

TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
NOTICE OF ANNUAL GENERAL MEETING.....	2
MINUTES OF THE 2006 ANNUAL GENERAL MEETING	4
PRESIDENT’S REPORT	9
EXECUTIVE DIRECTOR’S REPORT.....	11
PREAMBLE TO THE FINANCIAL REPORT FOR 2006.....	14
FINANCIAL STATEMENTS	15
COMMITTEES.....	30
WORKER HEALTH AND SAFETY REPORT	31
CONVENTION REPORT.....	31
MEMBERSHIP AND BENEFITS REPORT	36
COMMUNICATIONS REPORT	40
EDUCATION REPORT.....	42
FORESTRY REPORT	44
ABORIGINAL AFFAIRS REPORT.....	47
INDUSTRIAL RELATIONS REPORT.....	49
TRANSPORTATION REPORT.....	50
UNFINISHED BUSINESS	51
NEW BUSINESS.....	52
ELECTION OF 2007 EXECUTIVE AND DIRECTORS	53
NEXT ANNUAL GENERAL MEETING.....	54

NOTICE OF ANNUAL GENERAL MEETING



Monday December 11, 2006

Dear Member of the Truck Loggers Association:

Take notice that the 2007 Annual General Meeting of the Truck Loggers Association will be held on **Tuesday, January 16, 2007, at 3:00 pm**, in the **Ocean Suites 6, 7, & 8 of the Pan Pacific Hotel** (located at 999 Canada Place Way in Vancouver, B.C.).

Please note that this is a new date and time.

The order of business will be:

1. Call to Order
2. Acceptance of Agenda
3. Minutes of 2006 Annual General Meeting
4. Presidents Report
5. Executive Directors Report
6. Financial Report
 - (a) Audited Financial Statements
 - (b) Acceptance of Financial Statements
7. TLA Committee Reports (*with chart of Committees*)
8. Unfinished Business
9. New Business
10. Election of 2007 Executive and Directors
 - (a) Departing Directors
 - (b) Nomination Committee Report
 - (c) Nominations From the Floor
 - (d) Election
11. Next Meeting
12. Adjournment

The TLA 2005-06 Annual Report containing the committee reports, audited financial statements, proposed resolutions, and the nominees for the TLA Executive Officers and Directors, as recommended by the Board, will be available on the TLA website in the first week of January. To download it, please go to www.tla.ca, in the Members' Area. You will first need to sign in as a member in order to access the members' only area. Please follow the online instructions on how to proceed.



If you can not be in attendance during the AGM, but wish to vote by proxy, please download the proxy authorization form from the TLA website or contact the Office Administrator at the TLA office. All proxies must be submitted and received in the TLA office by January 5th, 2007.

A printed copy of the Annual Report can be obtained by contacting the TLA office. They will also be made available at the meeting.

Please note that additional resolutions as well as nominations for the positions of either Officers or Directors will be accepted from the floor.

If you have any questions or concerns, please do not hesitate to contact the TLA office.

Yours truly:

A handwritten signature in black ink that reads 'M. D. Hamilton'.

Mike Hamilton
President
The Truck Loggers Association

MINUTES OF THE 2006 ANNUAL GENERAL MEETING

Minutes of Meeting Truck Loggers Association Annual General Meeting Crystal Ballroom, Pan Pacific Hotel – Vancouver January 20, 2006

1. Call to order

Having determined that the meeting was duly constituted, as required by the Bylaws, President, Mike Hamilton called the meeting to order at 8:34 a.m. He asked the members present to hold a moment of silence in memory of TLA members that had passed away in the previous year.

2. Approval of Agenda

President Mike Hamilton called for a motion for approval of the agenda.

Moved (Alison Mackenzie) Seconded (Bruce Welch) that the agenda be approved as presented.

Carried

3. Minutes of 2005 Annual General Meeting

President Mike Hamilton called for a motion to approve the Minutes of the 2005 Annual General Meeting.

Moved (Thomas Olsen) Seconded (Dwight Giesbrecht) that the minutes of the 2005 Annual General Meeting be approved as presented.

