



Council of Forest Industries  
1999 ANNUAL REPORT

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# COUNCIL OF FOREST INDUSTRIES

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## VISION

COFI's vision is global competitiveness for the BC forest industry.

## MISSION

COFI exists, on behalf of its members, to create a climate for consistent, healthy economic performance of the B.C. forest industry.

## GUIDING PHILOSOPHY

COFI strives to be:

- a positive force to anticipate and effectively manage high impact issues of the future; and
- an advocate of sound, environmentally sensitive forest management and industrial practices.

## STRATEGIC DIRECTIONS

COFI directs its efforts towards:

- ensuring world market access for B.C. forest products;
- providing leadership which engages the industry, government and labour as champions of the B.C. forest industry;
- delivering a proactive process of consultation with the B.C. public which features open dialogue on provincial forest issues;
- participating in the creation of a forest policy framework to ensure the certainty of a competitive fibre supply and to earn and deserve the public trust;
- initiating and promoting industry policy to enhance the competitiveness of the B.C. forest industry;
- being an advocate for the B.C. forest industry; and
- providing leadership to the B.C. forest industry in its relationships with the aboriginal peoples of B.C.



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# Report from the Chair

## REPORT FROM THE CHAIR

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After absorbing 1998's record losses, 1999 proved to be a year of recovery for some, but certainly not for all members of the Council of Forest Industries. That recovery, which could be characterized by the word "fragile," was driven in part by improved product prices and internal restructuring. Clearly, our industry continues to suffer competitive disadvantages in many of the markets we serve. Now, at the close of the year, we move ahead in the knowledge that we must continue to work on fundamental public policy reforms if our industry ever hopes to regain the competitive edge we have lost.

In 1999, we completed work on the Forest Action Plan that was designed to accomplish modest short term cost relief. Of greater strategic importance to the industry is achieving our long-term goals. A fundamental step in that process was the crafting of the *Blueprint for Competitiveness*, a benchmark document that clearly set out the basic goals and principles of our industry. That *Blueprint* has won wide spread support from workers, local government and business leaders across British Columbia. It helps us articulate a vision of a renewed forest sector that creates employment, helps stabilize the communities in which we work and contributes taxation revenue that supports the social programs upon which British Columbians depend.

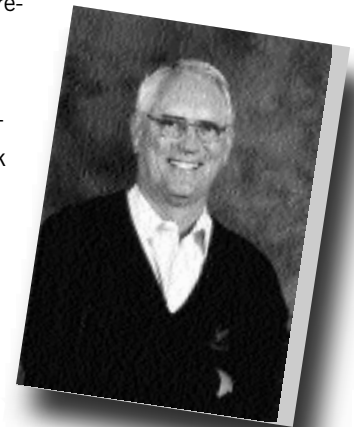
A natural companion to the *Blueprint* was the work COFI began in 1999 with PricewaterhouseCoopers to graphically measure the impacts of public policy setbacks we experienced over the past decade and to quantify the positive impacts of a growing industry. The *Blueprint* armed our industry in the latter part of the year as the provincial government's forest policy review process unfolded. It helped industry highlight one of the most critical elements influencing long term competitiveness, fibre supply. The forest policy review process taught industry a valuable lesson in 1999: securing our fibre supply through a dedicated working forest land base is important to all British Columbians across this province, and we must constantly strive to ensure that governments share and support that vision. To ensure that hap-

pens, COFI is accelerating its drive to demonstrate that this industry can grow over time in a framework of environmental stewardship. As 1999 unfolded COFI emerged as a strong voice for industry. We developed and nurtured partnerships across all sectors in BC and those partnerships paid dividends when forest-related issues surfaced. On the market side, this became apparent during the Port of Vancouver strike. A COFI led and inspired coalition of business interests contributed directly to the speedy resolution of that serious issue.

Throughout the year, COFI consistently made best efforts to work cooperatively with the federal and provincial governments and their agencies to achieve our competitiveness goals.

COFI and its members face enormous challenges in the Year 2000, challenges to guide public policy toward growth rather than shrinkage, challenges related to environmental campaigns against our customers, challenges to achieve certainty in the framework of aboriginal land claims and international trade relations. I believe the groundwork we laid in 1999 has better prepared us to face those challenges. Our organization has a sense of purpose and it is united around basic principles.

I would like to thank the many individuals who contributed tirelessly in 1999 on our many committees and working groups. On behalf of all members I would also like to thank our staff for their energy and dedication. As well, I would like to thank my fellow board members for their active support this past year.



