it but will not appear in the daily media report.

**From:** Swift, Andrew  
**Sent:** Wednesday, October 10, 2012 4:31 PM  
**To:** Duval, Jean Paul; Filipps, Lisa  
**Subject:** Is this a media call?

I would think this is a call that should be directed to policy. EDC is a semi-government partner/stakeholder.

Fiscal Year	2012/2013
Reporter's Name	██████████
Media Outlet	Export Development Canada
Call Date	10/10/2012 5:00 PM
Telephone	██████████
E-mail address	██████████@edc.ca
Deadline	
Status	Consulting
Branch	
Subject	Info for CDN companies on dealing with Chinese companies
Questions	EDC called asking if there was any new direction / regulations they should be providing to their

clients on how to deal with chinese companies at home and abroad given recent media coverage.

Huawei article in Globe and Mail by Steven Chase "Ottawa set to ban chinese companies" prompted questions.

IC referred the questions to PS.

**s.19(1)**

Reporter and Outlet

██████████ - Export Development Canada

## **Andrew Swift**

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

## Swift, Andrew

---

**From:** Filipps, Lisa  
**Sent:** Wednesday, October 10, 2012 1:59 PM **s.19(1)**  
**To:** Carmichael, Julie; Swift, Andrew  
**Cc:** Slack, Jessica  
**Subject:** RE: Huawei

**Categories:** ATI PRINT

Will do!

**From:** Carmichael, Julie  
**Sent:** Wednesday, October 10, 2012 1:58 PM  
**To:** Swift, Andrew  
**Cc:** Filipps, Lisa; Slack, Jessica  
**Subject:** Huawei

Hi,

Can you please send the statement / lines to [REDACTED] of Rogers Radio?

[REDACTED]@rci.rogers.com

Thanks,

### Julie Carmichael

Director of Communications | Directrice des communications  
Office of the Minister of Public Safety | Cabinet du ministre de la Sécurité publique  
613-991-2924 | [julie.carmichael@ps-sp.gc.ca](mailto:julie.carmichael@ps-sp.gc.ca)

**Swift, Andrew**

---

**From:** PS Media Relations / Relations médias SP  
**Sent:** Wednesday, October 10, 2012 11:08 AM  
**To:** Filipps, Lisa; Slack, Jessica; Swift, Andrew; Swift, Andrew; McDonald, Jessica; Picard, Josée; Manning, Kerri; Wilson, Barbara; Champoux, Martin; Van Crieelingen, Jane; Duval, Jean Paul  
**Subject:** FW: Wednesday  
**Categories:** ATI PRINT

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**From:** [REDACTED]  
**Sent:** Wednesday, October 10, 2012 11:08:06 AM (UTC-05:00) Eastern Time (US & Canada)  
**To:** PS Media Relations / Relations médias SP  
**Subject:** Wednesday

Morning,  
Working on a story today about cyber security in relation to China. Wanted to know how much time the department's cyber security division spends on monitoring Chinese-based attacks (I understand that it is the majority of monitoring).  
Deadline is 5:30 pm.  
Cheers.

[REDACTED]

--  
[REDACTED]  
Parliamentary Reporter  
Postmedia News  
Work: [REDACTED]  
Cell: [REDACTED]  
Twitter.com, [REDACTED]

## Durand, Stéphanie

**From:** Swift, Andrew  
**Sent:** Wednesday, October 10, 2012 6:34 AM  
**To:** Durand, Stéphanie  
**Subject:** FW: First Scan of Headlines / Les manchettes à première vue

**From:** Public Environment Analysis / Analyse de l'environnement public  
**Sent:** October 10, 2012 6:33:36 AM (UTC-05:00) Eastern Time (US & Canada)  
**Subject:** First Scan of Headlines / Les manchettes à première vue

### News Summary - Revue de Presse

2012-10-10

#### Treasury Board President | Président du Conseil du Trésor

##### Les ministres auront à l'oeil les dépenses internes

Le gouvernement conservateur entend mettre les ministères fédéraux au pas. Désormais, les dépenses internes reliées aux déplacements de fonctionnaires, à leur formation ou leurs séances de travail devront être approuvées par le politique. Question d'éviter aux élus bien des embarras. Ainsi, tout événement dont le coût total - incluant les frais de voyage, l'hébergement et les repas - dépasse 25 0...

LE DEVOIR - 2012-10-10

Hélène Buzzetti

##### Numbers game

Budget: (noun) An estimate of income and expenditure for a set period of time. Say you're a parliamentary budget officer. Your mandate should be pretty straightforward. You'd expect to be overseeing federal income and expenditure. But not just numbers in a vacuum. As the title suggests, you'd be looking at those numbers in context, based on estimates over a set period of time. In fact, here's how...

THE TELEGRAM (ST. JOHN'S) - 2012-10-10

##### Ottawa serre la vis aux hauts fonctionnaires

Le gouvernement conservateur aura ses hauts fonctionnaires à l'oeil. Plus question que ceux-ci organisent des événements coûtant des dizaines de milliers de dollars sans avoir reçu au préalable l'autorisation du ministre responsable, a annoncé hier le Secrétariat du Conseil du Trésor. Le président du Conseil du Trésor, Tony Clement, a prévenu qu'il entend sabrer les coûts d'événements et réunions...

LE DROIT - 2012-10-10

Philippe Orfali

##### Costly court battle over budget makes no sense

Reasonable people can disagree on many things, such as the value of stimulus spending, gun registries or Rush's music. But as we sit on the verge of a ridiculous, wasteful court battle between the federal government and Canada's budget watchdog, we're not seeing a showdown between two reasonable sides. Taxpayer-funded lawyers are about to take on taxpayer-funded lawyers to keep tax spending secre...

THE CHRONICLE-HERALD - 2012-10-10

Paul Mcleod

**Government Operations | Opérations gouvernementales**

Security concerns for new comms network

The Harper government is invoking a "national security exemption" as it hires firms to help build a secure communications network for Canada. However, it is refusing to say if that exemption - which allows the government to discriminate against companies and nations considered security risks - will be used to block the Chinese company, Huawei Technologies Co Ltd, from getting a contract. The warn...

CALGARY HERALD - 2012-10-10

Mark Kennedy and Jameson Berkow

**Compensation, Pensions and Labour Relations | Rémunération, pensions et relations de travail**

Unions see war coming in shifting political landscape

Pierre Poilievre describes it as a fight to give workers free choice. Canada's unions see it as nothing less than a declaration of war and a battle for their political rights - and their survival. Poilievre, the scrappy Conservative MP for Nepean-Carleton, has pledged to get his Tory colleagues on board his campaign to make union dues optional for members of the federal public service. The move w...

OTTAWA CITIZEN - 2012-10-10

Kathryn May

Gestionnaires et syndicats voient les choses différemment

Les gestionnaires et les syndicats auraient des visions bien différentes quant à l'impact des compressions dans la fonction publique fédérale: les premiers y verraient une occasion de travailler différemment avec moins de ressources, alors que les seconds critiquent le non-respect par plusieurs ministères de la directive sur le réaménagement des effectifs. Les employeurs et syndicats ont pu échan...

LE DROIT - 2012-10-10

Paul Gaboury

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Visitez le **Infomédia SCT** pour les nouvelles, analyses de la couverture médiatique et transcriptions d'actualité.



## Durand, Stéphanie

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**From:** Duval, Jean Paul  
**Sent:** Wednesday, October 10, 2012 5:32 PM  
**To:** \* Media Monitoring / Suivi des médias; Thibouthot, AkimIsabelle; Austria, Jamela; Baulne, Lucie; Bernas, Angie; Boucher, Patrick; Bourdeau, Anne; Burton, Meredith; Carmichael, Julie; Douglas, Caroline; CBSA Media Relations; Champoux, Martin; CSC Media Relations; Csversko, Christine; Cyr, Lynne; Daoust, Normand; Derek Cefaloni; Durand, Stéphanie; Duval, Jean Paul; Eke, Darren; Filipps, Lisa; Issues / Enjeux; jane mcdonald; Johnson, Mark; julie gagnon; Lambert, Louise; Leclair, Natalie; Leclerc, Carole; Marc Richer; marie cocking; Mark Prieur; McAteer, Julie; McDonald, Andrea; McGrath, Andrew; McRae, Marley; Mueller, Mike; Nadine Archambault; Panthaky, Jasmine; Paulson, Erika; Picard, Josée; Salewski, Shawn; Sergeant Greg Cox; Slack, Jessica; Swift, Andrew; [REDACTED] Taillefer, Lucie; Tomlinson, Jamie; Van Crieking, Jane; Veilleux, Martine; Verret, Scott; Willey, Chris; Wilson, Barbara  
**Subject:** Daily Media Report / Rapport média quotidien

For your information, we received 7 new media calls on Wednesday, October 10 // Pour votre information, nous avons reçu 7 appels des médias en ce mercredi le 10 octobre.

### New

Reporter's Name	[REDACTED]
Media Outlet	CBC Radio (Toronto)
Call Date	10/10/2012 5:00 PM
Telephone	[REDACTED]
Status	Consulting
Subject	Golden Dawn (Greek Political Party)
Questions	"Golden Dawn" political party in Greece apparently has or is opening a local chapter in MTL. The party is allegedly known for its anti-immigrant and possibly right wing and with neo-nazi connections.  Does Public Safety have any concerns with this group opening a chapter in MTL?  Do you have any background to offer on this group?  Anyone I can speak to with regards to this group?
Reporter's Name	[REDACTED]
Media Outlet	Journal de Montreal
Call Date	10/10/2012 5:00 PM
Telephone	[REDACTED]
E-mail address	[REDACTED]@quebecormedia.com
Deadline	10/11/2012 5:00 PM
Status	Consulting
Subject	Eclipse Squad (MTL Police Unit)

s.19(1)

Questions

Looking into a subsidy that was provided by the GoC to a program called Eclipse Squad in Montreal – this is special unit for the Montreal Police force to fight street gangs

\$37M was provided in 2008 over 5 years.

Looking for confirmation that the subsidy has been renewed.

Reporter's Name

[REDACTED]

Media Outlet

Radio Canada - Une Heure sur Terre (TV)

Call Date

10/10/2012 4:00 PM

Telephone

[REDACTED]

E-mail address

[REDACTED]@radio-canada.ca

Deadline

10/11/2012 5:00 PM

Status

Consulting

Subject

Drones

Questions

Looking for an interview on the Canadian use, or deliberations around the use drones. As part of the bi-national Beyond the Border Action Plan with the US or through the operations of Public Safety agencies.

Is PS considering drones as part of BTB?  
Are there benefits to the use of drones for Canada?  
Will you partner with US to make use of this technology?

We have heard that PMO & The White House have discussed the issue of drones previously (2011).

We have contacted the Beyond the Border Working Group about drones but received no response.

FYI

- Michel Juneau Catsuya (former CSIS agent) recently produced a report on border safety.

- Reporter has interviewed the Privacy Commissioner of Canada on Oct. 10.

- A broadcast of reporter's US interviews on drones expected on 26 Oct. News stories expected a few days prior.

Reporter's Name

[REDACTED]

Media Outlet

Postmedia News

Call Date

10/9/2012 3:00 PM

Telephone

[REDACTED]

E-mail address

[REDACTED]@postmedia.com

Deadline

10/11/2012 1:00 PM

Status

Consulting

Subject

Cyber security testing

Questions

As requested, here's what I'm looking for: The number of contracts and total value of said contracts issued by the department over the past

s.19(1)

two years to hire outside cyber security experts (including companies, consultants and individuals identifying themselves as hackers or ethical hackers) to perform activities for the department that includes, but is not limited to, penetration testing, hacking and counter-hacks.

I've noticed some companies have been hired to perform computer-related work for the government in the past, including MicroAge, which trained government workers to become certified ethical hackers. (as seen in proactive disclosure reports)

Deadline is 1 pm Thursday.  
Don't hesitate to write or call with any questions.

\*\*\*\*\* Follow-up on Oct. 10 \*\*\*\*\*  
Working on a story today about cyber security in relation to China. Wanted to know how much time the department's cyber security division spends on monitoring Chinese-based attacks (I understand that it is the majority of monitoring).  
Deadline is 5:30 pm. (Wednesday)

**Closed**

Reporter's Name  
Media Outlet  
Call Date  
E-mail address  
Status  
Subject  
Questions  
Final Response

[REDACTED]  
Rogers Radio  
10/10/2012 3:00 PM  
[REDACTED]@rci.rogers.com  
Final  
Huawei  
Looking for statement on Huawei.  
Good day [REDACTED]

Further to your request to Julie Carmichael today, I am able to provide you with the following:  
The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.  
All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.  
On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with

s.19(1)

other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

**Referred to MO**

Reporter's Name	[REDACTED]
Media Outlet	Vancouver Observer
Call Date	10/10/2012 5:00 PM
Telephone	[REDACTED]
E-mail address	[REDACTED]@gmail.com
Status	Referred to MO
Subject	Interview request (Minister Toews)
Questions	This is a message for Julie Carmichael, I am writing an article on the Pro-life movement in Canada for the Vancouver Observer and am looking to ask the Minister Toews a few questions.

**Referred to another organization**

Reporter's Name	[REDACTED]
Media Outlet	Xinhua News Agency
Call Date	10/10/2012 6:00 PM
Telephone	[REDACTED]
E-mail address	[REDACTED]@gmail.com
Status	Referred to another organization
Subject	Lt. Jeffrey Paul Delisle
Questions	Looking for reaction/comment to today's guilty plea by Sub-Lt. Jeffrey Paul Delisle from the Minister or the department.

**Outstanding**

Reporter's Name	[REDACTED]
Media Outlet	CHIP FM
Call Date	10/2/2012 5:00 PM
Telephone	[REDACTED]
E-mail address	[REDACTED]:hipfm.com
Deadline	10/12/2012 5:00 PM

Status Consulting

Branch

Subject Cyber Month - Interview Request

Questions Étant donné que le moi d'octobre est le mois consacré à la cybersécurité, j'aimerais m'entretenir à cet effet avec l'un de vos représentant dans une petite entrevue téléphonique question d'informer davantage notre public.

Questions:  
Parlez-nous des différentes formes d'attaques possibles sur internet?  
Les conséquences peuvent être très graves?  
Quelles mesures pouvons-nous prendre?  
Comment se protéger sur internet?  
Quelles sont les mesures prises par le gouvernement pour accroître la cybersécurité?  
Comment réagir si on en est victime?

Je suis disponible la semaine prochaine de mardi à vendredi à 11h15 ou 13h15.

J'attends de vos nouvelles,

Jean Paul Duval  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-1689  
Cell | Portable: 613-301-4280  
Email | Courriel : [jeanpaul.duval@ps-sp.gc.ca](mailto:jeanpaul.duval@ps-sp.gc.ca)

**Octobre est le Mois de la  
sensibilisation à la cybersécurité**

**October is Cyber Security  
Awareness Month**

Pour des renseignements sur la façon de vous protéger en ligne, veuillez consulter

  
**PENSEZCYBERSECURITE.CA**

For information on how to stay safe online,  
please visit

  
**GETCYBERSAFE.CA**

## Swift, Andrew

---

**From:** Carmichael, Julie  
**Sent:** Tuesday, October 09, 2012 7:05 PM s.19(1)  
**To:** Swift, Andrew; Filipps, Lisa; Slack, Jessica  
**Subject:** RE: Huawei

**Categories:** ATI PRINT

Great – thanks

### Julie Carmichael

Director of Communications | Directrice des communications  
Office of the Minister of Public Safety | Cabinet du ministre de la Sécurité publique  
613-991-2924 | [julie.carmichael@ps-sp.gc.ca](mailto:julie.carmichael@ps-sp.gc.ca)

**From:** Swift, Andrew  
**Sent:** October-09-12 7:05 PM  
**To:** Carmichael, Julie; Filipps, Lisa; Slack, Jessica  
**Subject:** Re: Huawei

Yes, we followed up on this one earlier.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
[Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

**From:** Carmichael, Julie  
**Sent:** Tuesday, October 09, 2012 06:57 PM  
**To:** Swift, Andrew; Filipps, Lisa; Slack, Jessica  
**Subject:** FW: Huawei

This one may have been dropped today – I'm not sure that I sent it to you or not.

**From:** [REDACTED]@globalnews.ca]  
**Sent:** October-09-12 2:21 PM  
**To:** Carmichael, Julie  
**Subject:** FW: Huawei

Hi Julie,  
See below. Margaux suggested I contact Toews' office on this. My deadline is 4 pm.  
Thanks,  
[REDACTED]

**From:** [Margaux.Stastny@ic.gc.ca](mailto:Margaux.Stastny@ic.gc.ca) [mailto:[Margaux.Stastny@ic.gc.ca](mailto:Margaux.Stastny@ic.gc.ca)]  
**Sent:** October-09-12 2:03 PM  
**To:** [REDACTED]  
**Subject:** RE: Huawei

s.19(1)

Hey [REDACTED]

This is actually a Public Safety file. You'd be better served touching base with Minister Toews' office.

Thanks,

Margaux

---

**From:** [REDACTED]@globalnews.ca]  
**Sent:** Tuesday, October 9, 2012 1:49 PM  
**To:** Stastny, Margaux: IC-MIN  
**Subject:** Huawei

Hi Margaux,

Can we get an interview with Minister Paradis today to respond to calls not to do business with Huawei, in light of the U.S. Intelligence Committee report? The U.S. House Committee says Huawei poses a security risk. But what does Canada think? At the very least, can we get a statement on this please?

Thanks

[REDACTED]  
Ottawa Correspondent  
Global National with Dawna Friesen  
Cell [REDACTED]  
Twitter [REDACTED]

## **Durand, Stéphanie**

---

**From:** Durand, Stéphanie  
**Sent:** Tuesday, October 09, 2012 6:35 PM  
**To:** Swift, Andrew  
**Subject:** Re: Calls on Huawei

Thx

**From:** Swift, Andrew  
**Sent:** Tuesday, October 09, 2012 06:14 PM  
**To:** Durand, Stéphanie  
**Cc:** Carta, John; Manji, Natasha  
**Subject:** RE: Calls on Huawei

Will do.

SSC continue to use the statement that was shared over the weekend. We asked for a list of their calls received, but have not yet received it.

### **Andrew Swift**

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

**From:** Durand, Stéphanie  
**Sent:** Tuesday, October 09, 2012 6:13 PM  
**To:** Swift, Andrew  
**Cc:** Carta, John; Manji, Natasha  
**Subject:** Fw: Calls on Huawei

Pls ensure John Carta is kept in the loop on this file, incl media calls received. This file is evolving quickly.

Do we have a sense of Shared Services calls? Any updates to their messaging?

Thanks.

**From:** Slack, Jessica  
**Sent:** Tuesday, October 09, 2012 02:56 PM  
**To:** ted.francis@ssc-spc.gc.ca <ted.francis@ssc-spc.gc.ca>  
**Cc:** Durand, Stéphanie; Swift, Andrew; Champoux, Martin; Filippis, Lisa; Duval, Jean Paul  
**Subject:** Calls on Huawei

Hello Ted,

FYI below is a list of the calls we've answered today – all with the lines as approved on the weekend.

Grateful if you could share with us the calls you've responded to today.



s.19(1)

Many thanks,  
Jessica

Today:

Reporter's Name [REDACTED]  
Media Outlet Sun Media  
Call Date 10/9/2012 11:00 AM  
Status Final  
Branch NS  
Subject Huawei  
Questions Can I get a statement on the US congressional report on Huawei? Or is Minister Toews available to speak today on whether Canada has concerns, given that Huawei operates here in Canada?  
Reporter and Outlet [REDACTED] - Sun Media  
Actions Taken No existing entries.  
Draft Response  
Approvals

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name [REDACTED]  
Media Outlet IT World Canada  
Call Date 10/9/2012 12:00 PM  
Status Final  
Branch NS  
Subject Huawei  
Questions Is the government of Canada concerned about the security of Canadian telecom networks that use Huawei equipment? The government uses telecom services of companies like Bell and Telus, which use Huawei gear. But the congressional committee recommends the U.S. government systems shouldn't include equipment from Huawei and ZTE, nor should the systems of government contractors.  
Reporter and Outlet [REDACTED] - IT World Canada  
Actions Taken No existing entries.

Final Response

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

s.19(1)

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber

Reporter's Name [REDACTED]  
Media Outlet Reuters  
Call Date 10/9/2012 2:00 PM  
Telephone  
E-mail address [REDACTED]@thomsonreuters.com'  
Deadline  
Status Final  
Branch NS  
Subject Huawei  
Questions

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

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Reporter's Name [REDACTED]  
Media Outlet Wall Street Journal  
Call Date 10/9/2012 1:00 PM  
Telephone 416-418-5215  
E-mail address [REDACTED]@wsj.com  
Deadline 10/9/2012 2:00 PM  
Status Final  
Branch

Subject Huawei s.19(1)  
Questions Comments on Huawei?  
Canadian Gov concerned?  
Any discussions with CDN telcos?  
Reporter and Outlet [REDACTED] - Wall Street Journal  
Actions Taken No existing entries.  
Final Response

In response to your questions on Huawei today, I am able to provide you with the following:  
The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices. All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name [REDACTED]  
Media Outlet Wall Street Journal  
Call Date 10/9/2012 2:00 PM  
Telephone [REDACTED]  
E-mail address [REDACTED]@wsj.com  
Deadline  
Status Final  
Subject Huawei  
Questions Any concerns about our telecom equipment supply after "U.S. Intelligence Committee is urging Canadian companies not to do business with the Chinese telecommunications giant Huawei as a matter of national security."

Reporter and Outlet [REDACTED] - Wall Street Journal  
Actions Taken No existing entries.  
Final Response

Good day [REDACTED]  
Further to your request with the Office of the Prime Minister today, I am able to provide you with the following:  
The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications

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industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices. All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name [REDACTED]  
Media Outlet CTV  
Call Date 10/9/2012 2:00 PM  
Telephone [REDACTED]  
E-mail address [REDACTED]@bellmedia.ca  
Deadline  
Status Final  
Branch  
Subject Huawei  
Questions  
Hi Julie!  
I'm hitting on Huawei being a potential national security threat in the wake of the US congressional report. Apparently they're already serving certain Canadian telecoms. Is the Minister concerned about that or rethinking allowing them to operate or bid on public or private contracts?  
  
Same file, another angle, I'm wondering if you have any kind of stats on cyber attacks from China over the past few years...  
Reporter and Outlet [REDACTED] - CTV  
Actions Taken No existing entries.  
Draft Response  
Approvals  
Final Response  
Good day [REDACTED],  
Further to your request to Julie Carmichael today, I am able to provide you with the following:  
The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices. All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with

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other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity. We do not comment on the details of security related incidents. That said, the Government of Canada takes threats seriously and has measures in place to address them.

#### YESTERDAY

Reporter's Name [REDACTED]  
Media Outlet BNN  
Call Date 10/9/2012 12:00 PM  
Telephone  
E-mail address [REDACTED]@bellmedia.ca  
Status Final  
Branch NS  
Subject Huawei  
Questions In light of the report from the U.S. Committee on Intelligence, can we please get a comment from the Industry Ministry regarding Huawei's operations in Canada?  
  
Specifically, what steps has the Government of Canada taken to prevent risks cited by the Committee, including "cyber espionage and predatory disruption or destruction of ... networks"?

Reporter and Outlet [REDACTED] - BNN  
Actions Taken No existing entries.  
Final Response The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name [REDACTED]  
Media Outlet CTV  
Call Date 10/9/2012 12:00 PM  
Telephone  
E-mail address [REDACTED]@bellmedia.ca  
Deadline  
Status Final  
Branch NS  
Subject Huawei

Questions

The US Intelligence ctee has issued warning against doing business with China's Huawei ... Looking for comment about the company's holdings in Canada. Is Toews avail today for quick invw?

Reporter and Outlet

[REDACTED] - CTV

Actions Taken

No existing entries.

Final Response

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

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**Swift, Andrew**

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**From:** PS Media Relations / Relations médias SP  
**Sent:** Tuesday, October 09, 2012 5:59 PM  
**To:** Filippis, Lisa; Slack, Jessica; Swift, Andrew; Swift, Andrew; McDonald, Jessica; Picard, Josée; Manning, Kerri; Wilson, Barbara; Champoux, Martin; Van Crieelingen, Jane; Duval, Jean Paul  
**Subject:** FW: Demande média -- entreprises chinoises et menace à la sécurité  
**Categories:** ATI PRINT

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**From:** Chrystiane.Roy@international.gc.ca  
**Sent:** October-09-12 5:58:54 PM (UTC-05:00) Eastern Time (US & Canada)  
**To:** PS Media Relations / Relations médias SP  
**Subject:** RE: Demande média -- entreprises chinoises et menace à la sécurité

Excellent.  
Merci M. Duval.  
Bonne soirée.

C.

---

**From:** PS Media Relations / Relations médias SP [mailto:PSMediaRelations@ps-sp.gc.ca]  
**Sent:** 9 octobre 2012 17:58  
**To:** Roy, Chrystiane -BCM  
**Subject:** RE: Demande média -- entreprises chinoises et menace à la sécurité

Bonsoir Chrystiane,  
Voici en rubrique notre réponse à [REDACTED] du Toronto Star.  
Au prochain plaisir,  
JP  
Jean Paul Duval  
Spokesperson / Porte-parole  
Media Relations / Relations avec les médias  
Public Safety Canada / Sécurité publique Canada  
613-991-0657  
[media@ps-sp.gc.ca](mailto:media@ps-sp.gc.ca)

**From:** Chrystiane.Roy@international.gc.ca [mailto:Chrystiane.Roy@international.gc.ca]  
**Sent:** Tuesday, October 09, 2012 5:33 PM  
**To:** PS Media Relations / Relations médias SP  
**Cc:** Tristan.Landry@international.gc.ca; MarieChantal.Pilon@international.gc.ca  
**Subject:** Demande média -- entreprises chinoises et menace à la sécurité  
Suite à notre conversation téléphonique, je vous transfère l'appel sur le sujet en rubrique:  
**Journaliste:** [REDACTED]  
**Media:** Toronto Star  
**Tel:** [REDACTED]  
**Courriel:** [REDACTED]  
Appel reçu à 14:41, le 9 septembre 2012  
Deadline: Rapidement

Subject: wants info on Canada's reaction to US Congressional re: Chinese Telecom Companies posing security threats

\* Toronto Star has just asked us for a "reaction" to the report from a US committee saying that certain telecom companies from China present a security risk and the US (and by extension Canada) should not be trading with them or even "kick them out of the country".

Si vous pouviez éventuellement aussi partager vos lignes de presse sur le sujet, cela serait fort apprécié.

Merci

Chrystiane

Chrystiane Roy

Porte parole/Spokesperson

Relations avec les médias-Media relations

Ministère des Affaires étrangères et du commerce international Canada

Foreign Affairs and International Trade Canada

613.995.1874

[chrystiane.roy@international.gc.ca](mailto:chrystiane.roy@international.gc.ca)

Government of Canada | Gouvernement du Canada



## Swift, Andrew

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**From:** Slack, Jessica  
**Sent:** Tuesday, October 09, 2012 5:52 PM  
**To:** Swift, Andrew; Duval, Jean Paul; Filipps, Lisa  
**Subject:** Re: FOR APPROVAL: PS media Query - US House Intel committee

**Categories:** ATI PRINT

Yes and I discussed this with ted verbally....

**From:** Swift, Andrew  
**Sent:** Tuesday, October 09, 2012 05:48 PM  
**To:** Duval, Jean Paul; Filipps, Lisa  
**Cc:** Slack, Jessica  
**Subject:** RE: FOR APPROVAL: PS media Query - US House Intel committee

We already had this call earlier today and PCO agreed that it should be sent to SSC. Their own email trail below says to send the statement and any follow up calls should go to PS.

### Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

**From:** Duval, Jean Paul  
**Sent:** Tuesday, October 09, 2012 5:47 PM  
**To:** Swift, Andrew; Filipps, Lisa  
**Cc:** Slack, Jessica  
**Subject:** FW: FOR APPROVAL: PS media Query - US House Intel committee

Andrew, Lisa,

SSC is forwarding the call below asking if this is ours to take.

Can you confirm we should respond using the approved lines? The questions seem more specific than what we have been seeing today. It seems PCO forwarded the call to SSC.

Glad to provide approved answers if deemed appropriate for us to answer.

Thanks,  
JP

**From:** Ted Francis [mailto:[Ted.Francis@ssc-spc.gc.ca](mailto:Ted.Francis@ssc-spc.gc.ca)]  
**Sent:** Tuesday, October 09, 2012 5:37 PM  
**To:** Duval, Jean Paul  
**Subject:** FW: FOR APPROVAL: PS media Query - US House Intel committee

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Hey JP,

As discussed...

[REDACTED] (Canadian Press)

Q: What is the minister's response to the chair of the United States House Intelligence Committee warning to the U.S. and Canada not to do business with the Chinese firms Huawei and ZTE because of security firms? Do you think they should be barred from bidding for work on the federal government's new telecom system? thanks,

---

**From:** Quenneville, Line [mailto:Line.Quenneville@pco-bcp.gc.ca]  
**Sent:** Tuesday, October 09, 2012 3:39 PM  
**To:** Ted Francis  
**Subject:** RE: FOR APPROVAL: PS media Query - US House Intel committee

[REDACTED] He was told to contact SSC. You should receive the query if you haven't already.

**Line Quenneville**

Analyste principale / Senior Analyst  
Communications & Consultations  
Bureau du Conseil Privé / Privy Council Office  
Edifice Blackburn Building  
[line.quenneville@pco-bcp.gc.ca](mailto:line.quenneville@pco-bcp.gc.ca)  
Bur. 613-952-6895  
Cell: 613-851-4801

---

**From:** Ted Francis [mailto:Ted.Francis@ssc-spc.gc.ca]  
**Sent:** 2012-10-09 3:33 PM  
**To:** Quenneville, Line  
**Subject:** RE: FOR APPROVAL: PS media Query - US House Intel committee

I noticed that as well, but who is the reporter at CP requesting this information. Is it [REDACTED] the author of the story below?

---

**From:** Quenneville, Line [mailto:Line.Quenneville@pco-bcp.gc.ca]  
**Sent:** Tuesday, October 09, 2012 3:27 PM  
**To:** Ted Francis  
**Subject:** RE: FOR APPROVAL: PS media Query - US House Intel committee

Ted,  
Canada Press is asking. Highlighted in red below.

**Line Quenneville**

Analyste principale / Senior Analyst  
Communications & Consultations  
Bureau du Conseil Privé / Privy Council Office  
Edifice Blackburn Building  
[line.quenneville@pco-bcp.gc.ca](mailto:line.quenneville@pco-bcp.gc.ca)  
Bur. 613-952-6895  
Cell: 613-851-4801

---

**From:** Ted Francis [mailto:Ted.Francis@ssc-spc.gc.ca]  
**Sent:** 2012-10-09 3:19 PM

**To:** Quenneville, Line  
**Subject:** RE: FOR APPROVAL: PS media Query - US House Intel committee

Thanks Line.

**From:** Quenneville, Line [mailto:Line.Quenneville@pco-bcp.gc.ca]  
**Sent:** Tuesday, October 09, 2012 3:18 PM  
**To:** Ted Francis  
**Cc:** Michelle Shipman  
**Subject:** FOR APPROVAL: PS media Query - US House Intel committee  
**Importance:** High

s.19(1)

Heads-up Ted,  
Please see below.

**Line Quenneville**

Analyste principale / Senior Analyst  
Communications & Consultations  
Bureau du Conseil Privé / Privy Council Office  
Edifice Blackburn Building  
[line.quenneville@pco-bcp.gc.ca](mailto:line.quenneville@pco-bcp.gc.ca)  
Bur. 613-952-6895  
Cell: 613-851-4801

**From:** Power, Celyeste  
**Sent:** Tuesday, October 09, 2012 2:43 PM  
**To:** Williams, Christopher  
**Cc:** Thibouthot, Akim Isabelle; Fox, Christiane; Oracheski, Tim  
**Subject:** RE: FOR APPROVAL: PS media Query - US House Intel committee

I think we should send the statement. If the reporter has follow-up questions then PS should respond.

Thanks,

Celyeste

**From:** Williams, Christopher  
**Sent:** 2012-10-09 2:14 PM  
**To:** Power, Celyeste  
**Cc:** Thibouthot, Akim Isabelle; Fox, Christiane  
**Subject:** FOR APPROVAL: PS media Query - US House Intel committee

Hi Celyeste,

Please note the query below from CP received by PS. Are you OK with PS responding using the approved lines, or should the call be referred to SCC who can provide their prepared statement?

What is the minister's response to the chair of the United States House Intelligence Committee warning to the U.S. and Canada not to do business with the Chinese firms Huawei and ZTE because of security firms?  
Do you think they should be barred from bidding for work on the federal government's new telecom system?  
thanks,

Relevant stories:

1. <http://www.cbc.ca/news/politics/story/2012/10/09/huawei-canada-weston-interview.html?cmp=rss>

2. U.S. panel warns against doing business with China tech giants (US-US-China-Tech-Comp)

Source: The Canadian Press

Oct 9, 2012 1:55

By Matthew Pennington

## THE ASSOCIATED PRESS

WASHINGTON \_ American companies should avoid doing business with China's two leading technology firms because they pose a national security threat to the United States, the House Intelligence Committee is warning in a report to be issued Monday.

The panel says U.S. regulators should block mergers and acquisitions in this country by *Huawei* Technologies Ltd. and ZTE Corp, among the world's leading suppliers of telecommunications gear and mobile phones.

Reflecting U.S. concern over cyber-attacks traced to China, the report also recommends that U.S. government computer systems not include any components from the two firms because that could pose an espionage risk.

"China has the means, opportunity, and motive to use telecommunications companies for malicious purposes," the report says.

The recommendations are the result of a yearlong probe, including a congressional hearing last month in which senior Chinese executives of both companies testified, and denied posing a security threat.

A U.S. executive of one of the companies said the firm co-operated with investigators, and defended its business record. *Huawei* is a "globally trusted and respected company," said William Plummer, vice-president for external affairs.

On Monday, ahead of the report's release, a Chinese foreign ministry spokesman said investment by China's telecommunications companies in the United States showed the countries have mutually beneficial relations.

"We hope the U.S. will do more to benefit the interests of the two countries, not the opposite," said spokesman Hong Lei at a regular briefing.

The bipartisan report is likely to become fodder for a presidential campaign in which the candidates have been competing in their readiness to clamp down on Chinese trade violations. Republican Mitt Romney, in particular, has made it a key point to get tougher on China by designating it a currency manipulator and fighting abuses such as intellectual property theft.

The committee made the draft available to reporters in advance of public release Monday, but only under the condition that they not publish stories until the broadcast Sunday of a CBS' "60 Minutes" report on *Huawei*. In the CBS report, the committee's chairman, Rep. Mike Rogers, R-Mich., urges American companies not to do business with *Huawei*.

The panel's recommendations will likely hamper *Huawei* and ZTE's ambitions to expand their business in America. Their products are used in scores of countries, including in the West. Both deny being influenced by China's communist government.

“The investigation concludes that the risks associated with *Huawei*'s and ZTE's provision of equipment to U.S. critical infrastructure could undermine core U.S. national-security interests,” the report says.

The report says the committee received information from industry experts and current and former *Huawei* employees suggesting that *Huawei*, in particular, may be violating U.S. laws. It says that the committee will refer the allegations to the U.S. government for further review and possible investigation. The report mentions allegations of immigration violations, bribery and corruption, and of a “pattern and practice” of *Huawei* using pirated software in its U.S. facilities.

*Huawei* is a private company founded by a former Chinese military engineer, and has grown rapidly to become the world's second largest supplier of telecommunications network gear, operating in more than 140 countries. ZTE Corp is the world's fourth largest mobile phone manufacturer, with 90,000 employees worldwide. While their business in selling mobile devices has grown in the U.S., espionage fears have limited the companies from moving into network infrastructure.

The report says the companies failed to provide responsive answers about their relationships and support by the Chinese government, and detailed information about their operations in the U.S. It says *Huawei*, in particular, failed to provide thorough information, including on its corporate structure, history, financial arrangements and management.

“The committee finds that the companies failed to provide evidence that would satisfy any fair and full investigation. Although this alone does not prove wrongdoing, it factors into the committee's conclusions,” it says.

In Washington, *Huawei* executive Plummer said Friday the company co-operated in good faith with the investigation, which he said had not been objective and amounted to a “political distraction” from cyber-security problems facing the entire industry.

All major telecommunications firms, including those in the West, develop and manufacture equipment in China and overlapping supply chains require industry-wide solutions, he added. Singling out China-based firms wouldn't help.

Plummer complained that the volume of information sought by the committee was unreasonable, and it had demanded some proprietary business information that “no responsible company” would provide.

In justifying its scrutiny of the Chinese companies, the committee contended that Chinese intelligence services, as well as private companies and other entities, often recruit those with direct access to corporate networks to steal trade secrets and other sensitive proprietary data.

It warned that malicious hardware or software implants in Chinese-manufactured telecommunications components and systems headed for U.S. customers could allow Beijing to shut down or degrade critical national security systems in a time of crisis or war.

The committee concluded that *Huawei* likely has substantially benefited from the support of the Chinese government.

**Huawei** denies being financed to undertake research and development for the Chinese military, but the committee says it has received internal **Huawei** documentation from former employees showing the company provides special network services to an entity alleged to be an elite cyber-warfare unit within the People's Liberation Army.

The intelligence committee recommended that the government's Committee on Foreign Investment in the United States, or CFIUS, bar mergers and acquisitions by both **Huawei** and ZTE. A multi-agency regulatory panel chaired by Treasury Secretary Timothy Geithner, CFIUS screens foreign investment proposals for potential national security threats.

Last year, **Huawei** had to unwind its purchase of a U.S. computer company, 3Leaf Systems, after it failed to win CFIUS approval. However, **Huawei** employs 1,700 people in the U.S., and business is expanding. U.S. revenues rose to \$1.3 billion in 2011, up from \$765 million in 2010.

ZTE has also enjoyed growth in its sale of mobile devices, although in recent months it has faced allegations about banned sales of U.S.-sanctioned computer equipment to Iran. The FBI is probing reports that the company obstructed a U.S. Commerce Department investigation into the sales.

The intelligence panel says ZTE refused to provide any documents on its activities in Iran, but did provide a list of 19 individuals who serve on the Chinese Communist Party committee within the company. ZTE's citing of China's state secrecy laws for limiting information it could release only added to concern over Chinese government influence over its operations, the report says.

INDEX: DEFENCE INTERNATIONAL TELECOM BUSINESS POLITICS

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**Swift, Andrew**

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**From:** Swift, Andrew  
**Sent:** Tuesday, October 09, 2012 4:51 PM  
**To:** Carmichael, Julie  
**Cc:** Slack, Jessica  
**Subject:** RE: URGENT MEDIA REQUEST

**Categories:** ATI PRINT

Shared Services just confirmed that they are responding to that call right now.

**From:** Carmichael, Julie  
**Sent:** Tuesday, October 09, 2012 4:34 PM  
**To:** Swift, Andrew  
**Subject:** FW: URGENT MEDIA REQUEST

**From:** [REDACTED]@afp.com]  
**Sent:** October-09-12 4:33 PM  
**To:** Carmichael, Julie  
**Subject:** RE: URGENT MEDIA REQUEST

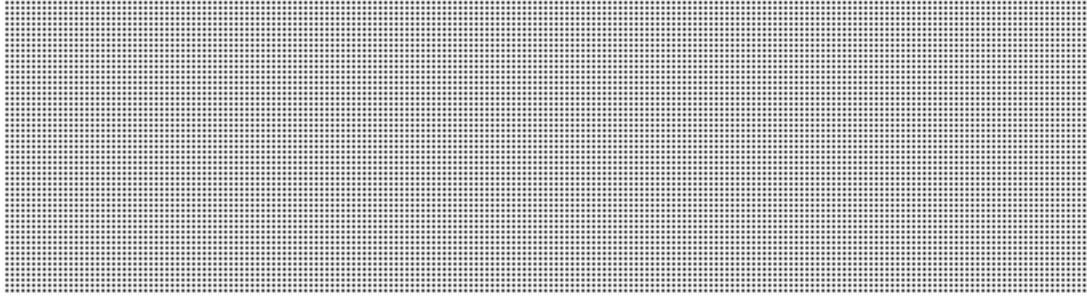
Hi Julie, I'm right up against a deadline and haven't heard back from the department, would be grateful if you or they would call me right away.

[REDACTED]  
Correspondent  
Agence France-Presse  
600-165 Sparks Street  
Ottawa ON, K1P 5B9 (Canada)

**From:** [REDACTED]@afp.com]  
**Sent:** Tuesday, October 09, 2012 04:04 PM  
**To:** Carmichael, Julie  
**Subject:** URGENT MEDIA REQUEST

Hi Julie, would you please call ASAP me about a "national security exception" Shared Services Canada announced yesterday regarding the building of its networks and US concerns that telecommunications equipment supplied by two Chinese firms Huawei and ZTE could be used for spying in the United States. Asked MacDougall about it today and he referred questions to your office. Cheers,

[REDACTED]  
Correspondent  
Agence France-Presse  
600-165 Sparks Street  
Ottawa ON, K1P 5B9 (Canada)



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For more information on Agence France-Presse, please visit our web site at <http://www.afp.com>



## Durand, Stéphanie

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**From:** Slack, Jessica  
**Sent:** Tuesday, October 09, 2012 4:41 PM  
**To:** \* Media Monitoring / Suivi des médias; Thibouthot, AkimIsabelle; Austria, Jamela; Baulne, Lucie; Bernas, Angie; Boucher, Patrick; Bourdeau, Anne; Burton, Meredith; Carmichael, Julie; Douglas, Caroline; 'CBSA Media Relations'; Champoux, Martin; 'CSC Media Relations'; Csversko, Christine; Cyr, Lynne; Daoust, Normand; 'Derek Cefaloni'; Durand, Stéphanie; Duval, Jean Paul; Eke, Darren; Filippis, Lisa; Issues / Enjeux; 'jane mcdonald'; Johnson, Mark; 'julie gagnon'; Lambert, Louise; Leclair, Natalie; Leclerc, Carole; 'Marc Richer'; 'marie cocking'; 'Mark Prieur'; McAteer, Julie; McDonald, Andrea; McGrath, Andrew; McRae, Marley; Mueller, Mike; 'Nadine Archambault'; Panthaky, Jasmine; Paulson, Erika; Picard, Josée; Salewski, Shawn; 'Sergeant Greg Cox'; Slack, Jessica; Swift, Andrew; [REDACTED] Taillefer, Lucie; Tomlinson, Jamie; Van Crieelingen, Jane; Veilleux, Martine; Verret, Scott; Willey, Chris; Wilson, Barbara  
**Subject:** Daily Media Report / Rapport média quotidien

For your information, we received 12 new media calls on Tuesday, October 9 // Pour votre information, nous avons reçu 9 appels des médias en ce mardi le 9 octobre.

### NEW

Reporter's Name	[REDACTED]	
Media Outlet	Canadian Press	
Call Date	10/9/2012 5:00 PM	
Telephone		s.19(1)
E-mail address	[REDACTED]@thecanadianpress.com]	
Status	Referred to other organization – Shared Services Canada	
Subject	Huawei	
Questions	What is the minister's response to the chair of the United States House Intelligence Committee warning to the U.S. and Canada not to do business with the Chinese firms Huawei and ZTE because of security firms? Do you think they should be barred from bidding for work on the federal government's new telecom system?	

Reporter's Name	[REDACTED]	
Media Outlet	Agence France Presse	
Call Date	10/9/2012 5:00 PM	
Telephone		
E-mail address	[REDACTED]@afp.com	
Deadline	10/9/2012 12:00 AM	
Status	Referred to other organization -Shared Services Canada	
Branch	NS	
Subject	Huawei	
Questions	would you please call ASAP me about a "national security exception" Shared Services Canada announced yesterday regarding the building of its networks and US concerns that telecommunications equipment supplied by two Chinese firms Huawei and ZTE could be used	

for spying in the United States. Asked MacDougall about it today and he referred questions to your office.

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Reporter's Name	[REDACTED]
Media Outlet	Sun Media
Call Date	10/9/2012 11:00 AM
Status	Final
Branch	NS
Subject	Huawei
Questions	Can I get a statement on the US congressional report on Huawei? Or is Minister Toews available to speak today on whether Canada has concerns, given that Huawei operates here in Canada?
Reporter and Outlet	[REDACTED] - Sun Media
Actions Taken	No existing entries.
Draft Response	
Approvals	<p>The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.</p> <p>All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.</p> <p>On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.</p>
Reporter's Name	[REDACTED]
Media Outlet	IT World Canada
Call Date	10/9/2012 12:00 PM
Status	Final
Branch	NS
Subject	Huawei
Questions	Is the government of Canada concerned about the security of Canadian telecom networks that use Huawei equipment? The government uses telecom services of companies like Bell and Telus, which use Huawei gear. But the congressional committee recommends the U.S.government systems shouldn't include equipment from Huawei and ZTE, nor should the systems of government contractors.
Reporter and Outlet	[REDACTED] - IT World Canada
Actions Taken	No existing entries.
Final Response	The Government of Canada supports a prosperous and competitive

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telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber

Reporter's Name

[REDACTED]

Media Outlet

Reuters

Call Date

10/9/2012 2:00 PM

Telephone

E-mail address

[REDACTED]@thomsonreuters.com'

Deadline

Status

Final

Branch

NS

Subject

Huawei

Questions

Good morning. Do you have a reaction to this story? Might Canada rethink its welcoming stance towards Huawei in light of this report? Does the Minister have security concerns about this company?

Reporter and Outlet

[REDACTED] - Reuters

Actions Taken

No existing entries.

Final Response

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

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Reporter's Name

[REDACTED]

Media Outlet

Wall Street Journal

Call Date

10/9/2012 1:00 PM

Telephone [REDACTED]  
E-mail address [REDACTED]@wsj.com  
Deadline 10/9/2012 2:00 PM  
Status Final  
Branch  
Subject Huawei  
Questions Comments on Huawei?  
Canadian Gov concerned?  
Any discussions with CDN telcos?  
Reporter and Outlet [REDACTED] - Wall Street Journal  
Actions Taken No existing entries.  
Final Response

In response to your questions on Huawei today, I am able to provide you with the following:

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure.

Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name [REDACTED]  
Media Outlet Wall Street Journal  
Call Date 10/9/2012 2:00 PM  
Telephone [REDACTED]  
E-mail address [REDACTED]@wsj.com  
Deadline  
Status Final  
Subject Huawei  
Questions Any concerns about our telecom equipment supply after "U.S. Intelligence Committee is urging Canadian companies not to do business with the Chinese telecommunications giant Huawei as a matter of national security."  
Reporter and Outlet [REDACTED] - Wall Street Journal  
Actions Taken No existing entries.

Final Response

Further to your request with the Office of the Prime Minister today, I am able to provide you with the following:

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The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices. All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name

[REDACTED]

Media Outlet

CTV

Call Date

10/9/2012 2:00 PM

Telephone

[REDACTED]

E-mail address

[REDACTED]@bellmedia.ca

Deadline

Status

Final

Branch

Subject

Huawei

Questions

Hi Julie!

I'm hitting on Huawei being a potential national security threat in the wake of the US congressional report. Apparently they're already serving certain Canadian telecoms. Is the Minister concerned about that or rethinking allowing them to operate or bid on public or private contracts?

Same file, another angle, I'm wondering if you have any kind of stats on cyber attacks from China over the past few years...

Reporter and Outlet

[REDACTED] - CTV

Actions Taken

No existing entries.

Final Response

Good day [REDACTED]

Further to your request to Julie Carmichael today, I am able to provide you with the following:

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices. All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible

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risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity. We do not comment on the details of security related incidents. That said, the Government of Canada takes threats seriously and has measures in place to address them.

Reporter's Name [REDACTED]  
Media Outlet BNN  
Call Date 10/9/2012 12:00 PM  
Telephone  
E-mail address [REDACTED]@bellmedia.ca  
Status Final  
Branch NS  
Subject Huawei  
Questions In light of the report from the U.S. Committee on Intelligence, can we please get a comment from the Industry Ministry regarding Huawei's operations in Canada?  
Specifically, what steps has the Government of Canada taken to prevent risks cited by the Committee, including "cyber espionage and predatory disruption or destruction of ... networks"?

Reporter and Outlet [REDACTED] - BNN  
Actions Taken No existing entries.  
Final Response The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name [REDACTED]  
Media Outlet CTV  
Call Date 10/9/2012 12:00 PM  
Telephone  
E-mail address [REDACTED]@bellmedia.ca  
Deadline

s.19(1)

**Status** Final

**Branch** NS

**Subject** Huawei

**Questions** The US Intelligence ctee has issued warning against doing business with China's Huawei ... Looking for comment about the company's holdings in Canada. Is Toews avail today for quick invw?

**Reporter and Outlet** [REDACTED] - CTV

**Actions Taken** No existing entries.

**Final Response** The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

**Reporter's Name** [REDACTED]

**Media Outlet** Postmedia News

**Call Date** 10/9/2012 3:00 PM

**Telephone** [REDACTED]

**E-mail address** [REDACTED]@postmedia.com

**Deadline** Thursday at 1 p.m.

**Status** Consulting

**Branch**

**Subject** Cyber security testing

**Questions** As requested, here's what I'm looking for: The number of contracts and total value of said contracts issued by the department over the past two years to hire outside cyber security experts (including companies, consultants and individuals identifying themselves as hackers or ethical hackers) to perform activities for the department that includes, but is not limited to, penetration testing, hacking and counter-hacks.

I've noticed some companies have been hired to perform computer-related work for the government in the past, including MicroAge, which trained government workers to become certified ethical hackers. (as seen in proactive disclosure reports)

Deadline is 1 pm Thursday.  
Don't hesitate to write or call with any questions.

**Reporter's Name** [REDACTED]

**Media Outlet** Université Laval

**Call Date** 10/9/2012 11:00 AM

**Telephone**

E-mail address [REDACTED]@hotmail.com s.19(1)

Deadline

Status Referred to other organization - CSC

Branch

Subject Prison Chaplains

Questions Bonjour,  
je m'appelle [REDACTED] étudiante en journalisme à l'Université Laval.  
J'écris un article sur l'annulation des contrats des aumôniers à temps partiel.

