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## II

### ***Study Objectives, Scope And Methodology***

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This chapter describes the conduct of the comparative cost review in terms of:

- Study objectives and scope.
- The seven U.S. and eight Canadian locations selected for detailed analysis.
- The seven representative industries selected for analysis.
- Design of the comparative cost model, and the methodology employed.

#### **A. The study is national in scope**

The objective of the study is to perform an independent analysis of the overall costs of doing business in Canada, in comparison to costs in the United States. The study scope is national and accordingly we examined 105 representative business operations, covering seven industries and 15 cities.

For each of the model operations, a detailed analysis of key location-sensitive factors was performed. These factors included the cost of land, buildings, wages and salaries, benefits, electricity, transportation, interest, and federal, regional and municipal taxes. While the national scope of the analysis precluded inclusion of local licenses and fees, all of the major location-sensitive costs identified were analyzed and compared.

#### **B. Seven U.S. and eight Canadian sites were analyzed**

15 locations, seven in the United States and eight in Canada, were selected in consultation with industry experts. The cities represent a cross-section of locations, in terms of both industrial base and regional representation.

The 15 locations selected for analysis are shown in Exhibit II-1. U.S. locations were selected on the basis that they represent some of the fastest growing business and manufacturing locations in the United States. Canadian locations were selected on the basis of developing a good geographical representation across the country, as well as on the basis of being logical alternatives.