  
Gordie Steele  
Chair

# President's Report

## PRESIDENT'S REPORT

As 1999 began we looked into the mirror here at COFI headquarters and found ourselves to be a much leaner machine as a result of the restructuring process completed in the fall of 1998. Testing this restructuring was a new mandate from the board and our members to raise the profile of the association and take a leadership role on several fronts. We were to establish ourselves as the clear and abiding voice of the industry. We were to build new relationships with the stakeholders who share our goals and who are directly impacted by our successes and setbacks. We were to aggressively pursue our long-term goal of restoring competitiveness.

My personal goal was to reach out to as many British Columbians as possible across this province to begin the process of restoring pride in forestry, to begin the process of rebuilding a wood culture in this province. The goal became a necessity when the provincial government launched its forest policy review process on the premise that participants in the forest sector were going to have to "do more with less". This sunset approach to forestry had to be met head on.

In the context of the review our industry goals were being challenged by narrowly-focused special interest groups that called on government to impose massive change in our forest sector that would shrink forestry, kill jobs and destabilize communities. These special interests wanted government to substantially reduce the size of the industry by reducing the allowable annual harvest. They want forestry to shrink year after year until it is crippled beyond recovery.

Our lean machine had to become a fighting machine and we were armed with our *Blueprint for Competitiveness*. Over a period of two months in the fall of 1999 I criss-crossed the province from Duncan to Fort St. John and from Terrace to Cranbrook talking with British Columbians in more than 20 communities about the *Blueprint*, our plan to restore the economic vitality of our forest industry. I communicated a vision of forestry reform that makes the engine of our economy stronger, more globally competitive, environmentally

sound and a world leader that makes a meaningful contribution to British Columbia's way of life.

I was heartened that so many community and business leaders and interested citizens took the time to listen to and embrace our message of reform, growth and prosperity. Mayors, city councils, chambers of commerce, industry groups and workers endorsed our *Blueprint* ideas and urged the provincial government to adopt its principles. The partnerships we developed in 1999 would allow COFI to form a broadly-based forest policy review coalition in the Year 2000. It became a voice government could not ignore.

1999 was also an important year in the marketplace. I participated in trade missions to China, a market poised to explode with building activity, Taiwan and Japan. It was COFI's honor to celebrate its 25th anniversary of service to the Japanese market. I valued the opportunity to reinforce how vital the Japanese market is to the BC industry and I wish to pay special tribute to the COFI Japan staff - current and past - who have nurtured our outstanding reputation in that country.

COFI's restructuring in 1998 allowed me to hire new staff strategically to acquire special expertise in the areas of fibre supply, regulatory issues, particularly pulp and paper, and markets and trade. To all my staff who worked so diligently in a year of intense issue management, my thanks. I would also like to thank my board and members for their support and cooperation.



Ron J MacDonald  
President & CEO

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# Fibre Supply



## FIBRE SUPPLY

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### MISSION

## mission

To work provincially to achieve an adequate, available and affordable supply of commercial timber in British Columbia within a framework of socially, economically and environmentally sound aboriginal and forest policies.

### Aboriginal Affairs

### HIGHLIGHTS

## highlights

COFI shared a growing concern among governments, business, aboriginal groups and others that the BC Treaty Process was not producing results. COFI participated in a lengthy project with governments and First Nations to “accelerate” and otherwise improve negotiations, with little success. COFI members’ access to timber was significantly constrained by assertions of aboriginal rights and/or title based on *Delgamuukw*, some of which resulted in litigation. COFI intervened successfully in several cases and was instrumental in having provincial agencies produce new consultation guidelines to correctly reflect legal rulings. COFI and the Ministry of Forests delivered a series of workshops to familiarize industry and ministry personnel with consultation policies. Despite continued efforts by COFI members to develop positive working relationships with local aboriginal groups, the general operating environment in respect of aboriginal issues deteriorated in the face of growing resistance to government policies and mandates from most First Nations.

- **Government Policy:** Promote negotiating mandates to maintain and enhance COFI members’ tenure rights in the pre and post-treaty era, including fair and timely compensation where those rights are negatively impacted.
- **Forestry Involvement for Aboriginal People:** Support members’ efforts to increase involvement of aboriginal people in the forest sector economy.

