
CANADIAN FOREST PRACTICES

AS AN

INTERNATIONAL TRADE ISSUE

A Submission to the

Standing Committee on Natural Resources
and Government Operations

by



May 1999

BC Pulp and
Paper
Association

• Canadian
Plywood
Association

• Cariboo Lumber
Manufacturers'
Association

• Coast Forest
and Lumber
Association

• Interior Lumber
Manufacturers'
Association

• Northern Forest
Products
Association

About COFI

The Council of Forest Industries and its member associations represent more than 100 forest products companies that operate throughout the province; manage forest resources; manufacture lumber, pulp, paper, plywood and other value-added forest products; and sell these products locally, nationally and internationally. COFI’s mission is global competitiveness for the BC forest industry.

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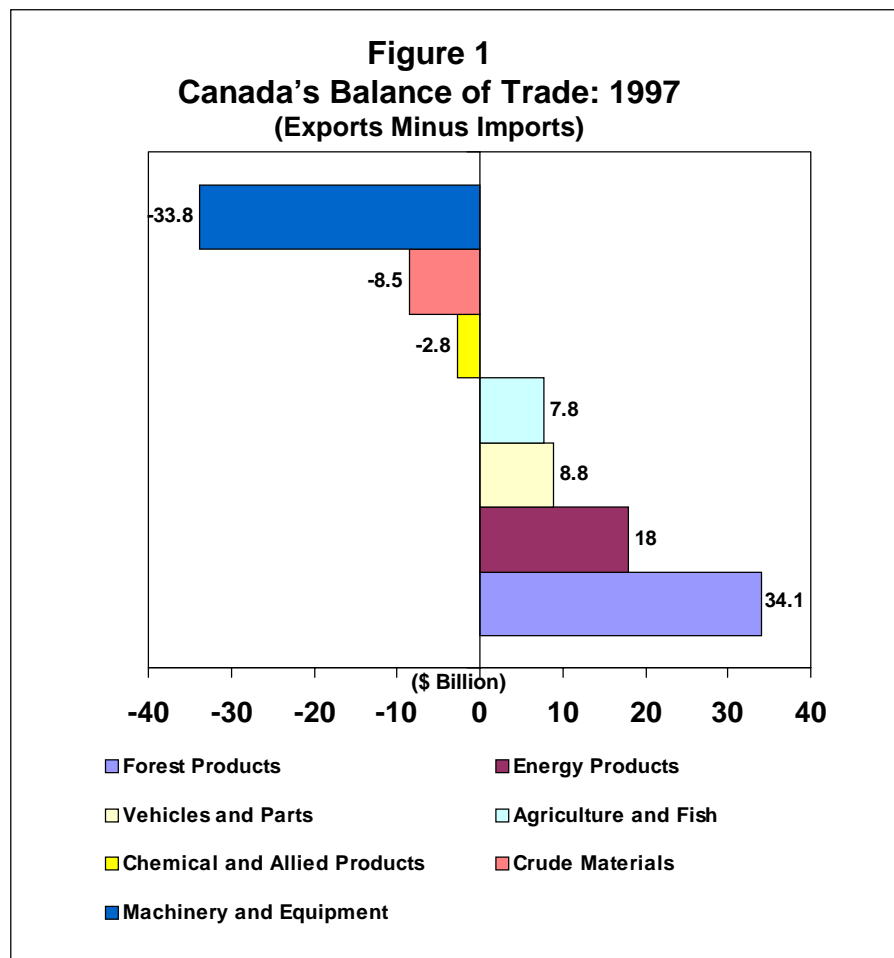
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Introduction

Canada's international trade in forest products is threatened by groups misrepresenting the state of our forest practices. Given the importance of forestry to our nation, this threat should concern all Canadians. The reality is that the Canadian record on forest management practices is a good one. Governments and industry in Canada are world leaders in taking positive and co-operative action to ensure this is the case. This paper explains why the threat must be addressed, reviews actions taken to date and suggests what more can and should be done.

