

MAKING FOREST POLICY MORE EFFECTIVE

Some key actions needed to achieve the
region's objectives for its forest sector.

Synopsis

2014



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Some key actions needed to achieve the region's objectives for its forest sector.

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Synopsis

The Omineca Beetle Action Coalition (OBAC) is comprised of:

The Village of Burns Lake
The District of Fort St. James
The Village of Fraser Lake
The Village of Granisle
The District of Houston
The District of Mackenzie
The Village of McBride

The City of Prince George
The Town of Smithers
The Village of Telkwa
The Village of Valemount
The District of Vanderhoof
The Regional District of Bulkley - Nechako
The Regional District of Fraser – Fort George

Introduction

The Omineca Region has some of the most forestry dependent communities in the province. While other industries play an important role in the economy, utilization of timber and other forest resources will be a significant provider of jobs and wealth well into the future. When it became obvious that the Mountain Pine Beetle epidemic would have significant and lasting consequences, the Premier asked us for advice on how to deal with the community impacts. We responded in 2009 with a 15-year diversification plan backed by a series of sector-based strategies containing dozens specific recommendations.

Although progress has been made on many aspects of our recommendations, we see several key areas of provincial policy that still have to change if community needs are to be met. The policy environment is very complex and interwoven, and we do not expect change to be easy, or the results immediate, but we must move as quickly as possible.

The actions proposed here are presented in the context of a much broader suite of issues, policies, and on-going activities. They are topics identified as needing new or additional attention. There are seven proposed actions, each supported by more specific policy and implementation recommendations.

OBAC's June 2014 Discussion Paper identified four of the primary concerns expressed by its members:

- a) The resources are at risk of being further depleted or degraded;
- b) Nearly all the remaining timber will go to a few large centralized mills leaving several communities with fewer jobs and economic benefits;
- c) In some communities a single private company could control nearly all of the public timber supply, either through its own licences or as the only buyer; and
- d) The public will have little say in the stewardship, or distribution of benefits.

RESPECTING FIRST NATIONS

In its work the Coalition reflects the collective interests of member communities. While many of these interests may be shared with aboriginal peoples of the region, the Coalition recognizes and respects that First Nations have their own voice, and possess a unique role and rights defined by the Constitution and legal precedent.

Proposed Action #1

ADOPT A CLEAR VISION AND PRINCIPLES

Intent: All forest policy and program decisions are directed toward achievement of the best long-term public interest.

Policy Recommendation 1.1

Adopt a new, clear and unambiguous vision for the long-term public interest in forest lands and forestry dependent communities.

Rationale: Managing forest resources is complex and dynamic. It requires thousands of decisions, by many different people, over various (sometimes long) time frames. Legislation, government strategies and administrative frameworks provide important tools for consistency and efficiency, but even they need to be aligned. Without an overarching vision, short-term pressures can confuse or overwhelm good long-term management.

The province is faced with reconciling input from a variety of interests, often competing. That is why clearly expressing the views of our communities is so important.

Implementation:

1. Government should adopt and communicate a new and enduring vision that is clearly and directly focused on the public interest.
2. The vision should be incorporated into legislation.

Policy Recommendation 1.2

Adopt a set of core principles against which all policies, programs and decisions can be measured.

Rationale: While goals and objectives describe what we plan to do, guiding principles define the values we want reflected in how it is done. Employing guiding principles is a non-prescriptive approach to managing, which provides latitude to deal with varying circumstances along with clear expectations about the boundaries. It is a logical technique for managing in as regionally diverse a province as BC. For example, the Working Round Table on Forestry recommended: “British Columbia Forest Policies should reflect the unique forest attributes and socio-economic circumstances in different parts of the province”. We agree, and believe that the balance between consistency and flexibility is found by following a common set of common principles.

Implementation

1. The Provincial Government should adopt and implement a set of guiding principles to support implementation of the vision recommended in Section 1.1.
2. Consideration should be given to establishing the guiding principles in law.

Proposed Action #2

STRENGTHEN RESOURCE SUSTAINABILITY

Intent: *Build on the success of strategic land-use planning and sound site-level forest practices by ensuring the integrity of forest landscapes is protected, key resources are effectively managed and depletions are restored.*

Policy Recommendation 2.1

Bring in a *Natural Resources Act* to provide overarching guidance and encourage optimal public benefit from the variety of activities occurring on a common public land base.

Rationale: Good planning and effective management should not be discretionary. An overarching *Natural Resources Act* would set out basic requirements for planning, coordination, monitoring, and reporting, as well as for adherence to common environmental protection and safety standards. It could help streamline administration, reduce redundancy, clarify accountabilities and improve the ability to achieve optimum public benefits over reasonable time scales.

