

SMART FUTURE

A path forward for B.C.'s forest products industry



COUNCIL
OF FOREST
INDUSTRIES

FORESTRY FOR THE PLANET.
FOREST PRODUCTS FOR THE WORLD.

A NOTE TO THE READER.

Forestry is an industry in transition in British Columbia.

An array of market and operating challenges, along with a structural shift in the availability and cost of fibre, are creating significant headwinds and forcing difficult decisions.

There has been a lot of public discussion about how to address these challenges. A number of policy reviews and public engagements are underway, and we are actively participating, along with many other groups.

Much of the discussion has rightly focused on the need to support workers and communities and to address the impacts of closures as the rebalancing of mill capacity and available fibre occurs. But a question also on people's minds is "what does the future look like for forestry in B.C.?" Where will we be once we have moved through this period of transition? How do we maintain a vibrant, diverse and globally competitive forest sector?

We believe there is a bright future for the forest industry in B.C. – a future that secures jobs, delivers value, and sustains economic benefits across the province. This document sets out a vision for what that future could be and provides ideas and actions that can help get us there.

There are factors like market volatility and trade uncertainties that are beyond our control, so our focus is on ideas where we can influence outcomes. Some ideas are not new. Some ideas can be implemented by industry, others will require government action, and all will require a collective effort from workers, contractors, communities, First Nations, academic institutions, and all those involved in the sector to build the industry of the future.

We recognize this list is not complete. Others will have ideas that can complement the choices presented here. But we hope it provides a path forward to a better future. We look forward to working collaboratively to put these ideas into action.

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B.C.'S FOREST INDUSTRY: CORNERSTONE OF OUR ECONOMY

The forest industry has been a cornerstone of the B.C. economy for more than 100 years. The well-being of 140 communities and many thousands of families throughout the province is closely linked to the health of this sector.

Forestry supports approximately 140,000 jobs in B.C. and pays approximately \$4 billion annually into government revenues. Partnerships with First Nations have grown, and Indigenous peoples now hold 1 in every 11 forestry jobs, including logging, manufacturing, human resources and environmental management.

The forest industry has always evolved, adapted, and innovated and, over decades, we have built a world-class industry.

Smart investments have shaped a modern, technologically advanced and safer industry. We've found ways to use fibre from every part of a log, creating new products and new processing techniques. Most pulp mills in B.C. today generate the power they need by using material that was once considered waste.

New technologies are improving harvesting practices and providing more information about the land base which supports better forest management decisions.

When it comes to sustainable forest management, British Columbia is a world leader. Each year, we harvest less than 1% of the working forest land base and three trees are planted for every one harvested. We have more forested areas certified to internationally-recognized sustainability standards than any other jurisdiction in the world.

B.C.'s forest products are recognized for their high quality and customers around the world know that our products are produced to the highest environmental standards.

Importantly, now more than ever before, forest products are seen as contributing to the fight against climate change.

Wood is a renewable resource that both creates beautiful products and buildings, and stores carbon dioxide, lowering the greenhouse gas impact of modern construction and making wood the go-to building material. B.C. architects, builders and engineers are at the forefront of leading this global move to build more creatively with wood.

Over many years, we – companies, government, communities, First Nations and workers – have built an industry we can be proud of. It has not always been easy, but we have proven over time that we can adapt and evolve to meet changing circumstances and find renewed success.

It's time to do that again.

A STRONG FORESTRY INDUSTRY = A STRONG B.C.



140 forestry-dependent communities



140,000+ jobs in B.C.



1 in 5 jobs in B.C.'s northern interior



40% of forestry jobs in Lower Mainland / Southwest



Highest Indigenous participation of any resource sector



\$12.9 billion contribution to B.C.'s GDP



\$4 billion annually in tax revenues to government

(PwC 2016)

TODAY'S CHALLENGES

While the forest sector has always had to manage through market and price volatility, B.C.'s forest products companies are currently facing something of a “perfect storm” – an array of problems coming together at a time when we are also experiencing a significant structural shift.

Available wood supply in the interior of B.C. is dropping following years of impact from the mountain pine beetle infestation and two years of devastating wildfires. On the coast, the harvest has decreased over time as significant amounts of land have been set aside for non-timber values, putting pressure on the working forest land base.

When combined with large areas designated as conservation zones and new protected areas, the working forest land base has been significantly reduced. This has increased competition for logs driving up log costs. Greater regulatory complexity and uncertainty around access to fibre are also having a significant impact. The result is that B.C. has become a high cost producer just at the time we are facing volatile market prices and increasing competition.

Lots of places in the world make wood, pulp, and paper products, and competition to provide these products is rising. Competitors – think Chile, Russia, and Europe – are trying to sell to the same customers we do, and being a high cost producer makes it difficult for us to compete. Add in punishing U.S. tariffs, subsidies in Japan, and trade tensions with China, and the headwinds are stronger than ever.

In the face of increasing uncertainty and challenging market conditions, companies have been making every effort to keep people working. But today, small and large operators alike are losing money on their B.C. operations.

In the interior, the annual allowable cut was about 70 million cubic meters in 2007. It is projected to be just over half that in 2030. Sawmill capacity had expanded to help the province extract value from mountain pine beetle infested trees. But now, with a lot less wood available and the cut predicted to continue to decline in the mid-term, companies are having to make difficult decisions to close or curtail production in order to balance mill capacity with new harvest levels.

Workers and communities are feeling these effects. The uncertainty and instability is painful for everyone.

So where do we go from here?

AN INDUSTRY IN TRANSITION

There is no question that the forest sector is an industry in transition.