The Industry is Important and the Threat is Real

The forest industry is vital to Canada. Canada is the world's largest exporter of forest products. The forest products industry is the largest contributor to Canada's trade balance. It is Canada's largest industrial employer. Directly and indirectly, the forest products industry provides jobs for 1 million Canadians. And about 350 communities depend on forestry for their well-being. Forests cover over 45% of Canada's landbase and those forests comprise 10% of the world's forest area. We have a highly skilled labour force and an efficient and modern infrastructure. And we are a world leader in sustainable development.



Source: Statistics Canada, Catalogue 65-001

Table 1 Employment in the Canadian Forest Sector	
Total Direct Employment	253,700
Indirect Employment	760,500
Canadian Jobs that Depend on the Industry	1,014,200

Source: PricewaterhouseCoopers

In short, all Canadians have a lot to win, or lose, in the global economy where forest products are concerned.

In BC, the industry is especially significant, making up almost half of all manufacturing shipments, employing 300,000 people (100,000 directly, 200,000 indirectly) and supporting more than 100 communities that are dependent on the industry (see Table 2).

Table 2 Forestry Dependent Communities in BC				
Anahim Lake	Cranbrook	Kelowna	Pemberton	Skookumchuck
Armstrong	Creston	Kispiox	Port Alberni	Smithers
Barriere	Crofton	Kitimat	Port Alice	Spillamacheen
Bear Lake	Duncan	Kitwanga	Port Clements	Spuzzum
Bella Coola	Dawson Creek	Kyuquot	Port Hardy	Squamish
Boston Bar	Enderby	Ladysmith	Port McNeil	Stewart
Bralorne	Fernie	Lake Cowichan	Port Mellon	Tahsis
Bridge River	Fraser Lake	Lardeau	Port Renfrew	Telkwa
Brilliant	Fort St. James	Likely	Powell River	Terrace
Brisco	Fort St. John	Lillooet	Prince George	Tete Jaune Cache
Burns Lake	Fort Nelson	Lumby	Prince Rupert	Tofino
Campbell River	Gibsons	Lytton	Princeton	Ucluelet
Canal Flats	Golden	Mackenzie	Queen Charlotte	Vanderhoof
Castlegar	Gold River	McBride	City	Westbank
Caycuse	Grand Forks	Merritt	Quesnel	Williams Lake
Chase	Greenwood	Midway	Radium	Winter Harbour
Chemainus	Hagensborg	Nakusp	Revelstoke	Woss Lake
Chetwynd	Hazelton	Nanaimo	Salmon Arm	Youbou
Chilliwack	Hixon	Nelson	Sandspit	Zeballos
Clinton	Holbert	New Denver	Savona	
Cobble Hill	Honeymoon Bay	New Hazelton	Sayward	
Courtenay	Kamloops	100 Mile House	Sechelt	
Cowichan Bay	Kaslo	Parksville	Slocan City	

The BC industry has faced challenges in the past few years, with high costs and difficult market conditions combining to contribute to the erosion of the industry's ability to be competitive in world markets.

But the challenge does not stop there. British Columbia and Canadian forest industries face a renewed boycott campaign by environmental groups aimed at consumers, retailers and governments in Europe and the United States. As with previous boycott campaigns, the current focus is largely the BC coastal temperate rainforest zone, characterized by environmentalists as the coastal ancient rainforest. While the campaign is focussed on BC, the evidence is that the campaign will broaden to encompass industrial operations in all natural forests in Canada.

These campaigns are sophisticated and well funded, and they spread falsehoods about our forest management practices. They are threatening the jobs of thousands of Canadians, they are threatening the stability of scores of communities and they are undermining Canada's reputation on the world stage.

These groups are capitalizing on the legitimate concerns that many people have about sustainable development to cultivate a reaction that will shut down the forest industry in Canada. They are taking the decisions about how to manage Canada's forests away from Canadians and giving them to people who don't pay Canadian taxes and may never even set foot in Canada. They claim that the forest industry is destroying the forest but they ignore the fact that the volume of trees growing in Canada's commercial forest has increased since 1981.

