



environmental  
defence

November 14, 2025

The Honorable Vic Fedeli  
Ministry of Economic Development, Job Creation, and Trade  
18th Floor, 777 Bay St. Toronto, ON M7A 1S5

Via Email: [SpecialEconomicZones@Ontario.ca](mailto:SpecialEconomicZones@Ontario.ca)

Attention Minister Fedeli,

**Re: ERO 025-1077**  
**Draft “Criteria for Designations” Regulation**  
**to be made under the Special Economic Zones Act, 2025**

Please accept this as the submission of Environmental Defence regarding the proposed “Criteria for Designations” Regulation to be made under the *Special Economic Zones Act, 2025*, which was posted for comment on the Environment Registry as ERO 025-1077. This submission is supplemental to the joint submission of Ontario Nature and several other non-governmental organizations, which we generally endorse and adopt in its broad terms.

As we warned you in our submission regarding Schedule 9 of Bill 5, the *Special Economic Zones Act, 2025* was drafted to grant the Premier and Cabinet an untethered power to exempt anyone, from any or every provincial or municipal law they choose, for any purpose they choose, across every part of the province they choose. We joined the Canadian Civil Liberties Association, Democracy Watch and others in warning you that the *Special Economic Zones Act, 2025* is more than just a threat to the environment, and to the health and safety of Ontarians, but also a threat to the rule of law itself in Ontario.

We are writing now to warn you that the proposed draft [“Criteria for Designations” Regulation](#), does not meaningfully address - or even meaningfully mitigate - these substantial dangers.

Firstly, because these proposed “criteria” are mere regulations, rather than amendments to the Act itself, they cannot actually prevent the Premier and Cabinet from extending “trusted proponent” or “designated project” status to any person, company, or project they favour, if that is what they wish to do. Nor could they prevent them imposing a special economic zone upon any region they choose. That is because the decision-makers the regulations purport to bind (the Premier and Cabinet themselves) are the very same decision-makers who would retain the power to unilaterally

scrap or change any “criterion” standing in their way of their desired designation, without the approval of elected MPPs. In order to be meaningful, the substantive criteria governing the designation of Special Economic Zones, Designated Projects, and Trusted Proponents must form part of the *Special Economic Zones Act, 2025* itself, and alterable only by the Legislative Assembly of Ontario.

Secondly, while the government has presented this Criteria for Designations regulation as creating substantive limits on designation, the purported “criteria” are framed in terms that are far too vague, far too subjective and far too riddled with loopholes to meaningfully constrain the power of the Premier and Cabinet to impose “Special Economic Zones”, or hand their friends “Designated Project” or “Trusted Proponent” status. In order to mitigate the threat the *Special Economic Zones Act, 2025* poses to the rule of law, the designation criteria should be replaced with language sufficiently specific, objective and verifiable to permit a court of law to identify and strike down designations that do not actually advance the purposes the government has offered to the public in support of these powers. Of particular note, the criteria should limit designations to projects, proponents and zones that would clearly help adapt Ontario and/or Canada to the loss of U.S. export markets, or reduce Ontario’s and/or Canada’s reliance upon U.S. imports. For example:

- “trusted proponent” status should be limited to Canadian businesses that need help adapting to U.S. tariffs, provide alternatives to U.S. or other foreign imports, or to federal agencies and their partners with a role in enhancing Canada’s military security as against neighboring countries.
- “designated project” or “special economic zones” should be limited to activities or projects necessary to replace U.S. imports with domestic production, connect Ontario producers with new markets, replace U.S. demand for raw materials, and preserve and enhance Canada’s agricultural and medical self-sufficiency or ability to defend itself.

Thirdly, the draft Criteria for Designations are so broad and vague and subjective that they could be used in ways and for purposes that directly undermine the government’s publicly stated objectives in enacting the *Special Economic Zones Act*, which are exceptionally likely to affect the statutory rights and protections enjoyed by people, or which in effectively alter the general law applicable to large numbers of Ontarians, or significant portions of the territory of indigenous nations.

To partially mitigate the danger that the Special Economic Zone designations will be used to deprive Ontarians of access to statutory protections in their homes and places of worship, the list of criteria that must be met for an area to be designated as a special economic zone should be amended to include the following:

4. The area does not contain any part of a residential unit or residential complex as defined in the Residential Tenancies Act, 2006.
5. The area does not contain a structure or land that is a place of worship, a burial or cremation ground, a religious camp, retreat or training centre for the purposes of the Religious Organizations' Lands Act, R.S.O. 1990, c. R.23, a cemetery or unapproved aboriginal people’s cemetery as defined by the Cemeteries Act (Revised) R.S.O. 1990, CHAPTER C.4

To partially mitigate the danger that Special Economic Zone designation will be used in a manner that deprives Ontarians of access to statutory protections in the towns, villages, suburbs and cities where they live, the list of criteria that must be met for an area to be designated as a special economic zone should be amended to include the following:

6. The area does not contain land within a municipality as defined in the *Municipal Act, 2001*.

To partially mitigate the danger that special economic zone designations will be used in ways that are tantamount to the amendment of the statute itself, the criteria must limit their geographic extent as follows:

7. The area does not exceed 15 square kilometres.

8. The area is not within 15 linear kilometres of any other special economic zone, unless their combined extent would not exceed 15 square kilometres.

To mitigate the danger that special economic zone designations could be used to effect acquiescence for U.S. or other foreign government control over Canadian territory or resources:

The list of criteria must be met for an area to designated as a special economic zone should be amended to include the following:

9. No part of the area is legally or beneficially owned by the United States government, by an entity wholly or partially owned or controlled by a foreign government or entity, by the President of the United States, or by an entity wholly or partially owned or controlled by the President of the United States.

The list of criteria that must be met for a person to be designated as a trusted proponent should be amended to include the following:

3. The person is not a head of state or government other than His Majesty the King in Right of Canada or His Majesty the King in Right of a province of Canada,

4. The person is not legally or beneficially owned by the United States government, by an entity wholly or partially owned or controlled by a foreign government or entity, by the President of the United States, or by an entity wholly or partially owned or controlled by the President of the United States.

To be clear, the above recommended criteria and amendments are not, in our view, sufficient to address the defects of the *Special Economic Zones Act, 2025* or to remove or sufficiently mitigate the dangers it has created. It remains our position that the Act should be repealed in its entirety. We urge the government to do so.

Sincerely,



Tim Gray,  
Executive Director  
Environmental Defence



Phil Pothen, Counsel &  
Ontario Environment Program Manager  
Environmental Defence