



STATEMENT FROM THE TOWN OF FORT FRANCES

For Immediate Release – February 13, 2019

A resolution for consideration by the Council of the Town of Fort Frances was prepared in response to correspondence received by the Town from Resolute Forest Products on Friday, February 8. The proposed resolution was introduced as a non-agenda item during Council's meeting on Monday, February 11.

In its February 8 letter, Resolute informed Council that it had "signed a backstop agreement to transfer the Fort Frances mill property to a community redeveloper." In our view, this letter disclosed Resolute's intention to sell its shuttered Fort Frances paper mill to a buyer that will demolish it – eliminating a key economic asset for our community. While Resolute has also indicated that it is running a competitive bidding process, this letter does not indicate that that process is for the sale of the mill as a whole, but rather that it is "a parallel process whereby other interested parties can prepare binding offers for the assets".

We question whether the bidding process prevents a party with plans to reopen the facility from assessing the business viability of operating the mill and submitting a bid for that purpose. The Town has seen a copy of Resolute's non-disclosure agreement for interested parties, which requires that they refrain from communicating with government officials – which is necessary for any party in need of access to a wood supply from the province to operate the mill.

The proposed resolution asserted our community's insistence on the use of local forest resources for local economic benefit – a priority of the forest management system and the license by which Resolute enjoys access to publicly-owned wood in the Crossroute Forest. The Sustainable Forest License (SFL) held by Resolute indicates that wood harvested from the Crossroute is meant – first and foremost – to supply the Fort Frances mill. Resolute closed the Fort Frances mill over 5 years ago, but has continued to take wood from our forest to support its other operations.

With the future of the mill now clearly at stake, there are legitimate concerns that Resolute's intention is to use the disposition of the mill to consolidate its control over local forests by eliminating its Fort Frances facility. If so, we believe that this is an abuse of the rights conferred under the SFL, and that the province must intervene to ensure that the public's interest in our forest is not eroded.

While Monday's Council meeting was in progress, Resolute's lawyers issued a letter to Council threatening legal action. Resolute alleged that the resolution contained "false, misleading and defamatory statements concerning Resolute". Resolute's letter did not identify the alleged defamatory statements in our resolution.

We remain of the view that the proposed resolution is well within the acceptable bounds of municipal government expression. The proposed resolution also reflects our duty to stand up for our citizens. This is the job of Council. Resolute's legal threat is a classic SLAPP tactic (Strategic Lawsuit Against Public Participation) intended to intimidate our community into silence about Resolute's private transaction that could drastically affect the wellbeing of our community, its forest resources, and our economic capacity.

Our Council has a duty to defend the interests of our constituents and their rights over local, publicly-owned resources. Council will be considering the resolution at a special meeting set for **Tuesday, February 19 at 7 PM at the Civic Centre**. We are inviting the public and the media to attend this meeting, where deputations will be heard from various community, labour, and Indigenous stakeholders in support of maintaining a stable, equitable wood supply for our community.

We continue to call on the provincial government to take explicit, public action to ensure that local forests create local jobs and economic prosperity, and that Fort Frances is always open for business.

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Background Materials (attached in original electronic transmission):

- Proposed Resolution
- Sustainable Forest License for the Crossroute Forest
- Letter to the Town from Resolute, dated February 8, 2019
- Letter to the Town from Resolute's lawyers, dated February 11, 2019