And the threats do not stop with environmental groups. Other industries, like steel, plastics and concrete, are capitalizing on the negative light cast on the forestry sector by launching expensive advertising campaigns aimed at consumers, builders, and retailers. These campaigns promote the idea that wood building products are not an environmentally appropriate choice.

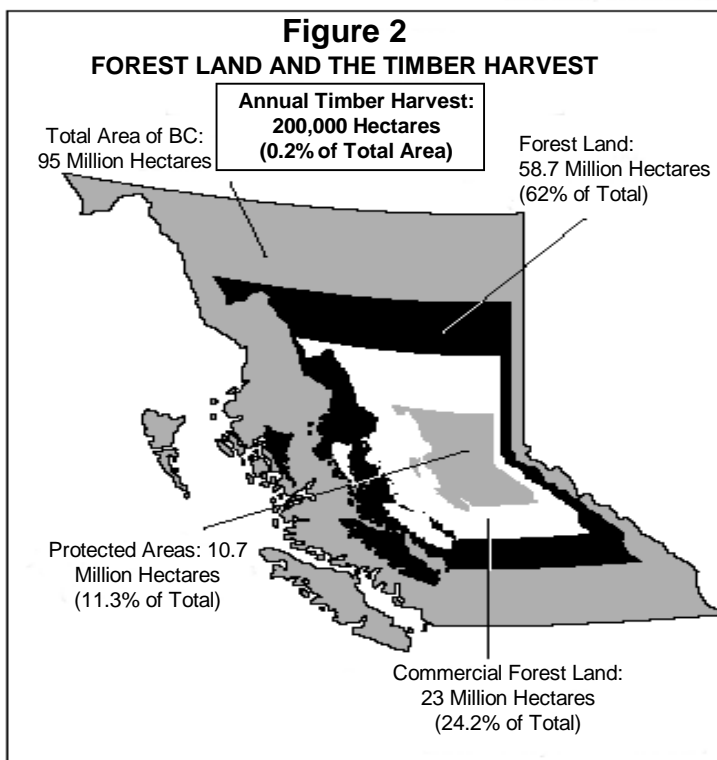
What these groups are not telling our customers is that BC and Canada are world leaders in sustainable development and that wood is a positive environmental choice for consumers.

What's Really Happening

Consider the facts:

Land Use

Of BC's total land area of 95 million hectares, only 24% is designated for commercial forest use (see Figure 2). And not all of this 24% will be logged: this land is managed for multiple uses, subject to careful - and publicly reviewed - planning, stringent forest practices laws and professionally developed reforestation plans.



Source: Ministry of Forests and COFI

Table 3 Protected Areas in BC (March 1992 to April 1999)	
•	Total number of new protected areas and additions - 342
•	Total number of protected area upgrades (from recreation area or forest wilderness area to Class A provincial park) - 16
•	Total new protected area (land and freshwater only) - 4.68 million ha
•	Total area upgraded to Class A provincial park - 401,061 ha
•	Total protected area in BC - 10,683,966 ha or 11.3%

