

January 11, 2008

Mr. Lynton R. Wilson
Chairman
Competition Policy Review Panel
280 Albert Street, 10th Floor
Ottawa, Ontario
K1A 0H5

Dear Sir:

RE: COMPETITION POLICY REVIEW

It is my understanding that today is the final opportunity for public comment on *Sharpening Canada's Competitive Edge*, the Competition Policy Review Panel's consultation paper.

I recognize that the efforts of you and your fellow panel members are focused on recommending ways in which Canadian productivity and competitiveness can be enhanced in the global market place. While this is certainly a worthwhile endeavour, I find it regrettable that the federal government did not broaden the mandate of your panel to include a review of the Competition Bureau of Canada's activities as they pertain to individual Canadian communities.

Approximately three and a half years ago, Canadian-based West Fraser Timber made a bid to purchase the two largest sawmills in our area, both of which were owned at the time by International Paper. The proposal triggered a review of the proposed sale by the Competition Bureau of Canada, and resulted in our community's first exposure to the federal agency responsible for ensuring competitiveness in the Canadian marketplace.

Because the Competition Bureau is an arm of Canada's elected federal government, we expected it would be responsive to community concerns and needs. Unfortunately, it became increasingly clear during the review process that the Competition Bureau cared little for the concerns of our community, and even less on how its ruling on the West Fraser proposal would affect local residents. The bureau refused to consult with local governments, stating bluntly that it was not required to do so. Ultimately, the views of locally elected officials and many other organizations were ignored, and the bureau ruled that West Fraser's purchase of International Paper's operations in BC would only be approved if the Canadian-based firm divested itself of select operations. This resulted in the sale of Burns Lake's two largest sawmills to a firm based in the United States; now, decisions affecting the operations of our community's two largest employers are made south of the border.

Our community's first experience in dealing with the Competition Bureau left a "bad taste" in the mouths of many local residents. For this reason, I firmly believe that the mandate of the bureau, and the criteria upon which it bases its decisions, deserve thorough review. For example, I believe the bureau and its officers should have a duty to consult with locally elected officials when investigating proposed mergers and acquisitions. After all, elected community leaders often best understand how mergers may affect competition in the local and regional marketplace.

I am also convinced that the bureau should give some consideration to how its rulings will affect local industries and economies. A decision that claims to be in the "best interest of competition" makes little sense if it is ultimately detrimental to a community, its industry, or regional economy.

Again, I realize my comments likely fall outside the scope of your current review. Nevertheless, I would greatly appreciate if you could convey them to Industry Minister Jim Prentice, as well as

my suggestion that Canada would benefit from a thorough review of the Competition Bureau's mandate and operations.

Sincerely,
Bernice Magee
Mayor
Corporation of the Village of Burns Lake