

**2011 Legislative Session: Fourth Session, 39th Parliament
Special Committee on Timber Supply**

This is a DRAFT TRANSCRIPT ONLY of debate in one sitting of the Legislative Assembly of British Columbia. This transcript is subject to corrections, and will be replaced by the final, official Hansard report. Use of this transcript, other than in the legislative precinct, is not protected by parliamentary privilege, and public attribution of any of the debate as transcribed here could entail legal liability.

**REPORT OF PROCEEDINGS
(Hansard Blues)**

**SPECIAL COMMITTEE ON
TIMBER SUPPLY**

THURSDAY, JULY 12, 2012

THURSDAY, JULY 12, 2012

The committee met at 8:05 a.m.

[J. Rustad in the chair.]

J. Rustad (Chair): Good morning, everyone. Welcome to our continuing special committee meetings on timber supply. My name is John Rustad. I'm the MLA for Nechako Lakes. I thought that this morning we'll start with introductions, starting on my left. [DRAFT TRANSCRIPT ONLY]

B. Routley: Good morning. My name is Bill Routley, MLA for the Cowichan Valley. [DRAFT TRANSCRIPT ONLY]

H. Bains: Good morning. Harry Bains, MLA for Surrey-Newton. [DRAFT TRANSCRIPT ONLY]

B. Stewart: Good morning. Ben Stewart, MLA for Westside-Kelowna. [DRAFT TRANSCRIPT ONLY]

D. Barnett: Good morning. Donna Barnett, MLA for the Cariboo-Chilcotin. [DRAFT TRANSCRIPT ONLY]

E. Foster: Good morning. I'm Eric Foster, the MLA for Vernon-Monashee. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Along with us we have our two special advisers that have been appointed to this committee, the former chief foresters Jim Snetsinger and Larry Pedersen. Sitting to my left here is Susan Sourial. She is our Committee Clerk. At the back we've got Morgan Lay, who is also with the Clerk's office. For anybody that is planning to do a presentation or would like to present us with some information, make sure you check in with Morgan at the back so that we can make sure that you're here in case we've got to move around some of our scheduling. [DRAFT TRANSCRIPT ONLY]

Everything that this committee does is recorded through Hansard Services and broadcast on the Internet through our website. Today with us, with Hansard Services, are Jean Medland and Michael Baer. As well, faithfully travelling with us through all of our communities is our current chief forester, Dave Peterson.

[DRAFT TRANSCRIPT ONLY]

I also want to make a special note, since this will be the last day of our committee meetings — of our community consultation component of our meetings — that the Ministry of Forests, Lands and Natural Resource Operations have had staff at all of our meetings come out and attend. They've been tremendous in terms of support. There was a great crew that put together a tour for us in Quesnel, and I just wanted to say thank you to all of them for their efforts in helping our committee.

[DRAFT TRANSCRIPT ONLY]

The committee was first struck in May and has gone through a number of meetings to give us background information. Then we started our community consultation a number of weeks ago in Smithers. We've travelled along the Highway 16 Corridor all the way out to Valemount, including Fort St. James and Mackenzie. Last week we were in the Cariboo, from 100 Mile House up to Prince George, including a field day in Quesnel. This week we have been in Vancouver on the Monday, Tuesday and Wednesday, the ninth through the 11th, for consultation with provincial organizations. Today we are in Merritt this morning and wrapping up in Kamloops this afternoon.

[DRAFT TRANSCRIPT ONLY]

The work of the committee has been tasked to look at our mid-term fibre supply, specifically associated with trying to find ways to mitigate the mountain pine beetle impact, which throughout the area is quite significant. It's anticipated that when the pine beetle runs through its entire course it will have an impact of about a drop of ten million cubic metres per year on our annual allowable cut. That's obviously fairly significant. It's the equivalent of about eight sawmills in terms of overall capacity.

[DRAFT TRANSCRIPT ONLY]

The committee, as it goes through all the hearings and through the presentations that will also be presented to us, delivered through e-mail.... We have until August 15 to bring forward a report with any potential recommendations.

[DRAFT TRANSCRIPT ONLY]

For anybody who doesn't have an opportunity to present to one of our committees live, they can still present us with information over the Internet, through our website, which is www.leg.bc.ca/timbercommittee. As well, that website has all of our background information and everything that the committee has been provided over time.

[DRAFT TRANSCRIPT ONLY]

The format for our public consultation this morning.... We start off with a discussion with mayor and council, as we have in all of the communities. Then we'll have an opportunity for First Nations, and then we'll go into the public input component.

[DRAFT TRANSCRIPT ONLY]

We're happy to be here. We have with us here Mayor Susan Roline from Merritt. Welcome, and over to you.

[DRAFT TRANSCRIPT ONLY]

Presentations

S. Roline: Thank you very much, John. I'd just like to welcome the committee to Merritt today. Actually, today is the kickoff of our annual Great Canadian Bike Rally, so you might see more than normal motorcycles cruising through our community.

[DRAFT TRANSCRIPT ONLY]

I guess just to do a bit of background, we recently celebrated forestry's 100th year in our community — a major milestone for any industry in a community. We value the presence of the forest industry here. It contributes greatly to our economy, just to our overall social well-being of our community

and the economic well-being of our community. So we're very concerned with what's happening with the pine beetle, the estimates of what it's going to, I guess, drop in production and then also hoping that there's a resolution found to mitigate some of that. [DRAFT TRANSCRIPT ONLY]

[0810]

Some of the things council and myself have discussed... Just opening up, perhaps, other areas to be able to harvest, going in to more Crown land, lands closer to the city than we normally log. [DRAFT TRANSCRIPT ONLY]

We have some of our mills that are looking to other buyers for different product. One of our mills is quite resourceful. They've gone out and sought buyers that will buy the pine beetle. What they're looking for is to be able to do it cost-effectively so that they can still retain that market they've found. That is doing dimension lumber, doing value-added products and things like that. So we encourage you to look at that source of other wood. [DRAFT TRANSCRIPT ONLY]

I guess something we're always worried about is when we see large, large piles of timber being burned out there. We have a pellet mill that was recently built here, but it's not operational right now just due to some financial issues that it had. But that's also a good source for value-added, to use some of that wood for that purpose. [DRAFT TRANSCRIPT ONLY]

We also have the Merritt green energy project moving forward with an estimated startup of early this fall. Merritt's having its hydro supply doubled this year. Because of that delay, this Merritt green energy project has also been delayed because they're going to feed back into the grid of the power that they will produce. So they will be looking for fibre, which would come from those piles of slash that normally get burned out in the forest. [DRAFT TRANSCRIPT ONLY]

We get a lot of complaints in the city because of our poor air quality, and we found that the burning of that slash also contributes to that, because of our prevailing winds and how they come through our valley. So that would mitigate some of that for our community too. [DRAFT TRANSCRIPT ONLY]

We also discussed about the province looking at planting more. We're fortunate in our area. We have the tree planters here usually for three to four months solid, and we know they're out there vigorously planting. But I think that could even be stepped up more. [DRAFT TRANSCRIPT ONLY]

With the amount of trees coming out, we're seeing some of the damage that's being done because of the very wide expanses now that are being opened up, especially in our watershed. So we feel that the more that can get planted... I know the cost is huge to do that, but if there could be more ways to have more trees planted, that would benefit that watershed and other areas around us. [DRAFT TRANSCRIPT ONLY]

Those are the main parts of that. I'm glad the committee is working on this. I'm glad the province has taken the initiative to form this committee and look at this issue before it gets too far along. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you very much, Susan. [DRAFT TRANSCRIPT ONLY]
Questions from members. [DRAFT TRANSCRIPT ONLY]

D. Barnett: Thank you very much for your presentation. Your green energy project — is that a private sector project, or is that a community project? [DRAFT TRANSCRIPT ONLY]

S. Roline: No, that's a private sector project. [DRAFT TRANSCRIPT ONLY]

D. Barnett: And it will supply energy to the community, or will it basically be just for industry? [DRAFT TRANSCRIPT ONLY]

S. Roline: My understanding of it: it will produce almost 40 megawatts of

power, so approximately half of that will be used by Tolko sawmills and the plant itself, and then the remainder will be fed back into Hydro's grid. [DRAFT TRANSCRIPT ONLY]

H. Bains: Thank you for the presentation. Can you enlighten us about some background in your area as far as the forestry activities are concerned, especially the milling facilities you have and where they are today compared to, say, four years ago? And what do you foresee with this mountain pine beetle epidemic? Where do you see the production facility heading in the future, if you have heard from the industry? [DRAFT TRANSCRIPT ONLY]

Also, if there are any initiatives taken, either with the cooperation with the industry and the city to expand into the secondary manufacturing or value-added industry in this area.... [DRAFT TRANSCRIPT ONLY]

S. Roline: With our mills, we have four sawmill companies in our community. One actually has two locations. [DRAFT TRANSCRIPT ONLY] [0815]

They mainly supply timber to overseas markets right now, with some still going to the U.S., but they're trying to diversify that market so that they're not relying so heavily on the U.S. market. They've been in full production for the last four years, running upwards of three shifts. So we haven't really felt an impact at this point, but we know it's coming, just with the predictions and how much has been harvested already and the timelines that they have to harvest. [DRAFT TRANSCRIPT ONLY]

With them going to other sources, I think what they're trying to do now is find other uses of the wood, because some of the countries will not take the pine beetle kill. They don't feel it's a quality enough wood. Yet they're trying to find markets now that will take it. They've been successful with that — finding buyers for that wood that will use it for different purposes over there. So that's good. They found ways to get it over there cost-effectively, too, so that helps. [DRAFT TRANSCRIPT ONLY]

As to Merritt and sustaining with the forest industry, we have been told that we will probably lose one sawmill for sure through all this. I guess it will depend on how creative that sawmill is for them to be able to stay in business. Then we would probably see shifts being cut down, so then that would mean people out of work. [DRAFT TRANSCRIPT ONLY]

We've been trying to diversify looking for different manufacturers to come to Merritt, but our big holdback was our hydro. We've had a lot of manufacturing companies look at us, but every time they go to talk to Hydro, they're told they can't hook up because there isn't enough power right now. We're right at the maximum capacity for our line that comes in here. [DRAFT TRANSCRIPT ONLY]

That has restrained us right now from attracting any of these manufacturing companies that were looking at coming here. Some of those did have value-added products that could have made use of other parts of the forest. [DRAFT TRANSCRIPT ONLY]

H. Bains: That's quite, I'd say, disturbing to hear that there are industry people who wanted to come and invest in your community, but hydro is the stumbling block. What steps have you as a council taken as far as working with the government and Hydro in trying to eliminate that problem? [DRAFT TRANSCRIPT ONLY]

S. Roline: In 2009 it was being identified more and more — our, I guess, inefficiencies in our hydro supply. We approached Hydro as council, for them to come and talk to us. They came and talked to us and said that Merritt was fine — that we had no issues with hydro. We kept pursuing it, and so finally in 2010 they

came back and actually had a plan to increase our power. [DRAFT TRANSCRIPT ONLY]

They've committed to us that it will be in place for early 2014. They were trying for the fall of 2013, but due to some negotiations with rights-of-way and that, that wasn't able to happen. Now they've committed to us for early 2014, which we pass along now to industries that are looking at us. [DRAFT TRANSCRIPT ONLY]

People are still skeptical. They don't want to invest large sums of money without knowing for sure the hydro is there, because I think some of them have heard the story before — how it'll be there and then ends up not being there, and they can't open up. So even though the buildout would take two years for most of these plants, they're still not wanting to invest that kind of money right now. [DRAFT TRANSCRIPT ONLY]

B. Stewart: Just on the economic side, I guess, certainly it's very visible when you drive the Coquihalla and you see — a number of years ago — the large swathes of trees being harvested. I guess as you get further and further out from that, it creates more difficulty. I'm just wondering. From the industry or the community's point of view, are they finding that they're able to access fibre that is either green wood or pine beetle-killed wood accessibly, in terms of the network and transportation that's in the area? [DRAFT TRANSCRIPT ONLY]

S. Roline: I haven't heard any issues around that. They have to travel further, some of the mills, to gather their wood, but I haven't heard any major issues with the distance. They are used to that. They're used to travelling out into the bush an hour or two hours to harvest. [DRAFT TRANSCRIPT ONLY]

Something else I didn't mention before — how the large amounts of cut are even affecting our tourist areas. [DRAFT TRANSCRIPT ONLY]

As you know, Merritt has "A lake a day for as long as you stay." So we get a lot of feedback from people from the Lower Mainland especially, who have discovered many of these lakes. [DRAFT TRANSCRIPT ONLY]

[0820]

They come up to camp, and all of a sudden, one week they'll be there, and it'll be nice, full of trees, and then the next time they come — maybe it's six months later or the following season — all of a sudden that whole area has been emptied of the trees. They e-mail us and say: "What the H happened up in such-and-such lake area?" They said: "It looks like a bomb went off." [DRAFT TRANSCRIPT ONLY]

So it impacts that industry too to a degree, especially when we have so many people accessing our recreational areas. [DRAFT TRANSCRIPT ONLY]

B. Stewart: One of the things that the committee has been hearing a lot about is tourism operators throughout the pine beetle-affected areas.... And that's good that you point that out. In these areas there are land use plans that have been adopted by the communities in the timber supply areas. I guess when you say what you've just mentioned, it sounds to me like maybe some of the visual-quality corridors may not.... I mean, I don't know whether they've been updated or worked on or whether the community is well aware of those and worked with the forestry companies. [DRAFT TRANSCRIPT ONLY]

Any comments about...? If that feedback is coming back to the town of Merritt, I'm just wondering who you've turned to, to better understand what the government and the local people decided when they did those plans. [DRAFT TRANSCRIPT ONLY]

S. Roline: I guess at this point we really haven't sat down with anyone to see if there is a plan for replanting right around the recreational areas. We haven't done that yet, so that's something we could do — sit down with our local forest

manager and just see if we can't arrange something there. [DRAFT TRANSCRIPT ONLY]

The city.... Often we get opportunities to get large amounts of landscaping trees. We can access large quantities of those, sometimes with little cost. So we could probably partner and do something about some of those areas, especially the more popular ones. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Just a comment before we go to Bill for the next one. Everything that is harvested does get replanted, and it's usually a six- to 18-month regen delay in terms of the time when the area gets replanted. There are some areas that do go to more of a natural reforestation area, but I would think that in areas like that, that you're talking about, likely they'd be planted fairly quick. But it does take time, of course, for them to grow up and for you to see the impact of that. [DRAFT TRANSCRIPT ONLY]

B. Routley: Thank you for your presentation. The issue that you raised about wood waste has come up time and time again, and we've also heard from pellet producers and other biomass industry folks that there's a problem accessing that fibre. Right now there doesn't seem to be any kind of incentive, or it may even be a disincentive, for the companies who are wasting that wood to ensure that it's utilized. [DRAFT TRANSCRIPT ONLY]

Do you think the government should be playing a role in trying to ensure the full utilization of our products if there's some willing buyer? Should we have some kind of policy levers to make sure that happens and that these companies...? As one biomass producer put it, there needs to be some kind of wedding. Whether it's a shotgun wedding or whether we put out flowers on the carriage is, I guess, really a matter of how you design the policy. But somehow we've got to.... [DRAFT TRANSCRIPT ONLY]

It is important, I know, to communities, so I wondered if you wanted to add anything about that matter. Do we have an obligation to the province to do something about that? [DRAFT TRANSCRIPT ONLY]

S. Roline: Well, I think that in good stewardship of the product that's out there, if there could be some kind of incentive given to these companies that have a use for it, that would work great. It's just very discouraging when you see them being lit up and all that wood being burned. There's a lot of good wood in there still. It's not just total scrap — right? [DRAFT TRANSCRIPT ONLY]

I know that just discussing different ways that the Merritt green energy project here is going to use wood.... I mean, they can burn up the needles, and they can burn up the bark. Every piece of that tree they can burn up in their plant and produce electricity. So instead of it being burned out in the forest, it's put to better use. [DRAFT TRANSCRIPT ONLY]

[0825]

Even when it's being processed through the bioenergy, the effects of that processing aren't as great as what it is out in the forest, to the atmosphere and everything else — to the air quality. [DRAFT TRANSCRIPT ONLY]

B. Routley: Part of the problem seems to be that.... Obviously, we see it being wasted every day throughout British Columbia, and there's no requirement. If somebody comes forward and tries to access that wood, in some cases I've actually heard of logging managers wanting to share the fibre and that there were barriers to that happening. [DRAFT TRANSCRIPT ONLY]

I guess what I'm trying to get at is whether it's incentives or even penalties. Should there not be a penalty? If somebody's just going to light a match to it, shouldn't there be some kind of disincentive even, if necessary, to stop that from happening? In this day and age where we're worrying about recycling and putting our cardboard in a different pile than our food waste and doing all kinds of

recycling, it seems somehow outrageous that we could be wasting in British Columbia so much of our resource that could be utilized. [DRAFT TRANSCRIPT ONLY]

S. Roline: I agree with you. I think the companies that are in charge of that timber that is being burnt up — perhaps there should be more encouragement that they find a source for it and perhaps have, like you say, a penalty if they can't find a source. I think there are enough projects in B.C. currently being built or in the process of being built that there will be an area for that product to go to. Sometimes it might be a greater distance, but at least there would be somewhere for it to go to. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you very much, Susan. A couple of questions from me as well. [DRAFT TRANSCRIPT ONLY]

You mentioned that the pellet plant was built but isn't currently operating. Who owned that plant? [DRAFT TRANSCRIPT ONLY]

S. Roline: It was a partnership between the federal government, a local owner and then a company from Ontario. They built the plant. They had a few issues with some of the timing of delivery of some of the equipment because of the port strike in Montreal, because that's where all the equipment came to. So it kept having delays. Then they had a few glitches with their computers and things like that. [DRAFT TRANSCRIPT ONLY]

It ended up that it was underfunded, and so now they need to look at trying to find another financier to come in and take it over and get it running. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): You mentioned that you're concerned that when all of this is said and done there could potentially be a loss of milling capacity here in Merritt. What steps do you think as a committee we should be looking at to try to maximize the fibre opportunity to minimize what that impact could be? [DRAFT TRANSCRIPT ONLY]

S. Roline: Well, I think that if there are other areas of harvest or looking at non-traditional areas that you don't normally log, without it affecting old-growth or without it affecting watersheds as much, that should be looked at and opened up. Perhaps even a lower cost for the.... I'm just trying to remember the terminology for how you charge. [DRAFT TRANSCRIPT ONLY]

To me, if somebody's gone through that effort to find a buyer for that product, they should have the benefit of being able to supply that buyer without huge restrictions put in front of them. It's still making use of that wood. It's still putting people to work to harvest that wood, to cut that wood and to also ship that wood. [DRAFT TRANSCRIPT ONLY]

E. Foster: Your Worship, I would suggest to you that if you have anyone in the area that's interested in the logging residuals — slash piles and so on — that they contact the Forest Service or the industry people, because the mechanism is in place for them to access that fibre, and it hasn't been in the past. The big issue, of course, to the licensees — whoever they were, big or small — to take down the woodlots was the liability of leaving those piles. That's why they were burned. [DRAFT TRANSCRIPT ONLY]

Now there's an opportunity for them, for people that want to access that fibre, to make an arrangement to access it, and the liability has been removed from the original licensees. That is fairly recent. So anybody that wants to access that fibre should contact both the Forest Service and the licensees, and there's an opportunity to take that out. [DRAFT TRANSCRIPT ONLY]

[0830]

J. Rustad (Chair): I guess the last question I've got is.... I've kind of asked this in most of the communities. It has come up as a discussion in most communities. There are different ways of managing the land base. The majority of our land base is managed on what's considered to be a volume base. We have a great big area out there. Companies move around and put blocks in and take wood out. The other form is the various forms of area base. [DRAFT TRANSCRIPT ONLY]

Does Merritt have a community forest, or have you ever gone after a community forest? [DRAFT TRANSCRIPT ONLY]

S. Roline: We don't have a community forest. In my term we've never gone after that. I don't know previous to my term, if they have. I don't recall any action, though, like that. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Is that something that, as a community, you would consider going after? [DRAFT TRANSCRIPT ONLY]

