Good afternoon. It is my pleasure to be before you today to convey the thoughts and ideas from the Ontario, Stone, Sand & Gravel Association. OSSGA represents 265 member companies that produce over 70% of the stone, sand and gravel in Ontario.

Introduction

The aggregate industry is a primary engine of economic growth and prosperity in the Province. Nothing gets built without aggregate – safe roads, power stations, municipal water supply systems, homes, schools, churches and hospitals. High quality aggregate products are the very foundation of the provincial economy. Stone, sand, and gravel are non-renewable resources – once depleted (or sterilized) they are gone forever.

The provincial interest in aggregate resources is based on longstanding principles that have served Ontario well. We hope that this review does not change the main tenets of the provincial interest in aggregates that include provincial regulation and control, the protection of dwindling aggregate supplies for future extraction, and the concept of extracting non-renewable resources close to where they will be consumed.

OSSGA understands that the last major revision to the ARA was in 1997 and that it is time to review the legislation again, but a review should not be used as a forum to undermine the provincial interest and to jeopardize the provincial economy. This review is an opportunity to rationalise and eliminate duplication of process and policy. There is an opportunity to make the application process more efficient, more transparent, more understandable and less bewildering for both proponents and opponents of new pits and quarries.

When the ARA was introduced in the Legislature in 1989, it was hailed as leading edge environmentally focussed legislation. While it may be time to undertake a review, please don't lose sight of what is working well. The ARA isn't broken, but it does need updating.

Location Matters

The location of aggregate resources is fixed. Stone, sand and gravel have to be extracted where they occur. It is not like other forms of development such as homes, stores or recreation areas that can be built in many different places.
Not all areas of the province have aggregate deposits – they are only found in certain geologic formations and certain locations. Many of the geological formations that provide our aggregate resources also provide our agricultural resources, our recreation lands, our forests, and our tourism destinations. The challenge is to strike the appropriate balance between these competing resource interests.

Not all aggregate deposits make good products, either. Many geological formations are not suitable for high quality construction aggregates and do not meet the specifications required for high quality concrete and asphalt mixes.

A fundamental premise of our provincial aggregate policy is that those municipalities that have aggregate resources have a responsibility to supply those that do not have a supply, as well as meet their own needs.

Location matters because approximately 50% of the cost of aggregates is the cost of transportation. It is important to develop aggregate resources close to the consumption areas.

We have all heard of the "100 mile diet", and we all understand that buying food locally makes sense. It makes sense from an environmental standpoint and from an economic standpoint. Exactly the same principle applies to aggregate supply. We should buy our aggregates locally, that is, we should embrace a "100 km infrastructure envelope". It is sound environmental and economic policy. Location matters.

**Importance of Aggregate Resources to the Provincial Economy**

The aggregate industry is critically important to the provincial economy. Even those who oppose pits and quarries recognize that a reliable and secure supply of aggregates is essential for a healthy provincial economy. Concrete and asphalt are, by volume, more than 85% aggregate. So when we discuss aggregates, we are talking about those products also.

Current economic impact data is provided in the package before you.

**Aggregate Demand**

In 2010, 166 Million tonnes of aggregate were produced in the province. Sixty percent of that was consumed by public authorities, the majority of which is used to build public infrastructure such as our hospitals, schools, roads and bridges.

We consume approximately 13.5 tonnes per person in Ontario per annum. While this may seem high, consumption in Ontario is in line with consumption in northern European countries having a similar climate as illustrated in the materials in your package.

It is safe to assume that, even with conservation practices, consumption will increase as population increases. If by 2031 the population of Ontario increases by 3.7 Million
people as set out in the Growth Plan, by then we will need 50 Million more tonnes each year.

It must also be acknowledged that Ontario’s current infrastructure is aging. The Growth Plan is clear that;

"Decades of neglect and lack of sufficient investment have resulted in the current infrastructure deficit. Tens of billions of dollars beyond current levels of investment will be required before the situation is back in balance. All levels of government are under pressure to meet public infrastructure needs." (Page 8, Growth Plan).

Aggregate Supply

Close to market supply of aggregate is being depleted quickly. The SAROS study illustrated that there will be shortages in the GTA for high quality stone within a decade. The GTA only produces 50% of what it consumes.

