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June 30, 2009

Right Honourable Steven Harper, MP
Prime Minister of Canada
Parliament Buildings
OTTAWA, ONTARIO
Faxed to 613 -941-6900

Hon. Dalton McGuinty, M.P.P.
Premier of Ontario
Queen's Park
TORONTO, ON.
Faxed to 416-325-3745

RE: Nuclear Power Technology in Ontario

Dear Prime Minister Harper & Premier McGuinty

In response to the announcement made on June 28th by Ontario's Infrastructure Minister suspending the RFP process for new nuclear power for Ontario, the Greater Oshawa Chamber of Commerce is extremely concerned by this decision. The loss of this build is devastating to the Ontario and Durham economy, impacting the construction industry, suppliers and manufacturers, transportation and our local university.

It appears that there is some political gamesmanship going on between Queen's Park and Ottawa at a time when Ontario is being battered by extensive job losses in the manufacturing sector.

There is much more at issue politically in this decision than is being said publicly. The fact that AECL is for sale currently, the Chamber is certain has a large part to play in the decision to come in with pricing that is billions higher than budgeted. Also, the timing of the announced sale of AECL and the timing of the Ontario decision to suspend the procurement process is also very suspicious.

Canada's Technology future is at stake. Let's not make the same mistake with nuclear as we did just 50 short years ago in 1959 when Government cancelled the AVRO Arrow. That crippled the domestic aerospace industry and sent our engineers and scientists south. Let's not forget ITER now being built in France. Canada was previously a full member, but has since pulled out due to a lack of funding from the Federal government. This lack of funding also resulted in Canada withdrawing from its bid for the ITER site in 2003. Are we going to let the French be the leading nation in nuclear energy?

Both levels of Government must zero in on the consequences to the Canadian nuclear manufacturing sector for domestic and export sales if the Ontario and Canadian Government chooses to play chicken with our Technology future for the sake of politics.

Ontario has very few industries that offer the potential for ongoing long-term job and wealth creation. Around the world we are seeing a nuclear renaissance as the many strengths of nuclear energy are being recognized. Billions of dollars will be spent on hundreds of new plants around the world over the next 10-20 years. The developing powerhouses of China and India are looking to new nuclear capacity to help secure the energy they will need to fuel their economic growth. In

2006, the United States implemented an Energy Policy Act encouraging construction of new Nuclear plants as part of a diverse energy-production portfolio. Many other countries such as France, the United Kingdom and Japan have also adopted nuclear energy in their public policy positions.

The Canadian innovative design and manufacture of nuclear reactors has proven to be competitive in world markets. This indecision meanwhile is crippling its ability to sell abroad and it certainly has devalued AECL in the light of any potential investor.

At the Ontario Chamber of Commerce annual meeting this past May the delegates from over 160 Chambers of Commerce from across Ontario representing over 60,000 businesses of all sizes overwhelming agreed the Ontario Chamber of Commerce must urge the Government of Ontario to make as a priority, in the procurement process for the next generation of nuclear power technology, to have a Nuclear Energy Strategy that will continue to provide jobs, investment and economic strength for the Ontario and Canadian economy in the coming decades.

Energy Minister Smitherman stated that AECL had the only compliant bid and the only one of three candidates whose bid met all of the requirements. He further suggested that bid was still too expensive and Ottawa may want to step in to allow AECL to make a more competitive bid and win the contract.

We cannot understand why the Ontario government did not just make a decision and then negotiate. With all due respect it appears that you want to play some sort of political game through the media with manufacturing jobs and the nuclear industry as some kind of pawn.

There are more than 30,000 workers in the CANDU nuclear industry, many of whom are located in Ontario, the Chamber is extremely concerned by the decision to delay the construction of new nuclear power plants in Ontario at a time when the Canadian economy is in severe recession.

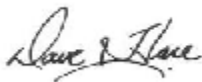
The member companies of OCI have invested heavily in this process. These bids cost millions of dollars for each vendor and further millions in total from all their subs and suppliers. With other challenges that they presently face it could well be the straw that breaks the camels back and cause some of them considerable financial difficulty, possibly even bankruptcy.

If Canada is going to be able to position itself to be a leader in the nuclear renaissance Ontario needs to make a decision and send an important message to the world that Ontario's nuclear manufacturers are open for business.

We need to get on with the marketing of CANDU plants around the world so business can create the manufacturing jobs that Ontario so desperately needs.

We strongly urge you not to delay this decision

Sincerely,



Dave Hare, President,



K. R., Malcolmson, CEO & General Manager

cc: Tim Hudak, MPP Leader of the Progressive Conservative Party
Andrea Howarth, MPP, Leader of the New Democratic Party of Ontario
Colin Carrie, MP Oshawa
Jim Flaherty, MP Whitby/Oshawa
Bev Oda, MP Durham
Jerry Ouellette, MPP Oshawa
Christine Elliot, MPP Whitby/Oshawa
Roger Anderson, Chair, Region of Durham