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**Official Report
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(Hansard)**

Wednesday 30 May 2012

**Journal
des débats
(Hansard)**

Mercredi 30 mai 2012

**Standing Committee on
Regulations and Private Bills**

**Comité permanent des
règlements et des projets
de loi d'intérêt privé**

Chair: Peter Tabuns
Clerk: Tamara Pomanski

Président : Peter Tabuns
Greffière : Tamara Pomanski

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE
ON REGULATIONS
AND PRIVATE BILLS**

**COMITÉ PERMANENT DES
RÈGLEMENTS ET DES PROJETS DE LOI
D'INTÉRÊT PRIVÉ**

Wednesday 30 May 2012

Mercredi 30 mai 2012

The committee met at 0805 in committee room 1.

The Clerk of the Committee (Ms. Tamara Poman-ski): Good morning, honourable members. It is my duty to call upon you to elect an Acting Chair. Are there any nominations? Mr. Walker.

Mr. Bill Walker: I'll nominate Michael Mantha.

The Clerk of the Committee (Ms. Tamara Poman-ski): Mr. Mantha, do you accept the nomination?

Mr. Michael Mantha: I accept.

The Clerk of the Committee (Ms. Tamara Poman-ski): Are there any further nominations? There being no further nominations, I declare the nominations closed. Mr. Mantha is elected Acting Chair.

ONTARIO FORESTRY INDUSTRY
REVITALIZATION ACT (HEIGHT
OF WOOD FRAME BUILDINGS), 2012
LOI DE 2012 SUR LA REVITALISATION
DE L'INDUSTRIE FORESTIÈRE
DE L'ONTARIO (HAUTEUR DES
BÂTIMENTS À OSSATURE DE BOIS)

Consideration of the following bill:

Bill 52, An Act to amend the Building Code Act, 1992 with respect to the height of wood frame buildings /
Projet de loi 52, Loi modifiant la Loi de 1992 sur le code du bâtiment en ce qui a trait à la hauteur des bâtiments à ossature de bois.

The Acting Chair (Mr. Michael Mantha): Good morning, everyone. This is actually my first committee, and I get to Chair it.

We are here for public hearings on Bill 52, An Act to amend the Building Code Act, 1992 with respect to the height of wood frame buildings. Please note that written submissions received on this bill are on your desk.

RESCON

The Acting Chair (Mr. Michael Mantha): I will now call on RESCON, Richard Lyall, president, to please come forward. You have up to 10 minutes for your presentation, and up to five minutes have been allotted for questions from the committee members. Please state your name for Hansard, and you may begin at any time.

Mr. Richard Lyall: Thank you, and good morning. Thank you for affording me the opportunity to speak to

you today. My name is Richard Lyall. I have represented the residential construction industry for 20 years in my current capacity. Specifically, my responsibilities include the administration of the Residential Construction Council of Ontario, the Toronto Residential Construction Labour Bureau, the Durham Residential Construction Labour Bureau and the Metropolitan Toronto Apartment Builders Association. I also sit as a director of the Residential and Civil Construction Alliance of Ontario. In addition to that, I sit on a number of other organizations engaged in construction in the province. I was a vice-chair of building reform at one time as well, and I am a former civil servant, where I worked in the area of industry, trade and technology policy.

The main issues of interest to us and which we have been engaged in for years include human resources, technical standards, health and safety, infrastructure development, innovation and housing affordability etc. We have issued numerous reports on related matters over the years. Most recently, we have, as well as the many well-documented media sources, cited the growing problems with housing affordability, infrastructure and related barriers to innovation in housing production.

This has mostly been in response to disturbing trends in the past decade which are not sustainable. Those are the zero real-income growth, the 200% to 300% increase in land prices and government-imposed costs, and the growing housing affordability problem—a rapidly expanding issue even though we have very low interest rates. While daunting challenges to be sure, one way we can have an impact is in finding ways to reduce production costs.

I know you have a busy day ahead, and we'll therefore focus on three key points central to your deliberations. I will not spend any time on technical or safety issues, which, while important, are not that which should cause mid-rise timber frame construction to be blocked or unduly delayed. Any details that need to be sorted out there can be done so with ease through, amongst other things, the Ontario building code. Partly that is because mid-rise timber frame is not something new. Also, we have a building industry that is second to none, which can handle it.

Indeed, even though we are recognized by others for our abilities, there is no doubt Ontario is behind other jurisdictions in innovation. Even though we are very

similar to the US, Scandinavia and some European countries, they have moved well ahead of us on innovation related to timber frame construction and engineered wood product developments and their applications.

The three critical factors I wanted to touch on are, first, housing affordability. Mid-rise timber frame would fill a niche in the market which needs to be filled. With smart growth and the need for higher density infill and new development, we need to find a way to build where high-rise concrete or low-rise housing, for example, are not cost-effective. As such, it would open up an entirely new market, which is badly needed. It would create solid new jobs, build on our strengths and renewable resources, and increase our capacity to provide badly needed housing critical for the economy. I can assure you that the market is there in the thousands of units, and also that there are opportunities for rental housing here which should not be ignored.

I would also ask, where are the alternatives to this? Governments do not have the money to fill the gap with respect to housing affordability, and, in fact, never did. So efforts must be made to balance demand and supply.

The second point I wanted to discuss is innovation. Ontario needs to step it up in the area of housing and innovation. Mid-rise timber frame is one of those areas, in addition to others.

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I would note that significant advances have been made in Ontario relative to low-rise housing in panelization. That technology lends itself well to mid-rise timber frame. We need to allow the market to build on this.

The third critical area is in the area of northern development. We should be exploring ways to add value to our timber products for both domestic and foreign markets, and to add to that, mid-rise timber frame is a sustainable and green industry.

For the above reasons and others, my remarks are therefore in support of the letter and spirit of the bill. It is supported by the home building industry. It is in the public interest at every level, in our opinion, and the concerns related to it are details which can be resolved as they have been in other jurisdictions no less responsible than ours. And there are many noteworthy advantages too.

I conclude my comments at this point and would be happy to answer any questions you might have. Thank you.

The Acting Chair (Mr. Michael Mantha): We will go to the opposition to start your series of questions.

Mr. Victor Fedeli: Thank you very much, Mr. Lyall, first of all, for taking the time to be here and, secondly, for offering your support for this important bill.

When you talk about increasing capacity, filling the niche and the jobs, can you just spread that out, just for another moment or two, the type of niche that it could perhaps fill?

Mr. Richard Lyall: One area that's pretty obvious to us is that you do have sites and locations and market conditions where something on a very large scale would

not work. It wouldn't fit, for example, or just wouldn't fit in with the various community characteristics or planning or whatever. In other cases, where the land might be too expensive for a low-rise project, that might not fit as well. So, in the industry we see a gap there between the two that could and would be filled by this.

The other thing is, because the production costs are lower, we think that opens up greater opportunities for development mix and feasibility—also, interestingly enough, in the area of rental housing. Arguably, we don't have a sufficient amount of production in that area, and we think there are opportunities there as well.

The Acting Chair (Mr. Michael Mantha): Any further questions from the official opposition party? Then we will go to the government.

Mr. Mario Sergio: Thank you for your presentation, Mr. Lyall. Since we have the time, you mentioned a few things in your presentation with respect to alternative and affordability and northern industry, speaking economically, especially for the north. Any other area that you may have some concern with? I know you have mentioned some of the positive sides, if you will, but is there any concern that the industry in general may have, such as safety? How do you see that?

Mr. Richard Lyall: I wouldn't put them as concerns. Needless to say, in the building industry we're always very conscious of safety matters and the related technical matters. In this area, we don't see any apparent safety concerns that would cause us not to proceed with this.

There might be some very fine details with respect to certain specific, say, fire separation characteristics. We already—and did recently—introduced sprinklering into multi-unit housing, so that would alleviate any concern there. Again, there might be some tinkering but nothing of any real substance overall.

The other thing I'd add too is that I think mid-rise timber frame combined with panelization, because they do go hand in hand, is very safe. Certainly in the low-rise area, where we've gone from stick-built housing to panelized housing, there are a number of very positive safety features to that relative to construction. You end up with, I would suggest, a tighter product and a product that's to a much greater extent pre-engineered in the off-site facilities where the components are fabricated.

The concerns that exist are ones that could be handled—and handled, I think, very quickly and expeditiously—through committee, bringing the various experts together on fire safety and structural aspects, and they could be sorted out without any real problem.

Mr. Mario Sergio: Just another quick one, Chair.

Do you represent the construction industry throughout Ontario, or are you more regional in areas?

Mr. Richard Lyall: We're a province-wide organization, RESCON is, and the RCCAO, but certainly a good portion of my work is related to the central Ontario area, only because that's where a huge proportion of the production currently exists.

Mr. Mario Sergio: And, finally, do you know how the steel and cement industry looks upon this particular issue?

Mr. Richard Lyall: I understand they have some concerns. I have seen some of the documentation on that, and I think part of that might be driven by the fact that this is a competing product and therefore might affect their market, although, as I said in my remarks, mid-rise timber frame is something that would actually, I think, and we think, open up a new market. So I don't see it as sort of Peter robbing Paul; I think it's complementary.

Mr. Mario Sergio: Thank you very much. Thank you, Chair.

The Acting Chair (Mr. Michael Mantha): Seeing no further questions, thank you very much, Mr. Lyall, for your presentation.

CANADIAN WOOD COUNCIL

The Acting Chair (Mr. Michael Mantha): We will call on our next speaker, who will be Michael Giroux, president, for the Canadian Wood Council. You have up to 10 minutes for your presentation and up to five minutes has been allotted for questions from the committee. Please state your name for Hansard, and you may begin at any time.

Mr. Michael Giroux: Good morning. My name is Michael Giroux, and I'm the president of the Canadian Wood Council. By way of introduction, the Canadian Wood Council represents the Canadian wood products industry through a national federation of associations. Our mission is to protect and to ensure future market access for wood products and construction through work in building codes and standards, and to increase demand for Canadian wood products through education.

The Canadian Wood Council has directly participated in the development of the National Building Code of Canada and of its provincial derivatives for the past 50 years. Given our name and mandate, it should come as no surprise to committee members that I'm here today in support of Bill 52.

Getting straight to my points, should this bill go forward, Ontario's proposed code amendments would explicitly describe new wood-based mid-rise-building solutions as prescriptive acceptable solutions. This would offer a significantly different and improved option for specifiers—these are architects and engineers—in terms of avoiding the extra time and cost they now have to spend to seek special approval through the more onerous alternative compliance pathway. This amendment would create a more equitable playing field for the use of structural wood products in five- and six-storey mid-rise construction.

This is not about favouring wood. This is not what you've heard before as "wood first." It is about adding another choice that specifiers are free to choose or not to choose.

There is regulatory precedence for code changes being considered in Ontario. The province of British Columbia made similar changes in their building code in 2009, and evidence would suggest that substantive economic and social benefits from similar code changes can be anticipated here in Ontario.

The changes contemplated for the Ontario building code will result in closer harmonization of the acceptable solution section with the provisions adopted in the BC building code and also allying closely with more recent code changes that BC has subsequently requested to be included in the 2015 National Building Code of Canada.

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Similar to BC, the Canadian Wood Council has also submitted requests for changes to the 2015 National Building Code. These include a set of amendments that would allow for new provisions in the building code, similar to both the Ontario and BC provisions, but go beyond those in recommending even greater heights in areas for six-storey, mid-rise, multi-family and other non-residential buildings.

Parallel to this activity, a research project is under way at the National Research Council, and this project is called Wood and Hybrid-Wood Mid-Rise Buildings: Comparing the Performance of Different Structural Solutions (Concrete/Steel/Wood), Assessing Risks, and Developing Solutions. This is a collaborative study involving the National Research Council of Canada, Natural Resources Canada, and the Ontario, Quebec and BC provincial ministries responsible for building regulations. There's also an associated advisory committee that includes the aforementioned parties as well as fire officials, competing material industries and others.

The question then arises: Does Ontario need to wait for the results of either the review of the National Building Code of Canada changes, recommended by BC and the Canadian Wood Council, or results of the National Research Council's research project before implementing their own changes? I would argue that, no, they don't have to wait.

