

**Lumber Prices: SPF R/L 2X4 \$US**

<b>Week of November 23</b>	<b>224</b>
<b>Previous Week</b>	<b>220</b>
<b>Previous Month</b>	<b>195</b>
<b>Year Ago</b>	<b>184</b>

Source: Madison's Canadian Lumber Reporter  
[www.madisonsreport.com](http://www.madisonsreport.com)

**Quesnel Adopts "Wood First" Policy**

The City of Quesnel is leading the way for local governments in the province as it has committed to developing a Wood First bylaw designed to link to the Province of British Columbia's Wood First Act. Council approved a resolution stating the City will continue to support the ongoing development of its wood culture through a variety of means and that it is committed to crafting a bylaw to promote wood use in local construction.

For more information go to the City of Quesnel website:  
[www.city.quesnel.bc.ca](http://www.city.quesnel.bc.ca)

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**President's Memo**

As 2009 winds down, most would agree it was another dismal year for most forest product companies. But as noted before in this column, BC has a very resilient forest industry and even a quick read of the articles in the newsletter underscores that opinion.

First, with the support of the BC and federal governments, and the unbounded energy of Minister Pat Bell, further market penetration in Asia has been achieved. The Minister's recent and hugely successful mission to China and Japan will go a long way to assist us in diversifying away from our traditional U.S. market.

Second, we have been working relentlessly on rebranding our product. Simply put we feel that our slogan, "Tackle Cli-

mate Change: Use Wood" is a clear winner from a financial, statistical, attribute and economic perspective.

This simple yet fresh and direct statement assists us in penetrating new markets and preserving traditional ones. But we must go further in effectively integrating climate policy and technical parameters into an effective and compelling business case for using wood as the primary building material.

The government's "Wood First" policy and new building code changes that permit six story wooden buildings are all part of an aggressive and integrated approach to opening up new business opportunities for the solid wood sector.



So I am encouraged as we approach the end of 2009. We are on the right track. We are working effectively with governments. There are some signs of market recovery. But we cannot rest.

*John Allan*

**Architect Mission from Japan Tours the Heart of British Columbia**

COFI recently completed another successful tour mission to the heart of the British Columbia on October 14 to 17, as a group consisting of six architects from Japan toured a handful of sites in Prince George and Vanderhoof. The group's visits included a forest walking tour, the JD Little Forest Center, Canfor's PG Sawmill operation, Winton Global Homes, a local contractor's multi-family construction project and the Gateway Nursing Home (175 beds), which has recently opened and phase two of the project is currently under construction while they were in Prince George. The group was also in Vanderhoof and surrounding area to tour L&M and Nechako Lumber's mill, planer operations, energy plant, Premium Pellet plant and active harvesting site.

The stop that seemed to impress the Japanese architects the most was a logging site near Vanderhoof, where the group was able to observe first hand all the different heavy equipment meticulously at work on the cut block. With this particular visit, the group was able to get an upfront and close look at British Columbia's top notch forestry practices and how SPF trees are harvested, processed and hauled to the mill from the bush. COFI Tokyo would like to thank the various companies and persons who (too many to name here) cooperated to make this high caliber program possible. In particular, a special thank you goes to Dave Watt of L&M Lumber and Steve Kozuki of COFI's North-ern operation, as these two

Forester's provided the tour and made their F150 Super Cab vehicles available for the group to access the logging site.

Thank you!  
 COFI Tokyo  
 Kevin Bews  
 2009/10/19



## Pacific Carbon Trust Sees Offset Opportunities in Forest Products

Let's say you have a boiler that was built in the mid-50s. You upgraded it in the 80s and maybe even added a hog drying system a decade or so later. You're considering some mechanical upgrades to the hog fuel drying system, but in this economic climate you are not so sure about making the capital investment.

Enter Pacific Carbon Trust.

By increasing the boiler's energy output on hog fuel, and limiting oil burning to periods of grate cleaning, you may be able to reduce your fossil fuel consumption and sell the resultant offsets to Pacific Carbon Trust. Now, your upgrades are not only economical – they may reduce your carbon taxes as well.

That's just one of many scenarios that may qualify for an offset project.

