

KDCA SPRING MEETING: Friday, May 5, 2006

IN ATTENDANCE (54)

HARALD LOHN
GARY BEARDSLEY
STEVE HARTLE
MEL TYGESSON
JERRY FISHER
JOHN FAHLGREN
PAT TYGESSON
PAT BEARDSLEY
EVIE HARTLE
NATHAN HARTLE
SHEILA LARMER
GORD BASTABLE
MARILYN BILSBARROW
GERRY CARIOU
ROB PEDDICOMBE
RENA MADDEN
JACQUI HAUKENESS
HELEN JOHNSON
DARRELL WIRCH
BRUCE McGREGOR
JAMIE LANGE
KARLA CLARK
JIM BUHLMAN
PAT HRON
MIKE WILLEMS
MELINA JANSEN
ROB BRODHAGEN
ROB WISNESKI
KELSEY SPENCE
JUDY HENRICKSON
GWEN KEEFE
CHRIS LAVOIE
STEVE HERBECK
JERRY DARCEL
ELLIE DARCEL
SCOTT ANGOVE
WAYNE ALBERTS
DAVE FRANKOVICH
DON MOORE
DOUG REYNOLDS
GORD DINGMAN
JIM GRAYSTON
SHANNON MCKEE
PETER BURNS
BONNIE BURNS
BRAD BULBUCK
CHERYL DRACHUK
LARRY ANTONIUK
KEVIN WELNIAK
DARELL PLUMMER
ROBERT PALUCH
KIM BOUDRE
LYNN BRIERRE
JUDY ALEXANDER

KABELLO LODGE
LAC SEUL EVERGREEN LODGE
BIG HOOK WILDERNESS CAMPS
EVERGREEN LODGE
MORSON OUTFITTERS
SIDNEY LAKE LODGE
EVERGREEN LODGE
LAC SEUL EVERGREEN LODGE
BIG HOOK WILDERNESS CAMPS
BIG HOOK WILDERNESS CAMPS
MINISTRY OF TOURISM & RECREATION
VERMILION BAY LODGE
PATRICIA REGIONAL TOURIST COUNCIL
SUNSET COUNTRY TRAVEL ASSOCIATION
TIMBERMAX
TIMBERMAX
RUGBY LAKE LODGE
PINE BEACH LODGE
CUSTOM HOUSE GLOBAL EXCHANGE
WORLD OF WATER
WORLD OF WATER
CLARK'S CAMP/K.C.'S LANDING
EAGLE LAKE SPORTSMEN'S LODGE
CEDAR POINT LODGE
SILVER WATER WHEEL LODGE
DRYDEN DISTRICT CHAMBER OF COMMERCE
NORTH CARIBOU CAMP/BEAR CREEK
STANLEY'S RESORT
WILDERNESS AIR
UCHI LAKE LODGE
ROGER VALLEY OFFICE/CITY OF DRYDEN
PINE ACRES
AML
JERRY & ELLIE'S CEDAR LAKE CAMP
JERRY & ELLIE'S CEDAR LAKE CAMP
LAC SEUL GOLDEN EAGLE
TIMBER POINT CAMP
PICKEREL CREEK CAMP
GOLDEN ARROW CAMP
NOTO
VERMILION BAY CO OP
OTMP
PATRICIA AREA COMMUNITY ENDEAVOURS
McAULEY & PARTNERS
WEYERHAEUSER
RBC ROYAL BANK, DRYDEN
RBC ROYAL BANK, LEASING
RBC ROYAL BANK
INDIAN LAKE LODGE
SUPERIOR PROPANE
TEMPLE BAY LODGE
CUSTOMS & IMMIGRATION
CUSTOMS & IMMIGRATION
NORTHWEST DESIGN + COMMUNICATIONS

1. CALL TO ORDER The meeting was called to order at 9:30 a.m. by Harald Lohn as President.

2. INTRODUCTIONS Self-introductions were made around the room.

3. MINUTES OF SPRING MEETING Minutes from the 2005 fall KDCA meeting were previously circulated Harald Lohn moved to accept the minutes as presented. Steve Hartle seconded. Carried.