J'aimerais savoir :

Combien d'aumôniers sont touchés par cette décision?  
Quelles seront les mesures prises pour les personnes incarcérées qui ne sont pas chrétien et qui désirent parler à un aumônier?  
Combien d'argent sera économisé avec cette décision?

Toute autre information sur le sujet serait apprécié.  
Si vous préférez répondre par téléphone, laissez le moi savoir.  
Merci.

### Outstanding

Reporter's Name [REDACTED]

Media Outlet CHIP FM

Call Date 10/2/2012 5:00 PM

E-mail address [REDACTED]@chipfm.com

Deadline 10/12/2012 5:00 PM

Status Consulting

Subject Cyber Month - Interview Request

Questions Étant donné que le moi d'octobre est le mois consacré à la cybersécurité, j'aimerais m'entretenir à cet effet avec l'un de vos représentant dans une petite entrevue téléphonique question d'informer davantage notre public.

Questions:  
Les cyber attaques peuvent prendre plusieurs formes?  
Les conséquences peuvent être très graves?  
Quelles mesures pouvons-nous prendre?  
Comment se protéger sur internet?  
Quelles sont les mesures prises par le gouvernement pour accroître la cybersécurité?  
Comment réagir si on en est victime?

Je suis disponible la semaine prochaine de mardi à vendredi à 11h15 ou 13h15.

J'attends de vos nouvelles,



**Swift, Andrew**

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**From:** Filipps, Lisa  
**Sent:** Tuesday, October 09, 2012 4:06 PM s.19(1)  
**To:** Slack, Jessica; Duval, Jean Paul  
**Cc:** Swift, Andrew  
**Subject:** Fw: For your attention: Media Request: Wall Street Journal/Today/Huawei  
**Attachments:** ATT00001.gif  
  
**Categories:** ATI PRINT

Let's send our call list to IC also.

**From:** PS Media Relations / Relations médias SP  
**Sent:** Tuesday, October 09, 2012 04:03 PM  
**To:** Filipps, Lisa; Slack, Jessica; Swift, Andrew; Swift, Andrew; McDonald, Jessica; Picard, Josée; Manning, Kerri; Wilson, Barbara; Champoux, Martin; Van Criekingen, Jane; Duval, Jean Paul  
**Subject:** FW: For your attention: Media Request: Wall Street Journal/Today/Huawei

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**From:** Michel.Cimpaye@ic.gc.ca  
**Sent:** October-09-12 4:03:53 PM (UTC-05:00) Eastern Time (US & Canada)  
**To:** PS Media Relations / Relations médias SP  
**Cc:** media-relations-medias@ic.gc.ca  
**Subject:** For your attention: Media Request: Wall Street Journal/Today/Huawei

Good afternoon fellow colleagues, here is a request one of our colleagues received today. Merci!

**REPORTER:** [REDACTED]@wsj.com, 416-306-2026  
[http://online.wsj.com/search/term.html?KEYWORDS=\[REDACTED\]](http://online.wsj.com/search/term.html?KEYWORDS=[REDACTED])

**DEADLINE:** today

**TOPIC:** Huawei

**REQUEST**

I'm a reporter for the Wall Street Journal in Toronto. I'm working on a story about Huawei in Canada today

I'd be very interested to get your thoughts on the recent U.S. Congressional report on security concerns surrounding Huawei, and Huawei's role in Canada.

My contact details are below.

Thank you,

[REDACTED]

--

[REDACTED]  
Wall Street Journal / Dow Jones Newswires Correspondent  
145 King St. West, Suite 730 - Toronto, ON M5H 1J8

Twitter @  
WSJ.com/Canada  
Industry Canada / Industrie Canada

Canada

s.19(1)

**Swift, Andrew**

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**From:** Williams, Christopher <Christopher.Williams@pco-bcp.gc.ca>  
**Sent:** Tuesday, October 09, 2012 2:46 PM  
**To:** Slack, Jessica  
**Cc:** Filippis, Lisa; Swift, Andrew  
**Subject:** RE: Chinese telecom firms

**Categories:** ATI PRINT

As a starting point, the reporter should be sent to SCC who can provide their statement. I'll advise my colleague who covers SCC. Follow-up questions, should there be any, should be addressed by you guys.

Thanks.

---

**From:** Slack, Jessica [mailto:Jessica.Slack@ps-sp.gc.ca]  
**Sent:** Tuesday, October 09, 2012 2:04 PM  
**To:** Williams, Christopher  
**Cc:** Filippis, Lisa; Swift, Andrew  
**Subject:** FW: Chinese telecom firms

Hi Chris-see below –Second part of request is specific to federal gov'ts new telecom system...

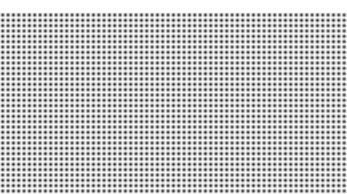
Just checking to see if preference would be for PS to respond with approved lines or if we should direct this to SSC...  
Jessica

**From:** Carmichael, Julie  
**Sent:** October-09-12 1:45 PM  
**To:** Swift, Andrew  
**Cc:** Filippis, Lisa; Slack, Jessica  
**Subject:** Fw: Chinese telecom firms

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
[Julie.carmichael@ps-sp.gc.ca](mailto:Julie.carmichael@ps-sp.gc.ca)

**From:** [REDACTED]@thecanadianpress.com]  
**Sent:** Tuesday, October 09, 2012 01:31 PM  
**To:** Carmichael, Julie  
**Subject:** Chinese telecom firms

Hi Julie,  
What is the minister's response to the chair of the United States House Intelligence Committee warning to the U.S. and Canada not to do business with the Chinese firms Huawei and ZTE because of security firms?  
Do you think they should be barred from bidding for work on the federal government's new telecom system?  
thanks,



Relevant stories:

1. <http://www.cbc.ca/news/politics/story/2012/10/09/huawei-canada-weston-interview.html?cmp=rss>

2. U.S. panel warns against doing business with China tech giants (US-US-China-Tech-Comp)

Source: The Canadian Press

Oct 9, 2012 1:55

By Matthew Pennington

## THE ASSOCIATED PRESS

WASHINGTON \_ American companies should avoid doing business with China's two leading technology firms because they pose a national security threat to the United States, the House Intelligence Committee is warning in a report to be issued Monday.

The panel says U.S. regulators should block mergers and acquisitions in this country by **Huawei** Technologies Ltd. and ZTE Corp, among the world's leading suppliers of telecommunications gear and mobile phones.

Reflecting U.S. concern over cyber-attacks traced to China, the report also recommends that U.S. government computer systems not include any components from the two firms because that could pose an espionage risk.

"China has the means, opportunity, and motive to use telecommunications companies for malicious purposes," the report says.

The recommendations are the result of a yearlong probe, including a congressional hearing last month in which senior Chinese executives of both companies testified, and denied posing a security threat.

A U.S. executive of one of the companies said the firm co-operated with investigators, and defended its business record. **Huawei** is a "globally trusted and respected company," said William Plummer, vice-president for external affairs.

On Monday, ahead of the report's release, a Chinese foreign ministry spokesman said investment by China's telecommunications companies in the United States showed the countries have mutually beneficial relations.

"We hope the U.S. will do more to benefit the interests of the two countries, not the opposite," said spokesman Hong Lei at a regular briefing.

The bipartisan report is likely to become fodder for a presidential campaign in which the candidates have been competing in their readiness to clamp down on Chinese trade violations. Republican Mitt Romney, in particular, has made it a key point to get tougher on China by designating it a currency manipulator and fighting abuses such as intellectual property theft.

The committee made the draft available to reporters in advance of public release Monday, but only under the condition that they not publish stories until the broadcast Sunday of a CBS' "60 Minutes" report on **Huawei**. In the CBS report, the committee's chairman, Rep. Mike Rogers, R-Mich., urges American companies not to do business with **Huawei**.

The panel's recommendations will likely hamper **Huawei** and ZTE's ambitions to expand their business in America. Their products are used in scores of countries, including in the West. Both deny being influenced by China's communist government.

"The investigation concludes that the risks associated with **Huawei's** and ZTE's provision of equipment to U.S. critical infrastructure could undermine core U.S. national-security interests," the report says.

The report says the committee received information from industry experts and current and former **Huawei** employees suggesting that **Huawei**, in particular, may be violating U.S. laws. It says that the committee will refer the allegations to the U.S. government for further review and possible investigation. The report mentions allegations of immigration violations, bribery and corruption, and of a "pattern and practice" of **Huawei** using pirated software in its U.S. facilities.

**Huawei** is a private company founded by a former Chinese military engineer, and has grown rapidly to become the world's second largest supplier of telecommunications network gear, operating in more than 140 countries. ZTE Corp is the world's fourth largest mobile phone manufacturer, with 90,000 employees worldwide. While their business in selling mobile devices has grown in the U.S., espionage fears have limited the companies from moving into network infrastructure.

The report says the companies failed to provide responsive answers about their relationships and support by the Chinese government, and detailed information about their operations in the U.S. It says **Huawei**, in particular, failed to provide thorough information, including on its corporate structure, history, financial arrangements and management.

"The committee finds that the companies failed to provide evidence that would satisfy any fair and full investigation. Although this alone does not prove wrongdoing, it factors into the committee's conclusions," it says.

In Washington, **Huawei** executive Plummer said Friday the company co-operated in good faith with the investigation, which he said had not been objective and amounted to a "political distraction" from cybersecurity problems facing the entire industry.

All major telecommunications firms, including those in the West, develop and manufacture equipment in China and overlapping supply chains require industry-wide solutions, he added. Singling out China-based firms wouldn't help.

Plummer complained that the volume of information sought by the committee was unreasonable, and it had demanded some proprietary business information that "no responsible company" would provide.

In justifying its scrutiny of the Chinese companies, the committee contended that Chinese intelligence services, as well as private companies and other entities, often recruit those with direct access to corporate networks to steal trade secrets and other sensitive proprietary data.

It warned that malicious hardware or software implants in Chinese-manufactured telecommunications components and systems headed for U.S. customers could allow Beijing to shut down or degrade critical national security systems in a time of crisis or war.

The committee concluded that **Huawei** likely has substantially benefited from the support of the Chinese government.

**Huawei** denies being financed to undertake research and development for the Chinese military, but the committee says it has received internal **Huawei** documentation from former employees showing the company provides special network services to an entity alleged to be an elite cyber-warfare unit within the People's Liberation Army.

The intelligence committee recommended that the government's Committee on Foreign Investment in the United States, or CFIUS, bar mergers and acquisitions by both **Huawei** and ZTE. A multi-agency regulatory panel chaired by Treasury Secretary Timothy Geithner, CFIUS screens foreign investment proposals for potential national security threats.

Last year, **Huawei** had to unwind its purchase of a U.S. computer company, 3Leaf Systems, after it failed to win CFIUS approval. However, **Huawei** employs 1,700 people in the U.S., and business is expanding. U.S. revenues rose to \$1.3 billion in 2011, up from \$765 million in 2010.

ZTE has also enjoyed growth in its sale of mobile devices, although in recent months it has faced allegations about banned sales of U.S.-sanctioned computer equipment to Iran. The FBI is probing reports that the company obstructed a U.S. Commerce Department investigation into the sales.

The intelligence panel says ZTE refused to provide any documents on its activities in Iran, but did provide a list of 19 individuals who serve on the Chinese Communist Party committee within the company. ZTE's citing of China's state secrecy laws for limiting information it could release only added to concern over Chinese government influence over its operations, the report says.

INDEX: DEFENCE INTERNATIONAL TELECOM BUSINESS POLITICS

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**Swift, Andrew**

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**From:** Filipps, Lisa  
**Sent:** Tuesday, October 09, 2012 12:53 PM  
**To:** Duval, Jean Paul; Swift, Andrew  
**Subject:** RE: Public Safety Canada - Response to your questions  
**Attachments:** image001.jpg

**Categories:** ATI PRINT

Andrew – safe to just reply that we cannot provide an interview at this time?

**From:** Duval, Jean Paul  
**Sent:** Tuesday, October 09, 2012 12:51 PM  
**To:** Filipps, Lisa  
**Cc:** Swift, Andrew  
**Subject:** FW: Public Safety Canada - Response to your questions

Lisa,

As discussed, this journalist followed-up looking for more on Huawei. Based on his original request, he is looking for a reaction to the US congressional report, any CDN Gov. concerns with Huawei, etc.  
 Are we to indicate we have nothing further to add?

The response we provided is included below.

Reporter's Name	[REDACTED]
Media Outlet	Wall Street Journal
Call Date	10/9/2012 1:00 PM
Telephone	[REDACTED]
E-mail address	[REDACTED]@wsj.com
Deadline	10/9/2012 2:00 PM
Status	Final
Branch	
Subject	Huawei
Questions	Comments on Huawei? Canadian Gov concerned? Any discussions with CDN telcos?

**From:** [REDACTED]@wsj.com]  
**Sent:** Tuesday, October 09, 2012 12:41 PM  
**To:** Duval, Jean Paul  
**Subject:** RE: Public Safety Canada - Response to your questions

Ok thanks for this. So no comments at all on Huawei?

Someone from Public Safety won't be able to chat?

--

██████████  
Wall Street Journal / Dow Jones Newswires Correspondent  
145 King St. West, Suite 730 - Toronto, ON M5H 1J8

██████████  
Twitter @██████████  
[WSJ.com/Canada](http://WSJ.com/Canada)

**From:** Duval, Jean Paul [mailto:JeanPaul.Duval@ps-sp.gc.ca]  
**Sent:** Tuesday, October 09, 2012 12:39 PM  
**To:** ██████████  
**Subject:** Public Safety Canada - Response to your questions

Good day ██████████

In response to your questions, I am able to provide you with the following:

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Regards,

Jean Paul Duval  
Spokesperson / Porte-parole  
Media Relations / Relations avec les médias  
Public Safety Canada / Sécurité publique Canada  
613-991-0657  
[media@ps-sp.gc.ca](mailto:media@ps-sp.gc.ca)

<p>Octobre est le Mois de la sensibilisation à la cybersécurité</p> <p>October is Cyber Security Awareness Month</p>	<p>Pour des renseignements sur la façon de vous protéger en ligne, veuillez consulter</p> <p><b>PENSEZCYBERSECURITE.CA</b></p> <p>For information on how to stay safe online, please visit</p> <p><b>GETCYBERSAFE.CA</b></p>
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## Swift, Andrew

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**From:** Carmichael, Julie  
**Sent:** Tuesday, October 09, 2012 12:49 PM s.19(1)  
**To:** Swift, Andrew  
**Cc:** Filippis, Lisa; Slack, Jessica  
**Subject:** RE: Huawei  
**Attachments:** image001.jpg

**Categories:** ATI PRINT

Sure

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**From:** Swift, Andrew  
**Sent:** October-09-12 12:47 PM  
**To:** Carmichael, Julie  
**Cc:** Filippis, Lisa; Slack, Jessica  
**Subject:** RE: Huawei

Julie,  
We'll follow up, but I would suggest that we use the if pressed line in response to her question about "cyber attacks from China" follow up question:

Cyber Security Incidents

We do not comment on the details of security related incidents. That said, our government takes threats seriously and has measures in place to address them.

## Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

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**From:** Carmichael, Julie  
**Sent:** Tuesday, October 09, 2012 12:41 PM  
**To:** Swift, Andrew  
**Cc:** Filippis, Lisa; Slack, Jessica  
**Subject:** FW: Huawei

Another one ...

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**From:** [REDACTED] [@bellmedia.ca](mailto:[REDACTED]@bellmedia.ca)  
**Sent:** October-09-12 12:08 PM  
**To:** Carmichael, Julie  
**Subject:** Huawei

Hi Julie!

I'm hitting on Huawei being a potential national security threat in the wake of the US congressional report. Apparently they're already serving certain Canadian telecoms. Is the Minister concerned about that or rethinking allowing them to operate or bid on public or private contracts?

Same file, another angle, I'm wondering if you have any kind of stats on cyber attacks from China over the past few years...

---

[Redacted] | Reporter

CTV News Channel | [Redacted] Twitter [Redacted] @bellmedia.ca

<http://ctv.ca>



s.19(1)

## Swift, Andrew

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**From:** Swift, Andrew  
**Sent:** Tuesday, October 09, 2012 12:29 PM  
**To:** Carmichael, Julie; Filippis, Lisa; Slack, Jessica  
**Cc:** McGrath, Andrew s.19(1)  
**Subject:** RE: Media Request

**Categories:** ATI PRINT

We will follow up.

### Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

---

**From:** Carmichael, Julie  
**Sent:** Tuesday, October 09, 2012 12:27 PM  
**To:** Swift, Andrew  
**Cc:** McGrath, Andrew  
**Subject:** FW: Media Request

Andrew – another one.

Thanks

---

**From:** Rioux, Axel [<mailto:Axel.Rioux@pmo-cpm.gc.ca>]  
**Sent:** October-09-12 12:24 PM  
**To:** McGrath, Andrew  
**Subject:** Media Request

Hi, I've been told to send the following request to your office.

Thx

Axel

---

██████████ from the WSJ based in Toronto

He was wondering if we had any concerns about our telecom equipment supply after "U.S. Intelligence Committee is urging Canadian companies not to do business with the Chinese telecommunications giant Huawei as a matter of national security."

██████████ [@wsj.com](mailto:██████████@wsj.com)

**Axel Rioux**

Adjoint aux communications / Communications Assistant  
Cabinet du Premier ministre / Office of the Prime Minister

613-957-5510

[axel.rioux@pmo-cpm.gc.ca](mailto:axel.rioux@pmo-cpm.gc.ca)

## Swift, Andrew

---

**From:** Swift, Andrew  
**Sent:** Tuesday, October 09, 2012 11:51 AM  
**To:** Carmichael, Julie  
**Cc:** Slack, Jessica; Filippis, Lisa  
**Subject:** RE: Huawei poses a risk to Canada, says U.S.

**Categories:** ATI PRINT

We'll follow up.

### Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

---

**From:** Carmichael, Julie  
**Sent:** Tuesday, October 09, 2012 11:50 AM  
**To:** Swift, Andrew  
**Subject:** FW: Huawei poses a risk to Canada, says U.S.

Another one

---

**From:** [REDACTED]@thomsonreuters.com [REDACTED]@thomsonreuters.com]  
**Sent:** October-09-12 11:45 AM  
**To:** Carmichael, Julie  
**Cc:** randall.palmer@thomsonreuters.com; Louise.Egan@thomsonreuters.com  
**Subject:** Huawei poses a risk to Canada, says U.S.

Good morning. Do you have a reaction to this story? Might Canada rethink its welcoming stance towards Huawei in light of this report? Does the Minister have security concerns about this company?

<http://www.cbc.ca/news/politics/story/2012/10/09/huawei-canada-weston-interview.html>

Many thanks.

[REDACTED]

[REDACTED]  
National Political Correspondent, Canada

**Thomson Reuters**

Phone: [REDACTED]  
Mobile: [REDACTED]

[redacted]@thomsonreuters.com  
www.reuters.ca

s.19(1)

Follow my latest articles and blog postings at [http://blogs.reuters.com/\[redacted\]](http://blogs.reuters.com/[redacted])

Follow me on Twitter at [http://twitter.com/\[redacted\]](http://twitter.com/[redacted])

## Swift, Andrew

---

**From:** Slack, Jessica  
**Sent:** Tuesday, October 09, 2012 11:39 AM  
**To:** Swift, Andrew  
**Subject:** RE: Huawei calls yesterday

**Categories:** ATI PRINT

will do.

---

**From:** Swift, Andrew  
**Sent:** October-09-12 11:39 AM  
**To:** Slack, Jessica  
**Subject:** Huawei calls yesterday

Can we be sure to add the details into Sharepoint?  
Thx.

### Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

## Swift, Andrew

---

**From:** Swift, Andrew  
**Sent:** Tuesday, October 09, 2012 11:24 AM s.19(1)  
**To:** Carmichael, Julie  
**Cc:** Filipps, Lisa; Slack, Jessica  
**Subject:** RE: Request

**Categories:** ATI PRINT

We'll follow up.

Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques Communications Directorate | Direction générale des communications Public Safety Canada | Sécurité publique Canada Telephone | Téléphone : 613-991-3549 Fax | Télécopieur : 613-954-2000 Email | Courriel : Andrew.Swift@ps-sp.gc.ca

-----Original Message-----

**From:** Carmichael, Julie  
**Sent:** Tuesday, October 09, 2012 11:16 AM  
**To:** Swift, Andrew  
**Subject:** Request

One more -

----- Original Message -----

**From:** [REDACTED]@itwc.ca]  
**Sent:** Tuesday, October 09, 2012 11:13 AM  
**To:** Mueller, Mike  
**Subject:** Question from reporter

Hi Mike

By now I'm sure you're deluged with questions from reporters about the Huawei report from Congress. So I'm joining: Is the government of Canada concerned about the security of Canadian telecom networks that use Huawei equipment? The government uses telecom services of companies like Bell and Telus, which use Huawei gear. But the congressional committee recommends the U.S.government systems shouldn't include equipment from Huawei and ZTE, nor should the systems of government contractors.

--

[REDACTED]  
Assistant editor  
ComputerWorld Canada  
Toronto

[REDACTED]  
Julie Carmichael



Director of Communications  
Office of the Minister of Public Safety  
Julie.carmichael@ps-sp.gc.ca

**Swift, Andrew**

---

**From:** Swift, Andrew  
**Sent:** Tuesday, October 09, 2012 10:17 AM s.19(1)  
**To:** Slack, Jessica; Duval, Jean Paul  
**Cc:** Filipps, Lisa  
**Subject:** Fw: Huawei

**Categories:** ATI PRINT

For follow up, please.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

----- Original Message -----

**From:** Carmichael, Julie  
**Sent:** Tuesday, October 09, 2012 10:14 AM  
**To:** Swift, Andrew  
**Subject:** Fw: Huawei

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
Julie.carmichael@ps-sp.gc.ca

----- Original Message -----

**From:** [REDACTED]@sunmedia.ca]  
**Sent:** Tuesday, October 09, 2012 10:13 AM  
**To:** Carmichael, Julie  
**Subject:** Huawei

Hi Julie,

I think Alex from Industry got in touch with you. Can I get a statement on the US congressional report on Huawei? Or is Minister Toews available to speak today on whether Canada has concerns, given that Huawei operates here in Canada?

Thank you,

[REDACTED]  
Parliamentary Bureau  
Sun Media  
[REDACTED]

## Swift, Andrew

---

**From:** Durand, Stéphanie  
**Sent:** Monday, October 08, 2012 4:52 PM  
**To:** Filipps, Lisa; Swift, Andrew  
**Subject:** Re: URGENT: Huawei (CTV)

**Categories:** ATI PRINT

Thanks for work on Huawei.  
Advance work on Friday was hugely helpful for weekend.

Hope you've had a good Thanksgiving weekend (with lots of turkey)

See you tomorrow.

----- Original Message -----

**From:** Filipps, Lisa  
**Sent:** Monday, October 08, 2012 04:01 PM  
**To:** Slack, Jessica; Swift, Andrew; Duval, Jean Paul  
**Cc:** Durand, Stéphanie  
**Subject:** Re: URGENT: Huawei (CTV)

I'm on it now - no worries

----- Original Message -----

**From:** Slack, Jessica  
**Sent:** Monday, October 08, 2012 04:00 PM  
**To:** Swift, Andrew; Duval, Jean Paul  
**Cc:** Filipps, Lisa; Durand, Stéphanie  
**Subject:** Re: URGENT: Huawei (CTV)

Just seeing this now...I can if this has not yet been done...please confirm

----- Original Message -----

**From:** Swift, Andrew  
**Sent:** Monday, October 08, 2012 02:52 PM  
**To:** Slack, Jessica; Duval, Jean Paul  
**Cc:** Filipps, Lisa; Durand, Stéphanie  
**Subject:** URGENT: Huawei (CTV)

Here's the other call; same lines as the previous. Please let me know which one of you can do this.

Thanks,  
Andrew

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada

Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

----- Original Message -----

From: PS Media Relations / Relations médias SP  
Sent: Monday, October 08, 2012 02:16 PM  
To: Filipps, Lisa; Slack, Jessica; Swift, Andrew; Swift, Andrew; McDonald, Jessica; Picard, Josée; Manning, Kerri; Wilson, Barbara; Champoux, Martin; Van Criekingen, Jane; Duval, Jean Paul  
Subject: FW: Huawei

---

From: Carmichael, Julie  
Sent: Monday, October 08, 2012 2:16:37 PM (UTC-05:00) Eastern Time (US & Canada)  
To: PS Media Relations / Relations médias SP  
Subject: Fw: Huawei

Another call below

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
Julie.carmichael@ps-sp.gc.ca

----- Original Message -----

From: [REDACTED]@bellmedia.ca]  
Sent: Monday, October 08, 2012 02:15 PM  
To: Carmichael, Julie  
Subject: Huawei

I've been punted over to you ...

The US Intelligence ctee has issued warning against doing business with China's Huawei ... Looking for comment about the company's holdings in Canada.

Is Toews avail today for quick invw?

[REDACTED]  
Parliamentary Correspondent  
CTV NATIONAL NEWS  
C: [REDACTED]  
Twitter: @[REDACTED]

Sent from my Mobile

**Swift, Andrew**

---

**From:** Swift, Andrew  
**Sent:** Monday, October 08, 2012 4:29 PM  
**To:** Filipps, Lisa  
**Subject:** Re: Media Inquiry

**Categories:** ATI PRINT

Thx!

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

----- Original Message -----

**From:** Filipps, Lisa  
**Sent:** Monday, October 08, 2012 04:20 PM  
**To:** 'mcdonald,michael@ps-sp.gc.ca' <mcdonald>; michael@ps-sp.gc.ca <michael@ps-sp.gc.ca>; 'dick.robert@ps-sp.gc.ca' <dick.robert@ps-sp.gc.ca>  
**Cc:** Swift, Andrew  
**Subject:** Fw: Media Inquiry

Mike and Robert - fyi only - we've had two media calls on Huawei fwded from MO and are using the lines below (approved on Friday). We are monitoring coverage.

s.19(1)

----- Original Message -----

**From:** Filipps, Lisa  
**Sent:** Monday, October 08, 2012 04:05 PM  
**To:** ' [REDACTED] bellmedia.ca' < [REDACTED] bellmedia.ca >  
**Cc:** PS Media Relations / Relations médias SP  
**Subject:** Media Inquiry

Good afternoon [REDACTED]

I have been asked by the Minister's Office of Public Safety Canada to respond to your inquiry earlier today. I can tell you that the Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to

Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Lisa Filippis  
Spokesperson  
Public Safety Canada  
613 991 0657

## **Durand, Stéphanie**

---

**From:** Swift, Andrew  
**Sent:** Monday, October 08, 2012 2:51 PM  
**To:** Slack, Jessica; Duval, Jean Paul  
**Cc:** Filipps, Lisa; Durand, Stéphanie  
**Subject:** URGENT: BNN - For Response

Jessica or JP,

We've received two enquiries on Huawei so far today (one call below, will send the other).

Can one of you please deliver the following lines? They've been approved by both MO and PCO this afternoon.

Could you also advise Robert Dick and Mike Macdonald of the calls and the use of the lines (not for approval, but as FYI)?

Andrew

- The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed.
- Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.
- All carriers are subject to Canadian laws.
- The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.
- On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure.
- Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

----- Original Message -----

**From:** PS Media Relations / Relations médias SP  
**Sent:** Monday, October 08, 2012 02:07 PM  
**To:** Filipps, Lisa; Slack, Jessica; Swift, Andrew; Swift, Andrew; McDonald, Jessica; Picard, Josée; Manning, Kerri; Wilson, Barbara; Champoux, Martin; Van Crieckingen, Jane; Duval, Jean Paul

Subject: FW: BNN - For Response

---

From: Carmichael, Julie  
Sent: Monday, October 08, 2012 2:07:40 PM (UTC-05:00) Eastern Time (US & Canada)  
To: PS Media Relations / Relations médias SP  
Subject: BNN - For Response

Andrew,

See request below that went to IC:

From: [REDACTED] [mailto:[REDACTED]@bellmedia.ca]  
Sent: Monday, October 08, 2012 01:31 PM  
To: Stastny, Margaux: IC-MIN; Fortier, Alexandra: IC  
Subject: BNN request for comment re. Huawei

Good afternoon Margaux and Alexandra,

In light of the report from the U.S. Committee on Intelligence, can we please get a comment from the Industry Ministry regarding Huawei's operations in Canada?

Specifically, what steps has the Government of Canada taken to prevent risks cited by the Committee, including "cyber espionage and predatory disruption or destruction of ... networks"?

Please advise if i should be contacting another department.

Best regards, and happy thanksgiving.

[REDACTED] | Assignment Editor

BNN | [REDACTED]@bellmedia.ca  
299 Queen Street West  
Toronto, Ontario M5V 2Z5  
Canada

<http://www.bnn.ca>  
[www.bnn.ca](http://www.bnn.ca)

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
[Julie.carmichael@ps-sp.gc.ca](mailto:Julie.carmichael@ps-sp.gc.ca)



## **Durand, Stéphanie**

---

**From:** Carmichael, Julie  
**Sent:** Monday, October 08, 2012 2:47 PM  
**To:** Swift, Andrew  
**Cc:** Durand, Stéphanie; Filipps, Lisa  
**Subject:** Re: Huawei

Great - thanks

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
[Julie.carmichael@ps-sp.gc.ca](mailto:Julie.carmichael@ps-sp.gc.ca)

----- Original Message -----

**From:** Swift, Andrew  
**Sent:** Monday, October 08, 2012 02:46 PM  
**To:** Carmichael, Julie  
**Cc:** Durand, Stéphanie; Filipps, Lisa  
**Subject:** Re: Huawei

Julie,  
PCO has confirmed that PS should respond to both with the suggested lines. We will close the calls now.  
Andrew

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
[Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

----- Original Message -----

**From:** Carmichael, Julie  
**Sent:** Monday, October 08, 2012 02:22 PM  
**To:** Swift, Andrew  
**Cc:** Durand, Stéphanie; Filipps, Lisa  
**Subject:** Re: Huawei

Agreed

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
[Julie.carmichael@ps-sp.gc.ca](mailto:Julie.carmichael@ps-sp.gc.ca)

----- Original Message -----

**From:** Swift, Andrew  
**Sent:** Monday, October 08, 2012 02:21 PM

To: Carmichael, Julie  
Cc: Durand, Stéphanie; Filipps, Lisa  
Subject: Fw: Huawei

Recommend that we use the same lines for this call as well.

Andrew

- The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed.
- Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.
- All carriers are subject to Canadian laws.
- The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

If pressed:  
Cyber Security

- On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure.
- Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Andrew

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
[Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

----- Original Message -----

From: PS Media Relations / Relations médias SP  
Sent: Monday, October 08, 2012 02:16 PM  
To: Filipps, Lisa; Slack, Jessica; Swift, Andrew; Swift, Andrew; McDonald, Jessica; Picard, Josée; Manning, Kerri; Wilson, Barbara; Champoux, Martin; Van Crieking, Jane; Duval, Jean Paul  
Subject: FW: Huawei

---

From: Carmichael, Julie  
Sent: Monday, October 08, 2012 2:16:37 PM (UTC-05:00) Eastern Time (US & Canada)  
To: PS Media Relations / Relations médias SP

Subject: Fw: Huawei

s.19(1)

Another call below

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
[Julie.carmichael@ps-sp.gc.ca](mailto:Julie.carmichael@ps-sp.gc.ca)

----- Original Message -----

From: [REDACTED]@bellmedia.ca]

Sent: Monday, October 08, 2012 02:15 PM

To: Carmichael, Julie

Subject: Huawei

I've been punted over to you ...

The US Intelligence ctee has issued warning against doing business with China's Huawei ... Looking for comment about the company's holdings in Canada.

Is Toews avail today for quick invw?

[REDACTED]  
Parliamentary Correspondent  
CTV NATIONAL NEWS

C: [REDACTED]  
Twitter: [REDACTED]

Sent from my Mobile

## Swift, Andrew

---

**From:** Williams, Christopher <Christopher.Williams@pco-bcp.gc.ca>  
**Sent:** Monday, October 08, 2012 2:45 PM  
**To:** Swift, Andrew  
**Subject:** Re: Huawei

**Categories:** ATI PRINT

You guys are good to go with both - thanks.

----- Original Message -----

**From:** Swift, Andrew [mailto:Andrew.Swift@ps-sp.gc.ca]  
**Sent:** Monday, October 08, 2012 02:39 PM  
**To:** Williams, Christopher  
**Subject:** Re: Huawei

I should have asked whether this is PS or SSC as well.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

----- Original Message -----

**From:** Williams, Christopher [mailto:Christopher.Williams@pco-bcp.gc.ca]  
**Sent:** Monday, October 08, 2012 02:31 PM  
**To:** Swift, Andrew  
**Subject:** Re: Huawei

Ack - will get back to you asap.

----- Original Message -----

**From:** Swift, Andrew [mailto:Andrew.Swift@ps-sp.gc.ca]  
**Sent:** Monday, October 08, 2012 02:28 PM  
**To:** Williams, Christopher  
**Subject:** Fw: Huawei

Chris,  
2nd call. MO agrees that the dept should respond w/ the same proposed lines.  
Can you advise when we have green light?  
Andrew

Andrew Swift  
Director, Public Affairs  
Communications

Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

s.19(1)

----- Original Message -----

From: PS Media Relations / Relations médias SP  
Sent: Monday, October 08, 2012 02:16 PM  
To: Filippis, Lisa; Slack, Jessica; Swift, Andrew; Swift, Andrew; McDonald, Jessica; Picard, Josée; Manning, Kerri; Wilson, Barbara; Champoux, Martin; Van Crieckingen, Jane; Duval, Jean Paul  
Subject: FW: Huawei

---

From: Carmichael, Julie  
Sent: Monday, October 08, 2012 2:16:37 PM (UTC-05:00) Eastern Time (US & Canada)  
To: PS Media Relations / Relations médias SP  
Subject: Fw: Huawei

Another call below

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
Julie.carmichael@ps-sp.gc.ca

----- Original Message -----

From: [REDACTED]@bellmedia.ca]  
Sent: Monday, October 08, 2012 02:15 PM  
To: Carmichael, Julie  
Subject: Huawei

I've been punted over to you ...

The US Intelligence ctee has issued warning against doing business with China's Huawei ... Looking for comment about the company's holdings in Canada.

Is Toews avail today for quick invw?

[REDACTED]  
Parliamentary Correspondent  
CTV NATIONAL NEWS

C: [REDACTED]

Twitter: [REDACTED]

Sent from my Mobile

**Durand, Stéphanie**

---

**From:** Durand, Stéphanie  
**Sent:** Monday, October 08, 2012 11:55 AM  
**To:** Swift, Andrew  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

[REDACTED]

No problem for time off. Thanks for flagging leave request. I'll go into leave system. I'm also not in on Thursday and part of Friday... We'll be covered.

[REDACTED]

---

**From:** Swift, Andrew  
**Sent:** Monday, October 08, 2012 11:19 AM  
**To:** Durand, Stéphanie  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

You too! [REDACTED]

By the way, I sent a leave request a while back. [REDACTED] Just wanted to make sure you were aware.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

---

**From:** Durand, Stéphanie  
**Sent:** Monday, October 08, 2012 11:08 AM  
**To:** Swift, Andrew  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

Thanks - hope you're having a good Thanksgiving weekend.

---

**From:** Swift, Andrew  
**Sent:** Monday, October 08, 2012 10:56 AM  
**To:** Durand, Stéphanie  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

Yes, we engaged them Friday. No, heard about the statement through PCO.

Lisa is putting together the agenda and invite for the meeting w/ them. Will invite for next week.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

---

**From:** Durand, Stéphanie  
**Sent:** Monday, October 08, 2012 10:31 AM  
**To:** Swift, Andrew  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

Thanks for all your follow-ups.  
Had SSC flagged statement? Had we engaged them on Friday?

---

**From:** Swift, Andrew  
**Sent:** Monday, October 08, 2012 09:59 AM  
**To:** Williams, Christopher  
**Cc:** Durand, Stéphanie; Carta, John; Filipps, Lisa; Slack, Jessica; Duval, Jean Paul  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

Thanks Chris. Will keep you apprised of any calls to PS.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

---

**From:** Williams, Christopher [mailto:Christopher.Williams@pco-bcp.gc.ca]  
**Sent:** Monday, October 08, 2012 09:20 AM  
**To:** Swift, Andrew  
**Cc:** Durand, Stéphanie; Carta, John; Filipps, Lisa; Slack, Jessica; Duval, Jean Paul  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

Yes, sorry. Most calls will be addressed by the statement. All others will be referred to PS.

I don't expect very many to come your way...

---

**From:** Swift, Andrew [mailto:Andrew.Swift@ps-sp.gc.ca]  
**Sent:** Monday, October 08, 2012 09:12 AM  
**To:** Williams, Christopher  
**Cc:** Durand, Stéphanie <Stephanie.Durand@ps-sp.gc.ca>; Carta, John <John.Carta@ps-sp.gc.ca>; Filipps, Lisa <Lisa.Filipps@ps-sp.gc.ca>; Slack, Jessica <Jessica.Slack@ps-sp.gc.ca>; Duval, Jean Paul <JeanPaul.Duval@ps-sp.gc.ca>  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

Chris,  
Unsure of protocol if Shared Services Canada has a statement. Do they answer calls with the statement or do they direct calls to PS?  
Andrew

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

---

**From:** Williams, Christopher [mailto:Christopher.Williams@pco-bcp.gc.ca]  
**Sent:** Monday, October 08, 2012 09:03 AM  
**To:** Swift, Andrew  
**Cc:** Durand, Stéphanie; Carta, John; Filipps, Lisa; Slack, Jessica; Duval, Jean Paul  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

Here is the SCC statement:

#### STATEMENT

The Government of Canada takes cyber security seriously and operates on the advice of security experts. Our Government has put in place a Cyber Security Strategy designed to defend against electronic threats, hacking and cyber espionage.

Shared Services Canada will not comment on any particular equipment supplier. In order to protect its national security interest, the Government of Canada has in fact invoked the National Security Exception under Canada's domestic and international trade agreements in connection with the procurement of consolidated email, telecommunications and data centre infrastructure, systems and services. This is part of a Government of Canada strategy to create a secure, centralized communications infrastructure.

---

**From:** Williams, Christopher  
**Sent:** Monday, October 08, 2012 08:58 AM  
**To:** 'Andrew.Swift@ps-sp.gc.ca' <Andrew.Swift@ps-sp.gc.ca>  
**Cc:** 'Stephanie.Durand@ps-sp.gc.ca' <Stephanie.Durand@ps-sp.gc.ca>; 'John.Carta@ps-sp.gc.ca' <John.Carta@ps-sp.gc.ca>; 'Lisa.Filipps@ps-sp.gc.ca' <Lisa.Filipps@ps-sp.gc.ca>; 'Jessica.Slack@ps-sp.gc.ca' <Jessica.Slack@ps-sp.gc.ca>; 'JeanPaul.Duval@ps-sp.gc.ca' <JeanPaul.Duval@ps-sp.gc.ca>  
**Subject:** Re: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

Hi Andrew,

The lines are good to go. The protocol is also good to go, but I suspect SCC might end up getting a lot of the calls as they have a statement (apparently CBC has it). I'll get the statement to you asap.

Also, as usual, can you flag any calls?

---

**From:** Swift, Andrew [mailto:Andrew.Swift@ps-sp.gc.ca]  
**Sent:** Sunday, October 07, 2012 08:38 PM  
**To:** Williams, Christopher  
**Cc:** Durand, Stéphanie <Stephanie.Durand@ps-sp.gc.ca>; Carta, John <John.Carta@ps-sp.gc.ca>; Filipps, Lisa



<Lisa.Filipps@ps-sp.gc.ca>; Slack, Jessica <Jessica.Slack@ps-sp.gc.ca>; Duval, Jean Paul <JeanPaul.Duval@ps-sp.gc.ca>

**Subject:** Fw: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

Chris,  
Let me know if there's any decision on the lines I shared w/ you yesterday. We promised to share w/ others (DFAIT, CSIS, CSEC, TBS, SSC, etc) once/if they were approved.

At the same time, can you let me know on the media relations protocol? Plan was for PS to take all calls and then triage as necessary.

Thanks,  
Andrew

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

---

**From:** PSMediaCentre/CentredesmediasdeSP

**Sent:** Sunday, October 07, 2012 08:04 PM

**To:** \* COMMS ADG / Bureau du directeur général associé; \* COMMS Communication Services Division / Division des services de communication; \* COMMS DGO / Bureau de la directrice générale; \* COMMS Program Communications Division / Secteur des communications de programmes; \* COMMS Public Affairs Division / Secteur des affaires publiques; \* Speeches / Discours; Thibouthot, AkimIsabelle; Astravas, Rutha; Banerjee, Ritu; Beaudoin, Serge C; Bolton, Stephen; Boucher, Patrick; Boucher-Lalonde, Murielle; Cameron, Bud; Carmichael, Julie; Champoux, Elizabeth; Clairmont, Lynda; Clifford, Kurtis; Coburn, Stacey; Crawford, Andrée; Csversko, Christine; Currie, St. Clair; Daoust, Normand; Davis, Jeremy; De Santis, Heather; Duschner, Gabrielle; Easson, Grant; Gareau-Lavoie, Genevieve; Gordon, Robert; Hitchcock, Christy; House, Andrew; Huggins, Rachel; Humeniuk, Elena; Hunt, Ryan; Jarmyn, Tom; Johnson, Mark; Kelland, Stephen; Khouri, Lisa; Kubicek, Brett; Lavoie, Micheline; Leclair, Natalie; Leclerc, Carole; Leonidis, Nelly; Lesser, Robert; MacDonald, Nicholas; MacKinnon, Paul; Marchand, Renee; McAteer, Julie; McGrath, Andrew; McLaren, Victoria; Morris, Marika; Motzney, Barbara; Mueller, Mike; Mundie, Robert; Murdock, Lyndon; Murray, Erin; Nicole, Jean-Thomas; Oldham, Craig; Panthaky, Jasmine; Porter, Neal; Pozhke, Nicholas; Rosario, Giselle; Roy, Isabelle; Saunders, Joanne; Schulz, Caroline; Shuttle, Paul; Slack, Jessica; Thibault, Stéphane; Tupper, Shawn; Van Criekeingen, Jane; Verret, Scott; Vinodrai, Arjun; Wex, Richard; Wilson, Gina; Amitha.Carnadin@cbsa-asfc.gc.ca <Amitha.Carnadin@cbsa-asfc.gc.ca>; Bev.Arseneault@csc-scc.gc.ca <Bev.Arseneault@csc-scc.gc.ca>; Bindman, Stephen; Brunette, Lynn <lynn.brunette@csc-scc.gc.ca>; cbsa.media@cbsa-asfc.gc.ca <cbsa.media@cbsa-asfc.gc.ca>; Cgirouad@justice.gc.ca <Cgirouad@justice.gc.ca>; Williams, Christopher; Churney, Daryl; Cobbsu@csc-scc.gc.ca <Cobbsu@csc-scc.gc.ca>; Cocking, Marie <Marie.Cocking@PBC-CLCC.GC.CA>; Couture, Jocelyne <000160815.SC10.EDIV\_LMD@rcmp-grc.gc.ca>; Derek Cefaloni <derek.cefaloni@rcmp-grc.gc.ca>; Douglas, Caroline; C. Girouard; Hart, Melissa <Melissa.Hart@CSC-SCC.GC.CA>; Desantis, Heather; Bradley, Jolene; Julianne Prokopich; Mackillop, Ken; Lamothe, Maureen; [REDACTED] Lavoie, Daniel; Mailhot, Esther; Stokes, Mark; Mary.Schlosser@rcmp-grc.gc.ca <Mary.Schlosser@rcmp-grc.gc.ca>; John McMeekin; Media.Monitoring@cbsa-asfc.gc.ca <Media.Monitoring@cbsa-asfc.gc.ca>; CBSA Media Monitoring; RCMP Media Monitoring; Martin, Nadie; Robinson, N.; Nichols, Megan; Noftle, Tracie <Tracie.Noftle@csc-scc.gc.ca>; Parkes, Sara; Giolti, Patrizia; Press Clippings Officer CSC <PressClippingsOfficer@csc-scc.gc.ca>; Prieur, Mark <mark.prieur@pbc-clcc.gc.ca>; Rioux, Veronique; Rondeau, Martine; Sbinman@justice.gc.ca <Sbinman@justice.gc.ca>; Dumoulin, Stéphanie

**Subject:** RT: CBS News (60 Minutes) - Report on the telecommunications company Huawei - 2012-10-07, 19:30 ET

#### Rough Transcript

**Station:** CBS – 60 Minutes  
**Time/Heure:** 19:30 ET  
**Date:** 2012-10-07

**Summary:** CBS' 60 Minutes reported on the telecommunications company Huawei.

>> Kroft: If you're concerned about the decline of American economic power and the rise of China, then there is no better case study than Huawei. Chances are you've never heard of this Chinese technology giant, but in the space of 25 years, it's become the largest manufacturer of telecommunications equipment in the world-- everything from smart phones to switchers and routers that form the backbone of the global communications network. It's an industry the U.S. invented and once dominated, but no more. Now, Huawei is aggressively pursuing a foothold in the United-States, hoping to build the next generation of digital networks here. It's prompted an outcry in Washington, and a year-long investigation by the house intelligence committee that has raised concerns about national security, Chinese espionage, and Huawei's murky connections to the Chinese government. Huawei's world headquarters is located on this sprawling Google-esque campus in Shenzhen, not far from Hong Kong. China's first international conglomerate is a private company, ostensibly owned by its 140,000 employees, but exactly how that works and other details of corporate governance are closely held secrets. What we do know is that Huawei is now the world leader in designing and building fourth-generation communication networks, known as 4G, the latest technology for moving high volumes of phone calls, data, and high definition video. Its innovative low-cost systems have already captured markets in Africa, Latin America and Europe. Now, with Huawei eyeing potential customers in the U.S., congressional leaders and the national security establishment are doing everything they can to prevent it from happening. Do we trust the Chinese?

>> Mike Rogers: If I were an American company today-- and I'll tell you this as the chairman of the house permanent select committee on intelligence-- and you are looking at Huawei, I would find another vendor if you care about your intellectual property, if you care about your consumers' privacy, and you care about the national security of the United States of America.

>> Kroft: Republican congressman Mike Rogers and the ranking democrat on the house intelligence committee, Dutch Ruppersberger, believe that letting a Chinese company build and maintain critical communication infrastructure here would be a serious mistake.

>> Dutch Ruppersberger: One of the main reasons we are having this investigation is to educate the citizens in business in the United States of America. In the telecommunications world, once you get the camel's nose in the tent, you can go anywhere.

>> Kroft: Their overriding concern is this-- that the Chinese government could exploit Huawei's presence on U.S. networks to intercept high-level communications, gather intelligence, wage cyber war, and shut down or disrupt critical services in times of national emergency.

>> Jim Lewis: This is a strategic industry, and it's like aircraft or space launch or computers, I.T. It's a strategic industry in the sense that an opponent can gain serious advantage, can gain serious benefit from being able to exploit the telecommunications network.

>> Kroft: Jim Lewis has followed Huawei's explosive growth for years from the state department and the commerce department, where his job was to identify foreign technologies that might pose a threat to national security. How did they get so big and so cheap so quickly?

>> Lewis: Two answers. First, steady, extensive support from the Chinese government. If you're willing to funnel hundreds of millions, maybe even billions of dollars to a company, they're going to be able to grow. The second reason is industrial espionage. And Huawei was famous in their developing years for taking other people's technology.

>> Kroft: You mean stealing?

>> Lewis: I guess technically, yes, it would be theft.

>> Kroft: Cisco accused Huawei of copying one of its network routers, right down to the design flaws and typos in the manual. And Motorola alleged that Huawei recruited its employees to steal company secrets. Both cases were settled out of court. But the pentagon and the director of national intelligence have identified Chinese actors as the world's most active and persistent perpetrators of economic espionage.

>> Bill Plummer: Huawei is Huawei; Huawei is not China.

>> Kroft: Bill Plummer is the American face of Huawei, the company's U.S. vice president of external relations and the only executive the home office in Shenzhen would let us speak to. We met him at Huawei's North American headquarters in Plano, Texas.

>> Plummer: We have the responsibility to clean up ten years of misinformation and innuendo.

>> Kroft: What's the misinformation and innuendo?

>> Plummer: The suggestion that a company, by virtue of its heritage or flag of headquarters, is somehow more vulnerable than any other company to... to some sort of mischief.

>> Kroft: Plummer told us that Huawei is just another multinational corporation doing business in the United States, no different than Siemens, Samsung, or Hyundai.

>> Plummer: This room is a clean room.

>> Kroft: He says Huawei buys \$6 billion in components from American suppliers every year and indirectly employs 35,000 Americans. And he says that the latest telecom gear Huawei hopes to sell in the U.S. poses no threat. One national security expert said that, if you build a network like this in another country, you basically have the keys to intercepting their communications. Is that a true statement?

>> Plummer: Part of that might be a little bit fantastical, but you know, Huawei is a business in the business of doing business. \$32.4 billion in revenues last year across 150 different markets; 70% of our business outside of China. Huawei is not going to jeopardize its commercial success for any government, period.

>> Kroft: What's the relationship between Huawei and the Chinese government?

>> Plummer: We have a Beijing office. So, you know, we're a regulated industry the same as we are here. You need to be able to interface with government.

>> Kroft: So you're saying the Chinese government has no influence over Huawei.

>> Plummer: We're another business doing business in China.

>> Kroft: If you look at Huawei, it looks like just a big international company with an American face.

>> Chris Johnson: Yep. And that's the intent.

>> Kroft: Until last spring, Chris Johnson was the CIA's top analyst on China, and he's briefed the last three presidents on what's been happening behind the scenes in Beijing. He tells a different story than Huawei's Bill Plummer.

>> Johnson: The problem, I think, is really it boils down to an issue of will the company take some steps to make themselves, you know, more transparent about their operations and what their ultimate goal is, especially this relationship with the Chinese government, with the Chinese communist party, and with the people's liberation army.

>> Kroft: Johnson says the military has always played a role in Chinese telecommunications, and that Huawei's reclusive C.E.O. served as an army major in telecommunications research before he retired and founded Huawei, supposedly with a few thousand dollars in savings and no help from the Chinese government. What could you tell me about the guy that runs this company, Ren?

>> Johnson: Ren Zhengfei, yeah. He's a very mysterious figure. ( Laughs ) and, you know, there really isn't that much known about him.

