



## **Federally-funded “plum” will drive private businesses out of the market, says the Canadian Council of Independent Laboratories**

### **Minister responsible for FedDev Ontario asked to investigate**

**December 10, 2015** – With \$8.1 million in federal funding, Fanshawe College of London, Ontario, is building a new product testing facility that will compete directly with existing private-sector laboratories.

“This can only be described as an attack on the private sector and a misuse of taxpayers’ money,” says Derwyn Reuber, Executive Director of the Canadian Council of Independent Laboratories (CCIL) which is calling for a halt to further funding and a full and impartial investigation.

The funding from the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) was announced last March by the previous federal government. This pre-election “plum” went ahead without any consultation with the laboratory industry.

The money is being used to construct Fanshawe College’s new Canadian Centre for Product Validation (CCPV), a 20,000-square foot facility scheduled to begin operations next Spring. It has now come to light that the CCPV has an ambitious plan of capturing 80% of the product testing and validation market in Canada.

Subsidized by taxpayers, the CCPV will be able to generate higher margins and set artificially low prices, undercutting the private laboratories. This will result in business losses and closures, and job losses for many skilled workers.

CCIL has asked the Honourable Navdeep Singh Bains, Minister of Innovation, Science and Economic Development, to launch an immediate investigation into the matter. Minister Bains is also the Minister Responsible for FedDev Ontario. CCIL has also raised the issue with Nancy Horsman, President of FedDev Ontario.

“Something is terribly wrong when FedDev Ontario is perceived as acting contrary to the interests of businesses in southern Ontario,” notes Reuber. “Our industry is asking the new Liberal government to address this issue.”

The existing private-sector laboratories already provide the full range of services that meet the testing and product development needs of Canada's manufacturing industry. The private sector has already invested millions of dollars in infrastructure, and employs hundreds of experienced scientists, engineers and technologists, all at no cost to the taxpayer.

"Why is the CCPV being funded to duplicate this capacity?" asks Reuber. "It is difficult to believe that a federal government agency would knowingly support, indeed actually encourage, a course of action that threatens to destroy so many businesses."

CCIL represents the private, independently-owned testing laboratories in Canada. Its members operate some 250 laboratory facilities across the country, carrying out a broad array of testing services on construction materials, manufactured goods, minerals, oil and gas, crops, food, air, water and soil and more.

CCIL and another group of product validation laboratories have joined together to fight against this threat. "Our industry is united. We are shocked and dismayed that this has happened, but we are determined to oppose such an abuse of power."

– 30 –

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