

STRENGTHENING THE BC FOREST SECTOR'S RESILIENCY

By Doug Donaldson, Minister of Forests, Lands, Natural Resource Operations and Rural Development

Photo courtesy of Ministry of Forests, Lands, Natural Resource Operations, and Rural Development



British Columbia's forest sector has helped build this province, and forestry and forest product manufacturing are the greatest sector contributor to BC's economic base. We are committed to its future for all British Columbians. The industry has faced a perfect storm of challenges over the past year—from market pressures, low commodity prices and ongoing unjust duties from the US, to impacts from climate change.

That's why we are making changes to strengthen the BC forest sector's resiliency so that it can come out of this situation stronger, more diversified, more inclusive of Indigenous Nations' interests and better able to withstand the challenges of the future. Our government announced the start of this change at the TLA's 2019 Convention.

Failures and inaction by the previous government have led us to unsustainable concentration in the industry and a serious power imbalance, with contractors paying the price. Through the Contractor Sustainability Review, we committed to making changes with contractors and tenure holders at the table. I recognize your countless hours of hard work and commitment to seek solutions so contractors and tenure holders can share in successes and increase partnerships going forward. In 2020, based on recommendations from Dan Miller's report, I look forward to finalizing the

changes needed to cement partnership approaches and create a more unified forest sector that advances competitiveness for contractors and tenure holders. We know it's better for everyone when we work together.

Aligning with the Convention's theme of "Vision 20/20," it's clear we need a big picture approach to support current manufacturers of lumber, pulp, paper and pellets, and encourage further investment in higher-value products such as engineered wood.

Continuing with the status quo is not an option. With constrained fibre supplies, it's crucial that we get value out of every piece of fibre that is harvested. Adding value means adding jobs for British Columbians and continuing to support British Columbia's communities.

That's why we've brought in changes through our Coast Revitalization initiative to increase the flow of fibre for domestic production. This includes a higher fee-in-lieu on some export logs when it makes economic sense to mill those logs locally. We are supporting business-to-business relationships between harvesters and manufacturers through streamlined scaling procedures. Because we want to maximize jobs from the fibre, we are encouraging improved utilization through implementation of a fibre recovery zone, which we can adjust to market conditions. We engaged industry on ideas for reform and we're acting on recommendations received.

In spring 2019, we passed Bill 22 to ensure the public interest is considered before any tenure transfer takes place. I looked for proposed solutions in tenure transfer arrangements that consider community, Indigenous and worker perspectives. The Conifex-Hampton transfer in Fort St. James was the first approved tenure transfer after Bill 22's adoption. I'm confident the legislative and regulatory changes will support a more vibrant and diverse forest sector.

Understandably, we, amongst many, are concerned about reduced operations on the Coast this past year. Our government knows how difficult labour disputes can be for all those who are affected; we hold strong to our belief that progress and

solutions are best made when parties engage in good faith at the bargaining table.

For Interior workers faced with permanent and indefinite mill closures, we've provided \$69 million in funding to help with early-retirement bridging, skills training and employment supports. This funding was put in place following discussions that myself and Parliamentary Secretary Ravi Kahlon have had in communities with affected workers, communities and industry.

As part of the Interior Renewal, we sought Indigenous, community, industry stakeholder and public feedback to improve the long-term success of the Interior forest sector. A *What We Heard* report is expected to be released early this year.

A parallel process in the Interior continues where forest industry leaders are helping form regional coalitions of Indigenous, community and labour leaders to work together on how to create the most value and prosperity from the midterm timber supply; this is the TSA Coalition process.

We are continuing efforts to expand and diversify demand for our wood products abroad. In my recent trade mission to China and Japan, I discussed with customers and stakeholders our building code changes that allow mass timber construction to 12 storeys, related BC and Canadian technologies, and BC's position as a supplier of high-quality wood products.

We are also partnering with Indigenous Nations to develop several land use plan updates and amendments that are more responsive to today's growing resource development pressures and values. This process will include opportunities for significant community, stakeholder and public engagement. Please stay tuned to our land use planning public engagement site for opportunities to provide your input on projects under development.

Looking ahead, I'm confident that BC's forest sector will show its resiliency and innovation to weather our current challenges as it has so many times in the past. I see our forest sector emerging with a new strength, vision and stability that will continue to cement it in the foundation of our economy. I see a good future and the future is wood. 🌲