>> Kroft: Has he ever given an interview?

>> Johnson: Not that I'm aware of. Of course, it does then generate these concerns about why he won't give an interview, and why he won't say something about his role in the company and his philosophy of how the company operates.

>> Kroft: Unlike western companies that are usually regulated and scrutinized, about the only entity privy to the inner workings of Huawei is a communist party committee, which has offices inside the company's headquarters.

>> Johnson: You know, at the end of the day, the communist party controls the entire economy. They ultimately decide who the winners and losers are. The ultimate leverage that they have over these type of companies is that they can, you know, launch a corruption investigation against the chairman, for example.

>> Kroft: If the Chinese government told Huawei that they wanted them to spy on the U.S. telecommunication system and extract information, could Huawei say no?

>> Johnson: It'd be very difficult for them, given the nature of their system.

>> Lewis: It's a different system than ours. Here, companies are used to, you know, throwing their weight around and telling the government what to do. In china, a company is a chia pet. The state tells them what to do and they do it.

>> Kroft: There is no hard evidence that's happened with Huawei, but the Obama administration has been unwilling to take the risk. Two years ago, when it appeared that Huawei might land its first big American deal-- a \$5 billion contract to build sprint's new 4G wireless network, the U.S. government stepped in.

>> Lewis: You had the secretary of commerce call the C.E.O. of Sprint and lay out the U.S. concerns, say that the U.S. was really worried about Huawei. And they would be a lot happier if Sprint didn't do the deal.

>> Kroft: And Sprint said, "okay."

>> Lewis: Sprint said, "okay."

>> Kroft: Since then, Huawei has blanketed U.S. airwaves with commercials, and hired an army of lobbyists and public relations firms to help it get a foothold into the world's largest telecom market.

>> Lewis: They're determined. They're in it for the long haul. The line that most people think about is, Mao had a strategy called "win the countryside, surround the cities, and then the cities will fall." And Huawei seems to be following that Maoist strategy.

>> Kroft: In the last couple of years, Huawei has managed to install and maintain a handful of networks in U.S. rural markets, including a vast quadrant of South-western Kansas. Craig Mock is the president and general manager of United Wireless, based in the historic cowboy town of Dodge City.

>> Craig Mock: We're trying to reach out as far as we can into rural areas.

>> Kroft: Mock told us the new Huawei network delivers some of the fastest internet speeds in the country. But last spring, after the deal had been signed with Huawei, Mock received an unwelcome visit from two federal agents. Who were they, intelligence people?

>> Mock: Not going to say.

>> Kroft: Why did they come out here?

>> Mock: I think they would've preferred that we bought equipment from somebody else.

>> Kroft: What was your reaction? Were you upset that they came out?

>> Mock: I was not pleased.

>> Kroft: Because?

>> Mock: Because I saw it as interference in our operations. If we're not able to buy the very best equipment and deploy it in a efficient manner, then everybody suffers.

>> Kroft: Were there any American companies that bid on this?

>> Mock: I don't know of any American companies that makes this equipment.

>> Kroft: About the only real American competitor Huawei has left is Cisco, which is still a worldwide player, but doesn't produce all the equipment necessary to construct a 4G network. The only companies that do are all foreign-- Huawei; Ericsson, which is Swedish; and the French company Alcatel-lucent.

>> Lewis: That's where we've ended up. We now depend entirely on foreign suppliers-- three European, two Chinese. No Americans.

>> Kroft: The United States used to dominate this field.

>> Lewis: Yeah, it's true. You know, I guess just we were asleep at the switch.

>> Kroft: What happened?

>> Lewis: Some of it was just bad planning at the company level. Some of it was a lack of attention by the government. I mean, we would not have let the space industry go out of business. We would not say, "Oh, we'll depend on foreign companies to launch our satellites." But we didn't do that for telecom.

>> Kroft: Concerned and suspicious of what it calls "continued Chinese penetration of U.S. telecommunications," the house intelligence committee called Huawei executive Charles Ding to answer questions about the company's corporate structure, ownership, finances, and management. The committee seemed to get nowhere.

>> Rogers: The committee has been disappointed that the company's provided little actual evidence to ameliorate the committee's concerns.

>> Kroft: Huawei's Bill Plummer says the company bears some of the responsibility for the lack of communication.

>> Plummer: You're right that, over the ten years of explosive growth, we were not as good at communicating about ourselves as we could or should have been. But over the last couple of years, we've really stepped that up. I mean, you want to know more about us? We're an open book.

>> Kroft: Really?

>> Plummer: Yeah.

>> Kroft: Has Mr. Ren ever given an interview?

>> Plummer: Mr. Ren is not terribly well-known for his... his getting out in front of the media.

>> Kroft: We requested interviews at various points along the way with company officials, both in China and here. And we got their most important spokesman and lobbyist here in the United States. But it's not like they swung open the doors and said, you know, "We're an open book."

>> Plummer: Well, I think that...

>> Kroft: You allowed our camera crews into your facilities in Shenzhen, and there was a big banner saying, "Welcome, '60 Minutes'." But we weren't allowed to talk to anybody, to speak to anybody.

>> Plummer: The goal of the visit to Shenzhen was to give a really rich and visual impression of the company. It is a company that has experienced a history of not fully balanced treatment by the media, and that's created a sense of wariness.

>> Kroft: Huawei is not going to like the treatment it receives from the house permanent select committee on intelligence any better. Its final report is due tomorrow.

*Due to the nature of closed captioning, grammatical and editorial errors may be found within the attached transcript. Étant donné la nature du sous-titrage, il peut y avoir des erreurs grammaticales et de rédaction dans la transcription ci-attachée.*

*Questions? Please contact us at [PSMediaCentre/CentredesmediasdeSP@ps-sp.gc.ca](mailto:PSMediaCentre/CentredesmediasdeSP@ps-sp.gc.ca).*

*Questions? Veuillez communiquer avec nous au [PSMediaCentre/CentredesmediasdeSP@ps-sp.gc.ca](mailto:PSMediaCentre/CentredesmediasdeSP@ps-sp.gc.ca).*

## Swift, Andrew

---

**From:** Carmichael, Julie  
**Sent:** Monday, October 08, 2012 10:09 AM  
**To:** Swift, Andrew  
**Cc:** Filippis, Lisa  
**Subject:** Re: Huawei

**Categories:** ATI PRINT

Sounds good - thanks very much!

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
Julie.carmichael@ps-sp.gc.ca

----- Original Message -----

**From:** Swift, Andrew  
**Sent:** Monday, October 08, 2012 10:03 AM  
**To:** Carmichael, Julie  
**Cc:** Filippis, Lisa  
**Subject:** Re: Huawei

If there are calls you get that you want to send to the dept, you can send the details to [media@ps-sp.gc.ca](mailto:media@ps-sp.gc.ca).

It auto-forwards to myself, Lisa and a number of others.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
[Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

----- Original Message -----

**From:** Carmichael, Julie  
**Sent:** Monday, October 08, 2012 10:00 AM  
**To:** Swift, Andrew  
**Cc:** Durand, Stéphanie; Filippis, Lisa  
**Subject:** Re: Huawei

Thanks

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
[Julie.carmichael@ps-sp.gc.ca](mailto:Julie.carmichael@ps-sp.gc.ca)

----- Original Message -----

From: Swift, Andrew  
Sent: Monday, October 08, 2012 09:58 AM  
To: Carmichael, Julie  
Cc: Durand, Stéphanie; Filipps, Lisa  
Subject: Re: Huawei

Ok thanks.

We'll check the media line today and let you know of any calls.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

----- Original Message -----

From: Carmichael, Julie  
Sent: Monday, October 08, 2012 09:54 AM  
To: Swift, Andrew  
Cc: Durand, Stéphanie; Filipps, Lisa  
Subject: Re: Huawei

Confirmed - Shared Services will issue statement and PS will take any follow ups.

Thanks

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
Julie.carmichael@ps-sp.gc.ca

----- Original Message -----

From: Swift, Andrew  
Sent: Monday, October 08, 2012 09:33 AM  
To: Carmichael, Julie  
Cc: Durand, Stéphanie; Filipps, Lisa  
Subject: Re: Huawei

We had proposed that all calls go to PS. What I'm hearing now is:

Most calls will be addressed by the (Shared Services) statement. All others will be referred to PS.

Here are the lines that went through approvals:

TELECOMMUNICATION SECURITY (Huawei)

General:

- The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed.
- Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.
- All carriers are subject to Canadian laws.
- The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

If pressed:  
Cyber Security

- On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure.
- Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

#### Cyber Security Incidents

- We do not comment on the details of security related incidents. That said, our government takes threats seriously and has measures in place to address them.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

----- Original Message -----

From: Carmichael, Julie  
Sent: Monday, October 08, 2012 09:17 AM  
To: Swift, Andrew  
Cc: Durand, Stéphanie; Filipps, Lisa  
Subject: Re: Huawei

What protocol did PCO approve?

All I've heard is that we are lead.

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
Julie.carmichael@ps-sp.gc.ca



----- Original Message -----

From: Swift, Andrew  
Sent: Monday, October 08, 2012 09:14 AM  
To: Carmichael, Julie  
Cc: Durand, Stéphanie; Philipps, Lisa  
Subject: Re: Huawei

Hi Julie,

Just trying to wrap my head around the protocol for calls today. PCO just gave the green light for the proposed protocol and lines but also that Shared Services has the following statement. Have you heard anything?

Andrew

Here is the SCC statement:

#### STATEMENT

The Government of Canada takes cyber security seriously and operates on the advice of security experts. Our Government has put in place a Cyber Security Strategy designed to defend against electronic threats, hacking and cyber espionage.

Shared Services Canada will not comment on any particular equipment supplier. In order to protect its national security interest, the Government of Canada has in fact invoked the National Security Exception under Canada's domestic and international trade agreements in connection with the procurement of consolidated email, telecommunications and data centre infrastructure, systems and services. This is part of a Government of Canada strategy to create a secure, centralized communications infrastructure.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

----- Original Message -----

From: Carmichael, Julie  
Sent: Monday, October 08, 2012 08:46 AM  
To: Swift, Andrew  
Subject: Huawei

Hi - I'm likely going to be sending any calls I get to the department today. You guys have someone on call?

Julie Carmichael  
Director of Communications  
Office of the Minister of Public Safety  
Julie.carmichael@ps-sp.gc.ca

## Swift, Andrew

---

**From:** Swift, Andrew  
**Sent:** Sunday, October 07, 2012 6:09 PM  
**To:** COMDO  
**Subject:** Reminder

**Categories:** ATI PRINT

Hi,  
Just in case this wasn't passed along, we'll need a transcript of the piece on Huawei that is expected in tonight's episode of 60 Minutes.

Thanks,  
Andrew

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

## Swift, Andrew

---

**From:** Durand, Stéphanie  
**Sent:** Saturday, October 06, 2012 7:26 PM  
**To:** Carta, John  
**Cc:** \* Media Monitoring / Suivi des médias; Swift, Andrew  
**Subject:** Re: Report - huawei

**Categories:** ATI PRINT

Thanks John.

I've copied media monitoring team to ensure we monitor US and international coverage closely.

Thanks all.

Stephanie

----- Original Message -----

**From:** Carta, John  
**Sent:** Saturday, October 06, 2012 07:11 PM  
**To:** Carmichael, Julie; Durand, Stéphanie; Swift, Andrew; Issues / Enjeux; Filipps, Lisa; Austria, Jamela; Willey, Chris; Matz, Mark; Binne, Christine; Bradley, Kees; Manji, Natasha  
**Subject:** Report - huawei

Fyi in case anyone hasn't seen it --- report with comments from US House Intelligence Committee Chairman, reference to the 60 Minutes piece, and confirmation that the US report is coming out on the 8th.

Huawei is security threat, say US lawmakers Bloomberg / Washington Oct 07, 2012, 00:52 IST

US companies should avoid business with Huawei Technologies, China's largest phone-equipment maker, to guard against intellectual-property theft and spying, the US House Intelligence Committee chairman said.

US companies considering purchases from Huawei should "find another vendor if you care about your intellectual property, if you care about your consumers' privacy, and you care about the national security of the United States of America," Representative Mike Rogers told CBS News's "60 Minutes," according to a CBS release about an interview set to air tomorrow.

Rogers, a Michigan Republican, and the committee's top Democrat, Maryland Representative CA "Dutch" Ruppberger, are preparing to issue a report October 8 on their year-long investigation of Huawei and ZTE Corp, another Chinese phone-equipment maker. The lawmakers have been looking at whether the companies' expansion in the US market enables Chinese government espionage and imperils the US telecommunications infrastructure. "Huawei is a globally trusted and respected company doing business in almost 150 markets with over 500 operator customers, including nationwide carriers across every continent save Antarctica," William Plummer, a Washington-based spokesman for Huawei, said in an e-mail. "The security and integrity of our products are world proven. Those are the facts today. Those will still be the facts next week, political agendas aside."

Susan Phalen, a spokeswoman for the committee, didn't immediately respond to a request for comment.

### Committee investigation

Executives for Huawei and ZTE, both based in Shenzhen, China, denied links to espionage during an intelligence committee hearing last month, telling lawmakers they aren't controlled by the Chinese government.

The companies said they favor independent audits of technology vendors' hardware and software as a way to ensure that devices and networks are secure.

The panel's probe coincides with increased US warnings about digital spying by China. US counterintelligence officials called China the world's biggest perpetrator of economic espionage in a report last November, saying the theft of sensitive data in cyberspace is accelerating and jeopardising an estimated \$398 billion in US research spending

## Swift, Andrew

---

**From:** Williams, Christopher <Christopher.Williams@pco-bcp.gc.ca>  
**Sent:** Saturday, October 06, 2012 3:45 PM  
**To:** Swift, Andrew  
**Cc:** Durand, Stéphanie; Filipps, Lisa; Carta, John; Slack, Jessica; Duval, Jean Paul; Thibouthot, AkimIsabelle  
**Subject:** Re: For approval: Huawei reactive lines  
**Categories:** ATI PRINT

Hi Andrew,

Thanks for this. I'll get back to you asap. There are no issues with the lines, there is just some discussion about a possible SCC statement. I'll keep you posted.

Thanks.

----- Original Message -----

**From:** Swift, Andrew [mailto:Andrew.Swift@ps-sp.gc.ca]  
**Sent:** Saturday, October 06, 2012 12:33 PM  
**To:** Williams, Christopher  
**Cc:** Durand, Stéphanie <Stephanie.Durand@ps-sp.gc.ca>; Filipps, Lisa <Lisa.Filipps@ps-sp.gc.ca>; Carta, John <John.Carta@ps-sp.gc.ca>; Slack, Jessica <Jessica.Slack@ps-sp.gc.ca>; Duval, Jean Paul <JeanPaul.Duval@ps-sp.gc.ca>; Thibouthot, Akim Isabelle  
**Subject:** For approval: Huawei reactive lines

Chris,  
Here are the MO approved (conditional on the 60 Minutes story) for your review.

As you know, we have been advised that 60 Minutes will broadcast a report on Huawei Telecom this Sunday.

To ensure a coordinated response, PS will lead on media requests. We have notified IC, CSEC, CSIS, DFAIT, Shared Services and the RCMP.

Below are the media lines for your approval. They have been approved by IC (MO), DFAIT & CSEC, and PS MO.

Andrew

### TELECOMMUNICATION SECURITY (Huawei)

#### General:

- The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed.

- Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

- All carriers are subject to Canadian laws.
- The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

If pressed:

#### Cyber Security

- On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure.
- Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

#### Cyber Security Incidents

- We do not comment on the details of security related incidents. That said, our government takes threats seriously and has measures in place to address them.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

## Swift, Andrew

---

**From:** Duval, Jean Paul  
**Sent:** Saturday, October 06, 2012 10:12 AM  
**To:** Swift, Andrew  
**Subject:** Re: For approval: Huawei Telecom - Media Lines

**Categories:** ATI PRINT

Thanks Andrew.

----- Original Message -----

**From:** Swift, Andrew  
**Sent:** Saturday, October 06, 2012 09:54 AM  
**To:** Durand, Stéphanie; Duval, Jean Paul  
**Cc:** Filipps, Lisa; Slack, Jessica; Salewski, Shawn; Carta, John; Manji, Natasha  
**Subject:** Re: For approval: Huawei Telecom - Media Lines

Thanks. We've also asked media monitoring to get a transcript of the episode.

JP, I'll move them to MO.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

----- Original Message -----

**From:** Durand, Stéphanie  
**Sent:** Saturday, October 06, 2012 09:53 AM  
**To:** Duval, Jean Paul  
**Cc:** Swift, Andrew; Filipps, Lisa; Slack, Jessica; Salewski, Shawn; Carta, John; Manji, Natasha  
**Subject:** Re: For approval: Huawei Telecom - Media Lines

Thanks - these are good. Pls move to MO.

Have a good long Thanksgiving weekend everyone.

----- Original Message -----

**From:** Duval, Jean Paul  
**Sent:** Friday, October 05, 2012 07:51 PM  
**To:** Durand, Stéphanie  
**Cc:** Swift, Andrew; Filipps, Lisa; Slack, Jessica; Salewski, Shawn  
**Subject:** For approval: Huawei Telecom - Media Lines

Stéphanie,

We have been advised that 60 Minutes will broadcast a report on Huawei Telecom this Sunday.

To ensure a coordinated response PS will lead on media requests. We have notified IC, CSEC, CSIS, DFAIT, Shared Services and the RCMP. We will share the lines once approved.

Below are the media lines for your approval. They have been approved by Andrew, Robert Dick, IC (MO), DFAIT & CSEC.

#### TELECOMMUNICATION SECURITY (Huawei)

##### General:

- The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed.
- Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.
- All carriers are subject to Canadian laws.
- The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

##### If pressed:

##### Cyber Security

- On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure.
- Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

##### Cyber Security Incidents

- We do not comment on the details of security related incidents. That said, our government takes threats seriously and has measures in place to address them.



## Swift, Andrew

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**From:** Slack, Jessica  
**Sent:** Friday, October 05, 2012 4:04 PM  
**To:** Swift, Andrew; Filipps, Lisa  
**Cc:** Duval, Jean Paul  
**Subject:** RE: 60 minutes - this Sunday

**Categories:** ATI PRINT

JP already did this today.

---

**From:** Swift, Andrew  
**Sent:** October-05-12 4:02 PM  
**To:** Filipps, Lisa; Slack, Jessica  
**Subject:** Re: 60 minutes - this Sunday

Can you please send a quick not to CSEC, CSIS, IC, DFAIT about the airing of the 60 mins piece and that any calls should be initially directed to PS for assessment?

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
[Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

---

**From:** Filipps, Lisa  
**Sent:** Friday, October 05, 2012 10:09 AM  
**To:** Williams, Christopher; Thibouthot, AkimIsabelle  
**Cc:** Swift, Andrew; Carta, John; Duval, Jean Paul; Slack, Jessica  
**Subject:** Re: 60 minutes - this Sunday

Thanks Chris - we're drafting!

---

**From:** Williams, Christopher [<mailto:Christopher.Williams@pco-bcp.gc.ca>]  
**Sent:** Friday, October 05, 2012 10:05 AM  
**To:** Thibouthot, AkimIsabelle; Filipps, Lisa  
**Subject:** Re: 60 minutes - this Sunday

Here is the excerpt:

SUNDAY, OCTOBER 7, 2012

Huawei - The Chinese telecom giant Huawei, a global company seeking to do business in the U.S., may pose a security risk to the U.S. government, industry and citizens says the U.S. House Intelligence Committee. Steve Kroft reports. Graham Messick is the producer.

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**From:** Williams, Christopher  
**Sent:** Friday, October 05, 2012 10:04 AM  
**To:** Thibouthot, Akim Isabelle; 'Lisa.Filipps@ps-sp.gc.ca' <[Lisa.Filipps@ps-sp.gc.ca](mailto:Lisa.Filipps@ps-sp.gc.ca)>  
**Subject:** Re: 60 minutes - this Sunday

Hey Lisa,

Apparently it is confirmed that it is airing on the weekend. Can you send the lines as soon as they are pulled together?

Thanks.

---

**From:** Thibouthot, Akim Isabelle  
**Sent:** Thursday, October 04, 2012 02:26 PM  
**To:** 'Lisa.Filipps@ps-sp.gc.ca' <[Lisa.Filipps@ps-sp.gc.ca](mailto:Lisa.Filipps@ps-sp.gc.ca)>  
**Cc:** Williams, Christopher  
**Subject:** Re: 60 minutes - this Sunday

Standing down then, thanks!

A.

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**From:** Filipps, Lisa [<mailto:Lisa.Filipps@ps-sp.gc.ca>]  
**Sent:** Thursday, October 04, 2012 02:23 PM  
**To:** Thibouthot, Akim Isabelle  
**Cc:** Williams, Christopher  
**Subject:** RE: 60 minutes - this Sunday

Update – it's a roundabout story of information sharing – obviously may not be Sunday but we know its in October so we'll be ready. There is only potential for a Canadian connection within the story as it seems producers have been reaching out to Canadian telecomm although we know that one of the major ones did not provide any information.

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**From:** Thibouthot, Akim Isabelle [<mailto:AkimIsabelle.Thibouthot@pco-bcp.gc.ca>]  
**Sent:** Thursday, October 04, 2012 2:11 PM  
**To:** Filipps, Lisa  
**Cc:** Williams, Christopher  
**Subject:** RE: 60 minutes - this Sunday

I am checking the website and can't find this information. Do you have a solid source?

Thanks, A

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**From:** Filipps, Lisa [<mailto:Lisa.Filipps@ps-sp.gc.ca>]  
**Sent:** 2012-10-04 12:58 PM  
**To:** Carmichael, Julie; McGrath, Andrew; Johnson, Mark; Mueller, Mike; Williams, Christopher; Thibouthot, Akim Isabelle  
**Cc:** Durand, Stéphanie; Swift, Andrew; Carta, John; Slack, Jessica; Duval, Jean Paul  
**Subject:** 60 minutes - this Sunday

Good afternoon – we have been told that 60 Minutes will be airing its piece on Huawei this Sunday. We are dusting off our lines and will be sharing with Industry, Shared Services, and CSEC as well as monitoring.

We will share lines as soon as they are approved.

Thanks!

Lisa

## **Durand, Stéphanie**

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**From:** McAteer, Julie  
**Sent:** Friday, October 05, 2012 12:43 PM  
**To:** \* EXCOM/COMEX; \* Parliamentary Affairs Division / Division des affaires parlementaires; Fisher, Adam; Allison, Catherine; Amy JOHNSON; Archambault-Chapleau, Nadine; Beaudoin, Serge C; Bedor, Tia Leigh; Blackie, Ian; Boucher, Patrick; Bourdeau, Anne; Brock, Darlene; Burton, Meredith; Caroline Douglas; Charles-Eric.Lepine@rcmp-grc.gc.ca; Christine Larose; Desnoyers, Christine; Clavel, Julien; Cogan, Tim; COMDO; Cyr, Lynne; Dagenais, Louise; de Jager, Gabriela; Dupuis, Chantal; [REDACTED] Fournier, Muriel; Issues / Enjeux; Johnson, Mark; karyn.curtis@rcmp-grc.gc.ca; Koops, Randall; Lambert, Louise; Larose, Nathalie; Leclair, Natalie; Leclerc, Carole; LeSage, Lynn; Roylt; [REDACTED]; McAteer, Julie; McLaren, Victoria; Mueller, Mike; Nabil Temimin; nicole.greenough@cbsa-asfc.gc.ca; Paulson, Erika; Perry, Gates; prieurma@npb-cnrc.gc.ca; Executive Services; Robin.Stong@cbsa-asfc.gc.ca; Ruth.Marier@cbsa-asfc.gc.ca; Sarah Estabrooks; Scheewe, Nathan; Sellers, Philip; Shannon Muldoon; Suzanne Schmidt; Veilleux, Martine  
**Subject:** QP Transcript for October 5, 2012 / Transcription de la Période des questions pour le 5 octobre 2012  
**Attachments:** QPN Transcript October 5, 2012.pdf

Good afternoon,

**Focus of Question Period today:** Food safety

**Questions answered by the Parliamentary Secretary:**

**Raymond Côté (Beauport—Limoulu) asked a question regarding the hiring of chaplains in correctional institutions (Transcription in )**

The offenders who are trying to redeem themselves through their religion are being told, sorry, we only accept christians. Rabbi, I ma'ams are being let go. We could even see elders from aboriginal communities shown the door, and yet this is not an expensive program. Will the Minister reconsider his decision to eliminate religious revs service force jewish, Muslim and sikh offenders? The speaker: The parliamentary secretary for the Minister of public safety and national security.

Candice Bergen (CPC): Thank you very much, Mr. Speaker. I want to begin by rejecting the premise of that question. Our government strongly supports the freed om of religion for all Canadians and convicted criminals continue to have reasonable access to any religious counsel counseling or services of their chris on a voluntary basis. The government does fund full-time chaplains in addition to serving members of their own faith, these chaplains also make themselves available on a by-request base toys provide spiritual advice to the general population. Mr. Speaker, the Canadian forces have used this type of chaplaincy program for years f it's good enough, Mr. Speaker, for our armed force's it's good enough for inmates in our federal penitentiaries.

**Paul Dewar (Ottawa Centre) asked a question regarding the hiring of chaplains in correctional institutions (Transcription in orange)**

Picking and choosing on the subject just don't -- won't wash, Mr. Speaker. This is not a costly program. The Minister has no justification for cutting it. You know, actually, she should listen to her colleague who said the following: Religious freedom is a fundamental freedom. One we are very, very pourive and feels very strongly about." Who do you know who said is that? T her klegg, yes, the Minister of foreign affairs, so the question for the Conservatives is how can they be so hypocritical in being strong apparently on religious firemen abroad when they won't support it at home?

The speaker: The honourable member -- the honourable parliamentary secretary to the Minister of public

safety and national security.

Candice Bergen (CPC): Mr. Speaker, the member is completely inaccurate. It's very sad to hear him display and say these kinds of mistruths. The government funds full-time chaplains that are determined based on the number of inmates requesting services from each faith determined by region. And as I said, in addition to serving members of their own faith, these chaplains also make themselves available on a by-request basis to provide spiritual advice to the general population. Mr. Speaker, this is a common practice. The Canadian forces has used. This similar chaplain say scam it's been successful forever many years, Mr. Speaker.

**Alexandrine Latendresse (Louis-Saint-Laurent) asked a question regarding actions of CBSA officers (Transcription in green)**

Americas we learned that money morning that the Chinese party organized a party where the drink was so extreme that some for senior officials went home dead drunk. This raises concerns about fact that state secrets could have been leaked during this drunk fest. We've already seen a former Minister leave top-secret documents at his girlfriend's house. Why don't Conservatives take espionage risks seriously?

The speaker: The honourable parliamentary secretary tore public safety.

Candice Bergen (CPC): Mr. Speaker, Canadians expect law enforcement officers to act can integrity at all times. Cbs is lack looking into the facts of this situation. Anyone found to have been behaved inappropriately or acting inappropriately will face sanctions and discipline, Mr. Speaker.

The speaker: (Voice of translator): The honourable member for you louis-saint-laurent.

Alexandrine Latendresse (NDP) (Voice of translator): The Conservatives' everyone difference is appalling and it contrasts sharply with the seriousness of the situation and the potential for risk. When our customs officers are paid -- are applied with liquor to the point that they are throwing newspaper their government vehicles, the Conservatives should wonder. When CSIS is concerned about foreign state-owned enterprises having a stake our natural resource, the Conservatives should ask themselves questions. When will they start taking threats to national security seriously.

The speaker: The honourable parliamentary secretary tore the public safety.

Candice Bergen (CPC): Well, Mr. Speaker, I will repeat, and I think that we are absolutely not indifferent. We as all Canadians do expect our law enforcement officers to act with integrity at all times. Cbsa, and I'll repeat this, it looking into the facts of this situation. I would think the honourable member would appreciate that and would approve with that. There's due process for this kind of scenario, and nip found to have been --

The speaker: The honourable parliamentary secretary tore the public safety.

Candice Bergen (CPC): Well, Mr. Speaker, I will repeat, and I think that we are absolutely not indifferent. We as all Canadians do expect our law enforcement officers to act with integrity at all times. Cbsa, and I'll repeat this, it looking into the facts of this situation. I would think the honourable member would appreciate that and would approve with that. There's due process for this kind of scenario, and nip found to have been -- acted inappropriately will face sanctions, will face discipline. Thank you, Mr. Speaker.

**Irwin Cotler (Mount Royal) asked a question regarding the hiring of chaplains in correctional institutions (Transcript in blue)**

Mr. Speaker, the government is cancelling the contracts of non-christian chaplains in federal prisons, thereby requiring inmates other faiths to turn to christian chaplains for religious guidance. Minister says "he is no the business of picking and choosing which religions will be given preferential status" by

but he's doing precisely that. Will the Minister recognize his contradiction, reinstate funding for chaplains of all faiths and uphold the values of freedom of conscience and religion and equality before the law as enshrined in the charter of rights and freedoms? Thank you, mr. Speaker.

The speaker: The honourable parliamentary secretary to the Minister of public safety.

Candice Bergen (CPC): Thank you, Mr. Speaker. Mr. Speaker, the government of Canada strongly supports the freedom of religion for all Canadians. Last month, the Minister of public safety asked for an immediate review of the chaplaincy program to ensure that taxpayers' dollars are being used wisely and

The speaker: The honourable parliamentary secretary to the Minister of public safety.

Candice Bergen (CPC): Thank you, Mr. Speaker. Mr. Speaker, the government of Canada strongly supports the freedom of religion for all Canadians. Last month, the Minister of public safety asked for an immediate review of the chaplaincy program to ensure that taxpayers' dollars are being used wisely and appropriately. Upon reviewing the program, it was determined that changes were necessary so that this program supports the freedom of religion of inmates while respecting taxpayers' dollars. Convicted criminals, Mr. Speaker, will continue to have access to religious services of their choice on a voluntary basis. Thanks Mr. Speaker.

The English unofficial transcript is attached.

The official transcript will be available in both official languages tomorrow morning on the Parliamentary website [www.parl.gc.ca](http://www.parl.gc.ca).

Thank you.

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Bon après-midi,

**Focus de la Période des questions aujourd'hui : La salubrité des aliments**

**La secrétaire parlementaire a répondu aux questions qui suivent :**

**Raymond Côté (Beauport—Limoulu) a posé une question concernant l'embauche d'aumôniers dans les institutions correctionnelles. (Transcription en )**

**Paul Dewar (Ottawa-Centre) a posé une question concernant l'embauche d'aumôniers dans les institutions correctionnelles. (Transcription en orange)**

**Alexandrine Latendresse (Louis-Saint-Laurent) a posé une question concernant le comportement de certains employés de l'ASFC. (Transcription en vert)**

**Irwin Cotler (Mont Royal) a posé une question concernant l'embauche d'aumôniers dans les institutions correctionnelles. (Transcription en bleu)**

Veillez prendre note que la transcription n'est disponible qu'en anglais seulement.

La transcription sera offerte dans les deux langues officielles demain matin sur le site [www.parl.gc.ca](http://www.parl.gc.ca).

Merci de votre compréhension.

**Natalie Leclair**

Advisor / Conseillère

Parliamentary Affairs / Affaires parlementaires

Public Safety Canada / Sécurité publique Canada

Tel/Tél: (613) 990-2718

Fax: (613) 954-8774

Email/Courriel: [natalie.leclair@ps-sp.gc.ca](mailto:natalie.leclair@ps-sp.gc.ca)

## **Durand, Stéphanie**

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**From:** Filipps, Lisa  
**Sent:** Thursday, October 04, 2012 12:58 PM  
**To:** Carmichael, Julie; McGrath, Andrew; Johnson, Mark; Mueller, Mike; Williams, Christopher; Akim Thibouthot (AkimIsabelle.Thibouthot@bnet.pco-bcp.gc.ca)  
**Cc:** Durand, Stéphanie; Swift, Andrew; Carta, John; Slack, Jessica; Duval, Jean Paul  
**Subject:** 60 minutes - this Sunday

Good afternoon – we have been told that 60 Minutes will be airing its piece on Huawei this Sunday. We are dusting off our lines and will be sharing with Industry, Shared Services, and CSEC as well as monitoring.

We will share lines as soon as they are approved.

Thanks!

Lisa

## **Durand, Stéphanie**

---

**From:** Filipps, Lisa  
**Sent:** Thursday, October 04, 2012 12:56 PM  
**To:** Durand, Stéphanie; Carta, John; Swift, Andrew; Manji, Natasha; Miller, Kevin  
**Cc:** Austria, Jamela; Willey, Chris  
**Subject:** RE: Comms heads-up

Thanks - I'll send a heads up and we'll dust off the lines.

-----Original Message-----

**From:** Durand, Stéphanie  
**Sent:** Thursday, October 04, 2012 12:55 PM  
**To:** Carta, John; Swift, Andrew; Filipps, Lisa; Manji, Natasha; Miller, Kevin  
**Cc:** Austria, Jamela; Willey, Chris  
**Subject:** Re: Comms heads-up

Thanks. MO and PCO should get a heads-up as well. Thx

----- Original Message -----

**From:** Carta, John  
**Sent:** Thursday, October 04, 2012 12:50 PM  
**To:** Durand, Stéphanie; Swift, Andrew; Filipps, Lisa; Manji, Natasha; Miller, Kevin  
**Cc:** Austria, Jamela; Willey, Chris  
**Subject:** FW: Comms heads-up

Heads-up that the 60 minutes episode featuring Huawei will air Sunday.

Lisa, let's chat about discussing with IC, CSEC, others. We do have high level lines which we can review again.

-----Original Message-----

**From:** Matz, Mark  
**Sent:** October-04-12 12:42 PM  
**To:** Carta, John  
**Cc:** Binne, Christine; Bradley, Kees  
**Subject:** Comms heads-up

We've heard that the Huawei episode on 60 minutes will be this Sunday.

We should check our media lines and coordinate with IC and CSE, as well as shared services and DFAIT, in anticipation of media calls.

Kees, please review our qp to see whether it needs any update.

Thanks! Mm



## **Durand, Stéphanie**

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**From:** Swift, Andrew  
**Sent:** Friday, September 28, 2012 4:54 PM  
**To:** MacDonald, Michael; Kagedan, Allan; Savoy, Jennifer  
**Cc:** Durand, Stéphanie; Miller, Kevin  
**Subject:** Updated Media Scan: Nexen  
**Attachments:** Media Scan - Foreign Acquisitions of Canadian Companies & Government Reviews.doc

Mike,  
As promised, here is the updated media scan. New items have been added to the previous version sent to you.  
Andrew

### **Andrew Swift**

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

**From:** Miller, Kevin  
**Sent:** Friday, September 28, 2012 4:39 PM  
**To:** Swift, Andrew  
**Subject:** Updated Media Scan: Nexen

### **Media Scan Foreign Acquisitions of Canadian Companies & Government Reviews Updated – September 28, 2012**

#### **Ottawa strengthens investment rules**

The federal government is strengthening its ability to ensure foreign corporations live up to undertakings about jobs and investment in Canada when they buy a Canadian business. The much-maligned Investment Canada Act is being changed to allow the federal government to hold security bonds from foreign companies asking permission to complete a corporate takeover in this country. The security would cover "payment of any penalties ordered by a court for a contravention" of undertakings promised as a condition of the foreign acquisition, according to an announcement by Industry Canada on Friday. Toronto Star, A20 (2012-04-28)

#### **Opaque rules scare away Chinese investment: think-tank**

Canada is missing out on billions of investments from cash-rich China because of Ottawa's confusing foreign takeover rules, says a report from the Conference Board. The Ottawa-based think-tank makes clear it is a supporter of foreign investments, including from China, saying simply that economies that have access to global capital do better in terms of growth and job creation. But the Conference Board argues that once national security issues are resolved, China should be treated like any other foreign investor. As well, Canada should spell out its rules for investors so that they know the tests they need to pass. That's not the perception today, the report says. The Investment Act's "net benefit" rule, although seldom invoked to reject a takeover, is opaque, and as a result adds costs and political risk to what should be a business decision. The Conference Board says the Act should be amended along the Australian model with clearly defined rules about ownership and governance. It also calls for a national interest test and a national security test. Vancouver Sun, C1 (2012-07-06)

#### **Benefit rule tests China's patience**

Chinese investors are being turned off from coming to Canada, the Conference Board of Canada said Thursday, blaming the federal government's protectionist policies on foreign direct investment. Canada's thriving resources sector has attracted accelerating levels of interest from the rising Asian superpower in recent years. If the country wants those funds

to continue flowing, the Ottawa-based think-tank argues in a new report, the indefinable "net benefit" test must be rewritten. Most Chinese investors are state-owned by the Communist government in Beijing, Mr. Hodgson said, "so it is perfectly legitimate to ask whether they have been behaving as commercial players or as agents of Chinese foreign policy, and if it is the latter we have every reason to ask questions about our national security interest." National Post, FP1 (2012-07-06)

#### **Nexen officials talked "security" with CSIS Director Richard Fadden last April**

An opinion piece states, "Just a few hours after news of the potential takeover of Alberta-based Nexen by the China National Offshore Oil Company went public, Industry Minister Christian Paradis issued a statement confirming that the proposal will undergo a full review under the Investment Canada Act, with approval to be granted only if he's "satisfied" that it would be "of net benefit to Canada... On what may or may not be a related note, reports filed with the lobbying commissioner, Nexen officials met with CSIS director Richard Fadden on April 12 to discuss unspecified "security" issues. Did the prospect of a deal with a state-owned Chinese energy company spur the sudden interest in foreign security? Given Fadden's controversial past comments on the risk of foreign influence and espionage, it would be fascinating -- if likely impossible -- to find out what he might have had to say on the matter if it came up during those discussions..." CBC News (2012-07-23)

#### **China bets big on Canadian oil**

China is taking a historic step toward its ambition to become a global resources powerhouse with a \$15.1-billion (U.S.) bid to buy Calgary-based oil producer Nexen Inc. The bid by state-backed CNOOC Ltd. is the largest by a Chinese firm for a foreign company, and confirms that Canada has become a proving ground for China's rise in the global economic order as it deploys some of its trillions of dollars in foreign reserves to secure strategic resource properties around the world. The deal builds on a string of previous acquisitions by Chinese firms in Canada's oil sands. It would be the second-largest deal ever in Canada's energy sector and, if approved, the sixth-largest takeover ever in Canada. Though it may test the Harper government's stance on foreign ownership, two years after it blocked a \$39-billion (Canadian) takeover offer for Potash Corp. of Saskatchewan Inc., there are strong indications that the deal will be approved. Globe and Mail, A1 (2012-07-24)

#### **Lessons learned on takeovers**

An editorial states, "Presumably, the Chinese government's pending purchase of Nexen, a major oil-and-gas producer based in Calgary, was in the works before **Premier Alison Redford** went to China mere weeks ago to drum up foreign investment... The deal requires a two-thirds majority vote of shareholders on Sept. 21 and with windfall profits in the offing, chances of acceptance seem high. That vote could become moot, however, if the deal doesn't pass muster during an Investment Canada Review conducted by Industry Minister Christian Paradis. CNOOC's president believes his company will prove a "net benefit" to Canada, which is at the crux of the review... Canadian government website lists factors influencing its review. They include the effect of the takeover on economic activity, productivity, technological development, competition and product innovation in Canada. Also, the government considers the degree of Canadian participation, compatibility with national industrial, economic and cultural policies and the contribution to Canada's ability to compete globally. Paradis will consult with industry and government officials, including Redford, as part of the review. Given that the premier and Prime Minister Stephen Harper have both travelled to China recently to embrace foreign investment, this deal should fit seamlessly into Alberta's vision of oilsands development... With those concessions in mind and governments in Alberta and Ottawa likely onside, the deal is likely to proceed." Edmonton Journal, A16 (2012-07-24)

#### **Feds' probe into Chinese takeover could fall short**

There are new fears the federal review process for foreign takeovers of Canadian companies falls apart on issues of national security. "There's no definition of what national security is," said Terry Glavin, a journalist and author who is a strong critic of China. While Paradis has said the deal has to comply with national security requirements, the Investment Canada Act doesn't specify what criteria must be met. Toronto Sun, 28 (2012-07-26)

#### **CSIS said to be probing First Nations, China links**

Canadian intelligence services appear to have probed financial links between First Nations groups and Chinese companies as scrutiny continues to mount on China's interest in this country's natural resources sector. This week, Chinese oil company CNOOC Ltd. announced a \$15-billion takeover bid for Calgary-based Nexen, a proposal that will have to pass scrutiny under the Canada Investment Act. The deal seems to be raising warning flags among politicians who fear the energy-hungry superpower's influence in Canada's oil patch. According to the CBC, Nexen's CEO also met with CSIS director Richard Fadden in April of this year to discuss security issues. National Post, A1 (2012-07-26)

#### **Chinese have learned from mistakes made in Unocal bid**

An opinion piece states, "Experts, pundits and netizens have all weighed in on the pros and cons of a \$15.1-billion US purchase of Nexen by Chinese National Offshore Oil Corp. There have been various analyses of China's intentions and the implications for Canada's future relations with China... Today's Canada, in contrast, has enthusiastically encouraged Chinese investment, making energy diversification to Asian market a strategic priority. With even the NDP not opposing

the Nexen deal, the Canadian government approval process is unlikely to see the kind of hostility the CNOOC-Unocal deal encountered in the U.S. in 2005... The entire process will still require review by the federal government, and there are some uncertainties as to how the American and British governments will react..." National Post, FP11 (2012-07-26)

### **Foreign firms covet Canada's energy**

This week's bid by a state-owned Chinese company for ownership of Calgary's Nexen Inc. underscores a growing Asian interest in companies involved in Canada's resource sector. The \$15-billion Nexen offer by the China National Offshore Oil Corporation (CNOOC) follows last month's proposed purchase of Progress Energy by Petronas, Malaysia's state-owned oil and gas company. Friday Petronas raised its bid from \$4.8 billion to \$5.16 billion to counter a competing offer. Both deals, which are subject to review under the Investment Canada Act, have implications for British Columbia because the targeted Canadian companies have large natural gas properties in B.C. Vancouver Sun, D3 (2012-07-28)

### **Slick road ahead**

CNOOC's bid to buy Nexen should be the catalyst to a national debate on the direction of Canada-China relations, says the head of the Institute for Asian Research. The deal must still be approved by Industry Canada and CNOOC has said Nexen's head office will remain in Calgary. Calgary Sun, 24 (2012-07-29)

### **U.S. senator wants to halt Chinese takeover of Nexen**

A U.S. senator wants his government to hold up a Chinese state-owned company's \$15.1-billion take-over of Calgary-based Nexen Inc. as a means to press China on its trade policy as the U.S. securities regulator also looks into allegations of insider trading surrounding the deal. Charles Schumer made his argument in a letter sent Friday to Treasury Secretary Timothy Geithner, who chairs the Committee on Foreign Investment in the United States, or CFIUS, a body that reviews foreign investments in U.S. companies. Calgary Herald, B3 (2012-07-30)

### **The 'petro-dictators' are among us**

British Columbia Premier Christy Clark's belated but necessary assertion of B.C.'s bottom lines on the preposterously irresponsible \$5.6-billion Enbridge Inc. pipeline-and-tanker scheme has caused a great deal of windy indignation to erupt from Ottawa. Clark is hijacking the prospects for a national energy strategy, we're told. Even worse, what's at stake is the delicate balance of Confederation itself. Applying the Investment Canada Act's "national security" test to the CNOOC bid will set off a similar charade because that's what it's intended to be, too. When the Act was amended in 2009, the federal cabinet ruled out any definition of "national security" and explicitly rejected recommendations to conduct national security reviews according to "concrete," "objective" and "transparent" criteria. Just trust us, we know what's best. "This deal prompts great concern about the Chinese government's continued attempts to use its state-owned enterprises to acquire global energy resources." Who said that about CNOOC's Nexen bid? Was it Industry Minister Christian Paradis? NDP boss Tom Mulcair? Liberal helmsman Bob Rae? No. It was Drew Hamill, spokesman for U.S. Ottawa Citizen, A11 (2012-07-31)

### **The net losses test**

The recent announcement that CNOOC, China's large multinational oil company, is bidding \$15.1-billion for Canadian energy producer Nexen brings into focus the Canadian government's vetting process. Under the Investment Canada Act, foreign takeovers of large Canadian companies must pass a "net benefit" test. That is, a foreign takeover of a Canadian company must convey additional economic benefits to the Canadian economy over and above those currently being realized under domestic ownership. National Post, FP13 (2012-08-01)

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Under the Investment Canada Act, Ottawa can review any foreign investment worth more than C\$330 million and can block a deal it thinks is not in Canada's best interests. It has exercised that prerogative only twice, most recently in 2010 when it said BHP Billiton's BHP.AX hostile bid for Canadian fertilizer maker Potash Corp POT.TO was not of net benefit. Telegraph-Journal, B2 (2012-08-03)

### **Canada will widen export markets**

An opinion piece states, "... If approved, China National's acquisition of Calgary-based Nexen will be the largest foreign acquisition ever by a foreign company in Canada... The punditocracy in the U.S. and Canada worry that China's appetite for energy will interfere with our ability to utilize our own natural resources. Politicians on both sides of the 49th parallel will want to use the approval process to extract concessions on market access issues, never an easy proposition, especially with China... While we are the closest of allies, Canada and the United States have divergent energy interests. Canada is a net energy exporter. The United States is a net importer. Canada wants to diversify its markets, while the U.S. wants a reliable supply of imports. Canada will create incentives for its energy companies to diversify their customer base. The U.S. hadn't even considered the possibility of Chinese competition for Canadian oil..." The Record, A9 (2012-08-10)

### **Quebec parties vow to give local companies teeth of veto power over foreign takeovers**

Quebec could become the first province to arm companies with a veto power over foreign takeovers, under a proposal with potential domino-effect implications for other parts of the country. Two political parties have now promised that if they win the Sept. 4 election they would allow a company's board of directors to repel a foreign acquisition if it's deemed to be against the interest of workers or the greater community. The latest such pledge from the Charest Liberals, whose promise Monday resembles an earlier one from the Parti Quebecois, prompted one analyst to predict copycat moves elsewhere in Canada. The Guardian, A5 (2012-08-14)

#### **CNOOC's bid for Nexen is a key move on China's global chess board**

An opinion piece states, "... Moreover, might some of the people who come to Canada with CNOOC to run Nexen be operatives of Chinese security agencies with mandates to engage in political and economic espionage? At present, the RCMP, CSIS and CSEC do not have the resources to effectively counter any Chinese state challenge to Canada's security. If CNOOC moves in, Ottawa would have to rethink its priorities for domestic counter-intelligence, and make some hard budgetary decisions. In the end, if the Harper government decides that CNOOC's \$15.1-billion investment meets the "net benefit to Canada" test, we must be prepared for the implications of enhanced Chinese state presence in our economy." Toronto Star (2012-08-22)

#### **CSIS warns of threats of foreign takeovers - Report comes as Tories review Chinese firm's bid for Nexen**

As the federal government reviews a proposed takeover of a Calgary-based energy company by a state-owned Chinese oil giant, Canada's spy agency is warning such acquisitions can pose a threat to national security. The shareholders of petroleum producer Nexen overwhelmingly approved Thurs-day the \$15.1-billion US foreign takeover of the company by the China National Offshore Oil Corporation (CNOOC). The vote by Nexen share-holders came the same day the Canadian Security Intelligence Service warned in its latest annual report that some state-owned foreign companies are pursuing "opaque agendas" in Canada and that attempts to acquire control over strategic sectors of the Canadian economy pose a threat to national security. Ottawa Citizen

#### **Ottawa awaits CNOOC proposal**

Canada's industry minister says there is no deadline for his decision to approve or reject a Chinese state-owned company's multibillion-dollar bid for Calgary-based Nexen Inc. The deal faces a review by both Industry Minister Christian Paradis and the federal Competition Bureau. Paradis said his department is still waiting for a formal proposal from the Chinese company before a review can begin. "I was told that CNOOC was going to table a proposal soon so that is the state of the matter. After that this will be a reviewable transaction," Paradis told reporters in Calgary. Paradis said once the official proposal is received by his department, the offer will be scrutinized to make sure there is a "net benefit" for Canada. Edmonton Journal, B3 (2012-08-23)

#### **A different kind of oil takeover**

The proposed sale of Nexen Inc. to China National Offshore Oil Corporation (CNOOC) is being applauded by some as potentially opening the doors to Asian oil and gas markets and providing an assured source of capital for resource development. On the other hand, some regard it as yet another sale of Canadian petroleum resources to foreign interests that could have serious long-term implications for Canadian energy security. Vancouver Sun, A11 (2012-08-23)

#### **Harper vows scrutiny of CNOOC-Nexen deal**

Prime Minister Stephen Harper said Thursday that the federal government will closely evaluate a Chinese company's bid for the largest takeover of a Canadian energy company. In a sign that the government is acutely aware of public perception of China having a controlling stake in Canadian energy resources, Harper said not only will the deal be scrutinized for its net benefit to Canada under federal law, but also the long-term policy implications of allowing the deal to go through. The proposed takeover must still receive federal approval under the Investment Canada Act. According to the act, the foreign takeover of a Canadian company can only happen if the government considers it to be of net benefit to the Canadian economy. This new takeover bid has again run into political obstacles in the United States where Nexen has holdings, and in Canada where the deal must be reviewed by the Competition Bureau and under Investment Canada Act. Calgary Herald, A8 (2012-08-24)

#### **Outcome of Nexen/CNOOC merger murky**

The thick smoke signals sent by Prime Minister Stephen Harper in recent days on the proposed \$15.1-billion takeover of Nexen Inc. by CNOOC Ltd. are a warning to the market that a wide range of outcomes is possible. As the prime minister correctly noted, Canada's response to China's largest overseas takeover offer would have big implications for the economy. It would also mark a point-of-no-return for the Canadian oil and gas industry. The market has been betting on two outcomes: Most believe the deal will get federal approval because it fits known "net benefit" criteria under the **Investment Canada Act**. National Post, FP5 (2012-08-25)

#### **CNOOC seeks Ottawa's approval for Nexen takeover**

CNOOC Ltd. applied for Investment Canada approval for its proposed \$15.1-billion acquisition of Calgary-based Nexen Inc. on Wednesday, setting the clock ticking on a key decision for the federal government in its relations with China. The proposed deal has sparked concerns about growing investment by state-owned enterprises in the Canadian oil and gas sector, and Ottawa has pledged to take those concerns into account as it assesses the CNOOC-Nexen deal. Globe and Mail (2012-08-29)

