

November 13, 2009

The Honourable Christian Paradis, P.C., M.P.
Minister of Public Works and Government Services
Public Works and Government Services Canada
11 Laurier Street
Gatineau, QC
K1A 0S5

Dear Minister:

In October, the Canadian Chamber of Commerce concluded its 80th Annual General Meeting (AGM) in Victoria. A major highlight of our 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 Canada are debated and voted on by accredited delegates. Once approved, these resolutions become policy of the Canadian Chamber for the following three years. In 2009, our delegates issued a clear and decisive national policy mandate that we intend to pursue vigorously with the federal government over the coming months.

The following resolution, adopted as Canadian Chamber policy, pertains to your portfolio.

Relocation of Federal Government Offices

The Canadian Chamber recognizes and approves of federal government initiatives to deliver services efficiently and cost-effectively. However, there needs to be greater consultations with communities that are affected by service reductions as a result of the removal of government offices from their communities they have time to work with the federal government in addressing concerns of its citizens. The Canadian Chamber recommends the federal government undertake a review of the centralization of its offices and its effect on service delivery to citizens to ensure that service delivery respond to the needs of all communities; and consults with local communities prior to relocation of government offices so they have an opportunity to provide input on any planned service reductions.

Should you wish to discuss these issues further, I would be pleased to do so.

Sincerely,

Perrin Beatty
President and Chief Executive Officer

Attachment

c.c. François Guimont, Deputy Minister/Deputy Receiver General
for Canada, Public Works and Government Services Canada

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Ministre des
Travaux publics et des
Services gouvernementaux
Receveur général du Canada



Minister of
Public Works and
Government Services
Receiver General for Canada

Ottawa, Canada K1A 0S5

The Honourable Perrin Beatty
President and Chief Executive Officer
The Canadian Chamber of Commerce
360 Albert Street, Suite 420
Ottawa, Ontario K1R 7X7

FEB 10 2010

Dear Mr. Beatty:

I am pleased to respond to your letter of November 13, 2009, addressed to my predecessor, regarding the resolution of the Canadian Chamber of Commerce to request greater consultation with communities affected by service reductions resulting from the removal of federal government offices from their communities.

As you are aware, the Government of Canada has a significant level of involvement in community development and sustainability. Areas of participation include the funding of infrastructure, housing programs and community development research, transportation and energy use in cities, as well as the real estate activities of the federal government itself.

Within these initiatives, Public Works and Government Services Canada (PWGSC), as the department responsible for most of the general use office space, acts as custodian for approximately \$8 billion of Government of Canada real property holdings, administering some 2,000 lease contracts with annual rents totalling over \$900 million. We also make payments in lieu of taxes totalling over \$460 million to 1,300 Canadian municipalities and other taxing authorities.

Such a major presence gives the federal government the ability to impact the development of communities. With this in mind, PWGSC, as a responsible corporate citizen and member of the federal community, strives to support broader government policies, programs and objectives while being sensitive, in its investment decisions, to regional and local conditions and expectations.

For example, PWGSC's Community Based Investment Strategies are aimed at developing long range investment plans for communities throughout the

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country with high concentrations of federal government office space. These plans are based on information gathered from all government departments that we serve in a given area, and take into consideration the overall impact of the aggregate demand for space in the medium- and long-terms.

Similarly, at the community level, PWGSC also has the Good Neighbour Policy, which provides a framework to encourage consultation with municipal administrations regarding federal investments in real property. The intent of this policy is to support, where feasible, local planning objectives such as sustainable development and downtown revitalization. The Good Neighbour Policy commits us to consider local plans and priorities while addressing other federal policy objectives, client needs and cost considerations.

Having noted all of the above, however, I must also emphasize that, in keeping with the Treasury Board Real Property Policy, the decision to terminate leases or dispose of federal real property is driven by the needs of client custodial departments. These decisions are made when there is a change of program requirements for space, such as when a federal program ceases to exist. As the provider of office space, PWGSC responds to requirements for the space of client departments and, therefore, only has a secondary role in the decision to terminate leases or dispose of space. Following a client department's decision to give up space, PWGSC will perform ongoing analysis of supply and demand, investment and risk, as well as due diligence related to elements such as environmental conditions. This will allow us to determine the best approaches to accommodating any remaining space requirement in a community.

Broader considerations about policies related to the program requirements of the federal government as a whole, however, are the mandate of the Treasury Board Secretariat. Therefore, I will forward your letter to the Honourable Stockwell Day, President of the Treasury Board of Canada, for his attention.

I appreciate the opportunity to respond to you on this matter.

Yours sincerely,



Rona Ambrose

c.c.: The Honourable Stockwell Day, P.C., M.P.