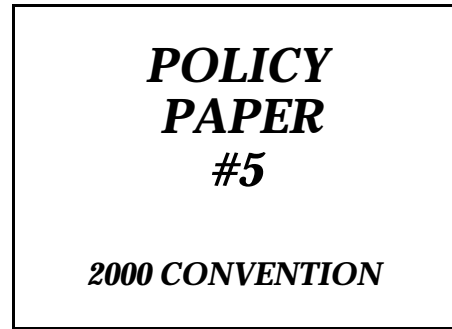


TO: UBCM Members

FROM: **UBCM Task Force on CFCI**
Mayor Corinne Lonsdale, Chair
Chair Robert Hobson
Chair Graem Wells

DATE: October 20, 2000

RE: **TASK FORCE REPORT ON THE COAST
FOREST CONSERVATION INITIATIVE
(CFCI)**



1. DECISION REQUEST

That the UBCM membership consider the report and recommendations of the UBCM Task Force on the Coast Forest Conservation Initiative (CFCI).

2. BACKGROUND

On March 30, 2000, the UBCM Executive established a Task Force on the CFCI. It was created in response to local government concerns that talks of a standstill agreement between six forest companies and six environmental groups would result in logging deferrals in areas of the Central and North Coast.¹ The CFCI companies indicated that the reason for the negotiations was to establish a standstill arrangement aimed at resolving conflict in the international market place over logging in areas of the central and north coast. By agreeing to defer logging in specific areas, the environmental groups would refrain from targeting these six forest companies in their boycotts of coastal BC forest products. During this standstill time period, the parties would work to develop a conservation-biology/ecosystem-based plan for the areas under consideration.²

The CFCI process was of concern to local governments for two reasons. First, the negotiations between the participating companies and environmental groups had been taking place since 1998 unbeknownst to local governments or others that would be negatively impacted by set asides or logging deferrals. Second, one area under negotiation, the Central Coast, was in the process of developing its Land Resource Management Plan (LRMP). It was particularly concerning that two parties, through closed-door negotiations, were attempting to make land use decisions on Crown land when a provincially sanctioned land use planning process was underway.

¹ The original six forest companies include: Canadian Forest Products, Fletcher Challenge Canada, International Forest Products, West Fraser Timber, Western Forest Products and Weyerhaeuser. The original six environmental groups include: Coastal Rainforest Coalition, Rainforest Action Network, Natural Resources Defense Council, Greenpeace International, Greenpeace Canada and Sierra Club of British Columbia. As noted on page 3 of this report, International Forest Products and West Fraser Timber have now left CFCI.

² Material from the briefing by Steering Committee representatives on April 3, 2000

Local elected officials met with representatives of the CFCI companies on March 17 and conveyed their concerns about the effects that this type of agreement would have on the communities, workers, contractors, First Nations both within and outside the area. The companies acknowledged that mitigative measures would need to be taken to address the negative impacts resulting from a standstill agreement. As a result local governments, IWA and the Truck Loggers Association were invited to participate on the CFCI forest companies Steering Committee. While the actual negotiations remained closed, the three groups were privy to reviewing “draft” agreements, receiving updates on the status of the negotiations and would be asked to provide their input and advice. Concerned that this type of process could arise elsewhere, the UBCM Executive considered and accepted the invitation, and established the Task Force to, in part, represent UBCM. Task Force membership comprises, Mayor Corinne Lonsdale, Chair (Chair, Communities and Resource Committee); Chair Robert Hobson (Chair, Environment Committee) and Graem Wells, Chair of the Central Coast Regional District. To ensure that Task Force members remained focused in their task, a Terms of Reference was prepared that clearly defined their purpose and role. The following is an extract.

PURPOSE OF THE TASK FORCE

To increase the level of understanding of the CFCI process, its implications for communities and to assess the options for UBCM/local government involvement.

