

Ministre des Transports,
de l'Infrastructure et des Collectivités
et ministre de l'Agence de développement
économique du Canada pour les régions du Québec



Minister of Transport,
Infrastructure and Communities
and Minister of the Economic Development Agency
of Canada for the Regions of Quebec

Ottawa, Canada K1A 0N5

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NOV 15 2011

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His Worship John Henry
Mayor
City of Oshawa
50 Centre Street South
Oshawa ON L1H 3Z7

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Dear Mr. Mayor:

Thank you for providing me with a copy of your correspondence of July 28, 2011, to the Prime Minister regarding the proposed ethanol plant at Oshawa Harbour and other related issues. I am also in receipt of correspondence of June 28, 2011, to the Prime Minister from the Oshawa City Clerk, Ms. Sandra Kranc, and of August 3, 2011, from Dr. Colin Carrie, Member of Parliament for Oshawa, on this same subject. I appreciate receiving your comments on this matter, and I apologize for the delay in replying.

Transport Canada has no involvement in the development of the ethanol plant. You have therefore taken the appropriate action in sharing your comments regarding the federal government's role in the proposed ethanol plant with Agriculture and Agri-Food Canada and the Oshawa Harbour Commission given their roles in this matter.

Transport Canada is not aware of any leases, licences or other legal documents between the Oshawa Harbour Commission and Farmtech. To date, the Oshawa Harbour Commission has not made a request for a lease to Transport Canada. However, if such a request is made, the Department will review it as it does any other requests from harbour commissions.

I have noted your concern that the Oshawa Harbour Commission is not being transitioned to a Canada Port Authority quickly enough. Allow me to assure you that the Government of Canada is working diligently with the Oshawa Harbour Commission to transition the port to a Canada Port Authority.

Canada

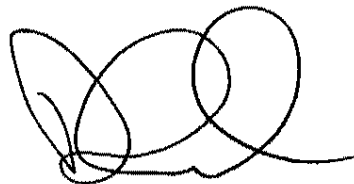
Regarding Mr. John Cloutier's contract with the Oshawa Harbour Commission, the Department does not foresee any conflict of interest given that Mr. Cloutier is not an employee of Transport Canada. As such, he is free to offer his services to whomever he wishes to work with. In addition, I have been informed that, prior to accepting the contract with the Oshawa Harbour Commission, Mr. Cloutier consulted with the Oshawa City Manager to ensure that City officials had no objection to him accepting the contract. Mr. Cloutier, who was hired as a contractor to lead the negotiations for Transport Canada, was a key player in arriving at an agreement on the Settlement Agreement with the City and the Oshawa Harbour Commission, which was reached in April 2010. Given his past work on the Oshawa Harbour file and his established relationship with City of Oshawa officials, Transport Canada retained his services in order to provide continuity on the file.

With regard to your request for Transport Canada to extend the deadline under the Settlement Agreement for completion of the Simcoe Street Fencing and Landscaping Project, the Department informed the Oshawa Harbour Commission some time ago that an extension for this work to 2012 is not possible as the funding is only available in 2011. Postponing the project to 2012 could jeopardize the availability of that funding.

I have noted your request for additional work at the former marina lands, and it is my understanding that additional risk management work is currently in progress on these lands. Transport Canada officials will consult with City officials when the work has progressed to the point where such consultations would be appropriate. My officials are ensuring that the provisions set out in the Settlement Agreement signed by the City are being adhered to.

I trust the foregoing has clarified the Department's position with respect to this matter. Again, thank you for writing.

Yours sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, identifying the signatory as Denis Lebel.

Denis Lebel, P.C., M.P.