Currently, the top 10 producing municipalities produce 30% of the provincial tonnage. Interestingly, these 10 municipalities only have 13% of the population.

As a contrast to this, the cities of Toronto, Mississauga, Brampton, Newmarket, Aurora, Whitby, and Oshawa contain 4.3 million people and no longer produce aggregates. These figures are illustrated in your information package.

History and Evolution of the Aggregate Resources Act

There is a long history of development of legislation, regulation, and policy to govern the operations of pits and quarries in Ontario. There has been an evolution of the provincial interest in aggregate dating back to 1971 with the original Pits and Quarries Control Act, to the most recent changes to the aggregate levy in 2007. This demonstrates that the province has been responsive and has made changes on a reasonably regular basis over the years. We have included a chart of that history in your package.

This legislative and policy evolution has reflected the growth of our industry in terms of environmental performance and continuous improvement, but has also reflected the challenges of balancing Ontario’s natural resource interests to ensure that future generations will prosper. As much as there has been change, we believe that more change is needed.

Addressing the Specific Terms of Reference of the ARA Review

The components of the ARA before you as a Committee speak to a number of issues that are governed by the ARA, but also to a number of issues that fall outside of the ARA and its implementing documents.
The Consultation Process

The ARA consultation process is set out in the Provincial Standards. It is proponent driven. It has inherent requirements for public input, including public meetings, and obligates the proponent to respond to every expression of concern or objection in an attempt to address issues. This has proved to be a lengthy but generally workable process. However, the process could be fine tuned, and could be made more efficient. We are open to changes that bring clarity, efficiency, more public input and opportunity for the development of good ideas surrounding individual applications. OSSGA’s detailed recommendations regarding the consultation process are included in your package.

Siting of Aggregate Operations

OSSGA’s view is that siting and aggregate resource protection are matters of provincial policy covered by the Provincial Policy Statement and are outside a review of the ARA legislation. Strong policy regarding siting already exists.

A related consideration is the method by which aggregate is transported in Ontario. At the turn of the century in Ontario, almost all aggregate was moved by rail. Trucks did not become the mainstay of transportation until after WW II. If we fast track to today, less than 5% of Ontario’s aggregate production is moved by water, and even less by rail.

This is a significant issue for all Ontarians and speaks clearly to the importance of keeping our sources of stone, sand and gravel close to where they will be consumed. Right now, in the GTA, 3 million truckloads of aggregate products are shipped into the GTA every year, and the same trucks return empty to the source 3 million times. Moving sources further from market increases fuel consumption, greenhouse gas emissions, and wear and tear on our roads. It also makes trucks pass through more communities and by more individual residences.

Do we have options? OSSGA believes that we have a significant challenge ahead of us to try and find suitable alternative means of transportation. Given the fact that much of our rail infrastructure has been ripped up and given a lack of viable deep water ports, truck transportation is the only viable option we have right now.

Rehabilitation

Section 48 of the ARA requires progressive and final rehabilitation for all pits and quarries.

Pits and quarries become wildlife habitats, wetlands, recreational parks, farms, and new communities. Once sites are rehabilitated to new lands uses, communities forget what used to be there. There are no better examples of this than the Royal Botanical Gardens in Hamilton, Kelso Quarry Park in Milton, and East Park Gardens in London.
OSSGA members are committed to minimizing disturbed area during extraction and completing excellent final rehabilitation.

OSSGA disagrees with some of the statements on rehabilitation made by the Environmental Commissioner to this Committee on May 7th. OSSGA will be publishing the results of its comprehensive rehabilitation study very shortly which demonstrates that Mr. Miller's concerns are not realized. We will send that study to you.

Aggregate Resource Development and Protection

OSSGA believes that the licencing procedure has become too confusing, complex and onerous for opponents, proponents and other community members interested in following an application through the process. People lose faith in the process when it becomes too complex.

In addition, there is substantial uncertainty, time and cost to licence new facilities for both aggregate producers and local communities. Included in your package is a list of recent applications that have frustrated everyone.

This ARA review provides an opportunity to make the ARA application process more efficient, productive and transparent for proponents, opponents and others.