Carried

4. President's Report

President Mike Hamilton verbally reviewed his written report, mentioning the hard work by the TLA Directors and staff toward supporting the Forest Revitalization Plan and the TLA's liaison with government in dealing with these issues.

He touched on member issues, such as Forest Revitalization Plan implementation, the previous year's Safety record and the need to continue to work together as an entire industry to ensure a safe and profitable future. Hamilton thanked the Directors and staff for their dedication and hard work in running the affairs of the association throughout the year, including their effort to make the 63rd TLA Convention and Trade Show a success.

5. Executive Director's Report

Executive Director Jim Girvan presented his report, and commented that 2005 was an active year for the TLA. Jim explained that the TLA updated our Strategic Plan which will guide operations of the TLA for the next few years. He then reviewed the current staff

structure of the TLA office. Jim then explained that TLA revenues for fiscal 2005 of \$827,577 slightly exceeded expenses of \$821,118 by a surplus of \$6,459. This is consistent with the TLA's stated objective of matching revenues to expenses.

With respect to membership, Girvan said that there are 510 members of the TLA, 60 percent of who are industrial members. Under the direction Alexis Larose, TLA Communication and Membership liaison, the TLA took several steps in 2005 to improve our service for members including launching a new website at www.tla.ca.

Coastal restructuring has not been working out quite as the TLA had envisioned as some companies appear to be using the restructuring process for purposes other than the fair restructuring of the contract logging component of the industry. By year end September the Trust had paid out \$25 million to service workers and contractors.

The TLA continues to support and participate in the BC Forest Safety Council in order to help achieve a safer industry for all.

Jim ended on a high note by mentioning the successful BC launch of the TLA sponsored Provider Pals™ educational and cultural exchange program in BC elementary schools.

6. Financial Report

First Vice Chair, Don Bendickson gave a preamble of the financial statements as outlined in the annual report. Expenses are up in some areas as a result of conscious decisions by the TLA board to undertake specific activities such as our MLA tours and Provider Pals. The year ended with a slight surplus and Bendickson stated that he believes the TLA finances are sound and that we have the resources in place to lobby both government and industry.

Bendickson then invited Mr. Chris Fyfe of Myers Norris Penny to provide auditor's comments on the TLA financial statements for 2005 / 2005. Mr. Fyfe reviewed the TLA's financial statements for 2004/2005 and stated that it is his opinion that these financial statements fairly represent the financial position of the TLA as of September 30, 2005.

First Vice Chair, Don Bendickson called for a motion to approve the 2004-2005 Financial Statements.

Moved (Bill Markvoort) Seconded (Patrick Davidson) that the 2004 – 2005 Financial Statements be approved as presented.

Carried

7. Committee Reports

Written reports for Committees were provided in the 2005 Annual Report. Presentations of these reports were made by Committee Chairs as follows:

- Graham Lasure, Worker Health & Safety Committee
- Alison Mackenzie, Convention Committee

- George Lambert, Membership and Benefits Committee (assisted by Mr. Fab Biagini of Johnstone's Benefits)
- Chair Monty Hussey, Communications Committee; presented by Patrick Davidson.
- Angus Allison, Education Committee; presented by Jim Girvan
- Bill Markvoort, Forestry Committee;
- Bob Brash, Aboriginal Affairs Committee;
- Brian Welch, Industrial Relations Committee;
- Jim Cox, Transportation Committee.

All Chairs requested questions and comments on their respective reports.

President Mike Hamilton thanked the Committee Chairs for their reports.

8. Unfinished Business

There was no unfinished business from the Board or arising from the floor.

9. New Business

Rick Duckles of the BC Forest Discovery Centre thanked the TLA for their continued support and commented that they are excited about their new education program and always have projects that require assistance. He encouraged members to visit the centre and to bring their critical eye.

10. Election of 2005 Executive and Directors

Prior to commencement of the election, President Mike Hamilton recognized and thanked retiring Director Wayne Coulson. Mr. Coulson was presented with a gift in appreciation of his service to the TLA.

