

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant ARNOLD & PORTER	Name of Foreign Principal Government of Canada
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Check Appropriate Boxes:

1. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
2. There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
3. The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

As set forth in the attached correspondence, the Registrant will render legal advice on political, legislative and regulatory developments in the U.S. Government relating to trade and economic issues. The fee for such representation is to be determined periodically, as set forth in the attached correspondence based on usual hourly charges plus out-of-pocket expenses. The duration of the agreement is through March 31, 1988, or as extended.

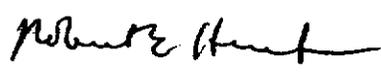
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REGISTRATION UNIT

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

As set forth in the attached correspondence, the Registrant will render legal advice to the foreign principal on political, legislative and regulatory developments in the U.S. Government relating to trade and economic issues.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹
Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Date of Exhibit B	Name and Title	Signature
December 22, 1987	Robert Herzstein, Partner	

¹ Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

Canadian Embassy



Ambassade du Canada

1746 Massachusetts Ave. N.W.
Washington, D.C. 20036

December 2, 1987

Arnold & Porter
1200 New Hampshire Avenue N.W.
Washington, D.C. 20036

Attention: Mr. Robert Herzstein

Dear Sirs:

The Embassy of Canada requires legal advice relating to trade and economic issues. Accordingly, the Government of Canada hereby offers to the firm of Arnold & Porter (the "firm") a contract for services subject to the following terms and conditions.

1. Scope of Service

The services to be performed under this contract shall be to provide legal advice on political, legislative and regulatory developments in the U.S. Government relating to trade and economic issues. The services to be performed will more particularly be described in writing by the Embassy from time to time.

2. Duration

The contract shall be effective as of the date of signature of this letter by the firm, and shall remain in effect until the 31st of March 1988, or until such extended date as may be mutually agreed by the Embassy and the firm.

3. Remuneration

The Embassy shall pay the firm for the services received at the firm's standard fixed hourly rates as set out in the Schedule to this contract. Services may be provided by attorneys and paralegal assistants other than those listed in the Schedule provided they are members or employees of the firm,

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their experience is comparable to that of those mentioned in the Schedule and their remuneration does not exceed the rates set in the schedule. The maximum amount that may be paid to the firm under this contract in respect of fees and expenses is limited to U.S. \$60,000.00.

4. Expenses

The Embassy shall reimburse the firm for

(a) actual and reasonable expenses incurred for travel authorized by the Embassy; and

(b) out-of-pocket expenses such as materials, local transportation, photocopies and notary fees.

5. Accounts

Payment shall be made by the Embassy on reception of monthly accounts submitted by the firm. The accounts shall describe the services performed and shall indicate the number of hours spent by each attorney or paralegal assistant in providing those services. It shall contain the following statement signed by an attorney on behalf of the firm: "I hereby certify that the services indicated above were rendered by members or employees of this firm and that this account truly shows the nature of the services, the time occupied, the fees claimed, disbursements made and all monies received by our law firm in this matter." All accounts are subject to verification by the Deputy Minister of Justice of Canada, whose review shall finally determine the remuneration to which the firm is entitled.

6. Conflict of Interest

(a) Ministers, party colleagues who are members of the House of Commons of Canada or the Senate of Canada, the immediate family of the above-mentioned persons or of their spouses, organizations which employ such family members in senior positions of authority, including membership on Boards of Directors, may not be parties to or derive any benefits from this contract.

(b) No member of the House of Commons of Canada shall be admitted to any share or part of this contract or to any benefit to arise therefrom.

(c) No former holder of public office in Canada who is not in compliance with the Conflict of Interest Code shall derive a direct benefit from this contract.

(d) Any persons engaged in the course of carrying out this contract shall comply with the principles of the Conflict of Interest Code as if they were themselves Public Office Holders.

(e) Should the firm or any of its members perceive that it might fail to meet any of the above Conflict of Interest requirements during the term of this contract, it shall advise the Embassy immediately. The firm acknowledges having read the Canadian Government Conflict of Interest Code.

7. Confidentiality

The firm shall undertake that, except as required by U.S. or Canada law as may be applicable, neither its members nor its employees shall, at any time during or after rendering the services contracted for, cite, refer to or otherwise disclose any information, not otherwise publicly available, obtained from the files of the Government of Canada or otherwise communicated to the firm, its partners or employees in connection with the services without the prior written consent of the Government of Canada. As well, with the exception of memoranda prepared by the firm as general information for its clients, all materials, papers and studies forming part of, or produced in the performance of, this contract and all copyrights therein shall be the property of the Government of Canada, and shall not be communicated or published without the prior written consent of the Government of Canada.

8. Liability

The Government of Canada shall not be liable for claims in respect of death, disease, illness, injury or disability or the loss of property which may be suffered by the firm or its members or employees or anyone else as a result of the performance of this contract by the firm or its members or employees.

9. Law of the Contract

This contract shall be governed by and construed in accordance with the laws in effect in the Province of Ontario, Canada, provided however that

(a) in carrying out this contract, the firm and its members and employees shall comply with all applicable provisions of United States law including, without limiting the generality of the foregoing, the United States Ethics in Government Act, the Foreign Agents Registration Act and the Federal Regulation of Lobbying Act; and,

(b) the firm shall provide the Embassy with a copy of each statement or report that the firm, or any member or employee of the firm, files in connection with its work under the contract with:

(i) the Clerk of the House of Representatives of the United States, under the United States Federal Regulation of Lobbying Act, or

(ii) the Attorney General of the United States, under the United States Foreign Agents Registration Act.

10. Arbitration

In the event of any dispute between the parties with respect to any matter arising in connection with this contract, the matter in dispute shall be referred to arbitration by a sole arbitrator appointed by the parties. If the parties are unable to agree on the arbitrator, the arbitrator shall be appointed by the Federal Court of Canada. The arbitration shall take place in Toronto, Ontario, Canada and shall be governed by the provisions of the Commercial Arbitration Act, 1986, c.22.

11. Assignment

This contract shall not be assigned.

12. Termination

The Embassy may terminate this contract on giving written notice to the firm.

If these terms are acceptable to the firm, we should be grateful if you would arrange to have this letter signed on behalf of the firm and returned, in duplicate, to the Embassy.

Yours sincerely,

Allan Gotlieb

Allan Gotlieb
Ambassador

I agree to the terms and conditions of this contract.

Arnold & Porter
by Robert H. Hertzberg

12/16/87

Date

SCHEDULE

Fee Schedule

(subject to adjustment in July each year)

Partners in Firm:

US \$180-275/per hour

Robert Herzstein
Patrick F. J. Macrory
Thomas B. Wilner
Lawrence A. Schneider
Richard A. Johnson
Claire E. Reade

Associates:

US \$120-165/per hour

Kenneth I. Juster
Stephan E. Becker
Spencer S. Griffith
Michael T. Shor
M. Howard Morse
Shelley R. Slade
Grant E. Finlayson
Eric R. Biel

Sarah J. C. Reynolds
Eric A. Rubel
Matthew J. Seiden
Andrew W. Shoyer
Daniel C. Esty
Darina C. McKelvie
Evan T. Bloom

Paralegals and Specialists:

US \$55-90/per hour

Harold P. Luks
Paul MacWhorter
Alan J. Goodman
Karen M. Hanson
Barbara E. Griffin