

Municipalité de  
Municipality of

**m**ATTICE~  
**v**AL CÔTÉ



Sac postal / P.O. Bag 129, Mattice, Ont. P0L 1T0  
(705) 364-6511 – Fax: (705) 364-6431

February 23rd, 2016

Mr. John Pecman  
Commissioner of Competition  
Competition Bureau  
50 Victoria Street  
Gatineau, Quebec  
K1A 0C9

Dear Mr. Pecman:

Re: Gas Price Variance in Northern Ontario

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Charlie Angus, MP for Timmins - James Bay, has written to your office requesting that you investigate whether or not there may be issues with the regional pricing of gas. A copy of that correspondence is enclosed.

On behalf of Council for the Municipality of Mattice – Val Côté, I hereby confirm our support and agreement with the concerns brought forward by MP Charlie Angus about fair market competition as it pertains to gas prices in our region. The prohibitive price of gas only serves to compound the many challenges we face as a small rural community in northern Ontario.

We trust that you will investigate this matter further.

Sincerely,

A handwritten signature in blue ink that reads "Michel Brière".

Michel Brière  
Mayor

cc. Charlie Angus, MP – Timins – James Bay

**House of Commons**  
Room 649D Centre Block  
Ottawa, ON K1A 0A6  
Tel: (613) 992-2919  
Fax: (613) 995-0747



**Chambre des communes**  
Piece 649D, Édifice du Centre  
Ottawa, ON K1A 0A6  
Tel: (613) 992-2919  
Fax: (613) 995-0747

**Timmins**  
202-60 Wilson Avenue  
Timmins, ON P4N 2S7  
Tel: (705) 268-6464  
Fax: (705) 268-6460

## Charlie Angus

Member of Parliament for Timmins - James Bay  
Député de Timmins - Baie James

**Kirkland Lake**  
201-30 Second Street  
Kirkland Lake, ON P2N 3H7  
Tel: (705) 567-2747  
Fax: (705) 567-5232

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John Pecman  
Commissioner of Competition  
Competition Bureau  
50 Victoria Street  
Gatineau, Quebec  
K1A0C9

February 16 2016

### **RE: Gas Price Variance in Northern Ontario**

Mr. Pecman,

I am writing you regarding the ongoing concern across Northeastern Ontario of the lack of fairness in gas prices. This is not the first time I have written your Bureau regarding the need to investigate pricing in the Timmins region. Unfortunately, in previous correspondence your Bureau seemed reluctant to undertake an investigation. As oil prices bottom out and fail to be reflected at the pumps, I feel it is time to once again raise the concerns I hear all the time from northern residents.

There are two issues that seem to be affecting unfairness in gas prices. The first is the issue of potential gouging by refineries and big oil. The second is the issue in gas prices at the local level which is why I am writing to your bureau.

The latest Bank of Canada report shows the record low price of oil that has rocked Canada's economy hasn't been matched by changes to prices at the pumps. We have seen oil prices drop 75 per cent over the last few years and yet the price at the pumps remains high. We know that when a price of a barrel of crude rises on international markets, the price of gas in the pumps jumps immediately. But, if the price of a barrel of crude drops on international markets, the price of gas at the pump in Northern Ontario still remains high. This clear inconsistency is why it is the view of my constituents that the premium that they pay in fuel prices cannot be from competitive market prices.

Furthermore, the regional discrepancy in price between the north and south can't simply be explained away by the cost of delivery. The retail price of gas affects every family in Northern Ontario. With limited public transportation people rely on vehicles to work, sometimes over long distances. The outrageous discrepancy between Timmins and other communities is impacting our regional competitiveness. A difference of 10 or 20 cents a litre can seriously erode the bottom line of any northern business whether tourism, transportation, forestry, agriculture or mining.

And so let's look at the issue of regional gas pricing which shows a disturbing lack of competition. The price of gas at the pumps on January 21, 2016 was used as a snapshot of the inconsistencies in the

NEOMA (North Eastern Ontario Municipalities Association) region compared to the rest of the province.

Highway 11 corridor and Timmins in northeastern Ontario:

Timmins	101.6
Kapuskasing	104.7
Hearst	102.9
New Liskeard	101.9
Cochrane	102.9

Rest of province:

Sault Ste. Marie	97.9
Kenora	93.9
Parry Sound	92.9
North Bay	90.7
Sudbury	89.9
Kingston	91.9
Cornwall	83.9
Barrie	83.4
Toronto	82.9
Windsor	82.9
London	81.9
Thunder Bay	77.9
Ottawa	76.9

I ask you to investigate whether or not there may be issues with the regional pricing of gas. Under the Competition act, price fixing and anti-competitive activities are illegal including agreeing to set common prices that will lessen or prevent competition in a serious way, trying to influence another retailer's price by agreement, threat or promise or persuading wholesalers to cut off gasoline supplies to discount retailers because they offer a lower price.

Under Section 45 of the Competition Act- Conspiracies, agreements, or arrangements between competitors: "every person commits an offence who, with a competitor of that person with respect to a product, conspires, agrees or arranges

- (a) To fix, maintain, increase, or control the price for the supply of the product;
- (b) To allocate sales, territories, customers or markets for the production or supply of the product or
- (c) To fix, maintain, control, prevent, lessen or eliminate the production or supply of the product

It is important that we bring transparency and accountability to gas prices, so, that my constituents can have confidence in the industry and to ensure that our region is operating under fair market prices. Thank

you in advance for your time and consideration in this matter. I look forward to receiving a response from your office at the nearest possible date.

Sincerely,

Charlie Angus

Charlie Angus  
MP Timmins-James Bay