S. Roline: We would probably consider it. We've heard other communities that have had good success with that, so that's probably something we could look at. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): The reason why I ask around that is that a community forest, of course, is more of an area-based type of tenure where you're responsible for a specific area if you're harvesting, and it changes the management structure. I'm just wondering if you have any thoughts on that management structure or whether you've given that any thought in the past. [DRAFT TRANSCRIPT ONLY]

S. Roline: I guess one of our challenges in Merritt is because most of that land that surrounds us that there would be wood on is either First Nations land or it's ranching land. That would be our only challenge, to find areas that are strictly Crown land to be able to use as a community forest. We don't own any land like that. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): In terms of going after Crown land and stuff, some communities have actually gone into a partnership with the First Nations in terms of developing a community forest. Just something to think about down the road. [DRAFT TRANSCRIPT ONLY]

B. Stewart: I just wanted to talk a little bit about economic diversification. There are an awful lot of mineral deposits that are in this area. You know, of course, there is a lot of interest in not just exploration but reopening of mines and new mines. I'm just wondering: what's the community's sense on that diversification strategy? [DRAFT TRANSCRIPT ONLY]

The other question I have is: within the town of Merritt what is the tax rate for the industrial users? How much do they represent of your tax base? [DRAFT TRANSCRIPT ONLY]

And going to the Chair's point about a community forest, the impact on the town of Merritt having a mill closure — not only on your town but on your tax base and the number employees that it represents. [DRAFT TRANSCRIPT ONLY]

S. Roline: I'll, first of all, address the mining. Craigmont Mines, as you may have heard, has been sold to a company called Huldra Silver. Craigmont Mines was closed down in 1982. Basically, that site has sat unused other than the tailings ponds that have been re-mined. Huldra Silver now has constructed a full new mill up there. They will take silver ore from an area called Treasure Mountain up on the Coquihalla. They'll transport it to the Craigmont site, mill it and then ship it out from there. We're pretty encouraged by that, because it's nice to see a

site that sat dormant that many years in full production now again. [DRAFT TRANSCRIPT ONLY]

Then I also understand that over by Tulameen there's a coal mine that is going into production over there. And then with the Highland Valley expansion, the other two mines just outside of Kamloops, that all helps Merritt because a lot of people will seek jobs there and remain living in Merritt and commute. Especially with Huldra Silver being so close, we'll get a lot of those residents living right here. [DRAFT TRANSCRIPT ONLY]

Huldra Silver itself will produce about 50 jobs in the mill and then another 20 to 30 with drivers moving the product back and forth. So that helps with that. We're happy that type of thing is progressing. [DRAFT TRANSCRIPT ONLY]

I understand there's another minesite being looked at between here and Spences Bridge. That's very active right now, so that could come onto production, with the encouragement by the province that's currently out there right now. [DRAFT TRANSCRIPT ONLY]

As to the tax base, the province allows us to collect 21 percent of our tax needs from heavy industry. We negotiated with the sawmills four years ago, and we've brought that rate down to where we collect only 19.25 from them right now. It is a significant amount to our tax needs, so if any one of those mills were to shut down, it would affect our tax base and what we can do with those tax dollars. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Susan, thank you very much for your presentation this morning and for letting us know a little bit about Merritt. [DRAFT TRANSCRIPT ONLY]

The committee will take a brief five-minute recess before we go into our first presenters. [DRAFT TRANSCRIPT ONLY]

The committee recessed from 8:35 a.m. to 8:48 a.m.

[J. Rustad in the chair.]

J. Rustad (Chair): Our first presenter is Elizabeth Salomon-de-Friedberg. Elizabeth, thank you for joining us, and over to you. [DRAFT TRANSCRIPT ONLY]

E. Salomon-de-Friedberg: Good morning, everyone. Thank you very much for this opportunity. I'm going to read my presentation. It should take less than 15 minutes. [DRAFT TRANSCRIPT ONLY]

I come here this morning representing only myself. I have lived in Merritt since 1990 and over the past 22 years have acquired some knowledge about the forestry industry and how forests are managed in this province. I have read every timber supply review report for the Merritt timber supply area that has been produced since 1990. [DRAFT TRANSCRIPT ONLY]

For the review that took place in 2010, I provided a whole litany of comments on the report itself and outlined some concerns in a letter to the chief forester. Between 2001 and 2010 I sat on the public advisory group, referred to as PAG, for the Merritt timber supply area sustainable forest management plan. [DRAFT TRANSCRIPT ONLY]

If I may, I would like to begin by highlighting and speaking to a few of the phrases and comments that are found in the June 11 discussion paper that was made available to the public. The first quotation is: "Infestation has had a severe impact." True, but not all of it has been bad. It has resulted in increases in the annual allowable cut and, therefore, increased employment and revenues for forest companies, to name just two of these impacts. [DRAFT TRANSCRIPT ONLY]

From the beginning of this forest health issue, both the industry and the Ministry of Forests saw opportunities and moved to capitalize on them. [DRAFT

TRANSCRIPT ONLY]

Another quote: "Ongoing implications for water management, wildlife habitat and other values." [DRAFT TRANSCRIPT ONLY]

[0850]

To the best of my knowledge, neither the forest industry nor government has a clear and complete understanding of the long-term implications on the ecologies involved, nor has it made much effort to try to understand how different management regimes would enhance rather than diminish the ecological values of the timber supply areas. In recent years the effort and money has been on capitalizing on those opportunities I mentioned a little while ago. [DRAFT TRANSCRIPT ONLY]

Data collection, analysis and even research are lacking in many areas. Water quality is an example. The 2010 sustainable forest management plan states that water is a primary and fundamental resource of the Merritt TSA. The value associated with water quality is conservation of water quality and quantity, yet nowhere in the SFMP, either in 2010 or in any of the previous ten years, has there been any baseline measure or even definition of water quality. [DRAFT TRANSCRIPT ONLY]

How can you conserve water quality if you don't know what the starting point is? More knowledgeable people than I, no doubt, have talked to you about how limited our collective knowledge is on long-term impacts of different options. [DRAFT TRANSCRIPT ONLY]

Third quote: "Decrease in timber supply in the Interior." This is not, and should not be, a surprise to anyone. Every timber supply analysis that I have read, whether prior to or since the beetle infestation, has clearly stated that at some point in the future the annual allowable cut in this TSA will be scaled back in order to ensure that the province and its residents will be able to derive benefits for generations to come. [DRAFT TRANSCRIPT ONLY]

It must be remembered that the AAC was raised because of the mountain pine beetle-killed trees, and this was a temporary uplift. If I remember correctly, the AAC about 20 years ago was 1.2 million cubic metres. At its height, it was 2.8 million cubic metres, of which one million was the temporary uplift. [DRAFT TRANSCRIPT ONLY]

According to the latest timber supply analysis report, the AAC will decline by 36 percent to 1.8 million cubic metres in four years' time, and this rate should hold for a further 34 years. [DRAFT TRANSCRIPT ONLY]

This is still higher than the AAC level of 20 years ago. Therefore, if the forest management rules were to be changed, would this not be a case of reaping the benefits today, where what happens in the decades to come would be someone else's problem? [DRAFT TRANSCRIPT ONLY]

Another quote: "Decreases in timber supply will have significant negative economic and social impacts on communities." It is true that some communities will be more affected than others, but this is a very simplistic way of looking at the situation. How will other forest health issues affect the AACs? What about climate change in general? [DRAFT TRANSCRIPT ONLY]

If the AAC is kept artificially high in the short term and no other measures are implemented to invest in the forest resource, how will productivity of the land base and forest resource look in 50, 100, 200 years? If we were to invest in the forest, would that not take away some of the sting from decreases in timber supply which led to loss of employment and revenues? [DRAFT TRANSCRIPT ONLY]

Finally, a comment on a section of the discussion paper entitled "Options to Increase the Mid-Term Timber Supply." [DRAFT TRANSCRIPT ONLY]

The potential actions listed in the discussion paper provide very little information to the layperson. I could not find "an assessment of the most commonly suggested possible actions" on your website, as was stated in the

discussion paper. I found mid-term business values assessments, mid-term timber supply resource values assessments, but nothing on assessments of possible actions. So may I ask: where is the information to be found? [DRAFT TRANSCRIPT ONLY]

I also found that whoever designed the website needs to have another look at it. When I leave you copies of my presentation, on the last page you will see what the website looks like when I pull it up on my computer. [DRAFT TRANSCRIPT ONLY]

Some feedback and input on questions posed in the discussion paper. [DRAFT TRANSCRIPT ONLY]

Question 1: values and principles. [DRAFT TRANSCRIPT ONLY]

Each timber supply area has distinct characteristics — for example, the proportion of pine, the amount of old growth, forest terrain, processing facilities, etc. Therefore, there should be flexibility in whatever policy is adopted with respect to changing forest harvest levels. This policy should be accompanied by clear and detailed guidelines. [DRAFT TRANSCRIPT ONLY]

[0855]

Sustainable forest management plans, where available, should be consulted and used in the evaluation and the decision-making regarding potential actions. They are not perfect, but there is some confidence in them being a kind of check and balance that the right decision is being made. Clear, measurable, transparent objectives should be in place before any evaluation of potential actions takes place. [DRAFT TRANSCRIPT ONLY]

Four, these objectives should be developed within the context of what is best for the environment and the ecology in the long term. It is a given that there will be impacts, good and bad, as the timber supply changes over time. Maintaining current employment levels or revenue streams should not be the determining factor. [DRAFT TRANSCRIPT ONLY]

Five, investment in the resource needs to be enhanced both in the area of research and silviculture, specifically tree planting. We must replenish what has been lost through this mountain pine beetle infestation, so that in 80 to 100 years there will be forests and trees to harvest. [DRAFT TRANSCRIPT ONLY]

The provincial government, as stewards of this resource, must reverse the trend of the last ten to 15 years of delegating responsibility for stewardship to those who have different goals, of slashing budgets to the extent that many jobs are not being done or not to the level and high standard that they have been in the past. Poor decision-making now because of lack of resources will have consequences for many decades to come, not only on the forest resource but on communities, on water supply and quality, on services to British Columbia and on "Super, natural B.C." [DRAFT TRANSCRIPT ONLY]

Who should be making the decisions? Ideally, I would like to see decisions made after a good discussion and debate by a knowledgeable, informed and diverse group that has been presented with the options and the potential impacts with supporting documentation of these options. The group should be made up of qualified government representatives, First Nations, independent foresters, industry, interested parties and stakeholders. [DRAFT TRANSCRIPT ONLY]

On question 3, specific information about the local area. Since I don't know what information the committee has access to or will be reviewing, I don't really know how to answer that question. It would have been helpful if we had been given some idea of what the committee needs as it deliberates. [DRAFT TRANSCRIPT ONLY]

On question 4, cautions and concerns. My main concern is that the noise created by those whose focus is the short term — and specifically on maintaining employment and revenue streams — will drown out the voices for caution. Cautious voices include those that suggest that the environment, the forest

resource, needs time to recover. We are just beginning to feel the impacts of climate change, and we will not be able to fix every problem that arises. There just won't be enough money for fires, forest health issues, floods and any number of natural and other disasters. [DRAFT TRANSCRIPT ONLY]

The choices will be very difficult ones. We forget that our high standard of living and continual growth are very much tied to the environment. If we continue to pillage that environment now, to take as much as we can — or think we can — the future will indeed be one which our grandchildren and great-grandchildren will find far more challenging, because our forests will be greatly diminished. [DRAFT TRANSCRIPT ONLY]

On question 5, individual engagement. I appreciate this opportunity to express my views on this very important matter. As I see myself lacking in essential knowledge to contribute in a meaningful way to these considerations, as these considerations go forward, I would be happy with periodic updates and an opportunity to provide comment via the Internet. [DRAFT TRANSCRIPT ONLY]

In conclusion, the inherent values of forests are many. It seems to me that lately we only seem to talk about the economic values. We see the tree but not the forest. We say, "forest management," but what we mean is: "How can we maximize the revenue, both for government and for private industry, from harvesting trees?" [DRAFT TRANSCRIPT ONLY]

That being said, there may be things that could be changed that would allow for more harvesting, but such decisions should not be made without careful examination of all the facts and with clear objectives in mind. These objectives have to consider the well-being of the environment in its entirety, both above and below ground. The future well-being of the province depends on making the right decisions today. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you very much, Elizabeth. Questions from members? [DRAFT TRANSCRIPT ONLY]

B. Routley: Yeah, thank you for your comments. I think with a lot of people.... Look at what's happened around the world, certainly, with cultures that have not put forests first — in fact, have liquidated their forests. A lot of the biodiversity is gone. I think that's part of the point that you're making, that we need to.... [DRAFT TRANSCRIPT ONLY] [0900]

There are other presenters — quite a few of them, actually — that have talked about making sure that we look after our forests. Also, part of the job of looking after our forest is looking at the other values. Some people call them constraints. Some people call them values. I assume that we can put you in the value category. [DRAFT TRANSCRIPT ONLY]

I don't think I heard you specifically say anything about the land use planning, but what would be your view in terms of looking at opening up land use plans or updating land use plans? [DRAFT TRANSCRIPT ONLY]

E. Salomon-de-Friedberg: In what context? What do you mean by...? Which land use plans? [DRAFT TRANSCRIPT ONLY]

B. Routley: Well, there are land use plans that were created all over the province. As a result of the war in the woods, there were all these processes set up, and folks spent, probably, anywhere from two to ten years developing land use plans. [DRAFT TRANSCRIPT ONLY]

E. Salomon-de-Friedberg: Oh, those plans. Okay. [DRAFT TRANSCRIPT ONLY]

B. Routley: Part of what this committee has been tasked to look at is: should we go and tinker in land use plans, or should we open them right up and

change the rules? [DRAFT TRANSCRIPT ONLY]

E. Salomon-de-Friedberg: The land use planning process is an extremely long one. I don't think you can change what hasn't been already agreed to. I think it would cause too much dissension, too many difficulties. You have to find another process, another way of doing things, of coming to an answer on what needs to be done. [DRAFT TRANSCRIPT ONLY]

We've never had a land use planning process in this area, but I was involved in a water use management planning process for five years in this area. We have a water use management plan, which was resident-driven, so it's not approved by government. But what I'm saying is that it's just a very long process. I don't think it's what people are looking for or necessarily the route to go. I'll just leave it at that. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Elizabeth, thank you very much for your presentation. [DRAFT TRANSCRIPT ONLY]

Our next presenter will be the district of Logan Lake and Logan Lake Community Forest association. Welcome, Don, and over to you. [DRAFT TRANSCRIPT ONLY]

D. Brown: Good morning. Thank you. I'd just like to clarify: it's the Logan Lake Community Forest Corp. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you. [DRAFT TRANSCRIPT ONLY]

D. Brown: Thanks for coming and allowing me to have a chance to make a presentation here. I really appreciate it. [DRAFT TRANSCRIPT ONLY]

I want to start off by saying that I looked at the background information that you guys reviewed in order to set yourselves up for this special committee work. I have to admit that you covered probably in a few weeks what it took me a few years to cover in classes in school and that. I really appreciate your efforts in this and also the short timeline on making recommendations back to government. [DRAFT TRANSCRIPT ONLY]

With that in mind, I'm not going to try and teach you things about forest management today. I'm really going to focus on the things that are important for Logan Lake, for the community and for the community forest corporation to be successful. [DRAFT TRANSCRIPT ONLY]

The first page I've got gives a bit of history of Logan Lake. Basically, it's a planned community constructed in the early '70s to house mine employees. We had a major economic threat back in the mid-1980s when one of three local moly-copper mines shut down. The community reinvented itself as a retirement destination, and that, along with mines being consolidated, allowed Logan Lake to survive as a community. [DRAFT TRANSCRIPT ONLY]

Today the town has 2,300 residents. Approximately 30 percent of the working-age folks work out at the mine, and the remaining either commute to other places to work or work in other fields, such as myself in forestry. People choose to live in Logan Lake for the great combination of our community lifestyle and proximity to major services, while having nature right at our back door. [DRAFT TRANSCRIPT ONLY]

The second page I've got here shows what the current community initiatives are. These are actually the council goals for 2012. I'll just quickly go through them. [DRAFT TRANSCRIPT ONLY]

They are to achieve FireSmart designation; develop marketing and development strategy; develop water, sewer, roads development plan; develop business retention and attraction strategy; proceed with the parks master plan

[0905]

phase 2, which is trails upgrades and improvements; monitor and maintain local health services; pursue additional senior housing options; pursue additional land development opportunities; communicate building needs assessment report progress; finalize the campground master plan; support the Wellness, Health and Youth Society in securing a new location in our community; finalize the age-friendly assessment that we're currently doing; enter into — this is an important one now — protocol agreements with Skeetchestn and Cook's Ferry Indian Bands; and finally, enhance recreational programs. [DRAFT TRANSCRIPT ONLY]

So the list here is common items you'd find in most small communities in their strategic plans, but a couple of the unique ones include our FireSmart designation. We've taken a leadership role in fire interface planning and treatment in the province since 2002, the year before the Kelowna and McLure fires. [DRAFT TRANSCRIPT ONLY]

Protocol agreements with First Nations communities is really important also. We feel that to achieve the two critical objectives, which are land development and forest management for our community forest, our relationship with the key First Nations is important. We are currently working on community-to-community protocols for land development, including revenue-sharing, and we're working on a business-to-business protocol for forest development between First Nations and Logan Lake. [DRAFT TRANSCRIPT ONLY]

Now I'll shift over to the Logan Lake community forest. This relates to the fire interface work that we've done. Logan Lake began fire interface planning and treatments in 2001 and 2002. Our biggest challenges were getting access to Crown timber and paying for the treatments. [DRAFT TRANSCRIPT ONLY]

Logan Lake was awarded a community forest in 2007, and after ten years of work inside and around our community, we're closing in on 100 percent initial treatment of our fire interface zone. For Logan Lake to work on the fire interface, we worked closely with the Kamloops forest district, the Fire Centre, many bureaucrats and politicians to find creative ways to develop the Crown timber and pay for our initial treatments, but we needed a permanent solution. [DRAFT TRANSCRIPT ONLY]

The community forest was a natural fit for our community's fire interface planning. Our community forest, as I said, was issued in 2007. It's given us control of local forest resources. We're using it to diversify our economic base by supplying wood to new local forest products manufacturers. We have two small value-added mills that have made commitments to our community. [DRAFT TRANSCRIPT ONLY]

After almost five years of work our community forest corporation has recently managed to pay off our initial business loans to the district of Logan Lake. We are just in the process of accumulating revenues now. [DRAFT TRANSCRIPT ONLY]

The fifth page is to give you a context. I felt you're probably being presented with a lot of graphs and written information, so I thought I'd add some pictures in. [DRAFT TRANSCRIPT ONLY]

This is to give you a mind's-eye view of where Logan Lake is at. We're actually in the heart of the Highland Valley, almost dead centre between Cache Creek, Kamloops and Merritt. The Highland Valley is heavily forested with pine forests, and they're almost all dead now. [DRAFT TRANSCRIPT ONLY]

The location of the community forest, on the sixth page, was located to take into account the different species we needed to remain sustainable into the future. The area around Logan Lake, as I said, is mostly pine, and the area towards the municipality of Kamloops is mostly Douglas fir. [DRAFT TRANSCRIPT ONLY]

To avoid unrecoverable losses of pine, we are harvesting both our annual allowable cut of 20,000 metres and an uplift volume of 114,000 cubic metres that

ends this year. All the harvesting is focused on damaged pine stands. [DRAFT TRANSCRIPT ONLY]

[0910]

The next slide is to show some parks in the area of our community, the largest being Tunkwa Provincial Park, in the middle of that picture. It's approximately 4,500 hectares, or about one-quarter the size of our community forest. Again, Tunkwa Park is almost all pine, and it's all dead. [DRAFT TRANSCRIPT ONLY]

The eighth page here shows a map of the old-growth management areas in and around the community forest. It's the area shaded in brown. They make up almost a thousand hectares of the community forest, and that's about 7 percent of our land base. They're mostly mature or old green Douglas fir forests. Opening them to harvest would improve our timber supply. [DRAFT TRANSCRIPT ONLY]

The next page is winter range and habitat areas. You'll notice there's very little highlighted, because there are basically no winter ranges or habitats within the community forest, so access into them would make no difference to our timber supply. [DRAFT TRANSCRIPT ONLY]

The tenth page shows visual-quality areas within the community forest. You'll notice that approximately two-thirds, or 11,000 hectares, of the community forest is in visual-quality-objective areas. After the beetle harvest, with the large clearcuts that we're creating, the current VQOs will be more difficult to achieve. Reducing the VQOs will improve access to timber sooner. [DRAFT TRANSCRIPT ONLY]

I put a warning in there also. It's that I believe that most of the public concerns in the late 1980s that resulted in significant changes to forest legislation started because of what our operations looked like in B.C. in those days. [DRAFT TRANSCRIPT ONLY]

The 11th page shows areas that have been operated on in the community forest previously. The grey areas are all harvested. They're mostly clearcuts from earlier harvesting or from the current beetle harvest. This shows two-thirds of the community forest area centring around Logan Lake. [DRAFT TRANSCRIPT ONLY]

The 12th page focuses on the fire interface zone around Logan Lake, and it's based on an ortho photograph. It shows the harvest disturbance. Most of the harvest disturbance overlaid on this photo is selective Douglas fir harvesting from the 1970s and '80s, and many of the remaining non-harvested forests are partial or pure pine stands, and the pine is dead. [DRAFT TRANSCRIPT ONLY]

Sorry I'm going through this so quick. Certainly, stop me if you have any questions. I'll be getting to sort of the jelly in the doughnut here soon. [DRAFT TRANSCRIPT ONLY]

This 13th page shows the ecosystem mapping that the community forest corporation has done on our land base. As you would have known from the background information, the combination of ecosystem mapping and better forest inventory information, hopefully, will provide better timber supply information for the future. [DRAFT TRANSCRIPT ONLY]

We've carried out the ecosystem analysis at our own cost. We plan to do forest inventory work this year in conjunction with government, but it will be at our cost. We're investing our own dollars in that. [DRAFT TRANSCRIPT ONLY]

The 14th page. I'm going back to written stuff, but this is important stuff here. The community forest corp invests in our forest's future by voluntarily adopting faster reforestation requirements from the legislated seven years, down to three years. We're cutting four years off the top of our reforestation period. [DRAFT TRANSCRIPT ONLY]

The community forest has space — approximately 160 hectares of Douglas fir stands in the last year. That's about 1 percent of our land base, and that's a significant area. We've also maximized fibre utilization from our forests. [DRAFT TRANSCRIPT ONLY]

We're currently working with Aspen Planers of Merritt as our forest operator. We've encouraged them to maximize the use of all fibre off of our cutblocks. By doing this, we maximize the amount of fibre being moved out.