“The forests of British Columbia belong to its people, and to future generations – we must always put their interests ahead of others.”

Implementation

1. Within two years, adopt overarching (umbrella) legislation that sets out a formal framework for integrated management of all natural resources on public land.
2. Streamline sector specific legislation to remove any redundancy or conflict with the new *Natural Resources Act*.

Policy Recommendation 2.2

Increase the level of confidence in information used to make strategic and landscape level decisions about the optimal use, allocation and protection of forest resources.

Rationale: Knowing the amount, location, condition and trend of various key forest resources is essential to their prudent management. In the case of timber, the inventory guides strategic decisions, such as the allowable annual cut (AAC) and informs broad-based land use planning. In circumstances of constrained resources, optimization requires good information – and our resources are more constrained now than at any time in our history.

Implementation

1. Restore funding to the Inventory Program to a minimum of the long-term average of \$15 million per year.
2. Where the chief forester identifies inventory as a constraint to determining the optimal AAC, commit to rectifying the shortcoming within five years.
3. In the most highly constrained management units, increase the utility of the inventory to ensure it supports more refined landscape and operational level decision making.
4. Enhance the inventory to identify non-conventional resource utilization opportunities.
5. Start immediately to improve the quality of inventories and monitoring for key wildlife species and other non-timber forest resources.

Policy Recommendation 2.3

Accelerate restoration of the future AAC's to at least the long-run sustainable yield through prompt reforestation of beetle-killed timber.

Rationale: Roughly a million hectares of the commercial forest land-base could potentially be left unsatisfactorily restocked after the beetle epidemic. This will have an impact on the future timber supply, and if nature is left to take its course, the eventual crop of timber in those areas will be delayed. Seven of the twelve most severely impacted timber supply areas (TSAs) in the province are in the Omineca region. We know that good silviculture policies and investments pay off. We cannot deny our children and grandchildren the opportunity to enjoy the benefits of a robust timber supply because we refuse to invest in it.

Implementation

1. Make an immediate commitment to technically sound, aggressive timber targets for each management unit.
2. Immediately make a commitment to a 10 year reforestation program and allocate enough funding to begin capacity building and carry out all necessary surveys.
3. Within three years, have an operational reforestation program operating in high-priority beetle-killed areas of at least \$50 million per year – incremental to current funding.
4. Place a high priority on completion of technically sound silviculture strategies and use them to monitor progress, refine targets and optimize investment.
5. Strongly encourage the federal government to contribute additional funding to enable a more aggressive timeline.
6. Continue to explore innovative approaches that encourage private investment in incremental and intensive silviculture.

Proposed Action #3

INCREASE SECTOR DIVERSITY

Intent: Forest policy will encourage diversity and responsiveness to changing conditions in the forest, and in products, services and forest sector enterprises.

Policy Recommendation 3.1

Undertake a 20 year program to diversify and update forest tenure in a manner that encourages stewardship, competition and optimum long-term public benefits.

Rationale: Tenures are a legal arrangement between the resource owner (the public) and a resource user. There is a concern about timber rights becoming concentrated in the control of a small number of private companies. For example, almost 60% of the replaceable tenure in the Omineca region is currently held by three companies. Large wood product manufacturing companies are an important component of the industry because they are able to compete in global markets, have access to capital for large infrastructure investments, and the capacity for large scale operations. However the interests of these companies and those of the public will not always be fully aligned.

The continuing concentration of control over 75% of the cut, and the fact that the holders of those licences also own most of the manufacturing capacity, leads to near monopoly/monopsony situations.

Implementation

1. Immediately commit to increasing the apportionment for Community Forests and First Nations Woodland Licences to at least 10% of the allowable annual cut within five years.
2. Undertake a comprehensive review of forest resource licensing and produce a public report and implementation plan within one year.

Policy Recommendation 3.2

Immediately begin a 20 year program to diversify product manufacturing with a goal to add greater value and generate greater benefits for British Columbians.

Rationale: OBAC has consistently encouraged more sector diversity. In 2013 OBAC endorsed a Southern Interior Beetle Action Coalition (SIBAC) produced a report that lays out a clear and compelling rationale for government to take stronger hand to develop the value added sector for the purpose of generating greater public benefit from timber resources.

