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**Re: Proposed Changes to the MRDT**

We, the four Cowichan Chambers of Commerce, would like to bring to your attention an issue that is causing a considerable amount of concern here in the Cowichan Valley.

This has been created by the recent provincial budget in February that has the potential to undo much of the success of the local tourism sector, as it was announced the Province has plans to expand the use of Municipal and Regional District Tax (MRDT) to include affordable housing initiatives.

The MRDT program was first introduced in 1987 to provide funding for local tourism marketing and associated programs. The tax was intended to amplify B.C. tourism marketing efforts.

Here in the Cowichan Valley we have recently entered into the MRDT program. Our accommodation sector was surveyed and in favour of the program based upon its ability to promote our valley, which in turn would benefit our local economy. Our Chambers supported this program as we know first-hand the economic benefits derived from tourism. We all operate visitor centres and many of our members are in the tourism sector.

Tourism Cowichan is our destination marketing organization and in its infancy has just starting achieving results in its marketing efforts. Recent features in national and international publications and TV have raised the Valley's profile and begun to increase the awareness of the tourism potential here. This means that more visitors will come and experience all our Valley has to offer.

Diverting funds away from tourism marketing programs could have a detrimental effect on tourism in the region; adversely affecting jobs, businesses, revenues to government and the economy at large.

In fact, this is completely against what our accommodation sector voted for and who will be asked again for their support at the end of the five year agreement. If these funds are not protected for tourism purposes, what would be their reason to support this program?

While our Chambers actively support and advocate for affordable housing, it should not come at the expense of promoting tourism and hospitality across our region. Tourism is a vital sector in our

economy and we need policies that will further the tourism industry within our community and support the people who work in it. The proposed change to the MRDT program could have the opposite effect.

In summary, we think that these proposed changes will hurt our economy, hurt job creation and hurt local businesses along with the revenue streams the Province needs to fund its programs.

Please help us in ensuring that the BC government suspends implementing any changes to the MRDT, pending negotiations between the government and industry.

Thank you,



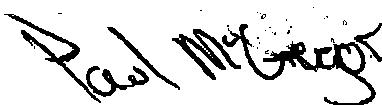
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cc. Jon Lefebure, Chair, Cowichan Valley Regional District  
Janet Docherty, Chair, Tourism Cowichan Society