There's already ample information available from the BC work and an opportunity now to expedite amendments here in Ontario that could see these provisions added to Ontario's 2012 building code. Alternatively, if there should be a preference to wait for the results of the national code discussions, it is recommended that Ontario still seek to have the National Building Code of Canada proposed changes reviewed as amendments to the 2012 Ontario building code, possibly as soon as the spring of 2013. Ontarians could then see the benefits of wood-frame, mid-rise construction sooner than later.

Just to summarize here:

(1) There is Canadian precedence in BC for MPP Fedeli's proposed Ontario building code change request, and the option to implement such changes can be expedited here in Ontario. The province of BC approved their amendments in the BC building code in less than a year.

(2) The proposed Ontario building code changes include proven fire-safety measures which ensure that mid-rise, wood frame buildings will be designed to perform as well as other buildings permitted under the current version of the code. These measures include compartmentalization of buildings, more extensive installation of fire sprinklers, increased water supplies for fire

protection, careful control of moisture content in wood products and increased controls to mitigate fire risks during the construction phase, when wood frame structures are most vulnerable.

(3) The fire-safety measures seek to address the different issues of concern, including construction site fire safety, that have been raised by other affected stakeholders, such as the construction material interests and members of the fire emergency services, who have recommended delaying these decisions to post-2015.

If any delay is preferred—and this is as a result of the discussions today or other discussions—an expedited approach in 2013 would still be considered and supported, or should still be considered and supported, using the draft 2015 National Building Code of Canada proposed technical amendments as the basis for the Ontario building code changes.

That concludes my remarks. I thank you for your attention. I recognize I used the words “building code” about 50 times there. Thank you.

The Acting Chair (Mr. Michael Mantha): Thank you for your presentation. With this round of questioning, we will start with the official opposition.

Mr. Bill Walker: My only one, I guess, is, have any amendments been further made to the BC legislation since it has been implemented?

Mr. Michael Giroux: No, not at this stage. They are working with the Canadian Wood Council, looking at additional amendments going into the 2015 building code, but their code has remained static.

The Acting Chair (Mr. Michael Mantha): Mr. Fedeli?

Mr. Victor Fedeli: Thank you very much. I want to talk about BC as well. Can you tell us a little bit more about the positive experience in BC and the history there and what we’ve seen—the buildings that have been developed in the marketplace?

Mr. Michael Giroux: Yes, well, at this point, as the previous speaker mentioned, it was like a gap had been filled. We have, through our woodworks projects, tracked over 102 projects now under way in 149 buildings under construction. These are all five- and six-storey buildings. We see this in the lower mainland in BC in particular, but it is starting to spread through other communities such as Kelowna, Penticton and Vernon.

Mr. Victor Fedeli: I want to touch on what member Sergio spoke about as well. With respect to other stakeholders in the industry, can you talk a little bit about the effect on other stakeholders, i.e., cement or steel, in British Columbia?

Mr. Michael Giroux: I can tell you that they aren’t particularly happy about this project. The fact of the matter is that when you look at the construction heights that these are talking about, six floors, this isn’t—and I could stand to be corrected by Robert Burak behind me or others. But this isn’t exactly the sweet spot for concrete.

Really, at the end of the day, what we’re talking about is competing with steel. Light-gauge steel framing, like

wood, has fire issues, yet it’s still permitted to go up to six floors. I think at the end of the day, this is a sweet spot that isn’t exactly the perfect area for concrete, although size of building could matter. It puts us more squarely in competition with steel.

I don’t know; does that answer the question, more or less?

Mr. Victor Fedeli: I was just speaking about the experience, more or less, in British Columbia from the marketplace.

Mr. Michael Giroux: You know—

Mr. Victor Fedeli: Let me be more specific. Did it allow for buildings, in your opinion, that may not have been built, because of the prohibitive price?

Mr. Michael Giroux: Oh, for sure.

Mr. Victor Fedeli: That’s more or less the market that I’m referring to.

Mr. Michael Giroux: Yes, I know. That’s what I meant earlier when I said the 149 buildings. Obviously, this has allowed for real opportunity that did not exist before. They’re seeing up to 15% savings in the construction, so buildings that would not have been constructed before are now being built earlier and much quicker. It is both helping the economy and solving a social problem.

The Acting Chair (Mr. Michael Mantha): Any further questions from the opposition? I will now turn to the government.

Mr. Mario Sergio: Thank you, Chair. Mr. Giroux, you mentioned the project research. Is that in collaboration with Ontario and Quebec, I believe?

Mr. Michael Giroux: Correct.

Mr. Mario Sergio: Would you know at what stage that project is now?

Mr. Michael Giroux: Yes, this is a two-and-a-half-year project. We’re into the second full year of it. Essentially, that project must provide commentary by early 2013 so that it could be in time for the 2015 National Building Code. At this stage, it’s still at the research level with the National Research Council.

Mr. Mario Sergio: It’s over two years now—

Mr. Michael Giroux: We’re about halfway through that project right now.

Mr. Mario Sergio: I know you did mention in your presentation that you don’t want to wait, you don’t have to wait, for the completion of this report. But since it’s imminent, I would hope it would be of interest to wait and see.

Mr. Michael Giroux: Would it be prudent?

Mr. Mario Sergio: Yes.

Mr. Michael Giroux: There are two opportunities here. One of them is to adopt what BC has done relatively quickly. You could do that now if you, so to speak, trust what BC is doing and what their building officials have come together with. That’s one of the opportunities.

This other opportunity speaks to a super model of what was done in BC, so greater heights, greater areas, a more stringent review of some of the issues that are associated with it. I think it’s a matter of economics.

The risk here is that if you decide to wait, and the process is the way it is for building codes, this isn't something that the government is likely to reopen in 2013. We'd say, "Take the building code changes early from the research. Go early in 2013. Let's talk about this, get it out for public comment and parallel." But the more likely scenario is they'll wait for 2015's National Building Code of Canada to come around and then by the time Ontario adopts it, it will be 2017. So we'll wait five years in order to get something that—we could go right now with BC's provisions. That's the difference.

The Acting Chair (Mr. Michael Mantha): Mr. Coteau?

Mr. Michael Coteau: Thank you, Mr. Chair. You mentioned a 15% savings in some cases. Can you explain where that savings came from?

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Mr. Michael Giroux: Yes, these are savings that we've seen in the first number of projects. Particularly, it comes as the building is lighter—it's not as massive—so the foundation work, the structure work, the relative costs of materials—you've got to remember that this is a system, so at the end of the day we're looking at the overall costs from one end to the other in the construction of these buildings of about 15%.

Mr. Michael Coteau: Do you know if there's a difference between accessibility for communities, wood versus other products?

Mr. Michael Giroux: Accessibility in terms of fire services or in terms of—

Mr. Michael Coteau: Accessibility in regards to—I sit on the committee that's looking at aggregate and transportation, and there are different types of issues around transportation, things like that.

Mr. Michael Giroux: You mean for getting materials to sites and things?

Mr. Michael Coteau: Exactly.

Mr. Michael Giroux: This is one of the beauties of lumber and wood. There's wood in every community, so you don't have to bring in things like iron from thousands of miles away to fuel your cement kilns. You have the products relatively close at hand, so that's good. I thought you were going to go down the angle of accessibility for handicapped people, but that's okay.

Mr. Michael Coteau: My last, brief question: Is there a type of chemical or technology they're using now for wood to really repel fire?

Mr. Michael Giroux: There are fire coatings that are available for certain types of products, and the Wood Preservation Canada association has a whole listing of these on their website that you can easily see.

That said, these buildings aren't usually—there are coatings—there are systems available. If you look at Calgary and Edmonton, they talk about how to solve that fire problem during construction. They talk about fire blankets; they talk about coatings; they talk about using gypsum on outside walls. So there are ways to get around some of these things.

But generally, when you're building these buildings, there are just very traditional ways to look at it and you'd have to implement these. These include things like if you're going to build a firewall, make sure it's there; make sure the firewall doors are closed. If you've got sprinkler systems, maybe you activate them earlier. So there's a number of things in the construction phase.

In the ownership phase, once these buildings are built, they are every bit as safe. They're built to the same stringent qualities and higher, because of sprinkling requirements, than other systems.

Mr. Michael Coteau: Thank you very much.

Mr. Michael Giroux: You're welcome.

The Acting Chair (Mr. Michael Mantha): Okay, we've now come to the end of this question period for this presentation. I want to thank Mr. Giroux for his presentation.

KOTT GROUP

The Acting Chair (Mr. Michael Mantha): I will now call on the Kott Group: Mr. Bernie Ashe, chief executive officer, and Jeff Armstrong, general manager of the DAC division. You have up to 10 minutes for your presentation, and up to five minutes have been allotted for questions from committee members. Please state your name for Hansard, and you may begin at any time.

Mr. Bernie Ashe: My name is Bernie Ashe. I am the CEO of Kott Group. My colleague to the right is Jeff Armstrong. He is the president and general manager of DAC, one of our divisions, and he is our building science expert.

Thank you for the opportunity to participate in these hearings. Kott Group is one of Canada's largest building-supply organizations. We have been in business for more than 35 years and operate at seven locations in Ontario and Quebec. We employ more than 500 people in our Ontario operations. Our products and services include lumber and building materials, high-performance prefabricated buildings, stairs and home exterior products. Our customers are residential home-building professionals. Our customer list includes some of Ontario's largest home builders, for example, Minto, Monarch, Mattamy and Fernbrook, just to name a few.

In the forest products supply chain, we are the last point of resale before the end use of the products. We add value by designing and building prefabricated components from the raw lumber, based on our customers' building designs.

We're committed to providing our customers with products that originate from well-managed forests. We're one of the first lumberyards in Ontario to implement a chain-of-custody management system. We have held FSC chain-of-custody certification since 2008.

We strongly support Bill 52, and this is not the first time we have voiced our support for six-storey wood frame construction. In June 2011, we, along with 10 of our key customers, sent letters of support to the Minister of Municipal Affairs and Housing. We believe that there

will be significant economic, social and environmental benefits for Ontarians if the building code is amended to allow for six-storey wood frame construction.

There are economic benefits of six-storey wood frame construction. In addition to the 200,000 forestry industry jobs that would be supported by this bill, there are job impacts further down the supply chain.

The residential construction industry is a huge consumer of wood products. It was responsible for more than 65,000 housing starts in Ontario in 2011. Of those, 37,000 were low-rise wood frame structures, single family, semi-detached or row homes.

The residential construction industry is also a significant employer in Ontario, responsible for more than 350,000 jobs. These jobs cover a broad range: carpenters, plumbers, other skilled trades, architects, planners, engineers, lawyers and sales professionals.

For our home builder customers, one of the biggest challenges is the ability to compete in the face of municipal densification policies. Whether it is the greater Golden Horseshoe growth plan or the city of Ottawa official plan, municipalities in Ontario are effectively seeking to reduce urban sprawl. We recognize the benefits of increased density: Reducing reliance on automobiles and taking advantage of existing infrastructure is good for everyone in Ontario and for the environment. However, these densification policies, when coupled with the existing building code, make it difficult for many home builders to run their businesses profitably and keep their teams employed.

Infill development land is scarce and is expensive to buy. Construction costs related to an infill project can be higher as building practices are constrained by space and respect for bylaws. The current four-storey height limit puts constraints on the amount of product that can be built and sold using traditional wood frame construction; in essence, capping the revenue and, therefore, the profit and return on investment potential of an infill project.

Without a viable solution for profitable infill projects, many low-rise home builders can't make money while following the densification rules. Residential construction industry jobs, therefore, are at risk. The ability to build in wood could make five or six-storey projects economically feasible for these builders. This would level the playing field, allowing them to compete while respecting municipal densification policies.

Looking to the future, the development of know-how for the design and construction of taller wood frame buildings will create export opportunities for Ontario companies as countries around the world address the implications of rapidly increasing urbanization.

I'll now hand it over to Jeff Armstrong.

