

TO: UBCM Members  
FROM: UBCM Executive  
DATE: September 6, 2002  
(amended 02Oct02)  
RE: FOREST POLICY

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| <p style="text-align: center;"><b>POLICY PAPER</b><br/><b>#3</b><br/><i>2002 Convention</i></p> |
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**1. DECISION REQUEST**

That the convention consider the forest policy recommendations, as set out in Section 3 below, which arose from the "Sustaining Communities Through Forest Policy Change" conference and were subsequently adopted by the Executive. This consideration will formally establish the recommendations as UBCM standing policy.

**2. INTRODUCTION**

In February 2002 UBCM hosted the "Sustaining Communities Through Forest Policy Change" conference. The conference purpose was to consider and make recommendations toward the provincial government's proposed forest policy changes. Several recommendations were put forth by delegates, covering 12 issue areas. While the UBCM membership was quite well represented at the conference, the Executive recommended reviewing the policy at the 2002 Convention to gain the benefit of having a full membership review and consideration of the forest policy recommendations made at the February conference.

Through consideration of this paper members will also be considering the resolutions submitted in 2002 on forest policy which were referred to this report. Those resolutions can be found in the Annual Report and Resolutions Book, C68 - C73.

**3. FOREST POLICY RECOMMENDATIONS**

***1. Industry Rationalization/ Mill Closures***

**UBCM recommends that the Province establish transition strategies and assistance for communities most impacted by industry rationalization and / or mill closures.**

This involves:

- companies must notify communities well in advance of a mill closure and identify remediation measures.
- a standard approach for addressing mill closures should be established that could then be modified to meet the individual needs of the community affected.
- transition strategies should be in the context of an overall provincial economic strategy.
- transition ingredients may include: access to fiber for new local operators, job retraining, and other elements that may be unique to the affected community.

- transfers of AAC with a corresponding mill closure must be addressed through claw-back measures. However, in those instances where the transfer is made to an operator in the same area or there is no mill attached to the AAC, a claw-back should not be applied.

## **2. New Stumpage System**

UBCM recommends a review of the stumpage system with the goal to make it more understandable, to reflect market conditions, to eliminate waterbedding, and to become more regionally sensitive.

- a substantial portion of the annual harvest, perhaps as high as 40%, must be used to set the rates.
- consideration should be given to other factors when setting stumpage rates such as; a reduced stumpage rate if wood is being used for secondary manufacturing / value-added purposes. This would encourage B.C. local processing to take place.
- consideration should be given to providing a credit to those companies that set up a processing plant in close proximity to the fibre.

## **3. Cut Control**

**UBCM is concerned that by removing the requirement to harvest 50% of the licence quota in any one year, and 90% over 5 years, will lead to further instability of local economies.**

UBCM recognizes that under certain circumstances it is uneconomic for some tenure holders to harvest and there is the need for flexibility to "ride the market out" for a prescribed period of time. However, consideration must be given to developing a mechanism that would provide other operators / communities with access to the AAC that is not being used by the tenure holder if there is an identified use for the wood. A licensee should not be able to hold the wood beyond the prescribed period of time if there is a market.

The Ministry of Forests must ensure that licensees cut the 'profile' and do not cut only certain species within their allocated harvest area.

## **4. Regionalization (Coast/Interior)**

**UBCM strongly recommends different management approaches and solutions for different regions (one size does not fit all).**

For example, harvest schedules for regions with bark beetles require a different approach from other regions which are beetle-free.

## **5. Stakeholder Involvement**

**UBCM encourages its members to show leadership in convening the various stakeholders in their area to develop an integrated approach to forestry issues.**

This could entail:

- legislated requirement for stakeholder involvement in forest management
- community-based forestry advisory committees
- discussion about real impacts of forest policy changes on communities that would then be conveyed to UBCM for input into provincial discussions.

**UBCM to provide leadership in ongoing involvement in provincial forest policy development.**

Two policy thrusts should be considered:

- policy on managing the forest resources (educate public on issues, ensure adequate time for facilitating discussion on Forest Practices Code White Paper with UBCM members and provide feed back to the province)
- policy on managing the impacts of industry rationalization (loss of property tax revenues and social consequences).

