

**Honourable Greg Rickford
Minister of Natural Resources, Minister for FedNor
Suite 159, East Block
House of Commons
Ottawa, ON,
K1A 0A6**

June 25, 2014

Minister Rickford,

We are writing to urge the federal government to commit to physical infrastructure funding for northern Ontario's Ring of Fire resource development opportunity. We request a meeting with you to discuss how we can capitalize on this opportunity.

During the past six months, significant steps have been taken in Ontario to set the stage for future development of this resource-rich region. In November, the Government of Ontario announced the creation of a development corporation to oversee the development and maintenance of Ring of Fire infrastructure. In April, the provincial government and the Matawa member First Nations Chiefs signed a regional framework agreement to guide future negotiations regarding Ring of Fire development. The Ring of Fire has also been a prominent election issue, with all parties committing to the development of this critical region.

To date, the federal government has been active in supporting economic development in the region. We are encouraged by the federal government's \$5.9 million investment in the Ring of Fire Aboriginal Training Alliance, which provides people from the Matawa First Nations with the skills and training necessary to capitalize on future mining developments. We also recognize the numerous other contributions to economic development that the federal government has made through programs such as the Northern Ontario Development Program and the Community Futures Program.

To sustain the momentum of these federal and provincial actions, the Ring of Fire requires a more substantial federal contribution. We urge the federal government to match provincial commitments towards the development of physical infrastructure in the region.



Ontario Chamber of Commerce
180 Dundas Street West, Suite 1500
Toronto, ON M5G 1Z8

416.482.5222

occ.ca
@OntarioCofC

WHAT IS THE OPPORTUNITY?

In our recent report, *Beneath the Surface: Uncovering the Economic Potential of Ontario's Ring of Fire*, the Ontario Chamber of Commerce (OCC) conducted an economic impact analysis of the development of the region based on known mineral deposits. We found that, within ten years, development of the Ring of Fire will generate over \$9 billion in economic activity and sustain 5,500 jobs annually. Over the long-term, these benefits will grow considerably: within 32 years, over \$25 billion in economic activity is projected to be generated. These benefits will accrue to many sectors of the economy.

In addition, development of the Ring of Fire brings much-needed employment and economic development opportunities to Ontario's northern communities, particularly to Aboriginal communities. Mining development in the region will create jobs and offers the potential for resource revenue-sharing; investment in infrastructure will provide much-needed all-season road access and energy transmission to communities which currently lack those basic services.

This opportunity also represents a significant source of tax revenue. By investing in the Ring of Fire, the federal government stands to be the primary benefactor of tax revenues from the mining development. In the first ten years, the federal government will receive an additional \$870 million in tax revenue, which will grow to \$2.89 billion within 32 years.

Finally, development of the Ring of Fire will secure Canada's position at the forefront of the global mining industry.

All of us recognize the importance of environmental stewardship and the stresses that mining development can produce on the environment. Ontario is a world leader in both environmental regulation and the application of cutting edge environmental mitigation strategies. As stated in our report, it is important that all actors collaborate and develop strategies that will spur world-leading innovation in environmental practices and technologies.

A PROVINCIAL & NATIONAL PRIORITY

To date, we have yet to hear a clear commitment from the federal government to physical infrastructure funding for the Ring of Fire. The federal government's response to calls for federal funding has been for Ontario to apply to the Building Canada Fund.

While the Building Canada Plan is worth \$53 billion over ten years, it is not clear that funding the Ring of Fire in this manner is feasible or appropriate. Through the \$14 billion Building Canada Fund, only \$4 billion is available Canada-wide for projects of national importance and \$2.7 is available to Ontario through the Provincial-Territorial Infrastructure Component. A \$1 billion investment in the Ring of Fire leaves little room for other critical infrastructure spending over the next decade.

The federal government has directly funded key resource development projects to great effect in other parts of the country. In 2013, the federal government provided \$1 billion in savings through loan guarantees to develop the Muskrat Falls Hydroelectric Project in Newfoundland and Labrador. Federal support for the oil and gas sectors in Alberta and Saskatchewan is worth \$1.4 billion annually in direct federal funding, along with \$2 billion for the development carbon capture and storage technology.

We believe that development of the Ring of Fire is of equal importance for Ontario's and Canada's economic success. It should be treated accordingly.

A GENERATIONAL OPPORTUNITY

The mineral deposits in the Ring of Fire are among Ontario's greatest economic development opportunities in a generation. The Ring of Fire presents an incredible opportunity to spur growth in the province, just as the oil and gas sectors have reinvigorated the economies of Western and Atlantic Canada. We urge the federal government to partner with Ontario in realizing this potential by matching provincial commitments towards the development of physical infrastructure in the region.

We request a meeting with you to discuss how we can capitalize on this important opportunity.

To get in touch, please contact Josh Hjartarson, Vice President, Policy & Government Relations at 416.482.5222 ext. 2320 or by email at joshhjartarson@occ.on.ca.

Thank you,



Allan O'Dette
President & CEO
Ontario Chamber of Commerce



Gerry Macartney
CEO & General Manager
London Chamber of Commerce



Matt Marchand
President & CEO
Windsor-Essex Regional Chamber of Commerce



Debbi Nicholson
President & CEO
Greater Sudbury Chamber of Commerce



Charla Robinson
President
Thunder Bay Chamber of Commerce



Keitha Robson
Chief Administrative Officer
Timmins Chamber of Commerce



John Sawyer
President
Oakville Chamber of Commerce



Carol Wilding
President & CEO
Toronto Region Board of Trade

ABOUT THE OCC

The OCC represents 160 chambers of commerce and boards of trade from communities across Ontario. Through this network, we are the voice of 60,000 members that range from small businesses to major corporations and industry associations. Together, our members employ two million people and produce nearly 17 percent of Ontario's GDP.

cc: Rt Hon. Stephen Harper, Prime Minister of Canada; Hon. Joe Oliver, Canada's Minister of Finance; Hon. Kathleen Wynne, Premier of Ontario; Hon. Michael Gravelle, Ontario's Minister of Northern Development and Mines.