Pacific Carbon Trust (PCT) is a Crown corporation set up to deliver quality BC-based greenhouse gas offsets to help clients meet their carbon reduction goals and support growth of BC's low-carbon economy. By 2011, PCT expects to deliver as much as 1 million tonnes in carbon offsets to its corporate and public sector clients.

To meet that substantial demand, Pacific Carbon Trust has put into place a continuous procurement process so that when businesses are ready to submit their proposal, PCT's doors are open. PCT is also in the process of developing a land-based forestry specific call for offsets, which will open up opportunities to the broader forest sector.

One million tonnes of offsets is a tall order, but one that PCT's forest sector specialist Jeff

Monty is excited to help take on. "Forests are an important part of the climate change solution. The forest sector is in a prime position to benefit from new opportunities in the BC offsets market."

For more information on Pacific Carbon Trust and forest sector opportunities, contact Jeff Monty RPF at 250 588-9263 or email [jeff.monty@pacificcarbontrust.ca](mailto:jeff.monty@pacificcarbontrust.ca) or visit [www.pacificcarbontrust.ca](http://www.pacificcarbontrust.ca).



- Some of the requirements that must be met for a project to qualify as a PCT offset:*
- *Is the Project start date after November 29, 2007? Is it BC-based?*
  - *Is it within scope? Are the offsets real, quantifiable, additional, verifiable, counted once, with clear ownership established?*
  - *Are the emissions reductions or removal enhancements reflected in the British Columbia Provincial Greenhouse Gas Inventory?*

## B.C. Wood Promotion, Technology Pay Off in Japan

Promotion and technical support by the British Columbia forest sector were major factors in Japan allowing for greater wood use in large, multi-unit structures, Forests and Range Minister Pat Bell said today at a ground-breaking ceremony for the Sagamihara Elderly Care Home.

When completed in 2010, the 6,500-square-metre facility will be the largest 2x4 wood-frame elder care home in Japan. The building will require the same amount of wood needed to build 70 homes.

"Just like in B.C. with the new building code and Wood First initiative, Japan recently moved to allow larger buildings to be constructed entirely with 2x4 wood-frame construction," said Bell. "This is good news for our forest sector, as B.C. is the number-one supplier of softwood

lumber to Japan."

There is a shortage of elderly care homes in Japan. An estimated 400,000 seniors are on waiting lists for elderly care facilities. About 7,400 new facilities are required to house this aging demographic. If every single one used wood-frame construction, about 1.15 billion board feet of lumber would be used.

The Canada Wood Group, an industry marketing association, provided technical assistance to Japan to support changes to the Japanese building and fire codes to allow the construction of larger wood-frame buildings. Canada Wood also provided technical expertise to the developer of the care home.

"Through an ongoing consultation process with Japanese

authorities regarding the recognition of wood within building and fire codes, and by promoting wood-frame construction to developers and consumers, we are opening up new international markets for B.C. wood products," said Rick Jeffery, Canada Wood Group chair.

Canada Wood is funded by industry, the province and the federal government as part of a joint strategy to develop new international markets for wood products.

British Columbia and Japan have a strong trading relationship in wood products that dates back more than 30 years to when the Council of Forest Industries started a market development program. Japan is the province's largest export market by value after the United States. British Columbia is Japan's number one supplier

of softwood lumber, with a 40 per cent share of softwood lumber imports.

Photos from the Sagamihara Elderly Care Home ground-breaking will be available online in the Ministry of Forests and Range media room at [www.for.gov.bc.ca/pab/media](http://www.for.gov.bc.ca/pab/media).

## Green Energy Advisory Task Force Members Named

The committee members of the Green Energy Advisory Task Force, dedicated to ensuring B.C. remains a leader in clean and renewable energy, were announced by Blair Lekstrom, Minister of Energy, Mines and Petroleum Resources, Barry Penner, Minister of Environment, and John Yap, Minister of State for Climate Action.

“The new members of the Green Energy Advisory Task Force are leaders who will help us to turn green energy potential into real economic, environmental and social benefits for British Columbians,” said Lekstrom.

“Advancing B.C.’s green energy potential is one of the highest priorities for British Columbia, and these leaders will help us to maximize our clean, green energy opportunities.”