Mr. Jeff Armstrong: I will begin by addressing the social benefits of six-storey wood frame construction.

Changing demographics are driving a change in the type of housing we require. Over the last nine years, we've seen a shift from single family homes to multi-family dwelling units. In 2003, singles and semis made up 66% of all residential building permits in Ontario and, today, they account for only about 50%.

CMHC's market outlook indicates that higher density construction will continue to be the trend, based on demographic projections related to our aging population and immigration rates. We need to develop new affordable housing products to address this requirement.

In other Canadian and international jurisdictions where mid-rise housing has been tried, it has proven to be more economical to build in wood than in concrete or steel. According to the Canadian Wood Council, while there will always be project-specific differences, light wood frame construction consistently costs 5% to 15% less than concrete or steel. This makes six-storey wood frame housing an affordable choice.

Many people find mid-rise housing more appealing than high-rise buildings because the physical scale is closer to the human scale. Mid-rise buildings are closer to the ground, they can provide direct views in the tree canopy, and they generally feel more connected to life at street level.

Advances in technology have made building six-storey structures with wood practical. The prefabrication of structural components such as wall, floor and roof panels in the factory, or the use of new engineered wood products such as cross-laminated timber, allows for faster on-site build times than either concrete or steel construction. This reduces neighbourhood disruption on urban infill sites and lowers the health and safety risk.

There are also environmental benefits of six-storey wood frame construction. Wood is the only mainstream structural building material grown by the sun. The common alternative materials, steel and concrete, utilize non-renewable resources and do so in a way that is significantly more energy intensive than wood. Carbon dioxide, the predominant greenhouse gas, is removed from the air as a tree grows and is sequestered in the wood until it is either burned or it rots. The viable service life of a wood frame building can be well in excess of 100 years, and the potential for reusing that wood means that the carbon dioxide can be locked up indefinitely. Wooden structures are less thermally conductive than either steel or concrete, making them inherently more energy conserving. Wood is easy to insulate to high standards, whereas concrete and steel must overcome challenges related to thermal bridging. Light metal framing reduces thermal resistance by nearly 50%, which results in an increased energy use.

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Finally, a word about safety. Those opposed to this bill might have you believe that taller wood frame buildings are unsafe due to increased risk from fire or their performance in earthquakes.

Fire safety, one of the building code's key objectives, was clearly considered in the development of the proposed code change. In the current building code, standards for ensuring human safety in wood frame structures are well documented and well understood. The fire safety measures required to ensure that six-storey wood frame buildings will perform at least as well as or better than currently permitted buildings are also well understood.

While it is true that a six-storey wood frame building is more vulnerable to fire during the construction phase than a steel or concrete structure may be, this is a risk that can be mitigated. In other jurisdictions, including British Columbia and Washington state, collaboration between code officials, fire officials and the building sector has developed strategies and provisions to reduce this risk.

Wood offers one of the safest building systems in an earthquake. Because they are lighter than other building systems and more flexible because of the way they are connected, wood structures are better able to withstand the motion generated by an earthquake.

In conclusion, there are significant economic and demographic drivers for building six-storey wood frame buildings, as well as many social and environmental benefits to doing so. On behalf of the residential construction industry, we urge you to support Bill 52.

The Acting Chair (Mr. Michael Mantha): Thank you for your presentation. We will start with the opposition with this round of questions.

Mr. Bill Walker: Could you just expand a little bit more on the safety aspects and where you stand as far as how that compares to some of the other construction methods?

Mr. Jeff Armstrong: As you've heard from some of the other presenters, the key vulnerability of timber in this sort of application is during the construction phase. All of the provisions that have been developed in the current building code to address fire safety in wood frame buildings apply—in the case of occupied buildings, I think it's very easy to demonstrate that human health and safety is well safeguarded by current provisions. It's really only this issue of what happens during the construction phase. I know there have been detailed discussions with all the stakeholders around this issue, and there have been several, I would call them minor, adjustments that would be proposed to take place during the construction phase to mitigate this risk.

Mr. Bill Walker: Thank you.

The Acting Chair (Mr. Michael Mantha): Any further questions from the opposition?

Mr. Victor Fedeli: Yes, thank you very much. Mr. Ashe, I'm starting to sense a trend here, a bit of a theme between Mr. Lyall, Mr. Giroux and yourself in terms of the fact that there's a gap that seems to be filled here, that this is opening up a new marketplace, a non-competing marketplace. Would you agree to elaborate on that, please?

Mr. Bernie Ashe: It's exactly the point. Our customers are telling us that building a four-storey structure, given the number of units that they would have for sale or for rental, is not a profitable endeavour. But a five- or six-storey structure allows them, for the same cost of capital or for an incremental cost of capital, to get a much better return on investment. They really need the fifth and sixth storeys to justify the investment. The investment is higher in these infill projects where you're dealing with intensification, working with downtown

property values or property values in established neighbourhoods where land costs are extremely high and accessing the site is very sensitive. The return on investment starts to get more attractive above four storeys.

Mr. Victor Fedeli: When you look at the provincial government's greater Golden Horseshoe plan that tries to halt the urban sprawl and promote infilling and then you look at northern Ontario's plan—although not complete, but the whole concept is to ignite growth through industries such as the forest sector—would you agree that this is the perfect plan to resolve the infilling issues in southern Ontario and satisfy the need for growth in the north? And if so, could you just fill in the gaps a bit?

Mr. Bernie Ashe: I completely agree with that premise. What we're hearing from our customers is that homebuyers today want these types of products. Homebuyers today are looking for products that are not as expensive, to get a new dwelling. They want maintenance-free living. So these structures, which are block structures of four storeys, five storeys, six storeys, situated closer to the downtown core, are very, very attractive products. Our home builder customers are telling us that homebuyers are looking for these types of products, so it's exactly creating a rare opportunity that we can fill with this change.

The Acting Chair (Mr. Michael Mantha): We will now go to the questions from the government.

Mr. Mario Sergio: Mr. Ashe, you mentioned competition with other products. I know that we're looking at increasing the industry, especially in northern Ontario, and for good reasons. I think economically and socially we all understand the need for some alternative, if you will. Will this be pitting the north against the south—let's say, the steel industry? You discounted the concrete, but it's more in direct competition with the steel industry. We know what steel is for Hamilton or southern Ontario and the wood industry is for northern Ontario. How do you see that socially and economically, the two competitions working together?

Mr. Bernie Ashe: I don't see it as pitting the steel industry against the lumber industry on structures that are this height. There are numerous neighbourhood disputes that are going on in Toronto and in Ottawa over developments that are trying to be capped because of the impact on the local neighbourhoods. So a lot of the compromise for these structures are lower buildings. The concrete and steel guys are not going to be interested in a six- to eight-storey structure. I don't think that's economically viable. The lumber industry can benefit and home builders, who are traditionally residential home builders, can benefit by building structures that are between four and six, even higher. So I don't see it, necessarily, as pitting one industry against another or one part of the province against another, frankly.

The Acting Chair (Mr. Michael Mantha): Go ahead, Mr. Coteau.

Mr. Michael Coteau: Thank you. When you go beyond four or above, when you go to six storeys, is it usually for a commercial space, or are you finding it's a lot of residential?

Mr. Bernie Ashe: It's residential. It's more units, more condo dwellings or apartment rentals. A typical configuration, frankly, would be some commercial, perhaps, on the ground floor, but all of the residences would be on the floors above.

Mr. Michael Coteau: Do you know, for four storeys or under, what the percentage of steel versus wood is currently—the difference?

Mr. Jeff Armstrong: I don't know what the percentage is, but building four storeys in wood is well understood. It's very common. I'd say wood takes the lion's share of that market at four storeys.

Mr. Michael Coteau: But there are people who opt for steel under four storeys?

Mr. Jeff Armstrong: Not structural steel, but light-gauge steel, which is really, in a sense, almost a direct substitute for wood. It's the same basic approach, although much more difficult to insulate, much less energy-conserving, that sort of thing. But I'd say certainly in the markets where we are in Ontario, wood frame takes the lion's share of four storeys and below.

Mr. Michael Coteau: Thank you.

The Acting Chair (Mr. Michael Mantha): I thank Mr. Ashe and Mr. Armstrong for your presentation.

TEMBEC

The Acting Chair (Mr. Michael Mantha): We will now go to Mr. Paul Krabbe, vice-president of business analysis and control for Tembec. You have up to 10 minutes for your presentation, and up to five minutes have been allotted for questions from committee members. Please state your name for Hansard, and you may begin at any time.

Mr. Paul Krabbe: Good Morning. I am Paul Krabbe, vice-president of business analysis and control for Tembec Forest Products Group.

0850

By way of introduction, Tembec is an integrated forest products company producing lumber, pulp, paper and chemical products with operations in British Columbia, Ontario, Ohio, Quebec and France.

In Ontario, Tembec is currently operating five sawmills located in rural northern Ontario in Hearst, Kapuskasing, Cochrane, Chapleau and Huntsville. Combined direct employment for the operating sawmills is almost 600 employees with more than 100 additional direct employees in forest operations and support. As well, Tembec operates a newsprint mill in Kapuskasing, employing 365, which is dependent on the wood chips produced by our and other independent sawmills in northern Ontario.

Annually, Tembec harvests and delivers almost two million cubic metres of timber to its sawmills in Ontario at a cost in excess of \$100 million, much of this which is paid directly to independent contractors and suppliers located in these and other communities. The Ontario sawmill and newsprint operations have a combined gross sales of over \$300 million annually.

I am here today to relay Tembec's support for Bill 52. As a softwood lumber producer, Bill 52 presents the opportunity for Tembec and the Ontario lumber industry to access new and local markets by expanding the use of softwood lumber from its traditional markets of single- and multiple-family homes.

The Ontario softwood lumber industry has traditionally been dependent on exporting to the United States approximately 70% of its lumber production. This traditional dependency placed the industry in a vulnerable position with respect to cross-border trade disruptions and, in fact, since 1982, the United States has launched four trade actions with the intention of limiting access to the United States market by Canadian and Ontario producers.

In 2006, Canada and the United States came to an agreement regarding the export of softwood lumber to the United States, with the promise of market access and a measure of stability in the trade of softwood lumber. This agreement was supported by the province of Ontario, the Ontario industry and Tembec.

Unfortunately, shortly after the agreement was implemented, the United States entered into a financial crisis which was most keenly felt in the US housing sector. Housing starts dropped precipitously and overall US lumber demand dropped by 50%. The resulting fall in lumber demand forced the shutdown and, in some cases, permanent closures of many mills in the United States and Canada. Ontario, even with a relatively strong Ontario housing market, also faced shutdowns. Softwood lumber exports from Ontario diminished to 15% of its peak in 2005.

In the 2006 softwood lumber agreement, Canada and the United States had contemplated the need to expand the markets for softwood lumber. This was viewed as a key ingredient in avoiding future disputes between the two countries. On that basis, it was agreed to fund the binational industry council on which leaders from US and Canadian industries could work together and agree to fund initiatives that developed new markets for softwood lumber.

The Canadian industry, with participation from Canada and the provincial governments, are also actively supporting its own initiatives through the Canadian Wood Council and the provincial Wood Works!

While the United States housing market is slowly getting to its feet, it has become clear that Ontario will remain exposed and we, as producers, cannot always rely so heavily on the US export market. It's time to turn inwards and look to game-changers that will have a significant impact on demand for Ontario lumber.

Bill 52, in approving the six-storey mid-rise wood frame construction, is one of those game-changers that could add shifts to existing mills and bring idled Ontario mills back into production. An average mid-rise project requiring one million board feet of lumber would require four to six shifts of sawmill production; 80 projects annually in Ontario would equate to the production of a mid-sized sawmill operating on two shifts, representing 80 to 100 potential direct jobs.

The US housing market has not yet returned to one half of its former average build rate of 1.5 million homes, and we anticipate it will take another four or five years to return to this level. Adoption of the mid-rise building code changes now would come at a time when the Ontario industry is slowly rebuilding itself after more than six years of significant downsizing.

Bill 52 will reduce Ontario's dependence on the return of the US home construction market to its former self, provide a new lumber market in Ontario and give opportunities for northern, rural, forest-dependent communities to put people and resources to work.