4. TREASURER'S REPORT Steve Hartle, Treasurer circulated copies of the report for the period 10/01/05 - 05/03/06. Steve said that they should be looking around for better interest rate or return on investments. Karla Clarke commented that perhaps over \$48,000 is too much for KDCA, as a not-for-profit organization to be sitting on or reinvesting. She questioned whether KDCA is allowed to have that much money. Harald said that this would have to be looked into and reported on at the next meeting. Moved to accept the Treasurer's report, seconded by Mal Tygesson. Carried.

4. PRESIDENT'S OBSERVATIONS/DISCUSSIONS There are lots of things impacting the tourism business and still lots of issues facing us. We need to turn the KDCA operation around and put it back to the membership. It is critical to define and start dealing with issues. To do this we need committees. If we don't do this, things won't happen. In the next couple of newsletters we will layout ideas in the hope that our members will get more actively involved.

Since the memorandum of understanding between KDCA and NWOTA we have set up a bank account. Last year both KDCA and NWOTA contributed \$2,000 each and the Rainy River Development Corp. contributed \$4,000. NWOTA has again put in \$2,000 and KDCA has committed to do this again as well. But, we also need more affiliations with municipalities and other associations and organizations. We need to build on our associations and become stronger. We want the membership to think about how you can help. Our membership needs more timely, updated information on our web site. We will try to improve communications with our membership.

Mal and I stopped into Roger Valley's office yesterday, as he hasn't been able to attend the last few meetings. Gwen Keefe is here today representing Rogers Office. Gwen said that Roger wants everyone to know that he appreciates all the work the KDCA has done. She read a letter from Roger-invitation to attend this meeting came early but had other commitments. He went on to say that he commends the KDCA for supporting one another in this complicated business environment. There are many changes happening to customs, currency, passports and land crossings. Roger said he looks forward to working in a new caucus in Ottawa this fall-"Outdoor Angling, Hunting and Shooting Sports". Gwen went on to say that there are 3 staff in Dryden's Office and 1 in Kenora and are available to help on issues such as border crossings. Gwen said she was also attending on behalf of the City of Dryden and will be taking back info of this meeting to share with the municipal council. She said that the Mayor sees Tourism as being important. An economic Diversification committee is being developed and could be a place where networking can happen and help with lobbying other areas of government on KDCA's behalf.

Melina Jansen representing the Dryden and District Chamber of Commerce said that her office would be willing to accept emails on issues and communicate these to the City as well as to NOAC. Jerry thought this was a very good point as NWOTA has been working with NOAC for several years on issues such as border crossings and has been very happy with the results.

Harald mentioned that one of the things brought up by membership is that what we contribute to the local economy doesn't seem to get recognized.

5. PRESENTATION: JIM BUHLAM - WHITETAIL DEER UPDATE

Jim attended MNR meetings last November where there were proposals made to make changes to the seasons. He said the problems as other parts of Ontario have the opposite problems with the deer than we do. Jim said we are going to have to fix the problem ourselves, as the MNR isn't going to help. Harald asked "How can we clarify the issue and address the problem. What steps do we need to take? We will need to set the issues, form committees and get going on it." Gary asked if there was a possibility that we could open up a tourism only deer hunt just as moose. Jim said, "This does fall under NAFTA". Jerry said that he agrees that we have to sit down and identify the economic impact on our industry. John Fahlgren said that at the meeting in Ignace last July there was an issue box-deer, moose or bear. Once the issues of beds/fisheries are finalized we can move on to these other issues with the MNR. Doug Reynolds commented that the whitetail deer issue is seen differently here than elsewhere. The NAFTA issue has complicated it. We need a clearer understanding of problems and get our heads around solutions that will work province-wide. Jerry asked Doug if the west could have different regulations than the rest of the province? Doug said that you'd be looking at an amendment to fishing and wildlife regulations- can't see this happening-MNR wouldn't like that. Mal said that there are lots of local individuals now running deer hunts. Eagle River municipality is trying to pass a bylaw where there is no hunting. The province doesn't benefit from private hunts-all the money goes into one individuals pocket. Chris Lavoie said that in Vermilion Bay someone on social assistance was running private bear hunts and had 20 more clients than his camp. Jacqui said that problems are definitely unique in our area. Harald said that is exactly why we need more affiliations with other organizations.

