

To Support Ontario's Forest Industry in the 2025 Ontario Budget

WHEREAS, the Federation of Northern Ontario Municipalities (FONOM) recognizes how vital the Forestry Industry is to the Economy in Ontario;

WHEREAS, the success of the forest sector is critical to the economic and social prosperity of Ontario communities, employing 137,000 people;

WHEREAS, the forest industry has invested over \$3.8 billion in Ontario since 2018;

WHEREAS, Ontario has an opportunity to market global investment in the bioeconomy, similar to critical minerals and electric vehicle manufacturing, and become a leading international jurisdiction;

WHEREAS, over the last 20 years, the North American pulp and paper sector has seen a significant rationalization in production capacity, with investment dollars going to competing international jurisdictions;

WHEREAS, in the last year, Ontario has seen three pulp, paper, and containerboard mills idle or close, negatively impacting communities and the solid wood mills that depend on these facilities as markets for mill by-products and pulpwood;

WHEREAS, U.S. tariffs on softwood lumber are expected to double in 2025, to approximately 30%;

WHEREAS, Ontario should work with federal colleagues to pursue a softwood lumber settlement that works in the best interests of Ontario lumber producers and advocate for a financial backstop;

WHEREAS, Ontario has an opportunity to procure greater amounts of energy (i.e., electricity, heat, fuels, biochar, etc.) from forestry by-products and forests to assist in heavy industry decarbonization and Ontario's forecasted electricity demands;

WHEREAS, Ontario's successful and oversubscribed *Forest Biomass Program* should continue post-2027;

WHEREAS, Ontario will actively seek investment to restart idled softwood kraft lines in Ontario and Quebec to provide immediate relief for some sawmill producers;

WHEREAS, Ontario's \$10 million *Sawmill Chip Program*, ending March 25, 2025, will likely need to continue and expand in the absence of an immediate restart of a currently idled pulp mill to avoid curtailments at solid wood facilities;

WHEREAS, 5-year bilateral power purchase agreements (PPAs) with forest biomass-fired electrical generation facilities are insufficient and should be expanded both in terms of length and volume to provide communities, industry, and workers with a certain future;

WHEREAS, the public *Forest Access Roads Funding Program*, which provides for the public use of Ontario's forests, should be increased to \$75 million/year to reflect inflationary pressures and support legacy infrastructure upgrades (i.e., roads, bridges, and water crossings).

BE IT RESOLVED THAT the Federation of Northern Ontario Municipalities (FONOM) support the implementation of the Ontario Forest Industries Association's 2025 Ontario Budget Recommendations in support of attracting investment and maintaining forest operations and employment in Ontario.

FURTHER BE IT RESOLVED that a copy of this Resolution be sent to Minister Vic Fedeli, Economic Development, Job Creation and Trade, Minister Graydon Smith, Natural Resources, Associate Minister Kevin Holland, Forestry and Forest Products, Minister Andrea Khanjin, Environment, Conservation and Parks, Minister Todd McCarthy, Environment, Conservation and Parks, Minister George Pirie, Mines, Minister Steven Lecce, Energy and Electrification, Associate Minister Sam Oosterhoff, Energy Intensive Industries, Minister Peter Bethlenfalvy, Finance, _____ local MPP ____, the leaders of the Opposition Parties, the Federation of Northern Ontario Municipalities, AMO, ROMA, and OFIA.