

**Lumber Prices: SPF R/L 2X4**

<b>Week of May 19</b>	<b>242</b>
<b>Previous Week</b>	<b>238</b>
<b>Previous Month</b>	<b>210</b>
<b>Year Ago</b>	<b>252</b>

Source: *Madison's Canadian Lumber Reporter*  
[www.madisonsreport.com](http://www.madisonsreport.com)

**Nominate Your Community to be the 2009 Forest Capital of BC**

The Forest Capital program, established in 1988, provides an important opportunity to celebrate the economic, cultural, natural and historic contributions forests make to community life and the health of the province. Our forests are important to every community in BC. It's a heritage we take pride in and celebrate.

For further information on how to nominate your community see:  
[www.abcfp.ca/about\\_us/affiliated\\_programs/forest\\_capital\\_of\\_bc.asp](http://www.abcfp.ca/about_us/affiliated_programs/forest_capital_of_bc.asp)

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**President's Memo**

Readers of this corner of this Newsletter will have realized by now that I tend to have a familiar theme—the financial crisis in the forest industry. I have kept pounding away at competitiveness, cost control, appreciation of the Canadian dollar, softwood lumber export taxes, US housing starts, etc.

Notwithstanding the daily negative media report on mill closures and the devastating impact on employees, families and communities, I thought I would take another angle in this column and illustrate just how radically our fundamentals have changed.

In January, 2007, interior lumber production was 1.3 billion feet and in February it was 1.2 billion feet. However, one year later production had fallen to 1.0 billion feet in January and

0.9 billion in February for a 22% drop in each month.

Likewise exports to the US in January, 2008 were only 65% of the interior's surge trigger while in February they were 75%. In other words the BC interior was shipping well below the point at which it would pay the additional surge tax.

These numbers speak for themselves. When combined with record low lumber prices on a sustained basis and a dollar at par, they basically drive negative financial returns which in turn are not sustainable.

Many of us are thinking long and hard about how we got into this situation and how we get out of it. The market will come back but we would be



foolish to think that government and industry should continue to operate on the same basis as in the past. The government has established a working roundtable on long-term forestry issues and it is incumbent on everyone with an interest in the sector to submit their views and ideas. I urge you to do so.

*John Allan*

**"WHAT'S HAPPENING" at NCMA's 53rd Annual Meeting**

The North Central Municipal Association's (NCMA) 53<sup>rd</sup> AGM was held May 7-9 in Prince George, this year's "Forest Capital of BC". NCMA represents central and northern municipalities and regional districts from 100 Mile House in the south to Ft. Nelson in the north and from Valemount in the east to the Queen Charlottes in the west.

Over 250 delegates attended the conference and participated in activities ranging from business sessions about the day to day municipal operating realities to sessions on Independent Power Production, Carbon Neutrality, and Climate Change. Featured speakers included: the Honourable Gordon Campbell, Premier, Province of British Columbia;

Ms. Carole James, Official Leader of the Opposition and Ms. Roberta Jamieson, President and CEO of the National Aboriginal Achievement Foundation.

COFI participated in the conference both as a sponsor of the Friday Luncheon and in a speaker capacity. Doug Routledge, Vice President Forestry & Northern Operations spoke on the topic "Tackling Climate Change – Use Wood".

For more information contact Doug Routledge, RPF, Vice President, Forestry & Northern Operations, by phone at: (250) 564-5136 or by e-mail at: [routledge@cofi.org](mailto:routledge@cofi.org).



*Premier Gordon Campbell addresses the 2008 NCMA Conference in Prince George.*



*Ft. Nelson Councillor Karen Unruh & Doug Routledge compare notes.*

**Bioenergy 2008**

BioEnergy 2008 will take place June 3, 4 and 5, 2008 in Prince George, BC - at the heart of one of the largest fibre baskets in the world.

