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PINE BEETLE EPIDEMIC WILL SIGNIFICANTLY AFFECT BOTH THE INTERIOR AND THE PROVINCIAL ECONOMIES

The mountain pine beetle infestation in the Interior represents an unprecedented challenge for British Columbia, according to a paper jointly released today by the Business Council of British Columbia and the Council of Forest Industries. The paper, entitled Responding to the Challenge of the Mountain Pine Beetle, was written by former Deputy Minister of Forests Don Wright.

“We commissioned this paper in order to advance public understanding of the sweeping changes that are coming in the Interior forest industry and the many communities that depend on it,” stated Business Council President and Chief Executive Officer Virginia Greene. “We also wanted to highlight the broader economic implications of the beetle epidemic for the province as a whole.”

“A finding of this paper is that we do have options available to help mitigate the costs of the beetle infestation,” commented John Allan, President of the Council of Forest Industries. “One important step industry, government and other stakeholders can take is to work together on options for extending the shelf-life of beetle-killed timber strands. Where possible this could extend the access to usable timber from those forests and assist in a smoother transition for companies and communities alike to decreased levels of harvesting.”

The highlights of the paper include the following:

- As an industry, forestry remains critical to BC’s economic prosperity, providing some 40% of the province’s exports and manufacturing shipments.
- Based on one recent study, the Interior forest industry accounts for almost one-fifth of BC’s overall “economic base.”
- The mountain pine beetle’s prime habitat is mature lodgepole pine forests. Lodgepole pine comprises 36% of the merchantable timber in the BC Interior.
- The Ministry of Forests estimates that close to 80% of lodgepole pine in the Interior will have been killed by the time the beetle has run its course by the middle of the next decade. This equates to almost 30% of all trees in the Interior, rising to 50% or more in some parts of the region.

- Pine trees killed by the beetle are less economic to process into lumber, currently the highest value use for most of the timber harvested in the Interior. The shelf-life of dead pine trees for manufacturing lumber can vary widely, from 1 to as high as 20 years, depending on biophysical and economic factors.
- As future harvest levels are reduced, economic activity will decline in the two main components of the Interior forest industry – lumber and pulp and paper. Veneer and plywood production will also be affected.
- Because of the beetle, the paper suggests that a reduction of between 20% and 40% of traditional forest industry activity can be expected in the Interior over the next 5 to 25 years.
- The paper identifies and discusses the main elements of a sensible response to the pine beetle challenge. These include:
 - ensuring that harvest levels of beetle-killed timber stay as high as possible for as long as is economically practical;
 - maintaining good environmental standards, including those aimed at protecting watersheds;
 - safeguarding the medium-term timber supply; and,
 - preparing for the day when the economic contribution of the Interior forest industry becomes significant smaller.

The paper also touches on some of the “lessons” of the pine beetle epidemic. One key lesson is the need to manage our environment in ways that are consistent with natural patterns. Another lesson is that because the beetle infestation is, in part, likely a harbinger of climate change, the province must carefully assess 1) what kind of trees will be best able to survive in different areas of the province, and 2) possible changes in forest fire frequency and tree mortality going forward.

The paper is available on the Business Council’s website at: www.bcbc.com.

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