[DRAFT TRANSCRIPT ONLY]

[0915]

We're improving the economic spinoffs to the region, and we're reducing the amount of burning in the community forest, which is important to our community. I also believe that by continuing this practice, the community forest will clear more damaged forests over time. By replanting these areas, we're going to improve our timber supply. [DRAFT TRANSCRIPT ONLY]

The 15th page here — what I have done is just copy right out of the discussion paper for this special committee the five main government-identified options for dealing with the mid-term timber supply. So I won't read those out. But what I'd like to point out is that our community forest has adopted most of these options to mitigate our mid-term timber supply. [DRAFT TRANSCRIPT ONLY]

I'm encouraging you to follow through with these options for other areas of Crown forest, and I'd like to highlight that the foresight of our community forest management strategies is going to result in better timber supply for us in the future. I think that's a really important point here — that this is something that Logan Lake community forest is already doing. [DRAFT TRANSCRIPT ONLY]

Other government objectives met by our community forest are community safety and sustainability. We have economic opportunities and diversification in rural B.C. We're meeting that better. We have volume for a value-added while supporting major industry. Most of our volume goes to Aspen Planers in Merritt here, and I believe that will still happen over time. [DRAFT TRANSCRIPT ONLY]

We have improved community and business relations with First Nations, and those will just get better over time, because with the community forest, we have opportunities to share. [DRAFT TRANSCRIPT ONLY]

So that's good stuff, but there's always a "but." Page 18 — the economics of our community forest. The district of Logan Lake made a five-year loan to the community forest of \$100,000 for startup funds. The corporation was able to pay back that loan one year early, which was last fall, so that was good news. [DRAFT TRANSCRIPT ONLY]

The first five years' harvest volume was contracted to Aspen Planers, for which they did the operational planning, harvesting and the reforestation. Aspen utilized virtually all of the harvest volume, and they're still using it. This has met our short-term financial needs, but we are considering a different business model to increase benefits back directly to Logan Lake for local employment and revenue. [DRAFT TRANSCRIPT ONLY]

Logan Lake was initially offered a harvest level of 20,000 cubic metres. While this met our needs for managing our fire interface zone and has generated a modest profit recently, we recognize that to sustain full-time employment for operational staff and enough volume to sustain loggers, we require a higher annual harvest volume. [DRAFT TRANSCRIPT ONLY]

We've identified an additional 30,000-cubic-metre need to the B.C. Community Forest Association. I understand that they presented those expansion numbers to this committee earlier. If they haven't, they will be presenting them at a future date. [DRAFT TRANSCRIPT ONLY]

Page 19 — these are my recommendations. One is to follow through with your identified mitigation options and to rely on B.C.'s natural resource professionals to correctly implement the changes to management to achieve timber supply. Instead of having timber supply as a product of a planning process, set a timber supply target and allow B.C.'s forest natural resource managers to shoot for that target while meeting other resource needs. [DRAFT TRANSCRIPT ONLY]

The second one is to increase funding towards timber analysis and

inventory, like Logan Lake is doing. The gains are real, and they may be available right now, today. [DRAFT TRANSCRIPT ONLY]

Finally, expand community forests, particularly Logan Lake, for economic sustainability reasons and to support more communities in rural B.C. Use the newly identified volumes, through analysis and the work of the professionals, to expand current community forests to sizes that are sustainable. New community forests provide the volume out to communities that currently haven't been invited to apply. [DRAFT TRANSCRIPT ONLY]

[0920]

On the last page, I just wanted to make a few statements that involve where Logan Lake comes from and where we're going. Logan Lake is historically a mining community. We can't get away from that. That's what we are. The 1980s taught Logan Lake a lesson about the need for economic diversity when that one mine shut down. The early 2000s taught Logan Lake the need for good fire interface planning. Finally, Logan Lake is known for meeting challenges and not just surviving but thriving through them. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you. We've got a number of questions. [DRAFT TRANSCRIPT ONLY]

E. Foster: Thank you very much, Don. Before I ask my question, I want to let you know that as a former mayor of a small, forest-dependent community, I initiated the process of getting a community forest. It's just about there now. So I'm a big fan. [DRAFT TRANSCRIPT ONLY]

Having said that, in most areas we're looking at a reduction in AACs over the next while below the uplift. And if the chief forester were to award additional volumes to community forests, where would you suggest that volume come from? [DRAFT TRANSCRIPT ONLY]

D. Brown: The volume would have to be associated with land base, of course, because we are an area-based tenure. The B.C. Community Forest Association is currently working with government to try and identify areas of land base that would make sense for putting into community forestry. [DRAFT TRANSCRIPT ONLY]

But I believe that with the inception of this special committee and how you're looking at mid-term timber supply, this is a watershed point for forest regulation and legislation in British Columbia — again, much the same as the late '80s and early '90s. I think that this is a time when we can ask our government to rebalance the distribution of volume. [DRAFT TRANSCRIPT ONLY]

In consideration of the amalgamation of most of the Crown forest to three or four companies around B.C., I think that it would be a welcome thing in British Columbia to take some of that volume and redistribute it back to communities for local forest interests. [DRAFT TRANSCRIPT ONLY]

As I said before, in Logan Lake's situation, we're not holding back volume from the major licensees. As I see it, we're no threat to them. What we are is we're enhancing forest management, and we're getting better public buy-in from our communities. [DRAFT TRANSCRIPT ONLY]

B. Routley: It's an interesting point that you just made about rebalancing the distribution of forest land. That certainly would run counter to some of the industry, which would like to see conversion to area-based tenures, for example. Are you suggesting that that be done over time, looking at...? [DRAFT TRANSCRIPT ONLY]

I heard the industry talk about some kind of gentlemen's agreement — I didn't have the time to mine that one a little bit more to find out what they meant by a gentlemen's agreement — about renewing volume-based agreement. But I

gather that there are some people who feel an obligation to renew some of those.

[DRAFT TRANSCRIPT ONLY]

Are you basically suggesting that that's one of the things we should focus on — looking at when those conversion dates come, starting to move more and more land into community control? [DRAFT TRANSCRIPT ONLY]

D. Brown: Yeah. And when we talk about the types of volumes that I'm looking at for community forestry and Logan Lake's area specifically, we'd like to grow the program provincially from about a current volume of 1.3 million cubic metres of annual harvest up to about three million cubic metres. That would satisfy what our association has identified for the current needs of new community forests as well as expansion of current ones to make them more sustainable. [DRAFT TRANSCRIPT ONLY]

I'd also like to address that I'm not against increasing the amount of area-based forest tenures on the land base. I actually encourage it. I just ask for the consideration of more volume to be put against community forests. [DRAFT TRANSCRIPT ONLY]

B. Routley: In terms of getting the trees in the ground earlier, we heard from private land owners and other tenure holders that one of the benefits that they've achieved is that by getting the trees in the ground sooner or immediately, as soon as they can, they obviously have achieved greater AAC improvements and that kind of thing. [DRAFT TRANSCRIPT ONLY]

[0925]

Should the province be looking at best practices from some of the stakeholders in the province? They're obviously doing a better job than the government is currently doing. We could obviously learn from some of these other stakeholders on how to improve our forest practices for the benefit.... [DRAFT TRANSCRIPT ONLY]

Really, as government, isn't there an obligation to look at best practices so that we're ensuring that we're doing the best we can do to improve our forests? Would you suggest that our focus be on forest health? Or what should be the overall focus? If we had a vision for British Columbia's forests.... I'm really impressed at what you're doing, and obviously, you're very thoughtful about your approach with the community, etc. [DRAFT TRANSCRIPT ONLY]

Do you have an idea of an overall vision and what the number one goal for the province of British Columbia should be — like should it be forest health? [DRAFT TRANSCRIPT ONLY]

D. Brown: Absolutely. I might need to get you to refresh my memory on three or four aspects of this question. But to start off, I'd like to talk about the reforestation period. Logan Lake, through our management agreement with Aspen Planers, is currently reforesting our harvested sites an average of 1.5 years after harvest. That definitely will improve our timber supply in the future. [DRAFT TRANSCRIPT ONLY]

The trees on the site, also, will recover faster, providing better wildlife habitat. It will heal the visual changes quicker. So you're gaining many benefits from that strategy. [DRAFT TRANSCRIPT ONLY]

It is costing money, though, because right now out on the Crown forest.... I have a 30-year career in forestry, and about 28 of that is with a major licensee. I know that most reforestation is happening between four to seven years after harvest, before there is a satisfactory number of trees on site. The reason for that is there's no incentive for the licensees to be quicker on their reforestation. The reason for that is that they're most volume-based tenures. So any benefit for getting them reforested more quickly at a higher cost doesn't come back to the individual licensee, but it comes back to the Crown at the timber supply area level.

[DRAFT TRANSCRIPT ONLY]

If there was a shift towards area-based management, I feel you would see those best management practices happening through incentives — the same incentives that are making Logan Lake choose those management strategies. That's the reforestation side. [DRAFT TRANSCRIPT ONLY]

As far as what I'd recommend to government, I think government does currently have the opportunity to manage the Crown forest as one large area-based tenure. I feel that government often gets conflicted with the many push me, pull you types of issues on the land base, not the least of which is title and rights.

[DRAFT TRANSCRIPT ONLY]

I don't profess to say that there's one management strategy that will fit all, but I'd like to say that going to area-based tenure across the province, not just in the eight TSAs that are currently targeted with this special committee, would improve timber supply. [DRAFT TRANSCRIPT ONLY]

Finally on that, I would say resource professionals would welcome the opportunity to meet a timber supply objective and report on the impact of other values as a result of their management. [DRAFT TRANSCRIPT ONLY]

Was there any part of the question that I've missed there? [DRAFT TRANSCRIPT ONLY]

B. Routley: Yeah. Maybe a better way would be to rephrase it. Are we managing the forests in British Columbia to ensure the maximum forest health? [DRAFT TRANSCRIPT ONLY]

D. Brown: No. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): That's good. We've got three more questions, and I hope they can be that short on both sides. [DRAFT TRANSCRIPT ONLY]

D. Barnett: Thank you, Don, for your presentation. I have followed your community's forest licence for a long, long time, and you certainly have done a great job. [DRAFT TRANSCRIPT ONLY]

One of the questions that I have is around the AACs. Of course, a community forest is an area-based tenure, and it seems to me that your community has proven that this should be the way of the future. But of course, there are many reasons why it can't happen, as you know. [DRAFT TRANSCRIPT ONLY] [0930]

One of our objectives here in this committee is to find more timber. You talked about OGMAs, and you talked about viewscapes. Do you really believe that these viewscapes and OGMAs could be a place for us to find some more timber? [DRAFT TRANSCRIPT ONLY]

D. Brown: In viewscapes in particular, I believe that the concept of meeting the spirit and intent of the visual objective would release timber versus a hardline, almost a legislative requirement to reserve certain areas to meet a percentage change on a hillside. I believe that we have the technology to do that type of work now. [DRAFT TRANSCRIPT ONLY]

As I said, even though it doesn't affect so much the productivity of the land, I see visuals as one of the heaviest social contracts we've got with our public — to ensure our operations look good. [DRAFT TRANSCRIPT ONLY]

H. Bains: Thank you, Don. Thank you for the presentation. I was quite encouraged by the confidence and the pride that you feel in the work that you do. [DRAFT TRANSCRIPT ONLY]

On your proposal here are recommendations to expand community forests. My questions are short and easy just on that area. [DRAFT TRANSCRIPT ONLY]

One is that you're talking about expanding them for economic

sustainability. First of all, I'm trying to understand how your community forest works. How many FTEs does your community forest support? The second one is: what are the net economic benefits for the community coming out of the community forest? If you could put a dollar amount on it, if you're in a position to do that. [DRAFT TRANSCRIPT ONLY]

The third one: when you talk about expanding community forests, what are you talking about? Is there a number that you think is what you'd call sustainable as far as maintaining good jobs and providing you with the economic benefit that you actually need? As you say, you incur costs, and then you're trying to get some benefits out of it. [DRAFT TRANSCRIPT ONLY]

D. Brown: That's right. Thanks for bringing that up, Harry. I'll actually answer the first and third questions together, because they do relate. [DRAFT TRANSCRIPT ONLY]

The expansion I'm requesting for the Logan Lake Community Forest Corp. is around economic sustainability but also to provide more full-time jobs within our community. Currently the community forest does provide employment, the lion's share which is absorbed into Aspen Planers operation — which I'm not suggesting is a bad thing, but the concept of the community forest.... Our intent is to try and have as many benefits delivered locally to our community as possible. [DRAFT TRANSCRIPT ONLY]

Increasing the volume will increase the economic sustainability of our community forest corporation, in order to improve our employment opportunities for folks like me and other management and operations staff, and secondly, have more revenue to share around with local contractors. That's money that stays in our community. [DRAFT TRANSCRIPT ONLY]

The middle question — could you please just remind me? [DRAFT TRANSCRIPT ONLY]

H. Bains: I was just looking for some numbers, if you have them, on the total jobs it creates. Although it's through Aspen Planers, they have a certain number of employees employed there. Those are local people — right? — hopefully. If not, at least you could use that. [DRAFT TRANSCRIPT ONLY]

The middle question was economic benefit to your community arising out of the community forest — if you have a dollar value to it. I would say net. [DRAFT TRANSCRIPT ONLY]

D. Brown: The employment right now is about three-quarters of one full-time job. That's mostly myself and a part-time clerk. Certainly, we want to improve on that. [DRAFT TRANSCRIPT ONLY]

The second one in dollars. I can't give you an exact financial statement as the corporation belongs to the district of Logan Lake, and it's not my place to release that number. [DRAFT TRANSCRIPT ONLY]

We are making a modest profit these days, but running a forest operation we need funds in place to backstop in case our reforestation strategies start to fall apart or if we need to make other investments in the land base itself in order to ensure a good future. So we're just working towards basically insuring ourselves. [DRAFT TRANSCRIPT ONLY]

[0935]

J. Rustad (Chair): Don, thank you very much for your presentation. [DRAFT TRANSCRIPT ONLY]

Our next presenter is Chris O'Connor. Over to you, Chris. [DRAFT TRANSCRIPT ONLY]

C. O'Connor: Thanks for having me. I'm Chris O'Connor. I was the mayor

of Lytton for nine years, on council for 16. At the same time I was the woodlands manager for Lytton Lumber in Lytton, a family-owned independent company, up until 2007, when we went bankrupt. We got knocked out in the first phase of the market downturn — just not deep enough pockets. [DRAFT TRANSCRIPT ONLY]

I bring two perspectives. One is as the mayor of Lytton, and one is as a professional forester who practised in a small company and literally did everything from layout to cruising to log buying. I did it all. It was a union operation. It was IWA 3567. I think that was the local. I actually was a local member for seven years at Fraser Mills when I was a student. [DRAFT TRANSCRIPT ONLY]

My entire career has come from the forest industry. So there is some passion in what I deliver. This will be a non-partisan presentation in the sense that you're both going to get whacked. You're both going to get whacked as representatives of governments that don't care about rural communities. [DRAFT TRANSCRIPT ONLY]

I'm a card-carrying B.C. Liberal. I will seek the nomination for Fraser-Nicola in the next election. But this is going to both parties. The paper that I wrote came about because I felt that I was abandoning the industry, and I felt bad. I was hitting different directions. What I realized was: I wasn't abandoning the industry. Government was abandoning me. Industry was abandoning me and all of the communities in rural British Columbia. [DRAFT TRANSCRIPT ONLY]

That prompted me to sit down and write the paper, which I think you've all got a copy of, and I think most have seen well in advance of this because I gave it to John Rustad three weeks ago. It's called *Elements of a New Forest Policy*. [DRAFT TRANSCRIPT ONLY]

I sat down one Saturday morning and in seven hours wrote it — first draft — looked at it and said: "It's beautiful." Then I said: "I've got to share this." I got about 15 forest people, people like Peter Pearse; Corky Evans; Mark Haddock, who's an environmental lawyer; Gerry Burch; Gord Rattray, who used to be with the CLMA. We've had a number of meetings. We've been circulating it. While we haven't reached an entire consensus, we believe that this is the vision to go forward. [DRAFT TRANSCRIPT ONLY]

I'm going to make the presentation on the paper first, as a forester, and then I'm going to put my hat on and give you my perspective as a mayor. As I say, we're offering this to both parties. My hope is that you will take this, do what government does, and hopefully come to a consensus and remove forestry as an issue before the next election, because if you don't, we'll make it one. [DRAFT TRANSCRIPT ONLY]

I'll quickly go through the paper. You've got the full paper, and you've got an executive summary. Our basic thesis is that harvest levels are projected to decline significantly in the core areas of mountain pine beetle-impacted areas. Policy-makers are looking for solutions to mitigate mid-term timber supply impacts and to continue to provide the benefits that the forest industry provided in the past. [DRAFT TRANSCRIPT ONLY]

The coastal industry is struggling. It's been under significant contraction since the market decline in the Japanese hemlock lumber market and has struggled to reinvent itself other than through exporting of raw logs to various overseas markets. [DRAFT TRANSCRIPT ONLY]

Our rural communities and First Nations are frustrated by a lack of connection with the local forestry activities and the consolidation of both manufacturing facilities and harvesting rights. First Nations are looking to garner more control, decision-making and financial contribution from the core parts of their traditional territories. [DRAFT TRANSCRIPT ONLY]

The forest industry has experienced the most unprecedented market decline in modern history, and this threat is starting to solidify its financial position.

