

In many cases government departments are the sole provider of services and the discipline of competitive business pressures is absent. The proposed measures are vital to support the regulatory reform goals of smarter regulation, greater efficiency, greater accountability and greater sensitivity to those affected by federal regulation.

COFI is pleased to learn that Bill C-91:

- (a) does not expand the existing authority of the governor-in-council to prescribe user fees.
- (b) explicitly provides that any prescribed fees or charges will not exceed the cost of providing a service or use of a facility.
- (c) provides for the possibility of rules for the adjustment of the amount of any fee or charge.

COFI thanks the Committee for receiving and giving due consideration to the views of the British Columbia forest industry.

Yours sincerely,
(Original signed by)

Thomas E. Culham, P. Eng.
Vice-President Transportation

cc: COFI Transportation Committee

The Council of Forest Industries of British Columbia (COFI) represents the industry to provide its views on the proposed provisions (part B) of Bill C-91, the Act to amend the Financial Administration Act.

Members and staff of COFI reviewed the proposed amendments to the Act in 1989. The value of the product exports exceeded \$10 billion. Approximately 50 percent of the industry is in BC. The value of the forest sector amounted to \$20,000,000. The BC forest industry is a major employer in the province. The industry has already fallen by 40 to 50% from the sector's peak. It is a significant source of employment. The industry is a major employer. Over 400,000 employees have already been affected by the proposed amendments. Within the context, COFI members are concerned that the imposition of any user fees for services provided by the federal government would have a significant impact on users and other interested parties.

COFI is concerned that an opportunity is being missed to provide a more comprehensive review of the Act regarding the design and implementation of user fees. In particular:

1. Ongoing consultation with users is not provided.
2. There is no legislative requirement to conduct the impact of proposed user fees on the competitiveness of industrial users.
3. There is no limitation on the total amount of user fees that can be levied on users of services or facilities. It may be the case that the proposed user fees could be levied on users of services or facilities based on transport criteria specified in the legislation.
4. There is no legislative requirement to conduct a comprehensive review of the Act regarding the design and implementation of user fees.