#### **CSIS warns against takeovers by state-owned firms**

Opposition MPs believe when Canada's spy agency warns that foreign, state-owned companies taking over strategic sectors of the economy could pose a threat to national security, the government should listen. "When I read that CSIS is concerned about foreign companies and their investments in Canada raising security risks, I want to know more," said Liberal MP Geoff Regan. Calgary Sun (2012-09-22)

#### **National security a priority in Nexen takeover, Fast says**

The federal government sought to reassure Canadians Friday that national security will be a priority as it reviews a state-owned Chinese oil giant's proposed takeover of Calgary-based energy company Nexen. "The Investment Canada Act contains provisions to protect national security," Foreign Affairs Minister John Baird said in the House of Commons, "and the people of Canada can be sure that our government has done its job and makes good decisions in the interest of Canada." The comments come a day after Canada's spy agency warned that some state-owned foreign companies are pursuing "opaque agendas" in Canada as they attempt to acquire control over strategic sectors of the Canadian economy. The Ottawa Citizen (2012-09-22)

#### **Nixing Nexen deal would be good for Canada's soul**

David Kilgour was an Edmonton Member of Parliament for 27 years, and during that time served in both Conservative and Liberal governments, and finally became an independent MP on issues of principle. At present he is best known for investigative work with human rights lawyer David Matas, into China's appalling record of harvesting human organs from convicts and Falun Gong dissidents for sale to foreigners. Their book, *Bloody Harvest*, is a powerful indictment of the practice and is taken seriously in the UN and around the world. So, Kilgour is no fan of Beijing's policies or methods. Right now he's upset -justifiably so -at China's bid to buy Nexen, Inc., Canada's sixth largest oil company, for \$15 billion. The sale would reap a tidy profit for Nexen share holders, who overwhelmingly have voted to accept the offer. The prospective buyer is the China National Offshore Oil Corp (CNOOC), which means the Beijing government. Kilgour notes that it is now up to Prime Minister Stephen Harper to decide whether the sale represents a "net benefit" to Canada, and doesn't undermine or threaten "national security," as defined by the Investment Canada Act. Edmonton Sun (2012-09-23)

#### **Ambassador promoting Nexen takeover**

China's ambassador in Canada is on a charm offensive, appealing to the public to look favourably on Chinese investment in the oilpatch. Ambassador Zhang Junsai has given two recent media interviews coming just after Nexen shareholders overwhelmingly approved a generous takeover from Chinese state-owned CNOOC - a deal that still needs Ottawa's blessing to go ahead. In interviews with the Globe and Mail and CTV, Zhang said Chinese businesses are interested in Canada because the investment climate is stable and regulations are "mature." The Vancouver Sun (2012-09-24)

#### **Nexen: la Chine en mode séduction**

L'ambassadeur de la Chine au Canada tente présentement de séduire le public afin qu'il voie d'un oeil favorable les investissements chinois dans le secteur du pétrole canadien. Zhang Junsai a accordé deux entrevues dans la foulée de l'approbation par une majorité écrasante d'actionnaires de l'achat de Nexen, une entreprise de Calgary, par la société d'État chinoise China National Offshore Oil Corp. (CNOOC), une transaction à laquelle Ottawa doit toutefois donner son aval pour qu'elle devienne réalité. Le Devoir, A4 (2012-09-24)

#### **Takeover of large resource companies by foreigners needs scrutiny**

A senior Conservative cabinet minister says the federal government must apply a "rigorous lens" to takeovers of large Canadian resource companies by stateowned foreign enterprises, such as the CNOOC-Nexen deal. Immigration Minister Jason Kenney, one of Prime Minister Stephen Harper's top lieutenants and a longtime critic of China's human rights record, said Monday the \$15.1-billion takeover bid of Calgary-based energy producer Nexen by a Chinese state-owned oil giant will be reviewed by the government in an impartial and lawful way. The Conservative cabinet is currently examining whether to approve China National Offshore Oil Corporation's (CNOOC) takeover of Nexen under the Investment Canada Act, and whether the deal is of "net benefit" to Canada. The agreement was overwhelmingly approved last week by Nexen shareholders. Their blessing came the same day Canada's spy agency warned some state-owned foreign companies are pursuing "opaque agendas" in Canada as they attempt to acquire control over strategic sectors of the Canadian economy. Montreal Gazette, A17 (2012-09-25)

#### **Huge potential in China deal**

An opinion piece states, "Four in 10 Canadians see China as a threat, if opinion polls are to be believed. Seven in 10 oppose approval of the \$15.1-billion bid by China's CNOOC for Calgary oil company, Nexen... This was clearly the fear of China's ambassador in Ottawa, Zhang Junsai, who is urging that the deal be judged solely on business terms... But for the Harper government to bow to its baser political instincts would be to put short-term political self-interest ahead of the long-term prosperity of the country. There appear to be no reasons of any substance to blow up the transaction." National Post, A4 (2012-09-25)

#### **Nexen debate should be all about security**

An opinion piece states, "Ottawa's forthcoming decision whether to approve the take-over of Nexen by the Chinese National Offshore Oil Corporation (CNOOC) will set an important precedent in this country. The decision will also reverberate globally, not least because this is the largest Chinese SOE acquisition anywhere in the world. Almost all of the Canadian commentary to date has centred on the economics and business merits of the acquisition... These are important questions to be sure, but they fail to address the fundamental issue, namely, could CNOOC's acquisition of Nexen be inimical to Canada's foreign policy and national security?" Ottawa Citizen, A13 (2012-09-25)

#### **Ottawa should quash Chinese bid for Nexen**

A letter states, "The Chinese National Off-shore Oil Company's bid to take over Nexen, one of Canada's largest energy companies, is against our national interests and should be quashed... Even our national spy agency, CSIS, is raising concerns about such takeovers." Vancouver Sun, A10 (2012-09-25)

#### **CSIS report raises a question to be asked about the CNOOC-Nexen deal**

An editorial states, "Foreign espionage is surely not a net benefit to Canada. That phrase is the essential criterion for the approval of takeovers by foreign companies, under the Investment Canada Act. It is striking that the most recent annual report of the Canadian Security Intelligence Service, released last Thursday, implicitly draws a connection between foreign-investment policy and security and intelligence a point that decision-makers and policy-makers need to bear in mind. In particular, CSIS's report says that certain state-owned enterprises and private firms with close ties to their home governments have pursued opaque agendas or received clandestine intelligence support for their pursuits here." Globe and Mail (2012-09-25)

#### **China eyes pipeline tech**

Canada's spy agency, CSIS, has warned that foreign state-owned companies that buy up significant portions of Canada's oilpatch threaten the sovereignty and security of this country by gaining access to sensitive technology and strategic resources. Chinese oil companies have invested billions of dollars into the Alberta oilpatch, and one of them is seeking to purchase Calgary-based Nexen Inc. Edmonton Sun, 22 (2012-09-26)

#### **Asking how close are the ties to the state**

An editorial states, Foreign espionage is surely not a "net benefit to Canada." That phrase is the essential criterion for the approval of takeovers by foreign companies, under the Investment Canada Act. It is striking that the most recent annual report of the Canadian Security Intelligence Service, released last Thursday, implicitly draws a connection between foreign-investment policy and security and intelligence - a point that decision-makers and policy-makers need to bear in mind. In particular, CSIS's report says that "certain state-owned enterprises and private firms with close ties to their home governments have pursued opaque agendas or received clandestine intelligence support for their pursuits here." To be fair, it must be said that the International Energy Agency published a paper last year, which said that CNOOC Ltd. and two other state-owned Chinese oil companies are not "state-run" but "state-invested." CNOOC's application to Investment Canada for its purchase of the Canadian oil company Nexen Inc. is pending. Globe and Mail, A18 (2012-09-26)

#### **Big questions over Chinese bid for Nexen**

A opinion piece states, The Chinese state company CNOOC's \$15-billion bid for Nexen, a major Canadian oil and gas company, raises major issues about the future of Canada's economy. Red Deer Advocate, A4 (2012-09-26)

#### **DBRS: Net benefits of Nexen takeover somewhat mixed'**

The net benefit of a \$15.1-billion takeover of Nexen Inc. (TSX:NXY) by a Chinese company is "somewhat mixed" because the deal offers only limited direct financial benefits but may help trade relations, says the DBRS debt-rating agency. Alberta Tory MP Ted Menzies has said he's been getting a lot of negative feedback from constituents about the takeover by a state-owned Chinese firm. The Canadian Security Intelligence Service report for 2010-11 also warned last week that when companies with links to foreign intelligence agencies or hostile governments try to acquire control over strategic sectors of the Canadian economy, it can represent a threat. Canadian Press (link to CTV News) (2012-09-26)

#### **Editorial: The Nexen test**

An editorial states Generally speaking, foreign investment in Canada is a good thing. That holds true in the oilpatch just as

in other sectors of the economy. If the China National Offshore Oil Corporation wants to pay a premium to take over Canadian-based oil and gas company Nexen Inc., that's good for the shareholders and could have all kinds of knock-on benefits in Canada. That said, critics of the deal are right to point out that CNOOC is not just a company like any other. It's owned by the Chinese state, which happens to be run by communists who do not respect human rights within China or outside it, and whose foreign policy on crucial security matters often runs directly counter to Canada's. If a deal poses a national security threat, the Canadian government should nix it. Ottawa Citizen (2012-09-26)

#### **The Nexen test**

An editorial states, ...If a deal poses a national security threat, the Canadian government should nix it. But the law that governs foreign take-overs has left the definition of national security so loose that no one really knows whether Chinese investment in the oil-patch qualifies Ottawa Citizen, A12 (2012-09-27)

#### **Energy CNOOC may need to boost spending to secure Nexen**

CNOOC Ltd. may need to boost investments in Canada to secure government approval for its \$15.1 billion takeover of Nexen Inc., according to two people familiar with the Beijing-based company's plans. Financial Post (2012-09-28)

**Private Members' Biz Watch: Is the CNOOC/Nexen merger the next "human being" debate?** A blog post states, Inspired, it seems, by his former caucus colleague's ill-fated attempt at special committee creation, Independent MP Peter Goldring has adopted the same procedural strategy -- and, indeed, much of the same wording -- in crafting a pitch, in the form of a private members' motion, for full parliamentary review of the controversial CNOOC/Nexen takeover bid:.. Inside Politics Blog CBC News (2012-09-28)

## **Media Scan**

### **Foreign Acquisitions of Canadian Companies & Government Reviews**

#### **Ottawa strengthens investment rules**

The federal government is strengthening its ability to ensure foreign corporations live up to undertakings about jobs and investment in Canada when they buy a Canadian business. The much-maligned Investment Canada Act is being changed to allow the federal government to hold security bonds from foreign companies asking permission to complete a corporate takeover in this country. The security would cover "payment of any penalties ordered by a court for a contravention" of undertakings promised as a condition of the foreign acquisition, according to an announcement by Industry Canada on Friday. Toronto Star, A20 (2012-04-28)

#### **Opaque rules scare away Chinese investment: think-tank**

Canada is missing out on billions of investments from cash-rich China because of Ottawa's confusing foreign takeover rules, says a report from the Conference Board. The Ottawa-based think-tank makes clear it is a supporter of foreign investments, including from China, saying simply that economies that have access to global capital do better in terms of growth and job creation. But the Conference Board argues that once national security issues are resolved, China should be treated like any other foreign investor. As well, Canada should spell out its rules for investors so that they know the tests they need to pass. That's not the perception today, the report says. The Investment Act's "net benefit" rule, although seldom invoked to reject a takeover, is opaque, and as a result adds costs and political risk to what should be a business decision. The Conference Board says the Act should be amended along the Australian model with clearly defined rules about ownership and governance. It also calls for a national interest test and a national security test. Vancouver Sun, C1 (2012-07-06)

#### **Benefit rule tests China's patience**

Chinese investors are being turned off from coming to Canada, the Conference Board of Canada said Thursday, blaming the federal government's protectionist policies on foreign direct investment. Canada's thriving resources sector has attracted accelerating levels of interest from the rising Asian superpower in recent years. If the country wants those funds to continue flowing, the Ottawa-based think-tank argues in a new report, the indefinable "net benefit" test must be rewritten. Most Chinese investors are state-owned by the Communist government in Beijing, Mr. Hodgson said, "so it is perfectly legitimate to ask whether they have been behaving as commercial players or as agents of Chinese foreign policy, and if it is the latter we have every reason to ask questions about our national security interest." National Post, FP1 (2012-07-06)

#### **Nexen officials talked "security" with CSIS Director Richard Fadden last April**

An opinion piece states, "Just a few hours after news of the potential takeover of Alberta-based Nexen by the China National Offshore Oil Company went public, Industry Minister Christian Paradis issued a statement confirming that the proposal will undergo a full review under the Investment Canada Act, with approval to be granted only if he's "satisfied" that it would be "of net benefit to Canada... On what may or may not be a related note, reports filed with the lobbying commissioner, Nexen officials met with CSIS director Richard Fadden on April 12 to discuss unspecified "security" issues. Did the prospect of a deal with a state-owned Chinese energy company spur the sudden interest in foreign security? Given Fadden's controversial past comments on the risk of foreign influence and espionage, it would be fascinating -- if likely impossible -- to find out what he might have had to say on the matter if it came up during those discussions..." CBC News (2012-07-23)

#### **China bets big on Canadian oil**

China is taking a historic step toward its ambition to become a global resources powerhouse with a \$15.1-billion (U.S.) bid to buy Calgary-based oil producer Nexen Inc. The bid by state-backed CNOOC Ltd. is the largest by a Chinese firm for a foreign company, and confirms that Canada has become a proving ground for China's rise in the global economic order as it deploys some of



its trillions of dollars in foreign reserves to secure strategic resource properties around the world. The deal builds on a string of previous acquisitions by Chinese firms in Canada's oil sands. It would be the second-largest deal ever in Canada's energy sector and, if approved, the sixth-largest takeover ever in Canada. Though it may test the Harper government's stance on foreign ownership, two years after it blocked a \$39-billion (Canadian) takeover offer for Potash Corp. of Saskatchewan Inc., there are strong indications that the deal will be approved. Globe and Mail, A1 (2012-07-24)

#### **Lessons learned on takeovers**

An editorial states, "Presumably, the Chinese government's pending purchase of Nexen, a major oil-and-gas producer based in Calgary, was in the works before **Premier Alison Redford** went to China mere weeks ago to drum up foreign investment... The deal requires a two-thirds majority vote of shareholders on Sept. 21 and with windfall profits in the offing, chances of acceptance seem high. That vote could become moot, however, if the deal doesn't pass muster during an Investment Canada Review conducted by Industry Minister Christian Paradis. CNOOC's president believes his company will prove a "net benefit" to Canada, which is at the crux of the review... Canadian government website lists factors influencing its review. They include the effect of the takeover on economic activity, productivity, technological development, competition and product innovation in Canada. Also, the government considers the degree of Canadian participation, compatibility with national industrial, economic and cultural policies and the contribution to Canada's ability to compete globally. Paradis will consult with industry and government officials, including Redford, as part of the review. Given that the premier and Prime Minister Stephen Harper have both travelled to China recently to embrace foreign investment, this deal should fit seamlessly into Alberta's vision of oilsands development... With those concessions in mind and governments in Alberta and Ottawa likely onside, the deal is likely to proceed." Edmonton Journal, A16 (2012-07-24)

#### **Feds' probe into Chinese takeover could fall short**

There are new fears the federal review process for foreign takeovers of Canadian companies falls apart on issues of national security. "There's no definition of what national security is," said Terry Glavin, a journalist and author who is a strong critic of China. While Paradis has said the deal has to comply with national security requirements, the Investment Canada Act doesn't specify what criteria must be met. Toronto Sun, 28 (2012-07-26)

#### **CSIS said to be probing First Nations, China links**

Canadian intelligence services appear to have probed financial links between First Nations groups and Chinese companies as scrutiny continues to mount on China's interest in this country's natural resources sector. This week, Chinese oil company CNOOC Ltd. announced a \$15-billion takeover bid for Calgary-based Nexen, a proposal that will have to pass scrutiny under the Canada Investment Act. The deal seems to be raising warning flags among politicians who fear the energy-hungry superpower's influence in Canada's oil patch. According to the CBC, Nexen's CEO also met with CSIS director Richard Fadden in April of this year to discuss security issues. National Post, A1 (2012-07-26)

#### **Chinese have learned from mistakes made in Unocal bid**

An opinion piece states, "Experts, pundits and netizens have all weighed in on the pros and cons of a \$15.1-billion US purchase of Nexen by Chinese National Offshore Oil Corp. There have been various analyses of China's intentions and the implications for Canada's future relations with China... Today's Canada, in contrast, has enthusiastically encouraged Chinese investment, making energy diversification to Asian market a strategic priority. With even the NDP not opposing the Nexen deal, the Canadian government approval process is unlikely to see the kind of hostility the CNOOC-Unocal deal encountered in the U.S. in 2005... The entire process will still require review by the federal government, and there are some uncertainties as to how the American and British governments will react..." National Post, FP11 (2012-07-26)

#### **Foreign firms covet Canada's energy**

This week's bid by a state-owned Chinese company for ownership of Calgary's Nexen Inc. underscores a growing Asian interest in companies involved in Canada's resource sector. The \$15-billion Nexen offer by the China National Offshore Oil Corporation (CNOOC) follows last month's proposed purchase of Progress Energy by Petronas, Malaysia's state-owned oil and gas company. Friday Petronas raised its bid from \$4.8 billion to \$5.16 billion to counter a competing offer. Both deals, which are subject to review under the Investment Canada Act, have implications for British Columbia because the targeted Canadian companies have large natural gas properties in B.C. Vancouver Sun, D3 (2012-07-28)

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#### **CNOOC's bid for Nexen is a key move on China's global chess board**

An opinion piece states, "...Moreover, might some of the people who come to Canada with CNOOC to run Nexen be operatives of Chinese security agencies with mandates to engage in political and economic espionage? At present, the RCMP, CSIS and CSEC do not have the resources to effectively counter any Chinese state challenge to Canada's security. If CNOOC moves in, Ottawa would have to rethink its priorities for domestic counter-intelligence, and make some hard budgetary decisions. In the end, if the Harper government decides that CNOOC's \$15.1-billion investment meets the "net benefit to Canada" test, we must be prepared for the implications of enhanced Chinese state presence in our economy." Toronto Star (2012-08-22)

#### **CSIS warns of threats of foreign takeovers - Report comes as Tories review Chinese firm's bid for Nexen**

As the federal government reviews a proposed takeover of a Calgary-based energy company by a state-owned Chinese oil giant, Canada's spy agency is warning such acquisitions can pose a threat to national security. The shareholders of petroleum producer Nexen overwhelmingly approved Thurs-day the \$15.1-billion US foreign takeover of the company by the China National Offshore Oil Corporation (CNOOC). The vote by Nexen share-holders came the same day the Canadian Security Intelligence Service warned in its latest annual report that some state-owned foreign companies are pursuing "opaque agendas" in Canada and that attempts to acquire control over strategic sectors of the Canadian economy pose a threat to national security. Ottawa Citizen

#### **Ottawa awaits CNOOC proposal**

Canada's industry minister says there is no deadline for his decision to approve or reject a Chinese state-owned company's multibillion-dollar bid for Calgary-based Nexen Inc. The deal faces a review by both Industry Minister Christian Paradis and the federal Competition Bureau. Paradis said his department is still waiting for a formal proposal from the Chinese company before a review can begin. "I was told that CNOOC was going to table a proposal soon so that is the state of the matter. After that this will be a reviewable transaction," Paradis told reporters in Calgary. Paradis said once the official proposal is received by his department, the offer will be scrutinized to make sure there is a "net benefit" for Canada. Edmonton Journal, B3 (2012-08-23)

#### **A different kind of oil takeover**

The proposed sale of Nexen Inc. to China National Offshore Oil Corporation (CNOOC) is being applauded by some as potentially opening the doors to Asian oil and gas markets and providing an assured source of capital for resource development. On the other hand, some regard it as yet

another sale of Canadian petroleum resources to foreign interests that could have serious long-term implications for Canadian energy security. Vancouver Sun, A11 (2012-08-23)

#### **Harper vows scrutiny of CNOOC-Nexen deal**

Prime Minister Stephen Harper said Thursday that the federal government will closely evaluate a Chinese company's bid for the largest takeover of a Canadian energy company. In a sign that the government is acutely aware of public perception of China having a controlling stake in Canadian energy resources, Harper said not only will the deal be scrutinized for its net benefit to Canada under federal law, but also the long-term policy implications of allowing the deal to go through. The proposed takeover must still receive federal approval under the Investment Canada Act. According to the act, the foreign takeover of a Canadian company can only happen if the government considers it to be of net benefit to the Canadian economy. This new takeover bid has again run into political obstacles in the United States where Nexen has holdings, and in Canada where the deal must be reviewed by the Competition Bureau and under Investment Canada Act. Calgary Herald, A8 (2012-08-24)

#### **Outcome of Nexen/CNOOC merger murky**

The thick smoke signals sent by Prime Minister Stephen Harper in recent days on the proposed \$15.1-billion takeover of Nexen Inc. by CNOOC Ltd. are a warning to the market that a wide range of outcomes is possible. As the prime minister correctly noted, Canada's response to China's largest overseas takeover offer would have big implications for the economy. It would also mark a point-of-no-return for the Canadian oil and gas industry. The market has been betting on two outcomes: Most believe the deal will get federal approval because it fits known "net benefit" criteria under the **Investment Canada Act**. National Post, FP5 (2012-08-25)

#### **CNOOC seeks Ottawa's approval for Nexen takeover**

CNOOC Ltd. applied for Investment Canada approval for its proposed \$15.1-billion acquisition of Calgary-based Nexen Inc. on Wednesday, setting the clock ticking on a key decision for the federal government in its relations with China. The proposed deal has sparked concerns about growing investment by state-owned enterprises in the Canadian oil and gas sector, and Ottawa has pledged to take those concerns into account as it assesses the CNOOC-Nexen deal. Globe and Mail (2012-08-29)

#### **CSIS warns against takeovers by state-owned firms**

Opposition MPs believe when Canada's spy agency warns that foreign, state-owned companies taking over strategic sectors of the economy could pose a threat to national security, the government should listen. "When I read that CSIS is concerned about foreign companies and their investments in Canada raising security risks, I want to know more," said Liberal MP Geoff Regan. Calgary Sun (2012-09-22)

#### **National security a priority in Nexen takeover, Fast says**

The federal government sought to reassure Canadians Friday that national security will be a priority as it reviews a state-owned Chinese oil giant's proposed takeover of Calgary-based energy company Nexen. "The Investment Canada Act contains provisions to protect national security," Foreign Affairs Minister John Baird said in the House of Commons, "and the people of Canada can be sure that our government has done its job and makes good decisions in the interest of Canada." The comments come a day after Canada's spy agency warned that some state-owned foreign companies are pursuing "opaque agendas" in Canada as they attempt to acquire control over strategic sectors of the Canadian economy. The Ottawa Citizen (2012-09-22)

#### **Nixing Nexen deal would be good for Canada's soul**

David Kilgour was an Edmonton Member of Parliament for 27 years, and during that time served in both Conservative and Liberal governments, and finally became an independent MP on issues of principle. At present he is best known for investigative work with human rights lawyer David Matas, into China's appalling record of harvesting human organs from convicts and Falun Gong dissidents for sale to foreigners. Their book, *Bloody Harvest*, is a powerful indictment of the

practice and is taken seriously in the UN and around the world. So, Kilgour is no fan of Beijing's policies or methods. Right now he's upset -justifiably so -at China's bid to buy Nexen, Inc., Canada's sixth largest oil company, for \$15 billion. The sale would reap a tidy profit for Nexen share holders, who overwhelmingly have voted to accept the offer. The prospective buyer is the China National Offshore Oil Corp (CNOOC), which means the Beijing government. Kilgour notes that it is now up to Prime Minister Stephen Harper to decide whether the sale represents a "net benefit" to Canada, and doesn't undermine or threaten "national security," as defined by the Investment Canada Act. Edmonton Sun (2012-09-23)

#### **Ambassador promoting Nexen takeover**

China's ambassador in Canada is on a charm offensive, appealing to the public to look favourably on Chinese investment in the oilpatch. Ambassador Zhang Junsai has given two recent media interviews coming just after Nexen shareholders overwhelmingly approved a generous takeover from Chinese state-owned CNOOC - a deal that still needs Ottawa's blessing to go ahead. In interviews with the Globe and Mail and CTV, Zhang said Chinese businesses are interested in Canada because the investment climate is stable and regulations are "mature." The Vancouver Sun (2012-09-24)

#### **Nexen: la Chine en mode séduction**

L'ambassadeur de la Chine au Canada tente présentement de séduire le public afin qu'il voie d'un oeil favorable les investissements chinois dans le secteur du pétrole canadien. Zhang Junsai a accordé deux entrevues dans la foulée de l'approbation par une majorité écrasante d'actionnaires de l'achat de Nexen, une entreprise de Calgary, par la société d'État chinoise China National Offshore Oil Corp. (CNOOC), une transaction à laquelle Ottawa doit toutefois donner son aval pour qu'elle devienne réalité. Le Devoir, A4 (2012-09-24)

#### **Takeover of large resource companies by foreigners needs scrutiny**

A senior Conservative cabinet minister says the federal government must apply a "rigorous lens" to takeovers of large Canadian resource companies by stateowned foreign enterprises, such as the CNOOC-Nexen deal. Immigration Minister Jason Kenney, one of Prime Minister Stephen Harper's top lieutenants and a longtime critic of China's human rights record, said Monday the \$15.1-billion takeover bid of Calgary-based energy producer Nexen by a Chinese state-owned oil giant will be reviewed by the government in an impartial and lawful way. The Conservative cabinet is currently examining whether to approve China National Offshore Oil Corporation's (CNOOC) takeover of Nexen under the Investment Canada Act, and whether the deal is of "net benefit" to Canada. The agreement was overwhelmingly approved last week by Nexen shareholders. Their blessing came the same day Canada's spy agency warned some state-owned foreign companies are pursuing "opaque agendas" in Canada as they attempt to acquire control over strategic sectors of the Canadian economy. Montreal Gazette, A17 (2012-09-25)

#### **Huge potential in China deal**

An opinion piece states, "Four in 10 Canadians see China as a threat, if opinion polls are to be believed. Seven in 10 oppose approval of the \$15.1-billion bid by China's CNOOC for Calgary oil company, Nexen... This was clearly the fear of China's ambassador in Ottawa, Zhang Junsai, who is urging that the deal be judged solely on business terms... But for the Harper government to bow to its baser political instincts would be to put short-term political self-interest ahead of the long-term prosperity of the country. There appear to be no reasons of any substance to blow up the transaction." National Post, A4 (2012-09-25)

#### **Nexen debate should be all about security**

An opinion piece states, "Ottawa's forthcoming decision whether to approve the take-over of Nexen by the Chinese National Offshore Oil Corporation (CNOOC) will set an important precedent in this country. The decision will also reverberate globally, not least because this is the largest Chinese SOE acquisition anywhere in the world. Almost all of the Canadian commentary to date has centred on the economics and business merits of the acquisition... These are important questions to be sure, but they fail to address the fundamental issue, namely, could

CNOOC's acquisition of Nexen be inimical to Canada's foreign policy and national security?" Ottawa Citizen, A13 (2012-09-25)

#### **Ottawa should quash Chinese bid for Nexen**

A letter states, "The Chinese National Off-shore Oil Company's bid to take over Nexen, one of Canada's largest energy companies, is against our national interests and should be quashed... Even our national spy agency, CSIS, is raising concerns about such takeovers." Vancouver Sun, A10 (2012-09-25)

#### **CSIS report raises a question to be asked about the CNOOC-Nexen deal**

An editorial states, "Foreign espionage is surely not a net benefit to Canada. That phrase is the essential criterion for the approval of takeovers by foreign companies, under the Investment Canada Act. It is striking that the most recent annual report of the Canadian Security Intelligence Service, released last Thursday, implicitly draws a connection between foreign-investment policy and security and intelligence a point that decision-makers and policy-makers need to bear in mind. In particular, CSIS's report says that certain state-owned enterprises and private firms with close ties to their home governments have pursued opaque agendas or received clandestine intelligence support for their pursuits here." Globe and Mail (2012-09-25)

#### **China eyes pipeline tech**

Canada's spy agency, CSIS, has warned that foreign state-owned companies that buy up significant portions of Canada's oilpatch threaten the sovereignty and security of this country by gaining access to sensitive technology and strategic resources. Chinese oil companies have invested billions of dollars into the Alberta oilpatch, and one of them is seeking to purchase Calgary-based Nexen Inc. Edmonton Sun, 22 (2012-09-26)

#### **Asking how close are the ties to the state**

An editorial states, Foreign espionage is surely not a "net benefit to Canada." That phrase is the essential criterion for the approval of takeovers by foreign companies, under the Investment Canada Act. It is striking that the most recent annual report of the Canadian Security Intelligence Service, released last Thursday, implicitly draws a connection between foreign-investment policy and security and intelligence - a point that decision-makers and policy-makers need to bear in mind. In particular, CSIS's report says that "certain state-owned enterprises and private firms with close ties to their home governments have pursued opaque agendas or received clandestine intelligence support for their pursuits here." To be fair, it must be said that the International Energy Agency published a paper last year, which said that CNOOC Ltd. and two other state-owned Chinese oil companies are not "state-run" but "state-invested." CNOOC's application to Investment Canada for its purchase of the Canadian oil company Nexen Inc. is pending. Globe and Mail, A18 (2012-09-26)

#### **Big questions over Chinese bid for Nexen**

A opinion piece states, The Chinese state company CNOOC's \$15-billion bid for Nexen, a major Canadian oil and gas company, raises major issues about the future of Canada's economy. Red Deer Advocate, A4 (2012-09-26)

#### **DBRS: Net benefits of Nexen takeover somewhat mixed'**

The net benefit of a \$15.1-billion takeover of Nexen Inc. (TSX:NXY) by a Chinese company is "somewhat mixed" because the deal offers only limited direct financial benefits but may help trade relations, says the DBRS debt-rating agency. Alberta Tory MP Ted Menzies has said he's been getting a lot of negative feedback from constituents about the takeover by a state-owned Chinese firm. The Canadian Security Intelligence Service report for 2010-11 also warned last week that when companies with links to foreign intelligence agencies or hostile governments try to acquire control over strategic sectors of the Canadian economy, it can represent a threat. Canadian Press (link to CTV News) (2012-09-26)

**Editorial: The Nexen test**

An editorial states Generally speaking, foreign investment in Canada is a good thing. That holds true in the oilpatch just as in other sectors of the economy. If the China National Offshore Oil Corporation wants to pay a premium to take over Canadian-based oil and gas company Nexen Inc., that's good for the shareholders and could have all kinds of knock-on benefits in Canada. That said, critics of the deal are right to point out that CNOOC is not just a company like any other. It's owned by the Chinese state, which happens to be run by communists who do not respect human rights within China or outside it, and whose foreign policy on crucial security matters often runs directly counter to Canada's. If a deal poses a national security threat, the Canadian government should nix it. Ottawa Citizen (2012-09-26)

**The Nexen test**

An editorial states, ...If a deal poses a national security threat, the Canadian government should nix it. But the law that governs foreign take-overs has left the definition of national security so loose that no one really knows whether Chinese investment in the oil-patch qualifies Ottawa Citizen, A12 (2012-09-27)

**Energy CNOOC may need to boost spending to secure Nexen**

CNOOC Ltd. may need to boost investments in Canada to secure government approval for its \$15.1 billion takeover of Nexen Inc., according to two people familiar with the Beijing-based company's plans. Financial Post (2012-09-28)

**Private Members' Biz Watch: Is the CNOOC/Nexen merger the next "human being" debate?**

A blog post states, Inspired, it seems, by his former caucus colleague's ill-fated attempt at special committee creation, Independent MP Peter Goldring has adopted the same procedural strategy -- and, indeed, much of the same wording -- in crafting a pitch, in the form of a private members' motion, for full parliamentary review of the controversial CNOOC/Nexen takeover bid:.. Inside Politics Blog CBC News (2012-09-28)

## Durand, Stéphanie

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**From:** Leclair, Natalie  
**Sent:** Friday, September 28, 2012 12:48 PM  
**To:** \* EXCOM/COMEX; \* GOC-OPS Support; \* Parliamentary Affairs Division / Division des affaires parlementaires; Fisher, Adam; Thibouthot, AkimIsabelle; Allison, Catherine; Amy JOHNSON; Archambault-Chapleau, Nadine; Beaudoin, Serge C; Bedor, Tia Leigh; 'Blackie, Ian'; Boucher, Patrick; Bourdeau, Anne; Brock, Darlene; Burton, Meredith; 'Caroline Douglas'; 'Charles-Eric.Lepine@rcmp-grc.gc.ca'; 'Christine Larose'; Desnoyers, Christine; Williams, Christopher; Clavel, Julien; Cogan, Tim; COMDO; Cyr, Lynne; Dagenais, Louise; de Jager, Gabriela; Dupuis, Chantal; [REDACTED] Fournier, Muriel; Issues / Enjeux; Johnson, Mark; 'karyn.curtis@rcmp-grc.gc.ca'; Koops, Randall; Lambert, Louise; Larose, Nathalie; Leclair, Natalie; Leclerc, Carole; LeSage, Lynn; Royle; [REDACTED]; McAteer, Julie; McLaren, Victoria; Mueller, Mike; 'Nabil Temimin'; 'nicole.greenough@cbsa-asfc.gc.ca'; Paulson, Erika; Perry, Gates; 'prieurma@npb-cnlc.gc.ca'; Executive Services; 'Robin.Stong@cbsa-asfc.gc.ca'; 'Ruth.Marier@cbsa-asfc.gc.ca'; 'Sarah Estabrooks'; Scheewe, Nathan; Sellers, Philip; 'Shannon Muldoon'; Suzanne Schmidt; Veilleux, Martine  
**Subject:** QP Transcript for September 28, 2012 / Transcription de la Période des questions pour le 28 septembre 2012  
**Attachments:** QP transcript.pdf

Good afternoon,

**Focus of Question Period today:** Employment Insurance, food safety.

**Question answered by the Parliamentary Secretary:**

**Kennedy Stewart (Burnaby—Douglas) asked a question regarding cyber security. (Transcript in pink)**

The speaker: The honourable member for burnaby-douglas.

Kennedy Stewart (NDP): Mr. Speaker, it'd be nice if they stopped making things up about the opposition and tried answering some questions, so let's see if we can get an answer here. Mr. Speaker, Reuters reports a new computer security breach by a Chinese group. Calgary-based Telvent was the target if it wasn't for the company warning their customers, the public would have never even known, so can the government confirm foreign government involvement in this attack and in light of this, can Conservatives tell us if national security is

part of the criteria for the Nexen takeover review?

The speaker: The honourable parliamentary secretary to the Minister of public safety.

Candice Bergen (CPC): Mr. Speaker, our government takes cyber-security seriously and operates on the advice of security experts. Our government recently made significant investments of \$90 million in a cybersecurity

strategy designed to defend against electronic threats, hacking and spy cyber-espionage.

Telecommunications carriers operating in Canada are certainly subject to Canadian law. We'll continue to work to protect the interests of Canadians and protect them from cyber-security threats. Thank you, Mr.

**Note:**

**Mathieu Ravignat (Pontiac) asked a question regarding organized crime. The Parliamentary Secretary (Justice) responded. (Transcript in blue)**



**Scott Brison (Kings—Hants) asked a question regarding foreign investment. The Minister of Industry responded. (Transcript in orange)**

The English unofficial transcript is attached.

The official transcript will be available in both official languages tomorrow morning on the Parliamentary website [www.parl.gc.ca](http://www.parl.gc.ca).

Thank you.

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Bon après-midi,

**Focus de la Période des questions aujourd'hui : L'assurance-emploi, la salubrité des aliments.**

**La secrétaire parlementaire a répondu à une question :**

**Kennedy Stewart (Burnaby—Douglas) a posé une question concernant la Cybersécurité. (Transcription en rose)**

**Notez :**

**Mathieu Ravignat (Pontiac) a posé une question concernant le crime organisé. Le secrétaire parlementaire (Justice) a répondu. (Transcription en bleu)**

**Scott Brison (Kings—Hants) a posé une question concernant l'investissement étranger. Le ministre de l'Industrie a répondu. (Transcription en orange)**

Veillez prendre note que la transcription n'est disponible qu'en anglais seulement.

La transcription sera offerte dans les deux langues officielles demain matin sur le site [www.parl.gc.ca](http://www.parl.gc.ca).

Merci de votre compréhension.

***Natalie Leclair***

Advisor / Conseillère

Parliamentary Affairs / Affaires parlementaires

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## Durand, Stéphanie

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**From:** Swift, Andrew  
**Sent:** Friday, September 28, 2012 7:37 AM  
**To:** Durand, Stéphanie  
**Subject:** FW: TBS Clippings / Coupures de presse du SCT  
**Attachments:** 20120928.pdf

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**From:** Public Environment Analysis / Analyse de l'environnement public  
**Sent:** September-28-12 7:37:14 AM (UTC-05:00) Eastern Time (US & Canada)  
**Subject:** TBS Clippings / Coupures de presse du SCT

### TBS Clippings / Coupures de presse du SCT

**Friday, September 28, 2012**  
**Vendredi 28 septembre 2012**

- Media coverage of TBS-related issues is moderate. The main issues are changes to federal health spending will hit provinces hard, a cyber attack on Telvent Canada is 'extremely serious' and changes to federal health benefits for refugees. La presse francophone rapporte qu'Ottawa refuse de nommer les sites web fautifs en termes de fuite de données personnelles, le député du NPD Mathieu Ravignat plaide pour une révision de la loi sur la protection des divulgateurs d'actes répréhensibles dans le secteur public fédéral et le fédéral se portera mieux que les provinces. Television news talked about MPs pensions.
- On September 28, *Times & Transcript* reports that a new report from a federal spending watchdog concludes the Conservative government's changes to health funding will ultimately download billions of dollars in medical costs annually to the provinces, something premiers and opposition parties say will erode public health care and provincial finances. The article adds that the office of the Parliamentary Budget Officer released a report yesterday highlighting the extent to which provincial governments will increasingly struggle to balance their books and pay for health care in the coming years, partly due to the federal Conservative government's decision to trim the growth in health transfers to the provinces.
- On September 28, the *Ottawa Sun* reports that a cyber attack on a major player in Canada's energy industry, Telvent Canada, is "extremely serious," says former Canadian diplomat Brian Adams who specializes in Chinese crime and espionage. The article notes that in a recent report, Canada's spy agency noted the federal government is now targeted by "serious attempts to penetrate its networks on a daily basis."
- On September 28, *Ottawa Citizen* reports that changes to federal health benefits for refugees have resulted in confusion and chaos in the medical system and compromised care, according to a national group of doctors advocating for refugees. The article adds that doctors for Refugee Care released on Thursday the results of a three-month online monitoring project in which it collected examples of health-care lapses involving refugees since the government eliminated benefits to several categories of refugees on July 1.
- Le 28 septembre, *Le Devoir* rapporte que tout en alertant les internautes canadiens sur des risques de "fuites" de leurs données personnelles sur plusieurs sites Internet "parmi les plus populaires" au pays, la commissaire fédérale à la protection de la vie privée, Jennifer Stoddart, refuse toutefois de révéler l'identité de ces espaces numériques à risque. On précise qu'une décision prise en raison "du contexte" dans lequel ces fuites se déroulent, mais également "des effets possibles sur les entreprises" que pourrait engendrer une telle dénonciation publique, a-t-elle indiqué jeudi au Devoir.
- Le 28 septembre, *Le Droit* rapporte que le député fédéral du Pontiac et critique néo-démocrate du Conseil du Trésor, Mathieu Ravignat, réclame du gouvernement conservateur qu'il révisé rapidement la loi sur la protection des divulgateurs d'actes répréhensibles dans le secteur public fédéral. On ajoute que la révision quinquennale prévue dans la loi adoptée en avril 2007 n'a toujours pas été annoncée par le gouvernement Harper.
- Le 28 septembre, *Le Soleil* rapporte que les mesures en matière de réduction de coûts adoptées par Ottawa permettront au gouvernement fédéral de bénéficier d'une situation économique favorable à long terme, mais il en ira tout autrement pour les provinces et les municipalités, selon le directeur parlementaire du budget, Kevin Page.

On mentionne que les plus récentes projections à long terme sur les finances du gouvernement de l'équipe de M. Page portent à croire qu'Ottawa a peu à craindre des pertes de revenus et de l'augmentation des coûts liés au vieillissement de la population.

### Television / Télévision

- Television coverage is low. The only issue is MPs pensions.
- On September 27, CBC News (Toronto) mentioned that the federal government said it would move on the pension scheme to make MPs' pensions more in line with those of the public service. It was added that the government also approved of a plan to have MPs begin contributing \$40,000 annually to their pension plan rather than the previous \$11,000.

### Radio

- There was no radio coverage of TBS issues.

### Newspapers / Journaux

(The TBS clippings package is attached. La Revue de presse du SCT est en pièce jointe)

2012-09-28

#### Information Technology / Security - Technologie de l'information - Sécurité

##### China hits home

A cyber attack on a major player in Canada's energy industry is "extremely serious," says a former Canadian diplomat who specializes in Chinese crime and espionage. "Canadians just don't want to take this seriously," Brian Adams said. "In essence, it's an electronic war that's going on. And this company is bringing to our attention that China could shut down the energy resources of any country in..."

THE OTTAWA SUN - 2012-09-28

Jessica Murphy

##### Vie privée

Prévenir, mais pas complètement. Tout en alertant les internautes canadiens sur des risques de " fuites " de leurs données personnelles sur plusieurs sites Internet " parmi les plus populaires " au pays, la commissaire fédérale à la protection de la vie privée, Jennifer Stoddart, refuse toutefois de révéler l'identité de ces espaces numériques à risque. Une décision prise en raison " du contexte ...

LE DEVOIR - 2012-09-28

Fabien Deglise

#### Government Operations - Opérations gouvernementales

##### Soins de santé aux réfugiés Les compressions dénoncées

Les femmes enceintes et leurs enfants sont parmi les immigrants frappés par la décision d'Ottawa de réduire le financement des soins de santé offerts aux réfugiés, affirme un groupe de médecins s'opposant aux changements apportés au programme. Les Médecins canadiens pour les soins aux réfugiés ont indiqué hier que trois mois après l'entrée en vigueur des compressions imposées au Programme fédéral d...

LA PRESSE - 2012-09-28

La Presse Canadienne

##### Le gouvernement a reçu de nombreuses plaintes

Le gouvernement Harper a reçu de nombreuses plaintes de Canadiens outrés de voir des annonces

publicitaires soulignant le 200e anniversaire de la guerre de 1812 durant les Jeux olympiques de Londres, en juillet. Selon des documents obtenus par La Presse en vertu de la Loi sur l'accès à l'information, ceux qui ont pris le temps d'envoyer une lettre d'indignation au ministère du Patrimoine ont sout...

LA PRESSE - 2012-09-28

Joel-Denis Bellavance, William Leclerc

Refugee health cuts cause chaos, doctors say

Changes to federal health benefits for refugees have resulted in confusion and chaos in the medical system and compromised care, according to a national group of doctors advocating for refugees. Doctors for Refugee Care released on Thursday the results of a three-month online monitoring project in which it collected examples of health-care lapses involving refugees since the government eliminate...

OTTAWA CITIZEN - 2012-09-28

Louisa Taylor

Le néo-démocrate Ravnat plaide pour une révision

Le député fédéral du Pontiac et critique néo-démocrate du Conseil du Trésor, Mathieu Ravnat, réclame du gouvernement conservateur qu'il révisé rapidement la loi sur la protection des divulgateurs d'actes répréhensibles dans le secteur public fédéral. Déjà réclamée depuis l'an dernier par les groupes de défense des dénonciateurs, la révision quinquennale prévue dans la loi adoptée en avril 2007 ...

LE DROIT - 2012-09-28

Paul Gaboury

OpenText exec to work with defence industry, government

Public Works Minister Rona Ambrose has appointed the executive chair of Waterloo-based OpenText Corp. to help improve Canada's often-troubled defence procurement process. She said Tom Jenkins will be a special adviser and will work with defence contractors to boost competitiveness. Jenkins also is chief strategy officer of OpenText, Canada's largest software company. The company - which was found...

WATERLOO REGION RECORD - 2012-09-28

Canadian Press

Health agency failed public, consumers' group says

The president of the Consumers' Association of Canada lashed out at the Canadian Food Inspection Agency on Thursday over its handling of the nationwide recall of meat products possibly contaminated with E. coli bacteria. Bruce Cran, who is also a member of an advisory committee to the CFIA, said from Vancouver the agency failed in its responsibility to protect consumers. "We are deeply concerned,..."

EDMONTON JOURNAL - 2012-09-28

Marty Klinkenberg

## Government Spending | Dépenses gouvernementales

Le fédéral se portera mieux que les provinces

Les mesures en matière de réduction de coûts adoptées par Ottawa permettront au gouvernement fédéral de bénéficier d'une situation économique favorable à long terme, mais il en ira tout autrement pour les provinces et les municipalités, selon le directeur parlementaire du budget, Kevin Page. Les plus récentes projections à long terme sur les finances du gouvernement de l'équipe de M. Page portent...

LE SOLEIL - 2012-09-28

Julian Beltrame

Provinces to pay for funding reform: watchdog

OTTAWA - A new report from a federal spending watchdog concludes the Conservative government's changes to health funding will ultimately download billions of dollars in medical costs annually to the provinces, something premiers and opposition parties say will erode public health care and provincial finances. The office of the Parliamentary Budget Officer released a report yesterday highlighting ...

TIMES & TRANSCRIPT (MONCTON) - 2012-09-28

Postmedia News

People Management | Gestion des personnes

New RCAF boss likes F-35

The new head of Canada's air force says he favours the controversial F-35 fighter jet as the best choice to replace the aging fleet of CF-18s but says he'll accept whatever fighter the federal government decides to buy. Lt.-Gen. Yvan Blondin accepted command of the Royal Canadian Air Force Thursday and was quickly pressed for his views on a big-ticket procurement that has drawn lots of flak. But ...

TORONTO STAR - 2012-09-28

Bruce Champion-Smith

La Cour d'appel change la donne

Un couple de Franco-Ontariens d'Orléans qui a vu ses droits linguistiques bafoués par Air Canada songe à porter sa cause devant la Cour suprême, après que de grands pans d'un jugement en sa faveur aient été invalidés par la Cour d'appel. Air Canada a bel et bien failli à ses obligations linguistiques en n'offrant pas de services en français à Michel et Lynda Thibodeau à au moins quatre occasions,...

LE DROIT - 2012-09-28

Philippe Orfali

Transcripts / Transcriptions

Transcripts / Transcriptions

Conservative Caucus Agrees to Pension Reform Proposal Program: CBC News Now with Suhana Meharchand Air Time: 11:00AM - 12:00PM Date: 2012-Sep-27 11:22AM Station: CBC News Network Network: Canadian Broadcasting Corporation City: Toronto Reporter: James Fitzmorris Length: 01:00 Province: Ontario Interview: Note: The government said it would move on the pension scheme to make MPs' pensions more in ...

Internal Article / Article interne - 2012-09-28

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## Durand, Stéphanie

**From:** Swift, Andrew  
**Sent:** Friday, September 28, 2012 6:33 AM  
**To:** Durand, Stéphanie  
**Subject:** FW: First Scan of Headlines / Les manchettes à première vue

**From:** Public Environment Analysis / Analyse de l'environnement public  
**Sent:** September-28-12 6:32:44 AM (UTC-05:00) Eastern Time (US & Canada)  
**Subject:** First Scan of Headlines / Les manchettes à première vue

### News Summary - Revue de Presse

2012-09-28

#### Information Technology / Security | Technologie de l'information / Sécurité

##### China hits home

A cyber attack on a major player in Canada's energy industry is "extremely serious," says a former Canadian diplomat who specializes in Chinese crime and espionage. "Canadians just don't want to take this seriously," Brian Adams said. "In essence, it's an electronic war that's going on. And this company is bringing to our attention that China could shut down the energy resources of any country in ...

THE OTTAWA SUN - 2012-09-28

Jessica Murphy

#### Government Operations | Opérations gouvernementales

##### Soins de santé aux réfugiés Les compressions dénoncées

Les femmes enceintes et leurs enfants sont parmi les immigrants frappés par la décision d'Ottawa de réduire le financement des soins de santé offerts aux réfugiés, affirme un groupe de médecins s'opposant aux changements apportés au programme. Les Médecins canadiens pour les soins aux réfugiés ont indiqué hier que trois mois après l'entrée en vigueur des compressions imposées au Programme fédéral d...

LA PRESSE - 2012-09-28

##### Le gouvernement a reçu de nombreuses plaintes

Le gouvernement Harper a reçu de nombreuses plaintes de Canadiens outrés de voir des annonces publicitaires soulignant le 200e anniversaire de la guerre de 1812 durant les Jeux olympiques de Londres, en juillet. Selon des documents obtenus par La Presse en vertu de la Loi sur l'accès à l'information, ceux qui ont pris le temps d'envoyer une lettre d'indignation au ministère du Patrimoine ont sout...

LA PRESSE - 2012-09-28

Joël-Denis Bellavance; William Leclerc

##### Refugee health cuts cause chaos, doctors say

Changes to federal health benefits for refugees have resulted in confusion and chaos in the medical system and compromised care, according to a national group of doctors advocating for refugees. Doctors for Refugee Care released on Thursday the results of a three-month online monitoring project in which it collected examples of health-care lapses involving refugees since the government eliminate...

OTTAWA CITIZEN - 2012-09-28

Louisa Taylor

Le néo-démocrate Ravnat plaide pour une révision

Le député fédéral du Pontiac et critique néo-démocrate du Conseil du Trésor, Mathieu Ravnat, réclame du gouvernement conservateur qu'il révise rapidement la loi sur la protection des divulgateurs d'actes répréhensibles dans le secteur public fédéral. Déjà réclamée depuis l'an dernier par les groupes de défense des dénonciateurs, la révision quinquennale prévue dans la loi adoptée en avril 2007 ...