Foresters, political decision-makers and past history clearly illustrates that an area-based tenure regime results in the highest level of forest stewardship and inherent management. [DRAFT TRANSCRIPT ONLY] [0940]

Forest companies are looking for a level playing field and the level of security to provide the incentive to reinvest in manufacturing facilities. The softwood lumber dispute will continue to dictate the timber-pricing regime and will continue to reflect open market, competitive process — for the most part, mimic the regime in the U.S. of private and public land ownership. [DRAFT TRANSCRIPT ONLY]

That's our basic thesis. Now I want to tell you who wrote this. He's making a presentation for the fourth time. It's Brad Bennett. I think you've heard from him three times previously. He's also in our group. [DRAFT TRANSCRIPT ONLY]

Our vision for the future is a fundamental respect for fairly negotiated and consented land use plans with appropriate modifications that reflect changing circumstances and natural processes. A deliberate move to an area-based tenure model that provides the fundamental security necessary to incent investment. A medium-term strategy that sees a transition of the tenure control under an area-based model to a larger proportion of non-manufacturing owners, with a focus on communities and First Nations. [DRAFT TRANSCRIPT ONLY]

Decisive movement to resolving outstanding First Nations through allocation of significant area-based tenures over the core areas of specific traditional territories. A move to an estate-based stumpage regime, where compensation of land is utilized on an annualized market value of holding area-based tenure rates. In the case of First Nations ownership deferral of tenure holding fees would be negotiated as part of a progressive treaty resolution process. Area-based tenures to conform to landscape unit boundaries — of groups that are landscape boundaries — to better manage timber production and biological processes in unison. [DRAFT TRANSCRIPT ONLY]

That's the essence of our vision. There's more detail here. I will tell you: this is just my document. I can't say that we have a total consensus on it, but we're really close, and we can tell you how to implement. All of these people have had rain in their lunchkit and dirt on their boots. Not one single one hasn't that is in the group that I've got together. [DRAFT TRANSCRIPT ONLY]

Now I can either take questions or I'll go into the mayor's stint — your choice. [DRAFT TRANSCRIPT ONLY]

[B. Stewart in the chair.]

B. Stewart: Thanks, Chris. Well, if you're finished presenting, we'll open up the floor to questions. [DRAFT TRANSCRIPT ONLY]

C. O'Connor: I want to add.... There's another section on me being the mayor, Ben. [DRAFT TRANSCRIPT ONLY]

B. Stewart: All right. [DRAFT TRANSCRIPT ONLY]

C. O'Connor: I'm the mayor first, or do you want the questions first? [DRAFT TRANSCRIPT ONLY]

B. Stewart: No, give us the mayor's.... Yeah, finish the presentation, Chris. [DRAFT TRANSCRIPT ONLY]

C. O'Connor: Well, there are two separate and schizophrenic.... Since '92 or '93, whenever it was, there's been a continual assault on rural economies, first by the environmental wing of the NDP, with the forest practices code, and then the corporate agenda of the B.C. Liberals in 2002. It has been a direct attack on

rural economies and rural communities. [DRAFT TRANSCRIPT ONLY]

The consequence is the depopulation of rural communities. You can see it in the Stats Canada numbers. Anywhere there was a forest-dependent community is down. Lytton went from being 300 to 230. There is no way we can stop it because there are no opportunities. [DRAFT TRANSCRIPT ONLY]

I've spent a lot of time in Vancouver the last little while, just for business, and because of the government's stupid smoking regulations, I have to smoke outside the hotel. When I'm out there, I always.... I'm a pretty friendly guy. I engage people on the street. When I do it at 2:30 in the morning, it's a different group than it is at nine o'clock in the morning. [DRAFT TRANSCRIPT ONLY]

Vancouver does not have a homeless problem. I'll tell you that right now. Rural B.C. has a homeless problem, because all of our people are on the Downtown Eastside. They're on Burrard. They're on Granville. I did a survey myself. I said: "Where are you from?" "Well, I'm from Hobbema, Alberta," or "I'm from Williams Lake," or "I'm from Gitsegukla," or wherever. Fifteen people asked the question. One was from Vancouver. These are homeless, street people, whatever you want. [DRAFT TRANSCRIPT ONLY]

I saw a guy panhandling in front of a 7-Eleven on Burrard all night, so he'd get money for a shelter. What did he do when he wasn't panhandling? He was sweeping the street. So I paid him five bucks because he was doing a service for the city of Vancouver and for all of us. [DRAFT TRANSCRIPT ONLY]

[0945]

By the end of the night I was \$50 lighter. Not only that, I made a really good deal the other night when a guy said: "Do you want to buy a \$25 Keg card? They won't even let people like me in." I paid five bucks for it. They have a different economy. And this guy was from Williams Lake. His father was a rancher. [DRAFT TRANSCRIPT ONLY]

We've got to get the rural economies back and get those people back to Lytton, to Lillooet, to Prince George, to Burns Lake — all those places that all you MLAs represent. We can do it with the forest policy that we're suggesting, because it takes the control out of the hands of corporate and puts it back in the hands of local people, and it makes sense. [DRAFT TRANSCRIPT ONLY]

If the B.C. government wasn't so technically incapable, I would have given you a really good visual on the next piece. From being a mayor for nine years, it's in-your-face politics, like none of you MLAs even experience it. Well, Donna would have, but she's probably forgotten. It's walking down the street every day, and people want to know what's going on, why this, why that, and you have to answer their questions. It's unavoidable. You can't not answer a letter. [DRAFT TRANSCRIPT ONLY]

What you also realize is that the communities work really well. People with different political perspectives — they talk. They meet. They negotiate solutions. They negotiate down the street: who's going to walk to the left and who's going to walk to the right. They're not crashing into each other. There are literally thousands, millions of negotiated agreements made every day, from who's going to walk where to neighbour disputes. You know how you don't like what your neighbour does across the fence, but you settle it with a barbeque and a beer. [DRAFT TRANSCRIPT ONLY]

Government sets the rules, zoning, everything else. It's a complex, complex — way more complex than land use — set of private property and public property rights. You know, I can't build my house inside a setback because the government says I can't affect my neighbour for fire or whatever. Just because you own a piece of land doesn't mean you actually own it. You only own the right to piss on it, if somebody doesn't see you and you don't offend them, that's it. [DRAFT TRANSCRIPT ONLY]

Other than that, you pay taxes on it. It's a complex set of private and public

property rights. There are not many disputes. I mean, in nine years as mayor I think I settled one dispute. It was a funny story that someday I'll write in my book. But they don't occur, and when they do, we have a police force that fixes it and a justice system that doesn't fix it. [DRAFT TRANSCRIPT ONLY]

Think about that level of organization. We organize ourselves in these communities that work pretty well. They've been organizing this for 10,000 years, since people went from being hunter-gatherers to living in a city, in agrarian communities. You know, there's been the odd dispute. [DRAFT TRANSCRIPT ONLY]

Think of Manhattan, eight million people in an area larger than one of these forest estates. And despite the fact that we hear that crime is up or crime is down, go to Manhattan and see how amazingly it works in the gazillions of negotiations that happen every day. It just happened because people negotiate, one to one. [DRAFT TRANSCRIPT ONLY]

B. Stewart: I'm going to have to.... [DRAFT TRANSCRIPT ONLY]

C. O'Connor: Okay, I'm going to take just take you to the next level then. [DRAFT TRANSCRIPT ONLY]

Then we go up one zoom level, to land use and landscapes.... Just let me.... This is a finishing point. [DRAFT TRANSCRIPT ONLY]

B. Stewart: No. Well, you know what? We give each speaker an equal amount of time, and we've.... [DRAFT TRANSCRIPT ONLY]

C. O'Connor: Well I'm schizophrenic. I take.... Just two more minutes. [DRAFT TRANSCRIPT ONLY]

B. Stewart: You know what? If I did that, then we'd end up at the end of the day with the number of speakers late and not be able to move on to Kamloops. So Chris, I'm going to cut you off at this point. I appreciate the written materials that have been extensively done and your comments about that. [DRAFT TRANSCRIPT ONLY] [0950]

The focus of the committee is on looking at the mid-term timber supply in forest-dependent communities. Unfortunately, that's all the time that we have on that. [DRAFT TRANSCRIPT ONLY]

C. O'Connor: So are there questions? [DRAFT TRANSCRIPT ONLY]

B. Stewart: I can let one question go. [DRAFT TRANSCRIPT ONLY]

B. Routley: Thank you. This is the second time in a week I've heard a confessed Liberal talking about social policy. It's really intriguing to me to hear that your mid-term strategy would see a transition of tenure control, basically, with a focus to communities and First Nations. [DRAFT TRANSCRIPT ONLY]

I just wondered how much success you're having in pushing that forward. I certainly join with you in hearing all over B.C.... I've heard from community, and mayor after mayor, about the fact that they feel like the control of their own forest land base is completely gone, and they have no say — right? [DRAFT TRANSCRIPT ONLY]

C. O'Connor: You're absolutely right. But the fact of the matter is that none of the governments.... The NDP, as much as you pretended in the '90s to care.... Frankly, the social policy piece was missed, too, because you never asked communities. [DRAFT TRANSCRIPT ONLY]

The value-added program was an attempt, but it was buggered up. It could never have worked. It was destined to fail from the time you implemented it. [DRAFT TRANSCRIPT ONLY]

This is not about.... Let the people that are trained to manage the forests manage it, and let the manufacturers manufacture, and let the market mediate in between. The free market works. It works every day in a grocery store with many, many more SKUs than we have. Just let it work, and get government out of the way. This is my point. [DRAFT TRANSCRIPT ONLY]

When we go up to the next level — land use and landscapes — why does government have to get in the way? Let the people negotiate their own solutions. Government sets the objectives, and let the people negotiate the solutions. Get government clear out of the way. [DRAFT TRANSCRIPT ONLY]

You guys just collect the money, like you always do. [DRAFT TRANSCRIPT ONLY]

[J. Rustad in the chair.]

J. Rustad (Chair): Chris, thank you very much for your presentation today. [DRAFT TRANSCRIPT ONLY]

Our next presenter is Alan Burger. [DRAFT TRANSCRIPT ONLY]

A. Burger: Thanks very much for this opportunity. [DRAFT TRANSCRIPT ONLY]

I'm Alan Burger. I'm a wildlife consultant and an adjunct associate professor in biology at the University of Victoria. I've taught ecology and wildlife biology at three Canadian universities for over 30 years. I've done research on forest ecosystems in B.C. for 25 years, mostly related to the marbled murrelet on the coast. In that context I've worked with the Ministry of Forests and the Ministry of Environment, and I still do. [DRAFT TRANSCRIPT ONLY]

Just to give a bit of background, most of my work has been in identifying and mapping forest habitats, developing protocols for inventory and management of wildlife in forest ecosystems, giving inputs into land use management plans and the follow-up initiatives in all regions of B.C., and working to establish old-growth management areas and wildlife habitat areas in forested landscapes. [DRAFT TRANSCRIPT ONLY]

I've lived in Merritt for the last six years. I'm the president of the Nicola Naturalist Society, based here in Merritt, and I'm a member of the Nicola-Thompson-Fraser Public Advisory Group on forest stewardship and certification. [DRAFT TRANSCRIPT ONLY]

My concerns and suggestions to the committee. I can give you a written copy of my presentation. [DRAFT TRANSCRIPT ONLY]

The first point is that I'm amazed at the narrow focus of this committee. My first suggestion is to broaden the mandate of your committee. The current focus is to increase mid-term timber supply, and some of the proposals that are listed under this focus are extremely damaging in the long term. [DRAFT TRANSCRIPT ONLY]

There's no mention in the discussion paper, in none of your literature and on your website.... There's not a single mention of increasing value-added component of timber extraction. It just seems like you're perpetuating a failed system. Just trying to focus entirely on increasing timber supply is such a narrow focus that I think you're doomed to failure in the long term. [DRAFT TRANSCRIPT ONLY]

Increasing value-added is not a new idea. I want to bring to your attention this book by Michael M'Gonigle and Ben Parfitt, which no doubt some of you may be familiar with. [DRAFT TRANSCRIPT ONLY]

[0955]

This book came out in 1994. It's a practical guide to the new forest economy. It points out very practical ways in which B.C. forests can be managed in a much better way, instead of just perpetuating the sort of business-as-usual process that's going on at the moment. [DRAFT TRANSCRIPT ONLY]

Back in the 1990s they showed quite clearly that the value-added

component in manufacturing provides 4½ times the employment and economic benefit that straightforward sawmilling does. But what I've been hearing this morning and what your literature suggests is that you just want to try and perpetuate the business-as-usual model. I think it's just doomed for failure. [DRAFT TRANSCRIPT ONLY]

My concern is that diversification and increased value are not a priority, and we are being asked to degrade our forests for highly tenuous, short-term social and economic goals. In other words, my message to you is: "Don't try to perpetuate and try to increase timber supply. You should be focusing on seeking ways to do more with less wood." [DRAFT TRANSCRIPT ONLY]

Now, to move on to some more specific concerns, my main concern is the proposal — and it was listed as the first one on your list of possibilities — of harvesting in currently constrained areas. These constrained areas could be old-growth management areas, or OGMA's; wildlife habitat areas; riparian areas, along streams and waterways; ungulate winter range; and — who knows? — maybe even ecological reserves. [DRAFT TRANSCRIPT ONLY]

In my view, converting these areas to cutblocks would be extremely destructive and take us back to the bad old days of logging in B.C., which I experienced firsthand back in the 1980s and the early part of the 1990s. [DRAFT TRANSCRIPT ONLY]

Some things to consider. These constrained areas were established with specific purposes. They were not established to be reserves for timber some way down the road. The old-growth management areas were established to protect ecosystem elements and species that require mature forest. Wildlife habitat areas are established to protect identified species listed as threatened or near-threatened — the red and blue species — and ecosystems. [DRAFT TRANSCRIPT ONLY]

Riparian areas protect salmon and other fish habitats. Humans are part of the equation as well. Riparian buffers are sometimes essential to maintain water quality for human consumption. [DRAFT TRANSCRIPT ONLY]

These constrained areas have specific purposes, and providing emergency timber supply is not one of those. These constrained areas took thousands of people-days to identify, map and legislate. [DRAFT TRANSCRIPT ONLY]

My own experience on the coast with marbled murrelets, working with people in the Ministry of Forests and Ministry of Environment has shown me how difficult it is to establish these OGMA's and WHA's. It literally takes many, many weeks and months of hard work to establish these areas. It would be a huge loss of information, work and forward thinking to simply turn these into cutblocks for short-term gain. [DRAFT TRANSCRIPT ONLY]

The third point is that the social and economic gains would be very short-lived and relatively trivial. Here I want to refer you to a map of the old-growth management areas in the Merritt and Princeton area. It may be a little bit difficult for you to see from there, but these little purple areas are the old-growth management areas. I imagine that you'll be given access to a lot of this type of information in your deliberations. [DRAFT TRANSCRIPT ONLY]

The point is that if you look at this map, you can see they are relatively small areas here. If you start moving into these areas and cutting them, you're not really going to gain a whole lot of economic benefit. It may be local benefit for long-term real losses. [DRAFT TRANSCRIPT ONLY]

The other point is that these small areas are inadequate as it is to serve the purpose of old-growth management areas. In many cases some of these places have been burnt or have had blowdowns, and they still are retained as old-growth management areas, even though they don't contain any old growth. [DRAFT TRANSCRIPT ONLY]

Another point is that there's very little linkage between these old-growth

management areas, and this linkage is very important for wildlife and for the expansion of plants that live in these systems. [DRAFT TRANSCRIPT ONLY]

[1000]

The fourth point is that if you cut these old-growth management areas and other constrained areas, it's going to take hundreds of years — at least 100 years — for these areas to get back to where they are. There are two reasons for this. First of all, ecologically, most of these areas are old forest, which take at least 80 or 100 years to regrow back to the state that they are now. [DRAFT TRANSCRIPT ONLY]

The second reason is that politically, once you destroy the old-growth values, there is no real advantage to maintaining those areas and protecting them or re-establishing them as some sort of reserve areas. Once you destroy the old-growth values, you might as well just abandon them all together. [DRAFT TRANSCRIPT ONLY]

Now, perhaps most important, if you start moving into these constrained and ecologically valuable areas, you're going to start endangering sustainable forest management plans that most of the local timber companies work under. [DRAFT TRANSCRIPT ONLY]

Here I just want to address you to the sustainable forest management plan for the Nicola-Thompson-Fraser region. People have worked for years to produce a plan like this. I can't see how, when you start destroying constrained areas — whether it's riparian, old-growth management areas, wildlife habitat areas — the timber companies are going to meet their sustainable certification requirements that are covered in agreements like this. [DRAFT TRANSCRIPT ONLY]

In the Merritt area, the forest industry practitioners take pride in meeting the social and environmental standards which have become established for sustainable forestry. These are like the Canadian Standards Association, the CSA, or the forest stewardship program that other companies work with. [DRAFT TRANSCRIPT ONLY]

Cutting ecologically sensitive areas which are currently constrained is going to put that certification in jeopardy. The auditors that come at least once a year or two to look at the certification of each company pay a lot of attention to public input. Believe me, there is going to be a lot of negative input if you start allowing people to cut old-growth management areas and other places like that. [DRAFT TRANSCRIPT ONLY]

In summary, my suggestions are two things. First of all, change your focus. Give priority to finding ways to do more with less wood, and don't just focus entirely on increasing the timber supply. In other words, don't perpetuate a failing forestry system. The second point is: leave the constrained areas out of the equation. They're there for a reason. They're not going to provide you with very much economic or social benefit, and it's going to take at least a hundred years for them to become re-established. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you very much, Alan. [DRAFT TRANSCRIPT ONLY]
Questions from members. [DRAFT TRANSCRIPT ONLY]

E. Foster: First off, to the constrained areas. I guess in fairness to the people who put that document together, it was never their intention, nor did they suggest, that we should be in those areas. What they were asked to do was identify timber, and they did. [DRAFT TRANSCRIPT ONLY]

A. Burger: Can I respond to that? [DRAFT TRANSCRIPT ONLY]

E. Foster: No. Wait until I'm finished. [DRAFT TRANSCRIPT ONLY]

Almost without exception, we have heard from the major licensees, the communities, the environmental groups, that no one supports going into these areas in any whole-scale way, and for the most part, in no way. So I would

suggest that that has been the message we've received in every community. [DRAFT TRANSCRIPT ONLY]

Really, the lead has come from the major licensees. They do not want to get involved in that. They feel, as you said, that it would.... I mean, it's the wrong thing to do. The foresters don't support it, and from a world marketing point of view, it would be a disaster. So to let you know, that is the message we've received in every single community for all the reasons you just gave. [DRAFT TRANSCRIPT ONLY]

A. Burger: Okay. Happy to hear that, but it's disconcerting that that was the first item on the list of options that were considered by your committee. [DRAFT TRANSCRIPT ONLY]

E. Foster: There was no particular order to the options that were put in there. The people who put that document together were asked to identify any possible chances for increased timber, and they did. [DRAFT TRANSCRIPT ONLY]

A. Burger: Well, I just hope the message is coming through very strongly that you should stay out of those areas. [DRAFT TRANSCRIPT ONLY]

E. Foster: I would say that that message is probably the strongest message we've received. [DRAFT TRANSCRIPT ONLY]

[1005]

H. Bains: Thank you, Alan. Two points that you made. The first one is the narrow focus of the committee. I just want to let you know that the opposition side did raise that issue initially, when the committee was being formed. That's not a political statement; it is a fact. We wrote a letter that we should have a broader mandate. But, you know, it is what it is, and we have to deal with it and work within that mandate. [DRAFT TRANSCRIPT ONLY]

The second point is the area of a value-added component being missing. Even within the mandate, I personally believe that we can still deal with that issue, come up with some recommendations. Many people spoke about it. I think that's one of the themes that has been developed, as MLA Eric has said. [DRAFT TRANSCRIPT ONLY]

One is: don't go into those constrained areas. The other one is: do more with less. What we see going forward in the next ten, 20 years, is that we will have a reduced timber supply, and we need to do more with what we have. And one way of doing that is to have a value-added industry thriving in this province and somehow to find some incentive, disincentive — whatever it takes — to utilize that wood here in B.C. in the value-added industry. That's the part I think we could still put in the report. I personally believe that there's enough room in the mandate that we can touch on that. [DRAFT TRANSCRIPT ONLY]

