

**B.C. Council of Forest Industries (COFI)**  
**EngageBC Interior Forest Sector Renewal Submission**  
**October 11, 2019**

In Spring 2019 the government of British Columbia announced it would initiate a process to renew the province's Interior forest sector. On July 15, the government published a discussion paper, scheduled stakeholder meetings and put out a request for public engagement through the EngageBC online portal. The online feedback permits a 5-page submission and/or answers to specific policy questions. This document provides COFI's responses to specific policy questions.

**Forest Policy Area #1: Forest Tenure and Fibre Supply**

**Question:** Forest tenures are agreements between the Province and an organization, where the rights to harvest Crown timber are granted based on a series of conditions, such as tenure obligations (e.g. reforestation) and fees (e.g. stumpage, annual rent). Forest tenures are tied to available timber supply.

In a situation of reduced timber supply as we are experiencing in the Interior, are there any changes government should consider to current forest tenures, new forest tenures and how timber supply is allocated by forest tenure?

**COFI Response:** Secure access to fibre at a reasonable cost is essential to maintaining current and attracting new investment into B.C.'s forest sector. Uncertainty of the fibre supply has been heightened by significant reductions in the forested land base, combined with escalating log costs, B.C. has become the highest cost producer of forest products, reducing our global competitiveness. Two actions that can be taken to reduce uncertainty and build the confidence needed to incent investment are:

- 1) Define and secure the working forest land base. Like conservation and protected areas, designate the area that will be available for harvesting and the growing of fibre for a variety of forest products.
- 2) Streamline permitting practices, eliminate redundancy and work with industry to find ways to reduce time, cost and complexity.

**Forest Policy Area #2: Climate Change and Forest Carbon**

**Question:** Following the mountain pine beetle epidemic and two record-setting wildfire seasons, climate change is evident in our forests and our communities throughout B.C.'s Interior. The Province is acting in a number of ways to take action on climate change and prepare for climate impacts. This includes the Province's CleanBC plan to reduce carbon pollution and build a cleaner future for B.C.

The government is considering further opportunities to reduce and store carbon emissions through wood-first programs, reforestation, and other initiatives.

How could the Province further support the forest industry, communities, and Indigenous Nations to address climate change mitigation and adaptation?

**COFI Response:** B.C. currently has many ongoing initiatives related to climate change, many of which adversely impact each other, as well as some forest sector policies and objectives. Forest management and forest products are viable contributors to the mitigation of climate change impacts. BC needs to develop an all-inclusive coordinated strategy and take advantage of the world's interest in low-carbon, renewable products. Additionally, all forest management policies and practices should be updated to consider climate change implications.

Forests ecosystems are dynamic in nature, static forest management policies need to be replaced with a modernized dynamic management approach. Review protected and conserved areas to ensure they are meeting their intended purpose.

### **Forest Policy Area #3: Manufacturing Capacity and Fibre Utilization**

**Question:** B.C.'s forest industry was built on manufacturing forest products domestically. In 2018, 82% of trees harvested in the Interior were transported to a lumber mill for manufacturing. Portions of this fibre also support other traditional manufacturing opportunities throughout the Interior, such as pulp and paper production, panel products and bioenergy products. These traditional products will be complemented by a greater array of increased value products such as engineered wood products, mass timber and other advanced bioproducts.

How could provincial policy and programs enhance wood manufacturing diversity?

**COFI Response:** Historically, secure access to fibre at a reasonable cost led B.C. to becoming globally recognized as a leader in wood products manufacturing, which attracted investment and led to innovation. A dependable, affordable fibre supply is critical to continue investment and innovation.

COFI has set an industry target to increase the proportion of value-added manufacturing in B.C. by a minimum of 20% within 5 years. In order to drive investments into research and development of high-value products (i.e. biofuels) the province needs to consider and implement economic incentives. Additionally, regulatory structure needs to be reset to enable the industry to be competitive and to increase fibre supply.

Support and recognition of the fundamental role that primary breakdown facilities play in all forest product manufacturing needs to continue. Without these facilities numerous spin-off industries and opportunities to create new products or businesses would not exist.

### **Forest Policy Area #4: Wood Products Innovation**

**Question:** Enhancing competitiveness for our forest industry means shifting some production from high volume to high value. This shift can ensure the province continues to have a forest sector, and create forest products, defined by opportunity and sustainability.

What policies and programs could the Province consider creating in the short-, medium- and longer-term to encourage and support investment, production and business growth?

**COFI Response:** B.C. has been a world leader in promoting wood use, and developing new and innovative uses of wood, such as the Wood First Initiative. We recommend kick-starting further product research and development by considering economic incentives to drive investments into high-value products from the forest resource, such as new biofuels. Additionally, we can 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. To build B.C.'s reputation as a global centre of excellence for green building the province should require all public sector building projects to consider using wood which will advance B.C.'s low-carbon economy and mitigate climate change.

#### **Forest Policy Area #5: Reconciliation with Indigenous Communities**

**Question:** Each government ministry is responsible for implementing the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission's Calls to Action. This includes, but is not necessarily limited to, reviewing and revising programs and policies to reduce barriers to reconciliation. At the same time, many Indigenous Nations participate in the forest sector and want to increase their role in forestry.

What opportunities exist or could be developed to increase Indigenous Nations' participation in the forest sector?

**COFI Response:** The forest sector has built many respectful and mutually beneficial relationships with First Nations and Indigenous-owned businesses. We recognize that 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. The Province should 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 their capacity for direct participation in the industry and will support community initiatives.

We recommend First Nation engagement in the planning process as early as possible to ensure that their values are understood and considered in all forest management plans. We recommend the province invest in skills training programs to support knowledge and skills development that are better aligned with current workforce needs but also for the industry's future job opportunities.

#### **Do you have any additional ideas for forest policy change that you would like to share?**

**COFI Response:** Expand the use of 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. Implement an intensive second-growth management program that includes commercial thinning and invest in improving seed stock. Consider and review an annual benchmark of B.C.'s forest sector's competitive position against competing jurisdictions annually. 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. Invest in skills training programs to ready our current workforce for industry's future needs. Commission and fund a global 'new market opportunity' study to identify prospects and help tailor B.C.'s new product development efforts.