6. PRESENTATION; JERRY FISHER - UPDATE ON ISSUES NWOTA IS DEALING

WITH The KDCA/NWOTA partnership spent \$8,000 on tourism issues; trip to Washington; set-up for meetings; www.canadawelcomesyou.net web site and Q&A handouts. KDCA and NWOTA have been working together on border issues and we are finally starting to see some progress. Immigration and customs people will be given sensitivity training. We have also joined a coalition called BESTT, which includes chambers across the northern U.S. States and have discussed issues such as border crossing and passport issues. There will be a workshop this fall on destination marketing where we are trying to get a bed tax on stay and use this money for destination marketing. We are working on things that will benefit us all.

7. PRESENTATION: DOUG REYNOLDS - NOTO

Doug said that there are mixed messages coming from the Northwestern Health Unit regarding water treatment systems/requirements. He said it will be at least two seasons from now before we see some implementation. The rules for now is that there is no treatment requirement but there are treatment and posting requirements- if you are drawing raw water from the lake don't start getting it tested- POST ONLY.

He is involved in Land Use issues at the Provincial level whereas Harald and Mal are involved at the regional level. In reference to the Ignace meeting last summer Doug said that everyone realized that since the problems and practices are unique to NWOntario we had to start working with senior MNR management. We need to create a whole new framework where we can work with MNR today and into the future. He said the Public Lands Act is over 100-year-old legislation and has to be looked at to see if changes are needed and if a better regulatory framework should be created. There are two critical issues- Licensing and LUP's. He said that the MNR now understands that the LUP's are not set up as a good business model because the way it is set up now you can only make all your money while you're there and get nothing when you sell. He said that NOTO is also working on other initiatives such as road access on crown lands. He said some MNR management view the tourism industry as one that has come of age and is a mature industry just as forestry. Jerry asked about NAFTA. Doug said that he didn't think NAFTA is a great deal breaker in Fish & Wildlife as it is a provincial issue. As far as problems around deer- I think bootleg deer hunts should be put out of business.

As far as licensing, Doug said the definitions have changed. Now if you provide a boat and pay the driver it becomes a commercial vessel. They have proposed a different set of regulations: *REQUIREMENTS FOR OPERATORS*- were insisting on MED Training. It is not appropriate. Now the Pleasure Craft Training will suffice for small craft...We won on this one.

EQUIPMENT CARRIAGE REQUIREMENT- must carry a number of life (bulky) jackets...our argument is that PFD's are well used, comfortable and easy to wear. We can't carry both in our boats; therefore safety will be compromised.

REGISTRATION- the Government is creating a registration nightmare for commercial and private registration you now have to stand in line at local Services Canada offices to get licensing.

Jerry requested Doug to send NWOTA & KDCA info on these issues that they can then forward on to our MP office.

8. PRESENTATION: KIM BOUDRE/LYNN BRIERRE-CUSTOMS & IMMIGRATION

An information sheet was passed out on *General Information for Visitors to Canada*. The information included Immigration info and bringing children across the border, what you can bring into Canada and what is not allowed. Both representatives told the membership that they both understood tourism and one of them had parents and grandparents who ran lodges in the Rainy River area. They said the firearm registration fee is \$25. Their office is no longer doing registration for firearms- now people are not getting double charged. Karla Clark said that Fort Frances was the only crossing where potatoes were not allowed across.

Lynn explained that Customs & Immigration is now called Canada Border Services Agency and they have a new manager in Fort Frances- Greg McCure. She said there have been many new changes-not as simple to apply for a work permit, admissibility or inadmissibility of your guests.

The new immigration regulations have significant benefits to Canada (social etc.) and there are new regulations to get rid of underground tourism business. Harald asked what is the best piece of information they need? Lynn said a Tourist Operator License, your financial statement (last season tax returns) and/or letter with receipts of purchases from a company (i.e. food supplier).

Gerry Cariou asked them if U.S. multinational companies operating in Canada have to go through the same rules and regulations. Lynn said they still have to follow the rules for getting a work permit. Gerry said he just wondered if all businesses were being treated the same. Lynn said they still have to meet requirements. Some regulations are different depending on the type of permit.