The program includes:

- Wood Pellet Forum
- Production and Market Trends
- Market and Production Challenges
- Overview of Biomass and Bioenergy Sources in Northern British Columbia
- Ranking Renewable Energy Alternatives for District Energy Systems
- Wood Biomass Heating Systems for the Greenhouse Industry
- International Partnerships Forum

And many more events

**KEYNOTE SPEAKER:**  
 HON. PAT BELL  
 MINISTER OF AGRICULTURE  
 AND LANDS  
 GOVERNMENT OF BRITISH  
 COLUMBIA

For more information and registration go to:  
[www.bioenergyconference.org/index.php](http://www.bioenergyconference.org/index.php)

**WorkSafeBC Chair Appointed**

WorkSafeBC has announced that Dr. Roslyn Kunin has been appointed chair of the Board of Directors for WorkSafeBC. Dr. Kunin will succeed Douglas Enns who has served as chair for six years.

## WorkSafeBC Information Sessions – Part 26 Forestry Operations

WorksafeBC, in cooperation with the CILA, is hosting information sessions on the revisions to Part 26 of the OH&S Regulation which came into effect on 1 May 2008, open to all interested parties. The two hour sessions are scheduled as follows:

- Quesnel: May 26, 9:00-11:00 am and 6:00-8:00 pm
- Williams Lake: May 27, 9:00-11:00 am and 6:00-8:00 pm
- 100 Mile House: May 28, 9:00-11:00 am
- Vanderhoof: June 10, 9:00-11:00 am and 6:00-8:00 pm
- Burns Lake: June 11, 9:00-11:00 am and 6:00-8:00 pm
- Houston: June 12, 9:00-11:00 am and 6:00-8:00 pm
- Smithers: June 13, 9:00-11:00 am
- Dawson Creek: June 16, 9:00-11:00 am and 6:00-8:00 pm
- Fort St. John: June 17, 9:00-11:00 am
- Prince George: June 25, 9:00-11:00 am and 6:00-8:00 pm

For more information contact WorkSafeBC at 1-800-663-6623.

## Despite Forestry Troubles, Students Continue to Investigate Forestry Careers

Although the forest industry is experiencing unprecedented troubles, it may come as a surprise to many that given an opportunity, high school students still want to learn about forestry careers. It may be their youthful enthusiasm, curiosity or optimism, but students continue to participate in the two career awareness programs hosted by COFI Northern Operations Forest Education Program each spring and fall across northern central BC.

Student numbers in our spring Trades and Technologies and Natural Resource Management Career Awareness Programs are down slightly from last year fall, but this drop has more to do with internal school challenges than with a lack of student interest. We continue to see students keenly interested in participating and learning more about potential career options both today and in the future. For the students, these two-day programs offer the opportunity to learn about forestry careers from professionals who can give them first hand insight into their careers as well as sound educational advice. Students continue to be surprised by the vast

array of careers within the forest industry as well as the education and skill level required.

These are two great programs that with continued support from forest companies, forest consultants, post-secondary institutions and various government ministries, will continue to provide students the opportunity to learn about careers in forestry.

For more information on these two career awareness program, contact Chris Lear, COFI Northern Operations, by telephone at: 250-614-4352 or by e-mail at: [lear@cofi.org](mailto:lear@cofi.org) or visit our new forest education website: [www.forest-education.info](http://www.forest-education.info).



*Trades students from School District No 91 Nechako Lakes learn about trades at Canfor Pulp's Northwood Pulp Mill in Prince George.*



*Ed Morrice, CNC Forest Technology instructor, demonstrates how to use a GPS to students from Prince George at their recent Natural Resource Management Camp*



*Trades students from Smithers Secondary learn about lumber quality as part of their trades program at West Fraser PIR sawmill in Smithers*

**Forest and Resources Expo 2008**

Prince George June 5, 6, & 7<sup>th</sup>

The Expo will feature over 240 supplier exhibits and seminars including:

**Resource Roads:**

Roger Harris, Forest Safety Ombudsman  
Andrew McLellan, Ojay Road User Group

**Engaging First Nations in a Meaningful Way:**

Dan George, FN Mountain Pine Beetle Initiative  
Gary Merkel, FN Consultant

**Cutting Edge Technologies:**

Murray Sunstrum, Enform - Video & Online Training  
Keith Goode, Spatial Mapping - SafeTraq Vehicle Tracking System  
Darren Jansen, Bluewater Business Solutions - LiDAR