TERMS OF REFERENCE/TASKS

- a) To prepare a well researched, comprehensive and objective report on just what is going on, who is involved, what is at stake, the implications and ramifications, the relationship to other processes, provincial government involvement, potential timelines, etc.
- b) To provide status reports to Executive and members as part of a communication / information sharing function.
- c) In conjunction with above research and scoping, the Task Force may consult with other parties and attend as observers at CFCI Steering Committee meetings.
- d) To investigate and make recommendations on UBCM and local government options for involvement.

3. TASK FORCE REPORT

This report is a summary of the findings of the Task Force and provides some observations and recommendations on future actions for UBCM. Based on the Terms of Reference provided, the following provides a chronology of events and activities that have taken place since the UBCM Task Force was created. The report attempts to cover the key findings of the Task Force.

Throughout April and May, Task Force members met with the CFCI Steering Committee; IWA representatives, the Truck Loggers Association and received updates on the status of the Central Coast LRMP from Chair Wells. The Task Force also sought a meeting with

representatives of the environmental groups involved in CFCI. An invitation was extended in mid-May but no response on potential meeting dates was forthcoming.

It was during the first briefing with Steering Committee representatives that the Task Force learned what areas were under negotiation. The boundaries are Bute Inlet in the south and the Alaska border in the north, totaling approximately 7 million hectares. The area is also known as the "Great Bear Rainforest". At that same meeting, Task Force members were advised of the background to the process. Task Force members requested that the companies not move forward with discussions of a standstill agreement until they could "get up to speed" in understanding what the impacts would be, for which communities and what mitigative measures would be in place to assist the workers affected. It was shortly thereafter that a number of events occurred which severely impacted the structure and focus of CFCI. Some of the events included:

- May 8 - participating forest company CEOs advise that they have requested a 60-90 day time out from negotiations to allow them to consult with others on the potential impacts of a standstill agreement.
- May 19 – provincial government advises CFCI participants that:
 - *Government's role in this issue is to ensure an open democratic decision process that will protect markets, communities and the environment...*
 - *ELUC cannot endorse a process that does not include all stakeholders, particularly First Nations. Government, however, is prepared to assist the parties in further discussions that would result in their returning to the LRMP table.*
 - *Government will work to announce a land-use planning process for the North Coast at the earliest possible opportunity.*³
- May 29 – CFCI participants issue a joint statement indicating that they will:
 - *resolve outstanding issues relating to First Nations protocol in their traditional territories*
 - *work with affected logging contractors, workers and communities to demonstrate how new approaches to ecosystem planning and conservation-based management can address the interests of all those with a stake in coastal forests.*
 - *work with the provincial government and the Central Coast LRMP to develop a mechanism to link this initiative to the provincial land use planning framework.*⁴
- May 29 – International Forest Products announces that it is no longer part of the CFCI process; *Interfor must speak for itself on issues with environmentalists, workers, First Nations, communities, contractors and others.*⁵ In addition to Interfor, UBCM determines that West Fraser Timber has also left CFCI. CFCI participants now include Western Forest Products, Weyerhaeuser, (BC Coastal Group), Fletcher Challenge Canada and Canadian Forest Products; Greenpeace-Canada and International, Sierra Club of BC, Coastal Rainforest Coalition and the Rainforest Action Network.

³ May 19, 2000 Letter to CFCI participants from Lee Doney, Deputy Minister of Forests and Derek Thompson, Deputy Minister of Environment.

⁴ May 29, 2000 News Release "Joint Statement by Companies and ENGOs"

⁵ May 29, 2000 Update by Interfor "Land Use Issues on the Central and North Coast of British Columbia."

On June 15, the Task Force circulated a report to the membership to apprise of their activities and the status of CFCI. Members were advised that as a result of CFCI developments the Task Force's mandate had been extended beyond the original 60 days.