We need to rebalance our milling capacity to match the lower level of sustainable harvest and companies have already started to make these difficult decisions. As we do so, workers and communities need to be supported. Then, we need to ensure that the facilities that remain have secure access to enough fibre to run consistently and efficiently.

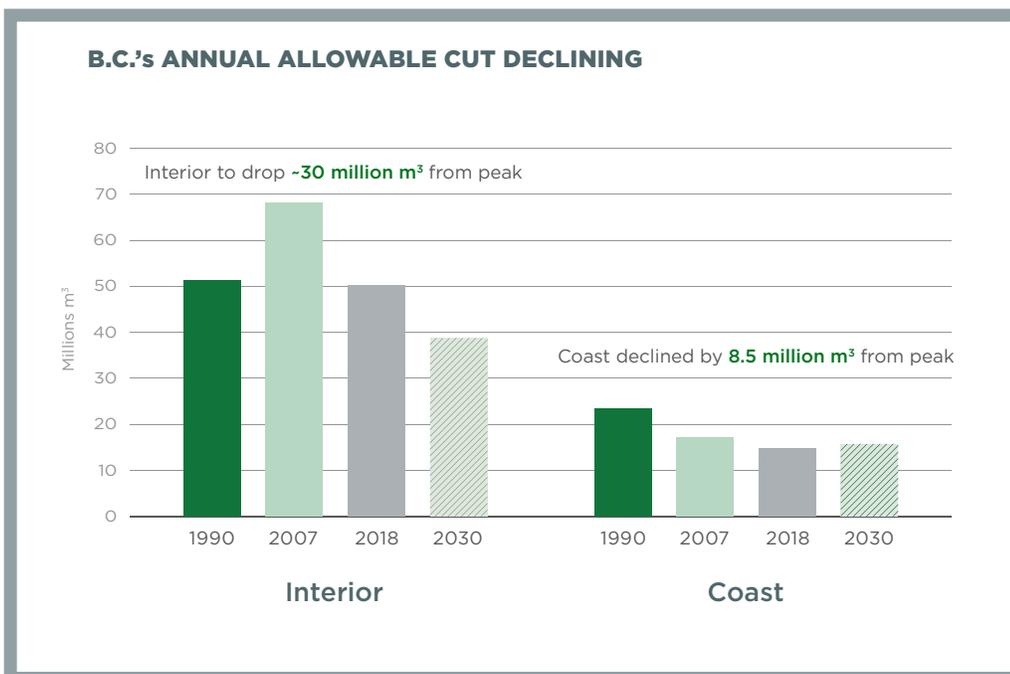
Managing a transition of this scale will require collective effort. But we can make choices now that will help build a better future and a stronger industry.

The forests in this province are for everyone. So, in putting these ideas together, we've tried to be mindful of what matters to others, while stressing that our best expertise lies in what it will take to encourage healthy levels of investment and stabilize employment in the forest sector.

We can make a series of policy choices now that build the confidence needed to attract the investments that leverage B.C.'s advantages and provide greater security for workers, contractors, communities, First Nations, and our province.

This industry and its workers have proven to be resilient over time – persevering through difficult circumstances.

We've re-invented for success before. Together, we can do it again.



A VISION FOR THE FUTURE

Good decisions, made now, will help attract the investment required to set up the industry to thrive in the future.

The industry will look different. Some parts of the forest sector will be smaller, some will grow, but with the right conditions, and pursuing new ideas, we can be a globally competitive manufacturer of high quality forest products. This will secure skilled jobs and support communities across the province.

WHAT DOES SUCCESS LOOK LIKE?

With the right choices, we will be a globally competitive forest sector that is a model for the world in product innovation, technological advances, and environmental care - one that all British Columbians can be proud of.

How will we know when we get there? We will have:

- ✦ A predictable, long-term timber supply that allows companies, contractors workers, and communities to plan for the future
- ✦ Secure and timely access to the working forest land base
- ✦ Companies able to operate through the business cycle to support stable levels of employment and secure communities
- ✦ Predictable, transparent, and effective regulatory and permitting processes
- ✦ Full utilization of fibre including residuals
- ✦ A pipeline of new skilled workers to help transition from the retiring workforce
- ✦ Meaningful benefits that flow to communities, First Nations, and the province
- ✦ Increased Indigenous participation within the B.C. forest sector
- ✦ Robust levels of industry research and development
- ✦ New high value products that serve more markets and help mitigate climate change
- ✦ Expanded global markets for all B.C. wood products and expertise
- ✦ Recognition as the centre of excellence in low-carbon green building
- ✦ New and ongoing investment in all parts of the industry



WHAT DOES SUCCESS LOOK LIKE?

A globally competitive forest sector that is a model for the world in product innovation, technological advances, and environmental care, supporting skilled jobs and communities across B.C.

CHOICES FOR A BETTER FUTURE

Industry is committed to making good choices to secure a better future. We believe we can do this if we:

- Invest in, and protect, our working forest land base
- Have smart rules that protect the environment and encourage investment
- Strengthen participation of Indigenous peoples and partnerships with communities
- Double down on market and product diversification
- Become the global hub for expertise in low-carbon, green building

Under each of these priorities, we suggest a series of specific recommendations for consideration. Some of these recommendations can be led by industry, others can be led by government. All will require collaboration.

We recognize that there are many details to be worked out, but by working together with our employees, contractors, communities, First Nations, and government, we believe we can create the future everyone is looking for.

