

# Timmins Chamber of Commerce Chambre de commerce de Timmins

Tuesday, October 31, 2006

Premier Dalton McGuinty  
Legislative Building  
Queen's Park  
Toronto ON M7A 1A1

Dear Premier McGuinty,

Earlier this year, the Timmins Chamber of Commerce hosted the Timmins Regional Economic Outlook in which our industry panel discussed the future of their operations which support our local economy. A common theme of concern that emerged was the instability and high cost of hydro.

This issue was identified as the number one priority for action by the 2006-2007 Board of Directors. After hosting a roundtable with our local industry on possible solutions, we have banded with our community partners, including the City of Timmins and the Economic Development Corporation to bring the following suggestions to your government.

Hydro rates are now commonly surpassing labour costs as the number one business expense for many of our major industries. These rising costs have forced many of our industries to cut their workforce or worse yet, close their operations, some temporarily and some permanently. These industries support our members. For each mining and forestry job in our community there are an additional 3 spin off jobs.

Energy rates in Ontario are among the highest in North America. Competitive pricing is the key to retaining businesses in Northern Ontario and attracting new businesses to our area. The need for an energy policy that can be used as an economic stimulus and not a deterrent is urgent.

We are encouraged by rumblings of a regional pricing strategy that would have our industry paying \$45/MWhr versus the current \$65/MWhr, however, this process is taking too long. Our industries have indicated that access to electricity priced at this decreased level would allow us to effectively compete with other areas. This would immediately warrant significant and ongoing capital investment, secure their facilities and their employment levels, both directly and indirectly. Fixed pricing is a real solution; a regional fixed pricing strategy would go a long way in ensuring the sustainability of our northern industries.

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Our Chamber has also been investigating an innovative energy rate reduction program. We request a commitment from the provincial government to invest the federally collected but provincially distributed Softwood Agreement tax. This new tax income should be invested in the north (north of the Arctic watershed) where the raw materials are harvested. Our initial calculation estimates that this will be several hundreds of millions of dollars and has the potential to positively impact our area. While this tax cannot be used to directly subsidize an industry, we recommend that this tax revenue be invested in offsetting the high cost of energy across the north. This investment would allow the regional tax strategy to be successful, supporting business while re-investing a tax generated by our northern natural resources.

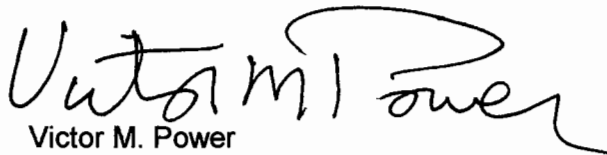
Our community partners and local industry thank you for your careful consideration in this matter, and we urge the government to take immediate action in securing these new tax dollars as a means to stabilize our Northern economy through hydro rate reductions.

We look forward to your immediate response.

Sincerely,



Ken Petersen  
2006-2007 President  
Timmins Chamber of Commerce



Victor M. Power  
Mayor  
City of Timmins



Dave McGirr  
Chair  
Timmins Economic Development Corporation

cc. Honourable Dwight Duncan, Ministry of Energy

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First!*

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