LE DROIT - 2012-09-28

Paul Gaboury

People Management | Gestion des personnes

New RCAF boss likes F-35

The new head of Canada's air force says he favours the controversial F-35 fighter jet as the best choice to replace the aging fleet of CF-18s but says he'll accept whatever fighter the federal government decides to buy. Lt.-Gen. Yvan Blondin accepted command of the Royal Canadian Air Force Thursday and was quickly pressed for his views on a big-ticket procurement that has drawn lots of flak. But ...

TORONTO STAR - 2012-09-28

Bruce Campion-Smith

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Visitez le **Infomédia SCT** pour les nouvelles, analyses de la couverture médiatique et transcriptions d'actualité.



## **Durand, Stéphanie**

---

**From:** Swift, Andrew  
**Sent:** Friday, September 21, 2012 11:37 AM  
**To:** Durand, Stéphanie; [REDACTED]@cse-cst.gc.ca'; Thibouthot, AkimIsabelle  
**Cc:** 'Lyne.Poirier@pco-bcp.gc.ca'; Williams, Christopher  
**Subject:** RE: FYI: G&M Huawei

FYI, here are the media lines that PS developed in May for a call of a similar nature from the CBC.

We are circulating these within IC, CSEC, CSIS, DFAIT, and Shared Services for feedback, and internally at PS for another review. We've also asked departments to flag whether they have received any follow up enquiries.

Will keep you posted

Andrew

General:

- The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed.
- Our government has taken strong steps to benefit consumers and open our mobile phone sector to competition.
- All carriers are subject to Canadian laws.
- The Government of Canada works closely with the telecommunications industry, through the Canadian Security Telecommunications Advisory Committee which provides a forum to discuss security issues and to provide technical advice.

If pressed:

Cyber Security

- On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure.
- Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Cyber Security Incidents

- We do not comment on the details of security related incidents. That said, our government takes threats seriously and has measures in place to address them.

Information Sharing

- Effective and responsible information sharing is essential to protecting the security of Canada.

- Public Safety Canada is fully committed to working with its international partners to address future and current threats to Canada, and an integral part of this effort includes information sharing.
- Canada's safety and security is closely intertwined with global security and stability, which is why we are committed to building and nurturing strong partnerships with our allies around the world.

Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques Communications Directorate | Direction générale des communications Public Safety Canada | Sécurité publique Canada Telephone | Téléphone : 613-991-3549 Fax | Télécopieur : 613-954-2000 Email | Courriel : Andrew.Swift@ps-sp.gc.ca

-----Original Message-----

From: Durand, Stéphanie  
Sent: Friday, September 21, 2012 7:34 AM  
To: [REDACTED]@cse-cst.gc.ca'; Thibouthot, AkimIsabelle  
Cc: 'Lyne.Poirier@pco-bcp.gc.ca'; Williams, Christpher; Swift, Andrew  
Subject: Re: FYI: G&M Huawei

Thanks [REDACTED] This was very useful. We'll also want to connect with others on this (IC, Shared Services, etc) and discuss approach on this file.

We'll be in touch.

Stephanie

----- Original Message -----

From: [REDACTED]@cse-cst.gc.ca]  
Sent: Friday, September 21, 2012 07:29 AM  
To: Durand, Stéphanie; Thibouthot, AkimIsabelle  
Cc: Lyne.Poirier@pco-bcp.gc.ca <Lyne.Poirier@pco-bcp.gc.ca>; Williams, Christpher; Swift, Andrew  
Subject: RE: FYI: G&M Huawei

Classification: UNCLASSIFIED

Stéphanie,

We sent over a draft to PSC our MRLs and QP yesterday and have now sent those documents to our MO's office, at their request.

-----Original Message-----

From: Durand, Stéphanie [mailto:Stephanie.Durand@ps-sp.gc.ca]  
Sent: September 21, 2012 7:25 AM  
To: Thibouthot, AkimIsabelle; [REDACTED]  
Cc: 'Lyne.Poirier@pco-bcp.gc.ca'; Williams, Christpher; Swift, Andrew  
Subject: Re: FYI: G&M Huawei

Thanks Akim. We'll work with other dpts on GoC messaging. Andrew will be following-up.

Thanks.

----- Original Message -----

From: Thibouthot, Akim Isabelle [mailto:AkimIsabelle.Thibouthot@pco-bcp.gc.ca]

Sent: Friday, September 21, 2012 06:55 AM

To: Durand, Stéphanie; [REDACTED]@cse-cst.gc.ca <[REDACTED]@cse-cst.gc.ca>

Cc: Poirier, Lyne <Lyne.Poirier@pco-bcp.gc.ca>; Williams, Christopher

Subject: Re: FYI: G&M Huawei

And...

Published | Publié: 2012-09-21

Received | Reçu: 2012-09-21 5:20 AM YELLOWKNIFER

707 words | mots

NWT telco seals 3G deal in China

Ice Wireless-Iristel upgrading from 2G network to compete against Bell Mobility Thandiwe Vela Northern News Services  
A deal to upgrade cellular services available in the North was struck in Shanghai this week, during a stop on the Council of the Federation trade mission to China.

Premier Bob McLeod was on hand Tuesday as Ice Wireless and Iristel Inc. - the telecommunications companies that have teamed up to end NorthwTel Inc.'s monopoly of the Northern telephone market - signed a multi-year, multi-million dollar contract with Huawei Technologies Co. to provide 3G cellular services in the North.

"It's definitely something we're very proud of - it's a milestone for the company," said Cameron Zubko, executive vice-president of Ice Wireless.

Weather permitting, 30 antennas purchased as part of the deal will be installed in communities over the next year to upgrade the Ice Wireless 2G network to the more modern third generation network, starting with the communities where Ice Wireless already operates, which include Yellowknife, Behchoko, and Inuvik.

The 3G, or third generation equipment Ice Wireless-Iristel is acquiring from Huawei is on par with the equipment used by competitor Bell Canada Enterprises - the parent company of NorthwTel Inc. - the only company currently operating a 3G network in the North, said Zubko.

"It's going to provide competition for Bell Mobility and it's going to provide leading edge cellular and data service for Northerners," Zubko said. "So we plan to get out there and get aggressive and win new customers.

"I think in the end, the consumer will ultimately benefit. With two 3G cellular companies competing for their business, there's going to be more money left in their pocket because competition drives down prices."

While the company was not an official part of the NWT delegation on the council mission in China Sept. 13 to 20, the stop at a Huawei wireless research and development facility in Shanghai coincided with the signing of the deal with the Northern carrier, and McLeod witnessed the signing and commented on the development.

"Providing all people of the Northwest Territories with better telecommunications infrastructure is a priority for this government," McLeod stated in a news release. "Better access to advanced cellular services and broadband Internet will enhance our competitiveness, create higher value-added jobs and make new business models possible."

Zubko said the upgrade from 2G to 3G is only now possible because of the Canadian Radio-television and Telecommunications Commission's opening up of the Northern telephone market to competition, and increased attention being paid by the national regulator to bandwidth costs in the North.

"As the price of broadband comes down you're going to see more investment in the North in the area of telecom," he said.

Bell rolled out 4G LTE - the fastest mobile wireless technology currently available in the world - in Yellowknife last December.

Telus Corp. followed suit, launching 4G LTE in Yellowknife earlier this year for its subscribers in the south, who work and do business regularly in the city, through a network-sharing agreement with Bell.

Short for fourth-generation long term evolution (4G LTE), the technology offers data at speeds up to 75 megabits per second, compared to wireless bandwidth speeds of up to 7.2 megabits per second offered by 3G, or third generation universal mobile telecommunications service (UMTS) standards to be offered by Ice Wireless-Iristel.

Ice Wireless-Iristel deliberately chose an upgrade to 3G, over the much faster 4G LTE network, because 3G is available in more places across the country, Zubko said - noting the equipment being purchased from Huawei, can be upgraded to LTE with software.

The upgrade to 3G from 2G does not impact Ice Wireless-Iristel's plans to offer fixed line telephone service in the North. The company's planned roll out of Voice over Internet Protocol residential and business phone service is still undergoing interconnection to NorthwTel's existing network.

----- Original Message -----

From: Thibouthot, Akim Isabelle

Sent: Friday, September 21, 2012 06:07 AM

To: 'Stephanie.Durand@ps-sp.gc.ca' <Stephanie.Durand@ps-sp.gc.ca>; [REDACTED]@cse-cst.gc.ca'

[REDACTED]@cse-cst.gc.ca>

Cc: Poirier, Lyne; Williams, Christopher

Subject: FYI: G&M Huawei

Published | Publi : 2012-09-21

Received | Re u: 2012-09-21 2:55 AM GLOBE AND MAIL (METRO) NATIONAL NEWS, Page: A6

642 words | mots

Ottawa casts wary eye on Chinese giant

Newly released records show federal officials proposing ways to mitigate risks to computer systems from foreign telecom company STEVEN CHASE While Canadians publicly debate allowing a state-owned Chinese firm to buy a piece of the oil sands, federal officials are privately concerned about security risks to Ottawa's computer networks from China's telecom equipment giant. Huawei Technologies, which in just two decades has grown big enough to rival Sweden's Ericsson as the No. 1 maker of telecommunications equipment in the world, is making inroads into Canada. It's now supplying major wireless firms here, including Bell and Telus, as well as SaskTel and Wind Mobile.

The Shenzhen-based Huawei, founded by a former People's Liberation Army member, is trying to counter accusations from U.S. politicians that its telecom gear could somehow enable agents of the Chinese government to intercept or sabotage foreign communications systems.

Top-secret Canadian government documents authored as recently as May 17, and obtained by The Globe and Mail under the access-to-information law, show that the national cryptologic agency, the Communications Security Establishment, has cast a wary eye on Huawei.

A May 8 presentation for the Department of National Defence, written by the Communications Security Establishment and titled "Supply Chain Threats to Canada," devotes three pages to Huawei and discusses "proposed measures" that could be implemented. Ottawa's computer and communication networks depend heavily on telecom companies.

The presentation, which discusses the damage foreign adversaries can inflict on a nation's computer systems, also mentions the "Farewell dossier" incident. That was an episode in the Cold War where the U.S. Central Intelligence Agency was reported to have deliberately transferred faulty technology to the Soviet Union - including a computer virus that allegedly triggered a major pipeline explosion.

A February memo authored by Canada's Department of National Defence said the Communications Security Establishment is drawing up "engagement options" for Huawei and a May 17 DND document discusses "risk mitigation activities" in connection with the Chinese firm.

One briefing note says Canada can't feasibly block foreign technology but recommends routinely inserting computer security requirements into government-purchasing contracts.

All the records released are heavily censored on the grounds that disclosing what's being withheld might damage Canada's international affairs or efforts to protect this country and its allies, that it would reveal vulnerabilities or safeguards related to computer systems or that it would divulge confidential advice from officials.

Privately held Huawei has on numerous occasions rejected the accusation its equipment could be used to enable spying. A spokesman for Huawei's Canadian unit says Ottawa's scrutiny is not unexpected, given the company is an ascendant firm on the world stage.

"We're a globally successful, employee-owned, Chinese-based, telecommunications company. It is reasonable to assume the government will be taking a look at us," Huawei Canada's Scott Bradley said.

Australia recently banned Huawei's Australian unit from bidding for that country's \$38-billion broadband network project, citing the need to protect "national interests."

In counterintelligence, "supply chain threat" refers to the concern in an age of global manufacturing that foreign adversaries might place malicious software or technology in network hardware assembled offshore. This could enable the theft of secrets or sabotage of networks.

Mr. Bradley said Huawei's international growth is proof that many have faith in the company.

"Our success around the globe: working with 45 of the world's 50 largest telecommunications operators . . . over \$32-billion in sales in 2011 - reflects the trust and confidence of our customers, and the markets in which we operate."

## **Durand, Stéphanie**

---

**From:** Swift, Andrew  
**Sent:** Wednesday, September 19, 2012 4:41 PM  
**To:** Durand, Stéphanie  
**Subject:** Re: Fwd: questions from Canadian Globe and Mail newspaper

No, just since.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

**From:** Durand, Stéphanie  
**Sent:** Wednesday, September 19, 2012 04:40 PM  
**To:** Swift, Andrew  
**Subject:** Re: Fwd: questions from Canadian Globe and Mail newspaper

Was this before I flagged to you?

**From:** Swift, Andrew  
**Sent:** Wednesday, September 19, 2012 04:17 PM  
**To:** Durand, Stéphanie  
**Subject:** Re: Fwd: questions from Canadian Globe and Mail newspaper

FYI, we've been in touch w/ CSEC and IC comms, as well as Mark Matz.

CSEC have lines in approvals and will be sharing once available. No calls so far.

Mark Matz has asked to receive QP cards from all implicated orgs and will share with us once available.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

**From:** Durand, Stéphanie  
**Sent:** Wednesday, September 19, 2012 08:43 AM  
**To:** Dick, Robert; [REDACTED]@CSE-CST.GC.CA' [REDACTED]@CSE-CST.GC.CA>; Gordon, Robert; Matz, Mark; Swift, Andrew  
**Cc:** Fortunato, Stephanie; Salewski, Shawn  
**Subject:** Re: Fwd: questions from Canadian Globe and Mail newspaper

Thanks for this heads-up.  
We'll also follow-up on our end.

s.19(1)

Andrew: pls action. Thx

**From:** Dick, Robert  
**Sent:** Tuesday, September 18, 2012 09:19 PM  
**To:** [REDACTED] CSE-CST.GC.CA' [REDACTED]@CSE-CST.GC.CA>; Gordon, Robert; Matz, Mark; Durand, Stéphanie  
**Cc:** Fortunato, Stephanie  
**Subject:** Re: Fwd: questions from Canadian Globe and Mail newspaper

Thanks, [REDACTED] Stephanie, fyi.

Mark, would you please take a look at our QP card on this subject and compare notes with other departments to ensure it's current and that language reflects the tenor of today's discussion?

Thanks.

**From:** [REDACTED]@CSE-CST.GC.CA]  
**Sent:** Tuesday, September 18, 2012 09:01 PM  
**To:** Gordon, Robert; Dick, Robert  
**Subject:** FW: Fwd: questions from Canadian Globe and Mail newspaper

**Classification: UNCLASSIFIED**

FYI

[REDACTED]  
Director | Directeur

[REDACTED]  
Communications Security Establishment Canada | Le Centre de la sécurité des télécommunications Canada Ottawa, Canada K1G 3Z4

[REDACTED]@cse-cst.gc.ca

---

**From:** David.Hartman@international.gc.ca [mailto:David.Hartman@international.gc.ca]  
**Sent:** September 18, 2012 5:38 PM  
**To:** [REDACTED]  
**Subject:** Fw: Fwd: questions from Canadian Globe and Mail newspaper

FYI...

**From:** [REDACTED]@gmail.com]  
**Sent:** Tuesday, September 18, 2012 05:17 PM  
**To:** Hartman, David -BIS  
**Subject:** Fwd: questions from Canadian Globe and Mail newspaper

FYI

Begin forwarded message:

**From:** [REDACTED]@huawei.com>

**Date:** September 18, 2012 5:08:49 PM EDT

**To:** '[REDACTED]@gmail.com' [REDACTED]@gmail.com>

s.19(1)

**Subject:** FW: questions from Canadian Globe and Mail newspaper

**From:** [REDACTED]@globeandmail.com]

**Sent:** Tuesday, September 18, 2012 4:59 PM

**To:** [REDACTED]

**Subject:** FW: questions from Canadian Globe and Mail newspaper

Here's what I sent Ms. Luong after she requested it.

**From:** [REDACTED]

**Sent:** September-18-12 4:26 PM

**To:** [REDACTED]@huawei.com'

**Subject:** questions from Canadian Globe and Mail newspaper

Hi. I initially emailed [REDACTED] today but when I didn't hear back from him I contacted you.

I'm a reporter in Canada.

I obtained a memo under access to information law (freedom of information law) by the Canadian Communication Security Establishment that discusses Supply Chain Threats to Canadian government information infrastructure.

This presentation features a lengthy discussion of Huawei.

The memo is heavily censored (redacted) for reasons of security but spends several pages on Huawei.

Here are my questions.

The document says that Board chair Sun Yafang has some kind of tie to Ministry of State Security.

1) Did Ms Sunat one time work for the PRC Ministry of State Security.

It also says founder Ren Zhengfei is a former PLA officer.

Question 2) Is this correct?

The document discusses Huawei's commercial activity in Canada and proposes "risk mitigation" activities in relation to this.

It also says the Communication Security Establishment is proposing engagement options for Huawei.

Question 3) Does equipment sold by Huawei pose any threat to the Canadian government's computer infrastructure?

Question 4) Specifically is there any software or hardware in the Huawei equipment that could assist foreigners in spying on the Canadian government?

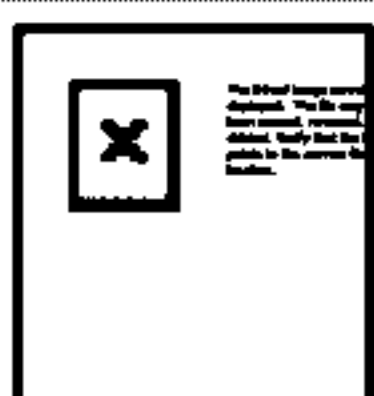
Thanks.

I'm writing my story today, Tuesday, and my deadline is 7 pm.

I tried to reach [REDACTED] about 1.5 hours ago but did not realize he was in China until now.

Thanks

[REDACTED]



[REDACTED] - Parliamentary Correspondent - Ottawa Bureau

phone: [REDACTED]

email: [REDACTED]@globeandmail.com

twitter: [REDACTED]



## Durand, Stéphanie

---

**From:** Heather.DeSantis@international.gc.ca  
**Sent:** Monday, August 27, 2012 4:42 PM  
**To:** D-NorthAmerica-HOM/CDM@international.gc.ca; Fisher, Adam; Anna.Gray@rcmp-grc.gc.ca; benoit.chiquette@cbsa-asfc.gc.ca; MarcAndre.Boivin@international.gc.ca; [REDACTED] Alexander.Bota@international.gc.ca; Stuart.Carre@international.gc.ca; USDesk.BureauEU@cbsa-asfc.gc.ca; Jennie.Chen@international.gc.ca; chris.harker@rcmp-grc.gc.ca; Cloutier, Nancy; dan.goodwin@rcmp-grc.gc.ca; david.quartermain@cbsa-asfc.gc.ca; Gitane.DeSilva@international.gc.ca; MaryAnne.Dehler@international.gc.ca; Danica.Doucette-Preville@international.gc.ca; ggd@international.gc.ca; ffowler@pco-bcp.gc.ca; George.Bowles@cbsa-asfc.gc.ca; Mark.Glauser@international.gc.ca; Tracy.Gould@international.gc.ca; Annie Grondin; David.Hamilton@international.gc.ca; Christine.Hanson@international.gc.ca; David.Hutchison@international.gc.ca; Karen.Imas@international.gc.ca; Isaac, Howard; Jay.Lafrance@cbsa-asfc.gc.ca; Jean-Philippe.Racicot@pco-bcp.gc.ca; [REDACTED]@cse-cst.gc.ca; Jim.Bissett@cbsa-asfc.gc.ca; Jthomas@pptc.gc.ca; Joe.Oliver@rcmp-grc.gc.ca; joel.lepine@cbsa-asfc.gc.ca; Hendrik.Kuipers@international.gc.ca; Kym.Martin@cbsa-asfc.gc.ca; Pam.Lambo@international.gc.ca; larry.tremblay@rcmp-grc.gc.ca; LauraL.Braun@cbsa-asfc.gc.ca; [REDACTED]@cse-cst.gc.ca; Jennifer.Loten@international.gc.ca; Janice.Mason@international.gc.ca; Dana.McBain@international.gc.ca; michael.junek@cbsa-asfc.gc.ca; michelle.douglas@justice.gc.ca; mike.cabana@rcmp-grc.gc.ca; Rebecca.Murphy@international.gc.ca; opsofficer.agentdesoperations-cec@international.gc.ca; David.Pimm@international.gc.ca; Christian.Ranger@international.gc.ca; Nadia.ScipidelCampo@international.gc.ca; Scott.Foster@rcmp-grc.gc.ca; Sebastien.Aubertin-Giguere@cbsa-asfc.gc.ca; Ted.Parkinson@forces.gc.ca; Uyen.Hoang@cbsa-asfc.gc.ca; Grigsby, Alexandre; Karim.Amegan@international.gc.ca; Derek.Ayers@international.gc.ca; CORRI.BARR@forces.gc.ca; sburt@pco-bcp.gc.ca; Blair.Bobyk@international.gc.ca; Wendy.Boudreau@international.gc.ca; Branch, Tammy; Mathieu.Bussieres@forces.gc.ca; Catherine.Phinney@pco-bcp.gc.ca; CECILY.PANTIN@forces.gc.ca; Douglas.Challborn@international.gc.ca; paul.chamberlain@forces.gc.ca; Justin.Chan@international.gc.ca; DANA.CLARKE@forces.gc.ca; Warren.Coons@rcmp-grc.gc.ca; Reid.Cooper@international.gc.ca; CMC-CGC@pco-bcp.gc.ca; William.Crosbie@international.gc.ca; daniel.ahmad@pptc.gc.ca; DAVID.LEHMAN@forces.gc.ca; david.vigneault@cbsa-asfc.gc.ca; Steven.DeEyre@international.gc.ca; Alia.Dedhar@international.gc.ca; Greg.Dempsey@international.gc.ca; donald.walker@cbsa-asfc.gc.ca; Robin.Dubeau@international.gc.ca; meales@pptc.gc.ca; KRISTINE.ENNIS.HEISE@forces.gc.ca; Ryan.Fortner@international.gc.ca; mike.furey@rcmp-grc.gc.ca; Lena.Gee@international.gc.ca; Jeffrey.Gray@international.gc.ca; JAMES.GROEN@forces.gc.ca; Kumar.Gupta@international.gc.ca; Hahn, Tony; Susan.Harper@international.gc.ca; Carl.Hartill@international.gc.ca; Timothy.Hodges@international.gc.ca; Deanna.Horton@international.gc.ca; Hubert.Laferriere@pptc.gc.ca; Lisa.Janes@international.gc.ca; Young, Jenny; jpyrik@bnet.pco-bcp.gc.ca; Pam.Johnson@international.gc.ca; Paula.Kennedy@international.gc.ca; KRISTINE.ENNIS-HEISE@forces.gc.ca; Theresa.Ladouceur@international.gc.ca; Joffre.LebLANC@international.gc.ca; david.lenarcic@forces.gc.ca; Bernard.Li@international.gc.ca; PETER.LYON2@forces.gc.ca; Allan.MacDougall@international.gc.ca; Richard.MacIver@international.gc.ca;

**To:** rmarcoux@pco-bcp.gc.ca; IMCEAX400-c=CA+3Ba=govmt+2Ecanada+3Bp=gc+2Brc+3Bo=ms+3Bs=Mehrer+3Bg=Keith+3B@international.gc.ca; Eric.Miller@international.gc.ca; Kevin.OShea@international.gc.ca; Thomas.Palamides@international.gc.ca; Bob.Paquin@international.gc.ca; Brian.Parai@international.gc.ca; Chris.Plunkett@international.gc.ca; Julianne Prokopich; Jade.Puddington@international.gc.ca; Evelyn.Puxley@international.gc.ca; Sarah.Quigley@international.gc.ca; Lisette.Ramcharan@international.gc.ca; richard.garber@drdc-rddc.gc.ca; Ron.Garson@international.gc.ca; MOLLIE.ROYDS@forces.gc.ca; daniel.salisbury@forces.gc.ca; Pam.Saunders@international.gc.ca; Phillip.Sherman@international.gc.ca; ██████████@cse-cst.gc.ca; Sean.Sunderland@international.gc.ca; Steve.Thompson4@forces.gc.ca; todd.balfe@forces.gc.ca; Jason.Tolland@international.gc.ca; Wayne.Williams@international.gc.ca; Danaitis, Algis; Kagedan, Allan; Gordon, Robert; Bokwa, Lisa; Bolton, Stephen; Komm, Chantelle; Larose, Charlene; Arnott, Charles; Currie, Chris; Dvorkin, Corey; Oldham, Craig; Durand, Stéphanie; Brown, Émilie; Gélinas, Emilie; Duschner, Gabrielle; larisa.galadza@ps.gc.ca; Wilson, Gina; Matrisciano, Giovanni; 'Glen.Linder@ps-sp.gc.ca'; Grabs, Robert; Veysey, Gregory; Randall, Jacqueline; Bott, Jeremy; Schwartz, Jo-Ann; Julianne Prokopich; Spallin, Julie; Moreau, Ken; Kubicek, Brett; Clairmont, Lynda; MacKinnon, Paul; Senft, Matthew; McAllister, Andrew; MacDonald, Michael; DeJong, Michael; Nap, Carole; Fillion, Nathalie; Pagotto, Paul; Matthews, Pamela; Davies, Patricia; DesRochers, Patrick; Dincoy, Rana; Banerjee, Ritu; Lesser, Robert; Astravas, Rutha; Hunt, Ryan; Beaudoin, Serge (watch officer); Beaudoin, Serge C; Taschereau, Marc; Theilmann, Mike; Tolan, Katie; Jarmyn, Tom; Sima, Vanessa; Veilleux, Martine; Mahu, Vlad; Wong, Suki; Leguerrier, Yves; Zuccolo, Claudia; Vinodrai, Arjun; Motzney, Barbara; Boletis, Bill; Brighton, Brian; Edward.Gosden@ps-sp.gc.ca; Travers, Evan; Poulet, Francois; Green, Amanda; De Santis, Heather; Hirsch, Darryl; Gulak, James; Davies, John; Clifford, Kurtis; Patey, Melissa; Sigouin, Michel; Kingsley, Michèle; Mohammed, Melanie; Epprecht, Nicola; Thalakada, Nigel; Plunkett, Shawn; Grewal, Surinder; Bhupsingh, Trevor; Vershinin, Sergey

**Subject:** HOMELAND SECURITY / WASHINGTON UPDATE - AUG 10 -21. 2012

**Attachments:** attc2855.jpg

Colleagues, as the new Counsellor for Public Safety in Washington, I am in the process of updating this distribution list. If you would like to add a name or be removed, please let me know. Many thanks, Heather

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## PEOPLE ON THE MOVE:

FBI Director Mueller announced the following appointments and changes in his agency:

- Jerome M. Pender, as executive assistant director of the FBI's Information and Technology Branch;
- Janice Fedarcyk will step down as Assistant Director in Charge of the FBI's New York bureau to start her own consulting firm in Washington, D.C.

## THIS WEEK IN WSHDC:

AUG 26 –Huawei Technologies, China's biggest maker of phone equipment, has quadrupled spending on lobbyists in Washington as a House panel investigates whether its expansion in the United States poses a security threat. Huawei spent \$820,000 on lobbying in the first six months of this year, up from \$200,000 for the same period in 2011, according to U.S. Senate records. The Washington increase coincides with a House Intelligence Committee inquiry into Chinese phone-equipment makers, including Huawei and ZTE. The panel,

which announced the probe in November, is looking at whether the companies' presence in the United States provides opportunities for Chinese espionage and imperils America's telecommunications infrastructure. [Article](#)

AUG 22 –Researchers unraveled a medical mystery that left six patients dead last year at the National Institutes of Health's elite research hospital, demonstrating that gene sequencing can help in the fight against hospital-acquired infections. The scientists sequenced the genes of the microbial invader to reveal its exact path from patient to patient until the deadly outbreak was contained in December. [Article](#)

AUG 22 –The current West Nile outbreak is one of the largest in the U.S., with four times the usual number of cases for this time of year, federal health officials said. "We're in the midst of one of the largest West Nile outbreaks ever seen in the United States," said Dr. Petersen, who oversees the CDC's mosquito-borne illness programs. [Article](#)

AUG 22 –Tropical storm Isaac, which is gathering strength in the Caribbean, could strike Florida, hurricane forecasters say, triggering concern it might force a postponement or cancellation of the Republican National Convention in Tampa next week. [Article](#)

AUG 22 –On this year's Forbes Magazine's annual list of the Most Powerful Women in the world, Secretary of Homeland Security Janet Napolitano is ranked No. 9, up from 15. German Chancellor Angela Merkel and U.S. Secretary of State Hillary Clinton held down the first and second spots respectively. [Article](#)

AUG 21 –The New York Police Department acknowledged in court testimony unsealed AUG 20 that despite more than six years of spying on Muslim neighborhoods, eavesdropping on conversations, and cataloguing mosques, the NYPD's Demographics Unit never generated a lead or triggered a terrorism investigation. [Article](#)

AUG 22 –Wildfires have burned nearly 7 million acres so far, up 6 percent from last year. [Article](#)

AUG 19 –Beyond the reach of police officers waiting to arrest him and with hundreds of supporters looking on, Julian Assange, the founder of WikiLeaks, took to the balcony of Ecuador's embassy to condemn the United States government and cast himself as one of the world's most persecuted whistle-blowers. "The United States must renounce its witch hunt against WikiLeaks. The United States must dissolve its F.B.I. investigation," a reference to persistent reports that such an investigation is taking place. "The United States must vow that it will not seek to prosecute our staff or our supporters." [Article](#)

AUG 17 – Salmonella linked to cantaloupes is responsible for killing two people and sickening 141 others in 20 U.S. states, federal regulators said. Kentucky had the most reports of illness, 50, followed by Illinois with 17 and Indiana with 13, according to the statement. [Article](#)

AUG 17 –Within weeks, police nationwide should be able to obtain free software for matching photos of unidentified suspects against the FBI's biometric database of 12 million mug shots. According to the ODNI, the FBI and the DHS are experimenting with facial recognition to determine the real names of illegal immigrants, identify persons of interest in candid photos, and fulfill other law enforcement responsibilities. To make that happen, however, law enforcement agencies at every level of government must share images with compatible technology that they can afford, former FBI officials say. So the Bureau is offering agencies some of the equipment at no cost. [Security Debrief](#)

AUG 16 –A federal judge AUG 14 dismissed a lawsuit filed against the US government and the FBI over the agency's spying on Orange County Muslims, ruling that allowing the suit to go forward would risk divulging sensitive state secrets. The judge wrote that he reached the decision reluctantly after reviewing confidential declarations filed by top FBI officials, but he was convinced that the suit involved "intelligence that, if disclosed, would significantly compromise national security." [Article](#)

AUG 16 –The American Civil Liberties Union filed a lawsuit AUG 15 to force the FBI to reveal internal memos on GPS tracking. The ACLU requested the documents, which provide guidance to FBI agents about using GPS devices to track suspects, under the Freedom of Information Act last month, but the FBI has yet to respond. The lawsuit asks the court to order the FBI to produce the documents immediately. The ACLU first learned of the existence of the memos when FBI General Counsel Andrew Weissmann mentioned them in February. He said the memos provide guidance to agents in light of the Supreme Court's decision in *United States v. Jones*, which held that installing a GPS device on a suspect's car qualifies as a search under the Fourth Amendment. [Article](#)

AUG 15 – As American officials sound the alarm over what they call a resurgent threat from the Shiite militant group Hezbollah, thousands of its members and supporters operate with few restrictions in Europe, raising money that is funneled to the group's leadership in Lebanon. Washington and Jerusalem insist that Hezbollah is an Iranian-backed terrorist organization with bloody hands, and that it is working closely with Tehran to train, arm and finance the Syrian military's lethal repression of the uprising there. Yet, the European Union continues to treat it foremost as a Lebanese political and social movement. [Article](#)

AUG 14 –The US Court of Appeals for the Sixth Circuit ruled that the Drug Enforcement Administration did not violate the Fourth Amendment when they used a drug runner's cellphone data to track his whereabouts without obtaining a warrant. The question in the case was whether Skinner had a reasonable expectation of privacy in the data his phone emitted. The divided Sixth Circuit panel said no. The case is *United States v. Skinner*; the ruling is [here](#). [Wall Street Journal's Law Blog](#)

AUG 13 –Fin Fisher is a spyware product manufactured by the Gamma Group, a British company that sells surveillance technology. It is one of the more elusive commercial cyberespionage tools available. It is marketed as a way for governments to spy on criminals. And for over a year, virus hunters unsuccessfully tried to track it down. Now it is popping up across the globe, from Qatar to an Amazon server in the United States. [Article](#)

AUG 13 –A new release of stolen corporate e-mails by WikiLeaks has set off a flurry of concern and speculation around the world about a counterterrorist software program called TrapWire, which analyzes images from surveillance cameras and other data to try to identify terrorists planning attacks. [Article](#)

AUG 13 – New York City, working in close partnership with Microsoft Corp., on AUG 8 announced the full deployment of a new system designed to aggregate and analyze public safety data in real-time, and provide law enforcement officers with a comprehensive view of emerging terrorist threats and criminal activity. The system was developed jointly developed by Microsoft and members of the NYPD. Microsoft has agreed to pay the city 30 percent of its gross revenues on the sale of the system to other customers worldwide. [Article](#)

AUG 8 –Government analysts and watchdog groups have been warning about a specific kind of terrorist threat: the "lone wolf" white supremacist. But they have been hampered by the growing decentralization of a movement that increasingly organizes online. And they have butted up against a persistent problem: figuring out who among the throngs that espouse their constitutionally protected hate speech will one day take it upon themselves to commit an atrocity. [Article](#)

## **Department of State:**

AUG 15 –State Department officials are preparing for a possible decision by Secretary of State Hillary Clinton to redesignate the Mujahedeen Khalq, or People's Mujahedeen, an Iranian opposition group as a terrorist organization, in part because of the group's resistance to abandoning its camp in Iraq, two American officials said. [Article](#)

## **DHS:**

AUG 23 –A new DHS IG report, “US-VISIT Faces Challenges in Identifying and Reporting Multiple Biographic Identities” found criminal aliens regularly try to circumvent the US-VISIT identity verification system by producing different biographic data than their own to enter the US illegally. US-VISIT may access multiple records linked to the same fingerprints in the Automated Biometric Identification System (IDENT) database but because of such fraud, they fail to detect criminals seeking to enter the country. As such, the IG office recommended US-VISIT Director Robert Moczynski launch a review of data inconsistencies to determine if there are any cases of biographic fraud.

AUG 22 –The DHS’s Stop.Think.Connect.™ campaign announced a new partnership with the Girl Scouts of the USA to help raise awareness among more than 3.2 million youth across the country about the importance of cybersecurity and online safety.

AUG 22 –The DHS S&T concluded the pilot project for a new Multi-Band Radio (MBR), distributing more than 100 of the MBR radios to 15 federal, state and local agencies, officials told the Association of Public-Safety Communications Officials (APCO) International in Minneapolis, Minn., AUG 21. The 15 agencies were participants in the project, which aimed to cross jurisdictions that may use different radio bands with one radio. Article

AUG 15 – Secretary Napolitano hosted the second annual DHS Iftar dinner bringing together Muslim community members, international partners, and federal, state and local officials. Press Release

AUG 12 – The DHS Secretary has been accused of sexual harassment and discrimination against male employees. In the complaint, Napolitano is accused of turning her female-run department into a "frat house" where male staffers were routinely humiliated, reports Forbes. Article

AUG 10 –The DHS Secretary met with Dominican Minister of Foreign Affairs Carlos Morales Troncoso and signed a Memorandum of Understanding (MOU) on the Advanced Passenger Information System (APIS) to enhance information sharing on passenger information and strengthen aviation security. Press Release

## **CBP:**

AUG 9 –CBP announced that the Electronic System for Travel Authorization (ESTA) web application has been updated to allow for multiple applications to be submitted and paid for in one transaction. The new online application was made available AUG 15. Press Release

## **TSA:**

AUG 17 –TSA officers who are in a behavioral detection program designed to spot terrorists at airports have been ordered to undergo special training –a four-hour class on why racial profiling is not acceptable and why it is not an effective way to spot terrorists – after officers in Boston were accused of racially profiling passengers. Article

## **USCIS:**

AUG 15 – Today marked the opening day for the United States' Deferred Action for Childhood Arrivals (DACA) Program. The DACA initiative offers a two-year deportation deferral and temporary work permit to applicants who meet specific criteria (entered the U.S. before age 16, continuous subsequent residence in the U.S., below age 30, no serious criminality, are currently in school or graduates from high school or earned a GED, are honourably-discharged veterans of the U.S. military, and are already in the U.S. as of June 15, 2012). This program was authorized by the DHS Secretary Janet Napolitano on JUNE 15 and announced by President Obama that same day. DHS initial estimate of participants was originally over 800,000 applicants, but the

Migration Policy Institute provided information to boost that number to 1.76 million persons, and the MPI number now appears to be the working estimate. Press Release [Full Report is available upon request]

## **FBI:**

AUG 22 –Director Mueller named Jerome M. Pender executive assistant director of the FBI's Information and Technology Branch. Pender most recently served as deputy assistant director of the Criminal Justice Information Services Division. Press Release

AUG 22 –The FBI announced plans to share the Combined DNA Index System (CODIS) technology with its law enforcement partners in Mauritius, allowing the country to use the same platform as many of its South American, Mexican, and Caribbean counterparts. Press Release

AUG 15 – A top FBI administrator who has overseen some of the nation's highest-profile law-enforcement actions in recent years is stepping down to enter the private sector. Janice Fedarcyk was appointed by FBI Director Robert Mueller to the role of Assistant Director in Charge of the New York bureau in 2010. Article

AUG 14 –Director Mueller named Gary Douglas Perdue special agent in charge of the FBI's Pittsburgh Division. Press Release

## **ODNI:**

AUG 20 –John DeLong, the first-ever compliance director at the Pentagon's spy agency, spends his days making sure analysts are not snooping on Americans. U.S. law forbids the NSA from intercepting communications between citizens. While privacy advocates argue that NSA databases nevertheless accumulate records on Americans, in fact, some of those systems are calling the shots to delete that information. Still, there have been incidents when intelligence activities have broken the rules. Article

AUG 21 –The Defense Advanced Research Projects Agency's (DARPA's) sister agency — the Intelligence Advanced Research Projects Activity, which funds experimental projects for the U.S. intelligence community — is running a four-year, \$50-million program that pays people willing to predict major world events, including wars and terrorist strikes. Unlike an earlier scheme, participants can't profit from their predictions. For now, there is deep skepticism in intelligence circles about the so-called crowd-sourcing project. Article

AUG 13 –A white paper from the Information Sharing Environment (ISE) program office proposes using legal authorities to expand the ISE approach toward information sharing to areas beyond counterterrorism. The ISE succeeds, and is well suited to expansion beyond homeland security information sharing, the paper adds, in part because it does not create a centralized database "but rather a horizontal, flexible environment" that connects existing systems.

## **DOJ:**

AUG 21 –Iraqi citizen Mohanad Shareef Hammadi pleaded guilty to federal terrorism charges in U.S. District Court for the Western District of Kentucky. Hammadi faces a maximum sentence of life in prison under the sentencing guidelines and a mandatory minimum of 25 years in prison. Press Release

AUG 21 –Seizure orders have been executed against three website domain names engaged in the illegal distribution of copies of copyrighted Android cell phone apps. The three seized domain names – applanet.net, appbucket.net and snappzmarket.com – are in the custody of the federal government. Press Release

AUG 21 – Assistant Attorney General Thomas Perez delivered remarks at a press conference announcing the Civil Rights Enforcement Unit that will work to protect the basic principles of (1) Expanding opportunity and access for all people; (2) . Ensuring that the fundamental infrastructure of democracy is in place; and (3) Protecting the most vulnerable among us so that they can move out of the shadows and into the sunshine.

AUG 17 –Federal authorities have charged Glen Alan Ward, 47, of Canada, who formerly resided in Los Angeles, with aggravated identity theft and having operated a foreclosure-rescue scam in Southern California and elsewhere that promised to postpone foreclosure sales for more than 800 distressed homeowners. Ward was arrested in Canada on 5 APRIL on a U.S. provisional arrest warrant. His extradition to the U.S. is pending.  
Press Release

## **CONGRESS:**

AUG 21 – Sen. Charles Schumer (D-NY) said the CBSA should look into an AUG 3 incident involving two Niagara County boaters and clarify what people are required to do when boating across the border into Canada. After failing to report their presence in Canadian waters, the families were required to pay \$1,000 fine per vessel to get them back and their NEXUS cards were confiscated. Article

AUG 13 –The House Government Reform and Oversight Committee filed a federal lawsuit AUG 13 against Attorney General Eric Holder over his failure to respond to a Congressional subpoena for documents relating to the Justice Department's response to the Fast and Furious gunrunning scandal. The complaint said Attorney General Eric Holder's notion of executive privilege — which President Barack Obama asserted to shield the documents from disclosure — was overbroad and represented a threat to congressional power. Article

AUG 9 –Rep. Ed Markey (D-Mass.) released a discussion draft of legislation that would limit digital searches and seizures after investigations revealed a startling number of law enforcement requests for private cell phone data in recent years. As co-chairman of the Congressional Bipartisan Privacy Caucus, Markey's inquiry with nine major wireless carriers revealed that law enforcement officials at all levels of government made 1.3 million requests for user data from the companies in 2011. The responses also showed that the number of requests by law enforcement is increasing each year, in some cases by as much as 16 percent. Markey's proposed Wireless Surveillance Act of 2012 would require law enforcement to provide regular disclosure of information on the requests and to obtain search warrants prior to conducting geolocation tracking. Article

## **UPCOMING HEARINGS:**

Congress is in recess for the month of August.

## **THINK TANKS:**

AUG 20 – Derek Reveron from The Atlantic Council released an op-ed designating cyber lexicon – preferring “cybered conflict” or “cyberwar” – and the centrality of the private sector as priorities for the government to advance the cyber security discussion.

AUG 20 – Danya Greenfield at the Atlantic Council released an article on “Reversing the Anti-American Sway in Yemen” arguing the need for the US to hone in on the point that it has a long-term, sustained commitment to Yemen's development that is not driven only by the presence of extremists in its midst.

AUG 2012 –A report from the Pew Research Center describes commonalities and differences of opinion in the Muslim community worldwide.

AUG 2012 – The Fraser Institute released a report, “Measuring the Costs of the Canada-US Border”, which examines Canada’s expenditures on heightened border security since 9-11 and associated reductions in trade and tourism. Calculating the overall annual cost at \$19.1 billion, or about 1.5 per cent of Canada’s GDP, the report notes that the 2011 Beyond the Border Declaration offers both countries an opportunity to eliminate costly border inefficiencies.

AUG 2012 –Following the AUG 5 shooting at a Sikh temple in Oak Creek, Wisconsin, START researchers compiled background information from the United States Extremist Crime Database (ECDB) on ideologically motivated far-right violence in the United States, generally, and far-right extremist crimes related to religion and religious institutions, specifically. START found there were 145 ideologically motivated homicide incidents committed by far-right extremists in the United States between 1990 and 2010. Of those, more than half of the victims of far-right violence were targeted because they were racial/ethnic minorities; 37 were perpetrated by a lone individual and most often, used a firearm. Fact Sheet

AUG 2012 –Designated by several countries as a terrorist group, Hizballah has leveraged its worldwide network of members and sympathizers to secure financial, logistical, and other types of support. Procurement of goods ranging from weapons to dual-use items (e.g., night-vision goggles and clock timers) is a critical component of these efforts. Matthew Levitt from the Washington Institute for Near East Policy contributed a chapter in the book, “Terror in the Peaceable Kingdom” which posits that Hizballah has long maintained a robust network of agents in Canada able to purchase such items on the open market and send them to Lebanon. Chapter

AUG 8 – In his blog post titled “The Lone Wolves Among Us,” Robert Blitzer from the HSPI proposes strengthening partnerships with private organizations - such as the Southern Poverty Law Center – who can provide a closer examination and study on threat and warning analysis of “Lone Wolves.”

#### **UPCOMING EVENTS:**

SEPT 5 @ 12:00 p.m. – The Hudson Institute will host an event titled, “Organizing the U.S. Government to Counter Islamist Extremism” to mark the launch of a new study that examines how the US government could mount an effort to change the ideological climate in the Muslim World. Location: 1015 15<sup>th</sup> St. N.W.

SEPT 19 from 7:30 – 9:30 a.m. – The Government Executive Media Group will host an event on, “Deterrence and Security in Cyberspace.” Location: National Press Club, 529 14<sup>th</sup> St. N.W. Register

#### **ARTICLES/ REPORTS OF INTEREST:**

AUG 21 – Congress Can’t Improve Cybersecurity Alone. POLITICO. Op-Ed

AUG 16 – Niger Struggles Against Islamist Militants. The Washington Post. Article

AUG 14 – Homeland Security Secretary Janet Napolitano Touts Successes. AZCentral. Article

AUG 13 – Romney Running Mate No Stranger to Canada. Leader-Post. Article

AUG 13 – For New Nuclear Chief, Concerns Over Plan Safety. The New York Times. Article

AUG 12 – Korea Policing the Net. Twist? It’s South Korea. The New York Times. Article



AUG 8 – The United Nations and the Internet: It's Complicated. Foreign Policy. Argument

**Heather De Santis**

Counsellor, Public Safety and Border Security | Conseiller, Sécurité publique et transfrontalière

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Gouvernement  
du Canada

Canada

## Salewski, Shawn

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**From:** Durand, Stéphanie  
**Sent:** Tuesday, August 21, 2012 12:18 PM  
**To:** Slack, Jessica; Bue, Richard; Salewski, Shawn; Dubé, Rosanne  
**Cc:** Miller, Kevin; Wilson, Barbara; Manning, Kerri  
**Subject:** RE: FOR DG APPROVAL: FW: Notification: National Post on Chinese Spies

Ok, thanks.

Pls proceed with rest of approvals

Stéphanie Durand  
Director General, Communications | Directrice générale, Communications

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**From:** Slack, Jessica  
**Sent:** Tuesday, August 21, 2012 10:42 AM  
**To:** Durand, Stéphanie; Bue, Richard; Salewski, Shawn; Dubé, Rosanne  
**Cc:** Miller, Kevin; Wilson, Barbara; Manning, Kerri  
**Subject:** RE: FOR DG APPROVAL: FW: Notification: National Post on Chinese Spies

This has been approved by Allan Kagedan on behalf of Mike Macdonald:

### PROPOSED RESPONSE

The Government of Canada, advised by its law enforcement, border, immigration and security agencies, remains vigilant in monitoring any potential threats to Canada.

The safety and security of Canadians and Canada remains our priority.

That said, we do not comment on speculative reports.

**From:** Durand, Stéphanie  
**Sent:** August-21-12 10:28 AM  
**To:** Slack, Jessica; Bue, Richard; Salewski, Shawn; Dubé, Rosanne  
**Cc:** Miller, Kevin; Wilson, Barbara; Manning, Kerri  
**Subject:** RE: FOR DG APPROVAL: FW: Notification: National Post on Chinese Spies

Did you consult with NS policy as well?

Stéphanie Durand  
Director General, Communications | Directrice générale, Communications

s.19(1)

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**From:** Slack, Jessica  
**Sent:** Tuesday, August 21, 2012 10:24 AM  
**To:** Durand, Stéphanie; Bue, Richard; Salewski, Shawn; Dubé, Rosanne  
**Cc:** Miller, Kevin; Wilson, Barbara; Manning, Kerri  
**Subject:** FOR DG APPROVAL: FW: Notification: National Post on Chinese Spies

Stéphanie,

For approval please - we've checked in with CSIS.

Thanks,  
Jessica

#### PROPOSED RESPONSE

The Government of Canada, in consultation with its law enforcement, border, immigration and security agencies, remains vigilant in monitoring any potential threats to Canada.

The safety and security of Canadians and Canada remains our priority.

That said, we do not comment on speculative reports.

**From:** Slack, Jessica  
**Sent:** August-21-12 9:37 AM  
**To:** Carmichael, Julie; McGrath, Andrew; Johnson, Mark; [AkimIsabelle.Thibouthot@pco-bcp.gc.ca](mailto:AkimIsabelle.Thibouthot@pco-bcp.gc.ca)  
**Cc:** Miller, Kevin; Durand, Stéphanie; Wilson, Barbara; Manning, Kerri; Carta, John  
**Subject:** Notification: National Post on Chinese Spies

Good morning,

We received the request below.

Consulting – proposed response to follow.  
Jessica

Reporter's Name	[REDACTED]
Media Outlet	National Post
Call Date	8/21/2012 10:00 AM
Telephone	
E-mail address	[REDACTED]@nationalpost.com
Deadline	8/21/2012 3:00 PM
Status	Consulting
Branch	NS

Subject

TBD

Questions

I'm working on a story about allegations that Xinhua, the Chinese news agency with ties to the Chinese government, is using its staff and freelancers to spy on/monitor those who publicly protest the Chinese government and practice Falun Gong. I have spoken with a former Xinhua employee (a Canadian) who believes Xinhua staff in Ottawa are working as spies and misusing their parliamentary Press Gallery passes. He is concerned that such access affords these employees access to the Prime Minister, senior staffers, confidential briefings and closed press conferences. Specifically, he says the news agency often "reports" on stories/events, only to send the information to Beijing. This person also says he was asked to try to collect information on the Prime Minister's visit with the Dalai Lama this past April, despite the fact that he was told the information would not be used as journalism/printed as a story.

I'm hoping for some comment from the Department of Public Safety:

- Is the department concerned about these allegations?
- Will Canadian authorities investigate the agency?
- Does the department believe Chinese spies are operating in Canada under the guise of journalism?

Jessica Slack  
Media Relations  
613-949-4288

## **Durand, Stéphanie**

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**From:** Denise Robichaud <Denise.Robichaud@ssc-spc.gc.ca>  
**Sent:** Monday, June 25, 2012 3:01 PM  
**To:** Swift, Andrew; Warren Braun  
**Cc:** Michelle Shipman; Durand, Stéphanie; Filipps, Lisa  
**Subject:** RE: Ottawa Citizen: 'Cyber perimeter' to trump trade deals  
**Attachments:** Citizen Today Interview FINAL.docx

Hi Andrew,

Nice meeting you. Yes it would be a good idea to meet. We can arrange a meeting in the days ahead. We will send you a meeting invite.

Please find attached the Q&As used by PWGSC in response to this media inquiry. As the subject of this article relates to procurement, PWGSC has the lead. Yes, you may want to contact PWGSC and the person we are dealing with on this file is Normand Bergeron ([Bergeron, Normand; Manager; 819-956-5795](#)).