I thank the Chairman and the committee members for the opportunity to speak on behalf of Tembec, and on behalf of Tembec, I ask for your support of Bill 52. Thank you.

The Acting Chair (Mr. Michael Mantha): Thank you, Mr. Krabbe, for your presentation, and we will go to the official opposition for questioning in this round.

Mr. Victor Fedeli: Welcome, Mr. Krabbe. It's so nice to see you here from the north this morning. I appreciate you taking the time.

Tembec's slogan is "Rooted in Tomorrow," so obviously you're a wood company. I wanted to take a moment and just talk about wood. You spoke about the shrinking marketplace due to lumber disputes and sanctions and the crumbling American economy, and as a result, we have lots of wood in the north. Secondly, with things like the government's Far North Act, that curtails off half of northern Ontario to lumber production—and mining, incidentally—again, we have a surplus of lumber throughout northern Ontario.

I want to take 10 seconds to pose a scenario and ask you how far off I am or how correct I am. As we are both from the north and neighbouring communities, and our cities have been long-time friends, I'm asked, as the northernmost representative from our party, "Tell me about wood, Vic, and tell me why we should or why we shouldn't harvest wood." I use this expression, with great respect to His Worship the Mayor from Hearst, who has seen this trouble coming with respect to the Thunder Bay area—NOMA will be speaking later—and certainly with respect to the men and women in Timmins and Kirkland Lake today who are undergoing forest fires. I have said, "Let me tell you why we harvest wood. Because when softwood grows, if it is not harvested, it falls over and becomes the fuel to burn northern Ontario." Is that a reasonably accurate expression?

Mr. Paul Krabbe: It can be. There are certainly many forest types that, if you don't harvest it, the fire hazard builds over time. But I'd say that it's good forest management. Why use wood, I think, was your first question. It's a renewable product that will be here for many generations to come—

Mr. Victor Fedeli: Unless it burns.

Mr. Paul Krabbe: It will grow back, but we've not acquired any use. I think others are more expert on it, but building with wood is low-cost housing. This is why I was in the lumber industry in the beginning. We produce

low-cost housing. The by-products produce pulp and paper and other products. We're using everything but the squeal with wood, practically, if you use an old expression. It's a very sustainable product. Now that carbon sequestration has become an important consideration in life, wood is one of the logical choices, and our industry is too.

Mr. Victor Fedeli: So you also agree with Mr. Lyall and Mr. Giroux. One of the two of them talked about the carbon sequestration. You do agree with that premise that living trees, when they're put in the building, do sequester the carbon?

Mr. Paul Krabbe: Yes. You're putting the wood into the building. The buildings are going to last for a hundred years, and I think hundred-year-old homes are heritage homes, so they may last longer than that in the long run. So that may get Canada and the world through a very difficult next 100 years in terms of carbon sequestration as we resolve some of these greater issues on global warming.

0900

Mr. Victor Fedeli: While I have many more questions, I'll turn over the mike, due to time.

The Acting Chair (Mr. Michael Mantha): Are there any questions from the government side?

Mr. Mario Sergio: Mr. Krabbe, thanks for coming. Forgive me, but I don't have a question related to the issue. If I may, you did say you have a number of mills. Do you produce any paper products?

Mr. Paul Krabbe: Yes. In Kapuskasing we produce newsprint, and it's a by-product from the lumber industry, so approximately one half of the trees we cut doesn't produce lumber. The outside edges, the round edges of the log get chipped and go to the newsprint industry in Kapuskasing.

Mr. Mario Sergio: Do you do any replanting when you cut your trees?

Mr. Paul Krabbe: Yes, and I was in Kapuskasing just this past week celebrating. On one forest, we had planted our 300 millionth tree since inception.

Mr. Mario Sergio: The reason I'm asking this is because Mr. Fedeli is very strong about this issue.

My last point—and I don't know if I have the right information or not, but I have been told there is no Ontario, Toronto, major newspaper that buys Ontario newsprint. Can you tell me why?

Mr. Paul Krabbe: No, I can't. I can look into it.

Mr. Mario Sergio: You don't want to, or you can't?

Mr. Paul Krabbe: I'm unfamiliar with our newsprint market business at this point.

Mr. Mario Sergio: I see. And which part do you let travel south of the border to the United States? You said something like 70% or 80% of your material goes to the States. Is that wood or—

Mr. Paul Krabbe: It used to be 70%. As a company, we're much less than that today and we're largely selling the wood products to the Great Lakes region, which is Detroit through to Rochester, and a little bit to Chicago.

Mr. Mario Sergio: Thank you for your very direct presentation.

The Acting Chair (Mr. Michael Mantha): We have a little bit more time. Are there any further questions from the—

Mr. Mike Colle: Can I ask a question?

The Acting Chair (Mr. Michael Mantha): Yes, I'll come back to you. I'll cycle back. We seem to be getting along and moving quite well, so I'll go back.

Mr. Victor Fedeli: I'll yield my time. I have plenty of opportunity at home to speak.

The Acting Chair (Mr. Michael Mantha): Thank you, Mr. Fedeli. We will go to Mr. Colle.

Mr. Mike Colle: Thank you. You know, we have an unprecedented construction boom taking place in the GTA. We have more cranes in the sky in the greater Toronto area than all of North America combined. We have 200 construction cranes in the sky. Building is almost out of control. Are you part of that? Are you able to sell any? I know a lot of it is high-rises in construction etc., but are any wood products being used, or enough wood products? Or is there a way of getting more wood products to be used in this unprecedented construction boom that's taking place?

Mr. Paul Krabbe: I would defer to our Canadian Wood Council and those that are trying to get involved. Certainly this bill will get us involved in the mid-rise construction, and I do believe it will put people in northern Ontario who produce SPF lumber back to work.

Mr. Mike Colle: But you don't know of any efforts to get into this boom that's taking place in the GTA here?

Mr. Paul Krabbe: I think this bill would be part of getting us participating in part of that boom. In high-rise construction, the Canadian Wood Council, I do believe, is working on other technologies. There is testing of up to 10-storey buildings, but it's not traditional wood frame housing. It's cross-laminated timber. There's testing going on that in Europe and British Columbia and other areas at this point. So there are other game changers out there. This isn't the only one, but this is just one tool, and we could put people back to work.

Mr. Mike Colle: Thank you.

The Acting Chair (Mr. Michael Mantha): I want to thank you, Mr. Krabbe, for your presentation. It was very well-received.

GREAT GULF

The Acting Chair (Mr. Michael Mantha): We will now call on Mr. Robert Kok, professional engineer for Great Gulf, to please come forward. You have up to 10 minutes for your presentation and up to five minutes have been allotted for questions from the committee. Please state your name for Hansard, and you may begin at any time.

Mr. Robert Kok: Good morning, committee members. My name is Robert Kok. As pointed out, I'm a professional engineer, licenced in the province of Ontario. I represent the Great Gulf Group of Companies,

a large land developer in this province that builds high-rise, low-rise, mid-rise, single-family, residential homes.

My role specifically is director of research and development, so I'm challenged to come up with innovative products and building systems. The subject of mid-rise construction is something that I have been working on for probably the last three years as part of the Great Gulf, seeing what BC is doing and trying to see: Does it have an opportunity here in this Ontario market?

There's a presentation that I've handed out. We can kind of just follow along some of the key points I want to bring forth.

Other jurisdictions currently allow light wood frame up to four- to six-storey high construction, establishing the use of innovative wood product systems for mid-rise construction, specifically, engineered wood products like CLT, cross-laminated timber. Really what that's doing is taking wood fibre, I guess in this context from northern Ontario, and converting it into a value-added product.

The proposed code change to increase the height of wood frame residential buildings from four to six storeys does not favour wood, but will achieve all code objectives and provisions.

As a builder-developer, urban densification is something that we're very concerned about. Reducing urban sprawl and densification are mandated in almost all municipal growth plans, predominantly in the GTA and the lower Golden Horseshoe. Six-storey mid-rise is a new market opportunity for us and a wood frame option is considerably more cost-effective than other traditional building products—estimates anywhere from 10% to 15%. Wood frame mid-rise construction could meet this need for densification while maintaining a sense of community and more green space, which I think is important for most municipalities.

Sustainability: It has been talked about earlier. Wood has the lowest body energy of any construction material. There's a lot of research on this and I've read a lot of research reports that validate that statement. Substituting wood for concrete or steel reduces the carbon footprint for buildings. Growing trees absorb and store carbon from the atmosphere; wood products become a long-term carbon system.

As a builder-developer—and I work with other builders and developers in the GTA—people are wanting to build to LEED standards, to green standards, and this is where it really comes into play when you use wood, in relation to the carbon story. Building with wood is also energy efficient, easy to insulate, provides good thermal performance, and the building envelope can be sealed against air leakage.

Being a structural engineer, strength and durability are very important. Wood structures have displayed a high level of seismic earthquake performance and safety that comes from material with greater ductility and a lighter building mass.

In my opinion, there are no significant engineering reasons that make wood less viable than those of steel or concrete, and in the presentation, there are two pictures in

there. One is a document published by the Association of Professional Engineers and Geoscientists of British Columbia that addresses mid-rise construction. It's kind of a best practice guide for design professionals. I'm a licensed engineer in BC as well. I've been kind of monitoring what's happening there from a code stand and I've actually visited BC, walked some buildings under construction, talked to the design professionals and the people that are building these projects.

The other document is Engineering Design in Wood. It's the CSA standard that's referenced in all provincial and national building codes. I sit on the technical committee and I'm also on a task group to address mid-rise in the standard for future revisions of provincial and national codes.

Fire safety, again, is very important. Building code provisions for wood frame construction make it equivalent to other construction methods in terms of fire and life safety. As I pointed out earlier, sprinkler systems are used along with fire-resistant rated assemblies to maintain occupant safety. That's the goal of any builder-developer. We want to make sure the occupants are safe once they move in.

0910

Part of my role with Great Gulf is—we operate a fully automated panelization facility here in the greater Toronto area. We're building what we call panelized floor and wall systems. It's a 120,000-square-foot facility by the airport. I'm very involved with off-site precision manufacturing, factory-controlled conditions. Manufacturing is complemented by the quality and procurement of the wood product. Because it's done by machines, it's built better; there are quality performance and insurance checks. When it goes out to site—panelized wood construction—architectural and engineering specifications are properly designed and manufactured. This ensures building code approval and compliance. Installation is more precise and controllable, and there's increased job site safety with this process because you're using small cranes and boom trucks to lift the large panels in place. It expedites the construction cycle, and the finished product is much better. That's our experience.

In summary of the Ontario mid-rise initiative—the last picture there is actually a project that I've worked on for the last three years. We're building three four-storey buildings in Mississauga. Construction will probably start later this fall. As I said, these buildings could be six-storey. When we started three years ago, working with the project engineer and architect, we did a what-if scenario—what if the code changed? So we actually have kind of in the background a six-storey option of a prototype panelized building that we could probably build tomorrow if the code changed.

Being involved with this process over the last few years, there's always debate of wood versus steel versus concrete. When you're building a four-storey building, your substructure below the surface is concrete. We use steel through the building process. So there's a combination of products that fit what you're trying to

build. From a builder perspective, you want to build the most economical building so you can sell it and have it be affordable. When you go to six-storey, chances are, with these infill projects, you're increasing your floor level by two in wood, but you might have to increase your concrete level below the surface by another level for parking.

This initiative is a win-win solution for any building product. It is a niche market.

Thank you for the opportunity to speak.

The Acting Chair (Mr. Michael Mantha): Thank you for your presentation. We will go to the official opposition for this series of questions.

Mr. Bill Walker: Thank you, Mr. Kok, for your time and your expertise. I have a couple of points of clarification. For a six-rise, currently, that's either metal or concrete construction, does it require sprinklers as well?

Mr. Robert Kok: I believe so, yes.

Mr. Bill Walker: So not really anything significant as far as changing—yours would require it if the wood goes through it—

Mr. Robert Kok: Currently, we require sprinklers for four-storey. Again, it's about making sure, if there is a fire, it's quickly extinguished. It's not about which product is in the building; it's about safety of the occupants.