INVEST IN, AND PROTECT, OUR WORKING FOREST LAND BASE

If we want healthy forests and thriving communities, we need to have a clear picture of the forest area that is protected for conservation, habitat, and recreational purposes, and what area is available as a “working forest” – a part of the land base that can be harvested and regenerated to make forest products.

Right now, over half (52.3 %)* of the land base in B.C. is covered by some form of conservation designation – ranging from parks and protected areas to old growth management and wildlife conservation areas. This massive commitment to conservation helps make B.C. a wonderful place to live, a place that attracts tourists from around the world, and a model for sustainable development.

But, in addition to the values associated with conservation, forests are also valued as a source of jobs and economic opportunities for families and communities across the province, generating almost half of the natural resource revenue for the province helping to pay for essential services such as schools and hospitals.

A key choice, that would help build the confidence that draws investment into the province, would be to settle on the size of our working forest and lock it in. This will allow companies and communities to plan a future that workers can count on.

Another important choice we can make is to increase the use of the latest technologies to minimize impacts on the landscape and wildlife, while increasing the yield and economic value of the working forest. Keeping the working forest healthy means more value processed from our forest resource.

There are new ideas that need to be explored, particularly as we look to address the impacts of climate change and integrate that into our approach to forest use. Defining and investing in the working forest will yield healthy forests, a healthy industry, and healthy communities for the long term.

CHOICES FOR A BETTER FUTURE

Protect the working forest land base

1. Define the working forest land base. Like conservation areas, designate the area that will be available for harvesting and lock in the commitment.
2. Implement a “no-net-loss policy” to provide certainty in the long term. Undertake a review every 5 years.
3. Ensure policies and processes allow for timely and consistent access to the working forest land base.

*FLNRORD, Interior Forest Sector Renewal Policy and Program Engagement Discussion Paper, Summer 2019



Grow the fibre resource

4. Commit to growing the fibre resource. Expand the use of Light Detection and Ranging (LiDAR), artificial intelligence and drone technology to complete an updated enhanced Standing Timber Inventory. Use the updated inventory to improve yields and mitigate timber supply impacts.
5. Accelerate the replanting of Not Sufficiently Restocked (NSR) areas to return them to productive forests. Set a goal of achieving 100% completion within 5 years.
6. Implement an intensive second-growth management program that includes commercial thinning and invest in improving seed stock to create economic benefits and additional employment.
7. Target a maximum timeline of 24 months to salvage timber following wildfires to allow economic value to be realized and to initiate regeneration of the forest as soon as possible.
8. Create a biomass tax credit to incent utilization of residual forest fibre, create employment opportunities, and advance the low-carbon economy.

Invest in forest health

9. Convene an expert working group including government, industry, and academic experts to develop innovative and flexible approaches to climate-affected forests to ensure a more stable, fire-resilient and sustainable timber supply.
10. Complete the actions outlined in the government-commissioned Abbott-Chapman Report to protect communities and the working forest land base from wildfires.
11. Implement lessons learned from the mountain pine beetle natural disaster and vigilantly monitor other pest infestations and take prompt action to prevent their spread.
12. Transition a portion of the existing forest licenses from volume-based to area-based to encourage further investment by companies in intensive forest management.

Maintain leadership in sustainable management

13. Maintain B.C.'s position as a leader in sustainably managed, certified forests, by achieving an industry target of 100% third-party certification.
14. Undertake a multi-party mission to New Zealand and Sweden to better understand how their forest management regime and land use policies have allowed their industry to transition, improve yields, generate greater value and mitigate the impact of climate change.

HAVE SMART RULES THAT PROTECT THE ENVIRONMENT AND ENCOURAGE INVESTMENT

We need good rules to protect the environment. And, we need clear and simple rules to allow businesses to know what is expected of them, and how to live up to those expectations, without encountering needless delays or expenditures.

B.C.'s regulatory structure should keep forests healthy and help businesses be successful. This will secure jobs and communities.

Being agile and flexible is how industry will meet its competitors head on, and continue to serve our customers around the world, while sustaining employment here at home.

We have a lot of rules and regulations and, from time to time, they need to be updated. When that happens, there must be adequate time to engage industry, communities, First Nations, and other stakeholders. Consultation must be sincere and disciplined and policy changes must be informed by good analysis so that we understand how a change may impact workers, communities, and the economy.

CHOICES FOR A BETTER FUTURE

Simplify rules and process

15. Streamline permitting practices, eliminate redundancy and work with industry to find ways to reduce time, cost, and complexity without jeopardizing environmental protections.
16. Move to a broader area-based planning process at the landscape-level to ensure multiple forest values are considered in planning, and to provide for earlier engagement and a longer-range view for communities and First Nations.
17. Identify and analyze the key forest attributes required to achieve desired public and government objectives such as the management of species-at-risk. Use “co-location” to meet these objectives and maximize the use of existing protected and conservation areas.
18. Create a Fast Track Resolutions process to support the timely resolution of the points of tension, disagreement, and friction that will inevitably arise among different interests.
19. Convene a semi-annual meeting of government and industry to discuss issues and advance understanding. Use this venue to clear hurdles, identify opportunities, and strengthen relationships.
20. Increase coordination and information sharing between ministries to enhance effectiveness and efficiency of authorizations.



