



TIME FOR ANOTHER LEAP OF FAITH

Look back over the last 75 years of the Truck Loggers Association is as simple as flipping through past issues of *Truck LoggerBC* magazine. It is remarkable to see how our industry has changed: loggers no longer dress in suits like they did in the 1940s and 50s; logging gear is smaller and more efficient compared to that of the 60s, 70s and 80s (although some of that big iron is still used today); and the industry itself has become smaller.

Many of the contractors mentioned in the older magazines no longer exist today. This is a reflection of the overall decline in the provincial timber harvest as well as other darker factors such as unfavourable contracting conditions. It is also fair to say that the number of issues contractors face, and what the TLA attempts to tackle on their behalf province-wide, has never been greater. There is a palatable sense of urgency in the need to find a sustainable path forward.

The last major forest policy foray of the early 2000s, the Forestry Revitalization Plan, had profound effects. Motivated by US softwood lumber concerns, the government of the day made intertwined changes to the provincial stumpage system, facilitated the 20 per cent take-back, created BC Timber Sales (BCTS) and introduced the market pricing system (MPS). Other changes enacted included the removal of the 5 per cent take-back upon a transfer of a major forest tenure, allowance for consolidation of tenure, relief on cut control mechanisms and changes to the *Timber Harvesting Contract and Subcontract Regulation* from a notional “cost-plus” regime on rate setting, to one based on “fair market rates.” Timber harvesting contractors went along with these changes given there was compensation for their lost harvest volume that came under the Forestry Revitalization Plan. However, the primary motivation was hope. Hope that these policy changes would improve contracting conditions for those who remained in the industry.

We now know from the dearth of completed arbitrations over the last 15 years, the “fair market” rate test did not include any acknowledgement of sustainability for contractors. Such a fact comes as an utter irony. Replaceable contracts (aka Bill 13 contractors) were supposed to embed contractor rights and address the imbalance created by the provincial timber tenure system. Furthermore, the frenzy of tenure consolidation that occurred without the 5 per cent take-back and allowing major licensees to participate in BCTS has come to the detriment of the many. And yet, all of these changes were accepted as a leap of faith needed to provide a new framework to support the relationship between contractors and timber licence holders. As most of the contractor base and the communities they operate within can attest to today, that grand experiment has failed.

It is time to stop giving a damn about US concerns and focus internally on the needs of our industry.

And what did we gain as a province? Despite changes to our stumpage system, we are engaged in Lumber War V. The US government is citing the very same issues they did in the last go-around and the imbalance of power within the industry has gotten worse for contractors over the last two decades. The discontent is in plain sight. With little to show for progress on the softwood file, given all the hoop-jumping we have done, it is time to stop giving a damn about US concerns and focus internally on the needs of our industry (which, believe it or not, is not just major licensees).

Fortunately, the collective voice of contractors and logging associations across the province has been heard. As you receive this magazine, it is our deepest hope that we will yet again be on the cusp of a new incursion in major forest policy and regulation in this province, and hopefully, this time we will get things right.

The Contractor Sustainability Review being conducted by independent

facilitator George Abbott will result in a report summarizing the state of the industry, the issues that afflict it and, we trust, recommendations to government on how to address the issues. The Review has been based on financial data collected by PNL Consulting and extensive interviews with contractors and licensees conducted by Abbott and his partners over the last six months.

Some have said we are rolling the dice on the future of our forest industry and the contractor base. Perhaps. However, 122 contractors provided their most private financial information to a stranger. This is evidence that things can't get much worse for contractors in terms of their relationship with the tenure holders and their financial futures. This initiative is a last gasp for contractors before utter turmoil takes place unless it is averted by meaningful change that

restores a balance in power. So indeed, from my perspective, the pressure is on to create solutions.

The TLA ethos from almost the beginning—75 years ago—has been one of essentially rallying against the tenure system. TLA members of yore could see the problems that would come from an imbalance within the forest industry created through the allocation of major tenures.

When I took over the role of TLA executive director, a respected representative of the major licensees asked me to take a leap of faith and work with them for the benefit of the industry. On the cusp of the George Abbott report, I now ask that we all take another leap of faith to make things right, not just for contractors, but for the whole industry.▲

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