Mr. Bill Walker: You made reference to, there are no significant structural concerns that you have. When you say “no significant,” are there other structural issues that need to be considered?

Mr. Robert Kok: Every building design is unique. You have to address structure. So whether you're building in the greater Toronto area or Ottawa or Windsor, there are different loads—snow loads, wind loads, seismic loads, whatever—so you have to design. Where you're building could propose an issue that you have to address that you wouldn't have to address in the Toronto market. Again, it's unique to the building design.

Mr. Bill Walker: But for clarification, in that case, you're going to build to the structure, as needed; as opposed to a rubber stamp of all are going to be coated with the same brush.

Mr. Robert Kok: As I mentioned, we have a prototype four-storey panelized building, and we could build it six-storey tomorrow. We have it already designed.

Mr. Bill Walker: Great, thank you. And one last one, if I could. Just your second bullet on the page with Ontario's mid-rise: You suggest that the proposed code changes to increase the height of the wood frame residential building from four- to six-storeys does not favour wood but will achieve all “objectives and provisions.” Can you just clarify? I think what you're saying is you're not saying it has to be a wood at six storeys.

Mr. Robert Kok: No.

Mr. Bill Walker: You're saying this is just another alternative.

Mr. Robert Kok: It's another alternative—

Mr. Bill Walker: Thank you.

The Chair (Mr. Peter Tabuns): Okay. Thank you. Any questions from the government? Mr. Colle.

Mr. Mike Colle: A very interesting presentation, Mr. Kok. Ironically, I sit on another committee, which is looking at the Aggregate Resources Act. As you know, there's immense opposition to the growing number of quarries and the impact that quarry and stone and gravel extraction is having. One of the suggestions I made at the committee is, how come there isn't more encouragement to build wooden infill in cities like Toronto? All we're seeing are stone homes everywhere. And I see people with big signs in front of their stone homes that say, "Stop the quarry."

Mr. Robert Kok: Okay.

Mr. Mike Colle: So how can we get more building of infill that is wood, given the quality of wood products? I've known for years, in my own home, the strength of the wooden I-joints, or I-joists.

Mr. Robert Kok: I-joists.

Mr. Mike Colle: So why aren't there these homes—why don't we see more wooden-built homes? I'm not talking about necessarily mid-rise—that could be mid-rise—but infill housing seems to be always stone now. You hardly ever find anything with—well, there are some modern homes now that are doing some wood facing. But I wonder if you could answer that.

Mr. Robert Kok: Again, I think that from my perspective, I see lots of opportunity. Currently, with our facility in Toronto, we're producing wood panel products for projects all over Ontario. There are infill projects going on today in Toronto that we're shipping product to. We're going to be doing some four-storey infill projects here in downtown Toronto: one on Florence Street, and the other one in kind of High Park—I don't know the intersection. Those are wood infill projects. But we're also doing low, single units too.

Mr. Mike Colle: But is there some obstruction or some regulatory regime that stops the infills from taking place, besides this one about the number of storeys in mid-rise? I would estimate that over 90% of the infill seems to be stone. Is there something blocking it or is it perception or is it—

Mr. Robert Kok: I think it's perception, because from my perception there's probably more predominantly wood being built in that area.

The Chair (Mr. Peter Tabuns): Mr. Colle, with your indulgence, if I could give the last minute and a half to Mr. Mantha.

Mr. Mike Colle: Oh, sure.

The Chair (Mr. Peter Tabuns): Mr. Mantha, you had a question?

Mr. Michael Mantha: Thank you very much, Mr. Speaker.

You made a comment earlier that there are no significant structure concerns. I'd like you to elaborate on that just a little bit more. Being a northerner and an individual who comes from the forestry sector—one of the reasons I'm sitting here is because of the devastation that happened in the forestry sector, where I've had to look at

diversifying my future—one of the biggest perceptions out there is that there is a structure concern. I'd like you to elaborate on that comment.

Mr. Robert Kok: Okay. I think I alluded, to Mr. Walker on a similar question—as I pointed out, we have designed a four-storey building, and we've taken the same building and done a "what if" scenario: if we could go six. The end conclusion was there weren't any significant structural concerns. We could easily do it in wood, from a structural standpoint, from a fire standpoint, from an acoustical standpoint or even from an installation or fabrication standpoint. There was nothing that really would stop us from doing it tomorrow, other than a code change.

Mr. Michael Mantha: If there was a concern from competitors, would you know what that concern would be?

Mr. Robert Kok: Currently, no.

Mr. Michael Mantha: Okay.

The Chair (Mr. Peter Tabuns): Thank you very much. We appreciate your presentation.

0920

CANADIAN INSTITUTE OF STEEL CONSTRUCTION

The Chair (Mr. Peter Tabuns): I now call on Ed Whalen, president, Canadian Institute of Steel Construction. You have up to 10 minutes for your presentation, and up to five minutes have been allocated for questions from committee members. Could you please state your name for Hansard, and you may begin.

Mr. Ed Whalen: Thank you, Mr. Chair. My name is Ed Whalen, president of the Canadian Institute of Steel Construction. We are the voice for the Canadian steel construction industry, representing all stakeholders, including steel mills, steel fabricators, erectors, suppliers, detailers, steel service centres, distributors, unions and professional consultants. Our members and associates represent over 70% of the steel used in construction in Canada.

The steel industry has been a builder of this country, supporting local communities, including the north, with employment and safe structures. Steel is the only product that can be almost infinitely recycled and repurposed. It is therefore a leading performer in life cycle analysis when considered over the true long life cycle that steel enjoys. Its performance has stood the test of time.

I am rather shocked to be here today discussing the merits of this bill, Bill 52. Why are we here? Why has this bill been introduced? Why now? These are the questions I have.

On the surface, this looks relatively harmless. Just a few more floors, right? Almost. It expands wood construction into structures not previously permitted by the building code, such as commercial and industrial structures. It proposes that wood construction jump to six floors, with no other safety provisions taken into account in this bill. Are you aware of that? How do you feel about

that? Are you familiar with the technical reasons why this isn't permitted today? So I ask the question to the committee: Do you really have a firm grasp on the outcomes of this bill? I'll come back to this point later.

I'll ask several more questions for consideration. Are you aware that there is a system in Canada for code change? If not, it's called the National Building Code of Canada. Experts in their field in each commission present, hear, review and make decisions based on substantiated peer-reviewed research. The process is governed by the Canadian Commission on Building and Fire Codes, which ensures that technical merit is considered while controlling biases and ensuring the highest degree of public safety.

Are you aware that after the National Building Code of Canada prints each edition, several provinces adopt the code immediately? They use the national building code as is. Others, like Ontario, review the national building code and from there develop a provincial building code. Again, experts within committees customize the national building code to fit Ontario's unique situations.

So if this is the case and there is a process for code change, why is this here? Why? You don't see the steel industry, the concrete industry, the cement industry or other industries—which all compete and are governed by the national building code and provincial building codes—lined up at Queen's Park looking for changes. So why the wood industry, the most heavily government-funded construction industry in Canada? Are they not able to do sound science that is peer-reviewed and accepted by the building code committees? Are you aware that the proposals in Bill 52 have already been rejected by the Ontario building code committees? Are you aware of that? The question is, why? One of the reasons was because the sound science and research, which we always use when we are approving changes, was not released to the technical committees. It remains private domain. Why? What is in that study—or maybe, what isn't in those studies? Why the secrecy?

Are you aware that the wood industry has been provided—and you were advised this morning that the federal government has provided money to do proper research, peer-reviewed research, by National Research Council Canada. That's ongoing.

If this is the case, why are we jumping the research? Why are we looking at this bill now? Why here, why now? Why is this an Ontario Legislature issue? I'm at a loss, to be quite honest.

Now that the bill and the wants of the wood industry are in front of you, you need to make a decision. So let's test: Do you have, does this committee have, does the Ontario Legislature have an understanding of the technical details and the ramifications of this legislation? Do you have the years of experience to understand the nuances of various building fires and why the fire chiefs are so passionately against this? I don't. But do you?

Do you have the experience and the technical knowledge to bypass the industry experts on these commissions? Are you ready to disband the building code

process that is serving the safety of all Canadians and Ontarians so well over all these years, based on technical merit versus one of political influence?

I'm being blunt here, guys, gals. I'm dead serious. There are people's lives at stake here.

We look at other parts of the world and criticize the performance or lack thereof of their buildings. We don't understand why they can't build buildings like we do in Canada. The fact of the matter is, due to our codes and standards—it is those codes and standards that protect our citizens. The process works. No industry that has the proper research has ever been restricted by the building codes. Innovation and competition are constant. New products are being introduced all the time and the building code is forever changing.

We're not against the wood industry competing, as I heard earlier. We're not against the wood industry thriving. It's part of our industry, part of our GDP. Bring it on. It helps our industry.

What the steel industry is strongly against is the circumventing of due process within the building code for the preferential treatment of the wood industry and, most important, what appears to be political gain over what is most important: public safety.

If Ontario passes this bill that effectively shuts down the building code committee process—it does—industries will turn to the Ontario Legislature, to you, to get their demands. And why wouldn't they? Is the Ontario Legislature prepared to be flooded with building code changes and requests? Are you prepared to become the building code experts? You'll have to be. Which industries will you say no to? Will you say no to the steel industry?

The Chair (Mr. Peter Tabuns): You have a minute left.

Mr. Ed Whalen: At the end of the day, this bill takes away a job from a steelworker, a concrete worker, a mason, and gives it to a carpenter. There is no net benefit to the local economy or to the construction industry. You substitute a steel column for a tree.

The Ontario Legislature and political parties should be focusing on all our construction industries, realizing their niche and importance in a thriving construction economy. They all have their current competitive advantages, but innovation and research are key to their success, not bad policy.

For goodness' sake, let's legislate good policies, not ones intended to cheat the system. If the system is broken, let's together fix the system, let's together fix the building code, not override it.

Thank you very much.

0930

The Chair (Mr. Peter Tabuns): Thank you, Mr. Whalen. I see we were rotating questions. I'll start with the third party, government, then the opposition.

Mr. John Vanthof: Thank you for your presentation. In your opinion, this bill would, in effect, circumvent the building code?

Mr. Ed Whalen: Absolutely. This is not done, typically, across Canada.

Mr. John Vanthof: From your viewpoint, are there other jurisdictions across the country where the proposed regulation changes would be similar?

Mr. Ed Whalen: This has happened once before, in BC, without the due consideration of proper, peer-reviewed research. There's no research to support that legislation, no.

Mr. John Vanthof: This will be my last question, Chair. In your opinion—and perhaps this is not a fair question—could a six-storey building be built safely with wood?

Mr. Ed Whalen: I'm not expert to say. And this is the point that I'm making to you: Are you experts to be able to make that decision?

The Chair (Mr. Peter Tabuns): Thank you, Mr. Vanthof. The government—Mr. Colle?

Mr. Mike Colle: Thank you for the presentation, Mr. Whalen. I sort of want to say that I found your tone quite, let's say, unnecessary, given that it is the right of any member of this Legislature to bring forward a private member's bill and for a bill to come before a committee and to be debated, and that's what has been done in this case. We have hundreds of these bills that come forward, everything from nuclear power safety to child care issues.

Committees of representatives have a duty to debate, discuss and inform themselves about bills. That's what has been done in this case. My colleague from North Bay has introduced this bill as a private member's bill; he has the right to do it. I may disagree with it, but we have the right, as legislators, to debate, examine and inform ourselves about technical issues.

We don't make the final decision in isolation. This goes through a process of hearings and input from experts. In fact, the building code amendments that you see before us, in Ontario, have gone through similar committees. We sat through hours and hours of presentations on the Ontario building code amendments. We weren't experts, but I think we came up with a pretty good series of amendments to the Ontario building code.

So I just want to put that in perspective. I understand your concerns and I think they're valid concerns but I just disagree with your, basically, proposition that we have no right to do this. I say we have every right to debate, examine and analyze these issues. Certainly we're not experts, but that's why we have these hearings, to listen to experts like yourself.