Denise Robichaud  
Director, Public Affairs and Events /  
Directrice, Affaires publiques et événements  
Communications Branch / Direction générale des communications  
(613) 996-0757

---

**From:** Swift, Andrew [mailto:Andrew.Swift@ps-sp.gc.ca]  
**Sent:** Monday, June 25, 2012 10:24 AM  
**To:** Denise Robichaud; Warren Braun  
**Cc:** Michelle Shipman; Durand, Stéphanie; Filipps, Lisa  
**Subject:** Ottawa Citizen: 'Cyber perimeter' to trump trade deals

Denise & Warren,

A short note to introduce myself to Denise, and reintroduce myself to Warren in his new capacity at Shared Services. Public Safety Canada would like to better coordinate communications activities (planned and responsive) on cyber issues, so I wanted to get a sense from you as to whom we should be getting in touch with on these files. Perhaps we could arrange a short meeting to further discuss in the coming weeks?

Further, I was wondering if you had lines relating to the story below. Should we also be approaching PWGSC?

Thanks,  
Andrew

## **Andrew Swift**

Director, Public Affairs | Directeur, Affaires publiques  
Communications Directorate | Direction générale des communications  
Public Safety Canada | Sécurité publique Canada

Telephone | Téléphone : 613-991-3549  
Fax | Télécopieur : 613-954-2000  
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Published | Publié: 2012-06-23  
Received | Reçu: 2012-06-23 2:48 AM

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# OTTAWA CITIZEN

OTTAWA CITIZEN (FINAL)  
NEWS, Page: A1 / FRONT

## 'Cyber perimeter' to trump trade deals

### National security clause enlisted in coming digital cold war

Ian MacLeod, Ottawa Citizen

Online **spying** and other **cyber** threats have pushed the government to invoke a **national security** exemption on trade obligations, effectively banning foreign IT companies from working on a new federal telephone system in the capital.

It's the first in a series of planned contracting restrictions intended to erect a "**cyber** perimeter" around the multibillion-dollar overhaul of the government's vast and aging email, telecommunications, networking and data centre infrastructure.

"These systems have been the target of hostile threats which causes grave concerns about the implications of **cyber** threats on **Canada's national security**," warns a Public Works letter recently circulated to the IT industry.

A "**national-security** exception" is typically invoked for military procurements and overrides trading obligations under the North American Free Trade Act, the World Trade Organization and the federal-provincial Agreement on Internal Trade.

Now, it's being enlisted for what might escalate into a **cyber Cold War**, most notably with China.

The range of available restrictions under the exception include limiting competition to Canadian companies, a preference for **Canadian** goods and services, withholding highly sensitive information about how some systems operate, contracting only to pre-selected firms and requiring winning bidders to hold SECRET-grade **security** clearances.

"The government of **Canada's** email, data centre and telecommunication systems are inextricably linked to one another; they are the key tools used in the creation, transmission/communication and storage of the government's information, and must be appropriately protected in order to create a secure '**cyber** perimeter'," Public Works said in a written statement Friday.

In some cases, that perimeter could extend to contracts for janitorial services, landscapers, **security** guards and even snow-plowing.

Foreign threats aren't the only worry.

"The government is also concerned about potential compromises to **security** achieved through the supply chain itself," it says.

The reference is to the potential for corrupt technology suppliers, "Manchurian microchips" and other Trojan hardware and gear to be unwittingly installed in the federal systems, with backdoors allowing their creators full access to the system.

For example, in addition to limiting bidding to **Canadian** companies, the notice of proposed procurement for a government telephone system in Ottawa states preference will be given to bidders using made-in-**Canada** gear. The only exception will be equipment manufactured in the U.S. or Mexico. The notice, which appears to be the first of the restricted IT contracts, was published last week.

What's more, the **Communications Security Establishment Canada**, the country's signals **intelligence agency**, now offers unclassified briefings on supply-chain **security** to companies seeking federal IT contracts.

The bidding controls were requested by Shared Services **Canada**, the new federal department responsible for consolidating and securing the government's 100 email systems, 300 data centres and 3,000 network services.

Many experts, including western **intelligence agencies**, have long fingered the Chinese government for supporting a web of sophisticated, global **cyber espionage** and online **spying** operations to infiltrate the computers of other governments and their advanced industries. China denies the accusations.

China also manufactures many of the components that go into top computer brands and other electronics.

In March, the Australian government banned China's Huawei Technologies Co. Ltd., the world's second largest telecommunications provider, from bidding on a contract to establish a new **national** broadband network, a move the Chinese Ministry of Commerce slammed as "unjust."

It's not clear whether IT firms with connections to China will be shut out of the future **Canadian** federal bidding.

Shared Service **Canada** last week also unveiled its plans to consolidate the government's tangle of email systems. Its hope is to award a contract by next March, with a consolidated system operational by March 2015.

In a request for information published Friday, the government set out several preliminary **security** requirements for the job, including that all engineering and technical personnel who maintain the completed system be **Canadian**.

Another key requirement - "data sovereignty" - states all email servers and data repositories must be housed in **Canada** and that all internal government-to-government emails, including ones from abroad, must travel through secured networks and not be saved or stored at any stage between their starting and end points.

**Treasury Board** estimates for 2012-13 show Shared Service **Canada**, established last summer, is expected to spend about \$1.5 billion in its first full fiscal year. Public Works will handle the tendering.

The **national security** restrictions follow the release this month of a 2011 internal government memo warning **Public Safety Minister Vic Toews** that **cyber** attacks pose a greater risk to **Canada's**

economic prosperity than the government previously believed, and the country lacks the tools to fight **hackers**.

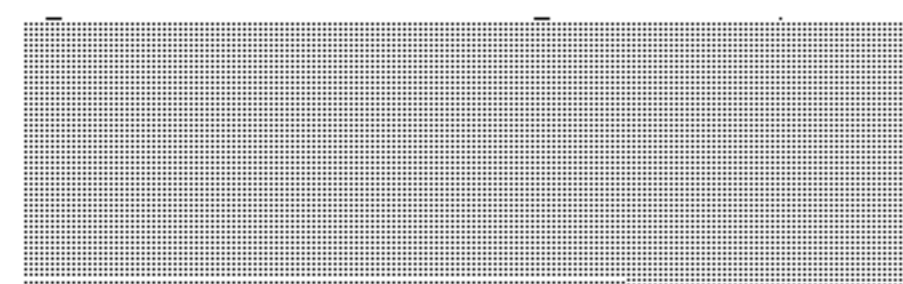
The federal government unveiled a "**cyber-security strategy**" in 2010, but some experts say **Canada** remains a juicy target, with highly vulnerable computer systems holding a wealth of trade, economic and policy secrets in government and industry databanks.

Last fall, the Citizen revealed that an unprecedented January 2011 **cyber attack** on **Treasury Board** and Finance computers was targeting highly-sensitive information on Saskatchewan's potash industry.

Three months before the attacks, the federal government rejected a proposed takeover of Potash Corp. of Saskatchewan Inc. by Australian mining giant BHP Billiton, which proposed to acquire Potash for \$38.6 billion U.S. The government deemed the offer not to be in **Canada's** best interest.

Around the same time, Chinese multinational conglomerate Sinochem was considering partnering with Russian interests in a bid for Potash Corp., the world's largest fertilizer producer.



**Media Response****Media Heads-Up / Letter of Intent and National Security Exemption / Ottawa  
Citizen****Media Heads-Up****Ottawa Citizen****@ottawacitizen.com****Call received June 21, 2012 at 11:35 AM ET****Deadline June 21, 2012 at 16:00 ET****Context: (for information only)**

The reporter saw the following letter of intent on MERX: PW-\$TSS-002-24445  
[http://www.merx.com/English/SUPPLIER\\_Menu.asp?WCE=Show&TAB=1&PORTAL=MERX&State=7&id=PW-%24TSS-002-24445&src=osr&FED\\_ONLY=0&ACTION=&rowcount=&lastpage=&MoreResults=&PUBSORT=0&CLOSESORT=0&IS\\_SME=Y&hcode=TL6mHgT6ip89aF%2bIGaQ06A%3d%3d](http://www.merx.com/English/SUPPLIER_Menu.asp?WCE=Show&TAB=1&PORTAL=MERX&State=7&id=PW-%24TSS-002-24445&src=osr&FED_ONLY=0&ACTION=&rowcount=&lastpage=&MoreResults=&PUBSORT=0&CLOSESORT=0&IS_SME=Y&hcode=TL6mHgT6ip89aF%2bIGaQ06A%3d%3d) and called us with the following questions.

**Q1. Why does it include a National Security Exemption?****Q2. Why is this exemption being invoked?****Q3. What will this mean for Canadian companies who will apply/win the bid?****Q4. Does it require a Secret clearance?****Q5. Usually a National Security Exemption is invoked in the case of sovereignty, military or protection of intelligence. In this case, which one is it?****Proposed responses (for approvals)****Q1. Why does it include a National Security Exemption? Q2. Why is this exemption being invoked?****A1 and A2.** The Government of Canada's (GC's) email, data centre and telecommunication systems are inextricably linked to one another; they are the key tools used in the creation, transmission/communication and storage of the GC's information, and must be appropriately protected in order to create a secure "cyber perimeter" for the GC.

For more information, you may refer to the National Security Exception posted on MERX at [www.merx.com](http://www.merx.com) under the Government Announcement section and/or under the open opportunity search by keyword "NSE" or by entering the notice reference number 2B0KB-12NNSE/A.

**Q3. What will this mean for Canadian companies who will apply/win the bid?****A3.** Bidders can expect additional security requirements such as security clearance requirements, location of data, access control to data, etc. The NSE does not impact

the execution of a contract as the winner of the Request for Proposal (RFP) has to abide by the terms and conditions of the RFP.

**Q4.** Does it require a Secret clearance?

**A4.** Secret security clearances will be required for procurements which have national security requirements. Given the nature of the procurements that are likely to go forward at SSC, we would encourage vendors to obtain secret security clearances.

**Q5.** Usually a National Security Exemption is invoked in the case of sovereignty, military or protection of intelligence. In this case, which one is it?

**A5.** As SSC will be providing services to numerous departments, the NSE is invoked for various reasons. For more information, you may refer to the National Security Exception posted on MERX at [www.merx.com](http://www.merx.com) under the Government Announcement section and/or under the open opportunity search by keyword "NSE" or by entering the notice reference number 2B0KB-12NNSE/A.

## **Durand, Stéphanie**

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**From:** Benoît Long <Benoit.Long@ssc-spc.gc.ca>  
**Sent:** Monday, June 11, 2012 9:20 PM  
**To:** Gordon, Robert  
**Cc:** Dick, Robert; Durand, Stéphanie; Hatfield, Adam; Matz, Mark  
**Subject:** RE: ARticle

Thanks Bob - change noted. Benoit

---

**From:** Gordon, Robert [mailto:Robert.Gordon@ps-sp.gc.ca]  
**Sent:** Monday, June 11, 2012 9:12 PM  
**To:** Benoît Long  
**Cc:** Dick, Robert; Durand, Stéphanie; Hatfield, Adam; Matz, Mark  
**Subject:** RE: ARticle

Benoît

A couple of us have had an opportunity to review your draft and think it's a fine response. One minor typo – should read "thwart " in last line.

You might find it useful to inform Rennie Marcoux.

Bob

**Robert W. (Bob) Gordon**

Special Advisor, Cyber Security / Conseiller spécial, cybersécurité  
Public Safety Canada / Sécurité publique Canada  
340 Laurier Avenue West / 340 avenue Laurier Quest  
Ottawa, Ontario K1A 0P9 / Ottawa (Ontario) K1A 0P8  
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E-Mail / Courriel: [Robert.Gordon@ps-sp.gc.ca](mailto:Robert.Gordon@ps-sp.gc.ca)

**From:** Benoît Long [mailto:Benoit.Long@ssc-spc.gc.ca]  
**Sent:** June-11-12 7:59 PM  
**To:** Gordon, Robert  
**Subject:** ARticle

Here is my suggested draft answer - happy to make improvements as you see fit. Benoit

The Government of Canada is committed to the protection of all information and the cyber-security of its IT systems as evidenced by the Cyber-Security Strategy announced on October 10, 2010.

Shared Services Canada is committed to fulfil its mandate to enhance the security of the IT infrastructure for the Government of Canada by consolidating the key services of email, data centres and networks and enhancing the security of these enterprise-wide services. Shared Services Canada intends to raise the standards of security in the delivery of these services through a number of approaches, including improving the security of the supply chain of equipment required to deliver these IT infrastructure services. The safeguarding of information and systems will leverage standardization of security approaches as well as increasing these security requirements equally for all vendors of services, systems and equipment. The approach is not targeted at any particular segments of IT providers but rather intended to signal the Government of Canada's determination to improve the effectiveness and capacity of its security efforts to thwart cyber-threats.

Here is the article below.

Computer equipment firms seen as potential cyber threat to federal government June 11, 2012, 16:40 ET Toronto Star, By: Allan Woods OTTAWA—The government fears nefarious firms seeking to sell computer hardware for a massive network overhaul could leave Canada vulnerable to hackers, spies and other cyber threats.

So the federal Public Works department is warning suppliers it will impose top-level security restrictions on companies competing to provide the cables, servers, switches, circuits and other equipment it needs to create a single government-wide e-mail system and turn more than 300 disparate data centres into less than two dozen.

That move, according to experts, could see a number of IT firms with links to China shut out of the bidding. While those firms are among the industry's largest and most prevalent, repeated charges they are doing the work of Beijing's intelligence services have left some of them under a cloud of suspicion.

The government letter to companies comes from Shared Services Canada, a federal department created last summer to bring Canada's computer networks up to speed while saving \$150 million annually by 2014-15.

No longer is the cyber threat restricted to state-sponsored hackers, the likes of which brought the networks of the Treasury Board, Finance, and Defence Research and Development Canada crashing down in recent years, the letter says.

"The government is also concerned about potential compromises to security achieved through the supply chain itself." When contracts for work and equipment go out, Ottawa may limit bids to suppliers who have passed security tests and withhold key information about how the computer networks are designed and managed so that the information does not fall into the wrong hands.

The letter is a warning so that interested firms can upgrade their security clearances, but it is also a prudent move, said Rafal Rohozinski, an expert on cyber warfare and information security with the Ottawa-based SecDev Group.

"There's two ways of doing effective cyber espionage. One is to be able to hack into systems," he said Monday. "The other, which is much less talked about, is to be able to seize or to thwart the equipment itself, or to control the software itself before it's employed."

The latter method is the 21st-century equivalent of James Bond slipping a radio transmitter into the pocket of an unsuspecting target to track his every move.

"The interception and tampering of hardware is probably the biggest secret worth keeping," Rohozinski said. Chinese firms are among the biggest international suppliers of hardware and software. Huawei, a multinational firm with Canadian headquarters in Markham, Ont., is one of the largest. It has also been struggling to prove its products are not being used to funnel information to China's spy services.

Earlier this spring, the Australian government banned Huawei from supplying equipment for a national broadband network to provide Internet across the country. Washington has also blocked the company's attempts to buy several U.S. telecommunication firms.

Russia and Britain have taken steps to prevent the company from providing material to be used on government networks for fear that vital information could be remotely captured and transmitted back to Beijing.

Yet on a visit to China earlier this year, Prime Minister Stephen Harper attended a signing ceremony to honour the partnership between Huawei and Telus to set up a cross-Canada wireless network.

Accused by NDP Leader Thomas Mulcair of putting Canadian secrets and the public's safety in peril, Harper said the company posed no risk.

**Benoît Long**

*Sous-ministre adjoint principal, Transformation, stratégie de service et conception | Senior Assistant Deputy Minister, Transformation, Service Strategy and Design*

*Services partagés Canada | Shared Services Canada*

*434, rue Queen, 5ième étage | 434 Queen, 5th Floor*

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*Bureau | Office (613) 943-8329*

## Durand, Stéphanie

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**From:** KATHLEEN.GUILLOT@forces.gc.ca  
**Sent:** Wednesday, May 16, 2012 3:34 PM  
**To:** KIM.TULIPAN@forces.gc.ca; Lorraine.Flannery@international.gc.ca  
**Cc:** KAREN.JOHNSTONE@forces.gc.ca; ASHLEY.LEMIRE@forces.gc.ca; Tomlinson, Jamie; jacqueline.roy@ps-sp.gc.ca; Austria, Jamela; Steve.Cloutier@ic.gc.ca; Durand, Stéphanie; Corinne.Guenette@ic.gc.ca  
**Subject:** RE: IMPORTANT -- CANADA/CHINA/TRADE/US/AUSTRALIA: Chinese firm's Canadian contracts raise security fears. cbc.ca. May 15, 2012 21h04

Good afternoon,

I have been advised that one of the contract that DND had with Telus for the Global Defence Network System (GDNS) has been transferred to Shared Services Canada; I am trying to obtain confirmation on whether or not it is the contract referred to in the article below. I am trying to initiate contact with a PA counterpart there, but have been unsuccessful so far. If any of you have a contact there, I would greatly appreciate if you could forward it to me.

Thank you  
Kathleen

### Kathleen Guillot

Senior Communications Advisor | Conseillère principale en communications  
Infrastructure & Environment | Infrastructure & Environnement  
Public Affairs Operations (DPAO) | Affaires publiques (Opérations) (DAP Ops)  
Assistant Deputy Minister (Public Affairs) ADM(PA) | Sous-ministre adjoint (Affaires publiques) SMA(AP)  
National Defence | Défense nationale  
Ottawa, Canada  
kathleen.guillot@forces.gc.ca  
Telephone | Téléphone 613-995-5041  
Facsimile | Télécopieur 613-995-2610  
Teletypewriter (National Defence) | Téléimprimeur (Défense nationale) 1-800-467-9877  
Government of Canada | Gouvernement du Canada

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**From:** Lorraine.Flannery@international.gc.ca <Lorraine.Flannery@international.gc.ca>  
**To:** Corinne.Guenette@ic.gc.ca <Corinne.Guenette@ic.gc.ca>; Stéphanie.Durand@ps-sp.gc.ca <Stephanie.Durand@ps-sp.gc.ca>; Jamie.Tomlinson@ps-sp.gc.ca <Jamie.Tomlinson@ps-sp.gc.ca>; Jacqueline.Roy@ps-sp.gc.ca <Jacqueline.Roy@ps-sp.gc.ca>; Hodges EC@ADM(PA)@Ottawa-Hull; Johnstone KM@C Army DAPA@Ottawa-Hull; Jamela.Austria@ps-sp.gc.ca <Jamela.Austria@ps-sp.gc.ca>; Steve.Cloutier@ic.gc.ca <Steve.Cloutier@ic.gc.ca>  
**Sent:** Tue May 15 21:38:51 2012  
**Subject:** Fw: IMPORTANT -- CANADA/CHINA/TRADE/US/AUSTRALIA: Chinese firm's Canadian contracts raise security fears. cbc.ca. May 15, 2012 21h04

Colleagues - this one has legs - anything you can share or where you may be able to re-direct me would be appreciated. Please broaden the request as needed - we have issues management mtg in the morning....  
Thanks so much in advance for your assistance

Lorraine Flannery  
International Trade/  
Commerce international  
Government of Canada/

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**From:** Media Monitoring / Surveillance Médias (BCM)

**Sent:** Tue May 15 21:21:19 2012

**Subject:** CANADA/CHINA/TRADE/US/AUSTRALIA: Chinese firm's Canadian contracts raise security fears. cbc.ca. May 15, 2012 21h04

# Chinese firm's Canadian contracts raise security fears

## Barred by the U.S. and Australia, tech giant Huawei makes inroads in Canada

By Greg Weston, [CBC News](#)

**Posted:** May 15, 2012 9:04 PM ET

**Last Updated:** May 15, 2012 9:02 PM ET

The former head of U.S. counter-espionage says the Harper government is putting North American security at risk by allowing a giant Chinese technology company to participate in major Canadian telecommunications projects.

In an exclusive interview in Washington, Michelle K. Van Cleave told CBC News the involvement of Huawei Technologies in Canadian telecom networks risks turning the information highway into a freeway for Chinese espionage against both the U.S. and Canada.

Huawei has long argued there is no evidence linking the company to the growing tidal wave of international computer hacking and other forms of espionage originating in China.

Nonetheless, the U.S. and Australia have already blocked Huawei from major telecom projects in those countries, and otherwise made it clear they regard China's largest telecommunications company as a potential security threat.

Van Cleave, who served as top spy-catcher for the Bush administration until 2006, describes Huawei as a potential "stalking horse" for Chinese military and intelligence objectives.

Even Canada's own intelligence agencies have warned the Harper government of the risks of throwing open the door to Chinese telecom companies.

Despite all the warnings, the federal and Ontario governments have rolled out the red carpet to Huawei, officially praising the Chinese company's partnerships in Canadian telecom projects with Telus, Bell, SaskTel and WIND Mobile.

During a recent visit to China, for instance, Prime Minister Stephen Harper said he was "honoured" to have witnessed the signing of large contracts for Huawei to provide Telus and Bell with the latest LTE high-speed wireless networks across Canada.

Among its many large customers, Telus has just signed a \$250-million contract to provide the Canadian military with secure voice and data services worldwide.

The Ontario government has been equally enthusiastic towards Huawei, giving the telecom giant \$6.5 million of taxpayers' money to locate its Canadian office and a "research facility" in the province.

Huawei last year had worldwide revenues of more than \$32 billion.

For its part, Huawei has long confronted its critics with claims to be just another multinational corporation owned by its employees, free of Chinese government control, adding it would be commercially suicidal to engage in espionage.

Huawei declined to be interviewed by the CBC. Instead, the company issued a written statement late Tuesday saying, in part, that the company ensures "all our stakeholders, including governments, have a clear understanding of the tools we use to protect the integrity of our customers' networks to the highest standards.

"Over the past four years, we've worked openly and transparently in consultation with our customers and government to meet these requirements."

Van Cleave sees things differently.

"China is a totalitarian government, and Huawei operates at the sufferance of the government, and those relationships are there. Even if Huawei management wished them away, they would still be there."

Van Cleave says the intelligence community fears digital "back doors" could be hidden in the telecommunications networks, allowing spies to steal American and Canadian secrets and ultimately disrupt everything from public utilities to military operations in the event of international conflict.

She says the U.S. government's actions to prevent Huawei from taking over U.S. telecom companies, or participating in major infrastructure projects, "is the right thing to be doing."

The Harper government's own Department of Public Safety warned more than a year ago that Canada's telecommunications network is too important to be left to foreign companies.

## **'Considerable risk' to Canadians**

In a secret memo written in 2011 and obtained under the Access to Information Act, a senior Public Safety official says "the security and intelligence community" believes that throwing open the Canadian telecom market to foreign companies "would pose a considerable risk to public safety and national security."

While large sections of the secret memo were withheld from release, intelligence sources say the biggest concern was the Chinese.

Van Cleave says China indeed remains the number-one espionage threat to the United States, mainly through computer hacking aimed at stealing everything from proprietary technologies to defence secrets.

And it's only getting worse.

The former counter-intelligence boss says frankly: "I would be hard-pressed to say we are winning."

The U.S. International Trade Commission estimates that in 2009 alone, Chinese theft of U.S. intellectual property cost almost a million American jobs, and \$48 billion in economic losses.

Van Cleave wonders why Canada hasn't intervened with Huawei.

"Isn't there a process for... the (Canadian) government to step in?"

## **Canada targeted by hackers**

Last year, the Canadian government itself was hit with its worst-ever hacking attack from China, penetrating the highly classified computer systems in at least three federal departments: Finance, Treasury Board and Defence Research.

Documents obtained by CBC show the hackers managed to steal large amounts of classified data before the computer systems could be shut down.

Eighteen months later, those computer systems remain corrupted and unable to connect directly to most of the internet without losing more data to the as-yet-unidentified Chinese spies.

More recently, a former executive of now bankrupt Nortel has blamed Chinese technology theft for hastening the demise of the former Canadian telecom giant.

So, why is the Canadian government greeting Huawei with open arms?

From a business perspective, Huawei is apparently hard to resist.

The upstart WIND Mobile, for instance, used Huawei to build a whole new wireless network in Canada, and has publicly gushed about the Chinese company's high-quality products, reliable service and lower prices than the competition.

China's exploding marketplace of over a billion consumers is also an offer most multinational companies and western governments — Canada's included — find hard to refuse.

The Harper government, for one, has done a complete about-face with respect to China over the past six years, from a prime ministerial cold shoulder to an all-out trade love-in.

Huawei is bending over backwards to show it is a good corporate citizen. For instance, it has put up \$1.4 million along with Telus to fund a new centre for cutting-edge research into so-called cloud computing at Ottawa's Carleton University.

Michel Juneau-Katsuya, a security expert and former member of Canada's spy service, says the Harper government is "absolutely" taking a big risk with Huawei, and appears to be ignoring warnings from the U.S., Australia and other allies.

He says there's little doubt CSIS "did its homework" on Huawei, and passed along the information and resulting security recommendations to the Prime Minister's Office.

"Unfortunately, the PMO is very nonchalant when it comes to security," said the intelligence expert. "They have an agenda, a political agenda ... and they disregard some of the warnings coming from the official agencies."

Juneau-Katsuya said one of the dangers in Huawei's having access to the Canadian telecommunications network is that it could damage intelligence sharing with the Americans.

He says Canada remains one of China's most important espionage targets precisely because of our close intelligence relationship with the U.S. and other allies.

"If we have not taken certain responsibilities and certain steps to protect ourselves, then our allies will have to assume we have been compromised, and cut communication from their end."

One thing the Canadian government could not possibly have missed is all the controversy about Huawei in the U.S. and Australia.

In the past five years, there has not been a time when at least one U.S. government agency involved in security hasn't been holding hearings, writing reports and otherwise investigating the possible threats posed by Chinese telecommunications companies such as Huawei.

The CIA, the FBI, the Department of Homeland Security, the Pentagon, the White House, Congress, the list goes on — all of them have tried to dissect Huawei's activities and intentions in the U.S. and beyond.

The latest of these is an ongoing investigation by the powerful House Intelligence Committee into "the threat posed by Chinese-owned telecommunications companies."

In announcing the probe, committee chairman Mike Rogers said: "We are looking at the overall infrastructure threat and Huawei happens to be the 800-pound gorilla in the room."



"As the formal investigation begins, I stand by my caution to the American business community about engaging Huawei technology until we can fully determine their motives."

The U.S.-China Economic and Security Review Commission, an independent agency created by Congress, has produced two thick reports on the role of Chinese telecoms in the growing problem of cyber-espionage against the West.

Both reports conclude there is reason to be wary of Huawei.

Mike Wessel is a sitting member of the commission, and suggests Huawei is a clear and present danger to both the U.S. and Canada.

"Our (telecommunications) systems are not only seamless, they are completely intertwined," Wessel said in an interview with CBC News.

"If it's a security concern for us...why aren't we concerned about what may be happening across the border?"

Australia has taken an even tougher stand than the U.S., telling Huawei there was no point even bidding on that country's largest ever telecommunications expansion.

The Chinese government has dismissed the allegations, accusing Australia of trade protectionism.

But Australia's foreign affairs minister, Bob Carr, later told reporters that the decision on Huawei was purely "on security grounds, reflecting a focus by Australia on the resilience and security of core infrastructure."

Bell and Telus declined interview requests for this story but issued prepared statements.

Bell states in part: "For a company like Bell, security is of primary importance. We work with government and the Canadian and international telecom industry to ensure Bell always offers the highest possible levels of security to our customers.

"We are confident in our network suppliers, including of course Huawei (which) partners with most of the world's carriers."

Telus never mentions Huawei in its statement: "Like all telecommunications companies, we implement the best security safeguards into our network leveraging our own extensive expertise, and the expertise of federal security agencies."

One of the most vocal and always colourful critics of Huawei in Washington is Congressman Frank R. Wolf.

"The Chinese are the most aggressive spying in this town, and my sense is in Canada and many other places," Wolf said in a recent interview on Capitol Hill.

The congressman comes by his concern about Chinese cyber-espionage through personal experience.

In 2007, hackers traced to China hit his congressional office computers, "and got to everything."

<http://www.cbc.ca/news/politics/story/2012/05/15/pol-weston-huawei-china-telecom-security-canada.html>

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**Jessica Hinds**

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Tel.: (613) 944-1284  
Fax: (613) 995-1405

## **Durand, Stéphanie**

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**From:** Durand, Stéphanie  
**Sent:** Wednesday, May 16, 2012 1:19 PM  
**To:** Flack, Graham; Gordon, Robert  
**Cc:** Boucher, Patrick; Dick, Robert; MacDonald, Michael; Swift, Andrew  
**Subject:** RE: Telecommunications security issue

We have now received a call from the CBC for an interview with the Minister on As It Happens. MO is now following-up with the reporter. Reporter is asking to speak to Minister on the following – here is the question: 'A number of security experts have said allowing the company into Canada presents a security risk. Mr. Toews disagrees. I'd like to get him on the show to explain why he feels this is the case'.

Here are our latest media lines on this issue. We have consulted with NS, Cyber, DFAIT, CSIS and IC.

### **General:**

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed.

Our government has taken strong steps to benefit consumers and open our mobile phone sector to competition.

All carriers are subject to Canadian laws.

The Government of Canada works closely with the telecommunications industry, through the Canadian Security Telecommunications Advisory Committee which provides a forum to discuss security issues and to provide technical advice.

### **Reactive only lines:**

#### *Cyber Security*

On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure.

Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

#### *Cyber Security Incidents*

We do not comment on the details of security related incidents. That said, our government takes threats seriously and has measures in place to address them.

#### *Information Sharing*

Effective and responsible information sharing is essential to protecting the security of Canada.

Public Safety Canada is fully committed to working with its international partners to address future and current threats to Canada, and an integral part of this effort includes information sharing.

Canada's safety and security is closely intertwined with global security and stability, which is why we are committed to building and nurturing strong partnerships with our allies around the world.

**From:** Durand, Stéphanie  
**Sent:** Wednesday, May 16, 2012 12:58 PM  
**To:** Flack, Graham; Gordon, Robert  
**Cc:** Boucher, Patrick; Dick, Robert; MacDonald, Michael; Swift, Andrew  
**Subject:** Telecommunications security issue

Hi Graham: Here are the recent Minister's statements that he has made on this issue (from last night and this morning's scrum).

We are currently working with policy on next steps and on updated messaging on this issue.

We currently have not received any media calls on this.

As for current media relations protocol, we have confirmed with all related dpts (DFAIT, IC, Shared Services, CSIS, CSEC, TBS and FIN) that all media calls on this issue are to be sent to PS for responding and/or coordination.

I'll continue to keep you posted.

Bob: I'll call you on this.

Thanks

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Last night's statement:

*Our government has taken strong steps to benefit consumers and open our mobile phone sector to competition. Canadians should have access to low cost, secure options and Long-Term Evolution networks are a key to Canada's productivity challenges. All carriers will continue to be subject to Canadian laws. We will continue to ensure that Canadians can rely on a telecommunications infrastructure that's safe and secure.*

This morning's scrum:

Question: About Huawei the Chinese technology firm and the fact that the Americans block it from doing major projects because of security concerns. Australia keeps it out. Why does Canada allow it to do business here?

I noticed with interest a CBC article that was not accurate. First of all, they quoted a Public Safety Official indicating that there was a concern about security and then neglected to mention that the same official indicated that in this respect, safety concerns had been addressed. Now, that was not present in the CBC article. Why the CBC would choose to put forward half of the story and not recognize that the same official indicated that the issues of security were addressed. Now, all I can say, generally, is that Canada will act in the best interests, in the interests of the security of Canadians and that's the way we will act. I will not get into operational issues.

## Durand, Stéphanie

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**From:** Carmichael, Julie  
**Sent:** Wednesday, May 16, 2012 1:06 PM  
**To:** Slack, Jessica; Mueller, Mike; Johnson, Mark; McGrath, Andrew; Williams, Christopher  
**Cc:** Swift, Andrew; Filippis, Lisa; Carta, John; Willey, Chris; Manji, Natasha; Picard, Josée; Durand, Stéphanie; Tomlinson, Jamie  
**Subject:** RE: Request from As It Happens on Huawei

I will

tx

**From:** Slack, Jessica  
**Sent:** May-16-12 1:03 PM  
**To:** Carmichael, Julie; Mueller, Mike; Johnson, Mark; McGrath, Andrew; Williams, Christopher  
**Cc:** Swift, Andrew; Filippis, Lisa; Carta, John; Willey, Chris; Manji, Natasha; Picard, Josée; Durand, Stéphanie; Tomlinson, Jamie  
**Subject:** Request from As It Happens on Huawei

Julie,

See call below. Please advise if you will follow-up.  
Jessica

Reporter's Name [REDACTED]  
Media Outlet CBC As It Happens  
Call Date 5/16/2012 1:00 PM  
Telephone [REDACTED]  
E-mail address [REDACTED]@CBC.CA  
Deadline 5/16/2012 5:00 PM  
Status Consulting  
Branch NS  
Subject Telecomm sector - security  
Questions

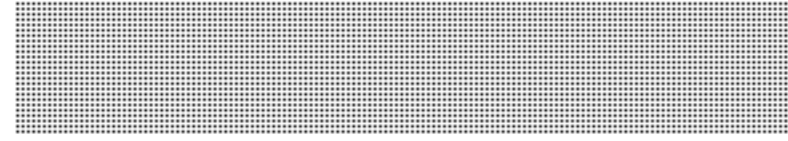
s.19(1)

I was hoping we might be able to do a 5-minute recorded phone call with Minister Toews today. I'd like to have him on to talk about the Chinese telecom company, Huawei. A number of security experts have said allowing the company into Canada presents a security risk. Mr. Toews disagrees. I'd like to get him on the show to explain why he feels this is the case.

Is this a possibility?

Thanks so much,  
[REDACTED]

[REDACTED]  
Producer  
CBC Radio  
[REDACTED]



**s.19(1)**

## Durand, Stéphanie

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**From:** Durand, Stéphanie  
**Sent:** Wednesday, May 16, 2012 12:56 PM  
**To:** Swift, Andrew  
**Subject:** FW: CALL SUMMARY: Telecommunications Security

Going forward, pls ensure that dpts who were on the call are listed.  
Thx

Stéphanie Durand  
Director General, Communications | Directrice générale, Communications

Public Safety Canada | Sécurité publique Canada  
269 Laurier, 18D-3600  
Ottawa, Canada K1A 0P8  
[stephanie.durand@ps-sp.gc.ca](mailto:stephanie.durand@ps-sp.gc.ca)  
Telephone | Téléphone 613 991-2799  
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Government of Canada | Gouvernement du Canada

[www.PublicSafety.gc.ca](http://www.PublicSafety.gc.ca) | [www.SecuritePublique.gc.ca](http://www.SecuritePublique.gc.ca)

**From:** Manning, Kerri  
**Sent:** Wednesday, May 16, 2012 11:52 AM  
**To:** Caitlin Workman ; Carta, John; Christopher Walters; Corinne Guenette; David Gamble; Denise Robichaud; Derek Mellon; Durand, Stéphanie; Dussault, Nathalie; Filippis, Lisa; Isabelle Robillard; Jack Aubry; Jean Plamondon ; Joanne Duguay ; Latifa Belmahdi; Lorraine Flannery; Lucie Vignola; Manning, Kerri; Marc Richer; Me'shel Gulliver Bélanger ; ██████████; Sergeant Greg Cox; Slack, Jessica; Swift, Andrew; Ulric Shannon; Willey, Chris; Williams, Christopher  
**Subject:** CALL SUMMARY: Telecommunications Security

### **CALL SUMMARY: Telecommunications Security**

Date: Wednesday, May 16, 2012  
Time: 10:30 a.m.

#### **SITUATION UPDATE**

- The CBC posted a story yesterday regarding Telecommunications Security in Canada.
- The Minister of Public Safety released the following statement:  
*Our government has taken strong steps to benefit consumers and open our mobile phone sector to competition. Canadians should have access to low cost, secure options and Long-Term Evolution networks are a key to Canada's productivity challenges. All carriers will continue to be subject to Canadian laws. We will continue to ensure that Canadians can rely on a telecommunications infrastructure that's safe and secure.*

#### **COMMUNICATIONS PRODUCTS / ACTIVITIES**

##### Information Sharing:

- Information about related activities can be flagged to Public Safety Canada at [issues.enjeux@ps-sp.gc.ca](mailto:issues.enjeux@ps-sp.gc.ca) who will share this with the group for awareness.

##### Media Relations Protocol:

- All media calls should be directed to Public Safety Canada. Reporters can contact [media@ps-sp.gc.ca](mailto:media@ps-sp.gc.ca) or (613) 991-0657.

## **Durand, Stéphanie**

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**From:** Filipps, Lisa  
**Sent:** Wednesday, May 16, 2012 12:06 PM  
**To:** Durand, Stéphanie  
**Cc:** Swift, Andrew  
**Subject:** RE: Telecommunications security - media lines

Last night's statement:

*Our government has taken strong steps to benefit consumers and open our mobile phone sector to competition. Canadians should have access to low cost, secure options and Long-Term Evolution networks are a key to Canada's productivity challenges. All carriers will continue to be subject to Canadian laws. We will continue to ensure that Canadians can rely on a telecommunications infrastructure that's safe and secure.*

This morning's scrum:

Question: About Huawei the Chinese hi technology firm and the fact that the Americans block it from doing major projects because of security concerns. Australia keeps it out. Why does Canada allow it to do business here?

I noticed with interest a CBC article that was not accurate. First of all, they quoted a Public Safety Official indicating that there was a concern about security and then neglected to mention that the same official indicated that in this respect, safety concerns had been addressed. Now, that was not present in the CBC article. Why the CBC would choose to put forward half of the story and not recognize that the same official indicated that the issues of security were addressed. Now, all I can say, generally, is that Canada will act in the best interests, in the interests of the security of Canadians and that's the way we will act. I will not get into operational issues.

**From:** Durand, Stéphanie  
**Sent:** Wednesday, May 16, 2012 12:03 PM  
**To:** Filipps, Lisa  
**Cc:** Swift, Andrew  
**Subject:** Re: Telecommunications security - media lines

Pls pull what Minister has said publicly on this, incl statement from last night. I need urgently pls. Thanks.

**From:** Filipps, Lisa  
**Sent:** Wednesday, May 16, 2012 11:52 AM  
**To:** Durand, Stéphanie  
**Cc:** Swift, Andrew  
**Subject:** FW: Telecommunications security - media lines

Stéphanie – these lines have been reviewed (but not approved) by NS and Cyber – they want to see any changes from departments before final approval.

I am waiting to hear back from IC, DFAIT and CSIS – just followed up to see how much longer they expect it to be.

### **General:**

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why Public



Safety Canada, along with Industry Canada, is working to ensure that any risks to Canada's telecommunications sector are identified and addressed.

Our government has taken strong steps to benefit consumers and open our mobile phone sector to competition.

All carriers are subject to Canadian laws.

The Government of Canada works closely with the telecommunications industry, through the Canadian Security Telecommunications Advisory Committee which provides a forum to discuss security issues and to provide technical advice.

### ***Reactive only lines:***

#### ***Cyber Security***

On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure.

Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

#### ***Cyber Security Incidents***

We do not comment on the details of security related incidents. That said, our government takes threats seriously and has measures in place to address them.

#### ***Information Sharing***

Effective and responsible information sharing is essential to protecting the security of Canada.

Public Safety Canada is fully committed to working with its international partners to address future and current threats to Canada, and an integral part of this effort includes information sharing.

Canada's safety and security is closely intertwined with global security and stability, which is why we are committed to building and nurturing strong partnerships with our allies around the world.

## **Durand, Stéphanie**

---

**From:** Durand, Stéphanie  
**Sent:** Wednesday, May 16, 2012 8:35 AM  
**To:** Swift, Andrew  
**Subject:** Re: CBC News: Chinese firm's Canadian contracts raise security fears (Minister quoted)

Thanks - Pls keep me posted.

**From:** Swift, Andrew  
**Sent:** Wednesday, May 16, 2012 08:34 AM  
**To:** Durand, Stéphanie  
**Subject:** Re: CBC News: Chinese firm's Canadian contracts raise security fears (Minister quoted)

Will do. I've ordered a transcript of the Minister's scrum as I expect he will get questions on this.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

**From:** Durand, Stéphanie  
**Sent:** Wednesday, May 16, 2012 08:31 AM  
**To:** Swift, Andrew  
**Subject:** Re: CBC News: Chinese firm's Canadian contracts raise security fears (Minister quoted)

Thx. Pls include Trade, CSEC and SSC.  
Pls close loop with TBS and FIN  
Pls invite PCO as well.  
Thx

**From:** Swift, Andrew  
**Sent:** Wednesday, May 16, 2012 08:22 AM  
**To:** Carmichael, Julie  
**Cc:** Durand, Stéphanie; Filipps, Lisa  
**Subject:** Fw: CBC News: Chinese firm's Canadian contracts raise security fears (Minister quoted)

Julie,  
We will be reaching out to others (DFAIT, CSIS, RCMP, IC, Cdn Embassy) to confirm media relations protocol.

I understand all calls are to go to PS?

Beyond the Minister's statement, we will pull some lines on cyber strategy, national security, etc for your consideration.

Anything else needed?

Andrew  
Andrew Swift  
Director, Public Affairs

Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

**From:** PSMediaCentre/CentredesmediasdeSP

**Sent:** Wednesday, May 16, 2012 07:50 AM

**To:** \* COMMS ADG / Bureau du directeur général associé; \* COMMS Communication Services Division / Division des services de communication; \* COMMS DGO / Bureau de la directrice générale; \* COMMS Program Communications Division / Secteur des communications de programmes; \* COMMS Public Affairs Division / Secteur des affaires publiques; \* Speeches / Discours; Astravas, Rutha; Banerjee, Ritu; Beaudoin, Serge C; Bolton, Stephen; Boucher, Patrick; Boucher-Lalonde, Murielle; Cameron, Bud; Carmichael, Julie; Champoux, Elizabeth; Clairmont, Lynda; Clifford, Kurtis; Coburn, Stacey; Crawford, Andrée; Csversko, Christine; Currie, St. Clair; Daoust, Normand; De Santis, Heather; Duschner, Gabrielle; Dussault, Josée; Easson, Grant; Gareau-Lavoie, Genevieve; Gordon, Robert; Gow, Robert; Hitchcock, Christy; House, Andrew; Huggins, Rachel; Humeniuk, Elena; Hunt, Ryan; Jarmyn, Tom; Johnson, Mark; Kelland, Stephen; Khouri, Lisa; Komm, Chantelle; Kubicek, Brett; Lavoie, Micheline; Leclair, Natalie; Leclerc, Carole; Leonidis, Nelly; Lesser, Robert; MacDonald, Nicholas; MacKinnon, Paul; Marchand, Renee; McAteer, Julie; McGrath, Andrew; Morris, Marika; Motzney, Barbara; Mueller, Mike; Mundie, Robert; Nicole, Jean-Thomas; Oldham, Craig; Panthaky, Jasmine; Pozhke, Nicholas; Rosario, Giselle; Roy, Isabelle; Saunders, Joanne; Shuttle, Paul; Slack, Jessica; Thibault, Stéphane; Tupper, Shawn; Van Crieingen, Jane; Verret, Scott; Wex, Richard; Wilson, Gina; Amitha.Carnadin@cbsa-asfc.gc.ca <Amitha.Carnadin@cbsa-asfc.gc.ca>; Bev.Arseneault@csc-scc.gc.ca <Bev.Arseneault@csc-scc.gc.ca>; Bindman, Stephen; Brunette, Lynn <lynn.brunette@csc-scc.gc.ca>; cbsa.media@cbsa-asfc.gc.ca <cbsa.media@cbsa-asfc.gc.ca>; Cgirouad@justice.gc.ca <Cgirouad@justice.gc.ca>; Williams, Christopher; Churney, Daryl; Cobbsu@csc-scc.gc.ca <Cobbsu@csc-scc.gc.ca>; Cocking, Marie <Marie.Cocking@PBC-CLCC.GC.CA>; Couture, Jocelyne <000160815.SC10.EDIV\_LMD@rcmp-grc.gc.ca>; Derek Cefaloni <derek.cefaloni@rcmp-grc.gc.ca>; Douglas, Caroline; C. Girouard; Hart, Melissa <Melissa.Hart@CSC-SCC.GC.CA>; Bradley, Jolene; Mackillop, Ken; Lamothe, Maureen; Lavoie, Daniel; Mailhot, Esther; Stokes, Mark; Mary.Schlosser@rcmp-grc.gc.ca <Mary.Schlosser@rcmp-grc.gc.ca>; Media.Monitoring@cbsa-asfc.gc.ca <Media.Monitoring@cbsa-asfc.gc.ca>; CBSA Media Monitoring; RCMP Media Monitoring; Martin, Nadie; Robinson, N.; Parkes, Sara; Giolti, Patrizia; Prieur, Mark <mark.prieur@pbc-clcc.gc.ca>; Rioux, Veronique; Rondeau, Martine; Sbinman@justice.gc.ca <Sbinman@justice.gc.ca>; Dumoulin, Stéphanie

**Subject:** CBC News: Chinese firm's Canadian contracts raise security fears (Minister quoted)

**Chinese firm's Canadian contracts raise security fears**

May 15, 2012, 11:58 ET

CBC News, By: Greg Weston

The former head of U.S. counter-espionage says the Harper government is putting North American security at risk by allowing a giant Chinese technology company to participate in major Canadian telecommunications projects.

In an exclusive interview in Washington, Michelle K. Van Cleave told CBC News the involvement of Huawei Technologies in Canadian telecom networks risks turning the information highway into a freeway for Chinese espionage against both the U.S. and Canada.

Huawei has long argued there is no evidence linking the company to the growing tidal wave of international computer hacking and other forms of espionage originating in China.

Nonetheless, the U.S. and Australia have already blocked Huawei from major telecom projects in those countries, and otherwise made it clear they regard China's largest telecommunications company as a potential security threat.

Van Cleave, who served as top spy-catcher for the Bush administration until 2006, describes Huawei as a potential "stalking horse" for Chinese military and intelligence objectives.

Even Canada's own intelligence agencies have warned the Harper government of the risks of throwing open the door to Chinese telecom companies.

Despite all the warnings, the federal and Ontario governments have rolled out the red carpet to Huawei, officially praising the Chinese company's partnerships in Canadian telecom projects with Telus, Bell, SaskTel and WIND Mobile.

During a recent visit to China, for instance, Prime Minister Stephen Harper said he was "honoured" to have witnessed the signing of large contracts for Huawei to provide Telus and Bell with the latest LTE high-speed wireless networks across Canada.

Among its many large customers, Telus has just signed a \$250-million contract to provide the Canadian military with secure voice and data services worldwide.

The Ontario government has been equally enthusiastic toward Huawei, giving the telecom giant \$6.5 million of taxpayers' money to locate its Canadian office and a "research facility" in the province.

Huawei last year had worldwide revenues of more than \$32 billion.

For its part, Huawei has long confronted its critics with claims to be just another multinational corporation owned by its employees, free of Chinese government control, adding it would be commercially suicidal to engage in espionage.

Huawei declined to be interviewed by the CBC. Instead, the company issued a written statement late Tuesday saying, in part, that the company ensures "all our stakeholders, including governments, have a clear understanding of the tools we use to protect the integrity of our customers' networks to the highest standards.

"Over the past four years, we've worked openly and transparently in consultation with our customers and government to meet these requirements."

Van Cleave sees things differently.

"China is a totalitarian government, and Huawei operates at the sufferance of the government, and those relationships are there. Even if Huawei management wished them away, they would still be there."

Van Cleave says the intelligence community fears digital "back doors" could be hidden in the telecommunications networks, allowing spies to steal American and Canadian secrets and ultimately disrupt everything from public utilities to military operations in the event of international conflict.

She says the U.S. government's actions to prevent Huawei from taking over U.S. telecom companies, or participating in major infrastructure projects, "is the right thing to be doing."

The Harper government's own **Department of Public Safety** warned more than a year ago that Canada's telecommunications network is too important to be left to foreign companies.

### **'Considerable risk' to Canadians**

In a secret memo written in 2011 and obtained under the Access to Information Act, a **senior public safety official** says "the security and intelligence community" believes that throwing open the Canadian telecom market to foreign companies "would pose a considerable risk to public safety and national security."

While large sections of the secret memo were withheld from release, intelligence sources say the biggest concern was the Chinese.

Van Cleave says China indeed remains the No. 1 espionage threat to the United States, mainly through computer hacking aimed at stealing everything from proprietary technologies to defence secrets.

And it's only getting worse.

The former counter-intelligence boss says frankly: "I would be hard-pressed to say we are winning."

The U.S. International Trade Commission estimates that in 2009 alone, Chinese theft of U.S. intellectual property cost almost a million American jobs, and \$48 billion in economic losses.

Van Cleave wonders why Canada hasn't intervened with Huawei.

"Isn't there a process for... the [Canadian] government to step in?"

### **Canada targeted by hackers**

Last year, the Canadian government itself was hit with its worst-ever hacking attack from China, penetrating the highly classified computer systems in at least three federal departments: Finance, Treasury Board and Defence Research.

Documents obtained by CBC show the hackers managed to steal large amounts of classified data before the computer systems could be shut down.

Eighteen months later, those computer systems remain corrupted and unable to connect directly to most of the internet without losing more data to the as-yet-unidentified Chinese spies.

More recently, a former executive of now bankrupt Nortel has blamed Chinese technology theft for hastening the demise of the former Canadian telecom giant.

So, why is the Canadian government greeting Huawei with open arms?

From a business perspective, Huawei is apparently hard to resist.

The upstart WIND Mobile, for instance, used Huawei to build a whole new wireless network in Canada, and has publicly gushed about the Chinese company's high-quality products, reliable service and lower prices than the competition.

China's exploding marketplace of over a billion consumers is also an offer most multinational companies and Western governments — Canada's included — find hard to refuse.

The Harper government, for one, has done a complete about-face with respect to China over the past six years, from a prime ministerial cold shoulder to an all-out trade love-in.

Huawei is bending over backward to show it is a good corporate citizen. For instance, it has put up \$1.4 million along with Telus to fund a new centre for cutting-edge research into so-called cloud computing at Ottawa's Carleton University.

Michel Juneau-Katsuya, a security expert and former member of Canada's spy service, says the Harper government is "absolutely" taking a big risk with Huawei, and appears to be ignoring warnings from the U.S., Australia and other allies.

He says there's little doubt CSIS "did its homework" on Huawei, and passed along the information and resulting security recommendations to the Prime Minister's Office.

"Unfortunately, the PMO is very nonchalant when it comes to security," said the intelligence expert. "They have an agenda, a political agenda ... and they disregard some of the warnings coming from the official agencies."

