

1) Timber Production Policy and Land Base

If your party forms the next government, will you commit to permanently protect Ontario's production forest land base within the Area of the Undertaking for industrial use at the current 26 million hectares, from which at least 26 million cubic metres can be sustainably derived on an annual basis?

The NDP is committed to ensuring that Crown forest lands and the larger area covered in the Area of Undertaking are allocated in a way that maximizes jobs, protects the environment, and respects the rights of First Nations communities. To maximize the economic benefits of Crown forest use, we will scrap Bill 151 and fix the broken forest tenure process to give communities more control over wood allocations while eliminating uncertainty in the sector. The forestry sector has shed over 40,000 jobs, which has decimated entire communities in Northern Ontario. Major forestry tenure reform changes were made at Queen's Park without proper consultation with communities that are directly affected – even though over 30 mills in Northern Ontario have shut down.

Further, in support of this commitment, will you:

- **Conduct a socio-economic impact assessment on all legislation, regulations and policies that could reduce the provincial fibre supply or increase delivered wood costs through additional regulatory requirements for permits and approvals.**
- **Ensure that any new or revised Ontario regulations or policies, associated with the Endangered Species Act (ESA) or otherwise, do not result in any increase in costs for the forest sector, or unnecessarily reduce the production forest land base or fibre from the industrial fibre basket.**

The Ontario NDP believes that Northerners must have a greater say over the natural resource base on which much of the northern economy is based. In our Northern Ontario platform we outline specific ways in which this can be accomplished.

As discussed below, we believe there are ways to reduce the costs to forest companies associated with the Endangered Species Act.

2) Endangered Species Act

2a) Exemption Regulation under the ESA

If your party forms the next government, will you develop and implement a long term regulation under section 55 (1)(b) of the Endangered Species Act (ESA) which recognizes that the primary objectives of the ESA are met through the Crown Forest Sustainability Act (CFSA) and its required Forest Management Plans (FMPs), and, further, will your party fulfill government's commitment (as per Minister Ramsay's letter to the OFC) to recognize the CFSA and FMPs as equivalent processes to the ESA with respect to planning for and providing for species at risk?

Forestry companies want to protect the environment and are working hard to adhere to the Endangered Species Act. However, more can be done to make it easier for forestry companies to comply with the ESA. For example, the NDP introduced amendments to the ESA that would have reduced duplication by requiring species recovery strategies to recognize work already being done to protect species as part of Forest Management Plans (the motion was defeated by the Government). Going forward, the NDP will help companies to minimize costs and protect jobs by using the full range of measures under the ESA including screening tools, offsetting of incremental cost, other incentives and selective exemptions.

2b) Caribou Conservation Plan

If your party forms the next government, will you immediately conduct the appropriate socio-economic impact assessments, and open up the CCP for revisions to ensure that there are no increases to wood costs or unnecessary reductions in the production landbase or wood supply?

New Democrats believe that decisions as to what species are at risk and what needs to be done to protect a species at risk should be based on the best science available. It stands to reason that socio-economic impact assessments are also valuable to this end. However, if a species at risks needs to be accommodated through the FMP or any other legislated process, no political party can guarantee it will not add to wood cost nor affect where the wood comes from. We would ensure that overall supply is maintained and work hard with all stakeholders to mitigate negative effects on wood costs.

3) Ontario Forest Tenure Modernization Act (OFTMA)

If your party forms the next government, will you address the shortcomings of the OFMTA, and at a minimum, amend OFMTA to address the following:

- a. Ensure the number of Local Forest Management Corporations is limited to a maximum of two pilot projects that will be assessed over a full business cycle (5-7 years)
- b. Require development of independent criteria to assess and compare LFMCs and Shareholder SFLs prior to implementation of any LFMCs
- c. Assessment and comparison of LFMCs and Shareholder SFLs to be conducted by an independent third-party
- d. Initial Ontario LFMCs shall be placed where no existing Sustainable Forest Licences exists or where the existing licence holder is a willing partner
- e. The development of criteria defining “sufficient and consistent use” within a regulation prior to the development of any LFMCs
- f. Protection measures for validly-supported existing and future Supply Agreements, excepting for the purposes of agreed measured and moderate tenure reforms
- g. The inclusion of rights of compensation in accordance with the principles of procedural fairness and natural justice that are otherwise well enshrined in Ontario law
- h. Create parity for all tenure models with respect to revenue retention for LFMCs

New Democrats were opposed to the Forest Tenure Modernization Act. As such, we would repeal the bill. We believe the Crown Forest Sustainability Act provides a solid framework to provide security of tenure and would work closely with the forest industry to deal with specific tenure issues that need to be addressed.

