

Lumber Prices: SPF R/L 2X4

Week of February 9	168
Previous Week	160
Previous Month	148
Year Ago	212

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

COFI 2009 Convention Postponed

COFI regrets that current economic conditions have resulted in a postponement of COFI's convention scheduled for April 1-3, 2009 in Prince George.

COFI member companies and many suppliers and potential exhibitors are curtailing travel and discretionary spending as a result of current economic conditions as they focus all available resources on their operations. Postponement of the convention at this time is the prudent choice and staging of the popular event will be reconsidered over the coming months. Visit www.cofi.org for updates.

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President's Memo

I want to take the opportunity in this newsletter to congratulate the provincial government on the two Economic Summits recently held in Prince George and Vancouver. Each Summit had excellent agendas, speakers and attendance. More importantly they dealt with economic reality but not in the context of "doom and gloom" but rather in the context of "what are we going to do about it?"

This latter point is particularly important. B.C. and Canada are trading entities—we depend on others to purchase our goods and services. These markets have dried up reflect-

ing an overall crisis of confidence among consumers backed by financial uncertainty. Both problems must be attacked and attacked aggressively.

In the forest industry economic reason has been slowly crept in and a huge volume of lumber has recently been taken out of the supply system through shutdowns and curtailments. In a commodity based business it's all about supply and demand and to date supply has vastly outstripped demand.

One last thought—yes we need to expand developing



new markets like China but here at home we need a serious rethink of our bioenergy potential. We need more green energy but the legislative, policy and economic framework needs to be reassessed to get this initiative up and running in a serious way. Industry and government need to put on their thinking caps and sooner rather than later.

John Allan

Key Lessons from BC Economic Summits

The provincial government's Northern BC Economic Opportunities Summit and the BC Economic Summit recently held in Prince George and Vancouver on January 22-23 and February 3-4, 2009 respectively.

The remarks of David Emerson, Chair of the Economic Advisory Council to Cabinet, to the Summit in Vancouver emphasized that short-term economic action should not result in short-term thinking. In this regard, Mr. Emerson suggested seven key themes that need to inform longer-term strategic thinking and action.

- **Energy and Environment:** Priority must be given to the development of the Northeast gas industry and electrical transmission as part of a balanced energy and environment agenda for the province.
- **Pacific Gateway:** The Pacific Gateway stands to

provide significant economic benefits for the British Columbia. There is a need to tie northern and southern BC gateway initiatives together.

- **Trade Priorities:** Canada and British Columbia need to be focused in maintaining NAFTA, dealing with "border thickening", and developing deeper trade relations with both the US and the Asia Pacific. BC and Canada should have a 'higher level vision' that includes a binational vision of trade relations including an eventual customs union with the US.
- **Forestry and Natural Resources:** The traditional resource industries must not be written off. In fact, they are a fundamental part of BC's export economy moving forward. These industries are high-tech in their own right.
- **Taxation:** Ensuring that BC has competitive tax policies

is fundamental to helping with the province's lagging productivity. Areas which call for a "watching brief" and action include BC's marginal effective tax rate, property taxation and, over time, sales tax harmonization.

- **Human Resources:** A highly skilled workforce is fundamental to economic growth. This involves focus on research and development which is advanced at BC's four research Universities, but is lagging within the province's private sector. BC also needs to focus on ways to improve venture capital pools to ensure research is commercialized.
- **Streamlining Government:** The institutional inertia embedded in project review and approvals processes needs to be addressed. One prime example is the duplicated efforts of the BC Environmental and the Canadian Environmental Assessment processes.

B.C. Wood Truss Roofing Gets Go-Ahead in China

The Shanghai government has formally approved a B.C.-designed roofing system as part of a plan to renovate 10,000 city apartment buildings in the lead-up to the World Expo 2010 in Shanghai, Forests and Range Minister Pat Bell, and Ida Chong, Minister of Small Business, Technology and Economic Development, announced.

"Shanghai officials have recognized that building with wood is cost-effective, energy-efficient, and good for the environment," Bell said. "With this approval, B.C. wood producers now have

access to a market for as many as 10,000 new roofs over the next two years."

The approval applies to a wood truss roofing system designed by Chinese officials in collaboration with B.C. Forestry Innovation Investment, the Province's international marketing agency for B.C. forest products, provided engineering assistance, access to B.C. lumber, and demonstration sites donated by B.C.

"China represents the greatest growth opportunity for B.C.

forest products of any market around the world," said Chong, who is Minister responsible for the Province's Asia-Pacific Initiative. "And with government and industry working together, we're quickly establishing B.C. as the leading supplier of high-quality lumber and wood products."

In the first nine months of 2008, exports of B.C. wood products to China were more than for all of 2007 and were valued at more than \$166 million.

