

FONNOM

The Federation of Northern Ontario Municipalities

Association of Municipalities of Ontario
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**PRESENTED AT THE
ASSOCIATION OF MUNICIPALITIES OF ONTARIO**

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Emerging Issues

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Bill 52, Protection of Public Participation Act

Bill 52, the Protection of Public Participation Act, 2014, also known as anti-SLAPP (strategic lawsuit against public participation) legislation was introduced in the house in December 2014. It is evident that the government has heard the concerns of Northern Ontarians in regards to this bill during the past several months; however, we do not believe that our concerns have been appropriately addressed. FONOM continues to support the intent of the legislation; to protect discussions of public interest important to individuals or small community based organizations with limited resources that are advocating against a project of economic value to another stakeholder. However, we remain concerned that should the legislation move forward as it is currently written, it will give groups the ability to continue to target and threaten industries that our communities depend on.

We continue to ask that amendments to the legislation be included to address the varied interests that currently exist. It is imperative that a balanced approach to the public's interest be implemented to protect victims of unfair and untrue attacks that cause economic harm and also ensure that the real intent of the legislation – the protection of public participation – is addressed. This can be accomplished by taking away the ability for someone to threaten with a frivolous lawsuit to silence an opponent. FONOM recommends that the provincial government implement the following amendments:

- Changing the legislation so legal action resulting from public participation would need to be reviewed by a judicial officer or other provincially appointed expert, prior to being filed to ensure that no one is forced to defend themselves against a baseless charge that amounts to a SLAPP suit in the first place.
- If the legislation is to continue as currently designed, FONOM supports targeting the bill specifically to apply to volunteers and small community organizations with annual budgets of less than \$100,000.

FONOM requests that Bill 52, Protection of Public Participation Act, 2014 be amended to include the recommendations to balance the public interest.

Protecting Northern Industry

Many communities within Northern Ontario, depend on industries such as forestry and mining to provide employment. Although many are diversifying their economic base, industry will continue to be a driving force behind the economy in Northern Ontario for many years to come.

The abundant lakes, rivers, and forests are the foundations that contribute to the social quality of life for many Northerners which is why leaders, stakeholders and residents are concerned and frustrated by the environmental groups that sensationalize images of the environment being destroyed. They distribute and market images of landscapes that have seemingly become desolate and barren as a result of industrial activity. Not only do they often neglect to disclose the location the picture was taken from but they also neglect to share the pictures of replanted and rejuvenated landscapes.

For example, forestry operations in Ontario, must adhere to some of the highest standards in the world, operating under strict Sustainable Forest Licenses (SFLs). Responsible forestry management practices involve the removal of mature trees, replanting 3 trees for every 1 tree removed. The misconception that the forestry industry is wiping out forests in the region can be easily refuted by the fact that forestry operations harvest less than half of a percent of forests in Ontario each year.

Environmental organizations such as Greenpeace continue to threaten forestry operations in Northern Ontario. Even though they had been found guilty by the courts for producing groundless allegations against Resolute Forest Products and forced to apologize, they continue their attacks and threatened their customers.

While we recognize the need to make environmentally conscience decisions and can appreciate environmental groups that are genuinely passionate about preserving the environment around us, we are both troubled and skeptical of the groups that take direction from outside the country and do not understand local realities.

There must be a balance that recognizes that industrial activity needs to occur not only to sustain communities in Northern Ontario, but the broader society. In the world we live in today, society could not function if all industrial activity ceased. Items that we use every day such as paper to write on, lumber to build with, and the utensils to eat our food with are all produced as a result of industrial activity.

Industries in Ontario operate under some of the highest and most developed standards within their respective industries and are also guided by provincial legislation and regulations. Therefore, the Province must play a critical role in protecting and defending their own legislation and regulations that industries must operate within.

FONOM asks for your commitment to protect and defend industries that operate in and sustain Northern Ontario.

Healthcare

Northern Ontario faces ongoing challenges when it comes to providing quality healthcare to its residents, particularly in small and rural communities. Aside from the distances patients often have to travel to obtain critical or specialty care, access to a family physician for basic healthcare needs can be limited. As you are aware, a shortfall in physicians in a community leaves many residents without a family doctor and therefore dependent upon other methods of obtaining healthcare services such as utilizing emergency rooms for non-emergency matters.

FONOM previously raised the issue of the need to increase the number of residency positions for the Northern Ontario School of Medicine (NOSM) to the provincial average at minimum. As you are aware, the Northern Ontario School of Medicine (NOSM), which welcomed its first MD students in 2005, has contributed to northern Ontario's quality of healthcare significantly. The school has developed a made in the north model of community-engaged medical education while addressing current and future healthcare needs for the north.