OSSGA recommends a rationalization of the licence approval process. There are approximately 25 pieces of Federal and Provincial legislation which are applicable to pits and quarries. There are also overlapping policies and numerous approval authorities, and simplifying this process would be helpful to re-engage everyone in finding the right solution.

OSSGA strongly recommends that remaining aggregate reserves be protected from sterilization as per the existing policy set out in the Provincial Policy Statement, as well as through regional and local official plans.

New Developments in the Industry

Recycling

OSSGA members produce the majority of recycled products in Ontario. As a result, OSSGA, and 6 other industry associations launched Aggregate Recycling Ontario (ARO) in 2011. ARO aims to educate Ontarians about aggregate recycling, adopt new best practices in recycling, engage our municipal partners, and further encourage the province to support more recycling. We do, however, have some challenges to overcome.

One criticism is that other countries recycle more than we do. The chart contained in your package shows the recycling rates of many European countries, and you will see
that there is a large variation in recycling, and Ontario is somewhere in the middle. However, we can do more.

The problem is benchmarking - not all of the material recycled in Ontario is being recorded. The production of 450,000 tonnes of recycled aggregate product from the demolition of Toronto Airport Terminal 1 several years ago shows that not all recycled products are processed in pits and quarries. We need a way to record all of this recycling.

The obstacles to recycling are not necessarily with the aggregate industry. ARO did a study of 121 municipalities last year, and the results show that many municipalities are still not allowing recycled aggregate to be used in their infrastructure projects. This must change.

OSSGA also recommends that the Provincial Policy Statement and the Provincial Standards be revised to require aggregate recycling where materials are available. Aggregate recycling should be a mainstream activity of responsible aggregate production.

Water Management and Mitigation of Environmental Impacts

OSSGA also promotes innovative and sustainable water management. Aggregate producers are water handlers, not water consumers.

Where appropriate, Adaptive Management Plans are being implemented by OSSGA members, incorporating current technology around water management in pits and quarries.

OSSGA embraces the study of cumulative impacts as evidenced by the Best Practices guidelines for pits below the water table prepared jointly by MNR, GRCA and OSSGA in 2011. This year the independent OSSGA cumulative impact study currently being conducted on the Carden Plain east of Orillia will be completed.

Certification

You have also probably heard that the aggregate industry is exploring certification outside of the regulatory framework. Two incorporated groups, SERA and AFO are working towards a framework and a set of industry standards that would start the process of certification. This is exciting and challenging, and OSSGA looks forward to continuing to work with its partners on this initiative.

The Issue and the Solution

Like the Government, OSSGA has heard complaints that the system is not working:

- Insufficient MNR oversight over new applications;
- Insufficient MNR inspection of operating pits and quarries;
• Insufficient MNR enforcement;
• Operators do not pay a sufficient aggregate levy to cover wear and tear on roads;
• Insufficient time to respond to ARA applications; and
• Insufficient opportunity for input on ARA applications.

The existing PPS provides clear direction to decision makers that environmental and social impacts be minimized. That is already required.

The real issue is a funding issue – funding of the MNR aggregates program. The program needs money to run effectively. A strong MNR is needed to properly implement Government Legislation and Policy and to protect communities by exercising existing enforcement controls currently found in the ARA. OSSGA supports enforcement efforts and raising the bar through implementation of strong legislation – the Aggregate Resources Act.

Regulation 244/97 sets out that producers pay 11.5 cents per tonne to be split between the local municipality, the county/region and the Province. OSSGA recommends a thorough examination of how the levy might be appropriately apportioned between local and regional governments, the Province and The Ontario Aggregate Resources Corporation (TOARC). OSSGA further recommends that the Standing Committee consider increasing this levy. The levy should be directed to managing the aggregate resource, and should be administered in a special purpose account, allowing for complete transparency in terms of where the dollars are spent. At the municipal level, the levy should be directed to infrastructure development, to build and strengthen these communities for the future.

That will solve the real issue. The other issues can be resolved by modifying the Provincial Standards for public notification and public process as noted earlier.