Increase predictability and competitiveness

21. Benchmark B.C.'s forest sector's competitive position against competing jurisdictions annually.
22. Clearly articulate the criteria for Ministerial approval of tenure transfers. Criteria should consider the need for mills to have adequate, reliable access to timber to operate mills efficiently.
23. Mandate that all policy proposals undergo socio-economic analysis to ensure that the impacts of potential policy changes are well-understood before decisions are made.
24. Identify opportunities to ensure the Market Pricing System (which determines stumpage) better reflects market conditions.
25. Maximize available timber supply, ensure BC Timber Sales (BCTS) sells its full allocation of the Allowable Annual Cut (AAC) by delivering 90% annually and 100% full allocation over the business cycle.
26. Adopt best practices for consultation processes and stakeholder engagement, to ensure the process is accountable, transparent, and provides for adequate consideration of meaningful stakeholder and public feedback in government decision-making.
27. Implement process improvements that reduce costs and improve efficiencies in the movement of logs and chips such as larger truck configurations and automatic log scanning technology.



FORESTRY IN BRITISH COLUMBIA IS HIGHLY REGULATED

Our industry is governed by many legislative statutes, policies, licensing requirements, permitting processes, and oversight bodies.

PROVINCIAL

- Annual Rent Regulation
- Carbon Tax Act
- Contaminated Sites Regulation
- Cut Control Regulation
- Cutting permits
- Employer Health Tax Act
- Environmental Assessment Act
- Environmental Management Act
- Forest Act
- Forest and Range Practices Act
- Forest Practices Board
- Forest Practices Code of British Columbia Act
- Forest Stand Management Fund Act
- Foresters Act
- Forestry
- Forestry Revitalization Act
- Forestry Services Providers Protection Act
- Great Bear Rainforest (Forest Management) Act
- Heritage Protection Act
- Industrial Roads Act
- Integrated Pest Management Act
- Logging Tax Act
- Manufactured Forest Products Regulation
- Ministerial approval of tenure transfers, tree farm licences, and other changes
- Ministry of Forests and Range Act
- Motor Vehicle Act
- Open Burning Smoke Control Regulation
- Professional Governance Act
- Occupational Health and Safety Regulation
- Private Managed Forest Land Act
- Pulp Mill and Pulp and Paper Mill Liquid Effluent Control Regulation
- Riparian Areas Protection Act
- Road permits
- Spill Reporting Regulation
- Timber Harvesting Agreements (Forest Tenures)
- Timber Harvesting Contract and Subcontract Regulation
- Timber Marking and Transportation Regulation
- Water Sustainability Act
- Wildfire Act
- Wildlife Act
- Workers Compensation Act
- And local government policies, requirements and other associated regulations
- and more...

FEDERAL

- Canadian Environmental Assessment Act
- Canadian Environmental Protection Act
- Fertilizers Act
- Fisheries Act
- Forestry Act
- Migratory Birds Convention Act
- Post Control Products Act
- Plant Protection Act
- Species at Risk Act
- and more...

VOLUNTARY

- Third Party Certification
- Biological Diversity Research
- Partnerships
- Wildlife Enhancement
- Public Education
- Ongoing Consultation
- Community Investment
- and more...

STRENGTHEN PARTICIPATION OF INDIGENOUS PEOPLES AND PARTNERSHIPS WITH COMMUNITIES

140 communities in B.C. depend on forestry, and relationships with communities and First Nations are critical for our industry's success.

We live, work, and play in the communities in which we operate, and we generally enjoy strong support for the sector with 79% of British Columbians holding a favourable view of producers of lumber, pulp and paper, and wood products.* That's not to say things are perfect. Like neighbours, there are always things we can do to improve relationships and we are committed to doing just that.

The forest sector has built many respectful and mutually beneficial relationships with First Nations and Indigenous-owned businesses. Today, 9% of the forestry workforce in B.C. is Indigenous, a greater rate of employment than in any other natural resource sector in B.C. We recognize that some First Nations aspire to have greater participation in the sector and we also see more opportunities to partner and to attract new Indigenous workers to the sector.

Indigenous and local communities should share in the stumpage revenues generated by forest sector activity creating opportunities for increased participation in the sector.

Industry can do more to encourage further First Nations involvement in the industry – not just as employees, but as owners and manufacturers too.

What all communities want is more stability. To achieve this, it means ensuring that companies operating in the sector – whether they are large or small – can access fibre at a reasonable cost to keep facilities running, or to commit to new investments.

Finally, while the industry may be smaller, there will still be thousands of well-paid jobs to fill in the decades ahead. We need to support our next generation of forestry professionals, ensuring they have the resources they need to get the skills and knowledge our industry depends on.

* Abacus Data, 2019



CHOICES FOR A BETTER FUTURE

Enhance partnerships

28. Obtain federal support for workers and communities in transition.
29. Increase revenue sharing to direct 40% of stumpage revenue to support local communities and First Nations. This revenue will create means for First Nations to increase direct participation in the industry and will support community initiatives.
30. Increase community forest agreements and First Nations woodlands licences in areas directly adjacent to communities, to allow for greater local management, protect communities from wildfires, and provide fibre to local manufacturers.
31. Convene annual regional forestry summits to review long term planning and assess opportunities.
32. Set targets and track progress annually to increase Indigenous participation in forest sector employment, contracting, and business ownership.

Ready the workforce

33. Invest in skills training programs to ready our current workforce for industry's future needs.
34. Enhance the joint industry/provincial funding of the next phases of the Industrial Wood Processing Program at BCIT. Upcoming modules, including *The Business of Sawmilling*, *Advanced Manufacturing* and *Value-Added Lumber Products*, will support the development of knowledge and technical skills development.
35. Expand industry's Forest Education Program to all regions of B.C. This program provides students with information about the forest sector and sustainable forest management, as well as hands-on experience through the Natural Resource Management camps and Women in Trades program.
36. Create a searchable inventory of industry-related forest training, scholarships, and bursaries to support the next generation of forestry practitioners in B.C.
37. Build a "shelf-ready" forest education module for primary and secondary educators to use in the classroom.

