

HOW WILL BC GROW ITS VALUE-ADDED WITHOUT THE WOOD?

By Ian MacNeill

In the spring of 2019, the BC provincial government announced, “a renewal of the province’s Interior forest sector, aimed at creating a competitive, sustainable future for forest companies, workers and communities.” But despite discussions, round tables, consultations, and some legislative tweaks, we’re still not there. Interior remanufacturers are still facing the age-old problem of getting adequate access to fibre, and communities are still worrying about their futures.

Consider the case of John Boys, owner of Nicola LogWorks in Merritt, who has been struggling with fibre-access issues for years. In business since 1989, the company started out making custom log houses that were pre-built by hand prior to getting dismantled and shipped around the world. The economic crisis of 2008 savaged sales and he started branching out into building with cross-laminated timbers, the kind that make multi-story wood buildings

feasible. For him, accessing the kind of fibre he needs is almost like having another full-time job.

“The system is not geared to helping small business,” he says, adding that he feels he has invested heavily in his community and deserves as much support as larger companies that seem prepared to abandon small towns in a heartbeat if staying in them no longer suits their business model. Making matters worse is that his needs are small, amounting



Photo courtesy of Nicola LogWorks

to less than 5,000 cubic metres a year. “They don’t want to deal with the little guys,” he says.

He is fortunate in having a local sawmill that will deal with him. He describes

Aspen Planers as “the last man standing” for him, even though “they don’t really have a good business model” for doing it.

“I would like to at least access some wood so that I could trade them say, two

truckloads of wood for one truckload of what I need, and help them keep their operations going as well,” he says.

He has been wheeling and dealing with local First Nations. He works directly with Stuwix Resources, a First Nations licensee, and sees opportunities emerging as more First Nations communities acquiring tenure take up forestry, or at least get to decide what to do with the resources on their own lands.

The company is also getting creative on other fronts. He purchased a robot that can build log houses in what is known as the piece-en-piece method that was originally developed in France. Without the robot, he might have been drummed out of the log house building business altogether. In the early days, he typically used long logs to build his homes, but those started getting harder to find thanks to the short logs produced through mechanized harvesting. However, the robot can work with pretty much anything. “Fortunately, it does not care if it’s dealing with a lumpy, gnarly piece of crap,” he laughs. The program is

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a good example of ways in which local entrepreneurs are bringing high-tech to small towns.

Everybody has an idea or two about what could be done to free up fibre supply, and Boys is no exception. He would like to see more small lots of wood made available through BC Timber Sales. Tenure reform would help as well; the town is still smarting after Tolko shut down its mill “but kept all the wood!”

Although Pine Ideas, a furniture maker also based in Merritt, does not use logs, it is a value-added manufacturer that has difficulty accessing the lumber it needs under the current system. “I have a value-added business that uses lumber and mill run-through,” says owner Curtis Sloan. “I am also a registered Category Two guy, but there are more and more restrictions making it difficult to participate.”

His business is also important to the town. He employs as many as 30 workers and needs a steady supply of wood to keep them all working. His solution is simple; set aside 25 per cent of the wood harvested annually and make it available to value-added producers.

Just down the road in Princeton, Elizabeth Marion of Princeton Wood Preservers is battling the same four winds. “The chipping and hog-fuel guys are getting what they call residual, but that just happens to contain the kind of fibre we need,” she says.

But she’s more of a solutions-oriented person than a complainer and says there

“It’s no longer a matter of creating jobs, but sustaining the ones we have.”

are concrete measures the government could take that would open up fibre-access channels and help her business not only survive but thrive. In addition to reforming tenure, it could look to some of the policies already in place in Alberta, which include setting aside a volume of wood for value-added producers and tinkering with stumpage rates to more accurately reflect the value of wood based on its end use.

Her company’s contribution to the local economy is not insignificant. Since 1993, when the family owned business is going full tilt, it has as many as 40 employees

on the payroll, who she offers competitive wages and a profit-sharing program. Over the years she has hired countless unskilled workers, training them up and giving them the kind of work experience they need to get ahead in their lives. She points out that as a value-added player she employs more people per cubic metre of wood than most of the major licensees.

Her son Bill Everitt is the general manager and is set to carry on the business after she retires.

She also has an interesting argument for why government might want to take an interest in her fibre-access problems. She is constantly fielding calls from other government departments and crown corporations, including the Ministry of Transportation and Infrastructure, Ministry of Forests, Lands, Natural Resource Operations and Rural Development and BC Hydro, that are looking for posts. “I can’t

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supply them if I don't get any wood," she says persuasively.

Valley Carriers based in Abbotsford is also feeling the pinch. The company "does grinding in the bush" producing biomass, bark mulch and sawdust for the horse-bedding market and the agricultural sector, says CEO Ben Klassen, whose grandparents Neil and Rita Klassen started the company in 1963.

He says the new rules about getting the waste out and into the burners need some refinement. The situation is tolerable for now thanks to the assistance of the Forest Enhancement Society, but funding is set to expire, and that is making it harder to plan and invest. He would like to see a more holistic approach to current wood-waste policies. He argues that licensees should be required to produce a slash-management program prior to beginning logging operations. "You hear all this talk about zero burning. Okay, but how are you going to do it? If there was a slash-management program, then you'd know going in if you had to widen some switchback corners so the trucks can get in and out."



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He is not against the goals of the new policies, but the business model must make sense. "I see the goal, but I do not see either the legislative backing or the funding to make it realistic," he says.

"...maybe the solution is more diversity in the tenures we have out there, more of an increase in the diversity of the flow of logs and lumber."

To those in the industry who share similar frustrations when it comes to accessing fibre, and indeed those who are regular readers of *Truck LoggerBC* magazine, these kinds of stories are all going to sound awfully familiar. But instead of getting better, the situation is further deteriorating. "It's no longer a matter of creating jobs, but sustaining the ones we have," says Todd Chamberlain, general manager of the Interior Logging Association. "Too much wood that value-added producers could use is going into slash piles."

Unfortunately, solutions are elusive. Any legislative action must be carefully

crafted with an eye on the Softwood Lumber Agreement with the United States, and the remarkable speed with which US lawyers will pounce if there is even a hint of a subsidy. Making smaller sales available through BCTS needs at least some

consideration. It is worth noting that doing precisely this was recommended in the government's own Contractor Sustainability Review released in 2018. To quote from it, "BC Timber Sales should be encouraged, within its mix of blocks for auction, to offer a greater number of smaller blocks."

The recommendations in the report were obviously aimed at the contractor community in order to "make sure logging contractors' paycheques accurately reflect the work they do and their cost of doing business, while also keeping licensees competitive," as former Forest Minister Doug Donaldson put it at the

time, but it's a solution that might also work for value-added producers facing fibre-supply issues.

"There's never a simple answer," says TLA Executive Director Bob Brash, adding that wherever the discussion goes, it should not be framed as a fight against the big forest companies, which play an important role in BC in terms of both employment and tax revenues. "However," he says, diplomatically, "maybe the solution is more diversity in the tenures we have out there, more of an increase in the diversity of the flow of logs and lumber."

Whatever the solutions, BC's value-added industry, which plays a vital role in the sustainability of many small and medium-sized communities in British Columbia, is not going to call it quits without a fight. "I keep telling them I'm not going anywhere so figure it out," says Elizabeth Marion.▲

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