Juneau-Katsuya said one of the dangers in Huawei's having access to the Canadian telecommunications network is that it could damage intelligence sharing with the Americans.

He says Canada remains one of China's most important espionage targets precisely because of our close intelligence relationship with the U.S. and other allies.

"If we have not taken certain responsibilities and certain steps to protect ourselves, then our allies will have to assume we have been compromised, and cut communication from their end."

One thing the Canadian government could not possibly have missed is all the controversy about Huawei in the U.S. and Australia.

In the past five years, there has not been a time when at least one U.S. government agency involved in security hasn't been holding hearings, writing reports and otherwise investigating the possible threats posed by Chinese telecommunications companies such as Huawei.

The CIA, the FBI, the Department of Homeland Security, the Pentagon, the White House, Congress, the list goes on — all of them have tried to dissect Huawei's activities and intentions in the U.S. and beyond.

The latest of these is an investigation by the powerful House intelligence committee into "the threat posed by Chinese-owned telecommunications companies."

In announcing the probe, committee chairman Mike Rogers said: "We are looking at the overall infrastructure threat and Huawei happens to be the 800-pound gorilla in the room.

"As the formal investigation begins, I stand by my caution to the American business community about engaging Huawei technology until we can fully determine their motives."

The U.S.-China Economic and Security Review Commission, an independent agency created by Congress, has produced two thick reports on the role of Chinese telecoms in the growing problem of cyber-espionage against the West.

Both reports conclude there is reason to be wary of Huawei.

Mike Wessel is a sitting member of the commission, and suggests Huawei is a clear and present danger to both the U.S. and Canada.

"Our [telecommunications] systems are not only seamless, they are completely intertwined," Wessel said in an interview with CBC News.

"If it's a security concern for us ... why aren't we concerned about what may be happening across the border?"

Australia has taken an even tougher stand than the U.S., telling Huawei there was no point even bidding on that country's largest ever telecommunications expansion.

The Chinese government has dismissed the allegations, accusing Australia of trade protectionism.

But Australia's foreign affairs minister, Bob Carr, later told reporters that the decision on Huawei was purely "on security grounds, reflecting a focus by Australia on the resilience and security of core infrastructure."

Bell and Telus declined interview requests for this story but issued prepared statements.

Bell states in part: "For a company like Bell, security is of primary importance. We work with government and the Canadian and international telecom industry to ensure Bell always offers the highest possible levels of security to our customers.

"We are confident in our network suppliers, including of course Huawei [which] partners with most of the world's carriers."

Telus never mentions Huawei in its statement: "Like all telecommunications companies, we implement the best security safeguards into our network leveraging our own extensive expertise, and the expertise of federal security agencies."

Finally, **Public Safety Minister Vic Toews** issued a written statement late Tuesday saying that while the government has taken "**strong steps**" to open the mobile phone sector to competition, it will "**continue to ensure that Canadians can rely on telecommunications infrastructure that's safe and secure.**"

One of the most vocal and colourful critics of Huawei in Washington is congressman Frank R. Wolf.

"The Chinese are the most aggressive spying in this town, and my sense is in Canada and many other places," Wolf said in a recent interview on Capitol Hill.

The congressman comes by his concern about Chinese cyber-espionage through personal experience.

In 2007, hackers traced to China hit his congressional office computers, "and got to everything."

[Link](#)

s.19(1)

## Durand, Stéphanie

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**From:** Lorraine.Flannery@international.gc.ca  
**Sent:** Tuesday, May 15, 2012 10:17 PM  
**To:** Durand, Stéphanie; Tomlinson, Jamie; Swift, Andrew  
**Cc:** Filipps, Lisa; Carta, John  
**Subject:** Re: IMPORTANT -- CANADA/CHINA/TRADE/US/AUSTRALIA: Chinese firm's Canadian contracts raise security fears. cbc.ca. May 15, 2012 21h04

Thanks V much Stéphanie (Hi Andrew)  
From a DFAIT perspective, there are investment attraction efforts at play (with Ont and Ottawa, at a distance of course).  
Happy to set up a conf call as needed.

LF  
(Thanks again and sorry to disturb after hours!)

Lorraine Flannery  
International Trade/  
Commerce international  
Government of Canada/  
Gouvernement du Canada  
Canada Cell: [REDACTED]

---

**From:** Durand, Stéphanie <Stephanie.Durand@ps-sp.gc.ca>  
**To:** Flannery, Lorraine -CMC; 'Corinne.Guenette@ic.gc.ca' <Corinne.Guenette@ic.gc.ca>; Tomlinson, Jamie <Jamie.Tomlinson@ps-sp.gc.ca>; 'Jacqueline.Roy@ps-sp.gc.ca' <Jacqueline.Roy@ps-sp.gc.ca>; 'HODGES.EC@forces.gc.ca' <HODGES.EC@forces.gc.ca>; 'karen.johnstone@forces.gc.ca' <karen.johnstone@forces.gc.ca>; Austria, Jamela <Jamela.Austria@ps-sp.gc.ca>; 'Steve.Cloutier@ic.gc.ca' <Steve.Cloutier@ic.gc.ca>; Swift, Andrew <Andrew.Swift@ps-sp.gc.ca>  
**Cc:** Filipps, Lisa <Lisa.Filipps@ps-sp.gc.ca>; Carta, John <John.Carta@ps-sp.gc.ca>  
**Sent:** Tue May 15 22:02:58 2012  
**Subject:** Re: IMPORTANT -- CANADA/CHINA/TRADE/US/AUSTRALIA: Chinese firm's Canadian contracts raise security fears. cbc.ca. May 15, 2012 21h04

Andrew Swift will follow-up in the morning from Public Safety's perspective. A quick discussion on Issues Mgt and media relations protocol will be encouraged. Our MO is also engaged.

Thanks for reaching out.

Stéphanie

**From:** Lorraine.Flannery@international.gc.ca [mailto:Lorraine.Flannery@international.gc.ca]  
**Sent:** Tuesday, May 15, 2012 09:38 PM  
**To:** Corinne.Guenette@ic.gc.ca <Corinne.Guenette@ic.gc.ca>; Durand, Stéphanie; Tomlinson, Jamie; Jacqueline.Roy@ps-sp.gc.ca <Jacqueline.Roy@ps-sp.gc.ca>; HODGES.EC@forces.gc.ca <HODGES.EC@forces.gc.ca>; karen.johnstone@forces.gc.ca <karen.johnstone@forces.gc.ca>; Austria, Jamela; Steve.Cloutier@ic.gc.ca <Steve.Cloutier@ic.gc.ca>  
**Subject:** Fw: IMPORTANT -- CANADA/CHINA/TRADE/US/AUSTRALIA: Chinese firm's Canadian contracts raise security fears. cbc.ca. May 15, 2012 21h04

Colleagues - this one has legs - anything you can share or where you may be able to re-direct me would be appreciated.  
Please broaden the request as needed - we have issues management mtg in the morning....

Thanks so much in advance for your assistance

s.19(1)

Lorraine Flannery  
International Trade/  
Commerce international  
Government of Canada/  
Gouvernement du Canada  
Canada Cell: [REDACTED]

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**From:** Media Monitoring / Surveillance Médias (BCM)

**Sent:** Tue May 15 21:21:19 2012

**Subject:** CANADA/CHINA/TRADE/US/AUSTRALIA: Chinese firm's Canadian contracts raise security fears. cbc.ca. May 15, 2012 21h04

# Chinese firm's Canadian contracts raise security fears

## Barred by the U.S. and Australia, tech giant Huawei makes inroads in Canada

By Greg Weston, [CBC News](#)

**Posted:** May 15, 2012 9:04 PM ET

**Last Updated:** May 15, 2012 9:02 PM ET

The former head of U.S. counter-espionage says the Harper government is putting North American security at risk by allowing a giant Chinese technology company to participate in major Canadian telecommunications projects.

In an exclusive interview in Washington, Michelle K. Van Cleave told CBC News the involvement of Huawei Technologies in Canadian telecom networks risks turning the information highway into a freeway for Chinese espionage against both the U.S. and Canada.

Huawei has long argued there is no evidence linking the company to the growing tidal wave of international computer hacking and other forms of espionage originating in China.

Nonetheless, the U.S. and Australia have already blocked Huawei from major telecom projects in those countries, and otherwise made it clear they regard China's largest telecommunications company as a potential security threat.

Van Cleave, who served as top spy-catcher for the Bush administration until 2006, describes Huawei as a potential "stalking horse" for Chinese military and intelligence objectives.

Even Canada's own intelligence agencies have warned the Harper government of the risks of throwing open the door to Chinese telecom companies.

Despite all the warnings, the federal and Ontario governments have rolled out the red carpet to Huawei, officially praising the Chinese company's partnerships in Canadian telecom projects with Telus, Bell, SaskTel and WIND Mobile.

During a recent visit to China, for instance, Prime Minister Stephen Harper said he was "honoured" to have witnessed the signing of large contracts for Huawei to provide Telus and Bell with the latest LTE high-speed wireless networks across Canada.

Among its many large customers, Telus has just signed a \$250-million contract to provide the Canadian military with secure voice and data services worldwide.



The Ontario government has been equally enthusiastic towards Huawei, giving the telecom giant \$6.5 million of taxpayers' money to locate its Canadian office and a "research facility" in the province.

Huawei last year had worldwide revenues of more than \$32 billion.

For its part, Huawei has long confronted its critics with claims to be just another multinational corporation owned by its employees, free of Chinese government control, adding it would be commercially suicidal to engage in espionage.

Huawei declined to be interviewed by the CBC. Instead, the company issued a written statement late Tuesday saying, in part, that the company ensures "all our stakeholders, including governments, have a clear understanding of the tools we use to protect the integrity of our customers' networks to the highest standards.

"Over the past four years, we've worked openly and transparently in consultation with our customers and government to meet these requirements."

Van Cleave sees things differently.

"China is a totalitarian government, and Huawei operates at the sufferance of the government, and those relationships are there. Even if Huawei management wished them away, they would still be there."

Van Cleave says the intelligence community fears digital "back doors" could be hidden in the telecommunications networks, allowing spies to steal American and Canadian secrets and ultimately disrupt everything from public utilities to military operations in the event of international conflict.

She says the U.S. government's actions to prevent Huawei from taking over U.S. telecom companies, or participating in major infrastructure projects, "is the right thing to be doing."

The Harper government's own Department of Public Safety warned more than a year ago that Canada's telecommunications network is too important to be left to foreign companies.

## **'Considerable risk' to Canadians**

In a secret memo written in 2011 and obtained under the Access to Information Act, a senior Public Safety official says "the security and intelligence community" believes that throwing open the Canadian telecom market to foreign companies "would pose a considerable risk to public safety and national security."

While large sections of the secret memo were withheld from release, intelligence sources say the biggest concern was the Chinese.

Van Cleave says China indeed remains the number-one espionage threat to the United States, mainly through computer hacking aimed at stealing everything from proprietary technologies to defence secrets.

And it's only getting worse.

The former counter-intelligence boss says frankly: "I would be hard-pressed to say we are winning."

The U.S. International Trade Commission estimates that in 2009 alone, Chinese theft of U.S. intellectual property cost almost a million American jobs, and \$48 billion in economic losses.

Van Cleave wonders why Canada hasn't intervened with Huawei.

"Isn't there a process for... the (Canadian) government to step in?"

## **Canada targeted by hackers**

Last year, the Canadian government itself was hit with its worst-ever hacking attack from China, penetrating the highly classified computer systems in at least three federal departments: Finance, Treasury Board and Defence Research.

Documents obtained by CBC show the hackers managed to steal large amounts of classified data before the computer systems could be shut down.

Eighteen months later, those computer systems remain corrupted and unable to connect directly to most of the internet without losing more data to the as-yet-unidentified Chinese spies.

More recently, a former executive of now bankrupt Nortel has blamed Chinese technology theft for hastening the demise of the former Canadian telecom giant.

So, why is the Canadian government greeting Huawei with open arms?

From a business perspective, Huawei is apparently hard to resist.

The upstart WIND Mobile, for instance, used Huawei to build a whole new wireless network in Canada, and has publicly gushed about the Chinese company's high-quality products, reliable service and lower prices than the competition.

China's exploding marketplace of over a billion consumers is also an offer most multinational companies and western governments — Canada's included — find hard to refuse.

The Harper government, for one, has done a complete about-face with respect to China over the past six years, from a prime ministerial cold shoulder to an all-out trade love-in.

Huawei is bending over backwards to show it is a good corporate citizen. For instance, it has put up \$1.4 million along with Telus to fund a new centre for cutting-edge research into so-called cloud computing at Ottawa's Carleton University.

Michel Juneau-Katsuya, a security expert and former member of Canada's spy service, says the Harper government is "absolutely" taking a big risk with Huawei, and appears to be ignoring warnings from the U.S., Australia and other allies.

He says there's little doubt CSIS "did its homework" on Huawei, and passed along the information and resulting security recommendations to the Prime Minister's Office.

"Unfortunately, the PMO is very nonchalant when it comes to security," said the intelligence expert. "They have an agenda, a political agenda ... and they disregard some of the warnings coming from the official agencies."

Juneau-Katsuya said one of the dangers in Huawei's having access to the Canadian telecommunications network is that it could damage intelligence sharing with the Americans.

He says Canada remains one of China's most important espionage targets precisely because of our close intelligence relationship with the U.S. and other allies.

"If we have not taken certain responsibilities and certain steps to protect ourselves, then our allies will have to assume we have been compromised, and cut communication from their end."

One thing the Canadian government could not possibly have missed is all the controversy about Huawei in the U.S. and Australia.

In the past five years, there has not been a time when at least one U.S. government agency involved in security hasn't been holding hearings, writing reports and otherwise investigating the possible threats posed by Chinese telecommunications companies such as Huawei.

The CIA, the FBI, the Department of Homeland Security, the Pentagon, the White House, Congress, the list goes on — all of them have tried to dissect Huawei's activities and intentions in the U.S. and beyond.

The latest of these is an ongoing investigation by the powerful House Intelligence Committee into "the threat posed by Chinese-owned telecommunications companies."

In announcing the probe, committee chairman Mike Rogers said: "We are looking at the overall infrastructure threat and Huawei happens to be the 800-pound gorilla in the room."

"As the formal investigation begins, I stand by my caution to the American business community about engaging Huawei technology until we can fully determine their motives."

The U.S.-China Economic and Security Review Commission, an independent agency created by Congress, has produced two thick reports on the role of Chinese telecoms in the growing problem of cyber-espionage against the West.

Both reports conclude there is reason to be wary of Huawei.

Mike Wessel is a sitting member of the commission, and suggests Huawei is a clear and present danger to both the U.S. and Canada.

"Our (telecommunications) systems are not only seamless, they are completely intertwined," Wessel said in an interview with CBC News.

"If it's a security concern for us... why aren't we concerned about what may be happening across the border?"

Australia has taken an even tougher stand than the U.S., telling Huawei there was no point even bidding on that country's largest ever telecommunications expansion.

The Chinese government has dismissed the allegations, accusing Australia of trade protectionism.

But Australia's foreign affairs minister, Bob Carr, later told reporters that the decision on Huawei was purely "on security grounds, reflecting a focus by Australia on the resilience and security of core infrastructure."

Bell and Telus declined interview requests for this story but issued prepared statements.

Bell states in part: "For a company like Bell, security is of primary importance. We work with government and the Canadian and international telecom industry to ensure Bell always offers the highest possible levels of security to our customers."

"We are confident in our network suppliers, including of course Huawei (which) partners with most of the world's carriers."

Telus never mentions Huawei in its statement: "Like all telecommunications companies, we implement the best security safeguards into our network leveraging our own extensive expertise, and the expertise of federal security agencies."

One of the most vocal and always colourful critics of Huawei in Washington is Congressman Frank R. Wolf.

"The Chinese are the most aggressive spying in this town, and my sense is in Canada and many other places," Wolf said in a recent interview on Capitol Hill.

The congressman comes by his concern about Chinese cyber-espionage through personal experience.

In 2007, hackers traced to China hit his congressional office computers, "and got to everything."

<http://www.cbc.ca/news/politics/story/2012/05/15/pol-weston-huawei-china-telecom-security-canada.html>

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**Jessica Hinds**

**Media Monitor / Surveillant des médias**

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## Durand, Stéphanie

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**From:** Durand, Stéphanie  
**Sent:** Tuesday, May 15, 2012 10:05 PM  
**To:** Kingsley, Michèle; MacDonald, Michael; Dick, Robert  
**Cc:** Swift, Andrew; Gordon, Robert; Philipps, Lisa  
**Subject:** Fw: RT - CBC News - The National - Report on possible security threat from Huawei wireless systems in Canada - 2012-05-15- 21h00 ET

See transcript we distributed across dpt. Andrew will be following-up on this in am and connecting with other dpts on this, incl DFAIT.

**From:** PSMediaCentre/CentredesmediasdeSP  
**Sent:** Tuesday, May 15, 2012 09:55 PM  
**To:** \* COMMS ADG / Bureau du directeur général associé; \* COMMS Communication Services Division / Division des services de communication; \* COMMS DGO / Bureau de la directrice générale; \* COMMS Program Communications Division / Secteur des communications de programmes; \* COMMS Public Affairs Division / Secteur des affaires publiques; \* Speeches / Discours; Astravas, Rutha; Banerjee, Ritu; Beaudoin, Serge C; Bolton, Stephen; Boucher, Patrick; Boucher-Lalonde, Murielle; Cameron, Bud; Carmichael, Julie; Champoux, Elizabeth; Clairmont, Lynda; Clifford, Kurtis; Coburn, Stacey; Crawford, Andrée; Csversko, Christine; Currie, St. Clair; Daoust, Normand; De Santis, Heather; Duschner, Gabrielle; Dussault, Josée; Easson, Grant; Gareau-Lavoie, Genevieve; Gordon, Robert; Gow, Robert; Hitchcock, Christy; House, Andrew; Huggins, Rachel; Humeniuk, Elena; Hunt, Ryan; Jarmyn, Tom; Johnson, Mark; Kelland, Stephen; Khouri, Lisa; Komm, Chantelle; Kubicek, Brett; Lavoie, Micheline; Leclair, Natalie; Leclerc, Carole; Leonidis, Nelly; Lesser, Robert; MacDonald, Nicholas; MacKinnon, Paul; Marchand, Renee; McAteer, Julie; McGrath, Andrew; Morris, Marika; Motzney, Barbara; Mueller, Mike; Mundie, Robert; Nicole, Jean-Thomas; Oldham, Craig; Panthaky, Jasmine; Pozhke, Nicholas; Rosario, Giselle; Roy, Isabelle; Saunders, Joanne; Shuttle, Paul; Slack, Jessica; Thibault, Stéphane; Tupper, Shawn; Van Crieingen, Jane; Verret, Scott; Wex, Richard; Wilson, Gina; Amitha.Carnadin@cbsa-asfc.gc.ca <Amitha.Carnadin@cbsa-asfc.gc.ca>; Bev.Arseneault@csc-scc.gc.ca <Bev.Arseneault@csc-scc.gc.ca>; Bindman, Stephen; Brunette, Lynn <lynn.brunette@csc-scc.gc.ca>; cbsa.media@cbsa-asfc.gc.ca <cbsa.media@cbsa-asfc.gc.ca>; Cgirouad@justice.gc.ca <Cgirouad@justice.gc.ca>; Williams, Christopher; Churney, Daryl; Cobbsu@csc-scc.gc.ca <Cobbsu@csc-scc.gc.ca>; Cocking, Marie <Marie.Cocking@PBC-CLCC.GC.CA>; Couture, Jocelyne <000160815.SC10.EDIV\_LMD@rcmp-grc.gc.ca>; Derek Cefaloni <derek.cefaloni@rcmp-grc.gc.ca>; Douglas, Caroline; C. Girouard; Hart, Melissa <Melissa.Hart@CSC-SCC.GC.CA>; Bradley, Jolene; Mackillop, Ken; Lamothe, Maureen; ██████████ Lavoie, Daniel; Mailhot, Esther; Stokes, Mark; Mary.Schlosser@rcmp-grc.gc.ca <Mary.Schlosser@rcmp-grc.gc.ca>; Media.Monitoring@cbsa-asfc.gc.ca <Media.Monitoring@cbsa-asfc.gc.ca>; CBSA Media Monitoring; RCMP Media Monitoring; Martin, Nadie; Robinson, N.; Parkes, Sara; Giolti, Patrizia; Prieur, Mark <mark.prieur@pbc-clcc.gc.ca>; Rioux, Veronique; Rondeau, Martine; Sbinman@justice.gc.ca <Sbinman@justice.gc.ca>; Dumoulin, Stéphanie  
**Subject:** RT - CBC News - The National - Report on possible security threat from Huawei wireless systems in Canada - 2012-05-15- 21h00 ET

### Rough Transcript

**Station:** CBC News – The National  
**Time/Heure:** 21:00 ET  
**Date:** 2012-05-15

**Summary:** *CBC's The National featured a report on security concerns stemming from Chinese telecom company Huawei installing its wireless systems in Canada.*

>> Peter: Good evening, I'm Peter Mansbridge and this is "The National."

>> Interview: It is not a far stretch to think that the Chinese government could exercise influence and control.

>> Peter: China's high-tech investment in Canada puts Washington on the alert. A CBC News exclusive on the security fears and the government's response.

>> Peter: Some of the top national security experts in the world are sounding the alarm about a move by the federal government. Earlier this year prime minister Harper heralded the coming to Canada of a Chinese technology giant, the giant that plans to team up with some of this country's largest telecommunications companies. Neither the U.S. nor Australia will let this Chinese company anywhere near its telecom systems and Canada has been warned of the risks. CBC's Greg Weston has been digging into this for us and has the exclusive details tonight. Greg?

>> Reporter: Peter, a Chinese company's new wireless technologies are about to change the way that millions of Canadians use their smartphones, but behind the scenes the company has counter espionage experts seeing red.

>> Interview: Beauty, power, agility and speed.

>> Reporter: No question, it's a winning combo in the high stakes wireless market. But the former head of the U.S. counter espionage sees a different kind of horse.

>> Interview: It is not a far stretch to think that the Chinese government could exercise influence and control over what Huawei is doing internationally. In that sense a stalking horse for potentially Chinese military objectives. And intelligence objectives.

Reporter: Michelle van Pleet says that the biggest concern in the U.S. is about Chinese espionage. The u.s. And Australian governments have both blocked Huawei from telecom deals, Canada has not. Huawei is the darling in Canada's largest phone companies. Bell and Telus just signed megadeals with Huawei. Start-up wind mobile got them to build their entire network. All of them wave about Huawei's advanced technologies, it's all good for profits and apparently good politics. Prime minister Stephen Harper celebrated the bell and Telus deals with Huawei during an official visit to Beijing.

>> Prime Minister Stephen Harper: Speaking of business opportunities I've been honoured to be present today at this business forum...

>> Reporter: The Ontario government embraced Huawei with a handshake and a check for \$6.5 million for a new research facility, but south of the border a very different reaction. Huawei has the attention of official Washington, just about everyone here involved in national security, that is. The pentagon, the FBI, the CIA, Homeland Security, the White House, Congress, the list goes on, all of them are raising red flags about Huawei. The u.s. Former chief spy catcher says that the danger is clear and present.

>> Interview: if we are beholden to China for our telecommunications, than we are seriously at risk.

>> Interview: Huawei, I suppose with 4g...

>> Reporter: One congressional commission has already produced two hefty reports on what Huawei and other Chinese companies are up to. Both have raised serious security concerns.

>> Interview: The system in the country, whether it's your homeland security, water systems, electronic systems, your stock markets, all of those could essentially be exposed to some type of threat. That affects every American, every Canadian and we have to be worried about those things.

>> **Reporter: The Harper government's own security officials have warned Canada should be equally worried. In a secret memo obtained by CBC, the Public Safety Department warned last year that throwing the telecommunications industry open to foreign companies would pose a considerable risk to public safety and national security. Despite the warnings, a former Canadian intelligence agent says that it appears that the government isn't listening.**

>> Interview: So here we're extremely naive and somewhere, somehow, we will be responsible for our own fate.

>> Reporter: **In a prepared statement tonight, Public Safety Minister Vic Toews says, we will continue to ensure that Canadians can rely on a telecommunications infrastructure that is safe and secure.** Bell, Telus and Huawei also issued prepared statements. Bell and Telus said that security of their networks is of utmost important. As for Huawei's statement, the company said it's given the government the clear understanding of the tools it uses to protect its customers' networks. Peter?

>> Peter: All right, Greg, thank you very much, Greg Weston in Ottawa. And we will continue to follow this story for all of you tomorrow.

*Due to the nature of closed captioning, grammatical and editorial errors may be found within the attached transcript. Étant donné la nature du sous-titrage, il peut y avoir des erreurs grammaticales et de rédaction dans la transcription ci-attachée.*

*Questions? Please contact us at [PSMediaCentre/CentredesmediasdeSP@ps-sp.gc.ca](mailto:PSMediaCentre/CentredesmediasdeSP@ps-sp.gc.ca).*

*Questions? Veuillez communiquer avec nous au [PSMediaCentre/CentredesmediasdeSP@ps-sp.gc.ca](mailto:PSMediaCentre/CentredesmediasdeSP@ps-sp.gc.ca).*

## **Durand, Stéphanie**

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**From:** Corinne.Guenette@ic.gc.ca  
**Sent:** Tuesday, May 15, 2012 7:09 PM  
**To:** Swift, Andrew  
**Cc:** Brian.Salisbury@ic.gc.ca; Filipps, Lisa; Durand, Stéphanie  
**Subject:** Re: Huawei

Thanks Andrew. Sure thing. Our MR contact is:

Phone: 613-943-2502  
Email: media-relations-medias@ic.gc.ca

**From:** Swift, Andrew [mailto:Andrew.Swift@ps-sp.gc.ca]  
**Sent:** Tuesday, May 15, 2012 06:53 PM  
**To:** Guenette, Corinne: CMB-DGCM  
**Cc:** Salisbury, Brian: CMB-DGCM; Filipps, Lisa <Lisa.Filipps@ps-sp.gc.ca>; Durand, Stéphanie <Stephanie.Durand@ps-sp.gc.ca>  
**Subject:** Re: Huawei

Hi Corinne,

Thanks for getting in touch.

My MO has just issued the following statement in response to CBC:

"Our government has taken strong steps to benefit consumers and open our mobile phone sector to competition. Canadians should have access to low cost, secure options and Long-Term Evolution networks are a key to Canada's productivity challenges. All carriers will continue to be subject to Canadian laws. We will continue to ensure that Canadians can rely on a telecommunications infrastructure that's safe and secure."

We will monitor tonight's coverage closely and assess if further lines are required.

Can we agree that whoever gets calls will flag to the other before responding? Our primary media relations contact is media@ps-sp.gc.ca / 613-991-0657 and I've cc'd Lisa Filipps the Manager, Issues and Mgmt and Media Relations.

I will give a heads up to our PCO analyst.

Andrew

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

**From:** Corinne.Guenette@ic.gc.ca [mailto:Corinne.Guenette@ic.gc.ca]  
**Sent:** Tuesday, May 15, 2012 06:07 PM  
**To:** Swift, Andrew  
**Cc:** Brian.Salisbury@ic.gc.ca <Brian.Salisbury@ic.gc.ca>



**Subject:** Huawei

Hi Andrew, How are you?

We've been informed of a potential CBC story on Huawei this evening that will be drawing comparisons on what is being done here in Canada, as well as referencing our recent challenges in the US and Australia. We understand that this is not expected to be a favourable piece.

Does PS have lines on this issue? Would you take any calls for fed reaction? Our policy folks were in touch with Robert Dick today whom I understand also has the Huawei statement below. Huawei has informed that they have declined an on-camera interview, and will instead be issuing this statement:

Huawei Canada statement for CBC News

Since our inception, we have worked hard to earn trust and respect in the over 140 markets in which we do business - supporting over 500 telecommunications operators, and connecting almost one-third of the world's population. This includes many operator partners across Canada.

We take our responsibilities and our customer's requirements very seriously. The reliability and integrity of the equipment we supply to network operators is a priority for Huawei, as it should be for all Telecom vendors. Importantly, this is a common focus shared by the entire industry, its clients, customers, carriers and government partners. Globalization and the interdependency of supply chains mean a real commitment of continual improvement and should apply to all stakeholders.

We continue to work with our customers around the world to develop state-of-the-art support programs and technology solutions alike; while ensuring all our stakeholders, including governments, have a clear understanding of the tools we use to protect the integrity of our customers' networks to the highest standards.

This positions us well to build upon Huawei's commitment to Canada. Over the past four years, we've worked openly and transparently in consultation with our customers and Government to meet these requirements.

We are very pleased with the positive reception we've received in Canada. Since 2008, we have created over 400 jobs in Canada, and have invested millions of dollars in direct research and development. We are committed to becoming an important and trusted partner in a healthy, thriving, and competitive ICT ecosystem that benefits all Canadians.

The journalist's Qs were:

1. Explain the fact that for security reasons, the U.S. and Australia are keeping Huawei out of their major telecom projects, and blocking potential takeovers of American telecoms, while the Canadian and Ontario governments are embracing Huawei.
2. Explain why the government is ignoring the advice of CSIS, Public Safety and others that have raised alarms about Huawei's being allowed to help build the Canadian telecommunications network.
3. Discussing suggestions by U.S. intelligence that Huawei's involvement in the Canadian telecommunications system — which is virtually seamless with the US network — could affect intelligence sharing between the two countries.
4. With the federal government's having been hit by its worst ever hacking attack from computers in China only 18 months ago, we would like to discuss the logic of that same government's now potentially making it easier for Chinese spies to penetrate the telecom system.
5. Telus has a \$250 million contract to provide secure telecom services to DND here and abroad. Please explain how the government is ensuring Telus' partnership with Huawei in building wireless networks does not put military security at risk.
6. A prominent US intelligence expert says Canada is lacking leadership on this issue, and the government here should have intervened on the side of security instead of just supporting commercial interests.

Let me know, thx, Corinne

Corinne Guénette

A/Senior Director, Public Affairs and Ministerial Services | Directrice principale/p.i., Affaires publiques et services ministériels

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Government of Canada | Gouvernement du Canada



Industry  
Canada

Industrie  
Canada

Canada

## Durand, Stéphanie

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**From:** Swift, Andrew  
**Sent:** Tuesday, May 15, 2012 6:50 PM  
**To:** Durand, Stéphanie  
**Subject:** Re: Telecommunications issue s.19(1)

Will do.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

**From:** Durand, Stéphanie  
**Sent:** Tuesday, May 15, 2012 06:27 PM  
**To:** MacDonald, Michael; Dick, Robert; Swift, Andrew  
**Cc:** Morris, Meribeth; Baulne, Lucie; Gordon, Robert; Philipps, Lisa  
**Subject:** RE: Telecommunications issue

Mike / Robert:

Here is the statement that the MO just issued to media.

*Our government has taken strong steps to benefit consumers and open our mobile phone sector to competition. Canadians should have access to low cost, secure options and Long-Term Evolution networks are a key to Canada's productivity challenges. All carriers will continue to be subject to Canadian laws. We will continue to ensure that Canadians can rely on a telecommunications infrastructure that's safe and secure.*

Based on the coverage tonight on the CBC, pls prepare messaging for our review. We will then assess and move through normal comms channels. I discussed with the MO that we would no longer be working on answers to the 6 questions which came from media [REDACTED] but would rather be working on high level lines. Happy to discuss in the am.

Andrew: pls share with IC.

Thanks.

Stéphanie Durand  
Director General, Communications | Directrice générale, Communications

Public Safety Canada | Sécurité publique Canada  
269 Laurier, 18D-3600  
Ottawa, Canada K1A 0P8  
[stephanie.durand@ps-sp.gc.ca](mailto:stephanie.durand@ps-sp.gc.ca)  
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Government of Canada | Gouvernement du Canada

[www.PublicSafety.gc.ca](http://www.PublicSafety.gc.ca) | [www.SecuritePublique.gc.ca](http://www.SecuritePublique.gc.ca)

**From:** Durand, Stéphanie  
**Sent:** Tuesday, May 15, 2012 6:23 PM  
**To:** Johnson, Mark; Mueller, Mike; Carmichael, Julie  
**Cc:** MacDonald, Michael; Dick, Robert; Swift, Andrew; Morris, Meribeth; Baulne, Lucie; Gordon, Robert  
**Subject:** Telecommunications issue

Mark / Julie: as discussed, here is the Huawei Canada statement that they will be issuing instead of doing an interview with CBC (pasted below).

We will work with Policy on high level lines tomorrow – based on potential story that will air tonight. We will monitor closely

We are also connecting with Industry Canada to discuss media relations protocol going forward.

Huawei Canada statement for CBC News

Since our inception, we have worked hard to earn trust and respect in the over 140 markets in which we do business - supporting over 500 telecommunications operators, and connecting almost one-third of the world's population. This includes many operator partners across Canada.

We take our responsibilities and our customer's requirements very seriously. The reliability and integrity of the equipment we supply to network operators is a priority for Huawei, as it should be for all Telecom vendors. Importantly, this is a common focus shared by the entire industry, its clients, customers, carriers and government partners. Globalization and the interdependency of supply chains mean a real commitment of continual improvement and should apply to all stakeholders.

We continue to work with our customers around the world to develop state-of-the-art support programs and technology solutions alike; while ensuring all our stakeholders, including governments, have a clear understanding of the tools we use to protect the integrity of our customers' networks to the highest standards.

This positions us well to build upon Huawei's commitment to Canada. Over the past four years, we've worked openly and transparently in consultation with our customers and Government to meet these requirements.

We are very pleased with the positive reception we've received in Canada. Since 2008, we have created over 400 jobs in Canada, and have invested millions of dollars in direct research and development. We are committed to becoming an important and trusted partner in a healthy, thriving, and competitive ICT ecosystem that benefits all Canadians.

## **Durand, Stéphanie**

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**From:** Swift, Andrew  
**Sent:** Tuesday, May 15, 2012 6:20 PM  
**To:** Durand, Stéphanie  
**Subject:** Re: Huawei  
**Attachments:** ATT00001.gif

Ok. What was agreed w/ Mark?

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

**From:** Durand, Stéphanie  
**Sent:** Tuesday, May 15, 2012 06:18 PM  
**To:** Swift, Andrew  
**Subject:** Re: Huawei

Pls clarify media relations protocol. We should have a chat before we or IC answer.

**From:** Durand, Stéphanie  
**Sent:** Tuesday, May 15, 2012 06:15 PM  
**To:** Swift, Andrew  
**Subject:** Re: Huawei

Thanks. I spoke to Mike. Now just spoke to Mark J and agreed on way forward.

**From:** Swift, Andrew  
**Sent:** Tuesday, May 15, 2012 06:08 PM  
**To:** Durand, Stéphanie  
**Subject:** Fw: Huawei

See note from IC.

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
Andrew.Swift@ps-sp.gc.ca

**From:** Corinne.Guenette@ic.gc.ca [mailto:Corinne.Guenette@ic.gc.ca]  
**Sent:** Tuesday, May 15, 2012 06:07 PM  
**To:** Swift, Andrew  
**Cc:** Brian.Salisbury@ic.gc.ca <Brian.Salisbury@ic.gc.ca>  
**Subject:** Huawei

Hi Andrew, How are you?

We've been informed of a potential CBC story on Huawei this evening that will be drawing comparisons on what is being done here in Canada, as well as referencing our recent challenges in the US and Australia. We understand that this is not expected to be a favourable piece.

Does PS have lines on this issue? Would you take any calls for fed reaction? Our policy folks were in touch with Robert Dick today whom I understand also has the Huawei statement below. Huawei has informed that they have declined an on-camera interview, and will instead be issuing this statement:

Huawei Canada statement for CBC News

Since our inception, we have worked hard to earn trust and respect in the over 140 markets in which we do business - supporting over 500 telecommunications operators, and connecting almost one-third of the world's population. This includes many operator partners across Canada.

We take our responsibilities and our customer's requirements very seriously. The reliability and integrity of the equipment we supply to network operators is a priority for Huawei, as it should be for all Telecom vendors. Importantly, this is a common focus shared by the entire industry, its clients, customers, carriers and government partners. Globalization and the interdependency of supply chains mean a real commitment of continual improvement and should apply to all stakeholders.

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This positions us well to build upon Huawei's commitment to Canada. Over the past four years, we've worked openly and transparently in consultation with our customers and Government to meet these requirements.

We are very pleased with the positive reception we've received in Canada. Since 2008, we have created over 400 jobs in Canada, and have invested millions of dollars in direct research and development. We are committed to becoming an important and trusted partner in a healthy, thriving, and competitive ICT ecosystem that benefits all Canadians.

The journalist's Qs were:

1. Explain the fact that for security reasons, the U.S. and Australia are keeping Huawei out of their major telecom projects, and blocking potential takeovers of American telecoms, while the Canadian and Ontario governments are embracing Huawei.
2. Explain why the government is ignoring the advice of CSIS, Public Safety and others that have raised alarms about Huawei's being allowed to help build the Canadian telecommunications network.
3. Discussing suggestions by U.S. intelligence that Huawei's involvement in the Canadian telecommunications system — which is virtually seamless with the US network — could affect intelligence sharing between the two countries.
4. With the federal government's having been hit by its worst ever hacking attack from computers in China only 18 months ago, we would like to discuss the logic of that same government's now potentially making it easier for Chinese spies to penetrate the telecom system.
5. Telus has a \$250 million contract to provide secure telecom services to DND here and abroad. Please explain how the government is ensuring Telus' partnership with Huawei in building wireless networks does not put military security at risk.
6. A prominent US intelligence expert says Canada is lacking leadership on this issue, and the government here should have intervened on the side of security instead of just supporting commercial interests.

Let me know, thx, Corinne

Corinne Guénette  
A/Senior Director, Public Affairs and Ministerial Services | Directrice principale/p.i., Affaires publiques et services ministériels

Communications and Marketing Branch | Direction générale des communications et du marketing  
Industry Canada | Industrie Canada  
235 rue Queen Street, Ottawa ON K1A 0H5  
corinne.guenette@ic.gc.ca  
Telephone | Téléphone 613-943-2522  
Portable | Cellular [REDACTED]  
Government of Canada | Gouvernement du Canada



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## **Durand, Stéphanie**

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**From:** Durand, Stéphanie  
**Sent:** Tuesday, May 15, 2012 5:58 PM  
**To:** Johnson, Mark; Swift, Andrew  
**Cc:** Carmichael, Julie; Mueller, Mike; Filippis, Lisa; Morris, Meribeth; Salewski, Shawn  
**Subject:** Re: Response

I will call you on this Mark.  
Just spoke to Policy.

----- Original Message -----

**From:** Johnson, Mark  
**Sent:** Tuesday, May 15, 2012 05:24 PM  
**To:** Swift, Andrew; Durand, Stéphanie  
**Cc:** Carmichael, Julie; Mueller, Mike; Filippis, Lisa; Morris, Meribeth; Salewski, Shawn  
**Subject:** Re: Response

Briefing was excellent.

I understand policy was working with comms on tight answers to the 6 questions. I still need those.

----- Original Message -----

**From:** Swift, Andrew  
**Sent:** Tuesday, May 15, 2012 05:23 PM  
**To:** Johnson, Mark; Durand, Stéphanie  
**Cc:** Carmichael, Julie; Mueller, Mike; Filippis, Lisa; Morris, Meribeth; Salewski, Shawn  
**Subject:** RE: Response

Mark,

I understand you were given a briefing earlier today by policy on your request below. Anything further required?

Andrew

Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques Communications Directorate | Direction générale des communications Public Safety Canada | Sécurité publique Canada Telephone | Téléphone : 613-991-3549 Fax | Télécopieur : 613-954-2000 Email | Courriel : [Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

-----Original Message-----

**From:** Johnson, Mark  
**Sent:** Monday, May 14, 2012 9:16 PM  
**To:** Durand, Stéphanie; Swift, Andrew  
**Cc:** Carmichael, Julie; Mueller, Mike; Filippis, Lisa; Morris, Meribeth; Salewski, Shawn  
**Subject:** Re: Response



OK. Fair point about comms not having the info on hand.

I was under the impression that your shop was positioned to get a quick turnaround on lines / facts from policy. If you need any help to push down to ensure you have the access to policy folks that you need to respond to these requests, let me know.

Meribeth - given the request was made at 6 PM, I will need the info by 6 AM at the latest. This will be an item on the national tonight.

Thanks guys.

----- Original Message -----

From: Durand, Stéphanie

Sent: Monday, May 14, 2012 08:55 PM

To: Johnson, Mark; Swift, Andrew

Cc: Carmichael, Julie; Mueller, Mike; Filipps, Lisa; Morris, Meribeth; Salewski, Shawn

Subject: Re: Response

Mark: we will need to ask Policy to provide answers to your questions below. Communications does not have any info on this. Following info received from Policy, we can then assess if specific media lines will be required.

I'll send a request for info to Policy.

Meribeth: fyi - I'll copy you on the request.

Stephanie

----- Original Message -----

From: Johnson, Mark

Sent: Monday, May 14, 2012 08:43 PM

To: Swift, Andrew

Cc: Carmichael, Julie; Mueller, Mike; Durand, Stéphanie; Filipps, Lisa

Subject: Re: Response

Issues management is the bridge between policy and comms.

I am looking for "lines" to respond to this, but basically I just want the answer.

----- Original Message -----

From: Swift, Andrew

Sent: Monday, May 14, 2012 08:09 PM

To: Johnson, Mark

Cc: Carmichael, Julie; Mueller, Mike; Durand, Stéphanie; Filipps, Lisa

Subject: Re: Response

Hi Mark,

Are these questions from the media? Can you share details on the context if there's a media call?

My first impression is that "media lines" won't necessarily provide the answers to the complex issues raised.

I might suggest a policy background/briefing note might be better suited for what you need.

Andrew

Andrew Swift  
Director, Public Affairs  
Communications  
Public Safety Canada  
Tel: 613-991-3549  
[Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

----- Original Message -----

From: Johnson, Mark  
Sent: Monday, May 14, 2012 06:07 PM  
To: Swift, Andrew  
Cc: Carmichael, Julie; Mueller, Mike  
Subject: Response

Hi Andrew, could we see what the lines would be on the following series of questions:

1. Explain the fact that for security reasons, the U.S. and Australia are keeping Huawei out of their major telecom projects, and blocking potential takeovers of American telecoms, while the Canadian and Ontario governments are embracing Huawei.
2. Explain why the government is ignoring the advice of CSIS, Public Safety and others that have raised alarms about Huawei's being allowed to help build the Canadian telecommunications network.
3. Discussing suggestions by U.S. intelligence that Huawei's involvement in the Canadian telecommunications system — which is virtually seamless with the US network — could affect intelligence sharing between the two countries.
4. With the federal government's having been hit by its worst ever hacking attack from computers in China only 18 months ago, we would like to discuss the logic of that same government's now potentially making it easier for Chinese spies to penetrate the telecom system.
5. Telus has a \$250 million contract to provide secure telecom services to DND here and abroad. Please explain how the government is ensuring Telus' partnership with Huawei in building wireless networks does not put military security at risk.
6. A prominent US intelligence expert says Canada is lacking leadership on this issue, and the government here should have intervened on the side of security instead of just supporting commercial interests.

## **Durand, Stéphanie**

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**From:** Durand, Stéphanie  
**Sent:** Tuesday, May 15, 2012 5:48 PM  
**To:** MacDonald, Michael  
**Subject:** Re: Response

991-2799

----- Original Message -----

**From:** MacDonald, Michael  
**Sent:** Tuesday, May 15, 2012 05:43 PM  
**To:** Swift, Andrew; Dick, Robert  
**Cc:** Durand, Stéphanie; Filipps, Lisa; Kingsley, Michèle  
**Subject:** Re: Response

Hi. Where can I call you?

----- Original Message -----

**From:** Swift, Andrew  
**Sent:** Tuesday, May 15, 2012 05:34 PM  
**To:** Dick, Robert; MacDonald, Michael  
**Cc:** Durand, Stéphanie; Filipps, Lisa  
**Subject:** FW: Response

Robert & Mike,

Further to your briefing with the Minister's Office this morning, they have requested responses to the initial 6 questions below. Robert, as you indicated, our response will likely be brief.

As Communications was not part of the briefing that took place this a.m. and do not have any information on the file, will you be preparing a suggested response to the questions/overall issue?

Thanks,  
Andrew

Andrew Swift

Director, Public Affairs | Directeur, Affaires publiques Communications Directorate | Direction générale des communications Public Safety Canada | Sécurité publique Canada Telephone | Téléphone : 613-991-3549 Fax | Télécopieur : 613-954-2000 Email | Courriel : Andrew.Swift@ps-sp.gc.ca

-----Original Message-----

**From:** Johnson, Mark  
**Sent:** Tuesday, May 15, 2012 5:25 PM  
**To:** Swift, Andrew; Durand, Stéphanie  
**Cc:** Carmichael, Julie; Mueller, Mike; Filipps, Lisa; Morris, Meribeth; Salewski, Shawn  
**Subject:** Re: Response

Briefing was excellent.

**Page 220**  
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**Page 221**  
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**est un duplicata**

**Page 222**  
**is a duplicate**  
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## **Durand, Stéphanie**

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**From:** Durand, Stéphanie  
**Sent:** Tuesday, May 15, 2012 9:32 AM  
**To:** Salewski, Shawn  
**Cc:** Swift, Andrew  
**Subject:** Fw: MO Request for info

Can you pls follow-up with NS ADMO?  
Thx

----- Original Message -----

**From:** Durand, Stéphanie  
**Sent:** Monday, May 14, 2012 09:30 PM  
**To:** Gordon, Robert  
**Cc:** Baulne, Lucie; Morris, Meribeth; Swift, Andrew; Salewski, Shawn  
**Subject:** MO Request for info

Hi Bob:

MO is looking for answers to the questions below. Can you please provide tomorrow am? MO advised that this will be on The National tonight. We will monitor closely. Thanks.

- 
1. Explain the fact that for security reasons, the U.S. and Australia are keeping Huawei out of their major telecom projects, and blocking potential takeovers of American telecoms, while the Canadian and Ontario governments are embracing Huawei.
  2. Explain why the government is ignoring the advice of CSIS, Public Safety and others that have raised alarms about Huawei's being allowed to help build the Canadian telecommunications network.
  3. Discussing suggestions by U.S. intelligence that Huawei's involvement in the Canadian telecommunications system — which is virtually seamless with the US network — could affect intelligence sharing between the two countries.
  4. With the federal government's having been hit by its worst ever hacking attack from computers in China only 18 months ago, we would like to discuss the logic of that same government's now potentially making it easier for Chinese spies to penetrate the telecom system.
  5. Telus has a \$250 million contract to provide secure telecom services to DND here and abroad. Please explain how the government is ensuring Telus' partnership with Huawei in building wireless networks does not put military security at risk.
  6. A prominent US intelligence expert says Canada is lacking leadership on this issue, and the government here should have intervened on the side of security instead of just supporting commercial interests.

## Durand, Stéphanie

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**From:** Durand, Stéphanie  
**Sent:** Tuesday, May 15, 2012 8:40 AM  
**To:** Di Paola, Rosanna; Robertson, Gary  
**Cc:** Morris, Meribeth  
**Subject:** Re: Fwd: Response

Thanks. I also sent request to NS last night (Bob Gordon).

**From:** Di Paola, Rosanna  
**Sent:** Monday, May 14, 2012 10:31 PM  
**To:** Robertson, Gary; Durand, Stéphanie  
**Subject:** Fwd: Response

Gary/Stephanie,

To keep you in the loop.

Begin forwarded message:

**From:** <[JOSE.GENDRON@forces.gc.ca](mailto:JOSE.GENDRON@forces.gc.ca)>  
**Date:** 14 May, 2012 10:17:48 PM EDT  
**To:** <[rosanna.dipaola@ps-sp.gc.ca](mailto:rosanna.dipaola@ps-sp.gc.ca)>  
**Cc:** <[steve.robertson@ps-sp.gc.ca](mailto:steve.robertson@ps-sp.gc.ca)>, <[meribeth.morris@ps-sp.gc.ca](mailto:meribeth.morris@ps-sp.gc.ca)>  
**Subject:** Re: Fwd: Response

Bonjour Rosanna  
Thanks for bringing this to my attention. I will seek advice from relevant SSC networks planners and IT Secur SMEs. More to follow.

José

José Gendron  
National Security Portfolio Lead/  
Chef du portefeuille sur la sécurité nationale  
Shared Services Canada /  
Services partagés Canada  
[Gendron.jjrj@forces.gc.ca](mailto:Gendron.jjrj@forces.gc.ca)

Sent from my wireless handheld device / Transmis de mon appareil portable

---

**From:** Di Paola, Rosanna <[Rosanna.DiPaola@ps-sp.gc.ca](mailto:Rosanna.DiPaola@ps-sp.gc.ca)>  
**To:** Gendron JJRJ@ADM(IM) DGIMSP@Ottawa-Hull  
**Cc:** Robertson, Steve <[Steve.Robertson@ps-sp.gc.ca](mailto:Steve.Robertson@ps-sp.gc.ca)>; Morris, Meribeth <[Meribeth.Morris@ps-sp.gc.ca](mailto:Meribeth.Morris@ps-sp.gc.ca)>  
**Sent:** Mon May 14 22:09:21 2012  
**Subject:** Fwd: Response

Bonsoir Jose,



I received the message below from our Minister's office regarding Canada's position with respect to granting Huawei telecom rights in Canada. SSC is now responsible for telecom for the GC so I thought you may have information that could allow us to respond to the MO. Please advise.

Thanks,  
Rosanna

Begin forwarded message:

**From:** "Morris, Meribeth" <[Meribeth.Morris@ps-sp.gc.ca](mailto:Meribeth.Morris@ps-sp.gc.ca)>  
**Date:** 14 May, 2012 9:24:14 PM EDT  
**To:** "Di Paola, Rosanna" <[Rosanna.DiPaola@ps-sp.gc.ca](mailto:Rosanna.DiPaola@ps-sp.gc.ca)>  
**Cc:** "Lambert, Louise" <[Louise.Lambert@ps-sp.gc.ca](mailto:Louise.Lambert@ps-sp.gc.ca)>  
**Subject:** Fw: Response

Rosanna - can you help with this? Meribeth

----- Original Message -----

From: Johnson, Mark  
Sent: Monday, May 14, 2012 09:16 PM  
To: Durand, Stéphanie; Swift, Andrew  
Cc: Carmichael, Julie; Mueller, Mike; Filippis, Lisa; Morris, Meribeth; Salewski, Shawn  
Subject: Re: Response

OK. Fair point about comms not having the info on hand.