Do you believe that that area needs to be in that report? [DRAFT TRANSCRIPT ONLY]

A. Burger: Oh, absolutely. Yeah. I mean, how could you justify increasing timber supply and cutting in areas that are being constrained or are marginal timber when all you're going to do is turn that into a 2-by-4 and ship it off to China? How can you justify that? It just seems ludicrous to me. [DRAFT TRANSCRIPT ONLY]

B. Stewart: I just want to bring up the point that you talked about — you know, doing more with less. I guess in the context — and I'm glad to see that it's raised by my colleague here — this is not unusual in government. We're faced every day with those challenges. Whether it's health care or education, we're faced with the reality that the taxpayers and the economy have limits. [DRAFT TRANSCRIPT

ONLY]

One of the things that we're here to actually try to understand is the limits constrained on the forest industry. It's fine to talk about the fact that the future would be brighter if we had all of these value-added suggestions. But the reality is.... I'm sure in your day when the pine beetle epidemic started out, we all kind of wondered what that was. We knew it was going to be different. [DRAFT TRANSCRIPT ONLY]

We're here kind of towards the end of that, and we're trying to look through a lens where government has poured hundreds of millions of dollars into trying to expand the opportunities for these rural communities. Contrary.... I mean, pouring resources into businesses is not the government's job. The reality is that we're there to try to create an atmosphere and an opportunity for those things to create. [DRAFT TRANSCRIPT ONLY]

Rather than be critical of the narrowness or the scope of it, I think the suggestions or the power of what these committees have to offer is: what value-added opportunities are there that government can create, without having to take taxpayer dollars in these tough times, and be able to put it directly into the hands of people that have an idea? How do we action that? [DRAFT TRANSCRIPT ONLY]

A. Burger: Well, my response to that is that in the 25 years that I've lived in British Columbia I've seen almost nothing in the way of incentive programs to increase value-added. I don't see tax breaks. I don't see development programs. I don't see training programs. There are a hundred things that any forest economist could tell you tomorrow — just read this book, for goodness sake — by which you could change value-added. [DRAFT TRANSCRIPT ONLY]

Why are we shipping logs to other countries? There's no logic to that at all. It's just short-term economic gain for long-term social and ecological loss. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you. We're out of time, but I've got one last quick question for you. You talked about old-growth management areas and the values of those old-growth management areas. I'm just wondering if you can tell me: what are the values in an old-growth management area when the trees are dead? [DRAFT TRANSCRIPT ONLY]

A. Burger: Very little. But it is a natural system, so in the natural regeneration that happens, some of those dead trees will still retain wildlife values. Woodpeckers use them. A lot of other species use the woodpecker holes for nesting. You just have to walk around in the grasslands here to realize that little tiny patches of forest are incredibly important. I'm an ornithologist. You'll see all the wildlife concentrated in these areas. So even if they're dead, they do retain some natural values. [DRAFT TRANSCRIPT ONLY]

[1010]

Then the other point is that beetle outbreaks are a natural part of the ecosystem. They've been happening for thousands of years. The regeneration that happens is a natural process. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Alan, thank you very much for your presentation today. [DRAFT TRANSCRIPT ONLY]

Our next presenter is Lee Granberg. Welcome, Lee. Over to you. [DRAFT TRANSCRIPT ONLY]

L. Granberg: Good morning. I'm Lee Granberg. You probably remember me from last week. Due to a lack of time, I'm going to get right at it. Thank you once again for the opportunity to address the Timber Supply Committee. [DRAFT TRANSCRIPT ONLY]

I would like to start by saying that I will not be reviewing last week's

submission for public consultation, but it is included in my written submission. I do have an addition to last week. This part is less focused on the negative implications of short timber supply and instead is looking toward what we still have, and with that, I offer suggestions. [DRAFT TRANSCRIPT ONLY]

I would like to express my position regarding fibre removal. I'm for logging, not against logging. I mean responsible logging with a light footprint and high labour. I would like to bring forward the point that we are facing our own austerity measures. We must figure this thing out before the environment and the lack of fibre supply make the choice for us. [DRAFT TRANSCRIPT ONLY]

The paramount change, I believe, in the forest industry required to take place before anything else can happen is in the way we think. Now, the way industry thinks is they're always looking ahead, and they're planning their future. They make the future happen. They think proactively. How do environmentalists into forestry think? They're always thinking about facts, after the fact. Their thinking is reactive, not proactive. [DRAFT TRANSCRIPT ONLY]

We need to change the way the governing protectionist bodies to our forests are thinking to proactive, the way that industry thinks. They need to be given the power and the mandate to act and to think of the added resource left behind after the initial fibre removal. We need to predict the outcome of our actions and be accountable. In other words, we need to put the proactive approach ahead of industry by doing the right thing, acting the right way and planning our future. We need to leave something behind to build a future for the next generation. [DRAFT TRANSCRIPT ONLY]

In modern-day logging methods, fibre transfer and storage have excited our bug problem and may be the primary reason that this has occurred. The Americans are right: we have been subsidizing our timber. [DRAFT TRANSCRIPT ONLY]

Where do we go from here? I would suggest higher labour for direct community impact, different values for nature regarding fibre harvest, a much-needed different approach regarding environmental concerns, a different approach for delivering fibre to its users — you know, ground disturbance, roads, etc. Leave behind a higher degree of use after fibre removal — a total use of fibre: bark, limbs, needles, sap, stumps. And we may be looking at a tax shift, provincial and federal. [DRAFT TRANSCRIPT ONLY]

Consideration. I would like to put labour back into harvest, with a high degree of safety. Breakdown units must be reduced in size. Remodel after use, not volume. More of the smaller ones in locations. I use the example in 100 Mile House, and I know that I've got my figures right. In 100 Mile House in the '50s we had about 44 sawmills, and we had about four foresters. But today it's kind of in reverse. I'm not really sure of those numbers — if we've got 44 foresters or not. But I know it must be pretty close to that. [DRAFT TRANSCRIPT ONLY]

Stumpage. I would like to point out that our reliance on stumpage will fail us on every count under today's direction. An idea that has been surfacing is wealth distribution. My idea is that in native families, Indian bands will find a resource value from a smaller portion of carefully controlled areas. We should move forward the family unit, producing taxes for our social structure. We need to look at a completely new availability and access. This may even include an age-based population shift. [DRAFT TRANSCRIPT ONLY]

[1015]

The cut-and-flash approach today is for profit. It's based on the economy of scale, rather than the economy of recovery. The downside to this: a lower tax base for municipalities, conflict of area users, a complete reorganization of the Forest Service that will be required to lower costs and place accountability and the costs of transition while we move away from our present forest values. If we choose a tax shift, we would lose stumpage value for general revenue in the short term.

[DRAFT TRANSCRIPT ONLY]

In consideration of timber harvest, I suggest less direct impact with all eco or environment issues in mind, considering primary wood harvest, less footprint and higher labour, including all sectors of fibre removal. Each harvest area must be identified by special interests. This would include native bands, municipal interests, private water protection, irrigation, tourism, trackers, etc. [DRAFT TRANSCRIPT ONLY]

Let's look at present-day fibre breakdown and fibre harvest. Fibre harvest — low labour today, compared to the 1950s to the 1990s. Just about nobody working in the bush anymore. High environmental impact, water, wildlife, etc. Health costs in the future, operator-related — I hope somebody asks me a question about that. Pollution costs. Fossil fuel consumption. Slash burning. We've got to look at alternative fuels. We've got to do it a different way. [DRAFT TRANSCRIPT ONLY]

Breakdown facilities completely automated for labour reduction — who really benefits by this approach? Machinery makers, fuel companies, banks, breakdown facilities, insurance companies, government a little bit on stumpage fees, taxes on labour, fuel profit, etc. [DRAFT TRANSCRIPT ONLY]

Having said all of the above, the focus is on profit. Our focus should be on the family unit — not just for humans but the family unit for all living things. The family unit is the real resource that we have for all generations to come. [DRAFT TRANSCRIPT ONLY]

If you'll let me jump in here, I've got a little spiel about stumpage off script. Stumpage is the stock market, never reflecting the actual value on the day traded. Stumpage is a resource of speculation. Buy low, sell high. We sell our environment on the stock market. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Lee, thank you very much. [DRAFT TRANSCRIPT ONLY]

Questions from members? [DRAFT TRANSCRIPT ONLY]

B. Stewart: Thanks, Lee. Just your last comment about stumpage there. I'd be interested to know what your solutions would be. It's an interesting analogy. Being that you're probably more familiar with it than most of us on the panel — not all of us but most of us — could you give us some insight as to what changes you think should be considered? [DRAFT TRANSCRIPT ONLY]

L. Granberg: Well, when you look back in the '90s, I think our Forest Service pretty much gobbled up all the revenue that was actually put into the Forest Service — ran out of stumpage. Stumpage people speculate that, and that's where the real money is made — on the small business sales with all the people that were supposed to be in there, the small guys. But all the big guys got in there. It was racketeering. [DRAFT TRANSCRIPT ONLY]

Stumpage to me looks like it's a form of a tax, but I have to wonder. You know, you go back into, say, the early '70s — Lumby, for instance, Ohashi Bros. There was a lot of Ohashi Bros. around, big contractors. They had like 30 skidders. That meant 30 operators and 30 fallers, and that probably meant another 15 buckers and truck drivers. So that one company — and it was like seven of them — produced about 70 jobs — everybody buying into the community with disposable money that we had back in those days. [DRAFT TRANSCRIPT ONLY]

I have to wonder: if we didn't have stumpage and we just let the labour look after the stumpage, what feedback, really, would that give to us as a community? In other words, rerouting our stumpage into labour and spending it in the community. That is then when the government comes in, because the community spending money will generate the taxes that we need — not the stumpage. [DRAFT TRANSCRIPT ONLY]

I could go on, on that one, quite a while. [DRAFT TRANSCRIPT ONLY]

D. Barnett: Thank you for your presentation, Lee. I'm going to ask you the question that you wanted somebody to ask about: high health costs in the future. Could you explain what you mean there? [DRAFT TRANSCRIPT ONLY]

L. Granberg: Well, you know, we had the Burns Lake sawmill — an explosion there. Some people were killed — an absolutely devastating thing. [DRAFT TRANSCRIPT ONLY]

[1020]

Such as in the logging industry — you know, fallers are killed. It just wreaks havoc on the families, the community and everything else, and we can't have that. It's something that we've got to take out of the picture. [DRAFT TRANSCRIPT ONLY]

Let's look at today. You all know there that riding in an airplane is not good for you, sitting there very long — right? You shouldn't be sitting in front of your computers for very long, should you, because of blood clots in our legs — health. We're not getting exercise. [DRAFT TRANSCRIPT ONLY]

But the way industry has it right now is that they make the men — and these are really tough men; I really take my hat off to them — ride in their pickup for maybe two, 2½ hours, all the way to the bush. The hardest thing that that guy has to do is to get from his truck to his machine, holding his five-gallon pail of lunch. We make him sit in there for eight to 12 hours, and that's after he has got four hours of time. His belly is way out to here. [DRAFT TRANSCRIPT ONLY]

He's not healthy, because of industry. I'm suggesting that not only are we just hurting a few of them and not only are we just killing a few of them, but we're hurting and we're killing them all, softly and quietly. [DRAFT TRANSCRIPT ONLY]

Now, I'll take that into economics. Let's look at the production of that man, considering that he's been damaging the environment, considering that he's taken a lot of jobs out of the bush with his machine and considering that now he's going to be in the hospital and we're going to have to fix him up. How much money are we going to spend on that guy? [DRAFT TRANSCRIPT ONLY]

Well, let's run the math backwards, and let's really see: how much does that man actually contribute to society? If you look at the math, you'll probably find he may be a deficit because of his health costs. He's a really big one, and you're killing him. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Lee, thank you very much for your presentation today. [DRAFT TRANSCRIPT ONLY]

Our next presenter is Denis O'Gorman. Denis, hi. [DRAFT TRANSCRIPT ONLY]

D. O'Gorman: Good morning. Mr. Chairman, thank you very much, and thank you to the members for this opportunity to speak to you. [DRAFT TRANSCRIPT ONLY]

I've endeavoured to follow the commentary, and I say that as a non-forester but somebody who is familiar with the resource scene, having worked for the provincial government for 29 years in times past. I've followed the work of Dean Innes, of COFI, of the Association of B.C. Professional Foresters, the Auditor General, the Forest Practices Board and informed writers like Les Leyne and Ben Parfitt. All of these have presented ideas supporting the search for solutions, which I know is your principal task. [DRAFT TRANSCRIPT ONLY]

From an outside perspective, which I profess I'm principally speaking to, the foremost issue, of course, is the timber supply shortage related to depletions because of mountain pine beetle and other impacts. The sad reality, I think, is that — given the analyses being done by Dr. Hebda at the Provincial Museum and so on — this is likely to be an enduring risk because of the ongoing impacts of climate change, and there is a task within the ministry, as you know, on future

ecosystems. [DRAFT TRANSCRIPT ONLY]

Related to this, however, there's a serious mill overcapacity issue, in part linked to the accelerated harvesting in recent years for all good reasons. Added to that are the issues of declining markets and low prices and, with that, the social concerns of the affected communities — the job declines, the impacts on community stability, the industry's own concern about personnel and recruitment, and the long-standing issue of wood access, particularly given log exports and evidence that B.C. wood is being remanufactured and, I think, having value added elsewhere. [DRAFT TRANSCRIPT ONLY]

On top of that, finally, are the management issues of just the stretched capacities around reliable inventories, forecasting methods and oversight. [DRAFT TRANSCRIPT ONLY]

The conclusion is, broadly, that if there was ever an age of innocence in forestry, it's over. Despite the efforts — and very inventive ones and thoughtful ones — of reprofiling and reallocating, this does not appear to offer any long-term wood supply solutions. [DRAFT TRANSCRIPT ONLY]

Mr. Chair, your committee, in the background materials, asked what values and principles might apply. Values, I think, would begin with the accepting of the inherent complexity and the uncertainties, and with that goes the value of adaptiveness. [DRAFT TRANSCRIPT ONLY]

[1025]

The principles, therefore, would lead to building resilience, largely by growing quality wood; increasing diversity, both in terms of how it's supplied and the products produced from it; value generation in growing it on the stump, capturing it through an improved stumpage system, and creating additional values in the marketplace. [DRAFT TRANSCRIPT ONLY]

Sustainability is an obvious one, given the importance of non-timber values. Supporting communities is an obvious, important principle. Finally, I think the one of learning from the competition.... I think these are all, in the words of your committee's mandate, the keys to orderly transition efforts. [DRAFT TRANSCRIPT ONLY]

Before advancing my thoughts on what might be possible, a few comments on the adjustment options that were outlined. Accelerating the availability of timber supply simply, I think, is an option that means borrowing against the future. Increasing the harvest of marginal timber is essentially a direct subsidy and risks indirect costs and subsidies because of disturbance regeneration issues. These forests are marginal for a reason. [DRAFT TRANSCRIPT ONLY]

Logging in constrained areas — I heard a previous speaker — would certainly go to undermining the all-values-are-considered ethic that's been very much part of the forest sector and the ministry. Of course, that invites objections on trade fronts, certification fronts and risks, frankly, reigniting wars in the woods, which were challenging. [DRAFT TRANSCRIPT ONLY]

Intensive forest management is identified as an option, with two sub-options: fertilizing and advanced silviculture. Yes to advanced silviculture. Fertilization, I think, has some inherent issues. Certainly, it accelerates the growth in the short term, but it risks producing fast-growing but weak, low-grade wood. So I think that's an alternative that would have to be looked at very seriously. [DRAFT TRANSCRIPT ONLY]

The shift to area-based tenures and associated intensive forest management. That begs the question: what kind of tenure will best deliver intensive management? A starting point might be to ask if the large tenures we've had up to date have actually delivered that. Have they maximized jobs, maximized value recovery and delivered community stability? [DRAFT TRANSCRIPT ONLY]

We know that many notable companies — the MacMillan Bloedels, the Crown Zellerbachs, the Rayoniers and so on — have come and gone, and so too has the stability of many communities — again, for many good economic reasons

and changing technology. The overarching question is simply: which forms of area-based tenure are most promising, especially in terms of delivering intensive forest management? [DRAFT TRANSCRIPT ONLY]

My conclusions on the way forward are three. Diversify by establishing more community-level, area-based tenures. This includes woodlots, community tree farm licences and other similar licences. [DRAFT TRANSCRIPT ONLY]

The precedents certainly exist. There are over 500 woodlots in the province at the present time. As I understand, all are 400 hectares or more. There is the positive experience of the Revelstoke tree farm licence and, from an earlier era, the Mission tree farm licence. What are the benefits of this? Connections to the land, connections to the communities, and maintaining local job opportunities. [DRAFT TRANSCRIPT ONLY]

Of course there are questions of these. What are the costs of establishing them? Where would they be located? How big should they be, and how varied? Some of the material I read.... As you move north, you might have to move into 1,500- or 2,000-hectare units. How to protect the non-timber values and include public access in these new tenures.... Finally, and importantly, how to assess results, because there may be sub-variations on that, which would include going against the long doctrine of not having a private forest land — or expanding it. [DRAFT TRANSCRIPT ONLY]

There are some issues, as we know, from even tenures that have built-in private forest land when it is taken out at some considerable cost to society. [DRAFT TRANSCRIPT ONLY]

Are there models? Well, one of our principal competitors, Sweden, probably gives a good example. As I understand, from the post-war situation, World War II, they had a very depleted forest situation and decided that their goal was to increase the growing stock. From my understanding, not only has their value gone up and their jobs have gone up, but their standing stock has over the years. [DRAFT TRANSCRIPT ONLY]

It is principally based on a forest land base that's about, in round terms, 50 percent privately owned. Obviously, tenures, woodlot arrangements and that, could replicate that. [DRAFT TRANSCRIPT ONLY]

[1030]

My recommendation is simply to review the Swedish experience for the transferrable aspects, especially their silvicultural systems, which I understand are based on long rotations and successive thinnings, and with it, the log-marketing arrangements, where they have come up with regional associations that have allowed some equity between the buyers and sellers in terms of actually creating an opportunity to capture value. [DRAFT TRANSCRIPT ONLY]

Secondly, create one of these regional log markets. The benefits: wood access for new enterprises would be an obvious one, to address an earlier concern; recovery of value for both the government and producers; and knowledge, again, related to the stumpage system, about prices and markets. [DRAFT TRANSCRIPT ONLY]

Questions? Absolutely. How many are required to be viable? Where would these markets be located? What would be the preferred models? All of those bear some research, but certainly the precedents exist. The starting points: the experience of the Lumby log sort and auction, which operated successfully in the 1990s, and even this small business forest enterprise program in B.C. Timber Sales, which I'm sure would give some transferrable experience. [DRAFT TRANSCRIPT ONLY]

Finally, government initiatives in terms of legislation, in terms of the tenure modifications and inventiveness around what might be possible there: the policies which would detail the operating provisions; solid information support, as the Auditor General has pointed out; strategic planning and research, particularly on coordinated market intelligence, to benefit both producers of wood and producers

of product; ensuring that a system of cost-recoverable loans is in place to support enterprise — that doesn't necessarily mean government money, but means making sure that the lenders might be well positioned and knowledgeable; training opportunities in all segments, particularly advanced silviculture and advanced processing; and finally, the importance, as the Auditor General's report has pointed out, of audits and the resulting adaptation. [DRAFT TRANSCRIPT ONLY]

No one I've ever spoken to, and particularly myself, has the answers here, but I think what you're doing is starting a conversation. Have centres like the Wosk Centre for Dialogue used as an ongoing opportunity to have really intensive discussions among the people that are super knowledgeable, including the people at the universities, to kind of keep reinventing the future, because it's going to keep unfolding in ways that probably we can't predict ecologically and economically.