Implementation

1. Set a target (volume and timelines) for the percentage of the allowable cut that is manufactured into value-added products within the region, incorporating the 25% provincial remanufacturing target from the government's 2009 action plan.
2. Immediately adopt the recommendations of [Growing the BC Interior Value Added Wood Sector](#) (SIBAC June 2013) in principle and work with the industry and communities to refine and implement them.
3. Employ innovative strategies and policies that encourage existing tenure holders, especially primary manufacturers who hold licences for most of the AAC, to enter into long-term fiber supply agreements with value added manufacturers. This may involve incentives that benefit the major licensee while yielding the highest overall public benefit (e.g., jobs, taxes, community stability).

Proposed Action #4

IMPROVE LOCAL BENEFITS

Intent: The benefits and consequences of forest policy choices and management decisions will be shared equitably, with emphasis on the interests of local communities.

Policy Recommendation 4.1

Consistent with the work of the [Rural BC Project](#), begin immediately to phase in a balanced resource revenue sharing formula that invests a portion of the province's forest resource income directly into strengthening communities in the forests where the revenue is derived.

Rationale: During the past two decades provincial government investments, policies, and actions have helped facilitate significant expansion of BC's urban economy. In BC's rural regions, the economy became very uneven with many regions unable to stem decline or move out of stagnation. Investing in rural BC is important to the province as a whole because all of us in British Columbia are resource dependent, and the way in which we sustain the economy and communities of our resource regions will affect all of our futures.

The province's resource and hence non-metropolitan regions contribute more, both absolutely and proportionately, than its metropolitan regions, to international and inter-provincial exports.

Implementation

1. Immediately adopt a policy whereby the first priority for expenditure of direct forest resource income is on sustainability, incremental improvements to resource management, and productivity of the forest where the revenue is generated. The amount required should be based on technically sound targets and strategies.

2. Resource income exceeding what is necessary to achieve the resource management targets and strategies should be subject to a sharing formula whereby a portion goes directly to incremental community and economic development programs at the local or regional level, and a portion to the province.
3. Immediately act on the advice of the Rural BC Project for governments to work together to develop the appropriate legal and administrative mechanisms to implement revenue sharing.

Policy Recommendation 4.2

Strengthen policies to generate the best overall value to the public and local communities from utilization of forest resources now and in the long term.

Rationale: The direct revenue (e.g., fees and stumpage) discussed in Section 4.1 is just one component of the overall value generated by timber harvesting and other forest-based enterprises. Much more significant public benefits come from the cascading effects: jobs; purchase of equipment, supplies, and services; transportation; induced economic activity; municipal taxes and services that support the forest enterprises, for example. The challenge is to find policies that encourage the optimum mix and utilization rate for resources, combined with the right balance between flexibility and continuity. This should provide the “sweet spot” for communities.

Implementation

1. Concurrent with recommendation 3.1(2), ensure tenure conditions can be negotiated in a manner that benefits communities.
2. Establish a contingency fund with contributions from company performance bonds and shared revenue that can be activated when a company defaults on the conditions of a tenure or closes a mill without reasonable notice. The fund to be accessed by communities to mitigate tax and services impacts during transition.
3. Mandate BCTS to design and schedule timber sales to support a wider range of local economic development objectives, including support for small and value-added businesses and report results accordingly.

Proposed Action #5

STRENGTHEN LOCAL PARTICIPATION

Intent: Communities have a direct, legally defined and effective role in decisions about management and utilization of local forest resources.

Policy Recommendation 5.1

Strengthen the role of communities and local governments in key administrative decisions.

Rationale: Although the entire province is affected by decisions about management and utilization of forest resources, it is the communities in closest proximity that have the most at stake. It naturally follows that while the interests of the province must be addressed, local communities should have considerable influence. Presently authority is vested with the province and we recognize that this is important for equity, consistency and efficiency however there is room and good reason for the legislature to share its authority with communities.

Implementation

1. When conducting timber supply reviews and allowable cut determinations, continue the high standard of community and local government input demonstrated in the Prince George Pilot Project.
2. Adopt a similar, legally supported requirement to consider community and local government input when apportioning timber rights and setting targets or allocating rights to other forest resources (e.g., wildlife, water, forage, carbon...).
3. Establish a strong role for communities and local government in the setting of legal objectives that guide resource practices.
4. Create a process that enables communities and local governments to take a clear and meaningful role in decisions about issuance, conversion or transfer of major tenures that may directly affect them (see also Section 4.2).
5. The province and local governments should work together to develop capacity for implementation of 1-4 above (see also Section 5.3).

Policy Recommendation 5.2

Support meaningful community and local government involvement by making information more useful and available.

Rationale: Communities and local governments want to work in partnership with the province, industry and First Nations to effectively manage forest resources and this can only happen with effective information sharing. To be truly meaningful and add the greatest value, good information is required in a usable form. Simply making more data available is not the answer for communities and local governments. It is the relevance, completeness and usability of information that is important.

