

REGIONAL DISTRICT OF BULKLEY-NECHAKO

FORESTRY COMMITTEE MEETING
(Committee of the Whole)

Wednesday, March 5, 2014

PRESENT: Chairperson Gerry Thiessen

Directors Carman Graf
Tom Greenaway
Bill Holmberg
Thomas Liversidge
Rob MacDougall
Bill Miller
Rob Newell
Jerry Petersen
Ralph Roy
Stoney Stoltenberg

Directors Taylor Bachrach, Town of Smithers
Absent Stephen Freeman, Electoral Area "E" (Francois/Ootsa Lake Rural)
Dwayne Lindstrom, Village of Fraser Lake
Luke Strimbold, Village of Burns Lake

Staff Gail Chapman, Chief Administrative Officer
Cheryl Anderson, Manager of Administrative Services
Hans Berndorff, Financial Administrator
Wendy Wainwright, Executive Assistant

Others Al Gorley, Triangle Resources Inc.

CALL TO ORDER

Chair Thiessen called the meeting to order at 10:32 a.m.

CORRESPONDENCE

Correspondence

Moved by Director Stoltenberg
Seconded by Director MacDougall

F.C.2014-1-1

"That the Forestry Committee receive the following correspondence:

- RDBN Submission to FLNRO re: Visual Quality Objectives/Constraints;
- FLNRO Nadina Discussion Notes re Meeting with RDBN – October 23, 2013;
- Meeting Notes – Minister Steve Thomson, Minister of Forests, Lands and Natural Resource Operations/RDBN – December 5, 2013;
- Chair's Notes re: Policy Paper on Forestry- June 6, 2013;
- UBCM Resolutions re: Forestry."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

DISCUSSION ITEMS

How does RDBN get more involved in operational planning (ie. Wildfire Mitigation/ long term development (RDBN Planning considerations)? How does RDBN engage with all stakeholders to the benefit of our communities? How does the RDBN get return regarding specific resources in our region?

Chair Thiessen welcomed Al Gorley, Triangle Resources Inc. In the past, Mr. Gorley was an Assistant Deputy Minister, Ministry of Forests and also was Chair of the Forest Practices Board.

Mr. Gorley spoke of developing a role for local governments in the decisions of industry and the provincial government. He mentioned that provincial governments layout the perimeters and objectives and not the operations. Local governments are wanting to have a role in objectives and setting broad perimeters.

The role of the Ministry of Forests, Lands and Natural Resource Operations (FLNRO) and license holders in regard to timber supply was discussed. Forestry is the backbone of the Province and core of the communities in the region, it is a renewable energy and constant sustainable economy for communities. Forestry requires attention and commitment to continue to be the backbone and priority of the Province of B.C. Liquid Natural Gas (LNG) is overshadowing the need to address the issues occurring in forestry in the province.

Directors Holmberg and Miller spoke of the diverse group of people that attended the meeting in Houston on February 28, 2014 with the Honourable Steve Thomson, Minister of Forests, Lands and Natural Resource Operations. Brought forward for discussion at the meeting were the issues facing Houston and the region with the sawmill closure of Houston Forest Products and the reallocation of fibre between West Fraser Timber and Canfor Corporation. Discussion took place regarding the loss of the social license to oversee the forest industry and lack of oversight on forest licenses.

Comments were made regarding the large amount of monies that were provided to the Province from the stumpage in the region. The Morice Timber Supply Review is now being planned for release in the third quarter of 2014. The issues facing Houston are different in comparison to the Village of Burns Lake regarding the rebuilding of Babine Forest Products or the issues that faced the District of Mackenzie in the past. Burns Lake and Mackenzie's sawmills are operational, Houston Forest Products is shutting down permanently.

Director MacDougall brought forward concerns regarding the huge cuts in the Forest Districts and the increase to cuts when there are no solid numbers to indicate what timber, green or dead, is actually available. He spoke of licensees partitioning cuts amongst themselves and moving cuts from TFL's (Tree Farm Licence) to other areas to take advantage of what is available elsewhere.

Discussion regarding the role of the provincial government in its mandate to manage forests and the need for accountability for forests was brought forward. The possibility of future shutdowns of more sawmills in the region was discussed. The importance of being proactive vs reactive regarding the timber supply was discussed.

The impact to FLNRO of the core review currently being conducted by the provincial government was discussed. Mr. Gorley indicated that should local government request a review it needs to be very focused and clear as to what the local government wants answers to.

DISCUSSION ITEMS (CONT'D)

Discussion took place regarding partnering with First Nations communities to move forward similar concerns.