DOUBLE DOWN ON MARKET AND PRODUCT DIVERSIFICATION

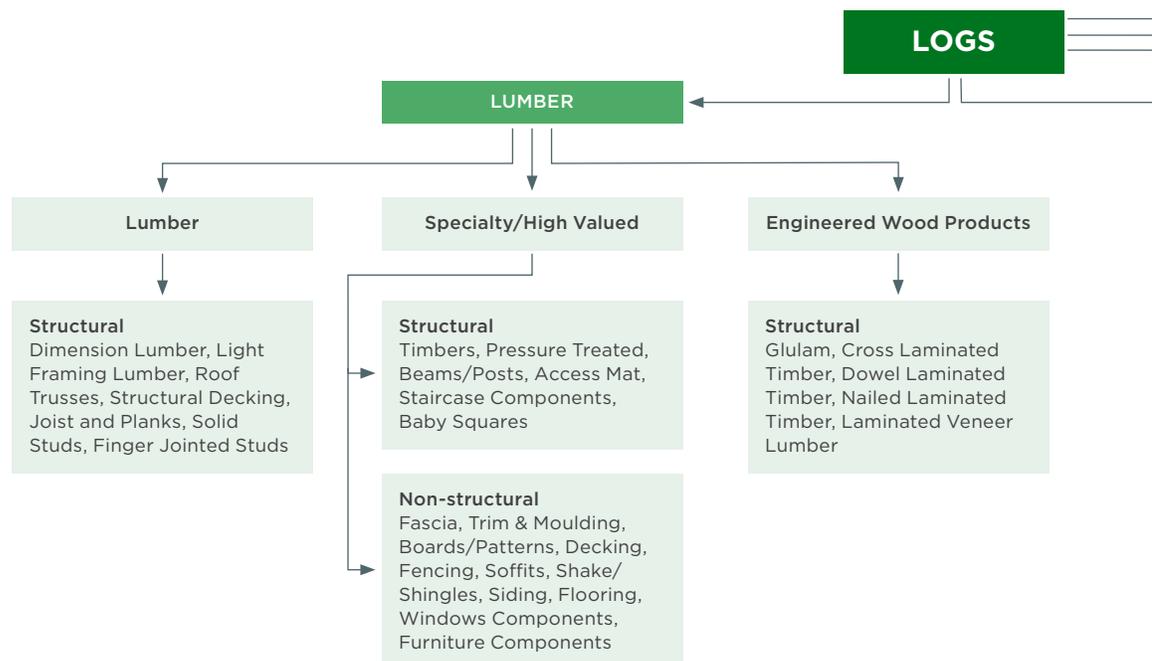
Over the last two decades, in partnership with the provincial and federal governments, B.C. has led the charge in developing new, overseas markets for our high-quality wood products, particularly in Asia where approximately 30% of our products are now sold. This has helped reduce our dependence on the U.S. market where we continue to face punishing tariffs on softwood lumber products.

Developing new markets is not a short-term exercise. It takes years to develop product familiarity, codes, standards and market acceptance. But the benefit of these efforts has been significant for B.C.

We see more opportunities to expand our markets if we double down on these efforts. Using wood in manufacturing, resort construction, the building of institutional wood framed multi-storey buildings, and the opportunities in industrialized construction all offer promise for increasing demand for the products we make.

Around the world, there is a growing interest in low-carbon, renewable products from sustainably-harvested forests. This is B.C.'s strength and we should grow our opportunities ahead.

But it's not just markets. While we will have lower overall harvest levels going forward, the fibre will be of better quality in some areas than the timber that was impacted by the mountain pine beetle. As the chart below shows, B.C. already manufactures many premium quality forest products – from dimension lumber and pulp and paper, to a wide variety of value-added products. However, given that the cost of fibre is increasing, we need to continue to explore new ways to generate as much value as we can from the resource.