## **6. Appurtenancy**

**UBCM is concerned about the removal of the appurtenancy clause as it will result in a further loss of control over where the wood is processed and in some cases, massive job loss.**

If the break is made between harvesting and processing there has to be something provided to affected communities in exchange. Affected communities should be involved in discussions to determine what constitutes adequate compensation. The compensation may be different for each community. For example it may involve:

- requiring the license holder to forfeit a substantial percentage of the AAC to be turned into a community-based tenure; and/or
- reimbursing the community for loss of economic benefits if the timber is taken out of the area and hauled to another community for processing. For example, a portion of the stumpage could be returned to the community affected, as one form of compensation.
- Timber must go to the most appropriate B.C. mill and further that the timber must be processed in BC. *Note: UBCM standing policy states that the membership does not support the shipping of raw logs outside the Province of BC. (1999-resolution LR10)*

## **7. First Nations**

**UBCM recommends that First Nations be formally invited to be an integral part of the current forest policy discussion.**

**UBCM recommends that the Provincial and Federal governments speed up the resolution of First Nations treaty negotiations.**

Negotiations should not be downloaded to industry or local communities.

Forest companies should not be undertaking their own negotiations with First Nations. All negotiations must ensure that an open and transparent process is being followed.

Failure to conclude negotiations should not delay sustainable economic development in a community.

## **8. Forest Practices Code**

**UBCM supports the initiative to revise the Forest Practices Code into a more results-based document, as long as it does not reduce the current environmental standards.**

There must be independent, ongoing and adequate monitoring and enforcement as well as a 3-year formal review. In addition, "spot" audits of the effectiveness of a results-based Code need to be undertaken with severe penalties in place for those in violation of the Code.

When there is a violation of the Code, the penalty paid should be shared with the impacted parties. (i.e. communities in the case of a watershed.)

Good stewardship of the forest resource should be recognized.

## **9. Tenure Reform**

**UBCM supports access to the forest resource by both large and small operators throughout the province.**

This could involve support for diversification of resource allocation to ensure access to resources by various sized operations. There is a need to ensure that there is genuine competition for licenses within an area.

**UBCM supports the establishment of a mechanism to ensure that logs flow to the optimum users within B.C.**

**UBCM supports the continued supply of fiber to specialty processors (for example, log building and value added).**

**UBCM supports log trading and better log sorting.**

The expansion of log yards would be one mechanism to achieve this objective. Must ensure that log trading exchanges result in a no net loss of logs for companies.

**UBCM encourages the expansion of a small business program, woodlot licence program and community forests that are economically viable.**

## **10. Control of Forest Resources**

**UBCM recommends greater community participation in the management and utilization of forest resources and revenues.**

Different roles for communities should be established in legislation to meet local needs. A menu of options could include the following:

- participation in advisory boards
- partnerships with industry
- community controlled forests

**UBCM supports the development of a resource revenue sharing program; or a land rent tax on the working forests, a portion of which is returned to local government.**

### ***11. Policy Implementation***

**UBCM supports a Forest Practices Code White Paper that results in changes to the Code.**

There must be adequate time provided to all parties to consult and provide comments on the White Paper.

**UBCM recommends further discussion on the implications of the proposed forest policy changes for communities.**

**UBCM encourages the province to urgently address the difficulties facing the coast forest industry as well as the bark beetle infestation in the Interior.**

### ***12. Other Recommendations***

**UBCM supports increased provincial, national and international market campaigns to promote BC forest products. UBCM also encourages development of new products and markets for BC products.**

**UBCM recommends that the provincial government work with UBCM to jointly develop a position paper for discussion with UBCM members on GATT, NAFTA, and WTO on all aspects of cross-border trade in forest products (i.e. lumber, logs, value-added products).**

**UBCM reiterates its previous position supporting free, open and unfettered access to the US softwood lumber market and a long term resolution to the Softwood Lumber dispute.**

**UBCM expresses its concerns about the impact of forestry road closures on the tourism sector and the effect that this will have for both provincial and local economies.**

All recommendations endorsed by the 2002 UBCM Convention, with the addition of one further recommendation:

**UBCM recommends that the provincial government retain control of the small scale salvage program so that all Crown Forests can have small scale salvage permits issued for the well being of BC forest's health and economy.**