Source: BC Land Use Coordination Office

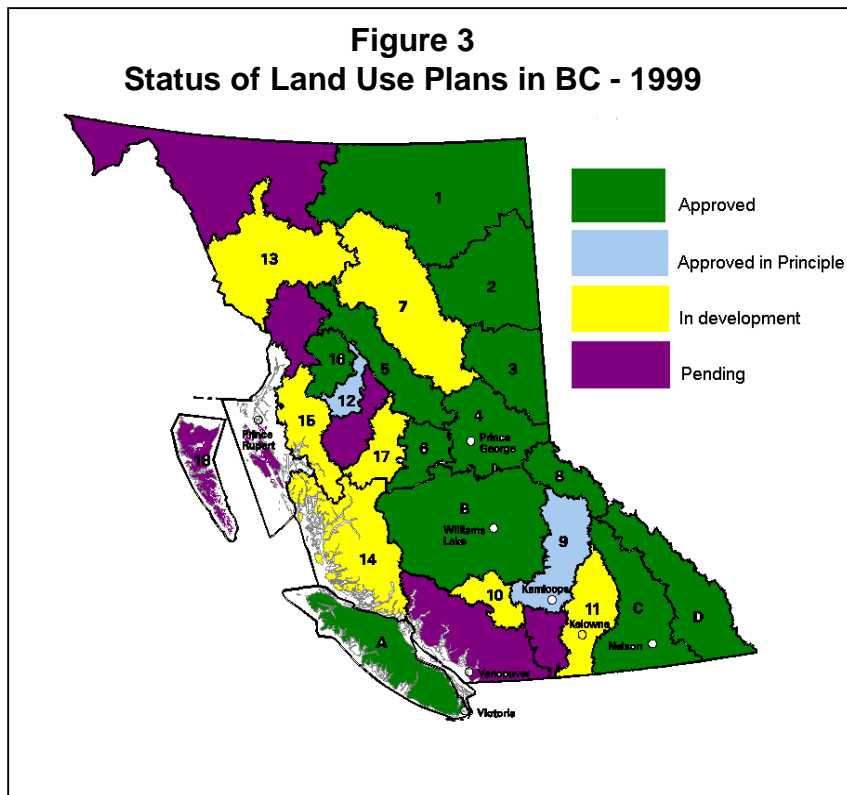
Protected Areas

In 1992, BC embarked upon a Protected Areas Strategy that aims to double the size of its parks and wilderness areas from 6% to 12% of the land base. We have already passed the 11% mark, and new parks and wilderness areas are being created at the rate of 800,000 hectares per year (see Table 3).

In comparison, the US has protected only 4.7% of its land base, Australia 4.2%, and Sweden 3.2%. When the goal is met, we'll have protected over 11 million hectares, an area only a little smaller than the combined area of Nova Scotia and New Brunswick.

More than half of the forest land in British Columbia is relatively undisturbed by human activities. Total old growth in protected areas exceeds 3 million hectares, and comprises about 30 percent of all protected areas in BC. The largest intact coastal temperate

rainforest in the world is protected in the Kitlope Heritage Conservancy, created with the cooperation of industry.



Source: BC Land Use Coordination Office

Land Use Planning

BC has an extensive land use planning process in place that involves all stakeholders in a consensus-based process to decide how to balance the uses of the forest. This gives the local people a say in what happens in their area. Greenpeace has refused to participate in the process in place in the mid-Coast – the area they claim to be most concerned about.

Through open, democratic processes, over 80% of the province has been or is currently being planned under comprehensive land

use plans (see Figure 3). Regional plans are in place for Vancouver Island, the Cariboo-Chilcotin, West Kootenay-Boundary and East Kootenay. Eighteen sub-regional plans are finalized or being developed. The industry has participated fully in all of these planning processes.

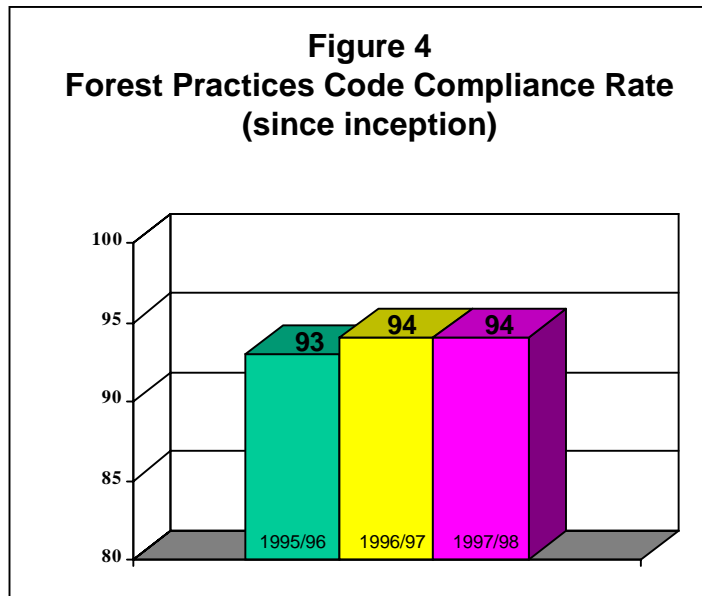
Aboriginal Interests

The land use planning processes underway include First Nations that some environmental groups claim are not being considered. In addition, the province and federal government have established a formal six-step treaty negotiation process to address native land claims. Of the 51 First Nations who have filed a Statement of Intent to negotiate a treaty, more than half are at stage four, where they are negotiating an agreement in principle. Many forest companies have long-term business arrangements with First Nations that have allowed both parties to participate in the economic benefits of sustainable forest use.