CHOICES FOR A BETTER FUTURE

Increase focus on value

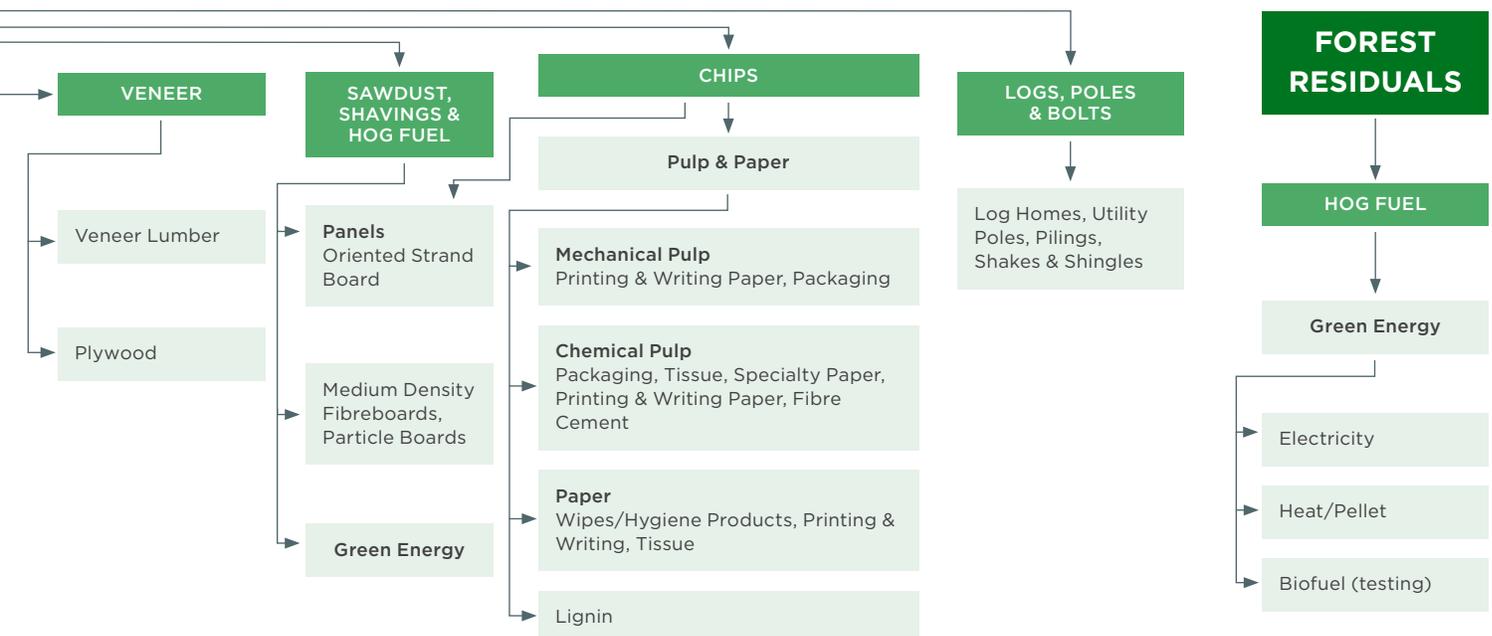
38. Commission and fund a global “new market opportunity” study to identify prospects and help tailor B.C.’s new product development efforts.
39. Kick-start further product research and development by considering economic incentives to drive investments into high-value products from the forest resource, such as new biofuels.
40. Set an industry target to increase the proportion of value-added manufacturing in B.C. by a minimum of 20% within 5 years.

Aggressively pursue access to global markets

41. Continue existing efforts to build and diversify overseas markets and forestry trade missions, including ongoing support for Forest Innovation and Investment.
42. Increase B.C.’s profile abroad with a Premier-led trade mission to key Asian markets focused on forestry.
43. Introduce an export tax credit for products shipped to non-U.S. markets.
44. Continue to support efforts to negotiate a new softwood lumber agreement with the U.S. that works for B.C.



PRODUCTS WE MAKE IN B.C.



BE THE GLOBAL HUB FOR EXPERTISE IN LOW-CARBON, GREEN BUILDING

The time is right to accelerate our reputation as world leaders in building with wood.

Our province has flagship projects such as the Brock Commons Tallwood House at the University of British Columbia, which – at the time of construction – was the tallest mass timber building in the world. We also have beautiful examples of wood construction in almost every corner of B.C., from Southern Okanagan Secondary School in Oliver to the Audain Art Museum in Whistler.

The B.C. government’s commitment to use B.C. wood in the construction of the new St. Paul’s Hospital in Vancouver and the modernization of the Royal B.C. Museum in Victoria will also advance the use of wood in high-profile public infrastructure. But there is more we can do. We still see an abundance of steel and concrete in our built environment and could make further strides to use our own B.C.-made wood products right here at home, avoiding U.S. duties and the cost of transportation.

This is not the time to be shy. We have an opportunity to show the world how it’s done by creating a centre of excellence to take our expertise to the next level.

We can be the “Harvard of Green Building”, the place the world looks to for the next big idea on how to use the resources that come from the forest, in a way that has a lighter climate impact than ever before.

We have the people, the resource, the know-how and the ability to lead the world. Let’s grab the opportunity.

CHOICES FOR A BETTER FUTURE

Become the “Harvard of Green Building”

45. Make B.C. the global centre of excellence for green building. Bring together companies, technical and academic expertise, along with government to drive this initiative.
46. Leverage and expand existing research into wood innovation and green building technology through a dedicated green building research fund, including a multi-year financial contribution from industry.
47. Create an “economic toolbox” to incent the growth and development of mass timber expertise.
48. Establish a B.C. innovation incubator to support small businesses and entrepreneurs in advancing small scale research and commercialization of new products, wood design expertise and innovations like glues, hybrids, acoustic solutions, coatings and more.



49. Establish a permanent Chair in Green Building at UBC and/or UNBC.
50. Jointly fund and promote Timber Online Education - the Vancouver-based global non-profit resource for teaching safe, sustainable, and economical wood building design and construction. Use the platform to aggregate and share information and address questions on building techniques, fire safety, building codes, policy and market changes.
51. Mandate B.C. trade representatives to identify opportunities to use B.C. wood products in cutting edge projects, like Sidewalk Labs, the wood-built neighborhood along Toronto's eastern waterfront. Capture the opportunities.
52. Launch an industry competition – a B.C. Prize for Wood in Construction – with substantial prizes awarded to innovations that drive growth in forestry and the wood construction sector.
53. Advance B.C.'s low-carbon advantage as outlined in the Memorandum of Understanding signed by the Government of British Columbia and the Business Council of British Columbia.

Promote building with low-carbon, B.C. wood in our own province

54. Increase the use of B.C. wood in the province – commercial, public, and residential – by 20% over current levels within 5 years.
55. Partner with BC Housing to use B.C. wood to build new mid-rise affordable housing of 5 to 12 storeys.
56. Require all public sector building projects to consider using “wood first” to advance B.C.'s low-carbon economy and mitigate climate change.
57. Put in place a financial incentive for private sector developers to use B.C. wood products.
58. Maintain B.C.'s leadership in the development and adoption of building codes. B.C.'s early adoption of 5 to 6 storey mid-rise wood mixed use buildings and plans to be the first to adopt the 2020 National Building Code, including 12 storey wood buildings, has positioned B.C. as a design and construction leader. Ensure the Building Safety Standards Branch has experienced resources to facilitate early adoption and implementation of the 2020 code and other advancements of wood design and construction.
59. Create dedicated “code liaison” representatives in the Government of B.C. who can assist architects and builders as they navigate the wood building code provisions.
60. Undertake a public campaign to communicate benefits and encourage the use of wood and mass timber.