## actions

### 1999 ACTIONS

- Worked successfully to ensure specific “interim measures” agreements did not exceed approved mandates.
- During final negotiations of the Sechelt Agreement-In-Principle, presented members’ views on aboriginal/treaty rights outside Settlement Land.
- With the majority of TNAC members, developed a set of “Principles on Third Party Compensation”.
- Successfully intervened in the Kitkatla case in the BC Court of Appeal.
- Worked with the Ministry of Forests to effectively and consistently implement the Ministry’s new “Aboriginal Rights and Title” policy and guidelines.
- Worked with the Ministry of Forests, Nicola Valley Institute of Technology, Forest Renewal BC, and member companies to improve and deliver two new sessions of the Forest Technician Training Program.

### 1999 OBJECTIVES

## objectives

- **Treaty Negotiations:** Ensure proper consideration of forestry provisions at all “Stage Four” treaty negotiation tables, including “Interim Measures” arrangements.
- **Litigation:** In aboriginal rights cases of provincial significance, procure decisions favourable to industry.

# Fibre Supply

## FIBRE SUPPLY

### Forestry

#### HIGHLIGHTS

COFI began the year completing discussions with government on its Forest Action Plan, which was designed to reduce delivered wood costs in the short term. Pursuant to earlier discussions with government, COFI then commenced work on identifying longer term solutions to enhance industry competitiveness on a sustainable basis. This work culminated with the *Blueprint for Competitiveness*. The latter half of the year was dedicated to communicating the *Blueprint* ideas to stakeholders, the general public and, through the Forest Policy Review, to the government. The *Blueprint* received widespread and unprecedented support from allies and the public.

#### 1999 OBJECTIVES

- **Land Use:** improve land use planning processes.
- **Forest Practices:** improve the content, execution and administration of the Code.
- **AAC:** improve the current approach to AAC determinations while moving toward a target approach to timber supply.
- **Tenure:** maintain or enhance existing tenure rights, improve tenure administration and seek an improved timber pricing system.



#### 1999 ACTIONS

- Negotiated contents of the Forest Action Plan.
- Developed COFI's *Blueprint for Competitiveness*.
- Represented the industry on discussions regarding draft amendments to the *Forest Act* and the *Forest Practices Code Act of BC* that ultimately became Bill 82, the *Forest Statutes Amendment Act, 1999* and included new provisions enabling pilot projects under the Code.
- Provided advice to licensees seeking to implement pilot projects under the Code.
- With leadership from Member Associations, sought to have economic objectives and issues recognized in the provincial government's Identified Wildlife Management Strategy and Landscape Unit Planning and in the federal government's Species at Risk Legislation.
- Negotiated the new generic replacement TFL document.
- Implemented a Quarterly Delivered Wood Cost Survey.
- Initiated work on provincial issues to be pursued under the province's Cost Driver Initiative.
- Worked to improve the Forest Practices Board's new Compliance Audit Reference Manual and its Forest Development Plan Review.
- Commented on proposed changes to Code Regulations and Guidebooks, including the Mapping and Terrain Stability Guidebook and Guidelines for Commercial Thinning.
- Represented industry in discussions with the provincial government on its proposed *Fish Protection Act* regulations and its proposed Protected Areas legislation.
- Made a submission to the Federal Standing Committee on Natural Resources regarding "BC Forest Practices as an International Trade Issue".

# Regulatory Issues

## REGULATORY ISSUES

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### MISSION

## mission

To achieve a public policy framework within the areas of Energy, Environment, Occupational Health & Safety, and Transportation that is science-based, cost-effective and offers minimal collateral impact.