As announced by Premier Gordon Campbell on Nov. 2, 2009, the Green Energy Advisory Task Force is composed of four advisory task force groups, reporting directly to the Cabinet Committee on Climate Action and Clean Energy, including:

### Green Energy Advisory Task Force on Procurement and Regulatory Reform

This task force will recommend improvements to BC Hydro’s procurement and regulatory regimes to enhance clarity, certainty and competitiveness in promoting clean and cost-effective power generation; and identify possible improvements to future clean power calls and procurement processes.

### Green Energy Advisory Task Force on Carbon Pricing, Trading and Export Market Development

This task force will develop recommendations to advance British Columbia’s interests in any future national or international cap and trade system, and to maximize the value of B.C.’s green-energy attributes in all

power generated and distributed within and beyond B.C.’s borders. The task force will assess the market opportunity for B.C.’s clean and renewable electricity, plus any barriers and how they may be addressed, including any future national or international cap and trade system.

### Green Energy Advisory Task Force on Community Engagement and First Nations Partnerships

This task force will develop recommendations to ensure that First Nations and communities see clear benefits from the development of clean and renewable electricity and have a clear opportunity for input in project development in their areas. It will work in partnership with First Nations, not only to respect their constitutional right, but to open up new opportunities for job creation and reflect the best practices in environmental protection.

### Green Energy Advisory Task Force on Resource Development

This task force will identify impediments to and best practices for planning and permitting new clean, renewable-electricity generation to ensure that development happens in an environmentally sustainable way. The task force will also consider allocation of forest fibre to support energy development and invite input from solar, tidal, wave and other clean energy sectors to develop strategies to enhance their competitiveness.

“It’s encouraging that such a talented group of people care enough about British Columbia to dedicate their time and energy into helping us capture the environmental benefits of developing more renewable power, which is part of our fight against climate change,” said Penner.

The advisory task force groups will also undertake a comparative review of existing policies in

other jurisdictions. The advisory task force group membership, listed in the background, consists of clean-energy experts, energy consultants, renowned climate experts, leading academics, First Nation representatives and environmentalists.

“The demand for clean energy is growing in B.C. and around the world,” said Yap. “The Green Energy Advisory Task Force will be an integral part of our province’s move towards a low-carbon economy where we focus on green jobs and new investment opportunities.”

Information on the new Green Energy Advisory Task Force can be found at [www.greenenergytaskforce.gov.bc.ca](http://www.greenenergytaskforce.gov.bc.ca).

Clean and renewable energy continues to be a cornerstone of British Columbia’s climate action plan that will create jobs, support families and generate new economic activity throughout British Columbia. Electricity self-sufficiency and clean and renewable power generation is integral to B.C.’s effort to reduce its carbon footprint and fight global warming.

### Advisory Task Force on Procurement and Regulatory Reform

- Tim Newton, former vice president of Powerex, Director, Board of the Western Electricity Coordinating Council (chair)
- Larry Blain, CEO, Partnerships BC
- Jeff Christian, litigator with Lawson Lundell
- John Keating, founder and CEO of Canadian Hydro Developers
- Dave Kusnierczyk, managing director of Fred Olsen Renewables Canada

- Duncan McCallum, partner with the Public Sector and Infrastructure Group, RBC Capital Markets in Toronto
- Mossadiq Umedaly, former chair of BC Hydro

### Advisory Task Force on Carbon Pricing, Trading and Export Market Development

- Cheryl L. Slusarchuk, partner with McCarthy Tétrault (chair)
- Warren Brazier, chair of Clark Wilson LLP Energy and Natural Resources Practice Group
- Scott MacDonald, CEO of Pacific Carbon Trust
- Martin Merritt, former president and CEO of the Alberta Market Surveillance Administrator
- Ren Orans, managing partner of Energy and Environmental Economics
- James Tansey, president and co-founder of Offsetters BC

### Advisory Task Force on Community Engagement and First Nations Partnerships

- James Hoggan, president of Hoggan and Associates and chair of the David Suzuki Foundation (chair)
- David Andrews, principal of Cloudworks Energy
- Mike Bernier, mayor of Dawson Creek
- Chief Ken Brown of the Klahoose First Nation
- Peter Kirby, CEO of Xietl (Taku Tlingit)
- Craig Lodge, president of Pinnacle Pellet Inc.
- Dave Porter, CEO of the First Nations Energy and Mining Council