CHOICES FOR A BETTER FUTURE

We can be a globally competitive forest sector that is a model for the world in product innovation, technological advances, and environmental care, supporting skilled jobs and communities across B.C.

INVEST IN, AND PROTECT, OUR WORKING FOREST LAND BASE

PROTECT THE WORKING FOREST LAND BASE

1. Define the working forest land base. Like conservation areas, designate the area that will be available for harvesting and lock in the commitment.
2. Implement a “no-net-loss policy” to provide certainty in the long term. Undertake a review every 5 years.
3. Ensure policies and processes allow for timely and consistent access to the working forest land base.

GROW THE FIBRE RESOURCE

4. Expand the use of Light Detection and Ranging (LiDAR), artificial intelligence and drone technology to complete an updated enhanced Standing Timber Inventory. Use the updated inventory to improve

yields and mitigate timber supply impacts.

5. Accelerate the replanting of Not Sufficiently Restocked (NSR) areas to return them to productive forests. Set a goal of achieving 100% completion within 5 years.
6. Implement an intensive second-growth management program that includes commercial thinning and invest in improving seed stock to create economic benefits and additional employment.
7. Target a maximum timeline of 24 months to salvage timber following wildfires to allow economic value to be realized and to initiate regeneration of the forest as soon as possible.
8. Create a biomass tax credit to incent utilization of residual forest fibre, create employment

opportunities, and advance the low-carbon economy.

INVEST IN FOREST HEALTH

9. Convene an expert working group including government, industry, and academic experts to develop innovative and flexible approaches to climate-affected forests to ensure a more stable, fire-resilient and sustainable timber supply.
10. Complete the actions outlined in the government-commissioned Abbott-Chapman Report to protect communities and the working forest land base from wildfires.
11. Implement lessons learned from the mountain pine beetle natural disaster and vigilantly monitor other pest infestations and take prompt action to prevent their spread.

12. Transition a portion of the existing forest licenses from volume-based to area-based to encourage further investment by companies in intensive forest management.

MAINTAIN LEADERSHIP IN SUSTAINABLE MANAGEMENT

13. Maintain B.C.’s position as a leader in sustainably managed, certified forests, by achieving an industry target of 100% third-party certification.
14. Undertake a multi-party mission to New Zealand and Sweden to better understand how their forest management regime and land use policies have allowed their industry to transition, improve yields, and generate greater value mitigate the impact of climate change.

HAVE SMART RULES THAT PROTECT THE ENVIRONMENT AND ENCOURAGE INVESTMENT

SIMPLIFY RULES AND PROCESS

15. Streamline permitting practices, eliminate redundancy and work with industry to find ways to reduce time, cost, and complexity without jeopardizing environmental protections.
16. Move to a broader area-based planning process at the landscape-level to ensure multiple forest values are considered in planning, and to provide for earlier engagement and a longer-range view for communities and First Nations.
17. Identify and analyze the key forest attributes required to achieve desired public and government objectives such as the management of species-at-risk. Use “co-location” to meet

these objectives and maximize the use of existing protected and conservation areas.

18. Create a Fast Track Resolutions process to support the timely resolution of the points of tension, disagreement, and friction that will inevitably arise among different interests.
19. Convene a semi-annual meeting of government and industry to discuss issues and advance understanding. Use this venue to clear hurdles, identify opportunities, and strengthen relationships.
20. Increase coordination and information sharing between ministries to enhance effectiveness and efficiency of authorizations.

INCREASE PREDICTABILITY AND COMPETITIVENESS

21. Benchmark B.C.’s forest sector’s competitive position against competing jurisdictions annually.
22. Clearly articulate the criteria for Ministerial approval of tenure transfers. Criteria should consider the need for mills to have adequate, reliable access to timber to operate mills efficiently.
23. Mandate that all policy proposals undergo socio-economic analysis to ensure that the impacts of potential policy changes are well-understood before decisions are made.
24. Identify opportunities to ensure the Market Pricing System (which determines stumpage) better reflects market conditions.

25. Maximize available timber supply, ensure BC Timber Sales (BCTS) sells its full allocation of the Allowable Annual Cut (AAC) by delivering 90% annually and 100% full allocation over the business cycle.
26. Adopt best practices for consultation processes and stakeholder engagement, to ensure the process is accountable, transparent, and provides for adequate consideration of meaningful stakeholder and public feedback in government decision-making.
27. Implement process improvements that reduce costs and improve efficiencies in the movement of logs and chips such as larger truck configurations and automatic log scanning technology.

STRENGTHEN PARTICIPATION OF INDIGENOUS PEOPLES AND PARTNERSHIPS WITH COMMUNITIES

ENHANCE PARTNERSHIPS

28. Obtain federal support for workers and communities in transition.
29. Increase revenue sharing to direct 40% of stumpage revenue to support local communities and First Nations. This revenue will create means for First Nations to increase direct participation in the industry and will support community initiatives.
30. Increase community forest agreements and First Nations woodlands licences in areas directly adjacent to communities, to allow for greater

local management, protect communities from wildfires, and provide fibre to local manufacturers.

