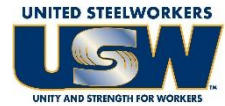


2018 Provincial Election Commitment Letter



May 2, 2018

Mr. Doug Ford
Leader of the PC Party
Legislative Bldg Rm 381, Queen's Park
Toronto, Ontario
M7A 1A8

ASK: Will the Progressive Conservative Party of Ontario develop a Provincial Strategy aimed to increase access to wood fibre, provide a long-term, workable solution to the Endangered Species Act (ESA), maintain the Community Access and Forestry Roads Funding Program at \$75 million per year and, maintain and grow direct, green jobs in Northern and Rural Ontario?

Dear Mr. Ford,

In March while outlining your party's plan for Northern Ontario, you stated, "We're going to start doing and stop talking and start creating economic prosperity up in the north... We're going to make this the most prosperous region in North America to do business."

As thriving as Ontario's forest sector is today, we can make it even stronger. By maximizing the full potential of Ontario's renewable resource, we can create good paying jobs, assist the province in transitioning to a low carbon economy, and support sustainable growth for future generations. We believe that we can provide a path full of opportunities to grow the sector and build Ontario up for everyone.

In order to achieve this, key issues are outlined in the attached document, "*Working to Make Ontario's Forest Sector Stronger*." We look forward to receiving your response by Wednesday, May 16, 2018.

We are asking for the following commitments:

- Develop a Provincial Strategy that makes Ontario's forest sector stronger (pg. 5)
- Develop a long-term, workable solution that demonstrates equivalency between the Crown Forest Sustainability Act (CFSA) and the Endangered Species Act (ESA) (pg. 5)
- Return the Ministry of Natural Resources and Forestry (MNRF) budget funding of the Community Access and Forestry Roads Funding Program to \$75 million and continue to provide guaranteed base funding to all forest areas (SFLs) (pg. 6)
- Create competitive energy use measures that will support forestry's role in mitigating climate change (pg. 7)
- Address market development challenges and enhancing promotion of forest product (pg. 8)

Just as farming feeds cities, forestry builds communities. As one of the foundational sectors of Canada, for more than 150 years, Ontario's renewable forest sector has played a pivotal role in building our province and nation. Ontario's forestry community is deeply rooted in every region of the province and according to Natural Resources Canada:

- ✓ Provides well-paying, direct jobs for 57,000 people in every region of the province
- ✓ Generates \$15.5 billion of economic activity including:
 - ~\$13.4 billion in annual sales
 - ~\$8.3 billion in pulp and paper manufacturing
 - \$4 billion in wood product manufacturing
 - \$1.8 billion in value-added furniture/kitchen cabinet manufacturing
 - More than \$1 billion increase of manufactured forest product sales over the year before, and exports of forest products have increased each year since 2012 – with the total value of our wood product exports more than \$6 billion in 2015.

Ontario's forestry community, an extensive and diverse group of people, have been working together to advocate for the importance of the forest sector across the province. In November, The Alliance of First Nation and non-First Nation leaders, came to Toronto to explain the importance of getting policy right (click [here](#) to watch the "We are Forestry" Queen's Park media event). In Thunder Bay, the Standing Committee on Finance and Economic Affairs also heard from members of the forestry community and the importance of the forest sector was documented in the consultation [hansard](#).

"In light of reconciliation and economic sustainability, we as First Nations and non-First Nations, must rally in support of one another to defend our shared forestry interests and lands unique to Northern and Rural Ontario."

- Chief of Seine River First Nation, Thomas Johnson Jr.

"We are the ones that depend on the long-term health and sustainability of our Crown forests as an important source of ecological, recreational, cultural and spiritual values."

- President of NOMA and Mayor of Shuniah, Wendy Landry

"Decisions on policy needs to be informed by the people who are most impacted. Arguments presented by those with special interests and no skin in the game cannot be viewed as credible. This is our own backyard, and we deserve to have a say in the policy that governs it."

- President of FONOM and Mayor of Kapuskasing, Al Spacek

"The socio-economic impacts of the proposed rules have the potential to be catastrophic for First Nations communities. Government has not meaningfully engaged or informed our communities of the impacts these policies could have within our jurisdiction. We are asking government to make this right. If these proposed new regulations are implemented, access to our traditional areas, the sustainable forestry businesses we have built and the jobs dependent on them will be compromised."

- Chief of Red Rock Indian Band, Ed Wawia

Commitment to the above stated priorities will be measured carefully by the citizens of Ontario that depend on a healthy forest sector for their family and community's economic well-being.