[DRAFT TRANSCRIPT ONLY]

Thank you for the opportunity for these remarks, Mr. Chairman. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you, Denis. [DRAFT TRANSCRIPT ONLY]

B. Routley: Thank you for your comments. I wondered.... I'd heard other speakers somewhere along the line — it might've even been in the hallway — talk about the notion of community forests as a better model to manage B.C. Timber Sales. I mean, there's a requirement under the softwood lumber agreement, of course. One of the things is to try to increase the amount of volume available for open market, essentially. [DRAFT TRANSCRIPT ONLY]

Are you suggesting, when you talk about looking at different tenure models...? What do you think about the option of communities managing what the...? You know, would they do a better job than B.C. Timber Sales? [DRAFT TRANSCRIPT ONLY]

I just look at the numbers as an opposition critic and see that we're not doing very well with B.C. Timber Sales in terms of the benefits to the Crown, and I'm not sure about how they're managing the land, either. In fact, I have real concerns with them. The more I hear, the more I'm convinced that our forest management could be improved substantially. [DRAFT TRANSCRIPT ONLY]

One of those models, as you've suggested and as I've heard in a number of cases, has been by community forest. Do you have any comment on that? [DRAFT TRANSCRIPT ONLY]

D. O'Gorman: I think the community forest approach, even woodlots, is definitely a desirable direction. In your questions to me I think I saw two separate things, in my mind: the production and stewardship of the land, and the harvesting for value. I think that the model, if we can use the experience of.... [DRAFT TRANSCRIPT ONLY]

I remember one thing I saw, which was the Mike Halloran show — and I'd really recommend it — documented on the Knowledge Network, on the experience of the Revelstoke tree farm licence and their ability to sort logs and recapture value. I think that that is definitely worth a re-examination. It's a simple illustration. [DRAFT TRANSCRIPT ONLY]

[1035]

Around the questions of marketing, I don't think necessarily that the B.C. Timber Sales model constitutes what would be really a market, as the Lumby log market experiment was — which was bringing in and the pooling of logs, the sorting of them by species and values, and making them available to buyers from a diversity of directions — so that it has a kind of legitimate aspect of competition and with that a likely increase in the probability of proper pricing. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thanks, Denis. We only have about a minute or so left.

[DRAFT TRANSCRIPT ONLY]

E. Foster: The Lumby log sort yard — having been a councillor and mayor of Lumby during the '90s — looks great on paper. I thought the model was great, but the problem is with that whole package. It's easy to sell the big fir peelers. We had several buyers within less than a kilometre, and they bought some of the logs. The specialty people were there and bought.... The good cedar always went, and then you'd have large piles of guts and feathers that nobody would bid on. [DRAFT TRANSCRIPT ONLY]

Now, in today's market — where we have the biofuel, bioeconomy people interested — I believe there might be an option. But I think when we look at these things.... Like I say, the log sort yard was less than a kilometre from my house, and I shipped wood into it, so it was great. But you've got to remember that it didn't work. It was closed down for a reason. It was costing too much money.

[DRAFT TRANSCRIPT ONLY]

The problem was that the B.C. Timber Sales.... It wasn't BCTS at the time. As a logging contractor, you would bid on those sales. You would just bid a straight logging price to deliver the wood to the sort yard, and then the sort yard would do their magic with it. But there was a lot of fibre left there because there were no buyers for it. [DRAFT TRANSCRIPT ONLY]

You know, if you were selling fir to Weyerhaeuser, you got one price for the quality wood and a lesser price.... But they took it all. That was always part of the deal. That was the downfall of that system. [DRAFT TRANSCRIPT ONLY]

Again, today it may work better, but be careful on that, because there were some shortcomings to it. [DRAFT TRANSCRIPT ONLY]

D. O'Gorman: Sure. Those are good cautionary comments. I think all I would suggest in response, not being an expert on it, is that there's some quite good documentation in this paper by M'Gonigle and Parfitt on the operations of that. They're overly simplified, but it's worth examining. [DRAFT TRANSCRIPT ONLY]

I did see an examination — I can't remember where it was — of the Lumby experience, but that should be looked at. Particularly, I think, looking at the competition, that if we want to go in this direction it seems to have had some success in the Swedish model, where there's a diversity of buyers and sellers, and how they've addressed that problem of low grade. I think that will be an inherent problem. [DRAFT TRANSCRIPT ONLY]

But on the other hand, I think it's right.... You nailed it — creating of the demand and biofuel for the low-grade product. The previous speaker talked about branches and stumps and so on. Any of this stuff could present a market opportunity. It seems to me that anything we can do in the direction of creating a legitimate market is probably a good thing to do. [DRAFT TRANSCRIPT ONLY]

So thank you very much for your time, and best wishes to you in your enterprise. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Denis, thank you very much. [DRAFT TRANSCRIPT ONLY]

Our next presenter is Woodbridge Associates. Peter, welcome, and over to you. [DRAFT TRANSCRIPT ONLY]

P. Woodbridge: Thank you, Mr. Chairman, and members of the panel. Thank you for the opportunity to address you. My name is Peter Woodbridge. I've worked in the forest industry for over 35 years, initially in operations and more recently as a principal of a forest sector management consulting firm. As a company, we work in British Columbia, throughout Canada and globally. [DRAFT TRANSCRIPT ONLY]

This presentation is about B.C.'s Crown timber supply model. The presentation also raises the growing concern within the industry about the rising trend in wood costs facing B.C.'s forest products manufacturing sector. [DRAFT TRANSCRIPT ONLY]

The core argument presented here is that the 100-year-old-plus existing timber supply model is broken. It's in no condition to handle the aftermath of a crisis of the magnitude and complexity of the pine beetle epidemic. It can't handle the mid-term supply gap, except for small volumes likely to be cobbled together by administrative tweaking of the numbers and definitions in Victoria. [DRAFT TRANSCRIPT ONLY]

[1040]

Furthermore, the existing system is inadequate to meet the current and future needs of a world-class, globally competitive industry, which B.C.'s forest sector urgently needs to be on a long-term, sustainable basis. [DRAFT TRANSCRIPT ONLY]

A globally competitive forest products manufacturing industry needs to be based on three things: first of all, the best possible, economically viable level of productivity obtainable from the region's private and Crown timberlands; secondly, a timberland management culture which constantly strives to produce the lowest possible wood cost per unit of manufacturing output; and thirdly, competition for a significant part of the Crown — i.e., public — log supply so that small and medium-sized value-added enterprises and businesses can bid on market logs. [DRAFT TRANSCRIPT ONLY]

That's the formula needed if B.C. is going to be able to attract new capital investment, new investors and create new knowledge-intensive jobs. The ideal product mix for B.C. is a combination of high-volume commodities, in which we do well today, plus higher-profit margin value-added manufacturing and services. [DRAFT TRANSCRIPT ONLY]

This presentation suggests that there are better ways than the existing system to grow trees, to allocate them competitively and manage the Crown timber life cycle without resorting to privatization of the public forest lands. We ask the committee to start the overdue debate on tenure reform options as part of its recommendations. Specifically, we request the committee to initiate an evaluation by the ministry — to give it its proper acronym, MOFLNRO — of an additional set of options which consider bold tenure reforms. [DRAFT TRANSCRIPT ONLY]

As the public record shows, apparently there's a strong resistance to any public discussion of tenure reform options by the government of B.C. In our view, this is not just a major policy error; it's holding B.C.'s forest sector back in another way. There are many experts who believe that bold tenure reform is the only effective way to meet the industry's future timber supply needs and reduce wood costs. There is an alternative way, but that requires reducing demand for timber through extensive mill closures and job losses. [DRAFT TRANSCRIPT ONLY]

A strategic and sustainable solution, many believe, is to lend more private capital and private sector management into the system to improve the yields from B.C.'s Crown timberlands — also, to get government employees out of the business of managing a large part of the timber supply and log-delivery process. There are enough very adequate regulatory safeguards now in place to police and enforce an effective system for protecting all forest values. [DRAFT TRANSCRIPT ONLY]

Resources that could be introduced by bold tenure reforms include the following: (1) private capital, notably patient money from pension funds and others; (2) tax-advantaged vehicles, such as those enjoyed by REITs and TIMOs; (3) greater involvement of communities, notably those with forest-dependent communities; (4) creation of economic-sized active private woodlots along the lines of Sweden, Finland and the U.S. south versus their very large number of inactive small-scale woodlots found in the Maritimes. [DRAFT TRANSCRIPT ONLY]

None of these are new ideas. They've been talked about for years. Longer-term patient money has found its way into the sector, although very slowly into British Columbia. Many committee members will be familiar with TIMO names such as Hancock Timber, Campbell Group and TimberWest, the latter now owned by the B.C. Investment Management Corporation and the public sector pension investment fund. [DRAFT TRANSCRIPT ONLY]

TIMOs, or timberland investment management organizations, are private sector entities. It may be possible for B.C. to pioneer a special-purpose group of tenures to attract tax-advantaged private capital and assure dedicated high-yield intensive forest management. For discussion purposes, let's call these tenures Crown timber TIMOs. [DRAFT TRANSCRIPT ONLY]

Over the years the ministry has displayed a preference for pilot trials to test the feasibility of new forms of tenure or variations of existing tenures. This is smart policy. IFMAs on existing tenures were introduced this way. There are some badly impacted pine beetle regions of B.C.'s central Interior where pilot trials of Crown timber TIMOs might work. It certainly is worth evaluating. [DRAFT TRANSCRIPT ONLY]

Again, forget privatization of public lands; it won't work. Well, why can't the B.C. Forest Service, or BCTS or government or quasi-government organization achieve the same objectives? There are lots of reasons. Here are three major ones. [DRAFT TRANSCRIPT ONLY]

[1045]

(1) The government has lack of access to the scale of capital needed to improve yields on Crown forest lands, including NSR lands and potentially higher-yielding sites. The billions of dollars of funding needed are substantial. [DRAFT TRANSCRIPT ONLY]

(2) Inherent conflicts of interest exist within the Ministry of Forests as government employees strive to reconcile and balance conflicting forest management objectives. [DRAFT TRANSCRIPT ONLY]

(3) The private sector has a far better track record as manager of commercial timberlands than has government. [DRAFT TRANSCRIPT ONLY]

It would be fortunate if the committee can find ways to solve the mid-term timber supply gap without compromising sustainability, but here's a thought. If there simply isn't sufficient additional mid-term timber to be found, why not initiate the timber reform debate and expand the range of timber supply options you may be considering? [DRAFT TRANSCRIPT ONLY]

Some reforms have the potential to generate a very substantial AAC effect for the mid-term. Over the longer term, tenure reforms offer (a) the prospect of growing more timber on the Crown timber estate and (b) a path to lower unit wood costs. [DRAFT TRANSCRIPT ONLY]

In terms of closing the mid-term timber supply gap, you might lose the battle but win the war. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Peter, thank you very much for your presentation. Questions from members? [DRAFT TRANSCRIPT ONLY]

B. Routley: Well, on your point about the commercial timberlands being better managers than government, I would suggest that that's partly true. For example, I know of companies, and I've seen divisions of MacMillan Bloedel, where they knew exactly what they had. They had good inventory — No. 1. They had the ability to deal with blowdown or any issues within the land use, because they understood the land use very well. So there were definitely some great practices. [DRAFT TRANSCRIPT ONLY]

I've also experienced the flipside of that. In terms of public values, I've got the experience of Pacific Forest Products, who liquidated the forests. It was their

private land in the Sooke–Jordan River area. They laid off all of the crew, destroyed the jobs in the community and really detrimentally impacted the community of Sooke back in the 1990s. [DRAFT TRANSCRIPT ONLY]

Then, of course, there's TimberWest, one that I'm very familiar with because I came out of that Youbou mill. I worked there for 16 years. Years later, while I was representing the workers, they shut down the mill because log exports were more valuable than running mills. [DRAFT TRANSCRIPT ONLY]

The mill operated; so did the Elk Falls mill. But there's an example where they maximized the value for the corporation and the shareholders. They've done an excellent job of that, if that's the only value we had — profitability for companies and their shareholders. [DRAFT TRANSCRIPT ONLY]

But I suggest that the community has larger values than that, which include maximum jobs in the community. What is a corporation going to put back into the province of British Columbia? In fact, I suggest we should have kind of a benefits corporation model where they actually add value back to the community. [DRAFT TRANSCRIPT ONLY]

I'd be interested in your comeback on that. Do you really believe that in every case the private sector has shown communities in British Columbia the best model for forest management? I mean, to the benefit of who? [DRAFT TRANSCRIPT ONLY]

P. Woodbridge: Bill, I don't disagree with some of the things you've said. In fact, I actually worked after the Youbou closure with the Lake Cowichan community. We worked with some of your colleagues there to look at value-added options. [DRAFT TRANSCRIPT ONLY]

I think there's a danger, frankly, in looking in the rearview mirror too much at what's happened in the past. I think, given the magnitude of the crisis that's faced in British Columbia today, and given the challenges going forward — particularly rising wood costs — new solutions have to be considered, and look forward. [DRAFT TRANSCRIPT ONLY]

Certainly, there are some things in the past that you would point to and say, "Not good," and other things, yes. But if you look in a global setting, today the situation is that British Columbia, in terms of its land productivity.... The number given out is an average of about 3.5 cubic metres of a hectare per annum. That is the lowest level of productivity in the western world. There are areas of Siberia that we've been to that are better than that. That is why the existing model is wrong. We have to think of significant changes to it. [DRAFT TRANSCRIPT ONLY]

[1050]

There are enough examples out there of good practice with safeguards for other forestry values, which we highly value. We're great practitioners and preachers of the value-added side. There are enough safeguards, but we have to start looking at bringing in some of those better practices. [DRAFT TRANSCRIPT ONLY]

The capital you need for this.... The figures given to the committee in recent weeks suggest something like \$1,500 to \$2,000 per hectare. I don't know if that was referring just to NSR land, silviculture or rehabilitation. If you multiply that by two million hectares, and that's only 10 percent of the working forest, that's between \$3 billion and \$4 billion. In the United States TIMOs have pulled together something in the order of what Dr. Clark Binkley thinks is about \$40 billion. [DRAFT TRANSCRIPT ONLY]

That's the kind of capital you need to have going forward. What you do with that capital, how you regulate it, is very important. I'm asking the committee to look at those kinds of models to bring new capital in, to bring the opportunity for better management, higher productivity. [DRAFT TRANSCRIPT ONLY]

We talk about doing more with less. Well, frankly, a previous speaker just said that in Sweden they've found they produce more. If the working forest

shrinks, so be it, but I think you have to look forward, not look back too much at the past. [DRAFT TRANSCRIPT ONLY]

One final thing, if I could. History will be very kind to the existing timber supply model. For 100 years it's done fantastic service to British Columbia. It's led to major economic development. It's done some very good things. [DRAFT TRANSCRIPT ONLY]

It's adapted and changed over time, but in many respects it's very much like, if you pardon the analogy, a very large rubber tire that's 100 years old. It's been patched and fixed so many times it just cannot do the job going forward that it's intended to do. It can certainly do some things. I suspect we'll keep working forwards with it, but we need a significant new approach, and capital is a major part of that. [DRAFT TRANSCRIPT ONLY]

Your own figures show that of the \$2.3 million that went to fight the mountain pine beetle.... Something like \$800 million of that from the federal government is still unallocated. Only \$500 million of that has actually gone back into re-establishing the forest. About \$1 million has gone into mitigation. Very important spending, but only about a third of that funding has gone back in to rehabilitate and advance the forest productivity. [DRAFT TRANSCRIPT ONLY]

You have a capital challenge going forward. I just implore you not to look back too much, but to look forwards and look outside and look at what's being done elsewhere. [DRAFT TRANSCRIPT ONLY]

B. Stewart: Thanks, Peter. I appreciate the insight that you've tried to provide here. I just want to try to better understand point 2 that you mentioned in the three points about the government employees striving to reconcile and balance conflicting forest management objectives. In order for this to move ahead, how do you see that conflict being resolved? [DRAFT TRANSCRIPT ONLY]

P. Woodbridge: By reducing the number of conflicts that the government employees get into. These are not just my thoughts. John Allan of COFI chaired a major report a couple of years ago, which I was involved in as part of a working group. It has detailed suggestions there, but it pointed to the fact that the priorities, in terms of top priorities, have changed from environmental focus to sometimes First Nations to industrial needs. I think you have to start focusing on industrial needs as being number one, but have other safeguards out of that to look after other forest values and other issues. [DRAFT TRANSCRIPT ONLY]

I think to answer your question very simply: reduce the number of conflicts that the MOF gets into. [DRAFT TRANSCRIPT ONLY]

H. Bains: I just want to get some clarification on some of the key points that you're making here. One is to bring private capital to manage our land base, our forest lands. Also, you suggest getting rid of government employees out of the business of managing. You're also suggesting that privatization of public lands doesn't work, so don't go there. [DRAFT TRANSCRIPT ONLY]

I'm just trying to picture that. How do you make that work? For example, you bring in private capital for management. The private capital will come in for one purpose and one purpose only. That is to make profit on that return. That's a given. [DRAFT TRANSCRIPT ONLY]

[1055]

If there are no government employees to oversee, on behalf of the public, what benefit the forest provides to the public and to the province, who will actually be speaking for the forests and for the people of the province? [DRAFT TRANSCRIPT ONLY]

P. Woodbridge: Just to come back and capture one point you made. Just to paraphrase, I think you talked about eliminating the role of the MOF or the

government. I think the model going forward is probably a mix of different systems. [DRAFT TRANSCRIPT ONLY]

I'm not suggesting the Crown timber TIMO model is going to be the panacea, the blanket solution for the whole province, but it has a place going forward — again, perhaps as a pilot. The capital is not necessarily the capital of major institutions or just large pension funds. It's also our capital. We should be able to invest in those types of TIMOs on a community level. [DRAFT TRANSCRIPT ONLY]

We're trying to approach, as a previous speaker referred to them, and several other speakers in your proceedings have talked about, other models like Sweden, Finland and elsewhere. You want to start to replicate that as much as possible, but you really need to have access to that larger capital. [DRAFT TRANSCRIPT ONLY]

How it can be policed, if you will, has yet to be decided. What we are saying is that we're asking the committee to at least go back to the MOF and say: "Give us some further details of how these options might work in order to achieve the objectives that you have." [DRAFT TRANSCRIPT ONLY]

H. Bains: With this model, and comparing this to the Swedish model, you're convinced that we will produce more, we will have more productive forest lands. I mean, there, if you look at that model, as I think the speakers have said, it's 50 percent private. We are 95 percent public. With that ownership — 95 percent of the public ownership — you think that this model will still work here? [DRAFT TRANSCRIPT ONLY]

P. Woodbridge: It can work. Again, you have to do the evaluations. You have to do the detailing. [DRAFT TRANSCRIPT ONLY]

We're working in Nova Scotia, and we have done for the last 18 months, where there is 60 percent ownership by small woodlot owners. The problem is that of those 35,000, most of them are inactive. So it's getting those active and back in. [DRAFT TRANSCRIPT ONLY]

There are ways in which TIMOs can work outsourcing with community forests and make them much more effective by bringing management skills to them, as well as capital. I think it's worthwhile looking at and asking for more information. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Peter, thank you very much for your presentation and the information you provided today. [DRAFT TRANSCRIPT ONLY]

The committee is going to take a brief five-minute recess. [DRAFT TRANSCRIPT ONLY]

The committee recessed from 10:58 a.m. to 11:11 a.m.

[J. Rustad in the chair.]