Peter Burns said that the letter they sent out in January was very helpful. Where do we stand on Labour Market Opinion (confirmation or validation of employment)? Provision say-if you are 50% owned or more and you come up with your spouse-you will be allowed. If it were a business partner, they would have to apply. Gerry Cariou said that TV fishing personalities from U.S. have had problems entering into Canada. He said that he has had to write some letters and asked if it is viewed the same way if they are only employed for a short period such as 3 days. Lynn said the camp should be contacting Services Canada (previously HRSDC) and ask about hiring a foreign worker. Gary Beardsley said that it is difficult to get seasonal employees in Canada-what do we need to do to get viable employees for example out of the U.S. Lynn said that if you want to bring in foreign workers who want the job, you still have to go through Services Canada and apply for a foreign workers permit.

Steve asked if we could have info on a disk or memory stick for crossing the border. Kim said that they are currently reviewing the process. Judy Henrickson asked if this was not an invasion of privacy asking for all this info. Lynn said that it is only enforcement officers who are allowed access to this information and that they are restricted under the privacy act to not share information.

Judy asked what was done before all this. Lynn said that in the past they generally just facilitated tourist camps if someone had a deed and made a declaration...now we are gradually getting into enforcing. Judy asked how is this going to benefit operators and the Canadian Government. Lynn replied that there is no benefit-we are just looking at information....we don't keep anything.

Mal brought up a point that maybe we are violating the privacy act if we show T4's of our employees without their permission. Lynn thought this was a very good point. Mal suggested that a business spread sheet from their accountant showing a column for wages should suffice.

Lynn agreed. Rob Broadhagen asked about DUI's- if it happened one year ago-can they apply for a TRP (Temporary Resident Permit)? Lynn said that if it was a minor charge and over 10 yr. old it would be considered admissible.

LUNCH BREAK -Harald made special mention and thanks to Allied Members Vermilion Bay Co Op, Sysco Foods, Frosted Foods, J. Webb & Sons and Evergreen Lodge for donations of food and beverages for the lunch today and especially to Pat Tygesson for all the meal preparation and hard work in organizing the social and getting prizes and donations.

The Vermilion Bay Co Op , a KDCA Allied Member requested to say a few words. They want membership business-they don't want to loose their store! They have case price specials with no minimums and will do their best to keep competitive. They will also take phone or fax orders.

1:00 P.M. MEETING RESUMED

8. PRESENTATION: KIM BOUDRE/LYN BRIERRE-CUSTOMS & IMMIGRATION-CONTINUED: Bob Paluch inquired why a guest with a DWI in the last 1-5 years was never allowed in. Lynn said that he wouldn't be allowed in but could apply for criminal rehabilitation. Bob.. "Even if a guy is just going fishing?" Lynn- that person is criminally inadmissible-that is the law. She also said that a pardon or expungements only help a person in their own country. Jacqui Haukeness said that she has contacted Customs and Immigration to reveal someone who was running an illegal business and nothing was ever done. Lynn said that they have to catch someone actually violating a law. They appreciate the tips but they only have one investigator covering the whole region.

9. PRESENTATION: DARRELL WIRCH-CUSTOM HOUSE CURRENCY

EXCHANGE Back for the second year in a row to talk about forward contracts, hedging, weakening U.S. dollar, buying and selling foreign currencies and better exchange rates. He said that the 40% rise in the Canadian dollar is because commodity prices are high and the weakening U.S. dollar is because the U.S. Economy is in huge debt, huge trade deficit and huge annual budget deficit. What his company offers: you can deposit U.S. cheques/cash directly into an U.S. account.;USD merchant credit account;spot transactions and currency monitoring. Forward contracts are a commitment to buy and sell U.S. dollars on a certain date-they would provide a quote and you would be locked in. You should book Forward Contracts when the USD is strong and/or when it is about to slide. Darrell said the prediction for the summer 2006 is record high prices with strong commodities. Canada's economy has more strength than weaknesses and he doesn't see any improvement for the U.S. economy in site. He said to call or log-in for a quote, book the transaction and transfer funds or have electronic debit (EFT's). There is no fee for initial set-up. Bob Paluch asked how much money do you have to put forward and what deposit do you need? Darrell said a 4% deposit generally is required on a new account but can be waved if other financial information is provided and approved. Steve asked about canceling a forward contract. Darrell said they'd buy money back at the current rate if they have to.

