

APPENDIX C

REQUESTERS COMMENTS

July 8, 2022 Comments to Appendix A: “History of Mill Closure (2014-2022)”

The below comments have been prepared by the complainant in response to Mayors Caul’s statements in Appendix A to the “DRAFT Report with respect to an Allegation of a Violation of the Town of Fort Frances Council Code of Conduct & MCIA” prepared by Paul Heayn on June 8, 2022. The below comments are intended to provide clarification to Ms. Caul’s statements in Appendix A, some of which, to the knowledge of the complaint, are either incorrect or inaccurate.

Specific Comments:

1. **Mayor Caul:** “Mr. Willick was a former minister of with the Ministry of Natural Resources...”.

Comment: This is incorrect. Mr. Willick was in fact Assistant Deputy Minister with the Ministry of Natural Resources.

2. **Mayor Caul:** “Unfortunately, Mr. Willik and Ms. Dryesdale were not able to secure the wood fibre that had been historically destined to Fort Frances...”

Comment:

It was commonly understood that Resolute would maintain its wood supply commitment through the SFL transfer to BWPMC. The founding group was advised of this Ministerial Direction by Lorne Morrow (MNR representative) at the first, and subsequent meetings of interested parties. Therefore, Mayor Caul’s statement is disingenuous as the decision was made by the Minister as a condition of the SFL transfer negotiations.

3. **Mayor Caul:** “In October 2014, F.F. Council, our Economic Development Consultant, local businesspeople, and First Nations residents secured an airplane and flew to Toronto hoping to meet with Premier Wynn for assistance to keep the F.F. mill running and viable for employees. Premier Wynn avoided the lobbyists and the costly trip ended on deaf ears from the government.”

Comment: The Town of Fort Frances rented the plane. Arrangements were made by the CAO. The RRFDC found funding to offset the costs associated with this trip. The meetings did result in the Government of Ontario convincing Resolute to maintain the heat in the mill for an extended period so that it could be marketable. Lobbying was and is the primary responsibility of the Mayor, at that time Mayor Avis and later Mayor Caul.

4. **Mayor Caul:** “The ad hoc committee decided, on the advice of Councilor Judson to hire Gowling WLG, a firm he had connections with, to investigate the forest licence audit.

Comment: The Ad Hoc committee was not established “to investigate the forest licence audit”. The committee was tasked with developing strategies that would encourage Resolute to sell the mill assets to a new buyer.

The question posed to Gowling - was whether the clause in the original licence issued to Resolute (which stipulated that the Crossroute fibre must be processed in the Fort Frances mill) had priority over their commitment for the wood, in other words - would Resolute maintain the wood supply commitment, even though they planned to process the wood in a location other than Fort Frances?

The Gowling opinion confirmed that the wood could be consumed by Resolute irrespective of the mill location and there was no hope of success if a legal challenge was pursued concerning that clause in the Resolute SFL.

General Comments:

- We understand that the Independent Forest Audit would not have had any bearing on the Gowling decision. The audit report and the Gowling opinion were consistent with one another.
- We understand that the public release of the Crossroute Forest Audit Report dated 2017 was delayed for several years. We understand that the release of Audit Reports was delayed for several years due to the need for the document to be in compliance with the Accessibility for Ontarians with Disabilities Act. In fact, we we’re advised that the public release of twelve 2017 Audit Reports was delayed until 2021. Had the Mayor asked the MNRF why the Report was delayed instead of assuming a conspiracy was afoot regarding the Crossroute Audit, perhaps some of these difficulties could have been avoided.
- The Mayor implies that Mr. Willick delayed releasing the Audit Report to her. We understand that Mr. Willick provided the Audit Report to her within a day or two, after having obtained a copy from the MNRF.
- Despite being provided with information on the licence renewal process on numerous occasions, in writing and verbally, Mayor Caul does not seem to understand the process. The Independent Forest Audit is not the mechanism by which the MNRF renews an SFL. The licence renewal is conducted under Section 26 of the Crown Forest Sustainability Act, 1994. It is done internally by MNRF in consultation with the licence holder. The Audit findings are only one of many considerations taken when reviewing licence renewals