

OLD GROWTH LOGGING: A PLAN FORTHE FUTURE By Ian McNeill

At the TLA's 75th Annual Convention & Trade Show in Victoria earlier this year, delegates had the opportunity to attend a panel discussion entitled "Managing the Transition," where speakers examined challenges facing contractors and the forest industry as a whole as it shifts away from old to second-growth logging. The following represents at least some of what was discussed at this spirited and informative event.

"By failing to prepare, you are preparing to fail." - Ben Franklin

Today there is still a considerable amount of old growth forest on the BC coast—both within and outside the timber harvesting land base. According to the most recent statistics available from Ministry of Forests, Lands, Natural Resource Operations and Rural Development, the Crown manages

more than 7 million hectares of forest on the BC coast for "economic, environmental and social benefits." Of this 7 million, 3.5 million hectares are old growth (more than 250 years old) and a considerable amount of this—1.8 million hectares—is already under protected status. Drilling down even further, on Vancouver Island in particular, 860,000 hectares (46 per cent of Crown land) is old growth and 520,000 hectares (62 per cent) of that is protected.

And government is utilizing an everbroader array of tools to manage this old growth in what has become an ever-shrinking working forest. These tools include: old growth management areas, parks and protected areas (including the Great Bear Rainforest), the development of old growth biodiversity targets for landscape units, the creation of wildlife habitats and ungulate winter ranges and other reserves, as well as miscellaneous land use objectives and ministerial orders. Of these tools, the most flexible are the old growth management areas (OGMAs). There are currently about 49,000 old growth management areas in British Columbia.

If access to the considerable amount of old growth still available in the timber harvesting land base (THLB) resource were to vanish overnight, it would have a profound impact on the industry. According to Justin Rigsby of Holbrook Dyson Logging on Vancouver Island, that would lead to the closure of at least four sawmills along with one or two pulp mills on the coast, and quite possibly put an end to the cedar and shake industry. What's more it would "hammer employment" and have a devastating impact on families and communities.





Fortunately, the government has no plans to impose a moratorium on oldgrowth harvesting within the THLB and, as was shown previously, has a good plan in place for managing and maintaining old growth forests outside the working forest. Nevertheless, contractors realize they need to prepare now for the inevitable transition from old to second growth as the makeup of the working forest shifts over time. Despite the fact that old growth still contributes about half the harvest by area for both TSAs (timber supply areas) and TFLs (tree farm licences), and probably even more by volume, it is a slow to replenish resource within the working forest and one we need to husband and, more importantly, fully utilize over time.

How much time? At the present rate of harvest the transition to second-growth harvesting will take place over a 90-year period, and within that timeframe the old-growth component will decline from about 50 per cent today to less than 5 per cent by the turn of the century. Many coastal contractors are already managing the transition. Holbrook Dyson Logging is an independent stump-todump contractor that currently incorporates about 20 per cent second-growth logging in its annual cut. On the opportunity side, because the second growth is located at lower elevations and on flatter ground the company is able to access it during the winter when getting to the old growth is too difficult and dangerous, i.e. when the trees are buried under three or four feet of snow on side hills that would get the adrenaline pumping in an Olympic ski racer. "Where we operate in TFL 37 there's a pretty good mix of old and second growth and harvesting the second growth allows crews to work year round providing continuity of employment, more efficient deployment of capital, lower cost structures, and the ability to amortize fixed-cost charges

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over a larger volume," said company CFO Justin Rigsby.

That's the good news.

Rigsby added that harvesting second growth efficiently requires a significant investment in expensive machinery including such budget-busters as bunchers and processors. Simply put, to justify the investment, Holbrook Dyson and other contractors need more wood to harvest. "Our company is going to need considerably more volume if we're going to harvest in second-growth environments," he explained, adding that Interior contractors can make a go of it economically because they have that volume. "In the Interior contracts are 300,000 cubic metres and more, enough to justify the investment. Our contract is only a 150,000 cubic metres."

He added that coastal licensees have that volume but are reluctant to share it. "Currently there is concentration of fibre to just a few licence holders," he said, adding that more British Columbians deserve access to that fibre, including communities and First Nations. "If you could broaden or carve up some of that tenure just a little bit and allow access to



opportunities to utilize the fibre base to its maximum capability. Hopefully down the road we'll see policy changes that will allow more access to some of that land base."

Creativity is also going to be important when it comes to managing the transition said panelist Dick Jones of the Teal-

that timber then I think you've got more Jones Group, which traces its roots back to the legendary Jack Jones, who built a oneman cedar roofing mill on Lulu Island upon his return from World War II. Teal-Jones has an impressive record for creatively utilizing its resources. It sells hemlock used to make matches in China and Indonesia, hog fuel to Disney World in Florida, shingle sawdust to nurseries in the Pacific Northwest,





and planer shavings to Saudi Arabia. No less than 75 per cent of the acoustic guitar tops in the world are made from its wood.

These products all require access to old growth, but the company is working on developing new products from second growth. At the convention Jones displayed "wood flour" made from hemlock sawdust that was seven years in development. It will be used as a roofing product initially, but will eventually find its way into other products, including decking. Teal-Jones is also the only company to have opened a new large sawmill on the coast in the past 20 years, the JS Jones Sawmill in Surrey.

Following the panelist presentations there were some useful discussions generated during question period. One of the more intriguing followed a query from moderator Don Banasky of Western Canadian Timber Products to Justin Rigsby as to whether or not he expected a wave of contractors to exit the business if they have to reinvest heavily in order to make the transition, especially considering that many contractors are 'aging out' and do not have succession plans in place. Rigsby replied that it comes down to opportunity and return. "I see opportunities," replied Rigsby. "There's no question old growth [within the working forest] is going to dwindle, but as long as we have the type of horsepower needed to yard second growth, maybe using tethered systems—bunching wood to make grapple-yarding productivity ter-then I see opportunities for contractors to continue in the long term, but like anything, it's all about return. People will exit the business if there's no concept of a return." Additionally, he added, it's going to be about supplying customers with what they want at prices they're prepared to pay.

Chief Forester Diane Nicholls then challenged the audience to address what she called the coastal environment's "utilization issue." She said that solving the transition issue going forward is "not so much about increasing the Allowable Annual Cut (AAC) as fully utilizing the fibre we have and the type of wood we are going to have going into the future." More effort has to go into creating new products utilizing leftovers from primary products. "We are no longer able to leave residual fibre in the bush when everyone is saying we don't have enough fibre to do what we want to do. There's a disconnect there; we have to create new uses for that fibre."

Dick Jones then added that a "negative stumpage system" should be imposed to encourage better utilization. If more licensees and contractors were encouraged to take out "the garbage" there would be more fibre for pulp mills, and more jobs.

There is no question that managing the transition to second growth is going to be difficult, problematic, and in some cases expensive. However, the upside is that there will be opportunities for those who plan, prepare and invest for the future. It would also help considerably if government reviewed the current tenure system and made it possible for a broader range of entrepreneurial British Columbians to more fully utilize our forest resource. Finally, it's important to remember that we'll never see the end of old growth forests in BC because of our provincial government's and industry's commitment to conservation of unique forest ecosystems including old growth forests through sound resource management and planning.



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