### Energy

## highlights

#### HIGHLIGHTS

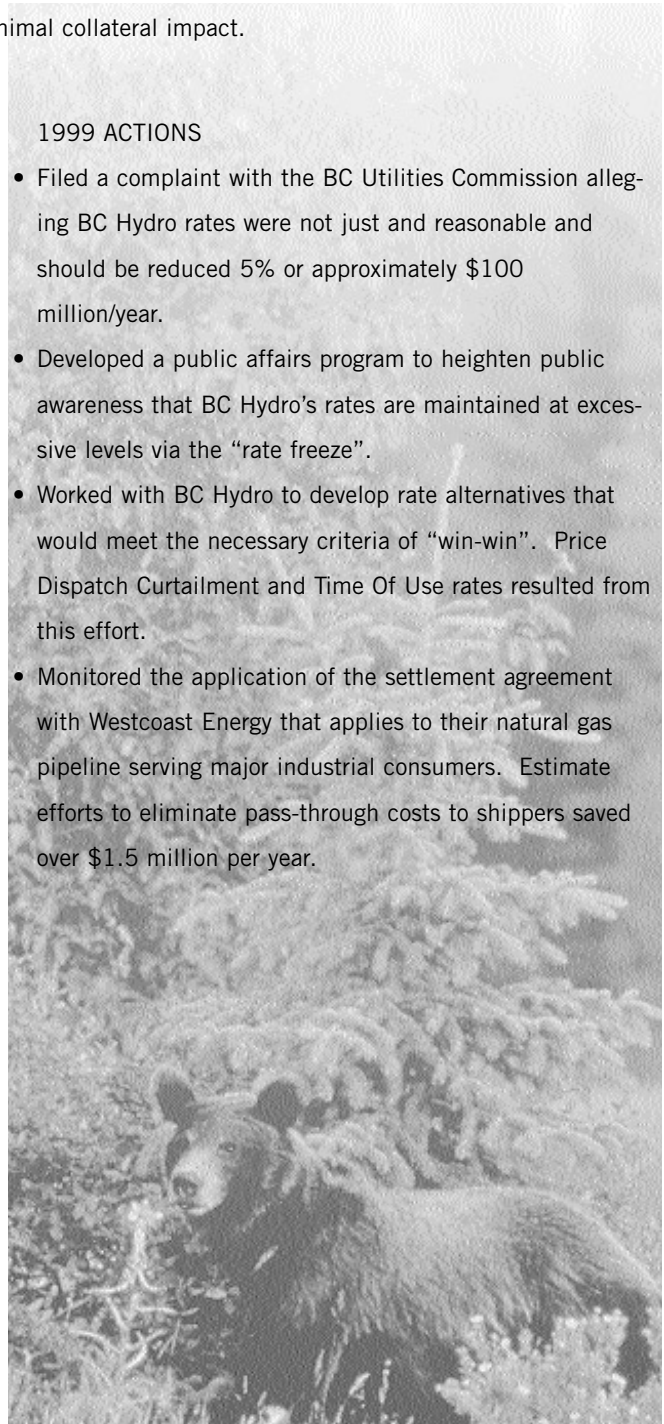
Our communications efforts have increased public awareness that BC Hydro rates are higher than they otherwise would be as a result of the government-imposed rate freeze. Negotiations with BC Hydro and the BC Utilities Commission produced two new rate products. Price Dispatched Curtailment and Time of Use rates provide some advantage to major customers that can curtail or shift their power consumption.

#### 1999 OBJECTIVES

- **Cost Based Rates:** Work with the Provincial Government, BC Hydro, and the BC Utilities Commission to achieve cost based rates for industrial consumers and to eliminate the provincial sales taxes on industrial purchases of electric power.
- **Alternative Rate Options:** Work with BC Hydro and the BC Utilities Commission to develop alternative rate options for industrial customers.
- **Natural Gas Tolls:** Represent the interests of industrial gas consumers in continuing negotiations regarding the settlement of tolls applicable to the Westcoast Energy pipeline.

#### 1999 ACTIONS

- Filed a complaint with the BC Utilities Commission alleging BC Hydro rates were not just and reasonable and should be reduced 5% or approximately \$100 million/year.
- Developed a public affairs program to heighten public awareness that BC Hydro's rates are maintained at excessive levels via the "rate freeze".
- Worked with BC Hydro to develop rate alternatives that would meet the necessary criteria of "win-win". Price Dispatch Curtailment and Time Of Use rates resulted from this effort.
- Monitored the application of the settlement agreement with Westcoast Energy that applies to their natural gas pipeline serving major industrial consumers. Estimate efforts to eliminate pass-through costs to shippers saved over \$1.5 million per year.



# Regulatory Issues

## REGULATORY ISSUES

### Environment

#### HIGHLIGHTS

Efforts continued through the year to explore resolution of the “Zero AOX” discharge requirement for bleached kraft mills. A COFI sponsored scientific literature review confirmed our position that further reductions of AOX discharges are environmentally irrelevant. Plans were developed to organize additional information on the effect of pulp and paper mills on the aquatic environment as part of COFI’s strategy to deal with this issue as the deadline of December 31, 2002 approaches. Canada wide standards for ambient concentrations of particulate and ozone, dioxin and furan emissions from coastal power boilers, and regulations for land application of primary solids from pulp and paper mills were the other major issues requiring COFI involvement through the year.