Forest Practices

In 1995, the Forest Practices Code of BC was introduced to put into law some of the most comprehensive and rigorous forestry legislation in the world. This Code applies to the 94% of BC forest land that is public. Soon we will have special forest practices requirements on private forest lands as well.

Key forestry plans under the Code must be approved by professional foresters whose practice is governed by legislation and who must undergo extensive training, and a two-year apprenticeship, before they are accredited.



Source: Ministry of Forests

The forest industry's performance under the Code has been exemplary. Last year, the compliance rate was 94%, based on thousands of scheduled and unscheduled inspections made on industry operations (see Figure 4). Recent independent audits of company operations have resulted in five clean reports out of seven audits.¹

Recently, the Chairman of BC's independent Forest Practices Board, which audits company performance under the Code, noted that, while there is still room for improvement, BC is making good progress:

"The Board has noted that there has been a significant improvement in practices in the province compared to the early 1990's. This means that there is more protection provided to streams within cutting areas, smaller cutblocks, and less site disturbance associated with logging. There is better road construction and more attention to maintaining and deactivating roads after logging. ..[The Code] has brought some very positive results."

Keith Moore
Chairman, BC Forest Practices Board
May 1999

Of course, a high level of environmental protection costs money. For the BC forest industry, the incremental costs of implementing the new regulatory regime have exceeded \$1 billion per year.

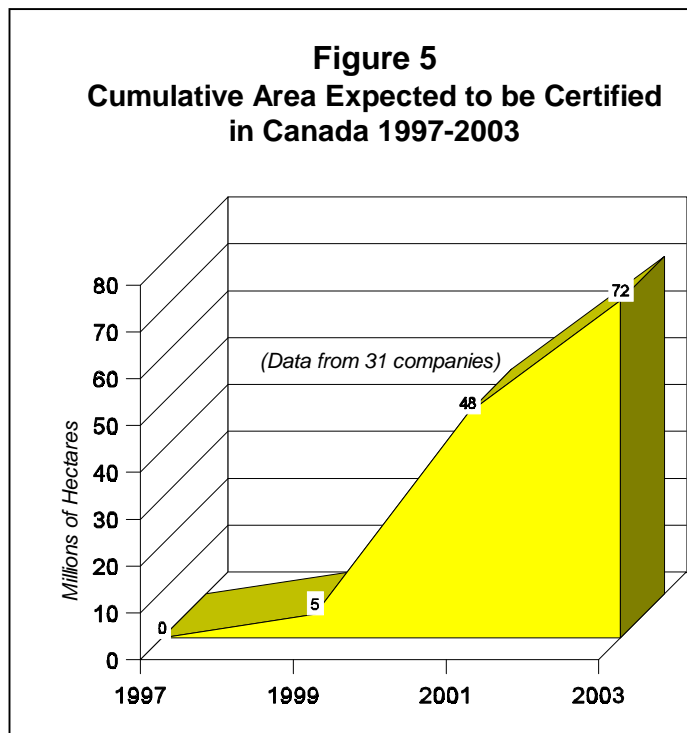
¹Source: Forest Practices Board News Releases

What the Industry is Doing to Address This Challenge

We have already described the very significant role played by the industry in participating in, and delivering, the new government policies affecting forest practices in BC. In addition, the industry is engaged in a number of activities that it has instigated:

Information for Customers and the Public

Many companies have developed programs to show their customers the high level of forest management they are practicing and to demonstrate the sustainability of their practices.