While CFCI remains, it has been restructured. Its most recent literature identifies itself as a "technical and scientific resource reporting to the Timber/Fish/Wildlife/Biodiversity Task Group of the Central Coast LRMP." It states that "it is not a decision-making body", nor is it "a closed shop".⁶

While this description appears to better reflect the direction suggested by the province, CFCI participants continue to issue their own Press Releases independent of the LRMP process advising of their activities. The most recent release of July 28, 2000 caught UBCM, and others off guard. In the release CFCI participants advised that they "have agreed to establish an independent process to identify impacts associated with logging deferrals and develop options aimed at maintaining employment stability while a proposal on ecosystem planning is developed."⁷

In response, the UBCM's Task Force issued its own release. In that release UBCM expressed concerns that local governments were once again blindsided by the announcement by the CFCI group. Specifically our concerns related to the discussion on logging deferrals and the lack of consultation that had taken place with potentially affected communities as well as others. Our UBCM response stated: "The discussions last spring caught UBCM off-guard: We thought a lesson had been learned about the importance of open communication with communities but this recent announcement suggests otherwise."

Over the past few months the UBCM Task Force has not attended any further meetings. It is our understanding that the Central Coast LRMP is continuing and that the LRMP on the North Coast has been announced. At a September 22nd workshop in Richmond, the Minister of Forests committed to completing the Central Coast LRMP by March 31, 2001. At that same meeting, material distributed by CFCI participants outlined their activities as follows:

- conducting an impact analysis of proposed harvesting deferrals
- conducting an ecosystem analysis
- establishing an inventory of innovative practices
- further developing riparian decision tools
- preparing a socio-economic profile of the coast
- completing terms of reference for Scientific Team of Scientific and Technical Advisors.⁸

On October 18, 2000, Task Force members received a letter from the CFCI companies requesting a meeting. In the letter C. William Gaynor, President of Weyerhaeuser states: "I appreciate there has been controversy and criticism over this initiative. It is a complex and difficult process. As you know, the companies and the ENGOs involved have apologized for any appearance of not respecting the interests of other stakeholders on the issues involved. Both Western and Fletcher recently received letters...acknowledging the importance of the issues at hand and expressing the hope that we can find a way to work together on a more constructive basis in the future. To this end, the companies and ENGOs participating in this

⁶ Material distributed to delegates attending the September 22, 2000 workshop in Richmond.

⁷ July 28, 2000 News Release "Forest Companies and Environmental Groups Pursue Unprecedented Solutions Initiative."

⁸ Material provided by CFCI representative at the September 22, 2000 workshop in Richmond.

initiative would like to table with you some ideas for doing this.” It is expected that CFCI representatives will be in contact with UBCM to arrange a meeting following the Convention.

In conclusion, CFCI remains and local elected officials are concerned and frustrated as the global pressures on the forest industry take their toll at the community level – both economically and socially. Local governments recognize the problems and want to be part of the solution. The following section identifies some the activities underway to address the problems facing the forest sector and the important role that local governments can play.

4. DISCUSSION OF FINDINGS AND OTHER MATTERS

The role of the Task Force, in broad terms, was to find out more about the CFCI process and its implications for local governments. That information has been outlined in the previous sections of this report. The Terms of Reference also requested the Task Force consider CFCI in relation to the COFI Memorandum of Agreement as well as other matters as they relate to CFCI. This section addresses these issues and offers some direction to the UBCM membership.

COFI MEMORANDUM OF AGREEMENT

Upon learning about the CFCI process, UBCM was very concerned in light of the partnership that had been established between COFI and UBCM with the signing of the MOU in 1998 between the two associations. A letter was written to COFI on May 29, conveying those concerns: “While we are aware that COFI is not directly involved in these negotiations, our Executive wishes to convey that these types of activities do present a challenge to our relationship.” In response, it is the Task Force’s understanding that the CFCI process is an initiative undertaken by select forest companies acting in their own corporate interest. COFI has not been involved and is undertaking other initiatives to address the challenges in the global marketplace as outlined in the next section.