### Advisory Task Force on Resource Development

- John Webster, former managing partner Pricewater-

### Check Out "Tackle Climate Change—Use Wood", The Video

Visit [www.bcclimatechange.ca](http://www.bcclimatechange.ca) to see a new five minute video highlighting the importance of BC's forest management and forest products in addressing climate change. Given the need for urgent action on climate change, and BC's contribution of growing forests, wood products and bio-energy, it is clear that BC has a competitive advantage as well as an opportunity to become the "supplier of choice" worldwide.

### Softwood Lumber Agreement 2006

For information about SLA 2006 please see the following websites:

Government of Canada:  
[www.dfait-maeci.gc.ca/eicb/softwood/menu-en.asp](http://www.dfait-maeci.gc.ca/eicb/softwood/menu-en.asp)

Government of BC:  
[www.for.gov.bc.ca/HET/softwood](http://www.for.gov.bc.ca/HET/softwood)

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## Green Energy Advisory Task Force Members Named (cont'd.)

- houseCoopers BC Region and director of the Canadian Hydrogen and Fuel Cell Association (chair)
- Craig Aspinall, manager of Public Policy for Western GeoPower Corporation
- Tzeporah Berman, executive director and co-founder of PowerUp Canada and Co-Founder of ForestEthics
- Paul Hemsley, president of Hemmera
- Matt Horne, director of Energy Solutions, Pembina Institute
- David Huggill, Western Canadian policy manager for the Canadian Wind Energy Association
- Jonathan Rhone, president and CEO of Nexterra and chair of CleanTech CEO Alliance
- John Walker, president and CEO of FortisBC
- Dr. Steve Wilson, principal of EcoLogic Research

## China Trade Mission Ends Successfully

British Columbia's largest ever forestry trade mission to China ended on a high note with new orders to close off another record-breaking sales year, announced Forests and Range Minister Pat Bell.

"Companies participating in the China mission estimate they have generated sales of 156 million board feet of lumber to China for November and December," said Bell. "We're on track to hit 1.5 billion board feet this year, roughly double last year's record. If we keep our focus, we can reach 4 billion board feet by the end of 2011."

Recent figures for January to August 2009 show that British Columbia exported 975 million board feet of softwood products to China, well over the record 784 million board feet exported in all of 2008.

Key site visits for delegates on the trade mission included a China National Building Materials warehouse at the Taicang Port in Shanghai, re-roofing projects, remanufacturing facilities using B.C. hemlock and spruce-pine-fir, and a recreational housing development

outside Beijing. Tour delegates also participated in events to launch a new wood-frame construction building code for Shanghai and to celebrate a memorandum of understanding (MOU) with the City of Shanghai to use wood-frame construction in affordable housing.

Bell and forest industry CEOs also attended a key meeting with the Vice Minister of China's Ministry of Housing and Urban-Rural Development, the central government body responsible for the nation's residential construction, including earthquake redevelopment. Afterward, Bell and the CEOs visited the China International Exhibit on Housing Industry, China's largest building materials trade event. Other trade mission delegates met with officials to discuss Hebei Province's re-roofing projects, the largest use of wood truss systems in China to date, and the potential use of wood-frame technology in other applications.

"Forest industry delegates were able to build on previous business contacts and make some new contacts on the trade mission," said Rick Jeffery, Chair, Canada Wood Group. "Some of the biggest

market opportunities we see lie in rural and urban affordable housing, including the mid-rise structures that will be part of the affordable housing MOU. Companies are seeing real growth in structural, landscape and finishing use of B.C. wood products, and a clear increase in the grades and value of products being sought by our Chinese customers."

The Province through Forestry Innovation Investment Ltd. and in conjunction with the Canada Wood Group has been working over the last several years to diversify B.C.'s markets by demonstrating new uses for softwood products.

After spending four days in China, Bell and industry delegates are in Japan for two days before returning to B.C. Photos from the trade mission are available online in the Ministry of Forests and Range media room [www.for.gov.bc.ca/pab/media](http://www.for.gov.bc.ca/pab/media).