31. Convene annual regional forestry summits to review long term planning and assess opportunities.
32. Set targets and track progress annually to increase Indigenous participation in forest sector employment, contracting, and business ownership.

READY THE WORKFORCE

33. Invest in skills training programs to ready our current workforce for industry's future needs.
34. Enhance the joint industry/provincial funding of the next phases of the Industrial Wood Processing Program at BCIT. Upcoming modules, including *The Business of Sawmilling, Advanced Manufacturing and Value-Added Lumber Products*, will support the development of knowledge and technical skills development.
35. Expand industry's Forest Education Program to all regions of B.C. This program provides

students with information about the forest sector and sustainable forest management, as well as hands-on experience through the Natural Resource Management camps and Women in Trades program.

36. Create a searchable inventory of industry-related forest training, scholarships, and bursaries to support the next generation of forestry practitioners in B.C.
37. Build a "shelf-ready" forest education module for primary and secondary educators to use in the classroom.

DOUBLE DOWN ON MARKET AND PRODUCT DIVERSIFICATION

INCREASE FOCUS ON VALUE

38. Commission and fund a global "new market opportunity" study to identify prospects and help tailor B.C.'s new product development efforts.
39. Kick-start further product research and development by considering economic incentives to drive investments into high-

value products from the forest resource, such as new biofuels.

40. Set an industry target to increase the proportion of value-added manufacturing in B.C. by a minimum of 20% within 5 years.

AGGRESSIVELY PURSUE ACCESS TO GLOBAL MARKETS

41. Continue existing efforts to build and diversify overseas markets and forestry trade missions, including ongoing support for Forest Innovation and Investment.

42. Increase B.C.'s profile abroad with a Premier-led trade mission to key Asian markets focused on forestry.

43. Introduce an export tax credit for products shipped to non-U.S. markets.

44. Continue to support efforts to negotiate a new softwood lumber agreement with the U.S. that works for B.C.

BE THE GLOBAL HUB FOR EXPERTISE IN LOW-CARBON, GREEN BUILDING

BE THE "HARVARD OF GREEN BUILDING"

45. Make B.C. the global centre of excellence for green building. Bring together companies, technical and academic expertise, along with government to drive this initiative.
46. Leverage and expand existing research into wood innovation and green building technology through a dedicated green building research fund, with multi-year financial contribution from industry.
47. Create an "economic toolbox" to incent the growth and development of mass timber expertise.
48. Establish a B.C. innovation incubator to support small businesses and entrepreneurs in advancing small scale research and commercialization of new products, wood design expertise and innovations like glues, hybrids, acoustic solutions, coatings and more.

49. Establish a permanent Chair in Green Building at UBC and/or UNBC.

50. Jointly fund and promote Timber Online Education - the Vancouver-based global non-profit resource for teaching safe, sustainable, and economical wood building design and construction. Use the platform to aggregate and share information and address questions on building techniques, fire safety, building codes, policy and market changes.

51. Mandate B.C. trade representatives to identify opportunities to use B.C. wood in cutting edge projects, like Sidewalk Labs, the wood-built neighborhood along Toronto's eastern waterfront. Capture the opportunities.

52. Launch an industry competition - a B.C. Prize for Wood in Construction - with substantial prizes awarded to innovations that drive growth in forestry and the wood construction sector.

53. Advance B.C.'s low-carbon economic advantage as outlined in the Memorandum of Understanding signed by the Government of British Columbia and the Business Council of British Columbia.

PROMOTE BUILDING WITH LOW-CARBON, B.C. WOOD IN OUR OWN PROVINCE

54. Increase the use of B.C. wood in the province - commercial, public, and residential - by 20% over current levels within 5 years.

55. Partner with BC Housing to use B.C. wood to build new mid-rise affordable housing of 5 to 12 storeys.

56. Require all public sector building projects to consider using "wood first" to advance B.C.'s low-carbon economy and mitigate climate change.

57. Put in place a financial incentive for private sector developers to use B.C. wood products.

58. Maintain B.C.'s leadership in the development and adoption of building codes. B.C.'s early adoption of 5 to 6 storey mid-rise wood mixed use buildings and plans to be the first to adopt the 2020 National Building Code, including 12 storey wood buildings, has positioned B.C. as a design and construction leader. Ensure the Building Safety Standards Branch has experienced resources to facilitate early adoption and implementation of the 2020 code and other advancements of wood design and construction.

59. Create dedicated "code liaison" representatives in the Government of B.C. who can assist architects and builders as they navigate the wood building code provisions.

60. Undertake a public campaign to communicate benefits and encourage the use of wood and mass timber.

THE PATH FORWARD

The stress and uncertainty created by a major industry in transition can be polarizing. Economic, social, local, and provincial priorities can seem at odds with each other and the question of ‘who loses and who benefits’ can be a flash point for tension.

We can choose a better path.

We can choose a path that promotes collaboration and tries to look at the long term; a path that will replace instability and uncertainty with more confidence, trust, and stability.

In this submission, we put forward a vision of a forest industry that can thrive and deliver benefits across the province – where we can get to once we have moved through this transition and have come out the other side. Our focus is on ideas that address the things we can control, where we can influence outcomes. We have tried to identify concrete actions that will help build our next-generation forest industry and help to achieve the stability, predictability, and confidence that we all want.

These are ideas that are not just the responsibility of industry or government. They will require collective effort from workers, contractors, unions, communities, First Nations, academics, and other stakeholders to build the industry of the future.

We recognize the list may not be complete, but hope that it represents a good start. We look forward to working collaboratively to put these ideas into action.