

January 23, 2009

The Honourable Lisa Raitt, P.C., M.P.
Minister of Natural Resources
Natural Resources Canada
580 Booth Street
Ottawa, ON
K1A 0E8

Dear Minister:

In October 2008, the Canadian Chamber of Commerce held its 79th Annual General Meeting (AGM) in Québec City. One of the highlights of Canadian Chamber's AGM is the Policy Session. It is during the Policy Session that resolutions submitted by local chambers of commerce and boards of trade from across the country are debated and voted on by accredited delegates. Once approved, these resolutions become policy of the Canadian Chamber for three years. This year, delegates issued a clear national policy mandate that we will pursue vigorously with the federal government over the coming months.

Our renewed national policy mandate includes a number of issues that fall within your portfolio. We would like to discuss these issues with you directly in the near future. I have outlined these policy positions below.

Canadian Industry Program for Energy Conservation (CIPEC): For more than 30 years, the Canadian Industry Program for Energy Conservation has been helping Canadian industry boost its bottom line by using energy more efficiently. The federal government should work to increase public knowledge of this program by undertaking an aggressive education campaign so that Canadians are aware of this excellent program.

Maximizing Potential of Fallow Oil and Gas Fields: The current regulatory framework for the management of offshore oil and gas development in Newfoundland and Labrador falls short in ensuring that companies have incentives for the development of oil and gas fields. The federal government should review the current offshore regulatory structure to ensure efficiency, modernity and effectiveness and impose timelines for the execution of exploratory activity to ensure that claims do not go undeveloped.

Harmonizing Greenhouse Gas Emission Reduction Regulations in Canada: The rapidly evolving climate change targets being developed separately by Canada's federal, provincial and territorial governments pose a serious challenge to business certainty and compliance. To be effective and efficient, the federal government, in

concert with Canada's provinces and territories, should develop a coordinated and consistent approach to climate change and air pollution.

National Energy Framework – A Vision for the Future: Canada's future economic growth and prosperity will depend on our ability to remain competitive in an increasingly global marketplace. It is vitally important to ensure that Canada has a stable, diverse and flexible energy supply which includes environmentally-sound, cost-efficient uses of all economic energy sources. Canada should strengthen and maintain our market-based approach to energy, recognizing that decisions about the use of energy, the choices of energy forms for different applications and the development of energy resources are best made through market forces, including, in particular, free and open access to international energy markets and access to a full domestic basket of energy choices.

Definition of the Precautionary Principle: The federal government has long supported the "Rio" definition of the precautionary principle, which reads: "Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation." This is the definition that should be used in all legislation, regulations and treaties. The federal government must avoid made-in-Canada variations as was done, for example, in the Marine Conservation Areas Act)

Unique Economic Advantages in Canada through the Conservation of our Water Resources: One way Canada's business communities can lead the way in conserving our resources is through using water more efficiently. Water efficiency will also trigger new economic activities for water-related manufacturing and service sectors, encouraging new business opportunities and job creation. The federal government can help to encourage this through incentives, auditing programs and the promotion of continual improvement in water conservancy.

Growing the Availability of Alternative Fuels in Canada: A major reason that the use of alternative transportation fuels, such as natural gas, hydrogen, ethanol, propane and biodiesel, has been slow to increase in Canadian marketplace is that they require a refueling infrastructure in order for Canadians to have easy access. The federal government can help to facilitate the introduction of alternative fuels through exemptions from fuel taxes, incentives through tax credits for the installation of fuel infrastructure, and support for the development and sale of alternative fuel vehicles.

Expedited Application and Funding Approval Process for Bioproduct Applications: The process of investment attraction is extremely competitive and the availability of financial incentives can be a critical factor that determines where an investment will be made. To assist in Canada becoming more competitive internationally as an investment location for bio-industrial projects, the federal government should expedite the evaluation and approval processes for projects seeking financial assistance through the various available federal funding mechanisms.

Expanded Capital Support for Bioproducts: The federal government's significant incentive programs for the development of renewable chemicals, fuels and industrial bio-product initiatives has a focus on capital support for the establishment of biofuel production facilities, and excludes other industrial bio-product applications. Federal

financial assistance programs should be expanded to support commercial-scale manufacturing facilities for the production of renewable chemicals, bio-composites and evolving industrial bio-product applications.

Focused Strategy for Mineral and Mining Excellence: Canada lacks a comprehensive strategy to make mining and the mineral sector a key component of its continued growth on the world stage. The federal government should make a firm, public commitment to making Canada the world's leading jurisdiction in innovation, technology and knowledge production related to the discovery, production and use of metals by developing focused centres for mining research and education.

The full text of these resolutions is attached and I hope that we will have an opportunity to discuss these with you in the near future. We will contact your office shortly to set up a meeting.

Sincerely,

A handwritten signature in black ink, reading "Perrin Beatty". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Perrin Beatty
President and CEO

Attachments