

Lumber Prices: SPF R/L 2X4

Week of January 15	260
Previous Week	280
Previous Month	260
Year Ago	338

Source: Madison's Canadian Lumber Reporter
(www.madisonsreport.com)

Softwood Lumber Agreement 2006

For information about SLA 2006 please see the following websites:

Government of Canada:
www.dfait-maeci.gc.ca/eicb/softwood/menu-en.asp

Government of BC:
www.for.gov.bc.ca/HET/softwood

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President's Memo

Is it me or is our collective ability to determine where exchange rates, prices or markets are headed about as good as the weather forecasters? We have seen the impact of weather on the economy in general but the impact on the forestry sector seems to be getting more acute.

Warmer temperatures in northern B.C. have exacerbated our MPB epidemic. Warmer temperatures shortens the winter logging season. (Across Canada the majority of logging activity takes place in the winter). And, of course, warmer

temperatures add to our forest fire risk.

The forest industry has made incredible progress since 1990 achieving a 44% reduction in greenhouse gas emissions intensity. Our forests serve as a valuable and natural carbon sink.

There is also a huge potential for bio-energy using forestry waste products.

The question is what are we going to do about it in the future? To find out more plan



on attending the 2007 COFI Convention in Prince George.



John Allan

Register Now for COFI Annual Convention—2007 Partners in Sustainability

Join us in **Prince George**, on **April 12th and 13th, 2007**, at the Prince George Civic Centre, for an opportunity to explore **Partners in Sustainability** with the BC Forest Industry.

The two day convention will provide panel sessions and events of interest to Industry CEOs, Vice Presidents, Marketing and Production Managers, Senior Representatives from suppliers and equipment firms, law firms, financial institutions, senior federal, provincial and local government officials, chambers of commerce, Mayors, MLAs and MPs, as well as local, regional and national media. This event will bring together key industry, government and customer representatives to identify opportunities, challenges, strategies and successes as we partner our efforts toward sustainability, particularly in the wake of the province's mountain pine beetle epidemic.

There will be something for everyone: executive panels on key issues, a British Columbia Report Card on BC's competitiveness, an up to date Market Outlook, and, "Life after the Beetle". New this year is a Media Panel on Public Perceptions of the Industry. This convention will undoubtedly be of the caliber that our sponsors, exhibitors and delegates have come to expect. With over 50 exhibitors the trade show component is bound to be a resounding success.

Take this opportunity to gain a better understanding of the

issues, challenges and opportunities facing the BC forest products industry while networking with customers, suppliers, and industry leaders, community leaders and policy makers. Watch for speaker details in the next issue of the newsletter or visit www.cofi.org.

For registration information, see www.cofi.org or contact our Convention Manager, Judy Neiser by phone at (250) 614-4353, fax (250) 564-3588 or e-mail: ac2007@cofi.org.



PRINCE GEORGE, BC • 2007

PricewaterhouseCoopers 20th Annual Global Forest and Paper Industry Conference

**Thursday, May 10, 2007
Westin Bayshore Resort & Marina,
Vancouver, Canada**

Join CEOs and senior forest and paper executives, industry analysts, customers and government policy makers from around the world as they discuss the challenges and opportunities facing the global industry. This one-day conference will once again include a panel of CEOs from the world's leading forest products companies.

PricewaterhouseCoopers' Annual Global Forest and Paper Industry Conference, now in its 20th year, is recognized by leading industry executives as a not-to-be missed event.

For more information please visit: www.pwc.com/fpp

or

contact Martina Luketic, PricewaterhouseCoopers LLP at forestandpaper@ca.pwc.com or at (604) 806-7770.

Western Silvicultural Contractors' Association

WSCA 2007 Annual Conference & Trade Show
Coast Inn of the North
Prince George, B.C.
31 January through 2 February 2007

For more information go to: www.wsca.ca.

Fifth Annual BC Natural Resource Forum Highlights Resource Careers

The fifth annual BC Natural Resource Forum took place in Prince George on January 11th & 12th. Sponsored annually by Pat Bell, MLA, Prince George North and Minister of Agriculture & Lands, the two day forum included as speakers: Premier Gordon Campbell; Jim Shepherd, CEO Canfor; Honourable Wally Oppal, Q.C. and the Honourable Gary Lunn, Federal Minister of Natural Resources.