Summary

In summary, OSSGA recommends the following as solutions for moving forward:
• Implement a more efficient approval process that provides clarity, certainty and solutions for all parties;
• Maintain the provincial interest in aggregates that has served Ontario so well through maintaining close to market policies, protection of dwindling aggregate supplies for future extraction, and continued provincial regulation;
• Increase the aggregate levy to help fund the MNR aggregate program to address issues raised by other parties which gave rise to the request for a review of the ARA in the first place, and;
• Implement the changes to the Provincial Standards set out in this submission.

OSSGA sincerely thanks the Standing Committee for its time today.
Figure 1: Economic Importance of Aggregate Industry of Ontario

- All infrastructure starts with aggregate products
- Support Ontario's \textbf{$37\text{ billion}$} construction industry that employs \textbf{292,000} Ontarians
- Ontario aggregate producers employ more than \textbf{7,000} people directly and more than \textbf{34,000} indirectly
- Industry contributes \textbf{$1.6\text{ billion}$} of GDP to the provincial economy
- When a new quarry or pit is opened, \textit{new local jobs} are created and \textit{investment} supports the local economy
- An economically important rural industry
Figure 2a: European Consumption Per Capita

- National 2010 tonnes/capita across Europe...
- Include exports (mainly Norway), exclude imports
- Also vary by local climate, state of the economies, building traditions...
Figure 2b: Ontario Consumption vs European Consumption

2010 National Tonnes per Capita

Ontario 14t/c
Figure 2c: European Recycling

Recycled Aggregates

Recycled as % National Demand

- Overall EU, recycled 182mt = 33% of available 550mt C&DW
- This corresponds to only 5% of total aggregates demand
- Best performers (NL, UK, B) recycle 90% = ~20% demand
- If all countries recycled 100% = ~15% of total EU demand!
- EU target is to achieve 70% recycling of C&DW by 2015
Figure 3a: Municipal Production Per Capital
Figure 3b: Production versus Population
## Figure 4: Evolution of Ontario Aggregate Legislation and Policy

<table>
<thead>
<tr>
<th>Date</th>
<th>Provincial Initiative</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>Pits and Quarries Control Act</td>
<td>Established Provincial control and regulation of a provincial resource</td>
</tr>
<tr>
<td>1982</td>
<td>Mineral Aggregate Resources Planning Policy</td>
<td>Replaced 10 Point Policy and provided more direction to municipalities</td>
</tr>
<tr>
<td>1986</td>
<td>Mineral Aggregate Resources Policy Statement</td>
<td>Issued as a freestanding provincial policy under Section 3 of the Planning Act</td>
</tr>
<tr>
<td>1989</td>
<td>Aggregate Resources Act</td>
<td>More comprehensive licencing procedure and introduces municipal payments through tonnage fees</td>
</tr>
<tr>
<td>1995</td>
<td>Comprehensive Set of Policy Statements</td>
<td>Integrated individual Provincial Policies statements into one document – Aggregates are a fundamental component</td>
</tr>
<tr>
<td>1997</td>
<td>Bill 52 – Revisions to ARA</td>
<td>Introduced new Provincial Standards for licencing, operational standards and prescribed conditions and compliance assessment reporting</td>
</tr>
<tr>
<td>1997</td>
<td>Provincial Policy Statement</td>
<td>Streamlined the Provincial Policies Statement - Aggregates remain a fundamental component</td>
</tr>
<tr>
<td>2005</td>
<td>Provincial Policy Statement</td>
<td>Revised the former PPS - Aggregates remain a fundamental component</td>
</tr>
<tr>
<td>2006</td>
<td>ARA Policies and Procedures Manual</td>
<td>Provides detailed policy and procedures for all actions/matters governed by ARA</td>
</tr>
<tr>
<td>2007</td>
<td>Annual tonnage fees increased</td>
<td>Increased to 11.5 cents per tonne</td>
</tr>
<tr>
<td>2012</td>
<td>ARA Review</td>
<td>Underway</td>
</tr>
</tbody>
</table>
Figure 5: OSSGA Recommendations re Consultation – Provincial Standards

1. Interested parties are invited to provide comments and questions rather than objections within the 45 day commenting period (Categories 1 to 4, Standard 4.2.2)

2. The applicant's response to objectors' emails and letters should be allowed by email. Clear policy detailing the requirements for proof of sending should be developed (Categories 1 to 4, Standard 4.3.3.1)