10. PRESENTATION: MAL TYGESSON-LAND USE PERMITS (LUP'S)

Mal, Harald, John and a few others all sit on a regional LUP team. This all began at the meeting in Ignace last summer with MNR and MTO where lots of issues were discussed. Mal said they attended a second meeting face to face last Monday night and Tuesday. Prior to this meeting our group had several working calls. We are trying to feed information up the pipe to NOTO who is working on a Provincial overview. We are working on a moratorium-no bed reduction for 9 months on selling an outpost. He gave an example of Eagle Lake-the allocation of fish available for harvest:1,000 beds on the lake and 50kg available x number of fish available: 6 fish/person over 1 week stay. NOTO must be cautious how they proceed. In Manitoba an operator must have

a base camp before they can have an outpost camp. In Manitoba, tourism manages the resources. This is the same thing we have told MNR since we started lobbying. Harald clarified that the Regional Group tasks include dealing with issues in the pipeline right now. The Provincial Group deals with policies. Mal also explained that the MNR has no database of what's out there. There is no effect on anything if you are status quo but if you are going to sell it will be reviewed. Gary Beardsley asked that if the MNR is trying to put a limit on tourism -how did it start internally with the MNR. Mal said we are the last frontier left for the MNR to manage. They don't manage the forests anymore because there are associations that do that. Harald elaborated that the meeting last Monday and Tuesday there was openness from the MNR that they should become a resource for tourism to manage their own resources. Harald said that we should also continue to present what tourism does economically for the local economy. Doug said we would like self-management with the MNR or co-operative self-management. He also said that the Regional Working Group has the best representatives and expertise and that they have built a lot of momentum. He also said that the MNR should not be telling you how many beds you can have but should regulate the number of fish you can take. Gary said that if we start with this basis of conversation with the MNR then down the road a compromise would be workable. Doug said that it is entirely reasonable and feasible to propose that regulations in remote zones be different than others.

11. PRESENTATION: SHEILA LARMER-MINISTRY OF TOURISM

Sheila said that the numbers for 2004 are now in. Northwestern Ontario visits were down by 3%, but visitors spent 7% more and the Kenora District gets the most dollars from visitors. The good news is that in January and February 2006 Fort Frances border crossing was up by 4.5%. Ontario as a whole was down 7.6%. March through June look flat as people continue to travel closer to home. In a survey conducted the question "Why wouldn't you come to Ontario?," 21% said anti-terrorism and problems at the border. The most recent forecast for the next 3-5 years which is released twice a year will go public in about 1 week. They are predicting a 2% growth between 2006-2010 in visitors to Ontario. They also predict U.S. visitation to decline for the next couple of years and then a drastic drop when passports become law. Generally, as the Canadian dollar goes up, U.S. visitation goes down. One of the tools they use is ETAMS for travel trends, interests etc. There are Regional Tourism Profiles on line for the Kenora District at www.research.tourism.gov.on.ca. Policy issues are dealt with through Provincial and Regional Groups and Task Teams. One issue is licensing. There may possibly be a new form of licensing in the near future. Suggest that you keep up the pressure on passports- there still is a chance that this could be derailed or changes made. Regarding the Drinking Water Regulation: the target is for legislation to be in place by Jan. 2007. Intent would be to evaluate risks depending on the water system-it will look at individual situations, not just the same for all. Regarding accessibility for persons with disabilities: boats and airplanes are already out of being regulated and it is hoped that the building accessibility legislation will be pushed off until after the next election (fall 2007). Jerry Fischer said more money spent in Florida than the U.S. is spending in Canada on the passport issue. He said he would like to do a piece on this impact on U.S. that guests could take back to their government. Sheila said she would help with getting information. Karla said that U.S. people don't realize that it's the U.S. government requiring passports NOT Canada.

12. PRESENTATION: BRUCE MCGREGOR-WORLD OF WATER

Bruce talked about new products-the Micro2 which is totally electronic-based on flow. It is strictly a filtration process which doesn't have to be drained into a septic field as it doesn't contain chemicals. Its lifespan is 4-8 years. Another new product is the Zenon System, which has an eight-year life. It has certification for bacterial viruses. It is NSF Certified and recognized in our district however the Ontario Government says you should also use chlorination with it. Pamphlets were passed out to members.