4) Maintenance and Restoration of Competitive Measures

If your party forms the next government will you commit to the maintenance of the existing competitive measures, including:

1. Maintenance of the Crown dues rate for poplar and white birch at a rate no greater than \$1.07/m³ for the next three years
2. Forest Resource Inventory (FRI) funding
3. Wood promotion funding
4. Forest Sector Prosperity Fund
5. A loan guarantee program


Road maintenance and construction funding (see below for additional information) - If your party forms the next government will you restore the Road Construction and Maintenance Program to a minimum of \$75 million per year?

We are committed to investing \$35 billion to pay for much needed infrastructure projects across the province, including forestry roads funded under the Road Construction and Maintenance Program. In addition, we have announced a \$70 million a year infrastructure program that will go largely to rural and Northern communities.

5) Electricity Rates

If your party forms the next government, will you develop more tools to provide the forest industry with a long term, “industry-wide”, all in delivered price of \$45 per MWH of electricity, by means of the following actions:

- **Extend or provide the option of the five coincident peak formula for determining Global Adjustment to all customers that have interval meters (no lower load limit).**
- **Review the purpose, content and structure of the Global Adjustment. It has become the repository of a number of questionable programs and is punitive to industrial consumers.**
- **Extend the Northern Industrial Electricity Rate (NIER) program on the same basis to all manufacturers in Ontario with an annual consumption over 10,000 MWhrs.**
- **Develop long term special electricity rates for economic development and preservation, such as occurs in New York State, for example:**
 - **Power for jobs**
 - **Economic Development Power**
 - **High Load Power Factor Power**
 - **Preservation Power**



When it comes to industrial hydro rates, Ontario does not compare well to a number of competing jurisdictions. The result is that too many companies are either reluctant to invest in Ontario or are leaving our province to set up elsewhere.

Electricity rates are also a significant hurdle for municipalities when attempting to attract investment in the value-added parts of the resource and manufacturing sectors and are a barrier to economic diversification – particularly in the North.

In our Northern Platform entitled “Respect for the North,” we released a major platform plank to protect and create jobs in Ontario’s energy intensive industries. [More details can be found on our website.](#)

This announcement contains the following two major components:

Lowering the threshold on the five-day coincident peak formula


The five-day coincident peak formula of the Global Adjustment currently only applies to about 170 large users (defined as monthly average peak demand of 5MW).

However, there is no relief for energy intensive, mid-size industrial users anywhere in Ontario. This is costing the province tens of thousands of jobs.

Ontario’s NDP has committed to lowering the threshold for eligibility in this formula to include all companies, province-wide, with an interval meter. Sectors that would be covered include:

- Mining
- Forest product industries
- Chemicals
- Petro-chemical refining
- Energy intensive food processing
- Cement
- Aluminum
- Iron and steel
- Casting and other energy intensive segments of the auto industry

These sectors are the most energy intensive sectors in Ontario’s economy and the ones suffering most from uncompetitive industrial electricity rates.



An NDP government will sit down with industry associations representing energy intensive companies in all sectors of the economy to discuss detailed eligibility criteria.

This approach is not new. In many ways, this is the way that rates were designed prior to the opening of Ontario's electricity market in 2002. These principles are also applied by the Ontario Energy Board in setting rates for transmission and distribution service by Hydro One and by local distribution companies.

Extend the Northern Industrial Electricity Rate (NIER) program past the March 31, 2013 expiry date

Ontario's NDP believes in the value of the NIER program and will extend the program past the current March 31, 2013 expiry date. It's important for the province to maintain the NIER as long as Northern Ontario industrial hydro rates remain uncompetitive with neighbouring jurisdictions.

Industrial hydro pricing is a complex area and the devil is often in the details. Rest assured that as a government we will be reaching out to your organization as we develop the various rules and regulations needed to operationalize these important policy initiatives.

Over the next few weeks, we will be announcing additional energy initiatives that we believe will further lower hydro rates not just for industrial users, but for all Ontario hydro consumers.