

## WHAT IS THE INTERIOR FOREST SECTOR RENEWAL INITIATIVE?

By Ian MacNeill

Following through on an election promise, the provincial NDP government has been conducting a series of discussions with forest industry stakeholders and communities in the BC Interior on the way to formulating policy changes that it says will lead to a “renewal” of the industry.

Actually, these days, anything that would keep the ship from sinking any further would be welcome. The Interior industry, especially the independents, have been struggling with fibre-access issues for years and now, thanks in part to voracious wildfires and the winding down of the beetle-kill harvest, it's about to get worse; the government recently announced that the allowable annual cut is going to decline by as much as a third over the next decade. Add to this the fact that lumber prices have fallen off a cliff and the seemingly never-ending softwood lumber dispute with the United States continues to spread collateral economic damage and you've got a situation where a lot of stakeholders and even communities that rely on forestry in the

Interior are wondering if survival is an option, let alone anything like renewal.

It's well to point out at the start that the current hardships didn't come about purely by chance. Yes, the industry has been buffeted by forces beyond its control, but the damage has also been caused in large part by policies of the past that seemingly favoured major manufacturers at the expense of most others. It's clear now, looking at a landscape littered by closures and layoffs that efforts to manage for the circumstances or long-term industry health were not enough, so a review of them and the implementation of new ones that would lead to increased fibre access for all, provide stability to communities, encourage new value-added efforts, and lead to the better utilization of the resource based on the input of affected stakeholders is welcome.

The Interior renewal effort follows hard on the heels of one conducted last year that looked at the coastal industry, and if past is prologue, it will probably lead to the setting of “goals” similar to the ones set for the Coast, so it's useful

to review what those coastal goals are. They include:

1. Rebuilding solid wood and secondary industries to ensure more BC logs and fibre are processed in BC.
2. Improving harvest performance to ensure more fibre is available for domestic mills, including the pulp and paper sector.
3. Maintaining a credible auction system by taking steps to ensure bids on timber sale licences are independently made.
4. Fostering stronger business-to-business relationships between BC Timber Sales, major licensees and First Nations.
5. Restoring public confidence through amendments to the *Forest and Range Practices Act* and auditing the private managed forest land regime.

These are laudable goals, but achieving them will incur costs, and there is concern that many of those costs are going to fall on the shoulders of the contractor community.

Consider goal number two. It is premised on the fact that, at least according to the provincial government, there is approximately two million cubic metres of “wood waste” on the coast, which it helpfully goes on to explain is enough to fill 800 Olympic-sized swimming pools each year. Instead, this waste should be redirected to “pulp and paper producers and the bio-products/bio-energy sector, supporting CleanBC’s renewed bio-energy strategy.” There will be penalties for non-compliance.

Again, utilizing all of the resource is a good thing, but the question remains, who is going to pay for this change? Contractors will invariably get the job of removing the waste, both on the Coast and in the Interior, raising questions around how much it will cost them to do so. Will the price they receive for delivering wood waste to processing facilities provide any profit? Will it even cover costs? Will these costs be reflected in the appraisal manual? Will licensees pass along any subsidies they get for clearing the wood waste to the contractors who do the work, or keep them for themselves?

And again, with reference to goal number two, the wording implies that

increasing the fibre supply to domestic mills and the pulp and paper industry can be achieved by improving harvest performance, and doubtless it can to some degree, but there is no mention of tenure reform, which in itself is crucial to any meaningful strategy that would lead to anything like renewal.

sure we’re acknowledging the long-term commitment contractors have made to communities and the investments they’ve made to create this fabric for the economic health of communities.”

He adds that since the industry is in a major downturn and going through transition, government would also be

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These are just a few examples, so if there’s a message the Truck Loggers Association wants to get across, says TLA Executive Director David Elstone, it is that before implementing new policies government needs to be wary of unintended consequences. “Contractors are typically the ones that have to implement and carry out the changes on the ground. They are the economic backbone of communities, they are the ones that employ the workers, including an increasing number of First Nations, so when it comes to recommendations that affect the forest, forest management, tenures and everything else, we have to make

well advised to ensure policies are not only phased in so those affected have time to adjust, but an effort is made “to help people through the transition.”

These sentiments are echoed by Todd Chamberlain, general manager of the Interior Logging Association. “If there are practices they want to incorporate it can’t be done on the backs of the contractors,” he says. “If licensees are all of a sudden required to do this stuff, it’s the contractors who will have to do it, and they are going to have to be compensated, and in order to do that the government has to compensate the licensees through the appraisal system, and the licensees



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are going to have to be prepared to pass those incentives along to the people actually doing the work on the ground.”

Or to put it another way, the devil is in the details, and there are a lot of them that need to be worked out before penalties should be assessed.

These comments do not comprise the total of what the TLA believes needs to happen in order to lead to a renewal of the Interior forest industry. After careful consultation with TLA members and other affected stakeholders, the TLA submitted a wide-ranging list of recommendations to Forest Minister Doug Donaldson. The recommendations emphasize the need to re-evaluate forest stewardship, the importance of growing back the midterm supply, and educating the public so that it has a better understanding of the industry and its contribution to the provincial economy.

Tenure reform also needs to be on the agenda. In addition to investigating the potential merits of greater tenure diversification—particularly in regards to supporting a more diverse value chain—the TLA would like to see government consider reviewing the merits of conducting another “take-back” on tenures

greater than 500,000 cubic metres. This take-back could be added to the BCTS’ volume as well as to both community and First Nations’ licences.

A review of BCTS practices would also be welcome. The emphasis should be on achieving maximum harvest and even flow-supply across the year, and avoiding offering sales biased to one quarter which, as many contractors know, is not helpful in terms of distributing work flow.

With reference to First Nations, the TLA is calling on government to be more proactive in settling land claims, and include management of First Nations’ cultural values as an Interior appraisal manual credit. The government also needs to carefully consider Bill 13 harvesting rights of contractors as major forest tenures get potentially segmented through Bill 22 decisions or segmentation of tenure to First Nations. Contractor rights must somehow be accounted for as the government moves forward with greater First Nations’ participation in the industry.

Hosting conditions also need to be considered. For example, a carbon tax should not apply to the only industry in

the province that reduces atmospheric carbon (see page 54 for more on this topic). The government should also move forward with the implementation of a training tax credit.

Nobody is expecting that the government is going to come up with solutions that will magically solve all the problems plaguing the Interior forest industry, or satisfy all stakeholders. And the TLA recognizes that any changes are likely to have a positive impact on some, and a negative impact on others. However, the need for change is clear. The policies of the past have been detrimental to tenure diversification, and that has not served the interests of the many communities that rely on forestry for survival, or the people of BC as a whole. It’s time for some real change.▲



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