

November 16, 2025

The Hon. Victor Fedeli
Ministry of Economic Development, Job Creation and Trade
5th Flr, 777 Bay St.
Toronto, Ontario M7A 2J3

Re: Consultation on Proposed Special Economic Zones Criteria (ERO # 025-1077)

Dear Minister Fedeli,

We welcome the opportunity to comment on ERO posting # 025-1077 on the proposed regulatory criteria for Special Economic Zones (SEZs). The Ontario Chamber of Commerce (OCC), representing over 60,000 Ontario businesses and a diverse range of sectors, along with its Infrastructure Policy Council, strongly support provincial efforts to drive strategic development, investment, and resilient supply chains throughout the province.

The submission below focuses on opportunities to align with Ontario's zoning order framework, engagement and collaboration with Indigenous communities, and integration of additional policy recommendations with key provincial priorities.

Alignment with Zoning Order Framework

The OCC recommends that the SEZ regulatory framework draw upon lessons from Ontario's Minister's Zoning Order (MZO) guidelines. Specifically, we urge that SEZ designation criteria be guided by principles of:

- **Clarity and accessibility:** Define transparent and accessible intake procedures, submission expectations, and assessment criteria for SEZ applications, mirroring the MZO framework.
- **Robust consultation and engagement:** Require meaningful, early, and regular engagement with industry, public, municipal and Indigenous stakeholders by ensuring comprehensive protocols for feedback and accommodation. This would address the 2024 Auditor General recommendations regarding MZOs.¹
- **Environmental and community safeguards:** Mandate rigorous standards for environmental, health, and safety protections, reflecting recent audit findings of MZO risk review gaps.² Uniformly apply all relevant laws unless explicitly justified and documented.
- **Transparency and oversight:** Commit to strong public documentation, rationale for decisions, and periodic public reporting to foster accountability. Integrate mechanisms for regular review and improvement in the SEZ framework, as advocated for MZOs.

¹ https://www.auditor.on.ca/en/content/annualreports/arreports/en24/pa_MZOs_en24.pdf

² Ibid.

Indigenous Engagement and Rights

Indigenous partnerships are foundational to responsible economic development. The OCC emphasizes that Indigenous engagement should be a cornerstone of the SEZ framework, integrated throughout the process from designation to implementation and execution. Expectations include:

- **Foundational duty:** The framework should recognize the duty to consult and accommodate Indigenous Peoples under Section 35 of the Constitution Act, 1982. This duty extends beyond initial consultation and remains an ongoing responsibility.
- **Continuous and meaningful engagement:** Indigenous communities should be engaged early, regularly, and substantively with opportunities for co-design of regulatory criteria, projects, and operational plans. Proponents must develop and implement robust Indigenous engagement strategies and demonstrate a record of respectful collaboration.
- **Transparent response and accountability:** The Ministry should publicly report how Indigenous feedback is considered, how accommodations are provided, and document decision rationales addressing Indigenous interests. This is especially important where substantive regulatory modifications or exemptions occur.

Expanded Recommendations to Draft Policy Intent

The outlined policy is intended to ensure that SEZs are designated only for projects and zones of critical or strategic importance to Ontario's economy and security. They emphasize significant, long-term economic benefits while protecting communities, Indigenous rights, and the environment. Accordingly, the OCC recommends pursuing:

- **Balanced economic impact:** Support criteria that value both provincial economic benefits and local community well-being. Recognize economic impact beyond traditional dollar value or size, including job creation, assessment growth, innovation, resiliency, and “spin-off” economic development opportunities for local businesses and residents.
- **Trusted proponent criteria:** Require proponents to maintain exemplary regulatory compliance and demonstrate credible community partnerships and engagement plans.
- **Environmental and natural infrastructure protection:** Endorse rigorous impact assessments and risk mitigation aligned with provincial laws and regulations. Emphasize the critical importance of safeguarding natural areas, larger environmental systems (water, agriculture, etc.), municipal drinking water, and ecological infrastructure within SEZs. Where practical, continue to apply relevant permitting requirements and natural hazard policies under the Conservation Authorities Act, Clean Water Act, and Provincial Policy Statement to maintain community safety and economic resilience.
- **Transparency and continuous improvement:** Urge increased transparency via public notifications, clear rationale documentation, public input opportunities, and mechanisms for regular review and public reporting on SEZ outcomes.

As the Province seeks to establish frameworks for SEZ designation and operation, it is essential that these criteria meaningfully incorporate growth-enabling infrastructure, resilience, and sustainability. To that effect, the OCC further recommends that SEZ criteria and processes be tailored to:

- **Enable integrated, multi-modal infrastructure connectivity**, leveraging airports, ports, rail, highways, and energy networks for strategic economic advantage.
- **Embed resilience and sustainability principles** in project selection and operation, supporting climate adaptation and environmental stewardship.
- **Incorporate rigorous risk management** and insurance considerations to protect infrastructure reliability and business continuity.
- **Champion innovation and digital infrastructure**, encouraging smart technology adoption and robust broadband connectivity.
- **Support workforce development** and professional capacity building, ensuring alignment with evolving sectoral skills needs.
- **Foster collaboration with municipal and regional governments**, working closely with local municipalities and chambers of commerce to ensure alignment of SEZ initiatives with community and regional priorities and planning goals.
- **Promote financially sustainable models**, including public-private partnerships, to maximize investment impact and safeguard public interest.

The OCC and its members commend the Ministry for its efforts to ensure a consultative and transparent approach in developing the SEZ framework. By leveraging best practices from Ontario's zoning order framework, embedding comprehensive Indigenous and stakeholder engagement, integrating rigorous safeguards and protection measures, and reflecting opportunities for economic growth and resilience, SEZs can drive inclusive, responsible, and lasting prosperity.

We look forward to continuing our collaboration to advance Ontario's economic growth, competitiveness, and future.

Sincerely,



Vincent Caron
Vice President, Policy
Ontario Chamber of Commerce