The Shanghai Light Wood Roof System Cost Quota is a guideline for government-funded construction projects aimed at levelling the playing field in the tendering process. It establishes the price for labour, some materials and also sets timelines for construction with different construction materials. The system is designed to work in lock step with the Wood Truss Standard Drawing Manual, due to be issued later this month.

Fort St. John is the 2009 Forest Capital of British Columbia

The City of Fort St John was chosen as the 2009 Forest Capital of British Columbia.

The City of Fort St. John is dedicated to year-round Forest Capital of BC celebrations in 2009. The entire community will be a part of the events that will include educational, sporting and cultural events that will be fun and inspiring for the community and province.

As the most important centre for enterprise in the northeast region of British Columbia, Fort St. John caters to the forestry sector. The forestry industry alone directly employs more than 700 people in this town of 18,000 and contributes over \$98 million per year to the local economy.

"This honor recognizes and celebrates the valuable role our forests play in the eco-

nomical and environmental health of our community and we are thrilled to be named the 2009 Forest of BC" claimed new Mayor of Fort St. John Bruce Lantz.

Surrounded by a 4.5 million hectare forest, Fort St. John has embraced its responsibility as a guardian of the forest sector by developing the Fish Creek Community Forest and reforestation initiatives that

have resulted in more than 50 million trees planted in the last 20 years.

Fort St. John has planned a variety of seasonal events to celebrate its Forest Capital status.

Opening Ceremonies will be held on February 24, 2009.

Check the city's website for details: www.fortstjohn.ca

B.C. Wood Competition Draws Record Number of Entries

The judges for British Columbia's 2009 Wood Design Awards have their work cut out for them - they'll have to choose winners from a record number of impressive entries.

"We received more than 110 entries, and the calibre of projects in each category is fantastic - this is a true celebration of wood," says Mary Tracey, Executive Director of BC Wood WORKS!, which hosts the annual competition. "We'll be able to show the province, the country and the world what can be done with B.C. wood through the accomplishments of our design and construction community."

To date, the most entries received for the design competition has been 70. Submissions this year include new buildings and renovations, using new timber, recycled timber and engineered wood products. There are structures of all sizes - from one of the world's largest speed-skating facilities to a family boathouse - in communities from Vancouver Island to the Rockies. There are even three entries featuring the work of B.C. architects and designers in countries outside Canada.

"This is the fifth wood design competition, and once again we are seeing leading-edge engineering and innovative

uses of wood," Tracey said. "With our current economic climate, it is important to support B.C.'s forest industry, especially when it delivers environmentally sound products that offer quality, diversity and value."

She used two examples to illustrate the variety of entries. "The massive 33,000-square-metre Richmond Olympic Oval is the crown jewel of the 2010 Winter Olympics, with an innovative wood wave roof system that is gaining international attention," she says. "Yet a clubhouse built by volunteers for the Kaslo Golf Club, at a fraction of the size, is also beautiful and comes with a great

story. Club members harvested over-mature trees from the golf course and swapped them for dry Douglas-fir logs from a local contractor."

The 2009 Wood Design Awards competition has nine wood design categories, as well as four leadership categories for individuals or firms that advance the use of wood. For more information about the awards gala, which takes place Monday, March 9 at the Fairmont Waterfront Hotel in downtown Vancouver, visit www.wood-works.ca and look for the BC Wood WORKS! BC Gala page.

Canada Wood Team Builds Wood Frame Homes for Rural Sichuan

“Qingchuan used to be a beautiful place where we live among lakes, mountains and our national park, which is the habitat of the giant Panda... Though the earthquake smashed our villages and left us homeless, our hard-working people are ready to stand-up and rebuild... With your support and our dedication, Qingchuan will once again be beautiful, charming and prosperous.”

Mr. Li Kaiming, the First Deputy Mayor of QingChuan County, was speaking to British Columbia’s Forest Minister last November in Chengdu. His speech, made at an MOU signing between the government of QingChuan County and Canada Wood, was intended to convey the urgency of their situation and to express his gratitude for Canada’s commitment to provide wood frame building technology to their reconstruction effort.

The displaced people of Qing-Chuan (QC) County have two firm requirements; their homes need to be built quickly and they need to be built cheaply. The mayor’s office is determined to move everyone out of the temporary housing camps by the end of September 2009. Families whose homes were destroyed in the quake will each receive a government grant and a loan to help purchase a new home. The combined sum of the government funds with people’s modest life savings amounts to a budget of \$10,000 to \$15,000 CAD per house.

The cost requirement and tight time-frame present challenges for the Canada Wood team. What is the best way to have 500 to 1000 houses built in a remote mountainous location where neither lumber nor wood frame builders are readily available– for half the price of regular low-cost WFC houses?