**Move it! Move it! Move it!:**

Stieg Hoeg, Prince George Airport Manager  
Gerard Aldridge, Northwest Corridor Development Corp

**Industry Safety Organizations & COR Partnerships:**

Tanner Elton, BC Forest Safety Council  
Murray Sunstrum, Enform  
Lloyd Franks, Gibraltar Mines

**The Workplace and Workforce of the Future:**

Andrew Ramlo, Urban Futures Institute

**Safety Management Systems:**

Steve Mueller

**Substance Use in the Workplace:**

Dr. Brendan Adams

For more information and registration go to:  
[www.forestandresources.org](http://www.forestandresources.org)

## ABC FP Offers a Forest Technologist Transitional Policy to Aid Entry into the Profession

If your job includes work that falls within the RFT scope of practice, you must join the association or work under direct supervision of an Association of BC Forest Professionals registered member.

The ABCFP has opened the Forest Technologist Transitional

Policy one last time. You may be eligible to join the ABCFP under this policy if you entered into practice before December 1, 2003 and have been practising at the technologist level for a number of years. You must apply for membership in the ABCFP by November 30, 2008.

More information can be found in the Forest Technologist Transitional Policy on the association's website.

[www.abcfp.ca/entering\\_the\\_profession/applying/routes\\_of\\_entry.asp#RFTroute](http://www.abcfp.ca/entering_the_profession/applying/routes_of_entry.asp#RFTroute)

## 90-Day Forestry Regulatory Review Actions

The 90-day forestry regulatory review has identified four major steps that will enable government to immediately cut red tape to help the forest industry, Forests and Range Minister Rich Coleman announced this week.

The forestry regulatory review was established to streamline red tape and cut processing time. Over 540 submissions were received from the forest industry covering 26 subject areas, ranging from quick fixes to major legislative initiatives. The next steps emerging from the forestry regulatory review are:

1. Implement initiatives that do not require legislative change or further consultation as soon as possible.
2. Consult with the forest industry in the next 30 days about additional actions that can be taken to assist the industry.
3. Consider changes to First Nations' forest tenures.
4. Prepare legislative changes for longer-term proposals.

The following items will be acted on immediately:

- The Ministry of Forests and Range (MOFR) will target a maximum 40-day turnaround time to review and issue cutting or road permits 85% of the time. Previously, the target was 45 days, 70% of the time.
- Annual rents that forest licensees are required to pay can now be made through equal monthly payments during the year to assist licensees to manage their cash flow.
- MOFR will accept and approve documents for approvals digitally instead of requiring paper submissions to save time and streamline record-keeping for licensees.
- Licensees and MOFR staff will eliminate unnecessary information requirements in the Forest Stewardship Plan tracking system to save licensees' time and effort.
- MOFR will eliminate non-essential information requests in as-built road submissions, which will save industry time and extra record-keeping requirements.
- MOFR will issue a single salvage permit for an entire woodlot to ensure woodlot owners can salvage wind throw trees more efficiently and save time and effort associated with permit applications.
- The Integrated Land Management Bureau (ILMB) will work with licensees to improve notice for new foreshore tenure applications so licensees are better able to comment and manage access to their timber authorizations.
- MOFR will implement a risk-based approach to timber

appraisals to streamline the stumpage rate determination process.

- MOFR will look at options to automate weigh scales so log and chip trucks do not need to wait for weigh scales to be "open" and will explore more opportunities to use weigh scaling.
- The new costs associated with meeting ecosystem based management objectives on the north and central coast will be reflected as new stumpage rates are determined.
- The Ministry of Environment will work with the forest industry to provide more opportunity for input in identifying the implications of land removals or protection of land to their operations.
- The Ministry of Transportation will enter into agreements with forest licensees for road access where licensees have identified difficulties in gaining permission for off-highway hauling.
- New regulations introduced by WorkSafe BC that require logging truck drivers to complete log books will be coordinated with *Motor Vehicle Act* requirements so that only one log book will need to be completed.
- MOFR will use a risk-based approach to provide more exemptions from the requirement for licensees to burn wood in remote locations where forest fire risk is

**BC Certification Status**

BC is a leader in third party Certification for Sustainable Forest Management Standards. Over 50 million hectares are certified, more than any other province.