To ensure that affected stakeholders and Indigenous communities have timely information on which to base their decisions during the pre-election period, we request your party's response on or before Wednesday, May 16, 2018.

If you have any questions or require clarification on any issue, please do not hesitate to contact us. We look forward to your response.

Regards,



Mayor Wendy Landry
Municipality of Shuniah
NOMA President



Mayor Al Spacek
Town of Kapuskasing
FONOM President



Chief Edward Wawia
Red Rock Indian Band



Peter Moen
General Manager
Boundary Waters



Charla Robinson
President
Thunder Bay Chamber of Commerce



Jacques Jean
1st Vice-President
United Steelworkers



Gary Bragnalo
National Representative
Unifor



Chief Joseph Ladouceur
Bingwi Neyaashi Anishinaabek



Mayor Ron Holman
Township of Rideau Lakes
ROMA Chair



Jason Lacko
Union Representative
United Steelworkers



Jamie Lim
President & CEO
Ontario Forest Industries Association

Cc: MPP Victor Fedeli
MPP Norm Miller
MPP John Yakabuski
MPP Ross Romano
MPP Laurie Scott

Working to Make Ontario's Forest Sector Stronger

1. Develop a Provincial Strategy That Makes Ontario's Forest Sector Stronger

We are asking government to establish a mandate to increase the sustainable use, acceptability, and competitiveness of our Crown forests. Finland, for example, recognizes the growing value in its forests and developed *National Forest Strategy 2025* that directs the use of Finnish forests until 2050, describing priority objectives that are “*aimed to achieve even better conditions for increasing the benefits derived from forest-based business and activities and to ensure economic, social and ecological sustainability.*” In Ontario, there is no strategy to grow our renewable resource - this represents a missed opportunity.

Ontario harvests so little – **less than 0.5%** – of its Crown Forests, yet the benefits are so great with 57,000 people directly employed –and we can do more! To put this in perspective, Ontario is **three times larger** than Finland and harvests approximately 15 million cubic metres yet, Ontario still harvests 80% less than Finland.

Ontario's natural capability for growing its innovative, renewable forest products sector is remarkable.

If your Party forms the next government, will you:

- a. Establish a mandate with priority objectives that aim to increase and embrace the sustainable use and harvest levels of our Crown forests.**
- b. Develop policy that supports current operations and provides consistent, reliable and affordable access to wood fibre.**
- c. Make certain that policy supports full-time employment in a renewable sector and does not create precarious employment.**
- d. Ensure socio-economic impact analysis is used to develop responsible, evidence-based policy and is shared with affected stakeholders.**
- e. Recognize that the continued sustainable harvesting of Ontario's forests provides a positive contribution to Ontario's climate change strategy and economy.**

2. Develop a Long-Term, Workable Solution that Demonstrates Equivalency Between the Crown Forest Sustainability Act (CFSA) and the Endangered Species Act (ESA)

Under the CFSA, the long-term health and vigour of Crown forests are provided for by using forest practices that, within the limits of silvicultural requirements, emulate natural disturbances and landscape patterns while minimizing adverse effects on plant life,

animal life and a wide range of socio-economic values. OFIA believes that recognition of the CFSA as an equivalent process to the Endangered Species Act (ESA), coupled with reasonable and workable prescriptions, is the most comprehensive solution for the health of Ontario's forests and the protection of species at risk and their habitat.

To support the 57,000 forestry jobs, wood needs to flow off the land base for 12 months of the year. Forest and mill workers are largely absent from policy discussions; however, they are the ones with the most at stake during this process. A one-pillar approach to policy will not help us reach the ultimate goal of forest sustainability.

The sector is concerned that flawed, one-pillar ESA policy continues to be developed in silos with a process that ignores the negative socio-economic impact to Northern and Rural communities. This approach to policy will continue to shrink Ontario's renewable wood supply dramatically, limit green economic opportunities, and create uncertainty for the sector and the communities in which we operate. Socio-economic impact analysis plays an essential role in evidence-based policy decisions and is a legally mandated environmental assessment requirement for forest management guide development.

While we remain committed to working collaboratively with government on this initiative, time is of the essence and, to date, we have seen little incorporation of our professional advice or action on our concerns. Workable phase-in provisions are needed to avoid delays, amendments, and contingency planning.