Two people at the forefront of tackling these challenges are Steve Ross, Canada Wood’s Deputy Director of Training and Quality Service and Mayco Lou, Canfor’s President-Asia Region.

Steve has spent most of this winter in Sichuan sourcing materials, recruiting workers, and developing very low-cost house designs. Three model houses will be complete in March providing people with different lay-outs to choose from. In the meantime, Mayco Lou, who first initiated the relationship with the QC government, has been busy organizing the logistics of transporting the first twenty containers of lumber to Sichuan. The SPF in this shipment was sourced from the mills of West Fraser, Tolko, Interfor, Interex, and of course, Canfor. Mayco refers to this as the “United Nations brand SPF”.

The model houses vary from 80 to 220 m² with one and two floor layouts. In keeping with local style, there is minimal wiring and plumbing which is perfectly acceptable as typical farm houses in the area use outhouses and shed-kitchens. One key approach to managing the costs is to offer un-finished homes that will be completed by the owners themselves in the coming years.

While the model homes are under construction, another crucial task is being tackled. Canada Wood staff members are moving quickly to organize the capability to build these homes in the small mountain-side villages of QC County. Local Sichuan masonry builders are being approached as are post and beam builders, and wood frame builders from Eastern cities like Shanghai. A special term of Canada Wood College is planned next month in

Sichuan to train workers specifically for the rebuilding of QC.

A possible outcome of this reconstruction period is that several local builders will take the experience they gain with WFC in QC and seek additional contracts elsewhere in Sichuan. There will also be an opportunity to promote the low cost rural house designs

to other provinces. A promotional plan is being developed to target other seismically active regions in China. To this end, Canada Wood will have a good story to tell about families in Sichuan enjoying economical, safe, wood frame homes.



22nd Annual PricewaterhouseCoopers Global Forest and Paper Industry Conference

14 May, 2009, 7:00am – 5:30pm
Westin Bayshore Resort and Marina, 1601 Bayshore Drive
Vancouver, BC V6G 2V4

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

For more information go to:
www.pwc.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

A Publication of the Council of Forest Industries.

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The BC Bioenergy Conference: Building a World Class Bioenergy Capability— May 14-15, 2009

The BC Bioenergy Conference is a unique opportunity to bring leading bioenergy experts and stakeholders together, with a particular focus on opportunities with the forest sector. Participants will learn about:

- key developments and trends in bioenergy
- successful Canadian, US, and European collaborations and models of engagement with industry, research, and government
- roundtable discussion on opportunities, challenges, and impediments to building a world class bioenergy industry in BC

Thursday May 14 - Joint reception with the PwC Global Forest and Paper Conference

Friday May 15 – Conference Program: 8am-1pm

Confirmed Speakers include:

- Neil Barnard, Founding Partner CERES Ventures, UK
 - Patrick von Essen, President Renewable Energy Group Pöyry Energy Ltd., Zurich
 - Michael Burnside, President and CEO Catchlight LLC, San Francisco
 - Jon Rhone, President and CEO, Nexterra, Vancouver
 - Ross MacLachlan, President and CEO, Lignol, Vancouver
- Who Should Attend:
- Forest Industry & Associations

- Bioenergy Industry & Associations
- Academics & Research Institutes
- Government & Public Policy Makers
- Environment & Renewable Energy Stakeholders
- Financers

Full Program and Registration Details coming soon:
www.bcbioenergy.ca

For hotel information, please contact the Westin Bayshore at 604 682 3377 and ask for the BC Bioenergy Conference rate.

Vancouver Wood Solutions Fair—March 18, 2009

Vancouver Convention & Exhibition Centre - Meeting Level 2

The Wood Solutions Fair focuses on wood products and their use in construction. Suppliers and technical experts are on hand to answer your questions about wood. You will be able to take what you learn from the seminars and exhibitors and apply it to projects your firm is currently working on.

What you will see:

- Informative seminars solely dedicated to wood products.
- Technical information from suppliers, manufacturers, wood engineering consultants and industry associations
- The full range of structural wood products and finishing wood products
- Exhibits totally devoted to wood products
- Consultation with wood industry experts

Attendee Information:

Vancouver: 1 877 929-9663 ext. 6

Exhibitor/Sponsor Information
Vancouver: 1 877 929-9663 ext. 4

Event Registration available at
www.woodsolutionsfair.com

COFI Service Award

COFI was pleased recently to celebrate COFI-Northern Operations Forest Education Manger Chris Lear's 10 Year Long Service Award. February 1st COFI Vice President Doug Routledge presented Chris with his long service certificate and a small gift in recognition of Chris' outstanding contributions to

COFI and to Forest Education in the northern half of the province. Congratulations Chris and we look forward to further advancements in forest education over the next decade.

