

### **3. The model focusses on location-sensitive costs**

The model analyzed the impact of the following location-sensitive cost drivers:

- Initial facility investment, including land acquisition and construction.
- Labour costs, including wages, statutory payroll benefits and taxes, and employer-sponsored benefits.
- Electricity costs.
- Transportation costs.
- Interest costs.
- Taxation costs, including income taxes and research tax credits.

Other less location-sensitive cost factors were held constant for all industries and jurisdictions.

### **4. Ten-year financial statements were developed**

The model developed financial statements to assess the costs over a ten year operating horizon, including:

- Balance Sheet
- Income Statement
- Statement of Changes in Financial Position
- Federal Income Tax Calculation
- Province/State Income Tax Calculation
- Research & Development (or Research & Experimentation) Tax Credit Calculation.

These statements form the basis of the cost comparisons.