If your Party forms the next government, will you:

- a. Support the Alberta Government's position and formally request an end to the Federal Government's premature implementation of boreal caribou policy.**
- b. Extend the current Section 55 Rules in Regulation until July 1, 2023 in order to provide the necessary time to develop a long-term solution that permanently and finally recognizes the CFSA as an equivalent process to the ESA.**
- c. Work to ensure that the long-term solution incorporates a better understanding of the impacts of climate change, the cumulative effects of all activity on a broad, dynamic landscape and a better appreciation of the socio-economic implications of provincial species at risk policy.**
- d. Complete and share socio-economic impact analyses on all policies.**
- e. Ensure workable SAR prescriptions and CFSA-ESA equivalency has been developed with, and reflects, the input of all affected stakeholders and rights holders.**

3. Restore and Maintain Competitive Restoration Measures

In today's global marketplace, it is critical that Ontario continually review the competitive measures to ensure they are indeed competitive. Primary and secondary roads are strategically important to natural resource development and if you limit road infrastructure, you limit the economic development of communities and resource sectors.

With the recovery of Ontario's forestry sector, harvest levels in Ontario have been steadily increasing over the last several years. This has resulted in a greater demand for public access road funding to facilitate this increase. By restoring the Community Access and Forestry Roads Funding Program in the MNRF budget to \$75 million, many previously inactive or low activity SFLs, including new Shareholder SFLs and First Nations SFLs, will be able to mobilize on their road infrastructure again, allowing them to return to full productivity and contribute to the economic rebound in their communities and in the forest sector as a whole.

If your Party forms the next government, will you:

- a. Restore and maintain the Community Access and Forestry Roads Funding Program in the MNRF budget to \$75 million per year and continue to provide guaranteed base funding to all forest areas (SFLs).**

4. Create Competitive Energy Use Measures that Support Forestry's Role in Mitigating Climate Change.

Members of the OFIA are proud of their performance as it relates to reducing the carbon footprint of their product. On a total emissions basis, investments made by Ontario's forest sector have resulted in a 66% reduction in GHG emissions since 1990. This is significantly above the provincial targets of 15%. We have facilities currently generating electricity and process heat using in excess of 85% renewable energy, which includes biomass and landfill bio-gas.

When compared to national and international jurisdictions that Ontario's forest products sector is competing with for market share, the costs of wood fibre, labour, transportation and energy are all unfavorable creating significant competitiveness challenges for these facilities that continue to operate in Ontario.

The forest products sector has invested a significant amount of time and resources to assist in the development and implementation of Ontario's cap and trade program. The resulting program has allowed the forest products sector to make plans for significant potential investments in their businesses and facilities. We are very concerned that in a trade-exposed sector like forestry, transferring to a different model will require additional resources, and that putting a fixed price on carbon could have damaging effects to our industry.

If your Party forms the next government, will you:

- a. Disclose economic impacts of Ontario's cap and trade program on electricity pricing and maintain full emission allocations for Energy-Intensive, Trade-Exposed facilities.**

- b. If your Party is planning to transfer the province to a different model of carbon pricing, commit to a careful design of a revised system that recognizes early actions and incorporates input from industry.**
- c. Ensure that the Northern Industrial Electricity Rate (NIER) program remains permanent and is adequately funded.**
- d. Extend the Industrial Conservation Initiative (ICI) to all manufacturers, regardless of size.**
- e. Direct the Independent Electricity Operator (IESO) to work with OFIA to identify and develop further opportunities for energy conservation and cogeneration.**
- f. Provide effective incentive programs that promote the re-investment of energy efficient manufacturing to support the development of next generation forestry products, chemicals and low carbon manufacturing technologies.**

5. Address Market Development Challenges and Enhance Promotion of Forest Products

As citizens, we own Ontario's Crown forests and as owners shouldn't we be interested in the **return on investment from the responsible use of our Crown forests?** With today's advanced manufacturing and innovative technologies further propelling the growth of forestry, more value is derived from every tree that is harvested. There is no waste in Ontario's forest management practices.

We are grateful for efforts made to stand-up for forestry by promoting and defending Ontario's sustainably sourced forest products to global customers with initiatives such as Ontario Wood. OFIA is proud of our members' commitment to sustainable forest management. The forestry community is constantly adapting and innovating, finding new, sustainable and green ways of using wood products. Together, supporting the full potential of today's renewable forest sector, we can grow Ontario's natural advantage to create a prosperous, sustainable, low carbon economy for future generations.

If your Party forms the next government, will you:

- a. Continue to defend Ontario's world-class forest management practices to global customers through active public engagement and balanced policy.**
- b. Embolden the Ontario market for wood products by supporting the Ontario Wood Initiative and the Ontario WoodWorks! Program.**
- c. Support the primary forest industry to ensure that the secondary industry can thrive (ex. bio-refineries).**

Read [OFIA's 2018 Pre-Budget Document](#) (or visit www.ofia.com) for a comprehensive version of
"Working to Make Ontario's Forest Sector Stronger"