

July 10, 2018

The Honourable Doug Ford
Premier of Ontario
Legislative Building, Room 281
Queen's Park
Toronto, Ontario M7A 1A1

Dear Premier Ford:

On behalf of the thousands of members of the undersigned associations, we would like to congratulate you on becoming the new Premier of Ontario. We stand ready to work in partnership with you and your team to execute your agenda for Ontario and are writing to you with respect to your decision to wind down Ontario's cap and trade program.

Manufacturing is the most critical business sector in Ontario. It directly accounts for over 12 per cent of GDP and 80 per cent of exports. Through their extensive operations, manufacturers generate significant economic spin-offs throughout the economy and Ontario's communities including natural resources, food processing, technology, and in every service sector from banking to logistics. Factoring in these economic spin-offs, manufacturers drive nearly 30 per cent of all economic activities, 25 per cent of all jobs, and one-third of all government revenues.

Our Coalition shares your goal of making Ontario the most competitive jurisdiction for business to invest in the world, and supports your commitment to lowering taxes, reducing electricity costs and achieving significant regulatory reforms. These elements are critical to making Ontario the engine of Canada's economy, and creating a pro-growth manufacturing strategy for the province. We are also committed to environmental sustainability and working with the government on tools and resources to reduce greenhouse gas emissions on behalf of Ontario's manufacturing sector.

We respect your commitment to wind down the cap and trade program in Ontario, and to that end, our recommendations to achieve this are as follows:

1. Ensure the wind down of the program is transparent and conducted in an orderly fashion with clear rules and objectives, enabling regulatory certainty and clarity for the manufacturing sector; and,
2. Provide required support to Ontario businesses that have purchased trading allowances within the Western Climate Initiative (WCI) market or co-invested in programs financed by the cap and trade program, so that investments are kept whole and recovered appropriately.

In order to achieve recommendations #1 and #2, we recommend establishing a joint government-industry task force to conduct an economic analysis that assesses and analyzes the second order impacts of winding down cap and trade, including potential unintended consequences related to consumers and businesses accumulating additional costs.

Congratulations again on your historic victory. We look forward to working with you constructively on this issue and on a range of other pro-growth issues that are essential for the health and prosperity of manufacturing and the province. If you or any members of your team wish to discuss these issues, please reach out directly to us at any time.

Yours sincerely,



Dennis A. Darby, P.Eng., ICD.D
President & CEO, Canadian Manufacturers & Exporters
Chair, Canadian Manufacturing Coalition



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President & CEO
Canadian Plastics Industry Association



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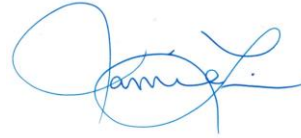
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