Implementation

1. Encourage, and if necessary incorporate into a *Natural Resources Act* the use of best practices such as on-line consolidated development plan maps and proactive solicitation of input.
2. Make mandatory and fully fund an ongoing program for reporting on the state of forest resources at a provincial level at least once every ten years and locally every five years.
3. Broaden the use of formal written, published reasons for decisions on important resource matters.
4. Continue to improve the methods for making forest inventory information publically available and readily usable by communities and local governments.
5. For all of the above, fully exploit innovations in social media.

Policy Recommendation 5.3

Support an effective transition to more locally driven forest resource stewardship by helping to improve local capacity.

Rationale: There is considerable benefit to be gained by having communities and local governments more involved in the stewardship of forest resources. We believe that it will lead to greater social licence for industry, especially when combined with the recommendations in Section 4. However local governments have not traditionally had a mandate or capacity to be involved, and community groups rely primarily on volunteerism. Further, community groups that are able to develop capacity may or may not represent the views of the broader community.

Implementation

1. Immediately stem the centralization of Ministry of Forests Lands and Natural Resource Operations and adopt a policy that keeps more professionals in local communities with local responsibilities.
2. Identify and decentralize functions and staff that are suited to working in partnership on stewardship and resource management matters with local communities.
3. Identify and implement ways to involve the citizenry in resource management rather isolate them from it.
4. The province and local governments should work together to develop capacity at a local and regional level that will enable informed analysis and meaningful participation by communities and local governments in forest resource management.

Proposed Action #6

ENCOURAGE COMPETITIVENESS AND INNOVATION

Intent: *A competitive and healthy business environment that encourages innovation and provides long-term benefits to communities.*

Policy Recommendation 6.1

Ensure policies and programs support current and emerging business needs within the context of healthy communities.

Rationale: While the OBAC believes that all the actions it proposes in this paper will encourage competitiveness and innovation through a transformed and revitalized sector, it also encourages continuation of activities focused specifically on the success of business. It is well understood that there are pitfalls to government intervention in business – industry subsidies and company bail-outs, while they may have short-term public benefits, rarely contribute to a truly healthy and innovative business climate that generates the best long-term public benefit. However governments can play an important role in setting the conditions for success.

Implementation

1. Continue to support existing initiatives, evaluate their effectiveness over appropriate timeframes, and build on success.
2. As part of implementing recommendation 3.2, address the business condition recommendations and strategies in Sections 8.3 – 8.7 of the summary report [Growing the BC Value Added Wood Sector](#).
3. Adopt an ongoing process for identifying and removing obstacles to innovation.
4. Maintain an emphasis on support for training in emerging and future skills needs in sufficient numbers to encourage growth.

Policy Recommendation 6.2

Continue and broaden joint government-industry initiatives to develop and access new and diverse markets.

Rationale: The work done to maintain and diversify markets for dimension lumber has helped our communities capture value from beetle-killed timber, especially when we experienced a collapse in the US lumber market. Continued effort to maintain and increase that diversity is important to our prosperity. Although there has been some activity to develop markets for value-added products, more effort would be beneficial.

Implementation

1. Continue programs to expand markets in Asia, including development of new markets in China and India and expanding existing markets in Japan and Korea.
2. Maintain or enhance policies and programs that promote the use of BC wood products for building (domestically and internationally).
3. Increase the emphasis on promotion of value-added wood products, as well as non-timber forest products, bioenergy and other innovative uses of forest resources.

Proposed Action #7

WORK TOGETHER ON IMPLEMENTATION

Intent: A working relationship between communities, the province and others that demonstrates collaboration and progress toward achievement of communities' aspirations for their forests and forest resource economies.

Rationale: OBAC has been able to give communities a voice and the opportunity to work with government, and considers this policy paper to be an important part of that dialogue. Joint follow-up and regular communication with our communities about progress could go a long way to improving public satisfaction with governments and industry. OBAC's intent is not to express its opinion and then "put the monkey on the back of government". We acknowledge an ongoing responsibility to participate in refinement and implementation our proposals. This should occur in a manner that is efficient and effective for all participants.

Implementation

1. The province and local governments should immediately agree to form a small joint working group to oversee technical evaluation and implementation of the recommendations in this report. The joint working group should report progress publically within one year.
2. The province should invite local governments (perhaps initially through the Beetle Action Coalitions) to take a stronger role in the strategic and technical aspects of forest policy making. This could occur in conjunction with the capacity building recommended in Section 5.3.