So we appreciate—I think you had some very valid points. We take those into account and the process goes on. That's basically my comment.

The Chair (Mr. Peter Tabuns): Mr. Colle, thank you. I'm going to give the last minute and a half to the opposition.

Mr. Bill Walker: Very similarly to my colleague Mr. Colle, I think the challenge I'm having is, BC did this in 2009. So unless someone can tell me that there has been some structural challenge and someone has had safety as an issue, I'm looking at this as—you used the word

“innovation” three or four times in your presentation. If we're not going to be innovative and we're not going to allow innovation, how does it get anywhere?

I look at this committee as, it's being brought forward as an idea, another alternative. There are two or three other provinces that are also looking at doing this. I understand, unless I'm incorrect in my assumption, that the national building code is looking to review this in 2015. So maybe what you're suggesting is, why is this getting here and short-circuiting?

But on the other hand, if the national building code in 2015, using evidence from the BC situation, would approve this, then I don't see any issue with being able to explore and look at an alternative that's going to fill in some gaps I think we've heard today. We've heard very strong thought process that the safety and the structural integrity of this type of building is sound from an engineering perspective. I think we're doing our due diligence to say we need to be innovative, we need to have construction moving forward, as your whole industry will benefit from that. So I am taken aback a little bit as well by how strongly and forcefully you've brought this thing that we don't have the right to look at it. Our job is to look at it and make sure that we do use due diligence to ensure we're looking at alternatives to what we have today.

Mr. Ed Whalen: Just to comment on that, the national building code and the Ontario building code would disagree that those sound research safety issues have been addressed. There is research going on by NRC right now to see whether there is, and the jury is out on that. So I think it is very, very premature for us to move forward down the road with something that hasn't been properly researched.

The Chair (Mr. Peter Tabuns): Mr. Whalen, thank you very much for your presentation.

Mr. Mario Sergio: Mr. Chair, if I may, on the rules, do we have five minutes on each side here?

The Chair (Mr. Peter Tabuns): I had understood we had five minutes in aggregate and we were rotating between the three parties.

Mr. Mario Sergio: No, I thought it was five minutes for each party.

The Chair (Mr. Peter Tabuns): I gather not.

Mr. Mario Sergio: Was it five minutes in aggregate?

The Chair (Mr. Peter Tabuns): Five minutes in the aggregate between the three parties.

Mr. Mario Sergio: In total?

The Chair (Mr. Peter Tabuns): Yes.

Mr. Mario Sergio: Okay. Thank you.

The Chair (Mr. Peter Tabuns): That's what I understood when I came. It seems to be affirmed by the members of the committee.

Mr. Whalen, again, thank you very much.

TOWN OF HEARST

The Chair (Mr. Peter Tabuns): My next presenter: I call on Roger Sigouin, mayor of the town of Hearst, to please come forward. You have up to 10 minutes for your

presentation—I'm sure you've heard that before, this morning—and five minutes allotted to questions from the three parties. If you could—

Mr. Mario Sergio: There are more comments than questions, I would say. We can ask questions or we can make comments.

The Chair (Mr. Peter Tabuns): A fair comment. If you could state your name for Hansard and begin.

Mr. Roger Sigouin: I'm Roger Sigouin, mayor of the town of Hearst, but I would like to represent all northerners from Highway 11 to Highway 17. By the way, I just want to make clear, I'm not getting paid by a steel company or concrete company or wood company. I'm here to represent my people who are paying tax in Ontario. Thank you very much for giving me a chance to speak, Mr. Chair.

Our municipalities are on the Trans-Canada highway. Hearst is on Highway 11, and I'm talking about Thunder Bay to Sudbury, North Bay, on Highway 17. Hearst's population is about 6,000. I'm not going to go through all my presentation; I'm just going to skip, because I know a lot of people talked about almost the same thing and you understand what it's all about. My population is about 5,000 right now. We lost about 1,000 people because of the forest industry in our region, and I'm talking in Hearst. That's something that's really hard to go through. The catchment-area people were talking about 9,000 in my communities.

Northern Ontario has a healthy boreal forest that holds most of Ontario's natural resource wealth. We are successfully regenerating 2.5 trees for every tree that is cut, and in the Hearst forest alone, 2.6 million trees that are harvested are replaced by planting 3.9 million new trees each year. That is going right through the seed to the greenhouse, selling to the industries and planting trees in the forest. So we're getting involved quite a bit with the forestry sector. It's renewable and we take care of the forest just like it's our own backyard. It's our livelihood. We have been in the business for a long time. We used to have five major mills in Hearst. We are now down to three: Tembec in Hearst, Columbia Forest Products in Hearst and Lecours Lumber in Constance Lake First Nation. We do have value-added, a few kilometres from Hearst, Industries LacWood, that's creating about another 50 jobs.

We've got older, poorly educated workers who are losing their long-held jobs: 36.5% of Hearst's entire population over the age of 20 years does not have a high school diploma. Most small northern Ontario communities are struggling with a depressed economy. Our retail sector is hurting, and real estate values, both residential and commercial. Our young people are leaving as their opportunities for jobs and careers are in other places. So they're moving away.

Sure, we're going through the global factor. I think somebody talked about it. I'm not going to go through that because I don't want to repeat myself.

0940

In the community, people are saying on the road, "What's next? Who's going to hit us again? Is it a closure

of another mill?" It's really hard to bring back our people in our community. People are asking when a mine is going to open in the north.

Hearst used to be one of the richest—we had the most rich people per capita in our town. It's not this anymore. A lot of people left, and we're just like Smooth Rock Falls, Elliot Lake or other places like this that have been hit pretty hard with the forestry industry. We've been hurting quite a bit.

For example, we know now that for every 125 mid-sized building structures that would be built with wood, the annual product of an average-sized Ontario softwood mill would be consumed, and at the same time, it would create 200 direct jobs. For the 200,000 men and women who rely on the Ontario forestry sector for their livelihood, changing the code would be a government initiative that would have a direct bearing on job retention and creation. We're not asking for money; we're just asking you to get involved to change that code.

Secondary-sector manufacturers of the lumber industry focus on the value-added product and are the key to growth in the forest industry and the various value-added products for sale exclusively to large international chains such as IKEA. That's LacWood industry's value-added. That's a champion we have in Hearst. He didn't have to go back in the industry. He just wanted to make an extension. He's in his early 60s and he wants to create jobs for his own kids, and he created about 50 jobs. Especially starting a business with the crisis we're going through right now, you need a champion to do that, and we had one, so we're pretty lucky.

We have a skilled force, but they are starting to leave for a brighter future in the south and west. We are entrepreneurs at heart, but we need a level playing field in our own Ontario market. The communities of northern Ontario depend on a brighter future for the forestry industry, and amending the building code to expand the use of wood in mid-size building construction is part of the solution that will assist in securing our jobs, our youth and our real estate equity.

I'm ready for questions. Thank you.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Mayor. The first question goes to the government.

Mr. Mario Sergio: Your Worship, welcome to Toronto.

Mr. Roger Sigouin: Thank you very much.

Mr. Mario Sergio: Thank you for coming down. Of course, we know you're supporting your people up north. Some of the previous speakers have been mentioning the social benefits and economic benefits of allowing this piece of legislation to change the building code and go to six storeys. Economically, how would this help your people up north? The cost of housing, I think it's the land that's the most important. I would say that up in your neck of the woods up there, land is a bit less expensive than in Toronto. I don't know the vacancy rate up there, the demands for affordable housing. Would you be interested in high-rises up there?

Mr. Roger Sigouin: Now we're looking, for the elders, to build another building close to the nursing

home. The nursing home has been built all in wood I would say eight or nine years ago. We're looking to build another building as well, to expand, because the elders are growing quite fast in northern Ontario. They don't want to move away.

Just to let you know, for the nursing home, when we built the nursing home—people who are living in the nursing home right now, that's the pioneers who used to work in wood. Imagine creating a building with concrete or steel, when those people always worked in wood. Now they're living in a building that's fully in wood, so they feel like home; they're not feeling like they've moved away. We passed a bylaw in Hearst that everything's got to be built with wood—with respect to steel and concrete, because I have a big company in Hearst that is making concrete as well. But that's the respect I do have for my pioneers retiring in Hearst today.

Mr. Mario Sergio: Thank you, Your Worship. No more questions.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Sergio. Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Your Worship, for coming here from Hearst for this important morning today. We've already heard from the industry about the technical aspects of six-storey buildings. We've already heard about infilling in the greater Golden Horseshoe and the importance of it, so my questions for you will be purely about the north, if that's okay with you, Your Worship.

The unemployment in Hearst—if you could just talk about the population, the unemployment, the changes that have happened since the heyday, I guess, and if you could describe, perhaps, the heyday to today.

Mr. Roger Sigouin: To be honest, unemployment is not too bad. Why? My people are working in a mill. They are leaving home for a month or 20 days—20/20 or 14/14—but they are not with their families during that time. Like I said in my presentation, we do have a lot of hard workers in the north, and it's the same thing in Hearst or in Timmins or somewhere else. People know they have to go away to make sure that their family is going to live. They have to go and work somewhere else. So we just hope that we're going to be able to bring them back soon.

Mr. Victor Fedeli: Roger, that's the exact same scenario in the former lumber town of Mattawa, where 80% of the male population now work outside of the city and almost that number work outside of the province; they work in the oil sands—

Mr. Roger Sigouin: That's right.

Mr. Victor Fedeli: —as they do in Hearst as well, where they do 20 in and 10 out. It's a sad way to raise a family. We have found the social costs in Mattawa to be more significant because of the homes that have the father—and in this particular case, it is the father—that's away for 20 days a month.

The Chair (Mr. Peter Tabuns): Mr. Fedeli, if you don't mind, I'll give the remaining time to the third party.

Mr. Victor Fedeli: And thank you for acknowledging that, monsieur le maire.

Mr. Roger Sigouin: Thank you.

Mr. John Vanthof: Your Worship, thank you for coming. It's nice to see someone from farther north than I am.

One thing I'd like to say—and I hope you will agree with me on this—is a lot of people have the idea that because the population is less in northern Ontario, it's cheaper to live in Hearst or to build in Hearst, but actually, infrastructure costs are as high in Hearst or higher than they are anywhere else in the province. So there's just as much need for mid-level construction in Hearst to replace as there is anywhere else.

Mr. Roger Sigouin: Yes, it's true, and even when we have to travel somewhere else, there's always a cost to that. I mean, coming here today, it's a cost to the taxpayer and everyone. So, we're staying far away—infrastructure, yes, you're right; it costs more.

Mr. John Vanthof: And one other thing I'd like to highlight in what you presented: A lot of people have a misconception about the forestry industry. It is a renewable; it's like—I'm a farmer; it's like a big farm.

Mr. Roger Sigouin: That's right.

Mr. John Vanthof: If you could expand on that bit. It is like a farm. Northerners know that it has to be renewable because our kids want to work in the same industry.

Mr. Roger Sigouin: You're right. We do care about the environment. Yes, we made mistakes in the past; yes. But today, it's those special interest groups that are sending the wrong message to the population. I mean, it's not as bad in the north as they're saying, and we're facing that today. Maybe we did not do a good job on marketing the forestry sector or the farms and all that in the north, but we're hard workers, with not enough time to do that marketing.

I was tying that to the industry as well. You should put a little bit of money to make sure people in the south—and I'm not blaming the south at all—to just pass the right message, not to wait until those special interest groups try to come and—they don't want to come and live in the north. They want to live in the south, and that's okay. That's the choice they made, but respect the north. We respect the forests; we respect everything. That's our way of living.

The Chair (Mr. Peter Tabuns): Your Worship, thank you very much for the presentation.

Mr. Roger Sigouin: I thank you very much.

0950

RHC DESIGN BUILD

The Chair (Mr. Peter Tabuns): Our next presenter is Grant Roughley, RHC Design Build. Mr. Roughley? You have up to 10 minutes for your presentation, up to five minutes allotted for questions from committee members. If you could please state your name for Hansard and begin.