Thursday afternoon the forum was dedicated to careers in the natural resource sector for high school, college and university students moderated by Dr. Don Cozzetto President of UNBC and John Bowman, interim President of CNC. Along with presentations by the Mining, Oil and Gas and Agriculture sectors, Chris Lear, COFI Northern Operations Forest Education Manager, gave a presentation on careers in the forest industry for 2007

and beyond. After the presentations, representatives from Industrial Forestry Services, Finning and Canfor joined Chris at the COFI display area to discuss, with students one-one-one, current and future career opportunities as well as education, skills and aptitude requirements.

For more information contact COFI Northern Operations Forest Education Manager Chris Lear at (250) 564-5136 or by e-mail at lear@cofi.org.



Pat Bell, Minister of Agriculture and Lands (3rd from R) and Chris Lear, COFI Northern Operations Forest Education Manager (2nd L) with students from Fort St. James Secondary School at the 5th Annual Natural Resources Forum.

China Market Overview

The Chinese market for imported wood products continues to grow at a strong pace and year to date is set to equal or surpass 2005 where China imported USD16.4 billion worth of wood products including 6.05 million m³ of sawnwood and 29.4 million m³ of logs. The majority of this import goes into China's vast re-manufacturing, furniture and flooring industry as well as its rapidly growing non-structural plywood sector.

Canada's value of product imports into China, year to date in 2006, CDN\$60 million, has grown approximately 10% over 2005. There has been a noticeable

rebound in shipments in volume for SPF, Hemlock, and WRC, up 25%, 15% and 77% respectively.

Recent government restrictions on land use for low density housing and real estate market restrictions has seen a drop off in all single home developments regardless of building material. Despite the slowdown in Beijing, Shanghai and Guangzhou, we expect structural wood volume usage to be equal to 2005 or greater due to new projects being developed in second tier cities and as part of smaller footprint developments.

On September 15 the wood re-manufacturing and re-export

industry was hit by an immediate elimination of a 13% VAT rebate given to exporters. This will force the most inefficient and lower value added facilities to close or consolidate and expect domestic industry to look to developing the China market.

For more information about the China market and other international market development activities in Japan, China and South Korea, check out the Market Development Newsletter: www.cofi.org/canadawood/newsletter/2006_nov/nov2006.htm#8

New MPB Teaching Resource Kit Hits BC Secondary Schools

By the end of January, every public and private high school throughout the province will have received copies of a new secondary school teaching resource kit "British Columbia's Mountain Pine Beetle." Developed in partnership with COFI Northern Operations Forest Education Manager, Chris Lear, and Market Outreach Network, the new resource provides Grade 8-12 science, social studies and forestry teachers with the information they need to teach their students about the current epidemic. "Because the beetle epidemic will continue to impact the pine forests of British Columbia for many years, it is important for all stu-

dents and teachers, especially those in communities affected by this epidemic, to understand what is happening," noted Lear.

Each resource kit includes a binder with lesson plans and activities keyed to the learning outcomes of various subject areas, two DVD's each containing a video and PowerPoint presentation, five posters, and samples of the mountain pine beetle and larvae, as well as bark and wood that has been affected by the beetle.

A similar teacher resource kit was developed in 2005 for

grades four to seven and has been well-received throughout the province. In developing this high school resource, we sought the valuable advice from a committee of high school teachers who suggested approaches, activities and other resources.

For more information contact COFI Northern Operations Forest Education Manager Chris Lear at (250) 564-5136 or by e-mail at lear@cofi.org.



New High School Mountain Pine Beetle Teaching Resource Kit

BC's First SAFE Certified Companies Recognized

The first B.C. forestry companies to become SAFE (Safety Accord Forestry Enterprise) Certified Companies were recognized at the Truck Loggers Convention in Vancouver. Premier Gordon Campbell joined the BC Forest Safety Council and WorkSafeBC in acknowledging the 16 companies - including COFI members Canfor and Weyerhaeuser - who have successfully completed comprehensive independent safety audits to achieve SAFE Certification.

Dave Bryden, Woodlands Manager, Prince George Woodlands, Canfor described the commitment to safety: "We are committed to an aggressive incident prevention program where all incidents and close calls are investigated, root causes are identified, and corrective actions are taken to prevent reoccurrence. We have identified hazards for all job activities, completed risk assessments and put in place control measures to ensure employees are protected from injury."

Bob Taylor, Vice President, Woodlands, Weyerhaeuser said, "At Weyerhaeuser, safety always comes first. We believe leadership has to actively promote safety in order to establish a culture where safety is a priority."