Through anecdotal and statistical evidence, it is apparent that many students that were enrolled in the residency program who had gone to smaller communities to teach or to train had returned there to practice. Most recent data, provided by NOSM, demonstrates that 69 percent of NOSM residency graduates are practicing in Northern Ontario including 22 percent in remote and rural communities.

FONOM was recently made aware of a commitment by the Ministry of Health and Long-Term Care to increase the number of residency positions in the North by five. This is welcomed news and demonstrates the province's commitment to improving healthcare in the North.

The increased percentages of physicians remaining in the North is positive and although there are a number of residency graduates that are practicing in remote and rural communities, we believe that number could be further increased and would assist in addressing the chronic shortage of physicians within rural and remote Northern Ontario.

To encourage more physicians to practice in rural and remote Northern Ontario, we believe incentive programs would be a significant benefit. Through provincial programs already in place such as HealthForceOntario's Northern and Rural Recruitment and Retention Initiative (NRRR) which offers financial incentives to each eligible physician who establishes a full-time practice in an eligible community of the province over a four year period, we believe further investment would generate substantial returns. In addition, many communities put forward their own incentive programs to encourage physicians. Although helpful in attracting future physicians, it is a risk and financial burden to municipalities. FONOM believes that the Province should enhance their programs to assist municipalities and eliminate some of the burden.

FONOM requests the Province to develop a working group between the Ministry of Health and Long-Term Care, NOSM, the Federation of Northern Ontario Municipalities (FONOM), and the Northwestern Ontario Municipal Association (NOMA) to examine programs that would facilitate the recruitment of physicians to the areas where they are most needed.

Infrastructure

The Province has begun consultation efforts to seek feedback from stakeholders, including communities, businesses and residents on infrastructure needs and priorities outside of the Greater Toronto and Hamilton Area (GTHA). Input provided by written submissions and roundtable consultation meetings in various communities will be used by the Province to design new infrastructure programs to allocate the remaining \$11.5 billion of the \$15 billion committed to outside the GTHA in the Moving Ontario Forward fund. The portion already disbursed has been allocated to the Ontario Community Infrastructure Fund (OCIF), transportation infrastructure for the Ring of Fire, Connecting Link program, natural gas line expansions and highway improvements.

FONOM has consistently advocated the need for investments into transportation and critical infrastructure. We applaud the Province for separating the infrastructure needs within the GTHA from outside the region. As you are aware, the needs in Northern Ontario in particular, often vary from other regions in the Province.

In past consultations involving infrastructure programs such as the previously titled Small, Rural and Northern Municipal Infrastructure Fund, now the Ontario Community Infrastructure Fund (OCIF), FONOM advocated for predictable and stable funding to assist municipalities apply future funding to budgets and plan for long-term infrastructure projects. During this process, FONOM also advocated for a structured, formula-based approach rather than an application-based approach as it would align with our recommendation for predictable and stable funding. While we do believe that municipalities would benefit from a set amount in the form of a per capita allocation, we also recognize that smaller municipalities will have infrastructure projects that cannot be addressed based on this formula.

Most of our membership consists of municipalities with a population under 5,000 and thus a small number of staff to undertake the submission of applications. The application process requires municipalities to spend finite financial resources and municipal staff time on applications that may or may not be approved. There should be no additional applications required from municipalities in order to receive funding. Therefore, we would recommend expanding current programs that are already benefiting municipalities.

Significant investments into infrastructure across the Province is vital to moving forward. It is evident the Province recognizes the need for both the investment into critical infrastructure as well as the development of a program that will address infrastructure needs over the long-term.

FONOM recommends that the Province expand existing programs to benefit communities through funding allocated in the Moving Ontario Forward – Outside the GTHA.

Energy

The energy sector in Northeastern Ontario, as in the rest of the province, is composed of a number of interests, projects and needs that vary across regions and individual communities. Ensuring that the energy sector in Ontario, and more specifically, Northern Ontario, is both sustainable and affordable continues to be a major focus for our organization.

Ontario Electricity Support Program

During a regular meeting of the FONOM Board of Directors' held on July 16, 2015, the Board received a presentation from the Ontario Energy Board (OEB) in regards to the new Ontario Electricity Support Program (OESP) which will be implemented for January 1, 2016. The OESP is an ongoing, on-bill rate assistance program for low-income electricity customers and will be funded through a provincial charge.