Mr. Grant Roughley: Sure. Good morning, I'm Grant Roughley, president of RHC Design Build. Please

bear with me; I've come down with a cold and lost my voice.

Our interest in attendance at this committee is to show our support for the proposed amendment. As a person with over 25 years in the design and construction industry—I've been involved as the head of RHC Design Build for six years, a company that was built around a methodology that doesn't have a preferred building system or method, but, rather, examines design constraints, user requirements and building program objectives, married with overall user constraints, be they budget, schedule, weather or environmental.

That led us over the last six years to be involved in some 400,000 square feet of mid-rise, wood frame building construction. Married with that, we've done a little over double that in other forms of construction: red iron, steel, concrete block, cast in place and, more recently, cold-formed steel panelized building systems, falling under the non-combustible category.

It's interesting to note that at a time of the financial meltdown across the years of 2006, 2007 and 2008, where we saw a significant drop in markets in the southwestern Ontario area—in the housing markets—we completed, for a local builder, a total of five mid-rise buildings that were sold out within hours. It was directly related to the price—the affordability—of the condominium product.

That brings me to one of the key points: that, contrary to some of the opinions that are being expressed, this is not a direct competition opportunity for the steel and concrete industry, as it may be presented.

It introduces a new niche market, and I want to present a little bit of information on specific, objective examples, rather than opinion, of our experience in terms of cost. So I'll speak first to a couple of examples. One is an opportunity to do a case study.

Two years ago, we had two buildings under construction, both four-storey buildings, both in the same geographic area, within a couple of percentage points of size, similar occupancies. We distilled both of the projects down to the similar properties, removed any components which would provide cost variations due to differing assemblies or use, but they were focused on a non-combustible construction system and a combustible.

Four-storey buildings: One was cold-formed steel panel, which was analyzed through two options, concrete block and cold-formed steel. Cold-formed steel was chosen by the client, even though it was 1% more expensive, because of the expediency, and they found they recovered the 1% savings.

At the same time, we released a project that was an engineered-wood-panel system—a fully wood frame, fully modular system. The end result of the analysis yielded a 23% reduction in the construction schedule, thereby minimizing the impact on what was a brownfield infill site; a 22% reduction in hard building costs.

It's interesting to note that it's not strictly the structural components of the building that are impacted through the combustible construction methodology in a

mid-rise building. It affects over 50% of the individual budget line items. This is based on hard case study data; this is not projections, opinions or cost forecasting. This is based on a completed project.

In another case, an example of a recent project that's currently under construction, we had a housing authority in the Haliburton region with a fixed budget constraint. The building program called for a three-storey building to provide 24 affordable housing units for seniors.

It was requested that we examine a series of non-combustible construction options. When the budget reports came back to the client, it appeared that the project could not proceed. We then went back to the panelized wood system that we're using on other buildings currently and secured a structural price that, on its own, was \$328,000 cheaper on a \$2.9-million budget. That represents 11.3% savings on the structural system alone. That doesn't extend into the other, say, 49 budget line items that I referred to in the first case study.

This project is now proceeding. They have brought the project in under budget, and it is due to go to construction in the next four weeks.

In another example, we have a brownfield/infill site on one of our related companies, a development residential building company, that they were exploring developing for quite a number of years, in the Cambridge area. It was an existing industrial site. Without the addition of a mid-rise product at an affordable price, the project was not viable with simply a low-density single detached, row housing or townhouse component. With the introduction of two mid-rise buildings, it became marginally viable. If they were able to introduce an additional 50% density, i.e. a six-storey component, it became very, very viable. The project went ahead with the participation of the local municipality, but it has proven to be primarily a break-even.

To speak to the point about whether there's a competition with regard to the steel and concrete industry, I disagree. We have no preconceived notion about what our firm likes to build with. As I said, we've done more volume in non-combustible construction than we have in combustible construction in the mid-rise category, but we do believe it introduces a new niche market. It introduces an opportunity for municipalities—especially mid-sized municipalities outside of the GTA, but certainly in the perimeter of the GTA—to start to engage in repurposing existing brownfield and infill sites. There's an economic benefit there, as we all know. It utilizes existing infrastructure, which has an economic benefit to the community. When you go into those projects with a cost-effective building program that, as we've illustrated with our case study, has over 20% savings in building costs, it allows the builder to allocate more funds to the brownfield redevelopment, which has been prohibitive up till now, given that there is a requirement of a return on investment. Similarly, with housing authorities, there is a requirement to meet the budget constraints that they're given in terms of the funding that they have. So we view it as extending well beyond just the economic benefit of

helping an industry that has been devastated by the drop in the American housing market—but more specifically, with the opportunity to provide a new product at the affordable entry level and subsidize the housing niches in the Ontario market.

In closing, I would answer to the issue of safety that has been raised by some of the other industries that are opposed to it. I would caution that we can't suck and blow at the same time. If we are taking issue with the safety of the assemblies that protect these buildings—with the manipulation of the current Ontario building code, you can build a six-storey building by dropping a partial portion in the basement and putting a loft or a mezzanine on the upper floor. You will have six storeys. If there is an issue with the safety, we need to address that. The building code says that there isn't, and it's an approved and existing assembly. So it's important not to engage in fearmongering when we're addressing the economic and social benefits of this opportunity.

The Chair (Mr. Peter Tabuns): Thank you, sir. The first question goes to the opposition.

I want to say to all of you, we're running short on time. We have a teleconference coming in at 10:15. If we go too late, they will have almost no time. So I'm going to try to shorten this to three minutes for this round of questions, just to make sure that every presenter gets a chance.

Mr. Fedeli?

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Mr. Victor Fedeli: Thank you. I'll keep mine to within a minute. As I said earlier, we seem to be seeing a theme, from RESCON, the wood council, the Kott Group, Great Gulf and now you, that this is a new niche market. This is something that provides no competition. I found just one bit of what you said not definitive to me. You talked about the 23% reduction in the construction schedule, and you talked about the 22% reduction in the hard building cost, but it wasn't definitive that you were speaking about the engineered wood product.

Mr. Grant Roughley: Yes, it was. It was an engineered—a fully panelized building. Yes, correct.

Mr. Victor Fedeli: Thank you.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Fedeli.

Mr. John Vanthof: I have just one question—

The Chair (Mr. Peter Tabuns): Mr. Vanthof.

Mr. John Vanthof: In your capacity, if a client came to you, you would have no problem, from a safety point of view, building a building under this amendment.

Mr. Grant Roughley: No. We're engaged currently by three different home building corporations in Ontario who have come to us looking for this new entry-level product to enhance their inventory and deal with the need for higher density at an affordable price. So, no, we feel that there are very strong existing standards. We follow best practices. We also—I would extend probably, when we talk about risk management, the fact that you can't build these products without proper underwriting in terms of the insurance industry, who are the king of risk

management. Whether the building code implemented best practices or not, I can tell you that the insurance industry—risk management people—are there to force that best practice.

Mr. John Vanthof: Thank you.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Vanthof. Government?

Mr. Mike Colle: Yes. I'm just trying to understand. Your new niche product: Is that for mid-rise or is it for individual homes? How can it be used?

Mr. Grant Roughley: It's mid-rise density. The low-rise single-family or multi-family industry is very well established, very cost-effective and utilizes modular construction already. This is an opportunity for the mid-rise building product. It has been proven at a four-storey level, with land prices and infrastructure costs continuing to increase and lot levies becoming a larger burden. The added 50% density which distributes your servicing, your land and your soft cost components further across the building cost or the unit cost—it creates a better economic opportunity specific to areas like brownfield and infill sites, which allow municipalities to optimize their existing infrastructure.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Roughley. We appreciate your presentation.

CEMENT ASSOCIATION OF CANADA

The Chair (Mr. Peter Tabuns): Our next speaker: Michael McSweeney, president and CEO, Cement Association of Canada. Mr. McSweeney, you have 10 minutes, or close to. We'll have questions; and if you can state your name for Hansard and begin.

Mr. Michael McSweeney: Thank you, Mr. Chairman. I'm Michael McSweeney. I'm here today on behalf of Anne-Marie and Jean-Paul Bonin, the latest victims of a fire in a wood structure in Ottawa last weekend, and on behalf of the 11 fallen firefighter heroes that you, MPPs, honoured last night, who died fighting fires in the last three years.

Cement, concrete and aggregate facilities are located in most ridings across Ontario and are an important industry, supporting a \$37-billion construction industry. Our industry, too, has been hit significantly by the recession. We also know that we weren't the only industry affected. We know that there has been a decline in the wood industry as a whole—something that has affected the forestry industry's competitiveness.

Let me assure you, though, that those same macro-economic forces that have hurt the forest industry have affected other building material suppliers as well. Other industries, such as cement and steel, are located in the same small cities, towns and communities across Ontario and have been equally and negatively impacted by the current economic climate. Our members in the cement industry have experienced the largest decline in Canadian and US cement consumption since the Great Depression.

We too continue to struggle with the declining demand in both domestic and export markets. Our exports are

down over 40% and are very slow in coming back. The high Canadian dollar and rapidly increasing electricity prices and labour costs have led to competitive pressures on the cement industry. Our industry is having a tough time competing with imports from the US and other countries. Everyone has been affected by this recession, Mr. Chairman and committee members, not just the wood industry.

As manufacturers of a fundamental and essential building material, the cement industry is committed to sustainability. We believe it's important to quantify and assess the environmental and economic impacts of infrastructure development over the long term. Our motto is "Build it once, build it right, build it to last."

I want to highlight a quote from the president and CEO of Earth Rangers. Earth Rangers is a non-profit charitable organization dedicated to educating people about biodiversity loss. When talking about their own building, a concrete building, Mark Northwood states:

"We chose concrete as the material of choice for our building because of its comparatively low impact on biodiversity, its longevity and thermal qualities"—they are beyond none. "We also believe in aggregates as a top choice for building materials because of the cement industry's ability to recover, and, in most cases, increase the state of biodiversity on their properties."

We agree with what Earth Rangers has to say. We do not have to clear-cut forests to provide the construction materials to build our cities, our infrastructure and our public transit.

We believe that cement and wood are complementary building materials. We respect the wood industry, and we are partners with them in the construction industry. Having said that, what is paramount is that all construction materials should operate on a level playing field and in a fair, competitive and open economic environment. We support the philosophy of using the right material for the right job, and we also support the fundamental concept that it should be left to licensed experts—the architects, the engineers, the insurance bureaus—and not legislative bodies to decide what building materials should be used in building projects. We believe that policies such as "Wood first" that artificially promote one material over another should be avoided. Government should not be robbing Peter to pay Paul.

Today, I want to talk to you about the proposed changes which would allow amendments to the Ontario building code with respect to the height of wood frame buildings. The Cement Association of Canada believes it's important to ensure that any proposed changes to the Ontario building code address the best interests of Ontarians. It's essential that all proposed changes go through a proper code development process, with due oversight prior to any changes being adopted.

There is a well-established code system in Canada that has served the best interests of Ontarians for decades. We must take politics out of this decision. Politicians are simply not equipped to make these kinds of decisions.

At last spring's meetings of the Ontario part 3 and 4 technical advisory committees, both of these com-

mittees—Ontario technical committees—rejected the proposed mid-rise wood frame construction code changes. They rejected 13 of the 14 changes put forward, and today, despite these recommendations by your own committee, we are dealing with a private member's bill seeking to overturn the recommendations of those technical experts to whom we entrust Ontarians' safety. This, Mr. Chairman, at best, is an extremely regrettable situation.

If you want to wade into this discussion, it would be prudent to review these recommendations from the experts. First and foremost, it must be ensured that all safety concerns are being addressed prior to changes being made. We do not want to circumvent the technical decisions that have already been on record with the MMAH.

Buildings that could be affected in these changes include those that house the most vulnerable of our citizens: retirement homes, subsidized housing and nursing homes. We have heard in the news recently those examples of elderly individuals in retirement homes who have died as a result of the fire and the resultant call for sprinklers in these wood buildings. A recently released coroner's report called for a retroactive installation of sprinklers in the 4,300 wood buildings that are out there for vulnerable people like senior citizens and those in nursing homes.