CFCI STATUS – WHAT ARE THE OTHER OPTIONS?

The CFCI process has now been reconfigured. It would appear that the concerns raised by local governments and other parties has forced CFCI participants to open up their discussions but local governments remain apprehensive. CFCI participants have not “returned to the LRMP table” as requested by the province. They have become a resource to a Task Force of the Central Coast LRMP. Their goal as stated in their May 29th statement continues to be the development of “a mechanism to link this initiative to the provincial land use planning framework”. What does this mean for other forest dependent communities? Could a CFCI type process develop elsewhere in the province? As forest companies continue to feel pressure, both domestically and internationally, all options, including CFCI type processes will be considered. Another strategy or series of actions needs to be undertaken to improve the domestic and international markets for BC wood and wood products. There does not appear to be one answer that will solve the problems facing the BC forest industry, the answer appears to lie in a number of actions.

Steps are underway by various interests to improve the situation for BC forest products both domestically and internationally. Some of these initiatives include:

- Minister's Advisory Committee on Certification has been charged with the responsibility of reviewing the various certification systems and providing advice to the Minister on implementation. Presently there are a number of different certification standards. Some standards are more widely accepted than others and different countries have different standards. Individual companies are pursuing various methods of certification depending on their markets. The challenge is determining which standard(s) will meet the needs of BC particularly those companies that have volume-based, not area-based, tenures. Since BC forest products are competing in the global marketplace it is imperative that international preferences are taken into consideration. Work is also being undertaken by the federal government on this matter to consider the international implications.

- Strategies to promote BC wood and wood products

A number of associations and groups have initiated programs to promote BC wood and wood products both domestically and internationally. Programs such as "Wood is Good" promote wood as the product of choice over other building products. Other strategies lead by COFI and the Forest Alliance are also in the development stage. UBCM was invited to participate in these discussions. Recognizing that local governments have a role to play in the ensuring that BC wood is promoted, the UBCM Executive endorsed the following motion by the Communities and Resources Committee at their July meeting:

That in respect to the UBCM goal to ensure that there is an accurate portrayal of BC forest practices; past, present and future, the Committee be authorized to contribute the community viewpoint to the development of any strategy, including the current COFI / Forest Alliance initiative, to present information locally, provincially, nationally or internationally, on BC's forest practices that are in keeping with this goal; and

Matters such as UBCM public endorsement of any message or other active participation would be brought back to the Executive for approval.

UBCM participation in this COFI/Forest Alliance initiative does not preclude UBCM from contributing to other strategies that may be developed. In fact the recommendation, as endorsed by the Executive, provides for UBCM participation in other initiatives that would respond to the present problems facing the forest sector.

5. RECOMMENDATIONS

Based on the findings of the UBCM Task Force and the activities over the past few months, the following recommendations are brought forward for member consideration.

1. That the UBCM membership support participation by the UBCM Communities and Resources Committee in the development of strategies deemed by the Executive to support the promotion of BC wood and wood products.
2. That the provincial government:
 - immediately commence LRMPs in those regions of the province not yet underway and complete the Central Coast LRMP by March 31, 2001 as announced by the Minister;
 - publicly state that where legitimate, provincially sanctioned land use plans are in place, those land use decisions will be respected and not re-opened for discussion; and
 - restate its commitment to open door negotiations over public resources and advise that all parties interested in land use decision making need to participate at the LRMP or similar table(s).
3. That the forest industry jointly with local, provincial and federal governments work together to establish an internationally recognized and acceptable certification system.
4. That the forest industry, provincial and federal governments provide adequate funding for the establishment of domestic and international campaigns to promote BC wood / wood products; and sustainable BC forest practices; and where possible;
That all three parties work together in conjunction with other affected groups such as UBCM, IWA, First Nations and others to coordinate and dovetail initiatives to avoid duplication and maximize the resources available.
5. That the UBCM membership reaffirm its support for the public land use process.