The Board raised concerns with both the design of the program and the impacts that it will have. In terms of the design and administration of the program, eligible participants would be able to apply either online or through social agencies such as the United Way and the Salvation Army as suggested by the OEB. However, there are a limited number of these social agencies in Northern Ontario and they are located in the urban centres. This would leave rural areas with only the online application and no walk-in option. The Board felt that the OEB should include District Social Services Administration Boards (DSSABs) and the Greater Sudbury Consolidated Municipal Service Manager (CMSM) for Northern Ontario, as they have the structures in place to work closely with those who would be eligible to participate in the program.

The second concern was the impact the program would have on the Northern Ontario economy. Since the funding for the program is based on consumption from industrial, commercial and residential users, there was worry that Northerners would be paying a disproportionate share. Particularly within the forestry and mining sector, which are heavily energy dependent and it could offset the benefits received from the Northern Industrial Electricity Rate (NIER) program.

FONOM asks that the Ministry direct the OEB to halt the implementation of any new program until the concerns raised can be addressed appropriately.

Electricity Rates

High electricity rates diminish the ability for industries across the province to compete, but particularly in Northern Ontario where there are already structural challenges to compete effectively. As mentioned, resource industries such as forestry and mining are heavily dependent upon electricity to operate. Research has shown that electricity rates in Ontario are among the highest of all provinces in Canada. Northern municipalities and businesses cannot afford any further increases in electricity costs. Any further increases would result in a threatened economy and potential loss of business activity and investments.

In an effort to address high electricity rates, FONOM asks that the Province reverse their decision to sell a portion of Hydro One because the privatization, partial or whole, would lead to higher rates and less control over energy sector.

Energy East Project

FONOM maintains its support for TransCanada's Energy East project based on the condition that the highest safety and environmental standards are met. FONOM hopes that the Minister of Energy will provide a supportive recommendation to the Premier as transporting oil across the province by pipeline is the safest method.

In 2013, TransCanada announced the Energy East pipeline project which would see a 4,600 km pipeline transport approximately one million barrels of oil per day from Alberta and Saskatchewan to the East coast of Canada.

Many of those in opposition of Energy East believe the project will encourage the development of the oil sands. However, preventing this project from coming to fruition will not stop the development of the oil sands and people will continue to depend on oil in their everyday lives. Oil will continue to be extracted but will be transported by either truck or rail. Currently, more than 200,000 barrels of oil are transported by rail across Canada each day. Many of these trains are travelling through the heart of communities across Northern Ontario and with recent derailments in Northern Ontario, the concern has only grown.

During the 2014 Annual General Meeting of FONOM, the membership, which consists of 110 municipalities across the Northeast, passed a resolution of support of the Energy East project.

FONOM requests the Minister of Energy to support TransCanada Pipelines Energy East project in its recommendation to the Premier.

Energy Sector Coordination

FONOM is increasingly concerned about the lack of coordination between the Ministry of Energy and the Independent Electricity System Operator (IESO) which is negatively affecting energy operations in Northern Ontario.

During the closure of Cochrane Power, which is a cogeneration plant that uses biomass, the communication disconnect between two major energy stakeholders in the Province was evident. The Ministry of Energy's inaction on ensuring that a new contract with the IESO was developed was due to the efforts to "keep electricity costs as low as possible." Yet, as Cochrane Power remains closed, we are advised that a biomass-fueled generator is being proposed to produce electricity in the City of Hamilton with the use of sawdust supplied by lumber mills in Northern Ontario. Minister, can you provide clarity as to why generation plants in Northern Ontario are closing, yet new ones are opening in Southern Ontario?

Further, other cogeneration plants in Northern Ontario are increasingly concerned that they will have to halt operations as well, leaving workers without a job and suppliers without a customer, putting further jobs at risk. The Becker Cogeneration Plant in Hornepayne is facing operational challenges as a result of contractual impediments that limit the performance of the plant. The plant was originally designed to have a capacity of 18.75 megawatts (MW) which was reviewed and approved by the former Ontario Power Authority (OPA) and Hydro One. However, once the plant was into the construction phase, it was realized by Hydro One that the transmission lines could only accommodate 10 MW of generation. It is important to note that small scale biomass fueled generation plants will not be efficient due to the high capital costs. Therefore, unless efforts are undertaken to better align the output of the plant to that of its original intent, it will likely result in closure as well.

Minister, we ask that efforts be undertaken to improve the coordination and communication among provincial energy stakeholders.