#### 1999 OBJECTIVES

- **Wood Residue:** Provide support to industry on the issue of wood residue disposal and seek alternatives for the planned phase-out at the end of 2000.
- **Emission Standards:** Achieve a Canada wide emission standard for dioxin and furan from coastal power boilers that balances economics and the requirement for “virtual elimination”.
- **Contaminated Sites:** Represent the BC forest industry on the Ministry of Environment, Lands and Parks’ Contaminated Sites Implementation Committee.
- **Residual Solids:** Coordinate the efforts of the BC pulp and paper industry to develop a reasonable regulation for the land application of residual solids from pulp and paper mills.
- **Climate Change:** Represent the BC forest industry on federal and provincial climate change committees.

#### 1999 ACTIONS

- Sponsored survey of the scientific literature by Doug A. Bright, PhD Aquatic Toxicology of Royal Roads University, which again confirmed that a further reduction in AOX discharge levels from BC pulp and paper mills would be environmentally irrelevant.
- Submitted comments on proposed regulation for the land application of solids from pulp and paper mills and organized industry group to develop improved regulation.
- Worked with government and industry representatives in an attempt to resolve permit appeals regarding beehive burners.
- Developed proposed Canada Wide Standard for emissions to air of dioxin and furan from coastal power boilers burning waste wood. Discussions on this issue are continuing.
- Attended several meetings of the Greenhouse Gas Forum sponsored by the Ministry of Environment, Lands and Parks. Supported baseline protection and were defeated in attempts to reduce the acceptance of “green taxes” as a policy device to reduce greenhouse gas emissions.
- Monitored development of Canada-wide standards for particulate and ozone. Supported industry efforts to assure science based reasonable standards.
- Represented the BC forest industry at meetings of the Pollution Prevention Implementation Committee formed by the Ministry of Environment, Lands and Parks.

# Regulatory Issues

## REGULATORY ISSUES

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### Occupational Health & Safety

#### HIGHLIGHTS

During 1999, COFI participated in a number of committees at the WCB to help ensure that the intent of critical provisions of the new OH&S Regulations was implemented. These included: the Health & Safety Advisory Committee (HSAC); the Occupational Disease Advisory Committee (ODAC); and an advisory group representing employers on the creation and implementation of the new classification system. In addition, examination of the feasibility of an industry-wide, industry-managed, industry-specific safety organization was undertaken with COFI member participation. An evaluation of the overall effectiveness of the Industrial Musculoskeletal Injury Reduction Program was conducted by an external auditor and the groundwork for a similar program in the logging sector began.

#### 1999 OBJECTIVES

- **OH & S Regulations:** Help ensure that necessary changes to the new OH&S regulations were implemented and, where necessary, WCB policy and/or the regulations were modified to reflect the needed change.
- **IMIRP:** Continue to administer the Industrial Musculoskeletal Injury Reduction Program (IMIRP) for sawmills in a cost-effective manner and business-like manner that provides industry-wide benefit in the area of injury reduction and regulatory implementation of the ergonomic regulations. Begin development and implementation of a similar program for the logging sector.
- **Rate Classifications:** Help ensure that the implementation of the new WCB rate classification delivers the “advertised” objectives of more equity in the distribution of claims costs and that the new rate structure recognises the positive results achieved by COFI members.

- **Combined Safety Agency:** Participate in the examination of an industry safety agency that would combine the various provincial and regional safety efforts “under one roof”.
- **Employers’ Forum:** Continue to participate in the Employers’ Forum, representing the broad-based interests of provincial employers to senior levels of the WCB.

#### 1999 ACTIONS

- As a member of the HSAC and ODAC, participated with a core of employer and labour representatives in proposing changes to the new OH&S regulations. Most notable was the agreement to rescind a regulation covering the weight of loads carried by off-highway logging trucks.
- As part of our commitment to administering the IMIRP in a business-like manner, arranged for an external audit of all aspects of the program by the firm of Wooten, King & Mulhern. Among other positive results, the audit reported:  
*Based on an estimate of the potential cost savings by adopting an industry-wide approach over an individual mill approach, the IMIRP has been effective in this manner. Similarly, the intangible benefits of this approach support its effectiveness.*  
The report concluded that the IMIRP saved approximately \$47 million in the cost of sawmill compliance with the new ergonomic regulations.
- Continued to work with the WCB to help ensure that the promised rate reductions are in fact delivered and the administrative difficulties are overcome.
- Together with SAFER, SHARP and the IWA, examined the feasibility of an industry-wide/specific safety agency.
- Participated at the executive level of the Employers’ Forum and addressed a number of policy issues affecting the forest industry.

