

RE-VISIONING AND RE-INVENTING A SOLUTION FOR THE NORTHWEST FOREST ECONOMY



In Northwest BC, many of the issues impacting the logging industry on the Coast and the Interior, including revitalization, contractor sustainability, First Nations industry participation, log exports, and safety, are also of great concern. Perhaps the most critical to a long-term, sustainable solution is revitalization, or better yet, re-visioning and re-inventing the Northwest forest economy.

Revitalization has been a local focus for decades; weak industry leadership and generally poor political representation, combined with the lack of a visible crisis (e.g. Mountain Pine Beetle), has meant that provincial initiatives have generally ignored the Northwest. The Northwest's crisis is one where high costs and low overall stand value prevents contractors from being able to support the same industrial forest model that is applied in the rest of the province.

Without re-visioning and re-inventing our local forest sector in a way that would lead to a stable industrial forest base, contractors have to rely on intermittent operating periods driven primarily by market prices. Log exports are a big part of this reliance. Without exports, contractors cannot afford to cover the loss incurred when harvesting the fibre (pulp) logs that comprise a significant part of almost every stand in Northwest forests. The few local sawmills cannot offer prices that offset the fibre log loss. Therefore, without exports, most stands become unprofitable and then contractors are not able to invest in maintaining or renewing their equipment, nor are they able to provide a sustainable supply of wood to the local sawmills. The challenge for the local sawmills is that they are competing in a marketplace where their costs do not allow them to offer prices that will cover the cost of harvesting enough wood to sustain running two shifts.

Many forest tenures in Northwest BC are now controlled by First Nations,

and several treaties are expected to be concluded in the next few years, which means, forestry will be a critical part of their potential success. A solid forest contractor force will make for one less concern for First Nation forest managers to have to worry about. If there is not a sustainable model for the local forest economy, then it is not just the contractors that will be at risk, the economic success of First Nations will also be in doubt. I'm pretty sure the BC government would much rather see First Nation economic successes.

So what have we been doing here in Northwest BC to move us towards forest sustainability? Over the past almost 20 years, there have been many reports and recommendations, such as the *Cheston Report* in 2000; the *Northwest Fibre Utilization Study* in 2005; the *Northwest Forestry Revitalization Strategy* in 2006; the *Skeena-Nass Forest Sector Strategy* in 2013; the *Forest Investment Opportunities in Northwest British Columbia* report in 2016; and the *Northwest Future Forest Products and Supply Streams* project due to be completed this year. There have also been political messages sent, including a joint letter from communities, contractors, licensees, and stakeholders to the Premier and Prime Minister in 2009; the formation of the (now defunct) Northwest BC Forest Coalition in 2010; and the creation of the local government Northwest BC Resource Benefits Alliance in 2014. We also support provincial and strategic projects where they make sense for the northwest, for example, participation in the recent Contractor Sustainability Review.

In general, these initiatives have promoted working within existing systems to make them more efficient. While some recommendations have sometimes been partially implemented, they have not yet addressed the critical issue of trying to maintain a system of grinding an

expensive resource through a low-cost economic model. Where we have not gone far enough is in creating the conditions for re-visioning and re-inventing the Northwest forest sector by supporting product, market and policy research, leading to development of a new, innovative, prosperous and sustainable forest sector for Northwest BC. The beauty of this is that if we can make something work here, it can be applied throughout the province (whereas the converse is not true). Additionally, creating solutions that allow increased harvesting in BC's Northwest forests will also help deal with the province's mid-term timber supply concerns.

Much of what we have done or said in Northwest BC has not been heard by government at both the bureaucratic and political levels. That needs to change. Northwest BC—and in particular the Northwest BC forest sector—needs strong Northwest forest champions in government. The NWLA must continue to focus on and support that goal.▲

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