



ONTARIO FOREST INDUSTRIES ASSOCIATION

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Growing a stronger, greener Ontario

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FOR IMMEDIATE RELEASE

Minister Gravelle Disappoints Northern and Rural Ontario – 36% Reduction to Public Access Road Funding Program Lack of Warning from Government Forces Contracts to be Cancelled, Throws Contractors out of Work

The Ontario Forest Industries Association (OFIA) has learned that the Ministry of Northern Development, Mines and Forestry (MNDMF) is drastically cutting funding to one of its most successful competitive measures – the provincial Forest Roads Program. Hard working people, most notably small, independent contractors in Northern and rural Ontario will lose their jobs, and vital facilities enabling the forest sector and serving the public will not be built.

The Forest Roads Program, which has been fully utilized since it began in 2005, previously provided the forest sector with \$75 million per year for the construction and maintenance of public access roads across Northern and rural Ontario. Despite its proven value to all users of public forests, the government is cutting the program by over \$27 million – a deep reduction of more than 36%.

“This is very disturbing. The reduction in funding will have significant, negative impacts not only on the forest sector, it will impact all residents of Northern and rural Ontario who have benefited from this program. This is a total shock, a terrible blow to the companies that have stayed open and kept people working through this recession,” says Jamie Lim, President and CEO of the OFIA, adding, “we have tried to work constructively with the government over the past month to restore the lost funding, however, to no avail.”

There is no doubt that this cutback, the largest within MNDMF’s 2011/12 budget, will have significant impacts on the forest sector, the residents of Northern and rural Ontario and other industries that have benefited from this program. The OFIA is equally concerned about the lack of warning or advance notice provided by the government.

“It in fact appears, that the government has been aware of these cutbacks since January and withheld this critical information for months” says Scott Jackson, Manager of Forest Policy at the OFIA, citing the recently revealed fact that MNDMF brought the proposed cutbacks to the roads program forward early in 2011 as part of

its 'Results Based Plan'. "It is going to have very real impacts on hard working Ontarians and is completely unacceptable. This will definitely hurt the small operators and contractors who are invaluable to our sector" added Jackson.

Contracts between the industry and small, independent contractors that were entered into in good faith earlier in the year are being torn up and contractors who had alternative employment options earlier in the year are being left without work.

The road funding program, which was designed with much more than the forest industry in mind, helped keep 200,000 hard working Ontarians employed in the forest sector. The roads program was designed to benefit all Ontarians as the road infrastructure is used by all industries and the general public to both work and recreate in our great forests.

The OFIA understands the need for everyone to contribute to provincial debt reduction, but does not understand making the recession more difficult for working people. The OFIA is asking the government to restore immediately the road funding program to a minimum level of \$65 million this year, a 12.5% reduction that would still enable most people counting on summer road construction jobs to not be put out of work.

Backgrounder

- In 1994, with the implementation of the Crown Forest Sustainability Act (CFSA), the Government of Ontario downloaded the cost of road construction and maintenance to the forest sector
- In 2005 a Minister's Council on Forest Sector Competitiveness was developed by the Minister of Natural Resources to address the uncompetitive nature of Ontario's forest sector
- The Minister's Council acknowledged that many of the roads being built and maintained by the forest industry *"are public access roads, used by tourists, campers, hunters, other industries like hydro and mining, and other users"*
- The Minister's Council recommended that *"the provincial government assume its proportional share of the costs of building and maintaining the public access road network in provincial Crown forests"*.

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