

FOREST REVITALIZATION ACTION PLAN

Wood Manufacturing Sector

Bill Bourgeois – July 2019

Situation

Government has decided there needs to be a revitalization of the forest sector, both on the coast and interior. During the 2017 election campaign, the NDP make a number of promises related to the forest sector which are being used as initiatives associated with the revitalization. This has generated a great deal of consultation, uncertainty and stress within the industry, investors and Government itself. In addition, the markets have dropped, the Canada-US Softwood Agreement remains unresolved, stumpage rates have increased, and timber supply has declined precipitously due to the Mountain Pine Beetle epidemic and the impact of recent wildfires. This has resulted in a “perfect storm” manifesting itself in mill closures and impacts on forest industry suppliers and communities. Companies continue to look for other locations in North America to maintain or grow their business(es). Environmental pressures have always been associated with the BC forest sector but with the decline in the timber supply and a perceived receptive Government, these have increased in nature.

Government appears undeterred with all that is happening and continues to push ahead in delivering their election promises. They are of the opinion “we are in a transition from the current forest sector to a new forest sector and it will take time to evolve.” The expectation that the forest sector consultations will generate the vision of the new forest sector is very problematic. It is unacceptable to wait and see how things evolve or use broad consultation to arrive at the vision. Leadership is needed!

Overall Goal

The *Healthy Forests-Healthy Communities Initiative* goal is to contribute to:

Creating a sustainable manufacturing sector and resilient communities¹ using the principle of balancing environmental, economic and social values.

Strategy

A clear and complete strategy is required to move from the current forest sector to one that is desired. The widely accepted means of moving toward a desired condition involves creating a strategic vision and goals, developing a strategy to achieve these and then generating and implementing a strategic action plan.

¹ Communities in this paper include Aboriginal and Non-Aboriginal communities.

Wood manufacturing sector vision

Government has identified five (5) priority goals based on the *Forest Sector Revitalization Initiative*.

- 1) Rebuilding solid wood and secondary industries,
- 2) Improving harvest performance to ensure more fibre is available for domestic mills,
- 3) Fostering stronger business-to-business relationships,
- 4) Maintaining a credible auction system, and
- 5) Restoring public confidence and improving the social contract.

The first four (4) are for the most part related to the wood manufacturing sector. The fifth is primarily associated with forest management.

The Government goals collectively are fragmented with no vision of the desired new forest sector. Consequently, there has been no direct work to focus on barriers or priority actions to achieve a desired forest sector. In evaluating the five (5) goals and other statements by Government regarding increasing community resiliency and creating a competitive forest industry, gaps in these statements arise when thinking about a manufacturing sector vision. Based on the Government goals, incorporating other aspects that fill the gaps and what is required to work toward community resiliency, the following manufacturing sector vision is proposed.

A wood manufacturing sector that is:

- Globally competitive, sustainable and innovative.
- Committed to building resilient communities.
- Operating within a regulatory infrastructure that:
 - Creates certainty, supports investment, supports sustainability, and has efficient and effective administrative processes.
 - Encourages companies to produce products that move up the economic value ladder from commodity products.
- Diversified at the regional level in both size and product manufacturing businesses that fully utilize the available fibre supply in producing commodity, secondary, bioenergy, and biorefinery products.
- Focused on niche markets that capitalize on the types of fibre in BC.
- Operating within a tenure system that supports diversified and competitive regional wood manufacturing businesses.

Strategic Action Plan

Assuming a vision has been generated, Government, the manufacturing sector, First Nations and communities need a Strategy to move efficiently and effectively in delivering the vision. This requires identifying the issues and barriers to achieving the vision and then developing a Strategic Action Plan to remove these impediments. This is not a multi-stakeholder process. The multi-stakeholder process is

associated with the development of the Provincial and regional visions. Government and the manufacturing sector have the responsibility to create the desired sector to deliver on the vision.

The identification of recommendations to remove the barriers associated with priority issues needs to involve:

- The parties that are directly affected by the vision and any actions needed to achieve it,
- Participants with both expert knowledge on the issue and an innovative thought process to find solutions, and
- A commitment by the participants to bring forward recommended actions to inform decision-makers and communities and demonstrate how these will move toward the vision.

Many of the current priority issues associated with the forest sector and forest management have been recognized and communicated for some time². Addressing these separately but with the guidance of the Provincial and regional forest and manufacturing visions forces participants to focus and be specific as to how to resolve them. This would be a more productive and analytical approach than general consultations, recognizing it may not be preferred from a political perspective.

One implementation model involves bringing together knowledgeable, innovative and committed individuals familiar with an issue in a collaborative dialogue format to identify the barriers to achieving the vision and develop actions to remove them. This can then be used as input into legislative and policy development by decision-makers relative to moving toward community resiliency. It is hard work, but the rewards are great and necessary. Some examples of identified issues that could be either resolved or moved forward immediately are:

- Developing regional community vision statements for their local forest and forest manufacturing sectors to guide decision-making³.
- Removing barriers to full utilization of logging residue and encourage mill and facility investments⁴.
- Identifying opportunities and actions to remove barriers regarding the building of regional wood manufacturing clusters⁵.

² <https://www.bcforestconversation.com/stewardship/priority-actions/>

³ <https://www.bcforestconversation.com/wp-content/uploads/Moving-toward-community-resiliency-specific-actions.pdf>

⁴ <https://www.bcforestconversation.com/full-utilization-fibre-burns-lake-cluster/>

⁵ W.W. Bourgeois, 2019, *Business Opportunities and Commodity Products from Logging Residue*, New Direction Resource Management Report to MFLNRORD, pdf