"The success of these companies in achieving certification in just one year is a sign of their commitment to safety," said Campbell.

"Forest safety is everyone's priority and we all share the same goal of having zero fatalities in the forest industry. We will continue that commitment to forest safety in 2007."

Developed by the BC Forest Safety Council, in conjunction with industry and WorkSafeBC, SAFE Companies is an initiative to develop, certify and annually audit the effectiveness of safety programs in all forestry companies. Certified companies benefit from reduced injuries and lost time, and are eligible to receive an annual rebate

on their WorkSafeBC assessment premiums.

SAFE Companies began accepting registrations for certification in November 2006. Since launching the program, the BC Forest Safety Council has received more than 250 registrations from companies of all sizes throughout B.C. Of the 16 companies that successfully achieved SAFE Certification in 2006, five were large firms with more

than 20 employees and 11 companies had less than 20 employees. Companies ranged from full-phase logging contractors and large licensees to hand falling and silviculture operations.

To find out more about the SAFE Companies program including profiles on the certified companies, visit the Council's website at www.bcforestsafesafe.org or call toll free to 1-877-741-1060.



Peter N. Affleck Memorial Graduate Scholarship in Forest Policy

COFI members and staff were saddened and shocked at the untimely passing of Peter Affleck, Vice President Forestry, on May 1, 2006. In memory of Peter, the Council of Forest Industries established the Peter N. Affleck Memorial Graduate Scholarship in Forest Policy at the University of B.C.

Peter was recognized across Canada as a dedicated, effective and highly respected advocate for the forest sector. Providing assistance to young people in developing knowledge and a passion for good forest policy is something we are confident will be considered a fitting tribute to Peter.

Please consider making a contribution today as we must raise a minimum amount before the University can formally establish the scholarship. Contributions are tax deductible.

Cheques should be made out to: UBC – Peter N. Affleck Scholarship Fund and mailed to:

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Forestry Sector Safety Significantly Improved in 2006

Safety performance in B.C.'s forest industry was markedly better in 2006 over the previous year with the lowest number of fatalities ever recorded in the sector, according to the BC Forest Safety Council. There were 12 fatalities last year compared to 43 fatalities in 2005. There was no faller deaths in 2006 compared to seven the year before.

The most dramatic year-over-year improvement was in harvesting – manual tree falling and mechanical harvesting. There were two fatalities in 2006 compared to 19 in 2005 with 32 serious injuries compared to 43 in 2005.

Log hauling recorded fewer fatalities last year with five deaths compared to eight in 2005. However, there was

an increase in serious injuries with 20 last year over the previous year's total of five.

"There has never been a year in the forest sector with so few fatalities in harvesting operations with two deaths and none in manual tree falling," says BC Forest Safety Council CEO Tanner Elton. "The overall trends are very encouraging with a sober note on transportation."

Elton says the number of serious injuries and fatalities in trucking and the operation and servicing of equipment is of concern and will be a focus for the coming year. "We are moving in the right direction but 12 fatalities are still unacceptable," he says.

The BC Forest Safety Council believes last year's results with the dramatic improvement year over year have been the

result of the concerted and ongoing efforts of workers, companies along with agencies and organizations in the forest sector dedicated to make workers and worksites safer.

"We must now continue our efforts to make safety an overriding priority and develop a culture of safety in our industry," Elton says. "While these results are encouraging, we should not be satisfied until we reach our goal of no fatalities."

For more information see the Safety Council website: www.bcforestsafe.org.

Government of Canada Apprenticeship Incentive Programs

Effective January 1, 2007, apprentices completing their first or second level of a Red Seal apprenticeship program are eligible for a \$1,000 Apprenticeship Incentive Grant (AIG). Please note that only those apprentices demonstrating progression on or after January 1, 2007 will be considered eligible.

Information and forms are available at www.hrsdc.gc.ca/apprenticeship.

General enquiries may also be directed to Service Canada at 1-866-742-3644 or 1-866-909-9757 (for the hearing impaired).

Employers of apprentices registered in Red Seal trades may now be eligible to claim the Apprenticeship Job Creation Tax Credit for wages paid after May 1, 2006.

For more information, please visit www.cra-arc.gc.ca/whatsnew/apprenticeship-e.html.

Certified trades people and apprentices may be eligible to claim the new tradesperson's tool deduction for tools and equipment purchased for work purposes after May 1, 2006.

For more information, please visit www.cra-arc.gc.ca/whatsnew/tools-e.html.