J. Rustad (Chair): Good morning, everybody, and welcome back. We will now go into our next presentation, which was — I hope I pronounce this right — the Xaxli'p First Nation — Howard and Andra. Over to you. Welcome. [DRAFT TRANSCRIPT ONLY]

H. Bob: Hello. How are you? My name is Howard Bob. I'm from the Xaxli'p First Nation. We are located about three hours east of here in the Lillooet TSA of the Cascades district. First off, I've been in the forestry business for about 20 years, and the last ten I've been dealing with political issues in natural resources for our community. I have worked in industry as well as for First Nations with regards to forestry or natural resources. That's kind of my

background in the forest industry. I have worked on both sides of the table as well as at the political level. [DRAFT TRANSCRIPT ONLY]

The Xaxli'p have a community forest agreement that we are currently in the process of managing through ecosystem management as well as from a traditional use study. These are designed by our people, for our people using our traditional use study and ecosystem documents as guiding principles for our forestry company. We have a forestry company. That is kind of why I'm here, to speak politically and as well as for the forestry company. [DRAFT TRANSCRIPT ONLY]

We currently believe that the forestry system, the way it stands now, is flawed, and we are using ecosystem management principles and guidelines to guide our forestry activities. Right now we are in the process of developing and restoring our community forest before we do any harvesting, which is a long and costly process. We focus on what to leave rather than what to take, which is kind of going against the current forestry models that are out there. [DRAFT TRANSCRIPT ONLY]

We are at the end of our current forest and range agreement, which was five years. It ends after 2012, and in 2013 we go into the FCRSA model, which we don't agree with because of the insufficiencies in that process and the pay structure. We feel we are being penalized for having not allowed harvesting in our territory for many years. As our forests were decimated back in the '40s, '50s and '60s, we are now paying the price of getting our community forest agreement with limited resources. We are not against logging as it stands. We are just against the way it is being done currently. [DRAFT TRANSCRIPT ONLY]

[1115]

In the Lillooet area the economic development is suffering because of how the logging has been done and carried out over the years. The value-added plant has been shut down in the Lillooet area, and Ainsworth transferred out. Aspen Planers is in, and they have a peeler plant. [DRAFT TRANSCRIPT ONLY]

The economic development suffers in the area, because anything close to the Lillooet plants is logged currently, so we have to go outside of that. Then it's basically anything.... You have to go over 60 kilometres out to do any harvesting feasibly. And the timber is in short supply. [DRAFT TRANSCRIPT ONLY]

If there are any allocation changes, I'm here just to tell you that we would like to be involved in any allocation changes because of our outstanding title and rights issues with regards to natural resources. [DRAFT TRANSCRIPT ONLY]

We also believe that this consultation process is flawed. We have to come here, 300 kilometres, to sit in on this meeting for you to consult with us. So that's kind of flawed. [DRAFT TRANSCRIPT ONLY]

The FRO transition to the FCRSA model is also a flawed structure, in our minds, because of the past logging practices that have happened and decimated our valley. They're now coming to.... We have a very young timber supply, and it's small. [DRAFT TRANSCRIPT ONLY]

There were a lot of steps we had to take to get our community forest agreement. We had to meet with the deputy minister just to get our community forest agreement, and it's taken us roughly 15 years to get our community forest agreement. [DRAFT TRANSCRIPT ONLY]

We realize that times are tough and that allocations are going to have to change. We would just like to keep updated on anything this committee comes up with, with regards to changes in the forestry industry. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you very much. [DRAFT TRANSCRIPT ONLY]

Andra, would you like to add anything to that? [DRAFT TRANSCRIPT ONLY]

A. Forney: I guess Howard brought up the issue of the consultation process. I'm the current manager for Xaxli'p and for the Community Forest

Corporation that started there. [DRAFT TRANSCRIPT ONLY]

There's been some discussion today about alternative tenure systems. We'd like to invite you to come out to Lillooet to visit us and see what we're doing that incorporates the cultural as well as the ecological values in our forest. We can also talk about some of the challenges that come with trying to run a viable community forest. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Great. Just to clarify, the discussions that we've set up through this process were not designed to be consultation as such. It was more just an opportunity for a discussion around this. I really appreciate the fact that you've travelled out to be able to come to us. Unfortunately, we're not able to travel to many other areas around the province. We tried to focus in on a number of communities throughout the primary impacted area of the pine beetle. [DRAFT TRANSCRIPT ONLY]

Like I say, I appreciate that you've come out this far and that we didn't get a chance to actually come out your way. Perhaps in the future, if we have another opportunity, we'll be able to do that. [DRAFT TRANSCRIPT ONLY]

B. Routley: Could you tell me a little more about the community forest that you do have? What's the annual cut for that forest, and how much have you cut, and what are the other values that you talked about that we would see if we had the time to come there? [DRAFT TRANSCRIPT ONLY]

[1120]

By the way, I've been through that area. But obviously, it would be better if we had more time to do that kind of broad-based consultation. You know, we share the concern that the current mandate is not broad enough. Obviously, there are other First Nations issues that also need to be respected and addressed. But in this committee we've been mandated to deal with a very narrow focus, so I would like to hear a bit more about your community forest. [DRAFT TRANSCRIPT ONLY]

H. Bob: We have not harvested anything yet from our community forest. Our AAC is 4,900 cubic metres per year, which we haven't harvested. We have started the development of what we are going to take and the values. We concentrate on what to leave rather than what to take, which is different than the current models. [DRAFT TRANSCRIPT ONLY]

We take all aspects of the forest into consideration before we do the harvesting. We have sustainability and water, because water is one of the values that we protect in the Xaxli'p First Nation. All of our activities are designed to limit the amount that is taken out and mixing it up so that we're not just taking one, single resource out of there. We mix it up. We leave mixed stands so that there are generational cuts, so you can spread it out over the years. [DRAFT TRANSCRIPT ONLY]

I don't think that we can afford to harvest 4,900 cubic metres per year under the current system. Like I said, there's only.... Aspen Planers is in Lillooet with.... Peelers are what they take. So we have to look for alternative markets to sell what limited resources we do have — wood, fibre that we have for the market — which is different than what is currently out there. [DRAFT TRANSCRIPT ONLY]

We are concentrating on the restoration of the forest right now, rather than cutting it. So we believe that if you look after it first and do a study on what you can take out, or what you want to leave, then you can design protection strategies around that which will protect our water and our way of life going into the future. We believe that the work we do now will enhance the lives of our children. [DRAFT TRANSCRIPT ONLY]

A. Forney: Just to add, we just had our forest stewardship plan approved last week. So we're in the process of applying for cutting permits, and we're

looking at the economic feasibility because there are a lot of infrastructure issues around selling any timber wood harvest. [DRAFT TRANSCRIPT ONLY]

D. Barnett: Bill asked the same question I was going to ask. Thank you, Bill. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): I've just got one other question. When did you get the community forest? When did you go after that and receive the forest? [DRAFT TRANSCRIPT ONLY]

H. Bob: We've been working on it for roughly 20 years. Then about five years ago we met Deputy Minister Konkin, and from there we've had a series of meetings. I believe this is our third year actually having the community forest licence. So it was a long process, and now we're starting to do a lot of the restoration that we've seen a need for. [DRAFT TRANSCRIPT ONLY]

[1125]

J. Rustad (Chair): Thanks. The other question I have in terms of the strategies and stuff that you're working on.... Obviously, the key to that is you have an area that you're operating within that you have an opportunity to be able to do the types of things you like to do on it? [DRAFT TRANSCRIPT ONLY]

One of the things that we're looking at, of course, is: should we be looking at a different management structure, or a combination thereof? Should we be looking at doing a more area-based type of management as opposed to the volume-based management? I'd just like your opinion as to whether or not we should be considering doing that type of an approach. [DRAFT TRANSCRIPT ONLY]

H. Bob: It all depends on the area too. We are an area-based tenure. We have a 28,000-hectare area that we deal with, which is roughly 90 percent of all of our traditional territory. That gives us a strong hold on our traditional territory. [DRAFT TRANSCRIPT ONLY]

The money you save in doing the logging activities in a community forest area, in my opinion, is spent on all of the work we've done, like, in the 15 years to get here, to actually owning the community forest agreement. It's not viable because it took us so long to get it. The process was long and onerous. [DRAFT TRANSCRIPT ONLY]

We don't have that much viable timber in our area. If it had better timber, it would be more viable. But then there are trucking costs. We're a rural community. We're not in Lillooet. We're 15 kilometres out. That's the central, but there are no other facilities there. The value-added plant has closed down in that area, and that was going to be one of our major markets that we were going to try to tap into. [DRAFT TRANSCRIPT ONLY]

We also consider non-timber forest products in our ecosystem planning, so we plan for the berries, mushrooms, what have you that come — and deer, moose, whatever animals that we coexist with. It's better than a woodlot, though. I can tell you that much. [DRAFT TRANSCRIPT ONLY]

We're in the growing stages now for our community forest agreement and learning how.... The biggest thing was converting our values into ministry guidelines, principles and documents. It probably cost us \$100,000 to convert all of what we believe are our values and principles into ministry.... Like the forest stewardship plan. [DRAFT TRANSCRIPT ONLY]

You know how hard it is to translate values into ministry talk. It's pretty tough. That was quite an expense. You can't just say: "Oh, we want to leave that bush there because we eat those plants." You have to say: "Well, under the Forest Act, you have to do this to protect it under this section or subsection." It all translates into costs for us. There are a lot of costs associated with us, because

we're doing something that I don't think has been done before. [DRAFT TRANSCRIPT ONLY]

But I believe area-based tenures are the way to go for smaller communities — rural, such as ourselves. But that's contingent on what you can leave or take out of those forests — closeness of facilities to market. [DRAFT TRANSCRIPT ONLY] [1130]

If you have to transport 200 kilometres just to make a dollar, then you're paying that in trucking costs. It's really very hard to make a dollar when you're a rural community dealing with natural resources. [DRAFT TRANSCRIPT ONLY]

E. Foster: I just have more of a comment than a question, if I could. [DRAFT TRANSCRIPT ONLY]

I'd just like to say that it's refreshing to have someone present to us that has tenure, that hasn't come forward with: "We want more tenure so we can make more money." Someone has actually come forward with a true vision of what they want their land to look like, as opposed to how much more money they can take off it. I thank you for that and congratulate you on the approach you're taking to it. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you very much for taking some time to come in to submit to our committee, and once again, thank you very much for the effort in travelling. It is much appreciated. [DRAFT TRANSCRIPT ONLY]

Our next presenter will be Matt Manuel and the Lillooet Tribal Council. [DRAFT TRANSCRIPT ONLY]

M. Manuel: Good morning. First of all, I'd like to acknowledge the Nlaka'pamux traditional territory that this meeting is being hosted on. Thank you to the ancestors and to all those who have been here before us — and where we're at in going forward with this process. I, as well, acknowledge the process that the current government of British Columbia is taking to allow for some input to, I guess, this issue around the AAC. [DRAFT TRANSCRIPT ONLY]

We've heard a lot of good words today, and I'm assuming that the words that have been shared throughout the province most likely have been pretty common, I guess, words that would look at what issues are before us. [DRAFT TRANSCRIPT ONLY]

I'm going to be looking at this focus and two different perspectives, but let me just say who I am. I'm the natural resources coordinator of the Lillooet Tribal Council. The Lillooet Tribal Council has six affiliated communities, and Howard's community, Xaxli'p, is one of them. We are striving to look toward some joint management perspectives, as well as look to economic opportunities that come from forestry. I don't want to mislead or misrepresent any of our membership as well. I'm only speaking as a technical representative in my experiences in working with the St'át'imc. [DRAFT TRANSCRIPT ONLY]

First of all, when we look at the annual allowable cut, we of course are faced with some circumstances in our traditional territory, which we call the Lillooet TSA. We're a little bit fortunate that the mountain pine beetle is not as epidemic as we see to our neighbouring nations in the north as well as in the southern part of that TSA. But at the same time, when we look at the management of this epidemic, we are faced with some circumstances that we're challenged with. Industry is not really dealing with the epidemic as we would like it to be. [DRAFT TRANSCRIPT ONLY]

It's because of, as was expressed before, the cost of logging. We've had our impacts as well with the downturn of the forest industry, and we've been taking on our own role as well to try and resolve the economic situation. We, of course, went to a focus of biomass, but again, we're still strapped with the situation of how we make viable raw material costs to try and look at doing our part to moving

this economic venture forward. [DRAFT TRANSCRIPT ONLY] [1135]

Even with that, when we look at, I guess, the TSA and the timber supply in the St'át'imc territory, there are pressures that are put upon the situation where we have our own title and rights issues, where we want to continue to practise our cultural practices. [DRAFT TRANSCRIPT ONLY]

Access has, I guess, impacted a huge component when you look at the mule deer. When we look at our membership, you know, we rely on our traditional practices to subsidize our incomes, to make it throughout the tough times of the year. When harvesting has created roads throughout the territory, those populations of mule deer have been impacted. [DRAFT TRANSCRIPT ONLY]

But when we think about the pressures that are going to be opening up the back or the upper portion of the territory because our neighbouring TSA is not seeing their timber supply being met, the pressures are coming down to the far extremities of the 100 Mile and Williams Lake TSAs. [DRAFT TRANSCRIPT ONLY]

They're pristine, untouched grounds in there. When they open up that area, it's going to open up that area to further development. It's a huge concern, and we're looking to try and work with industry at this point, as well as the government, to make the appropriate decisions, you know, of what needs to be in place as far as access management. [DRAFT TRANSCRIPT ONLY]

We hope that we can look at some options as far as trying to look at what was expressed here earlier. Value-added — I'm sure that there are some options out there to try and look at that idea, but that's just a huge focus where I'm trying to look at it. I just want to say if there is any opportunity, as well, try and open up the discussion to create an incentive for investment as well. [DRAFT TRANSCRIPT ONLY]

We've been looking at our issue. We're off the beaten path. We don't have a lot of industry. We have one major licensee that has a veneer operation, but when they haul here to Merritt, we have one other tenure that is working the system to try to be creative as well. [DRAFT TRANSCRIPT ONLY]

We're another big entity as well, but we're strapped with trying to create incentive for investors. But we can't get our raw-material costs to a point where it's going to have an IRR that is comfortable. We've looked at support from the operational people within Cascades district to try and help us in making this issue a reality, but the constraints are there. It's evident. [DRAFT TRANSCRIPT ONLY]

You know, we've seen the McRae report looking at the stumpage. We've seen the silviculture component. You know, these are just issues that are reality. We are challenged. If we were to try and find ways, I think the way is to look at the value-added component and to pressure these industries that are slowly, I guess, looking at survival of the fittest. Eventually there are going to be one or two major licensees operating in all of these TSAs, so how do we be creative in finding ways to keep these rural areas striving to make a dollar? [DRAFT TRANSCRIPT ONLY]

It's good that we see these common interests being spoken of. If we were to find some management strategies, I think it's going to be with some joint management. That's kind of where we have been in the past. We've looked at the Forest Act. We've looked at other acts. But we've had a lot of success in working with industry. Industry can only do so much, but we need to look at these policies, as well, within the government. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you very much, Matt. [DRAFT TRANSCRIPT ONLY]

Questions from members. [DRAFT TRANSCRIPT ONLY]

[1140]

B. Stewart: Matt, you made a comment about the remoteness and the difficulty in creating opportunities. I have to say that I've travelled through

Lillooet many times. I was there and I had the opportunity during the Olympic Torch Relay to see the community spirit. I think the community is just over 2,000, and I think there were about 3,500 people in the community that day. [DRAFT TRANSCRIPT ONLY]

You know, it became a priority when I left that to look at opportunities to try to do that, and I really appreciate your comments today. I understand the high transportation costs, and we'll make certain we consider those costs, because it is important to find opportunities. [DRAFT TRANSCRIPT ONLY]

I commend you on some of the tourism things that are going on in your community. So there are lots there, but we do have to put our focus on that. [DRAFT TRANSCRIPT ONLY]

So thanks for coming all this way today. [DRAFT TRANSCRIPT ONLY]

B. Routley: I'd just be interested in your comment on the issue of tenure reform. Obviously, there are the First Nations issues that are still outstanding. I don't know if that's the case in your area, but I'd like to hear from you directly. What are your concerns in terms of First Nations or aboriginal title that may or may not be outstanding? [DRAFT TRANSCRIPT ONLY]

M. Manuel: Well, I think for the most part, when we look at the focus of this committee and increasing the mid-term timber supply, again, it puts pressure on the habitat, the other focuses, the management that is currently in place that is set by the Forest Act as well as the FSPs. [DRAFT TRANSCRIPT ONLY]

We, of course, look at taking our own initiatives to try and pressure industry to try and abide by St'át'imc interests. When we find those middle grounds that help to joint-manage areas that are outside of the Forest Act, then it's a success story. [DRAFT TRANSCRIPT ONLY]

But when we look at other TSAs that are suffering because of the mid-term timber supply, they're now looking at going to great lengths to try and make an attempt to harvest volumes of wood that are just at the northern part of our territory. Again, it's going to be opening up the territory. But as well, when we look at those being exhausted in all of these other areas, where is this timber going to be? [DRAFT TRANSCRIPT ONLY]

Of course, it could be a benefit from our perspective in some capacity, but that's only certain people that are going to be thinking in those terms. If we were to be looking to try and have a right to practise our aboriginal culture, and if there's no habitat or there are excess pressures put on by access, by timber that has been opening up the back country and whatnot and pressures of hunters that come in because of road access that is created, then that's an issue. [DRAFT TRANSCRIPT ONLY]

So how do we find some solutions to work within something that would be helping to continue our aboriginal right to practise this culture? That's just one little focus of it. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you very much, Matt, for your presentation and providing us with the information. [DRAFT TRANSCRIPT ONLY]

Our next presenter will be Lennard Joe with the Nicola Tribes. Welcome, Lennard. [DRAFT TRANSCRIPT ONLY]

L. Joe: [Nlaka'pamuctsin was spoken.] My name is Lennard Joe, and I'm actually a professional forester and a representative of the Nicola Tribes. I'm chief in council with the Shackan Indian Band. I sit as a past director of the Nicola Tribal Association, current general manager of Stuwix Resources joint venture, which is owned by eight of the bands around this area. [DRAFT TRANSCRIPT ONLY]

I welcome you to our tribal territory. I wasn't scheduled to speak here this

morning, but I'll probably be over in Kamloops this afternoon and this evening.

[DRAFT TRANSCRIPT ONLY]

[1145]

Part of what I wanted to let you know and to tell you today is that the inclusion of First Nations in what we call forestry and forest management in British Columbia has grown, and the message that I want to convey is that with First Nations inclusion, we've become richer. [DRAFT TRANSCRIPT ONLY]

I became a professional forester and went through the University of British Columbia. Through that time, when I left, the goal was to become a First Nations forester. The idea behind that.... It was because at that time First Nations inclusion in forestry was somewhat limited. We were just gaining access. I could do presentation after presentation on the history of that, but in short, ten or 15 years ago, when you looked at the industry, there were very few First Nations involved. I think I am the 12th aboriginal, First Nations RPF in the province. That's a very short line of people in front of me. [DRAFT TRANSCRIPT ONLY]

The one thing is that through growing and inclusion, not just working with government but also working with industry in my community, we have developed something that I would consider unique. It's discussed as the IFPA agreement. When you look at the Nicola-Similkameen Innovative Forestry Society and how it came to be and where it is today, you'll find some very, very strong messages of the value of having First Nations involved. [DRAFT TRANSCRIPT ONLY]

Through that process, we had to have measurables. With management and anything to do with the environment, anything to do with even the attraction of investors or anything to do with what we have as a society, there are measurables.

[DRAFT TRANSCRIPT ONLY]

Through that process, we became involved, and we put in things such as predictive ecosystem mapping. That's just one example. And when we started, we had consultants come from Vancouver to show us how to do this. To this day we are the experts of the day on predictive ecosystem mapping. That was also used to help with the cut control, the AAC determination of our Merritt timber supply area. [DRAFT TRANSCRIPT ONLY]

We sit on many boards. I'm actually going over to Kamloops because I sit as a board member for SIBAC, the Southern Interior Beetle Action Coalition. A recent report just showed the involvement of dollars spent in this province to increase the amount of wood utilized but also to make our community safer and everything that is in and around the devastation of the mountain pine beetle. That group, by far, on performance, shows that there's another measurable. [DRAFT TRANSCRIPT ONLY]

In forestry today there are two levels of forestry. One level is what is mandatory. We have the rules and regulations. We follow those. But also, what is required? Certification is an example. Certification is not mandatory, but because of the need to sell our fibre, to access markets and also to develop that vision of who we are, it's required. [DRAFT TRANSCRIPT ONLY]

I manage a company called Stuwix Resources, a joint venture. This company started in the past when we actually imported talent in order to get us to where we are today, and through that import of talent, we built capacity. The strength behind a company such as Stuwix was not that we increased our capacity, but it was that imported talent that allowed us to pursue a vision of what we saw to be included in the Merritt timber supply area. [DRAFT TRANSCRIPT ONLY]

[1150]

The strengths of those who passed before me, sitting here, are utilized today, but now we carry that vision. I've talked to Konkin. I've talked to Gordon Campbell. I've talked to Christy Clark. I tell the story that I started out as a First Nations forester. Now I happen to be a forester who is First Nations. My vision has changed, because instead of separating, I include. [DRAFT TRANSCRIPT ONLY]

The Winter Olympics is a great story of First Nations colour and inclusion.