We commend the Liberal government for announcing in April that the office of the fire marshal would undertake a technical consultation to identify fire safety improvements in residences with seniors, people with disabilities and other vulnerable groups. We also hope the government will look to private members' bills from the past, like those from the NDP's Michael Prue, that called for, at the very least, concrete stairwells so that residents and firefighters could exit and enter safely in the case of a fire.

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It's important that consultations like these carefully consider the effects of a 50% increase in wood storey construction. It's about the safety. It's about the safety of the people, the vulnerable people who live in these buildings. It's about the safety of our heroes, the firefighters that are called upon to fight these potential fires.

Currently, the National Research Council and the Canadian Wood Council are involved in an extensive two-year project entitled Wood and Wood Hybrid Mid-Rise Buildings. This project will investigate the mid-rise wood changes recently adopted in British Columbia. The results of the test program will form the basis for any changes that will be proposed in the 2015 national building code. If you are intent on proceeding with changes to that code—that appear to focus solely on politics, I might add—then it would be wise to wait until this work is done before rushing to accept untested applications in Ontario.

Above all, you should be concerned—

The Chair (Mr. Peter Tabuns): You have one minute left.

Mr. Michael McSweeney: —about the safety of our citizens. There was a fire in BC's first six-storey wood frame building, which was under construction at the time.

Many associations, firefighters, fire safety, pre-cast, masonry, cement, concrete and steel groups have also highlighted the need to put safety first. We must take politics out of this discussion and leave it to the experts. Safety is too big a concern to do otherwise. Thank you.

The Chair (Mr. Peter Tabuns): Thank you, Mr. McSweeney. The NDP is the first up. I just want to say we're tight for time if we're going to bring in NOMA to speak in a minute or two, so if you could make your question quick and to the point.

Mr. John Vanthof: I take a little bit of offence, because I think we are all very concerned about safety. You referenced a couple of times that people died, and that's very—but are you saying that four-storey wooden buildings that are in place now aren't safe?

Mr. Michael McSweeney: It's intuitive: Wood burns; concrete doesn't; steel doesn't.

Mr. John Vanthof: Next.

The Chair (Mr. Peter Tabuns): Government.

Mr. Mike Colle: We'll pass.

The Chair (Mr. Peter Tabuns): Mr. Fedeli.

Mr. Victor Fedeli: I must say, Mr. McSweeney, that I am equally offended by your presentation, as I was with the tone of the steel institute's. You took it a step further with the invoking of the unfortunate deaths of the people. I can't even go there to that debate. I apologize that I won't get into that side of it; it would pain me too badly.

You also talk about the fact that politicians are not equipped to discuss this, yet here we are, discussing every issue from highway safety—I'm not a traffic engineer, I'm not a safety engineer, yet we make critical decisions every day based on the information that we're given.

I am very thankful to the other presenters for giving us a respectful tone and respectful and helpful information in making our decisions.

Mr. Michael McSweeney: Thank you. We too are offended by this bill coming forward, and offended that you will not listen to the 13 of 14 recommendations that have come forward from the part 3 and 4 technical committee to the Ministry of Municipal Affairs and Housing. Those are the experts. Are you a structural engineer, Mr. Fedeli? They are. Thank you.

The Chair (Mr. Peter Tabuns): Mr. McSweeney, thank you for your presentation.

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Chair (Mr. Peter Tabuns): I'll now call on Iain Angus from the Northwestern Ontario Municipal Association, who is joining us by conference call. Iain, if you're there, it's Peter Tabuns. I'm chairing the meeting. Can you hear us?

Mr. Iain Angus: Good morning, Mr. Chairman. Yes, I can. I've been listening for about the last hour or so.

The Chair (Mr. Peter Tabuns): My goodness. Iain, you have 10 minutes, and then I think the bells will ring for us to go into the Legislature. If you wrap up before 10 minutes, we'll try and get some questions in. Please commence.

Mr. Iain Angus: Okay, thank you, Mr. Chairman and members of committee. I gather you have a copy of my presentation. I may skip over parts in order to give you time to ask me some questions within what's left. I know you can't miss the bells.

A couple of context points first: I'm a councillor with the city of Thunder Bay; I'm a vice-president of the Northwestern Ontario Municipal Association; but probably more importantly, I'm the past chair of the Ontario Forestry Coalition, which worked with many of you over a number of years to try and stave off what became a perfect storm.

NOMA represents 30 municipalities from Kenora to Rainy River in the west to Hornepayne and Wawa in the east. We've got a long history of involvement in the forest industry. In fact, for many decades, many of our communities relied solely on that industry as the main source of jobs, taxes and prosperity. Those communities have been decimated.

We think that this particular bill, Mr. Fedeli's bill—and we thank him for bringing it forward—is one way to help rebuild the industry. Bill 52 represents an opportunity to help revive the struggling forest industry to facilitate greater use of wood in buildings by increasing the maximum height limit of wood-framed buildings from four to six storeys. Creating demand for Ontario's wood products supports the forest industry—a key economic sector of the province—by increasing opportunities to build with wood from Ontario's sustainable managed forests. These are not clear-cuts; these are sustainable managed forests. The proposed code changes support forest industry jobs and forest-dependent communities, which aren't just located in the north, by the way. Many forest-dependent communities are located in southern and eastern Ontario.

This change will provide more design and cost options for developers and could help facilitate the construction of more mid-rise buildings, as well as providing more intensive uses within existing neighbourhoods at a scale that contributes to transit-supported, pedestrian-oriented, mixed-use neighbourhoods.

The addition of light wood frames for mid-rise construction will increase competitiveness in the Ontario construction industry. According to developers, architects and engineers, the key features of mid-rise, light wood-framed structures that reduce construction costs include: lower labour and material costs, reduced construction time, improved quality through off-site fabrication, wider range of labour available, ease of running services and improved productivity levels. Some developers have speculated on wood offering up to a 20% discount on traditional construction costs.

Furthermore, we would like to take the opportunity to remind you that wood is the only renewable construction material. Let me repeat: the only renewable construction

material. The expanded use of wood is good for the environment because it captures and stores carbon dioxide from the atmosphere that would be released back into the air if the trees are burned or decomposed. In addition, an increase in demand for wood will encourage further forestation, and those tree seedlings will continue to capture carbon dioxide as they grow.

In the past 18 months, the city of Thunder Bay has seen two significant projects utilizing wood in their construction. The first is the Thunder Bay District Social Services Administration Board headquarters, and it fully implements the use of wood in construction as shown in the photos below.

For those of you who have the photos before you, it's hard to notice, but the vertical beams—if you look at the top, you'll see that all those vertical beams are laminated wood structures. They were fabricated off-site by the builder and installed in place, and it was really quite amazing to watch this building go up.

The second project is at Confederation College, which recently completed an expansion of one of their buildings to construct their Regional Education Alliance for Community Health, or REACH, facility. The expanded building features a very impressive concourse area with three-storey-high wood beams and has been designated as a Canadian Wood Council demonstration building. The college was committed to including a wood feature in their construction in recognition of the importance of forestry to our region.

Information provided by the Canadian Wood Council shows that for every 125 mid-rise structures of six storeys built in Ontario under the amended building code, the amount of wood used would sustain a mid-sized softwood lumber mill and approximately 200 direct mill and woodland jobs.

Prior to the forest sector crisis, there were 11 sawmills in operation in northwestern Ontario. Eight of those sawmills have now been permanently closed, one is operating, although it's down this week, and two remain idle indefinitely, waiting for the market to improve.

There is no doubt that these proposed changes to the Ontario building code would result in increased demand for lumber products that we believe would allow these two idled sawmills in northwestern Ontario to resume production, providing much-needed jobs in our communities.

The business community is also supportive of this legislation. In 2010, NOMA forwarded its resolution of support for the building code changes to the Thunder Bay Chamber of Commerce and the Northwestern Ontario Associated Chambers of Commerce, both of which have passed resolutions in support. Furthermore, a similar resolution was also recently adopted by the Ontario Chamber of Commerce at its annual meeting in St. Catharines at the beginning of May. It is clear that these business organizations recognize the incredible value of a strong forest industry to the economy of our province.

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As the Ontario economy continues to sputter, the changes proposed to the Ontario building code in Bill 52

would provide an economic boost by opening new markets in Ontario. We encourage the committee and all members of the Ontario Legislature to support this bill and, in so doing, support the Ontario forest industry.

Mr. Chairman, if I may, one final comment: I listened with interest to the presenter who preceded me and his reference to the fact that steel and concrete do not burn. I draw the committee's attention to an accident that happened, I believe it was on the 401, about 15 to 20 years ago where a tanker truck exploded on one of the overpasses and totally destroyed that concrete and steel structure. Nothing is impossible to burn. We need to recognize that what we need to do is make sure that our building code protects occupants of any building, and that's why there's a current debate about the expansion of sprinkler systems throughout all buildings, regardless of the method of construction.

I leave it to you, Mr. Chairman.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Angus. We will commence with the government.

Mr. Mike Colle: Thank you very much for the time, Councillor, and the input on this. Given some of these issues that have been raised, have you ever received a commentary or any kind of input from the Ontario fire marshal's office or the Ontario Association of Fire Chiefs on the safety issues raised?

Mr. Iain Angus: No, we haven't, and we have been quite public about our support of the initiative, but nobody has come knocking on our door.

Mr. Mike Colle: So you don't know of any comment that they've ever made on this suggested building code amendment?

Mr. Iain Angus: Not directly to NOMA. There may be, and if there are, we are not aware of them.

Mr. Mike Colle: Okay. Thank you, Councillor.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Colle. The opposition: Mr. Fedeli?

Mr. Victor Fedeli: Because of the time, we're going to yield. We just wanted to say, thank you very much, Councillor, for your support of this and for NOMA's support as well.

Mr. Iain Angus: Thank you.

The Chair (Mr. Peter Tabuns): Thank you, Mr. Fedeli. Mr. Vanthof or Mr. Mantha?

Mr. John Vanthof: I'd also like to thank you for your presentation and for once again, reinforcing against the popular misconception that our forests in northern Ontario are mismanaged. They're not mismanaged, and they're totally renewable resources. Thank you very much.

Mr. Iain Angus: Thank you.

The Chair (Mr. Peter Tabuns): Mr. Angus, thank you very much. To all the presenters today, my thanks. This meeting stands—

Mr. Mike Colle: Can I ask—I have a motion, Mr. Chair.

The Chair (Mr. Peter Tabuns): Sorry. That concludes the business for today.

I want to remind the committee that any proposed amendments to the bill should be filed with the committee clerk by 5 p.m. on Monday, June 4, 2012. Please contact legislative counsel for assistance in drafting amendments. Clause-by-clause consideration of Bill 52 is scheduled for Wednesday, June 6, 2012.

Mr. Colle?

Mr. Mike Colle: I was just wondering if we can get research to contact the Ontario fire marshal's office to comment on the safety issues as related to this building code amendment.

The Chair (Mr. Peter Tabuns): I think that, yes, we can do that.

Mr. Mike Colle: And to make it available for members of the committee?

Interjection.

The Chair (Mr. Peter Tabuns): Oh, on the record? Yes, please.

Ms. Sidra Sabzwari: Yes, we can do that. Do you have a deadline?

Mr. Mike Colle: Plus, can you get commentary for the committee from the Ontario part 3 and 4 technical advisory committee on the building code amendment? If you can get some information from them for the committee members, that would be—

Ms. Sidra Sabzwari: Sure.

Mr. Mike Colle: I would request that information.

The Chair (Mr. Peter Tabuns): Could you just be a bit clearer? I'm not sure they picked up your "sure."

Ms. Sidra Sabzwari: Yes, we can do that. But do you have a deadline that you need this by?

Mr. Mike Colle: If you could just try your best.

Ms. Sidra Sabzwari: As soon as possible?

The Chair (Mr. Peter Tabuns): Before the committee meeting.

Ms. Sidra Sabzwari: Sure.

The Chair (Mr. Peter Tabuns): The meeting now stands adjourned.

The committee adjourned at 1025.

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