



Durham Region Labour Council

June 14th, 2021

Municipality of Clarington

40 Temperance Street
Bowmanville, ON
L1C 3A6

Dear Mayor and Council, Municipality of Clarington:

This is to advise that the Durham Region Labour Council is opposed to the proposal to create a Free Trade Zone Point at the Hamilton Oshawa Port Authority (H.O.P.A.) in Oshawa. This matter came to our attention through correspondence from the City of Oshawa (March 29, 2021 council minutes), City of Pickering and through the recent general meeting and land use planning presentation meeting of HOPA. The reasons for opposition to the proposed Free Trade Zone Point at the Hamilton Oshawa Port Authority (H.O.P.A.) Oshawa location are as follows:

1. Loss of Government Revenue – Communities need Public Services and Programs!

Free trade is not “free”. Companies do not pay customs, duties, tariffs, and taxes when operating in a Free Trade Zone Point. This means that governments forego the corporate revenue necessary to maintain government services for citizens and to pay for needed infrastructure and programs. The burden of these costs is then shifted to citizens who pay sales taxes, income taxes, and citizens and businesses who pay property taxes. This is not fair.

The economic consequences of the COVID 19 pandemic include continuing dramatic costs for governments at all levels. Now, and for the foreseeable future, is not the time to be foregoing government revenues necessary to sustain government programs and services.

There are no community benefits foreseen in the development of this proposal, and moreover, this may aggravate citizens in the surrounding residential communities who expect their income, property and sales taxes paid to be devoted to their health, their environment, their economic security and their well-being and this to be the priority of local governments and their representatives as opposed to giving foreign and domestic corporations a tax free existence in a Free Trade Zone Point.

The benefits claimed as Free Trade Zone Point incentives for businesses can include: ♣ The Duty Deferral Program. ♣ The Drawback Program , ♣ The Customs Bonded Warehouse

Program, ♣ The Export Distribution Centre Program and ♣ The Exporters of Processing Services Program, to name a few.

2. Labour and Human Rights

Working people in Oshawa and Durham Region fear the loss of well paid, unionized, full-time permanent jobs to countries with lower wages and fewer labour standards and protections for workers as a result of several free trade agreements Canada is a party to. For example, Oshawa has suffered through significant shut downs in the automotive manufacturing sector, at General Motors Oshawa and subsidiaries, while these companies shifted production of similar products to other countries where lower wages could be paid and where there are lower standards of labour and human rights protections. This was after several significant government contributions had been paid to these profitable companies.

Canada participates in over 14 free trade agreements with at least 51 countries. Examples are:

- Canada-United States-Mexico Agreement (CUSMA)
- Canada-EU Comprehensive Economic and Trade Agreement (CETA)
- Canada-UK Trade Continuity Agreement (CUKTCA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

3. Environmental Concerns

The Oshawa port and harbour areas are small. The Oshawa harbour is not a natural deep water facility for large, fully-loaded cargo ships. The harbour requires on-going dredging of sediments from the harbour basin. There is a long standing problem with heavily polluted and contaminated dredgeate from Oshawa harbour documented by Lake Ontario Waterkeepers being stirred up in the dredging process and then dumped in Lake Ontario. These pollutants result from prior dumping of contaminated wastes by local corporations on federal port authority lands north of the harbour that have seeped into the harbour bottom.

The Oshawa port and harbour operators whether a harbour commission or port authority have long standing problems dealing with the surrounding residential communities and recreational users due to existing and proposed polluting industries. For example, the proposed Farmtech ethanol plant was resoundingly rejected by residents of Oshawa. The lack of prior informed consultation with the community and a poor legal contract with the rejected FarmTech developer resulted in the loss of millions of dollars and Oshawa Port Authority heading toward bankruptcy according to their auditors. These losses have been absorbed into the Hamilton Oshawa Port Authority.

The small Oshawa port on Lake Ontario is wedged between environmentally significant parklands and wetlands on the Lake Ontario waterfront – Lakeview Park East, Second Marsh, McLaughlin Bay Wildlife Refuge and Darlington Park - and is crossed by the popular Lake Ontario Waterfront Trail. This is an area that has been designated of historical and cultural value and features such as the Oshawa beach and pier are popular destinations for recreational use and tourists. These areas are compromised by port operations and businesses operating within the port that produce dusts, noxious fumes and odours from the heavily industrialized areas where there is movement and storage of steel, cement, potash, salt, asphalt, and grain.

The future uses of the Oshawa Port are not known. A bulk gasoline terminal and container terminals have been proposed. These proposals and plans for further heavy industry or movement of goods can further compromise both the environment and the local infrastructure.

4. Lack of Infrastructure to Support a Free Trade Zone Point

The port of Oshawa lacks the necessary infrastructure of land, road, bridges (Simcoe St., Harbour Road), highway 401 connections (at Simcoe Street, Ritson Road and Harmony Road) to address the current heavy truck traffic let alone an increase in truck traffic that could occur with the attraction of foreign and/or domestic business. The port lacks fire suppression equipment (hydrants), pollution control systems to handle spills, and sewage and storm drain connections required to handle spills which were noted in the aftermath of the 2013 fire at the McAsphalt plant. The west wharf area next to Simcoe Street south, Lakeview Park West, and the Oshawa Museum lacks the road and bridge infrastructure to support large scale trucking and industrial development and would be incompatible with surrounding parkland, historical and residential land uses.

For these reasons, the Durham Region Labour Council is opposed to the development of a Free Trade Zone Point by the Hamilton Oshawa Port Authority that is proposed to be developed in collaboration with municipalities and businesses in the Durham Region over the next 2 years. The Durham Region Labour Council expects to be regularly consulted, updated, and kept informed about the proceedings of local and regional committees addressing this matter, receive relevant staff reports, as well as to be informed of opportunities for public consultation and engagement on all matters relating to development of the Hamilton Oshawa Port Authority, Oshawa Port location.

Please acknowledge receipt of this correspondence and how the enclosed matters will be addressed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tiffany Balducci', with a long horizontal line extending to the right.

Tiffany Balducci
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