# Regulatory Issues

## REGULATORY ISSUES

### Transportation

#### HIGHLIGHTS

While the anticipated activity on the Canada Transportation Act (CTA) review did not materialize, the Grain Transportation Review commanded a full measure of the committee's efforts. COFI and the Western Canadian Shippers' Coalition (WCSC) were heavily involved in putting forward policy proposals on competitive measures to a number of federal agencies concerned with this matter. In addition, COFI was the lead organization advocating for a rapid resolution to the Vancouver Port labour disruption during both the lockout of members of the International Longshoremen's and Warehousemen's Union (ILWU) and the independent trucker disruption.

#### 1999 OBJECTIVES

- **CTA:** Represent members' interests in the continuing review of the CTA and related review of the rail transportation of grain.
- **Other Rail Issues:** Continue to provide the Chair and secretariat services for the Western Canadian Shippers' Coalition and advocate member positions during the course of the various federal reviews of our rail system as required.
- **Conference:** Continue to host the Annual Transportation & Marketing of Wood Products conference in Whistler, B.C.



#### 1999 ACTIONS

- Monitored the progress of the CTA review as required but, due to the contentious nature of the attempted implementation of the recommendations from Justice Estey's grain transportation review, the CTA review was delayed. The COFI and WCSC participation level in the grain review was extensive as the WCSC was granted access to the discussions that took place between the federal government, the grain community and the railways. Proposals concerning the competitive aspects of commodity rail shipments have been taken forward as the process continues.
- Spearheaded a shippers' group that included most Western Canadian business associations, in advocating for a quick resolution to the lockout of ILWU members at the Port of Vancouver. After an intervention by the federal Minister of Labour returned the Port to work, it became clear that further work is required in order to help stabilize the labour situation and ensure greater reliability.
- Hosted the most successful Transportation & Marketing Conference to date, with the theme of "Markets and Access" attracting a record number of participants.

# Market Access & Trade

## MARKET ACCESS & TRADE

### MISSION

To secure an environment for business opportunities in offshore markets, unconstrained by tariff and/or non tariff barriers that discriminate against wood products.

### HIGHLIGHTS

COFI is working to develop policy options that enhance access into export markets.

There was a heavy focus on the development of the new performance-based building codes, housing performance indication standards, GHLC revisions and JAS standards in Japan.

COFI provided the secretariat for the Canada Wood Marketing Initiative Coalition and the BC Export Market Development Coalition, two parallel initiatives that seek to secure long-term funding from the federal and provincial governments to provide for offshore market development. The intent is to create new market opportunities for the future.

Environmental issues have become increasingly important with customers and consumers. COFI plays a supporting role to industry and government, both in Canada and overseas. In 1999, COFI produced literature highlighting western Canada's world-class forestry practices.

COFI celebrated 25 years of operation and outstanding success in the Japanese market.

### 1999 OBJECTIVES

#### **Tariffs:**

- Seek free trade in all forest products.
- Seek favourable reclassification of products to achieve tariff reductions.
- Monitor and report on key tariff changes relative to the wood products industry.

**Sanitary and Phytosanitary Standards:** Eliminate or minimize the impact of plant health regulations on trade in wood products.

**Technical Barriers to Trade:** Full recognition and acceptance of members' lumber and plywood species and quality assurance systems in all key markets.

**Perceptual Barriers:** Recognition of wood as a renewable, environmentally acceptable building product of choice.

**Enquiries, Technical Support and Representation:** Maintain industry profile through contact with local trade, designers, and government officials.

### Japan-Pacific Rim

#### **Technical Barriers to Trade:**

- Seek full acceptance of western Canadian wood products in Japanese construction including acceptance and new design stresses for Canadian dimension lumber.
- Revisions to JAS 143 Standard (lumber for post & beam construction) to make it practical for western Canadian mills to use.
- Complete revisions to JAS formaldehyde standards to promote advantages of low formaldehyde Canadian plywood.
- Full recognition for COFI member agencies' grade stamps under the Building Codes and Regulations for NLGA, SPS1, SPS-2 and SPS3 lumber.
- Formal recognition of Canadian testing organizations and test data in order to facilitate acceptance of Canadian test data.
- Acceptance for 3-storey wood frame apartments within quasi fire rated zones without code restrictions.
- Broader acceptance of wood-based engineering and design values vis-à-vis concrete and steel.