I was under the impression that your shop was positioned to get a quick turnaround on lines / facts from policy. If you need any help to push down to ensure you have the access to policy folks that you need to respond to these requests, let me know.

Meribeth - given the request was made at 6 PM, I will need the info by 6 AM at the latest. This will be an item on the national tonight.

Thanks guys.

----- Original Message -----

From: Durand, Stéphanie  
Sent: Monday, May 14, 2012 08:55 PM  
To: Johnson, Mark; Swift, Andrew  
Cc: Carmichael, Julie; Mueller, Mike; Filippis, Lisa; Morris, Meribeth; Salewski, Shawn  
Subject: Re: Response

Mark: we will need to ask Policy to provide answers to your questions below.

Communications does not have any info on this. Following info received from Policy, we can then assess if specific media lines will be required.

I'll send a request for info to Policy.

Meribeth: fyi - I'll copy you on the request.

Stephanie

----- Original Message -----

From: Johnson, Mark

Sent: Monday, May 14, 2012 08:43 PM

To: Swift, Andrew

Cc: Carmichael, Julie; Mueller, Mike; Durand, Stéphanie; Filipps, Lisa

Subject: Re: Response

Issues management is the bridge between policy and comms.

I am looking for "lines" to respond to this, but basically I just want the answer.

----- Original Message -----

From: Swift, Andrew

Sent: Monday, May 14, 2012 08:09 PM

To: Johnson, Mark

Cc: Carmichael, Julie; Mueller, Mike; Durand, Stéphanie; Filipps, Lisa

Subject: Re: Response

Hi Mark,

Are these questions from the media? Can you share details on the context if there's a media call?

My first impression is that "media lines" won't necessarily provide the answers to the complex issues raised.

I might suggest a policy background/briefing note might be better suited for what you need.

Andrew

Andrew Swift

Director, Public Affairs

Communications

Public Safety Canada

Tel: 613-991-3549

[Andrew.Swift@ps-sp.gc.ca](mailto:Andrew.Swift@ps-sp.gc.ca)

----- Original Message -----

From: Johnson, Mark

Sent: Monday, May 14, 2012 06:07 PM

To: Swift, Andrew

Cc: Carmichael, Julie; Mueller, Mike  
Subject: Response

Hi Andrew, could we see what the lines would be on the following series of questions:

1. Explain the fact that for security reasons, the U.S. and Australia are keeping Huawei out of their major telecom projects, and blocking potential takeovers of American telecoms, while the Canadian and Ontario governments are embracing Huawei.
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3. Discussing suggestions by U.S. intelligence that Huawei's involvement in the Canadian telecommunications system — which is virtually seamless with the US network — could affect intelligence sharing between the two countries.
4. With the federal government's having been hit by its worst ever hacking attack from computers in China only 18 months ago, we would like to discuss the logic of that same government's now potentially making it easier for Chinese spies to penetrate the telecom system.
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6. A prominent US intelligence expert says Canada is lacking leadership on this issue, and the government here should have intervened on the side of security instead of just supporting commercial interests.

## **Durand, Stéphanie**

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**From:** Durand, Stéphanie  
**Sent:** Monday, May 14, 2012 9:35 PM  
**To:** \* Media Monitoring / Suivi des médias  
**Cc:** Swift, Andrew  
**Subject:** Pls monitor

Pls monitor issue below for coverage. Note possible The National story.  
Thanks.

----- Original Message -----

**From:** Durand, Stéphanie  
**Sent:** Monday, May 14, 2012 09:30 PM  
**To:** Gordon, Robert  
**Cc:** Baulne, Lucie; Morris, Meribeth; Swift, Andrew; Salewski, Shawn  
**Subject:** MO Request for info

Hi Bob:

MO is looking for answers to the questions below. Can you please provide tomorrow am? MO advised that this will be on The National tonight. We will monitor closely. Thanks.

- 
1. Explain the fact that for security reasons, the U.S. and Australia are keeping Huawei out of their major telecom projects, and blocking potential takeovers of American telecoms, while the Canadian and Ontario governments are embracing Huawei.
  2. Explain why the government is ignoring the advice of CSIS, Public Safety and others that have raised alarms about Huawei's being allowed to help build the Canadian telecommunications network.
  3. Discussing suggestions by U.S. intelligence that Huawei's involvement in the Canadian telecommunications system — which is virtually seamless with the US network — could affect intelligence sharing between the two countries.
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  6. A prominent US intelligence expert says Canada is lacking leadership on this issue, and the government here should have intervened on the side of security instead of just supporting commercial interests.

## **Durand, Stéphanie**

---

**From:** Miller, Kevin  
**Sent:** Tuesday, January 31, 2012 12:55 PM  
**To:** Durand, Stéphanie; Swift, Andrew  
**Cc:** Hannan, Andrew; Stanfield, Charles  
**Subject:** Re: naming names: China

Hi there,

This article was in the Friday (Jan. 27) Cyber Scan, but it was incomplete due to the fact that the WSJ has a subscription requirement:

China's Cyber Thievery Is National Policy—And Must Be Challenged

Only three months ago, we would have violated U.S. secrecy laws by sharing what we write here—even though, as a former director of national intelligence, secretary of homeland security, and deputy secretary of defense, we have long known it to be true. The Chinese government has a national policy of economic espionage in cyberspace. In fact, the Chinese are the world's most active and persistent practitioners of cyber espionage today.

Wall Street Journal

Tks  
K

Kevin K. Miller  
Communications Manager | Gestionnaire de Communications  
Public Safety Canada | Sécurité publique Canada  
Telephone | Téléphone : 613-949-9218  
Fax | Télécopieur : 613-954-6048  
Email | Courriel : Kevin.Miller@ps-sp.gc.ca

**From:** Durand, Stéphanie  
**Sent:** Tuesday, January 31, 2012 12:32 PM  
**To:** Swift, Andrew; Miller, Kevin  
**Cc:** Hannan, Andrew; Stanfield, Charles  
**Subject:** FW: naming names: China

Did we catch this?

Stéphanie Durand  
Director General, Communications | Directrice générale, Communications

Public Safety Canada | Sécurité publique Canada  
269 Laurier, 18D-3600  
Ottawa, Canada K1A 0P8  
[stephanie.durand@ps-sp.gc.ca](mailto:stephanie.durand@ps-sp.gc.ca)  
Telephone | Téléphone 613 991-2799  
Facsimile | Télécopieur 613 993-7062  
Government of Canada | Gouvernement du Canada

[www.PublicSafety.gc.ca](http://www.PublicSafety.gc.ca) | [www.SecuritePublique.gc.ca](http://www.SecuritePublique.gc.ca)

**From:** Dick, Robert  
**Sent:** Tuesday, January 31, 2012 12:08 PM  
**To:** Clairmont, Lynda; Durand, Stéphanie  
**Cc:** Wong, Suki; Davies, John; MacDonald, Michael; Coburn, Stacey  
**Subject:** naming names: China

Quite significant statement, considering who is saying it.

**Wall Street Journal**  
**27 January 2012**

[http://online.wsj.com/article/SB10001424052970203718504577178832338032176.html?mod=googlenews\\_wsj#printMode](http://online.wsj.com/article/SB10001424052970203718504577178832338032176.html?mod=googlenews_wsj#printMode)

### ***China's Cyber Thievery Is National Policy—And Must Be Challenged***

It is more efficient for the Chinese to steal innovations and intellectual property than to incur the cost and time of creating their own..

By MIKE MCCONNELL, MICHAEL CHERTOFF AND WILLIAM LYNN

Only three months ago, we would have violated U.S. secrecy laws by sharing what we write here—even though, as a former director of national intelligence, secretary of homeland security, and deputy secretary of defense, we have long known it to be true. The Chinese government has a national policy of economic espionage in cyberspace. In fact, the Chinese are the world's most active and persistent practitioners of cyber espionage today.

Evidence of China's economically devastating theft of proprietary technologies and other intellectual property from U.S. companies is growing. Only in October 2011 were details declassified in a report to Congress by the Office of the National Counterintelligence Executive. Each of us has been speaking publicly for years about the ability of cyber terrorists to cripple our critical infrastructure, including financial networks and the power grid. Now this report finally reveals what we couldn't say before: The threat of economic cyber espionage looms even more ominously.

The report is a summation of the catastrophic impact cyber espionage could have on the U.S. economy and global competitiveness over the next decade. Evidence indicates that China intends to help build its economy by intellectual-property theft rather than by innovation and investment in research and development (two strong suits of the U.S. economy). The nature of the Chinese economy offers a powerful motive to do so.

According to 2009 estimates by the United Nations, China has a population of 1.3 billion, with 468 million (about 36% of the population) living on less than \$2 a day. While Chinese poverty has declined dramatically in the last 30 years, income inequality has increased, with much greater benefits going to the relatively small portion of educated people in urban areas, where about 25% of the population lives.

The bottom line is this: China has a massive, inexpensive work force ravenous for economic growth. It is much more efficient for the Chinese to steal innovations and intellectual property—the source code of advanced economies—than to incur the cost and time of creating their own. They turn those stolen ideas directly into production, creating products faster and cheaper than the U.S. and others.

Cyberspace is an ideal medium for stealing intellectual capital. Hackers can easily penetrate systems that transfer large amounts of data, while corporations and governments have a very hard time identifying specific perpetrators.

Unfortunately, it is also difficult to estimate the economic cost of these thefts to the U.S. economy. The report to Congress calls the cost "large" and notes that this includes corporate revenues, jobs, innovation and impacts to national security. Although a rigorous assessment has not been done, we think it is safe to say that "large" easily means billions of dollars and millions of jobs.

So how to protect ourselves from this economic threat? First, we must acknowledge its severity and understand that its impacts are more long-term than immediate. And we need to respond with all of the diplomatic, trade, economic and technological tools at our disposal.

The report to Congress notes that the U.S. intelligence community has improved its collaboration to better address cyber espionage in the military and national-security areas. Yet today's legislative framework severely restricts us from fully addressing domestic economic espionage. The intelligence community must gain a stronger role in collecting and analyzing this economic data and making it available to appropriate government and commercial entities.

Congress and the administration must also create the means to actively force more information-sharing. While organizations (both in government and in the private sector) claim to share information, the opposite is usually the case, and this must be actively fixed.

The U.S. also must make broader investments in education to produce many more workers with science, technology, engineering and math skills. Our country reacted to the Soviet Union's 1957 launch of Sputnik with investments in math and science education that launched the age of digital communications. Now is the time for a similar approach to build the skills our nation will need to compete in a global economy vastly different from 50 years ago.

Corporate America must do its part, too. If we are to ever understand the extent of cyber espionage, companies must be more open and aggressive about identifying, acknowledging and reporting incidents of cyber theft. Congress is considering legislation to require this, and the idea deserves support. Companies must also invest more in enhancing their employees' cyber skills; it is shocking how many cyber-security breaches result from simple human error such as coding mistakes or lost discs and laptops.

In this election year, our economy will take center stage, as will China and its role in issues such as monetary policy. If we are to protect ourselves against irreversible long-term damage, the economic issues behind cyber espionage must share some of that spotlight.

*Mr. McConnell, a retired Navy vice admiral and former director of the National Security Agency (1992-96) and director of national intelligence (2007-09), is vice chairman of Booz Allen Hamilton. Mr. Chertoff, a former secretary of homeland security (2005-09), is senior counsel at Covington & Burling. Mr. Lynn has served as deputy secretary of defense (2009-11) and undersecretary of defense (1997-2001)*

Corey Michael Dvorkin  
Senior Strategist / Conseiller principale  
Cyber Policy / Politiques cyber  
National Cyber Security Directorate / Direction générale de la cybersécurité nationale  
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Ottawa, Ontario, K1A 0P8  
Tel: (613) 990-9608  
[corey.dvorkin@ps-sp.gc.ca](mailto:corey.dvorkin@ps-sp.gc.ca)

## Flack, Graham

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**From:** Flack, Graham  
**Sent:** Sunday, October 07, 2012 9:09 AM  
**To:** Dick, Robert  
**Subject:** Re: Report - huawei

Thanks Robert.

----- Original Message -----

From: Dick, Robert  
Sent: Sunday, October 07, 2012 07:54 AM  
To: Flack, Graham  
Subject: Fw: Report - huawei

For your info as well (not sure if Lynda's away this weekend).

----- Original Message -----

From: Dick, Robert  
Sent: Saturday, October 06, 2012 09:49 PM  
To: Clairmont, Lynda; Gordon, Robert  
Subject: Fw: Report - huawei

See below. Strong language out of the US.

We'll be watching for the report on the 8th.

----- Original Message -----

From: Matz, Mark  
Sent: Saturday, October 06, 2012 08:49 PM  
To: Dick, Robert  
Subject: Fw: Report - huawei

Fyi

----- Original Message -----

From: Carta, John  
Sent: Saturday, October 06, 2012 07:11 PM  
To: Carmichael, Julie; Durand, Stéphanie; Swift, Andrew; Issues / Enjeux; Filippis, Lisa; Austria, Jamela; Willey, Chris; Matz, Mark; Binne, Christine; Bradley, Kees; Manji, Natasha  
Subject: Report - huawei

Fyi in case anyone hasn't seen it --- report with comments from US House Intelligence Committee Chairman, reference to the 60 Minutes piece, and confirmation that the US report is coming out on the 8th.

Huawei is security threat, say US lawmakers Bloomberg / Washington Oct 07, 2012, 00:52 IST

US companies should avoid business with Huawei Technologies, China's largest phone-equipment maker, to guard against intellectual-property theft and spying, the US House Intelligence Committee chairman said.



US companies considering purchases from Huawei should "find another vendor if you care about your intellectual property, if you care about your consumers' privacy, and you care about the national security of the United States of America," Representative Mike Rogers told CBS News's "60 Minutes," according to a CBS release about an interview set to air tomorrow.

Rogers, a Michigan Republican, and the committee's top Democrat, Maryland Representative CA "Dutch" Ruppberger, are preparing to issue a report October 8 on their year-long investigation of Huawei and ZTE Corp, another Chinese phone- equipment maker. The lawmakers have been looking at whether the companies' expansion in the US market enables Chinese government espionage and imperils the US telecommunications infrastructure. "Huawei is a globally trusted and respected company doing business in almost 150 markets with over 500 operator customers, including nationwide carriers across every continent save Antarctica," William Plummer, a Washington-based spokesman for Huawei, said in an e-mail. "The security and integrity of our products are world proven. Those are the facts today. Those will still be the facts next week, political agendas aside."

Susan Phalen, a spokeswoman for the committee, didn't immediately respond to a request for comment.

#### Committee investigation

Executives for Huawei and ZTE, both based in Shenzhen, China, denied links to espionage during an intelligence committee hearing last month, telling lawmakers they aren't controlled by the Chinese government.

The companies said they favor independent audits of technology vendors' hardware and software as a way to ensure that devices and networks are secure.

The panel's probe coincides with increased US warnings about digital spying by China. US counterintelligence officials called China the world's biggest perpetrator of economic espionage in a report last November, saying the theft of sensitive data in cyberspace is accelerating and jeopardising an estimated \$398 billion in US research spending

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**Richer, Jean-Marc**

**From:** Slack, Jessica  
**Sent:** Tuesday, October 09, 2012 4:41 PM  
**To:** \* Media Monitoring / Suivi des médias; Thibouthot, AkimIsabelle; Austria, Jamela; Baulne, Lucie; Bernas, Angie; Boucher, Patrick; Bourdeau, Anne; Burton, Meredith; Carmichael, Julie; Douglas, Caroline; 'CBSA Media Relations'; Champoux, Martin; 'CSC Media Relations'; Csversko, Christine; Cyr, Lynne; Daoust, Normand; 'Derek Cefaloni'; Durand, Stéphanie; Duval, Jean Paul; Eke, Darren; Filipps, Lisa; Issues / Enjeux; 'jane mcdonald'; Johnson, Mark; 'julie gagnon'; Lambert, Louise; Leclair, Natalie; Leclerc, Carole; 'Marc Richer'; 'marie cocking'; 'Mark Prieur'; McAteer, Julie; McDonald, Andrea; McGrath, Andrew; McRae, Marley; Mueller, Mike; 'Nadine Archambault'; Panthaky, Jasmine; Paulson, Erika; Picard, Josée; Salewski, Shawn; 'Sergeant Greg Cox'; Slack, Jessica; Swift, Andrew; [REDACTED] Taillefer, Lucie; Tomlinson, Jamie; Van Crieingen, Jane; Veilleux, Martine; Verret, Scott; Willey, Chris; Wilson, Barbara  
**Subject:** Daily Media Report / Rapport média quotidien

For your information, we received 12 new media calls on Tuesday, October 9 // Pour votre information, nous avons reçu 9 appels des médias en ce mardi le 9 octobre.

**NEW**

Reporter's Name [REDACTED]  
Media Outlet Canadian Press  
Call Date 10/9/2012 5:00 PM  
Telephone  
E-mail address [REDACTED]@thecanadianpress.com]  
Status Referred to other organization - Shared Services Canada  
Subject Huawei  
Questions What is the minister's response to the chair of the United States House Intelligence Committee warning to the U.S. and Canada not to do business with the Chinese firms Huawei and ZTE because of security firms? Do you think they should be barred from bidding for work on the federal government's new telecom system?

Reporter's Name [REDACTED]  
Media Outlet Agence France Presse  
Call Date 10/9/2012 5:00 PM  
Telephone  
E-mail address [REDACTED]@afp.com  
Deadline 10/9/2012 12:00 AM  
Status Referred to other organization - Shared Services Canada  
Branch NS  
Subject Huawei  
Questions would you please call ASAP me about a "national security exception" Shared Services Canada announced yesterday regarding the building of its networks and US concerns that telecommunications equipment supplied by two Chinese firms Huawei and ZTE could be used

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for spying in the United States. Asked MacDougall about it today and he referred questions to your office.

Reporter's Name	[REDACTED]
Media Outlet	Sun Media
Call Date	10/9/2012 11:00 AM
Status	Final
Branch	NS
Subject	Huawei
Questions	Can I get a statement on the US congressional report on Huawei? Or is Minister Toews available to speak today on whether Canada has concerns, given that Huawei operates here in Canada?
Reporter and Outlet	[REDACTED] - Sun Media
Actions Taken	No existing entries.
Draft Response	
Approvals	<p>The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.</p> <p>All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.</p> <p>On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.</p>
Reporter's Name	[REDACTED]
Media Outlet	IT World Canada
Call Date	10/9/2012 12:00 PM
Status	Final
Branch	NS
Subject	Huawei
Questions	Is the government of Canada concerned about the security of Canadian telecom networks that use Huawei equipment? The government uses telecom services of companies like Bell and Telus, which use Huawei gear. But the congressional committee recommends the U.S. government systems shouldn't include equipment from Huawei and ZTE, nor should the systems of government contractors.
Reporter and Outlet	[REDACTED] - IT World Canada
Actions Taken	No existing entries.
Final Response	The Government of Canada supports a prosperous and competitive

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telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber

Reporter's Name [REDACTED]  
Media Outlet Reuters  
Call Date 10/9/2012 2:00 PM  
Telephone  
E-mail address [REDACTED]@thomsonreuters.com'  
Deadline  
Status Final  
Branch NS  
Subject Huawei  
Questions Good morning. Do you have a reaction to this story? Might Canada rethink its welcoming stance towards Huawei in light of this report? Does the Minister have security concerns about this company?  
Reporter and Outlet [REDACTED] - Reuters  
Actions Taken No existing entries.  
Final Response

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices. All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name [REDACTED]  
Media Outlet Wall Street Journal  
Call Date 10/9/2012 1:00 PM

Telephone [REDACTED]  
E-mail address [REDACTED]@wsj.com  
Deadline 10/9/2012 2:00 PM  
Status Final s.19(1)  
Branch  
Subject Huawei  
Questions Comments on Huawei?  
Canadian Gov concerned?  
Any discussions with CDN telcos?  
Reporter and Outlet [REDACTED] - Wall Street Journal  
Actions Taken No existing entries.  
Final Response

In response to your questions on Huawei today, I am able to provide you with the following:  
The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices. All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name [REDACTED]  
Media Outlet Wall Street Journal  
Call Date 10/9/2012 2:00 PM  
Telephone [REDACTED]  
E-mail address [REDACTED]@wsj.com  
Deadline  
Status Final  
Subject Huawei  
Questions Any concerns about our telecom equipment supply after "U.S. Intelligence Committee is urging Canadian companies not to do business with the Chinese telecommunications giant Huawei as a matter of national security."  
Reporter and Outlet [REDACTED] - Wall Street Journal  
Actions Taken No existing entries.

Final Response

Further to your request with the Office of the Prime Minister today, I am able to provide you with the following:

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices. All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

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Reporter's Name	[REDACTED]
Media Outlet	CTV
Call Date	10/9/2012 2:00 PM
Telephone	[REDACTED]
E-mail address	[REDACTED]@bellmedia.ca
Deadline	
Status	Final
Branch	
Subject	Huawei
Questions	<p>Hi Julie!</p> <p>I'm hitting on Huawei being a potential national security threat in the wake of the US congressional report. Apparently they're already serving certain Canadian telecoms. Is the Minister concerned about that or rethinking allowing them to operate or bid on public or private contracts?</p> <p>Same file, another angle, I'm wondering if you have any kind of stats on cyber attacks from China over the past few years...</p>
Reporter and Outlet	[REDACTED] - CTV
Actions Taken	No existing entries.
Final Response	<p>Good day [REDACTED]</p> <p>Further to your request to Julie Carmichael today, I am able to provide you with the following:</p> <p>The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices. All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible</p>

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risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity. We do not comment on the details of security related incidents. That said, the Government of Canada takes threats seriously and has measures in place to address them.

Reporter's Name	[REDACTED]
Media Outlet	BNN
Call Date	10/9/2012 12:00 PM
Telephone	
E-mail address	[REDACTED]@bellmedia.ca
Status	Final
Branch	NS
Subject	Huawei
Questions	<p>In light of the report from the U.S. Committee on Intelligence, can we please get a comment from the Industry Ministry regarding Huawei's operations in Canada?</p> <p>Specifically, what steps has the Government of Canada taken to prevent risks cited by the Committee, including "cyber espionage and predatory disruption or destruction of ... networks"?</p>
Reporter and Outlet	[REDACTED] - BNN
Actions Taken	No existing entries.
Final Response	<p>The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.</p>

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure. On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name	[REDACTED]
Media Outlet	CTV
Call Date	10/9/2012 12:00 PM
Telephone	
E-mail address	[REDACTED]@bellmedia.ca
Deadline	

Status Final

Branch NS

Subject Huawei

Questions The US Intelligence ctee has issued warning against doing business with China's Huawei ... Looking for comment about the company's holdings in Canada. Is Toews avail today for quick inwv?

Reporter and Outlet [REDACTED] - CTV

Actions Taken No existing entries.

Final Response

The Government of Canada supports a prosperous and competitive telecommunications sector in Canada. A thriving telecommunications industry must be a safe and secure one. That is why the Government of Canada is working to ensure that any risks to Canada's telecommunications sector are identified and addressed. Our government has taken significant action to promote competition in the wireless sector and to provide Canadians with more choices at low prices.

All carriers are subject to Canadian laws. The Government of Canada works with telecommunications carriers to assess and mitigate possible risks to Canada's strategic telecommunications infrastructure.

On October 3, 2010, the Minister of Public Safety announced Canada's Cyber Security Strategy. This Strategy aims to secure Government of Canada systems, partner with other governments and with industry to protect systems vital to Canada's economic and national security, and help Canadians keep their personal information safe and secure. Successful implementation of Canada's Cyber Security Strategy depends on partnerships with other governments and industry to ensure the resilience of cyber systems vital to Canadian security and economic prosperity.

Reporter's Name [REDACTED]

Media Outlet Postmedia News

Call Date 10/9/2012 3:00 PM

Telephone [REDACTED]

E-mail address [REDACTED]@postmedia.com

Deadline Thursday at 1 p.m.

Status Consulting

Branch

Subject Cyber security testing

Questions

As requested, here's what I'm looking for: The number of contracts and total value of said contracts issued by the department over the past two years to hire outside cyber security experts (including companies, consultants and individuals identifying themselves as hackers or ethical hackers) to perform activities for the department that includes, but is not limited to, penetration testing, hacking and counter-hacks.

I've noticed some companies have been hired to perform computer-related work for the government in the past, including MicroAge, which trained government workers to become certified ethical hackers. (as seen in proactive disclosure reports)

Deadline is 1 pm Thursday.  
Don't hesitate to write or call with any questions.

Reporter's Name [REDACTED]

Media Outlet [REDACTED]

Call Date 10/9/2012 11:00 AM

Telephone



E-mail address [redacted]@hotmail.com

Deadline

Status Referred to other organization - CSC s.19(1)

Branch

Subject Prison Chaplains

Questions Bonjour,  
je m'appelle [redacted] étudiante en journalisme à l'Université Laval.  
J'écris un article sur l'annulation des contrats des aumôniers à temps partiel.

J'aimerais savoir :

Combien d'aumôniers sont touchés par cette décision?  
Quelles seront les mesures prises pour les personnes incarcérées qui ne sont pas chrétien et qui désirent parler à un aumônier?  
Combien d'argent sera économisé avec cette décision?

Toute autre information sur le sujet serait apprécié.  
Si vous préférez répondre par téléphone, laissez le moi savoir.  
Merci.

### Outstanding

Reporter's Name [redacted]

Media Outlet CHIP FM

Call Date 10/2/2012 5:00 PM

E-mail address [redacted]chipfm.com

Deadline 10/12/2012 5:00 PM

Status Consulting

Subject Cyber Month - Interview Request

Questions Étant donné que le moi d'octobre est le mois consacré à la cybersécurité, j'aimerais m'entretenir à cet effet avec l'un de vos représentant dans une petite entrevue téléphonique question d'informer davantage notre public.

Questions:  
Les cyber attaques peuvent prendre plusieurs formes?  
Les conséquences peuvent être très graves?  
Quelles mesures pouvons-nous prendre?  
Comment se protéger sur internet?  
Quelles sont les mesures prises par le gouvernement pour accroître la cybersécurité?  
Comment réagir si on en est victime?

Je suis disponible la semaine prochaine de mardi à vendredi à 11h15 ou 13h15.

J'attends de vos nouvelles,

**Richer, Jean-Marc**

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**From:** Therien, Stephane  
**Sent:** Wednesday, October 10, 2012 2:05 PM  
**To:** Today's News / Actualités  
**Subject:** Today's News / Actualités - (08:00 - 14:00 ET) - 2012-10-10

**Today's News / Actualités  
October 10, 2012 / le 10 octobre 2012  
08:00 - 14:00 ET**

*This collection contains news items that appeared online between 8am and 2pm, Eastern Time.  
Ce recueil contient des actualités qui ont paru sur Internet entre 08h et 14h, heure de l'Est.*

**MINISTER / MINISTRE**

**Registre des armes d'épaule : Ottawa porte la cause en appel**

Le gouvernement fédéral porte en cour d'appel la décision de la Cour supérieure du Québec qui l'oblige à conserver les données du registre des armes d'épaule relatives au Québec. Parmi les motifs invoqués pour réclamer l'annulation de ce jugement, le gouvernement fédéral invoque que le Parlement a le pouvoir exclusif de modifier ou d'abroger la Loi sur les armes à feu et qu'il n'a pas à demander l'approbation préalable des provinces pour le faire. Le tribunal québécois avait statué le 10 septembre dernier que le gouvernement fédéral ne pouvait détruire unilatéralement les données contenues dans le registre national des armes d'épaule et que le Québec avait le droit de les obtenir. **Cette victoire de Québec avait laissé un goût amer au gouvernement conservateur de Stephen Harper, qui promet depuis des années d'abolir ce registre. Le ministre fédéral de la Justice, Vic Toews, avait évoqué la possibilité d'en appeler. Ce qu'il a fait.** L'affaire suivra maintenant son cours devant le plus haut tribunal du Québec. [Radio-Canada](#)

*Broadcast media:*

Canada is being "foolhardy" with its national security by ignoring warnings about Chinese telecom giants doing business in this country, says cyber security analyst David Skillicorn. His warning comes on the heels of a U.S. intelligence committee report outlining cyber-espionage worries about Huawei and ZTE and calling on Washington to block acquisitions, mergers or takeovers of American companies by the telecoms. On Tuesday, **Public Safety Minister Vic Toews** said there are no reasons to worry right now. (SUN-TV, Toronto, 6:14am, 7:14am, 8:24am)

**EMERGENCY MANAGEMENT / GESTION DES MESURES D'URGENCE**

**Problems remain at XL Foods meat-packing plant: union**

Despite XL Foods's assertions that problems have been fixed at the meat-packing company at the centre of the tainted beef recall, the union representing the plant's workers says food safety issues remain. Doug O'Halloran, president of United Food and Commercial Workers Local 401, said there is a "desperate need" for an improved culture of food safety at the plant. [Globe and Mail](#); [660 News](#); [CBC News](#)

**XL Foods says beef contamination problems at Brooks plant are fixed**

The company at the centre of the country's largest ever beef recall said Tuesday it has corrected deficiencies at its Alberta plant and is working with federal inspectors to get the facility reopened. A team from the Canadian Food Inspection Agency has begun a formal review of sanitation and monitoring changes the company has made since inspectors pulled the plant's operating licence Sept. 27 over E. coli concerns. [StarPhoenix](#)

**E. coli infection can have long-term effects, annual testing advised: doctor**

Canadians sickened by tainted beef from XL Foods should be tested annually over the next few years for lingering health problems that can be caused by E. coli, says a researcher who studied the long-term effects of infection in residents of Walkerton, Ont. [The Province](#)

### **Earthquake shakes Montreal area**

A small earthquake was felt in and around the Montreal region early this morning, baffling some residents but causing no known damage. Natural Resources Canada seismologist Allison Bent said it was a magnitude 4.5 quake and was centred east of the city. [CBC News](#); [La Presse](#)

## **NATIONAL SECURITY / SÉCURITÉ NATIONALE**

### **Court hears Canadian navy officer shared secrets with Russia**

Court heard that a former Canadian navy officer who pleaded guilty to espionage Wednesday was paid \$3,000 a month to share classified information with Russia's intelligence community. [CTV News](#); [CBC News](#); [Toronto Sun](#)

### **Canada's Spy Groups Divulge Secret Intelligence to Energy Companies**

The Canadian government has been orchestrating briefings that provide energy companies with classified intelligence from the Canadian Security Intelligence Service, the RCMP and other agencies, raising concerns that federal officials are spying on environmentalists and First Nations in order to provide information to the businesses they criticize. [The First Perspective](#)

### **The trouble with Huawei**

Here at Maclean's, we appreciate the written word. And we appreciate you, the reader. We are always looking for ways to create a better user experience for you and wanted to try out a new functionality that provides you with a reading experience in which the words and fonts take centre stage. We believe you'll appreciate the clean, white layout as you read our feature articles. But we don't want to force it on you and it's completely optional. Click "View in Clean Reading Mode" on any article if you want to try it out. Once there, you can click "Go back to regular view" at the top or bottom of the article to return to the regular layout. After seeming not particularly concerned five months ago about Huawei's dealing with Canadian firms, the Prime Minister is now maybe concerned about the possibility of the Chinese telecommunications company dealing with the federal government. [Maclean's](#); [TechNewsWorld](#)

### **Canada won't say if security exemption shuts China's Huawei out of contract**

The federal government is invoking a "national security exemption" as it hires firms to help build a secure communications network for Canada. However, it refuses to say if that exemption — which allows the government to discriminate against companies and nations considered security risks — will be used to block the Chinese company, Huawei Technologies Co Ltd, from getting a contract. [StarPhoenix](#)

### **Huawei faces exclusion from planned Canada government network**

Canada indicated strongly on Tuesday it would exclude Chinese telecom equipment giant Huawei Technologies Co Ltd from helping to build a secure Canadian government communications network because of possible security risks. Meanwhile, the European Commission has delayed a trade case against Huawei and another Chinese telecom equipment maker, ZTE Corp, easing tensions between the European Union and China, its second-biggest trading partner. [BDNews24](#)

### **Huawei corruption allegations given to FBI**

The U.S. intelligence committee has turned over to the FBI evidence of possible bribery and corruption by Chinese telecommunications firm Huawei, CBC News has learned.

The U.S. intelligence committee released a scathing report Monday about the security risks of dealing with China's two leading telecommunications firms, Huawei and ZTE. [CBC News](#)

#### *Broadcast media:*

Broadcast media report Canadian naval intelligence officer Jeffrey Paul Delisle has pleaded guilty to three espionage related charges. (CBLA-FM, Toronto, 1:02pm; CBC-R, Toronto, 1:04pm; CBH-FM, Halifax, 12:07pm; CHWV-FM, Saint John, 12:00pm; CJCJ-FM, Woodstock, 11:01am; ASN-TV, CTV Two Atlantic, 11:59am; CJOH-TV, CTV Ottawa, 12:37pm; CTV-NC, Toronto, 12:01pm; SUN-TV, Toronto, 12:01pm; CBC-NN, CBC-National, 12:59pm)

## **LAW ENFORCEMENT AND POLICING / LA POLICE ET DE L'APPLICATION DE LA LOI**

### **B.C. police Taser use down 87% since Dziekanski death**

Taser use by police in B.C. is down 87 per cent since Robert Dziekanski died at Vancouver's airport five years ago, prompting questions Tuesday from politicians wondering what police are doing now to control out-of-control people. B.C. police officers used their Tasers 640 times in 2007, compared to 85 deployments last year, assistant deputy justice minister Clayton Pecknold told an all-party committee assessing the status of recommendations to tighten provincial Taser policy since Dziekanski's October 2007 death. [CBC](#); [La Presse](#)

### **Province watches closely as accusations mount in Montreal**

Just watch the Charbonneau Commission into collusion in the construction industry over the next few weeks, said Yann Langlais-Plante, press attaché to new Quebec Municipal Affairs Minister Sylvain Gaudreault. Tremblay vigorously denied the allegations by Zambito, who is facing fraud charges. But the city last week stopped awarding most public works contracts pending changes to Quebec Bill 35 to strengthen the contract awarding process. Langlais-Plante said changes to Bill 35 are coming by the end of the year. The law will be bolstered to forbid those accused of wrongdoing from bidding on city contracts, he said. [Montreal Gazette](#); [canoe](#); [CBC](#)

### **B.C. man alleges Mounties beat him**

A municipal police force has been called in to investigate the alleged beating of a man by two RCMP officers in southeast B.C. Investigators from Delta will be looking into the incident in Creston, B.C., early Saturday morning, where Tom Campen alleges he was set upon by two RCMP officers who'd been called to a bar to deal with a report of a woman causing a disturbance. [CBC](#)

### **Alberta company fined for human trafficking**

For the first time in Alberta, a local company has been convicted in the human trafficking and smuggling of skilled workers from Europe. Kihew Energy Services Ltd. (Kihew) entered a guilty plea to Section 117 of the Immigration and Refugee Protection Act (Organizing Entry into Canada) in Provincial Court in Edmonton on Tuesday. The RCMP Immigration Unit in Calgary investigated and found that an arrangement was made between Kihew and an employee at Lakeland College. [CTV](#); [CBC](#)

### **Fraudster refugee freed in B.C. immigration hearing**

Gyula Kolompar, of Coquitlam, was released Tuesday in Vancouver by Immigration and Refugee Board member Leeann King. King said the ministry didn't provide enough evidence that the man was a flight risk, despite allegedly fleeing B.C. for Ontario last year after he and three family members were charged with running a Lower Mainland mail theft ring. [CBC](#)

### **RCMP plea nets 250 tips in missing women cases in northern B.C.**

Mounties say they've received 250 tips since making a new plea for information in the deaths and disappearances of women in B.C.'s northern Interior, including the so-called Highway of Tears cases. The plea came after police revealed two weeks ago that Bobby Jack Fowler, who died in an Oregon jail in 2006, was responsible for one of the murders and was a strong suspect in two others. [Vancouver Sun](#)

### **Edmonton police to wear cameras as part of pilot project**

Starting Wednesday, when Edmonton police officers take to the streets they will do so with cameras attached. As part of a pilot project, officers will hit the streets with small personal cameras aimed at capturing all of their investigations and interactions during the day. The year-long pilot is meant to see how well the cameras work in Edmonton's weather, how good the video quality is and whether officers find them useful. [Metro](#)

### **Mounties case put off until next month**

The court case of an RCMP constable charged with domestic violence offences has been delayed for another month so his lawyer can receive the rest of the Crown material. The officer, who cannot be named because it will identify his accuser, wasn't in Bridgewater provincial court Wednesday. The Mountie faces charges of sexual assault, assault and uttering threats dated between December 1, 2010, and August 7 of this year. [South Shore Now](#)

### **Three People Convicted of Big Game Poaching**

With the assistance of the Royal Canadian Mounted Police, Fisheries and Oceans Canada, and officials with the Department of Natural Resources, officers executed search warrants and secured large quantities of moose meat from the suspects' residences, which was then secured for DNA analysis. [The Coaster](#)

### **RCMP visit Plan B protesters' camp; no arrests or fines this morning**

With the sound of clear cutting ever present the so called Plan B standoff continues in the Bonshaw Hills Wednesday. A protest camp has been the centre of the protest for several days and the campers are expecting the RCMP to move in

and clear them out at any time. The police did enter the camp this morning with some road workers, but they were determining what had to be cut and no police orders were issued for the campers to leave. [The Guardian](#)

### **Canada donates ballistic identification system to Belize**

Swamped by a rising tide of crime Belize is reaching out for assistance to foreign donors and the government of Canada has come forward with the donation of a Ballistic Identification System to help the local police improve crime fighting capabilities. The Government and People of Belize are receiving much-needed assistance from friendly governments and international agencies as we continue to fight against crime and violence in order to restore safety and security throughout our communities. [Costa Rica Star](#)

### **SQ officer charged with production, possession of child porn**

François Blouin, a long-time Sûreté du Québec officer in his 40s, will remain jailed at least until Friday after being charged with production and possession of juvenile pornography. Blouin has been an officer with the provincial force "for about 20 years," SQ Sgt. Christine Coulombe said. The arrest was made in the Sherbrooke area, Coulombe said, after a search warrant was executed during the day Tuesday at Blouin's home and electronic equipment was seized. The SQ acted at the request of "a Canadian police force," Coulombe said. She said she did not know whether it was the RCMP or another force, or whether the request originated within Quebec or from outside the province. [Ottawa Citizen](#)

### **RCMP dismantle drug trafficking network in NB - Eight people are facing drug charges**

RCMP in New Brunswick say they have dismantled a drug trafficking network with links to the Hell's Angels. Mounties say the six month operation began based on information received from the Edmundston Police Force, which believed the community was being used as a gateway for the distribution of drugs into the Moncton area. In all, police seized 26-thousand methamphetamine pills, about 200 amphetamine pills, roughly 1.5 kilograms of marijuana and a kilogram of cocaine. [News 91.9](#); [CBC News](#)

## **BORDER SECURITY / SÉCURITÉ FRONTALIÈRE**

### **Border security**

Current border officers and new recruits will soon be asked to give honest answers to a questionnaire that wants to know everything about them, from their drinking habits and domestic abuse to whether they've ever engaged in criminal activities like terrorism and child pornography.

The Canada Border Services Agency also wants to know which officers and applicants gamble, what prescription meds they take and whether they have loyalties "which could supersede or take precedence over your loyalty to Canada." There are 57 questions in all, which the government says is part of its new "high integrity personnel security screening standard." The Customs and Immigration Union has fired back, calling it "unbelievably intrusive." [Windsor Star](#)

### **New Border Regime is Taking the U.S.-Canada Partnership to the Next Level**

The Beyond the Border deal announced in December 2011 represents the most significant step forward in U.S.-Canada cooperation since NAFTA. Over the next few years, various cross-border initiatives will be rolled out, with some beginning as pilot programs. The U.S. and Canada have laid the framework for a new border regime which is taking their partnership to the next level and pushing the continent closer to a fully integrated North America security perimeter. [Axis of Logic](#)

## **COMMUNITY SAFETY AND PARTNERSHIPS / SÉCURITÉ DE LA POPULATION ET PARTENARIATS**

### **UN calls Canada's tough-on-crime agenda 'excessively punitive'**

The federal government's tough-on-crime agenda is "excessively punitive" for youth and is a step backwards for Canada's child rights record, says a United Nations group. The UN committee on the rights of the child has finished a 10-year review of how Canada treats its children and how well governments are implementing the Convention on the Rights of the Child. In particular, the committee says Canada's Youth Criminal Justice Act complied with international standards until changes were introduced earlier this year. [CTV](#)

### **Stony Mountain guards concerned about safety**

Safety concerns are mounting for guards at Stony Mountain Institution, just north of Winnipeg. We're learning more about a lockdown and search at the federal prison this past summer. CBC News has obtained documents showing officers seized numerous jail-made weapons and drugs. [CBC News](#)

### **Society's horrible problem**

An opinion piece states "What to do about pedophiles? Last week a 58-year-old local man was arrested on 27 charges of sexual assault, exploitation and interference of a 12-year-old girl, occurring sometime in the past year. Keeping in mind that the accused suspect in custody... may not be the actual perpetrator, the case confronts us again with the problem of how to deal with those who do commit such crimes. The maximum punishment under the Criminal Code for sexual exploitation or interference of a child under age 16 is a prison term of 10 years. While execution is unlikely to be legislated, it is worth asking whether a decade in prison is sufficient punishment for deterrence reasons. As for rehabilitation, a prison term alone is not going to achieve that. But a government research summary published in 2004 by Public Safety Canada found that after twenty years, 73 per cent of sex offenders had not re-offended. Still, that leaves the troubling 27 per cent who do re-offend. And studies show that sex crimes often go unreported. Sexual crimes raise the greatest amount of public concern, and that is intensely compounded when it concerns offences against children." [Hinton Parklander](#)

## INTERNATIONAL / INTERNATIONAL

### **Man arrested at airport with weapons, leg irons, gas mask, biohazard suit in luggage**

A man arrested at Los Angeles International Airport wearing a bulletproof vest and flame-resistant pants is not cooperating with federal officials working to discover why he was headed from Japan to Boston with a suitcase full of weapons, authorities say. Yongda Huang Harris, 28, was taken into custody recently during a stopover on a trip from Japan when U.S. Customs and Border Protection officers reported noticing he was wearing the protective gear under his trench coat, triggering a Homeland Security investigation. [Toronto Star](#); [Globe and Mail](#)

### **Prosecutor: French anti-terror probe of kosher grocery attack turns up bomb-making materials**

French police discovered bomb-making materials in an underground parking lot near Paris as part of a probe of an "extremely dangerous terrorist cell" linked to an attack on a kosher grocery, a state prosecutor said Wednesday. Interior Minister Manuel Valls said some of the 12 suspected cell members arrested over the weekend appeared to have plans to go to Syria to fight in its civil war. Valls, quoted in an interview posted Wednesday on the website of Paris Match magazine, said some had "unquestionably" spent time in Tunisia and Egypt. He did not elaborate. [Associated Press](#) (link to Global News)

### **Middle Eastern activists being cyber-spied on: U of T report**

When Ahmed Mansoor opened an e-mail from "Arabic Wikileaks" last July, the Dubai human-rights activist didn't expect he would unwittingly be downloading a virus that could monitor his key strokes, open his e-mails, even record his Skype conversations. He wasn't the only victim. Ten days before Mr. Mansoor's desktop was infected, the same spying program, developed by a security company in Milan, had targeted a citizen journalist's website in Morocco. The connection between the Italian company and the spying on the Emirati activist is detailed in a report released today by the Citizen Lab, a unit of the University of Toronto's Munk School of Global Affairs. The lab monitors the impact of computers on democracy. [Globe and Mail](#)

## OTHER / AUTRE

### **Veterans Affairs ends clawback of benefits for 2,500 families**

Feds spent more than \$750K fighting veterans' pension claim Veterans' pensions still clawed back despite ruling Disabled veterans pension clawback to end July 1 Disabled veterans celebrate end of pension clawback. Veterans Affairs is ending clawbacks for two more types of income support benefits, in the wake of last spring's federal court decision that said the federal government shouldn't be deducting from veterans' long-term disability benefits when they also receive a disability pension. [CBC News](#)

## SOCIAL MEDIA / MÉDIAS SOCIAUX

### Twitter

#### MINISTER / MINISTRE

[Chris Selley - National Post@cselley](#)

Minister Toews wishes to set the record straight on my piece on prison chaplains. Turns out I'm wrong, but it's CBC's fault. The end.

[Citizenship and Immigration Canada @CitImmCanada](#)

Ministers [@kenneyjason](#) and Toews commend law enforcement for convictions in human trafficking case. [j.mp/URpCcR](#)

Safety Canada

MT @CitImmCanada Minister Kenney and Minister Toews commend law enforcement for convictions in human trafficking case.  
[j.mp/URpCcR](http://j.mp/URpCcR)

Vic Toews @ToewsVic

#NDP MP @DonDavies says concern re: ex-KGB Captain remaining in Canada is "cold war rhetoric". Victims of communism would disagree #cdnpoli

#### EMERGENCY MANAGEMENT / GESTION DES MESURES D'URGENCE

Calgary Herald @calgaryherald

XL Foods says beef contamination problems at Brooks plant are fixed. [bit.ly/WQKBzu](http://bit.ly/WQKBzu)

Globe and Mail @globeandmail

Problems remain at XL Foods meat-packing plant: union [bit.ly/QVnbGy](http://bit.ly/QVnbGy)

#### NATIONAL SECURITY / SÉCURITÉ NATIONALE

CBC News Alerts @CBCAlerts

Cdn spy says tried to quit selling secrets to Russia. Russians sent him photo of daughter walking to school in #Halifax [cbc.sh/MSIZyC](http://cbc.sh/MSIZyC)

CBC News Alerts @CBCAlerts

Convicted Canadian spy approached #Russia to sell secrets . Navy intelligence officer received 'significant payment.'

QMI Agency @QMInews

Sub.-Lt. Jeffrey Delisle, accused of spying, has pleaded guilty to the charges, according to CBC.

Ottawa Citizen @OttawaCitizen

Breaking: Ex-navy intelligence officer, Jeffrey Paul Delisle, pleads guilty today to espionage charges: Reports

Ottawa Citizen @OttawaCitizen

Sentencing Jan. 10 for ex-Canadian Navy intel officer who pleaded guilty to espionage charges in Halifax. #spies [ow.ly/emCFT](http://ow.ly/emCFT)

Colin Freeze – Globe and Mail @Colinfreeze

How Canadian spy Jeffrey Delisle betrayed his country for cash [soc.li/408TeIC](http://soc.li/408TeIC) READ ALLTHE LECARRE-ESQUE DETAILS! From G&M Chase/Taber.

John Ibbitson – Globe and Mail @JohnIbbitson

Steve Chase on why Chinese security firm won't be part of new national telecom network. [bit.ly/SRrArQ](http://bit.ly/SRrArQ) #cdnpoli

Stephen Wicary @wicary

Spy threat from Chinese phone giants shows danger in deals with the dragon, @IversonJ writes.  
[fullcomment.nationalpost.com/2012/10/09/joh](http://fullcomment.nationalpost.com/2012/10/09/joh)

CBC Top Stories @CBCNews

Proof of possible corruption by China's Huawei given to FBI [bit.ly/QVvpi2](http://bit.ly/QVvpi2)

#### CYBER SECURITY / CYBER SÉCURITÉ

Pensez cybersécurité @cyber\_securite

Une des escroqueries en ligne les plus communes est #hameçonnage; partagez ce vidéo avec famille et amis [goo.gl/Qx0KG](http://goo.gl/Qx0KG)  
#cybersécurité

Pensez cybersécurité @cyber\_securite

Avez-vous consulté [pensezcybersecurite.ca](http://pensezcybersecurite.ca)? Vous y trouverez beaucoup de conseils.

Get Cyber Safe @GetCyberSafe

One of the most common cyber scams is #phishing; Share this video w / friends & family [goo.gl/88YQP](http://goo.gl/88YQP) #cybersecurity

Get Cyber Safe @GetCyberSafe

#cybersecurity tip: A firewall is a guard between your device and others that try to access it. Learn to enable one: [goo.gl/hcTDu](http://goo.gl/hcTDu)

Get Cyber Safe @GetCyberSafe

Have you visited [GetCyberSafe.ca](http://GetCyberSafe.ca) yet? Plenty of great [#cybersecurity](#) tips.

[Michael Geist @mgeist](#)

RT [@CRTCeng](#): [#CRTC](#) encourages businesses to start preparing for Canada's anti-spam legislation [crtc.gc.ca/eng/com100/201...](http://crtc.gc.ca/eng/com100/201...)

*LAW ENFORCEMENT AND POLICING / LA POLICE ET DE L'APPLICATION DE LA LOI*

[CBC News Alerts @CBCAlerts](#)

Ex-Quebec minister denies he asked for illegal donation. Ex-Labour min. dismisses credibility of [#Charbonneau](#) witness

[CBC Politics @CBCPolitics](#)

Domestic violence report calls for better firearms control [bit.ly/PXbxbH](http://bit.ly/PXbxbH) [#cdnpoli](#) [#hw](#)

[News 91.9 – Moncton @News919](#)

RCMP dismantle drug trafficking network in NB... [fb.me/ZEWVeehE](http://fb.me/ZEWVeehE)

*COMMUNITY SAFETY AND PARTNERSHIPS / SÉCURITÉ DE LA POPULATION ET PARTENARIATS*

[BC Civil Liberties Association @bccla](#)

UN says Canada's "tough on crime" law "excessively punitive for children" + doesn't meet children's rights convention:  
[news.nationalpost.com/2012/10/09/un-...](http://news.nationalpost.com/2012/10/09/un-...)

*INTERNATIONAL / INTERNATIONAL*

[Sun News Network @SunNewsNetwork](#)

Terror threats, hunger top agenda for Harper in West Africa [ow.ly/emERF](http://ow.ly/emERF) [#cdnpoli](#)

[Associated Press @AP](#)

Panetta, NATO to discuss next steps in Afghanistan war, announce new commanders: [apne.ws/RdJB86](http://apne.ws/RdJB86)

*Prepared by Public Safety Canada Media Monitoring /  
Préparé par la Surveillance des médias de Sécurité publique Canada*