Source: Canadian Sustainable Forestry Certification Coalition

BC companies have qualified to become some of North America's first forestry operations registered to the international ISO 14001 environmental management system. On a national basis, it is expected that 72 million hectares, or 60%, of Canada's managed forest lands will be certified by 2003 (see Figure 5).

“Wood is Good”

To counter the threats from competing industries, the Canadian forest industry is developing a *Wood is Good* campaign to demonstrate its strong commitment to sustainable forest management. This program also promotes the use of wood as an environmentally sound choice. Wood is non-toxic, biodegradable, and very energy efficient.

Certification

The industry recognizes the legitimate concerns of consumers about sustainability and, as a result, many companies are embarked on certification programs for their forest lands that will give consumers an independent confirmation of their environmental management performance. The industry and other stakeholders worked with the Canadian Standards Association (CSA) to develop a certification program for Canada. MacMillan Bloedel's North Island Woodlands Division passed an independent audit on the way to become the first operation in Canada certified to the CSA's Sustainable Forest Management standards. Also, three

What Canada is Doing

In addition to the positive actions that have been taken in the forest, the Canadian government has done much to lead the way on sustainable development on the international stage.

Since before the Earth Summit in Rio in 1992, Canada has been a leading proponent of an international forest convention that would integrate economic, environmental and social considerations with forest management. The convention would go a long way to creating the common understanding of the meaning of sustainable forest management and facilitate trade by allowing us to demonstrate our compliance with sustainable forest management.

Canada led the way in 1993 when the Montreal Process developed criteria for the conservation and sustainable management of boreal and temperate forests to which Canada and 11 other countries are signatory.

Now Canada is working through the Intergovernmental Forum on Forests (IFF) to find ways to build a global consensus on sustainable development and develop a legally binding mechanism.

At the national level, the Canadian Council of Forest Ministers has adopted six sustainable forest management criteria for Canadian forests, based on those developed in the Montreal Process. An annual report, "The State of Canada's Forests", provides Canadians and the world with current information about Canada's forests.

What More Can Be Done

Recently, Ralph Goodale, Minister of Natural Resources commented on the criticism of Canadian forestry practices. The Minister said “Government and the industry must launch a well focussed rebuttal using advertising and all other modern communication tools to tell the truth: the Canadian forest industry is tops in Sustainable Forest Management and environmental performance.”

The industry supports these actions and we are encouraged by the Minister’s strong words. We have some specific examples of how federal government could expand its activities in support of the industry. The government could:

In consultation with industry, sponsor *Trade Missions* to promote Canadian Forest Products.

Establish *Forest Trade Officers* in key market areas to support and promote the Canadian forest industry.

Educate trade commissioners and commercial officers in overseas posts so that they can be effective advocates and spokespersons for the Canadian forest industry.

Expand the *Canadian Forestry Tour* program for key representatives from countries that import forest products.

Sponsor a “*Canadian Delegates’ Speaking Tour*” for industry, labour and community representatives to key markets in Europe, Asia and US.

Promote the Certification of Canadian forest products through the offices of the Canadian Council of Forest Ministers.

Promote and recognize good performance in sustainable forest management practices by Canadian companies and organizations using, for example, the CPPA Pilot Program/Wildlife Habitat Canada program as a model.

Minister Goodale also stated that the Canadian government is committed to working with industry to ensure the international approaches to forest certification are equitable and do not distort trade. COFI strongly supports this initiative and will work in cooperation with the federal government to continue to monitor and guard against trade barriers preventing the sale of Canadian forest products.

COFI supports the Canadian Forest Service proposal to work to develop the concept of equivalency and international mutual recognition in certification programs to encourage multiple approaches to certification and ensure that certification does not become a technical barrier to trade. The international recognition of our certification schemes is

vitally important to the ability of the industry to continue to export our products. COFI sees this as an opportunity to work in partnership with the federal government to build on the market access efforts already underway.

Conclusion

Canada's record on forest management is a good one. Governments and industry must work together to challenge threats to all international trade founded on misrepresentation of these practices. Informing the public and customers about their practices, together with significant work to ensure certification is a positive development globally, are two key areas for ongoing work.



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