13. PRESENTATION: BARRY CORBETT, BIOLOGIST-MNR

Barry is the acting NW Regional Systems Biologist. He can be reached at 807-468-2590 or email:barry.corbett@ene.gov.on.ca. He did an overhead presentation on the new ecological framework for recreational fisheries management proposal.

COMPONENTS OF THE FRAMEWORK

- New fisheries zones (NMZ)
- Specially designated waters
- Proposed FMZ Regulations (standardized regulation and management of species)
- Continued streamlining of exceptions
- Species tool kits
- Status of Resource Reporting (SORR)
- Enhanced stewardship

Barry explained that why all this has come about is because Ontario has 250,000 lakes and there is tremendous confusion in the public regarding regulations. Also, the MNR can't possibly enforce them all. There are thousands of exceptions to the general regulations, which are included in the 100 page fishing regulation booklet which the public gets.

HOW SHOULD WE MANAGE THIS RESOURCE?

- Step back: think broad-scale and long term
- Monitor the resource, not the lake
- Define the scale of management

There will only be a few larger lakes that will need to be managed individually. All other lakes will be managed within new zones that will act as units for planning and management.

SPECIALLY DESIGNATED WATERS IN THE NORTHWEST

-More in the Northwest Region (Lake of the Woods, Winnipeg River, Shoal Lake, Rainy Lake, Lake Nipigon, Red/Gullrock Lake, Whitefish, Lac des Mille Lac, Eagle, Wabigoon, Dinorwic, Lac Seul, Minnitaki, Big Vermilion and Lake St. Joe.

He said they came up with the new zones by looking a bit at climate, road network and distribution of angling effort-NW Region and watersheds. They propose to reduce 37 fishing divisions to 20 Fisheries Management Zones.

14. PRESENTATION: JIM GRAYSTON-ONTARIO TOURISM MARKETING

PARTNERSHIP Jim is the Partnership Coordinator representing the North. The OTMP has a dedicated budget for Northwestern Ontario. There are two types of programs: hunting/fishing and, motor sports (Snowmobiles/ATV's etc.). They also support with funding Ontario's North, Destination Nord, ANONTA (Aboriginal Association) and Nordes. Jim complimented Gerry Cariou, Director of Ontario Sunset Country for creating such a strong presence in the North. OTMP are will be buying media time for a television promotion and will concentrate on U.S. based shows for these 30 second commercials. One million dollars are to be spent on marketing-70% in the U.S. and 30% domestically. He said need to develop a program to promote Ontario as a brand and go back to magazine advertising and editorials. They are currently looking at a range of U.S. publications as well as radio in the Northwest U.S.-perhaps getting tourist operators to participate on a radio talk show. Last year their IPP Program (Designated Marketing Program) contributed \$50,000 to the Patricia Region Tourist Council. He said they want to concentrate on the mid U.S. Market and are even looking at the Minnesota State Fair. Gary Beardsley said that we are really underselling our product in NW Ontario. We have to stay viable and raise the bar. Jim agreed. He said that Ontario Resorts are only charging half as much compared to Manitoba and Saskatchewan. Judy Henrickson asked Jim why it took so long to come back to marketing in the Midwest U.S. Jim said that Ontario's marketing budget is in the top 2 and said it becomes difficult as to where to spent all that money. He also said that we have to do more. What we're selling in the Midwest is fishing-not culture. We want to continue marketing with Sunset Country and PRTC. Jim said the government has agreed to start marketing hunting starting in October. They are looking for businesses to list a hunting package free.

18. OTHER ISSUES

Gerry Cariou mentioned that there are still 5 spaces available at a two-day workshop next Tuesday and Wednesday may 9-10. Register online at www.tourismplans.ca.

Steve said that KDCA now has a Discussion Board on the website at www.kdca.ca

Harald said that the next meeting is scheduled for Wednesday Oct.4, 2006 at Evergreen Lodge.

Marilyn Bilsbarrow reminded members of the Master Mixer scheduled for September 30th.

19. ADJOURNMENT:

Harald motioned to adjourn the meeting. Seconded by Gary Beardsley.
Meeting adjourned at 4:30 p.m.