# Market Access & Trade

## MARKET ACCESS & TRADE

- Removal or revision of discriminatory provisions in GHLC durability standard for Hem-Fir, SPF, and acceptance of treated wood.
- Acceptance for COFI Roof & Floor in GHLC's post and beam manual.
- Acceptance of alternative preservatives including borates under Japanese codes and regulations.
- Acceptance of Canadian forest management systems under Japan's eco-labeling program.
- Streamlining JAS certification and the ongoing quality assurance process.
- Work with Forintek and UBC to address concerns regarding treating, drying and durability of western Canadian species that are used in Japan.
- Participate in GHLC revision as a member of the GHLC revision committee.

**Perceptual Barriers:** Wider acceptance of engineering values of Western Canadian lumber species and plywood.

**Enquiries, Technical Support & Representation:** Maintain a visible presence in Japan for the Western Canadian forest industry, as a means of obtaining and maintaining effective market access for all lumber and plywood products.

**Sectoral Programs:** Provide management services and technical support to sectoral user pay programs, as requested, on a cost recoverable basis.

### Europe

#### **Technical Barriers to Trade:**

- Maintain recognition in the UK for COFI affiliated Western Canadian grading agencies.
- Obtain acceptance of Canadian lumber and plywood products in national/EU codes and standards.
- Work closely with the federal government to construct a WTO case against the EU regarding the Pinewood Nematode issue.

#### **Enquiries, Technical Support & Industry Representation:**

- Provide basic industry representation.

#### 1999 ACTIONS

##### Japan - Pacific Rim

- Made representations regarding the definition of the new performance-based building code issued in Japan.
- Made presentations to MOC and GHLC to relax the requirement to use KD sill plates in order to qualify for the "Next Generation Conservation" standard.
- Made presentations to the Japanese GHLC to eliminate preferential mortgages for houses built with domestic species.
- Initiated, with MOAFF, the process of having all regional grading agencies approved under the new JAS RCO process.
- Made representations to improve the durability rating for Hem-Fir, SPF and CSP plywood under the new performance labeling indication standard.

##### Europe

- Continued participation on various technical committees regarding the development of new European CEN standards for plywood and lumber products.

##### Vancouver

- Instrumental in countering the steel industry's attempt to include a steel house in the Globe 2000 Exhibition.
- Instrumental in the establishment of a mill certification program that will streamline plant health clearance into Australia.
- Assisted the coast lumber industry in formulating code and technical strategies to address market challenges in Japan.

actions

# Financial Report

## FINANCIAL REPORT

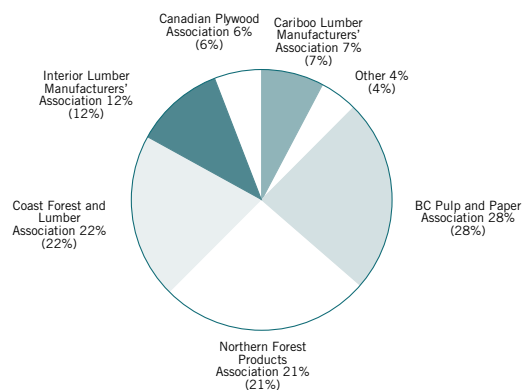
COFI reported a net operating income of \$9,252 for the year ending December 31, 1999 compared to budgeted net operating income of \$nil. Net income after other adjustments (including pension accrual), amounted to \$630,352. COFI's working capital increased by \$23,591 to a year-end balance of \$1,056,762.

The actual expenditures for COFI were within 1% of budgeted estimates.

In addition to the reported expenditures of \$4,126,724, COFI administered and / or provided accounting services for external programs. These external programs, including softwood lumber, totalled \$9,967,980.

