

**Presentation to the Standing Committee on General Government
Wednesday, April 13, 2011**

Presented by: Northwestern Ontario Municipal Association
Mayor Ron Nelson, President
Councillor Iain Angus, Vice President

Good afternoon,

I am Ron Nelson, President of the Northwestern Ontario Municipal Association and Mayor of the Township of O'Connor. With me is Iain Angus, Vice President of NOMA and Councillor with the City of Thunder Bay. Mr. Angus is also the former Chair of the Ontario Forestry Coalition.

Thank you for the opportunity to provide our input on Bill 151 via video conference. We had hoped that the Committee would travel to Northern Ontario for these hearings so that you could personally meet the people whose livelihoods are dependent upon getting this legislation right.

While it is true that the Ontario Government held extensive consultations across the north in the lead up to the drafting of Bill 151, and we do appreciate those consultations, it is our contention that what we said has not been translated into the Act. For legislation that is primarily aimed at one area of the province – the vast boreal forest of Northern Ontario, it is essential that the communities and people who depend on the forest for their livelihood and that of their children and grandchildren should be

respected enough to have their legislative committee physically hold hearings in this area.

These issues are not merely theoretical for me....I work in the forest industry and my livelihood is dependent on a successful forest sector. The same can be said for many municipal councillors across the Northwest...we are here today both as community leaders and as individuals whose families rely on a vibrant, recovered forest industry.

Councillor Angus and I were present at the media conference by Minister Gravelle on January 13th where he announced the next steps of the Forest Tenure and Pricing Review.

During that event, Minister Gravelle announced:

- the establishment by regulation of two Local Forest Management Corporations; and,
- the shift from single company Sustainable Forest Licenses (SFLs) to Enhanced Shareholder SFLs.

The Minister said

“Establishing these two models – LFMCs and Enhanced Shareholder SFLs – would enable us to evaluate their performance against predefined criteria leading us to make wise and informed modifications on the path forward. It would also allow us to see how each model performs in relation to our objectives of creating opportunities for new entrants, encouraging full utilization of Crown

timber, bringing greater market forces to bear on allocation and pricing of Crown timber, and fostering greater local and Aboriginal community involvement.”

However, Bill 151 in its current form does not provide clarity on these two commitments.

First - The Bill does not limit the creation of LFMCs to two pilot models, which breeds uncertainty for industry members.

Second – The Bill does not include recognition and support for a move to enhanced Shareholder SFLs.

As clearly outlined by the Minister on January 13th, the legislation was supposed to have included these two systems operating for a trial period to allow the evaluation and comparison of which worked best. Yet Bill 151 proposes the creation of “one or more” LFMCs and completely disregards a trial of enhanced Shareholder SFLs.

The Ontario Forest Industries Association has been clear in their desire that both options be tested together for a period of 5 to 7 years prior to the final implementation of any single system. However, it appears that, rather than making a decision based on experience and feedback through a clearly defined trial period, the drafters of this legislation have firmly tied on the blind-fold and are now swinging wildly in the hopes that they eventually find the piñata. As legislators you have the ability to correct this omission.

NOMA believes that a minimum 5 year trial period that includes the creation of only two LFMC pilot models, as well as support for enhanced Shareholder SFLs would provide an appropriate opportunity for comparison and evaluation and would reduce further uncertainty for producers. We trust that the committee will see the value in what the Minister originally promised and amend Bill 151 before it is sent back to the Legislature for Report Stage and 3rd reading.

In regards to the creation of Local Forest Management Corporations, Bill 151 outlines the objects of the corporation. NOMA is concerned with the wording of object 2

“To provide for economic development opportunities for aboriginal peoples.”

While we fully support economic development opportunities for aboriginal peoples, we are concerned that this object does not include reference to economic development opportunities for northern and rural communities. We trust that this is simply an oversight and we ask that the objects be amended to include “northern and rural communities” in the goal of providing economic development opportunities.

NOMA is also extremely concerned with some of the unexpected items that are included in Bill 151. In particular, we are distressed with the expansion of Government authority for the Minister or the Lieutenant Governor in

Council to cancel licenses, commitments and supply agreements for any reason.

The changes go even further by removing existing rights of notice and appeal and any legal recourse or remedy if wood is unfairly taken away.

These proposals are tantamount to my mortgage holder being provided the authority to take back my house without just cause and without any opportunity for me to appeal that decision. Clearly, such a change to the Mortgages Act would be met with outrage and public demonstrations....yet somehow the Government has decided that applying those practices to our forest producers is tolerable.

These changes are absolutely unacceptable and must be removed from Bill 151 immediately.

Committee members – the future of our communities are in your hands. The effects of Bill 151...whether good or bad...will be felt across Northwestern Ontario. Please take the time to get this legislation right to ensure that our forest industry can rebound!

Thank you,