Canada has more area certified than any other country.

**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](http://www.dfait-maeci.gc.ca/eicb/softwood/menu-en.asp)

Government of BC:  
[www.for.gov.bc.ca/HET/softwood](http://www.for.gov.bc.ca/HET/softwood)

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**90-Day Forestry Regulatory Review (Cont'd.)**

minimal, particularly for sites with deciduous trees that decompose quickly.

- MOFR will work with industry to identify opportunities to use natural topography, such as rivers, to reduce the need for fencing for range areas.
- MOFR will remove the requirement for licensees to meet guidelines set out in the "Forest Cover Stratification and Milestones Declarations" document, since they duplicate silviculture survey standards. Eliminating this requirement will allow faster preparation, review and approval of Forest Stewardship Plans.
- The chief forester's standards for seed use currently used by BC Timber Sales (BCTS) will be extended to all licensees, enabling them to co-ordinate planting on a timber supply area-wide basis as opposed to a licence-by-licence basis, resulting in increased efficiencies.
- The Ministry of Environment will provide information to forest licensees on options to reduce the use of herbicides in meeting their silvicultural obligations.
- District managers will have the discretion to apply the chief forester's approved stocking standards for reforestation to streamline approval processes.
- BCTS has moved to a pre-planned flow of wood on a quarterly basis, since timber sales volumes are not consistent through the year and licensees have had problems obtaining adequate wood supplies.
- BCTS will allow timber sale licence holders to be responsible for conducting and reporting their own waste assessments. Where appropriate, BCTS

will no longer manually measure all waste piles and sites. These actions are designed to save time and effort, and ensure licensees get their timber sale licence security deposits returned quicker.

- Where appropriate, BCTS will depart from its normal practice of advertising timber sales at an upset rate of 70% of estimated market prices and use an upset rate that ranges between 70% of estimated market price and the variable cost (the cost of planning, developing and reforesting the timber sale). This will result in logs getting to the market faster by reducing no-bid sales.
- The Ministry of Agriculture and Lands and ILMB will expand the opportunity for a forest company or logging contractor to acquire a "blanket" bond that will cover multiple tenured sites, rather than having individual security or performance bonds for each tenure held by the company. This will streamline administration while still allowing adequate security in the event that it is necessary to restore an abandoned site to a satisfactory condition.
- The Ministry of Agriculture and Lands will update its Crown land and riparian rights guidelines in order to improve clarity. Locating Crown land tenures for log dumps and log booming grounds on water by a forest company requires the permission of affected waterfront property owners. However, sometimes this permission is not given or the forest company must pay the property owner for permission. A clear understanding of what is considered interference with waterfront property owners' rights will help forest companies avoid infringing on waterfront property owners' rights and

their demands for payment.

- MOFR will now apply for reserves for designated log handling sites when it becomes apparent that a site will be used for log handling on an ongoing basis. Having dedicated reserves for log handling will streamline referrals for *Land Act* tenures, Department of Fisheries and Oceans requirements and First Nations consultation.
- The ILMB will identify opportunities to co-ordinate with local governments and other agencies to share ideas about local community initiatives that have been implemented with forest companies.
- Government will conduct a review to ensure that the combined impacts of actions taken under the Government Actions Regulation are within the appropriate balance of social, environmental and economic factors and give industry certainty around impacts on timber supply. Four agencies currently have authority under the Government Actions Regulation to protect various features, such as recreation areas and wildlife habitat areas.
- MOFR will enhance its current risk based approach to compliance and enforcement, recognizing that the over the past few years licensees have had a compliance rate of over 94 per cent. Third-party certification status and previous compliance performance will be considered to ensure that compliance and enforcement efforts are directed at operators with past compliance issues.

For information and a detailed backgrounder go to:  
[www2.news.gov.bc.ca/news\\_releases\\_2005-2009/2008FOR0082-000787.htm](http://www2.news.gov.bc.ca/news_releases_2005-2009/2008FOR0082-000787.htm).