3. A submission under Standard 4.3.3.2 is treated as a formal objection, and objectors should be required to pay an appeal fee, as their objection triggers a hearing. Only those who have commented per Standard 4.2.2 should have the right to object/appeal. (Categories 1 to 4, Standard 4.3.3.2)

4. MNR is allowed to hold the ARA application until the Planning Act application(s) "catch up." This would be consistent with MNR policy (Categories 1 to 4, Standard 4.3.5)

5. Applicants can extend the 2 year time period, or bypass it altogether, and allow MNR to close inactive files after notice to the applicant (Categories 1 to 4, Standard 4.3.6)
Figure 6: Federal and Provincial Legislation Applicable to Pits and Quarries

<table>
<thead>
<tr>
<th>Federal</th>
<th>Provincial</th>
<th>Provincial/Municipal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fisheries Act</td>
<td>Aggregate Resources Act</td>
<td>Lakes and Rivers Improvement Act</td>
</tr>
<tr>
<td>Migratory Birds Convention Act</td>
<td>Planning Act</td>
<td>Conservation Authorities Act</td>
</tr>
<tr>
<td>Species at Risk Act</td>
<td>Greenbelt Act</td>
<td>Drainage Act</td>
</tr>
<tr>
<td>CEAA</td>
<td>Lake Simcoe Protection Act</td>
<td>Occupational Health and Safety Act</td>
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<tr>
<td>Canadian Environmental Protection Act</td>
<td>Niagara Escarpment Planning and Development Act</td>
<td></td>
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<tr>
<td></td>
<td>Oak Ridges Moraine CP</td>
<td>Planning Act</td>
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<td></td>
<td>Growth Plan</td>
<td>Municipal Act</td>
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<td></td>
<td>PPS</td>
<td>Official Plans</td>
</tr>
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<td></td>
<td>OWRA</td>
<td>Zoning By-laws</td>
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<td></td>
<td>Environmental Protection Act</td>
<td>Development Agreements</td>
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<td></td>
<td>Endangered Species Act</td>
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<td></td>
<td>Ontario Heritage Act</td>
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<td></td>
<td>Clean Water Act</td>
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<td></td>
<td>Environmental Assessment Act</td>
<td></td>
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<tr>
<td></td>
<td>Environmental Bill of Rights</td>
<td></td>
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<tr>
<td></td>
<td>Public Transportation and Highway Improvement Act</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Status</td>
<td>Duration (Years)</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Rockfort Caledon</td>
<td>Application refused</td>
<td>12.5</td>
</tr>
<tr>
<td>Nelson Burlington</td>
<td>Decision pending</td>
<td>7+</td>
</tr>
<tr>
<td>Walker Duntroon</td>
<td>Decision pending</td>
<td>8</td>
</tr>
<tr>
<td>CBM Flamborough</td>
<td>Application refused</td>
<td></td>
</tr>
<tr>
<td>Highland Melancthon</td>
<td>Subjected to EA</td>
<td></td>
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</table>

Figure 7: Lengthy And Uncertain ARA Application Process
### Figure 8: Other Recommended Changes to Provincial Standards

1. **Category 3 and 4, Standard 2.1:** Provincial Standards should require a reporting letter from a qualified person to determine the elevation of the groundwater table for above water table operations.

2. **Categories 1 & 2, Standard 2.2.2:** Add to Level 2 Hydrogeological report requirements - domestic well surveys and cumulative effects.

3. **Category 1 and 2, Standard 2.2.5 to 2.2.7, and Category 3 and 4, Standard 2.2.3 to 2.2.5:** Require a separate cultural heritage study to address the requirements of 2.6.2 of the PPS. Any expanded reference to include built heritage and landscapes should have a screening approach (i.e. Stage 1 and 2) similar to that for Archaeology to determine where additional work is required. All cultural heritage work should only have to be conducted for the area of the site to be disturbed.

4. **Category 1 and 2, Standard 2.2.7; and Category 3 and 4, Standard 2.2.5:** The requirements for archaeology studies be revised to be consistent with the Renewable Energy Act whereby Stage 3 and 4 Assessments would be part of a condition of approval rather than a precondition of application submission.