### SOURCE OF 1999 ASSESSMENTS REVENUE

(With comparative 1998 Figures in Brackets)



### SUMMARY FINANCIAL STATEMENT\*

(THOUSANDS OF DOLLARS)	1998	1999		2000
	ACTUAL	BUDGET	ACTUAL	BUDGET
Revenue	5,643.2	4,091.8	4,136.0	4,309.0
Expenditures	5,641.9	4,091.8	4,126.7	4,309.0
Net Operating Income	1.3	<u>0.0</u>	9.3	<u>0.0</u>
Other - Net	<u>541.0</u>		<u>621.1</u>	
Net Income	<u>542.3</u>		<u>630.4</u>	
Working Capital	<u>1,033.2</u>		<u>1,056.8</u>	

(\*Excludes external programs)

# Directors

## BOARD OF DIRECTORS & EXECUTIVE COMMITTEE

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### Board of Directors

#### Chair

Gordie Steele  
Riverside Forest Products Ltd.

#### Representing Category “A”

Corporate Members  
Ike Barber  
Slocan Group

David Emerson  
Canfor Corporation

Scott Folk  
TimberWest Forest Corp.

Bill Gaynor  
Weyerhaeuser Company Ltd.

Hank Ketcham  
West Fraser Timber Company Ltd.

Mike Low  
Donohue Forest Products Inc.

Mike Rouse  
Crestbrook Forest Industries Ltd.

Bill Sauder  
International Forest Products Ltd.

Gordie Steele  
Riverside Forest Products Ltd.

#### Representing Category “B”

Corporate Members  
Ron Gorman  
Gorman Bros. Lumber Ltd.

Don Gould  
The Pas Lumber Company Ltd.

Dick Jones  
J.S. Jones Timber Ltd.

Jake Kerr  
Lignum Ltd.

Ron Neil  
Mitsui Home Canada Inc.

Henry Novak  
Dunkley Lumber Ltd.

#### Representing Category “C”

Corporate Members  
Ben Lucas  
Stella-Jones Inc.

George Mohammed  
Cattermole Timber

Erik Norgaard  
Ardeu Wood Products Ltd.

Ken Stewart  
Bell Pole Company Ltd.

Arnold Zwiers  
Canadian Woodworks Ltd.

#### Representing Association Members

BCPPA  
Jeffrey Hearn  
Weldwood of Canada Ltd.

CanPly  
Len Pettman  
Evans Forest Products Ltd.

CFLA  
George Malpass  
Primex Forest Products Ltd.

CLMA  
Steve Silveira  
Ainsworth Lumber Company Ltd.

ILMA  
Bob Taylor  
Weyerhaeuser Company Ltd.

NFPA  
Jim Engleson  
Canfor Corporation

### Executive Committee

Gordie Steele  
Riverside Forest Products Ltd.

Ike Barber  
Slocan Group

David Emerson  
Canfor Corporation

Bill Gaynor  
Weyerhaeuser Company Ltd.

Jeffrey Hearn  
Weldwood of Canada Ltd.

Jake Kerr  
Lignum Ltd.

Hank Ketcham  
West Fraser Timber Company Ltd.

George Malpass  
Primex Forest Products Ltd.

Bill Sauder  
International Forest Products Ltd.

Ron J. MacDonald  
Council of Forest Industries

# Committees

## COMMITTEES

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Committee on Aboriginal Affairs	Staff Liaison Marlie Beets Anne Mauch COFI	Walter Matosevic Northwood Inc.	Brian Clifford Crestbrook Forest Industries Ltd.
Board Liaison Bill Gaynor Weyerhaeuser Company Ltd.	Association Staff Elizabeth Andersen Northern Forest Products Assn.	Don McMullan Timberwest Forest Corp.	Brian Henderson Weyerhaeuser Company Ltd.
Chair Susan Yurkovich Canfor Corporation	Don Fraser Interior Lumber Manufacturers' Assn.	Dave Peterson Lignum Ltd.	Stephen Hilder Northwood Inc.
Members Kevin Ainsworth Ainsworth Lumber Company Ltd.	Mike Robson Canadian Plywood Association	Dennis Rounsville Crestbrook Forest Industries Ltd.	Koap Hofstra Weldwood of Canada Ltd.
Dennis Anderson Canfor Corporation	Brian Zak Coast Forest & Lumber Assn.	Tim Ryan Ainsworth Lumber Co. Ltd.	Rick Kilian Scott Paper Ltd.
Don Banks Tolko Industries Ltd.	Ray Zimmerman Cariboo Lumber Manufacturers' Assn.	Ric Slaco International Forest Products Ltd.	Roger Kreutzer Cariboo Pulp & Paper Co.
Rod Beaumont Weldwood of Canada Ltd.		Randy Trerise Pope & Talbot Ltd.	John Lebidoff Celgar Pulp Company
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 Cariboo Lumber Manufacturers' Association  
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