Comments were made regarding the possibility of developing a free market place to assist in moving forward a strong forest industry. The importance of industry being local leaders, planners and community partners needs to be a priority to assist in building healthy communities. Partnerships developed between communities and industry would benefit both communities and industry. Director Holmberg spoke of the District of Houston's meetings with Canfor to develop open dialogue and communication. Director Holmberg also spoke of the importance of having a variety of different operations to utilize fibre such as Pleasant Valley Remanufacturing Ltd. They currently employ 112 people utilizing scrap lumber for remanufacturing. Director Holmberg mentioned that there are challenges in acquiring scrap wood due to agreements in place to remove the scrap wood to locations in Prince George. Other smaller operations in the region face issues with being able to acquire enough Category 2 wood for remanufacturing. The importance of community and regional collaboration with the provincial government would provide the opportunity to better serve the communities, region and provincial government. The importance and benefit of small scale salvage operations are now missing from the overall plan.

Director MacDougall spoke of the effect that appurtenance had on the District of Fort St. James and similar small communities. He mentioned that 70% of the cut in the Fort St. James area are licensees that are not part of the community and it is very difficult to engage them when there is no ability to provide input.

The removal of fibre along the northwest transmission line and the high cost to take the fibre to sawmills to process was brought forward. Due to the high cost, the fibre was destroyed by burning it. The provincial government was responsible for the managing of fibre along the northwest transmission line. Concerns were brought forward regarding undervaluing of timber and the assumption that the only value is the stumpage rate. The value of the timber at end market far surpasses the value from the stumpage rate. There needs to be clear decision making at the provincial government level as to what Ministry is responsible for the removal and utilization of all fibre along transmission lines or LNG pipelines. Discussion took place regarding making the fibre removal from right of ways being part of the Annual Allowable Cuts (AAC).

Mr. Gorley characterized forestry as a broken covenant. In the past there was an understanding that industry and communities would get an equal share. It seems as though this has been broken. The Provincial Government is responsible for providing the framework to manage the forests and now there is a broken covenant involving tenure and responsibility to local communities. The need for "healthy communities is a healthy industry" does not encompass the entire picture. One of higher level governments' priorities is to serve the public's interest and that may be through a healthy and competitive industry. When the provincial government removed themselves from communities, the public no longer had support from the provincial government regarding issues.

The role and interests of local communities relative to their forests is different than the provincial interest. Local governments, collectively, working with First Nations, may be able to move forward the importance of local input as they have a direct vested interest in their forests.

Ministry of Forests, Lands and Natural Resource Operations (FLNRO)/Regional District of Bulkley-Nechako (RDBN/Forestry Industry Representatives Meeting at 1:00 p.m.

- The meeting is occurring due to a desire to have a relationship between industry, local government and provincial representatives to address the issues being faced in the region;
- Clarity to understand if there is agreement on the problem and is there a potential fix;
- What can be fixed locally?
- What needs to be fixed by the Premier and/or Minister of Forests, Lands and Natural Resource Operations?
- Can it be influenced and how?
- Depending on the length of the list - prioritize;
- There may be a need to develop policy proposals;
- Move forward to the Union of B.C. Municipalities and the Provincial Government.

It is important to continue to make forestry a top priority and develop constructive dialogue between industry, local government and FLNRO. It is also necessary to have constructive dialogue with the provincial government.

The RDBN had a 97% response from regional FLNRO offices, industry and community forests to receive RDBN Forestry Committee Agendas thus being a good start for engagement and dialogue.

Director Miller spoke of changes made in Finland in the past, wherein they went from being suppliers of fibre to whomever, to being forest managers. Managing the forest for the best possible outcomes for the forests was their goal, thus providing an example to others.

Director Miller indicated that it would be beneficial, to develop at the meeting scheduled for 1:00 p.m., a commitment from stakeholders to work toward making forestry better locally. Understanding roles and responsibilities of each agency and organization and the importance of working together and not in isolation would also be a key development. Gail Chapman, CAO mentioned the benefit of identifying key issues to work on collectively and to include First Nations communities.

Discussion took place regarding the diversity of the region and the different desires and characteristics of each community throughout the region. Working groups may be a benefit to address very task specific issues, but due to the diversity of the region it is important to have the group work together through transparent dialogue to develop a clear mandate.

ADJOURNMENT

Moved by Director Stoltenberg

F.C.2014-1-2

“That the meeting be adjourned at 11:34 p.m.”

Gerry Thiessen, Chair

Wendy Wainwright, Executive Assistant