You know, there were lots of things where, yes, it was good, and people will agree there was bad too. There were a lot of things, but the one thing is that it made British Columbia very distinct. The one thing that we learned was the value of First Nations. [DRAFT TRANSCRIPT ONLY]

What do people envision when you use the words "First Nations"? What's the first thing you think of? At a community level, First Nations — what do you think of? That first thing you think of — is it good or bad? At a regional level, at a provincial level, Canadian level, international level — you ask someone what the first thing they think of is when they think of First Nations. Good or bad? Probably 99 percent of the time it's good, whatever their values are. [DRAFT TRANSCRIPT ONLY]

That's the one thing about forest management in this province. I see that shift and that change of inclusion. That's what making us richer, by that added value. [DRAFT TRANSCRIPT ONLY]

I'm working on a Rural B.C. project also right now with the other BACs, and it's the same thing. Being able to allow ourselves to have inclusion — I wouldn't say just shared decision-making — is the main thing that we're looking for. [DRAFT TRANSCRIPT ONLY]

I'm glad our mayor is here today. We were able to have a sit-down with.... Actually, we didn't have it with our tribal leaders; we had it with what we call our technical experts. We sat down with the municipality of Merritt, and we sat down with government. We went over a few things that were happening in our area — that I would say is my and Susan's traditional territory, right? [DRAFT TRANSCRIPT ONLY]

What happened at that meeting.... It's something that I've been pursuing at the tribal level. It's the need for coordination and orchestration. The name I utilize at the tribal level is a stewardship and lands coordinator position. That's someone who takes the three very simple values — I call it my three pillars: of economics, the environment and the sociocultural. You can use those values at a political level. You use those values at a business level. You use those values at a community level. Those are the values that we carry and that we set everything on. [DRAFT TRANSCRIPT ONLY]

We've been looking at some of the things that have been happening here within — I'll go back to it — that IFPA decision and the allowance of First Nations to get access to tenure. If you look at the Merritt model, we never went after compensation in dollars. We've always looked at the access to timber. We can do more with that. It goes back to.... What it did is that it changed the environment here. [DRAFT TRANSCRIPT ONLY]

If you look at the major licensees, and then you look at Stuwix, they're two very different models, two very different products. Stuwix doesn't go into a block and look at the value of the 2-by-4. Yes, we're influenced by the 2-by-4 market, but that's not our product. The major licensees look at that. That's their product. Our product is part of their process. [DRAFT TRANSCRIPT ONLY]

I've heard that this morning — talking about value-added and the need for that. When you give tenure to a group that does not make a product of a 2-by-4, you're actually increasing the level of products that become available. [DRAFT TRANSCRIPT ONLY]

[1155]

You ask a major licensee to go and incorporate full timber utilization in their program, and they're going to look at it and say: "Well, how does that impact our product? Is that going to slow the number of 2-by-4s that we're actually going to put out into the market?" [DRAFT TRANSCRIPT ONLY]

What you're looking at is not value-added. What we're looking at it is more of just the opportunities for multiple products. Value-added is one opportunity. [DRAFT TRANSCRIPT ONLY]

If you look at the current structure today.... When fibre is put on the market for tender, and you look at a small, let's say, post-and-rail operation, a chipping, grinding operation, and their ability to acquire and put in a bid that actually suits their product, they can't do it. That's one bad thing. One good thing is that there's a lot of discussion and cooperation, coordination amongst the major licensees and value-added industries. But the one thing is that we have to look at that whole spectrum of fibre use in a community. I guess multiple types of licences need to be looked at. [DRAFT TRANSCRIPT ONLY]

The First Nations model. Ours in Merritt traditionally, until five or six years ago, was sawlog, and we had some post-and-rail operations actually going in. They had their tenure to go and get their required timber size to do their product. But now what we were able to do is look at it, at the Stuwix model, and say: "How else can we create revenue? Where's that extra 50 cents, 25 cents that we can make off of our fibre?" [DRAFT TRANSCRIPT ONLY]

Well, we started selling pulp. The pulp program came into Merritt. We were actually chipping, and we said: "You know what? Grinding is going to follow very shortly." There are two very successful grinding operations that were going on here, two very successful chipping operations. They did not start on government subsidies and programs. They started because there were entrepreneurs and licence holders or fibre holders that were willing to give them an opportunity, and through that, it grew. [DRAFT TRANSCRIPT ONLY]

Merritt is probably one of the few timber supply areas that has shut the doors at the mills. Another reason: because there was already another market for them to say: "Hey, we can move some pulp over here. We can chip it; we can grind it." So a lot of the environment needs to be there, and we need to create that environment to allow that to happen. [DRAFT TRANSCRIPT ONLY]

I'm sitting here saying I think I put First Nations as part of that. We're in that spectrum. But if you step back and look, it was really that ability of multiple licences to allow different opportunities to occur. There are things right now that I've seen. I haven't heard it mentioned today, but we know that there are reductions in cut. We know that there are going to be mills shutting down. We know that there is fierce competition to get the right wood to the right mill. [DRAFT TRANSCRIPT ONLY]

One of the things that we're finding, and one of my issues, is some of the things that actually almost prevent us from moving wood to a mill. [DRAFT TRANSCRIPT ONLY]

In the Merritt area we have what we call the northern mills, which are in Merritt, and one mill in the south. We operate in a volume-based cut. But I heard this morning about the gentlemen's agreements of operating areas. We have handshake deals of saying: "This is our operating area, and this is where we will manage wood. If you need to come in here, you talk with us first." That's what the licensees do here, and it works. There's communication amongst that. [DRAFT TRANSCRIPT ONLY]

[1200]

But one of the things that we're finding is, just as one example, what we call the haul-rate differential or trucking differential. If we're harvesting down in Princeton, our appraisal is to the nearest mill. So it goes to Princeton, even though we're harvesting in Princeton to deal with mountain pine beetle and our wood is coming to Merritt to Tolko. That was, until last year, allowed. We could say: "Okay. You know what? If Tolko is down there getting wood, it could come to Tolko." [DRAFT TRANSCRIPT ONLY]

But a company like Stuwix, where we don't have a mill, we're just appraised to the nearest mill. So now, we have to tell Tolko: "Sorry. We can't afford to send you wood." We've filled Weyerhaeuser's order, because they're in Princeton, but we can't send it north because it's not feasible. And it's just based on

a haul-rate differential. [DRAFT TRANSCRIPT ONLY]

Just small things like that can stop fibre flow. Now they have to go and shut a shift down in Merritt. Now other value-added companies are not getting their top logs or anything else. [DRAFT TRANSCRIPT ONLY]

I think that's the one thing. A lot of things that I've explained are probably very different. There are probably similarities, but there are also differences in each and every rural community in this province. That's why I'm saying that one of my recommendations is to have someone in a position that can actually pull in the players and create an environment so that we can actually make community decisions. [DRAFT TRANSCRIPT ONLY]

That's really kind of what I came here to say today. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Thank you, Lennard. [DRAFT TRANSCRIPT ONLY]

Questions from members? [DRAFT TRANSCRIPT ONLY]

B. Stewart: Thanks very much, Lennard, for the presentation. [DRAFT TRANSCRIPT ONLY]

Just on the point of appraisal that you just brought up. Did you say that previously you had been able to haul from the Princeton area to Merritt without that coming into play? [DRAFT TRANSCRIPT ONLY]

L. Joe: Yeah. [DRAFT TRANSCRIPT ONLY]

B. Stewart: And that's changed. Now the point of appraisal is making you deliver it to Weyerhaeuser.... Yeah, I understand. [DRAFT TRANSCRIPT ONLY]

L. Joe: Certain things come into play. I think what I wanted was that there are certain decisions that actually affect more at the local level, and they're provincial decisions. [DRAFT TRANSCRIPT ONLY]

B. Routley: I'd be interested in your views on what you think we should be doing in terms of increasing fibre supply. [DRAFT TRANSCRIPT ONLY]

Obviously, the other issue that you've kind of touched on is tenure. I'm not clear.... I hear your message on inclusiveness. That's great that there have been partnerships reached that have increased the value. But I wondered about what you see in the future as far as issues around tenure. Should there be inclusiveness? I know there are some examples of inclusiveness in First Nations working together with communities on community forests and that kind of thing. [DRAFT TRANSCRIPT ONLY]

Going forward, what would your recommendations be to this committee that's looking at timber supply? Obviously, with your experience as a forester, you're unique in the representation of First Nations issues because you're familiar with all of the professional forester practices here in British Columbia. [DRAFT TRANSCRIPT ONLY]

If you could fill us in a bit on what your ideas are. Do you think that we should be looking at any of these areas that the documentation has laid out that we look at — such things as other values, visual-quality areas, old-growth management areas, etc. — or should we be leaving those alone? [DRAFT TRANSCRIPT ONLY]

L. Joe: Oh, I think you need to.... This is just my personal opinion. Yeah, we do need to step back and really come together and look at and remeasure the values. I liked one of the things I heard this morning: don't disregard the thousands of hours and dollars that we have put into looking at our past values and setting those — like the OGMAs, wildlife tree patches and other things like that.

[DRAFT TRANSCRIPT ONLY]

[1205]

I think what we really need to do is.... The true reality out there is that the low-hanging fruit is gone. The cost of going after the remaining volume that's in a timber-harvest supply area is going to go up. The value of the product that is coming out of that is going down. It needs a true, full participation to look in and get those true values of what can come out. [DRAFT TRANSCRIPT ONLY]

I think we need to work together to find where that common value is. You know what? We know that in order to keep the province at the standards that we expect for, let's say, forest management within our ministry, we need to feed that. It's one of those things. It's a necessity to the strength of where we're going to be. [DRAFT TRANSCRIPT ONLY]

Forest management is.... Most foresters I know are very passionate about our job, and it's not about just the value that we're going to get out of that 2-by-4. It's all those other values that we learned to be in our profession. I mean, do the RPF exam. It's not on how much value you can get out of that wood. It's about everything else. [DRAFT TRANSCRIPT ONLY]

I think what we do need, though, is we actually have to.... That's why I say something like the stewardship plan coordinator, you actually need to look at, community by community, and actually put that as a clear role. In Merritt right now we're sitting down.... [DRAFT TRANSCRIPT ONLY]

One example — Stoyoma. *X?a?x?á?* is a spiritual area — lots of strength, lots of history, lots of First Nations values. But if you look at it on an aerial photo, you'll know exactly where that is, because it's the only area with trees in that area. [DRAFT TRANSCRIPT ONLY]

Where do you measure those values, of how do you get that wood out? Guess what it's in? The timber-harvesting land base. [DRAFT TRANSCRIPT ONLY]

Those are the harsh decisions that every — it's not just Merritt — community is going to have to make, sitting down with First Nations and working on higher-level management, looking at the areas where it says that this is not an area we can go into, and making the decisions on that. [DRAFT TRANSCRIPT ONLY]

For me, I look, and I say: "You know what? If you're looking at...." It was required — you know? It was funny. You look at how you do a wildlife tree patch. You really look down at the core of how those decisions are made. [DRAFT TRANSCRIPT ONLY]

Well, you want to find the lower-value trees, rockier ground, because you really don't want to take too much out of the timber-harvesting land base. We've already done all that in the past. When we're actually looking at even the decisions around OGMA, old-growth management areas — here in Merritt were a number of those areas — you look and say: "Geez, it doesn't look that old." [DRAFT TRANSCRIPT ONLY]

Well, the reason is that that's a cultural value site — high-priority site for protection — so we put it into an OGMA. Lithic sites, trails, it could be something else there that says we need a larger area. Okay, you know what? We're going to protect that under OGMA. [DRAFT TRANSCRIPT ONLY]

There's already been lots of discussion about how things are set up here. That's why in Merritt we've just asked it as: "Well, can we find a way to do a short-term increase of timber supply so that we can meet the demands of our current programs — our sawmills and employment?" [DRAFT TRANSCRIPT ONLY]

I say there probably is some that we'll be able to look at. Maybe we'll look at something.... We're moving into uneven-age stands. Maybe we're looking at saying: "Well, how much smaller-volume fir can we take out?" [DRAFT TRANSCRIPT ONLY]

What kind of program will we be doing in Merritt? How will we deal with our yellow pine? There are a whole bunch of different areas here that we haven't been forced yet to move into. But we will. Silviculture decisions. How do we

prepare our stands for tomorrow? [DRAFT TRANSCRIPT ONLY]

It's not going to be the same tree 30 or 40 years from now. We're not going to be just doing sawlogs. We're going to be harvesting for fibre — glulam, whatever. Whatever technology is out there — how are we doing that today?

[DRAFT TRANSCRIPT ONLY]

[1210]

One area that I've brought up and is brought up at a traditional level is roads. It's a touchy subject, because as a forest licence, you have obligations to put roads under permit and you're responsible for those roads. In order to deal with the beetle.... You have to remember how fast things were being done, how many roads had to go in. [DRAFT TRANSCRIPT ONLY]

The roads programs. The appraisal system is that.... Let's say you get \$1.08 per cubic metre, on average, for your roads program. That's to put your road in and pull it out. Reality is it costs \$1.40, \$1.50. So we have roads out there where you have companies that put in roads, and the revenue right in our appraisal system doesn't account for that. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Lennard, thank you very much for your input and for spending some time with us here this morning. [DRAFT TRANSCRIPT ONLY]

Our next presenter is Natasha Fountain, with the Nicola Tribal Association. Welcome, Natasha. Over to you. [DRAFT TRANSCRIPT ONLY]

N. Fountain: [Nlaka'pamuctsin was spoken.] Good morning. My name is Natasha Fountain. I am working with the Nicola Tribal Association. With the Nicola Tribal Association, we have a long history that's working with referrals and doing a lot of management with regards to trying to attain code stewardship.

[DRAFT TRANSCRIPT ONLY]

I just wanted to build on some of the points that Lenny was saying. I think that there needs to be definitely a higher level of management with regards to the whole timber supply area. If we were to increase the uplift, then there's going to probably be a little bit more confrontation or conflict if we don't have these management procedures in place. [DRAFT TRANSCRIPT ONLY]

Right now a lot of the forest companies have been avoiding significant areas with spiritual significance, archaeological significance and cultural resources that we utilize on the land base. But with this increase, or with the way the forest is going to be managed in the future, we need to start looking at the holistic perspective and insure that we are looking at the water and the impact of that, as well as the hunting areas and traditional berry-picking grounds. [DRAFT TRANSCRIPT ONLY]

Lenny had mentioned the Stoyoma area, and there have been a couple of different First Nations values that have been identified with that. That's really difficult to try to establish management areas or management plans that forestry can be able to manage. [DRAFT TRANSCRIPT ONLY]

That's like our *x?a?x?á?* areas or *cuwecút* areas where we fix ourselves. Right now we're trying to determine how the intrinsic value gets impacted and what those areas need to be in order for us to have the spiritual significance that's associated with them. [DRAFT TRANSCRIPT ONLY]

A lot of these areas have been put under OGMAs, and we also have been trying to limit the access within these areas because it's multiple usage or even the recreational aspect of it can impact the significance of the area. So if we were to have a higher-level management opportunity to put inputs, then hopefully, we can be able to identify high-risk areas instead of having this cutblock-to-cutblock basis, with regards to the referral process. [DRAFT TRANSCRIPT ONLY]

I think that's all I wish to say at this point in time. [DRAFT TRANSCRIPT ONLY] [1215]

J. Rustad (Chair): Natasha, good job. [DRAFT TRANSCRIPT ONLY]

Any questions from members? [DRAFT TRANSCRIPT ONLY]

I just want to thank you as well for presenting. I like your idea of the higher-level input at the planning stage as opposed to at the operational stage. It's a very good point that you've raised. Thank you. [DRAFT TRANSCRIPT ONLY]

That brings to a conclusion the list of presenters that we have for the committee today. At this time I'd like to offer an open-mike opportunity for anybody who hasn't presented yet today. [DRAFT TRANSCRIPT ONLY]

M. Beauclair: I would, sir. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Sure. Come up and approach the mike. If I could get you to give your name and a little bit of background so we can make sure that Hansard has it recorded. [DRAFT TRANSCRIPT ONLY]

M. Beauclair: Sure. My name is Michael Beauclair. I'm an official scaler. I have a small business as a proprietorship. I also work for a major licensee. [DRAFT TRANSCRIPT ONLY]

One thing I've been watching with this committee here.... We have to ask ourselves: what standards are we...? How are we measuring our wood? Now, with the present government's shift to cruise-based billing, with cutting permits and timber sales, I think we're going down the wrong path. Now, a lot of people would argue with me that it all works out in the end, but I think our standards are.... Plus or minus 12 percent on a mountain pine beetle cruise — that's unacceptable to me. When I am check scaled by the district check scaler, I have to be at or below plus or minus 3 percent on volume and grade. [DRAFT TRANSCRIPT ONLY]

It comes down to the heart of the matter here. The fundamental issue is: are we going to have some decent numbers to calculate our AAC? That's the question I have for the present government and for a couple of the other parties. Even the weigh scale system — the standards for that need to be definitely improved because, I'm sorry, the stratum descriptions that they have in place are very loose now. I was always told it was to your advantage to stratify your wood properly, and it's to the licensees advantage to stratify your wood properly. [DRAFT TRANSCRIPT ONLY]

The other thing, too, is we're trying to sustain the cut to sustain jobs. Maybe we should be looking at it from a different point of view, which is: how many more jobs can we get per cubic metre? Are we going to depend on the supermill mentality? If we are, we're just going to keep losing jobs no matter how much the cut is brought up or sustained. This present path, I think, is going to lead us into a fibre-type technology. I'd like to use solid wood products. I'm sure everybody else would like to. [DRAFT TRANSCRIPT ONLY]

I'm all for area-based tenures as long as it gives you a better inventory. Now, there's been talk about the level of inventory that's been done, especially in the mountain pine beetle areas. We obviously need to redo it. I'm not a forester; I'm a scaler, so I'm not into that. But I think we've got to start off with the proper inventory first. You know, what is the estimate of the cubic metre per hectare for the area? [DRAFT TRANSCRIPT ONLY]

I don't think that a timber cruise should be used for billing or for AAC calculation either. That plus or minus 12 percent, like I said, once again, is unacceptable. That's all I have to say. Thank you. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): Great. Thank you very much for your presentation. [DRAFT TRANSCRIPT ONLY]

Interjection.

J. Rustad (Chair): Chris, you've already had a chance to present today.

[DRAFT TRANSCRIPT ONLY]

C. O'Connor: I'm a member of the public. [DRAFT TRANSCRIPT ONLY]

J. Rustad (Chair): No, Chris. Sorry, it doesn't work that way. [DRAFT TRANSCRIPT ONLY]

At this time I'd like to thank everybody who came forward and made presentations today to our committee. I'd also like to thank the Ministry of Forests staff, as always, who have come out and participated in the process. Our next meeting coming up is in Kamloops here this afternoon. [DRAFT TRANSCRIPT ONLY]

I'd just like to remind everybody as well that if you want to add anything to what you've presented or if you have some other thoughts you'd like to share with our committee, you have until July 20 to provide us with written submissions. The information as to how to get that to us is through our website: www.leg.bc.ca/timbercommittee [DRAFT TRANSCRIPT ONLY]

With that, I move the committee is adjourned. [DRAFT TRANSCRIPT ONLY]

The committee adjourned at 12:20 p.m.

[[Return to: Committee Home Page](#)]

Hansard Services publishes transcripts both in print and on the Internet.
Chamber debates are broadcast on television and webcast on the Internet.
Question Period podcasts are available on the Internet.

Copyright (c) 2012: British Columbia Hansard Services, Victoria, British Columbia, Canada