President Mike Hamilton then turned the meeting over to the Past President, Rob Wood, for the purpose of conducting the election of Directors and Officers. Wood reviewed the election process with the meeting members present. All Officers and Directors nominated by the Board were elected by acclamation. The elected Executive and Board positions are as follows:

Officers elected for a further one-year term:

Mike Hamilton	Mike Hamilton Logging Ltd.	President
Don Bendickson	BenWest Logging Ltd.	1st Vice President
Thomas Olsen	Olsen Management Group	2 nd Vice President

Directors

Five incumbent directors elected for a 2-year term

Angus Allison A.P.A. Enterprises Ltd.



Jim Cox Koprino Logging Contractors Ltd.
Patrick Davidson Neechanz Logging JV
Graham Lasure W.D. Moore Logging Ltd.
Dwight Giesbrecht Antler Creek Logging

One director newly elected for a two-year term

Eric Dutcyvich Lemare Lake Logging Ltd.

Six Incumbent Directors recommended for a further 1-year term (no election required)

Bob Brash Husby Forest Products
Alison Mackenzie Mars Industries
Bill Markvoort Probyn Log
Brian Welch Olympic Forest Products
Monty Hussey Tilt Contracting Ltd.
Glen Kappel Kwatna Logging

11: Appointment of Auditors

RESOLUTION #1

WHEREAS, section 31 of the Truck Loggers Association Bylaws requires that “one or more auditors shall be appointed by the members of the Association at a general meeting. The auditor shall be a practicing professional accountant and shall not be an Industrial member of the Association”,

AND WHEREAS, in 2005 the Board of Directors solicited a Request For Proposals for audit services,

AND WHEREAS, the Board of Directors deemed the proposal provided by Myers Norris Penny (MNP) as the proposal best meeting the criteria outlined in the Request For Proposals,

THEREFORE BE IT RESOLVED, that Mr. Chris Fyfe, CA of the firm of Myers Norris Penny be appointed to carry out the audit for three years commencing with the fiscal year 2005-2006 and ending with the fiscal year 2007-2008.

Moved (Rudy Deering) Seconded (Thomas Olsen).

Carried

12. Next Annual General Meeting

RESOLUTION #2

WHEREAS, section 8 of the Truck Loggers Association Bylaws require that an annual general meeting be held in January of each and every year at such hour and place as may be prescribed by the Association in general meeting, or in default, be determined by the Directors,

THEREFORE BE IT RESOLVED, that the 2007 Annual General Meeting of the Truck Loggers Association be held at 8:30 a.m. on Friday January 19th, 2007, with the location to be determined by the Directors at a later date.

Moved (Patrick Davidson) Seconded (Bill Markvoort).

Carried

13. Adjournment

There being no more business, a motion to adjourn the meeting was called for by President, Rob Wood.

Moved (Bruce Russell) Seconded (Graham Lasure).

Carried

Door Prizes

As is the long standing tradition at the TLA AGM, the following draw prizes were donated and awarded:

- Gift Certificate of \$500 – Sears, donated by Scott Cessford of RBC Investments was won by Patrick Davidson
- A DVD Player donated by Roy Hilton of Scotia Commercial Banking – Vancouver Island was won by Blair Gourley
- 3 Gold Coins donated by Al Pollack of TOS Insurance was won by George Lambert
- A Digital Camera donated by Doug Meier of The Inland Group was won by Eric Dutcyvich.

PRESIDENT'S REPORT

During my second year as president we have spent a good part of our time dealing with the ongoing restructuring of the coastal forest industry. The transition of the 20% take-back has not gone as well as we had hoped, but there is no sense in looking back at what may or may not have happened. We need this volume back in the marketplace to help establish an open and competitive log market. I believe it is our job to continue to make constructive suggestions as to what we would like the industry to look like in the future.



We continue to push towards a separation of harvesting and milling. The harvesting sector accounts for 70% of the cost for the mills finished products. I think everyone will agree we would rather see every log manufactured in British Columbia but having said that, it would not make much sense to stop harvesting the AAC if those logs could be sold elsewhere under the surplus system. There is an increasing number of operations on the coast of BC that simply do not work without the revenue generated by some export.

We have several issues facing us on the coast but I believe the largest issue is the constant erosion of our annual allowable cut. It has been under attack for the last 15 years and recently has reached the proportion that begs the question "do we want a forest industry in Coastal BC or not?" With new policies coming down with great regularity I believe we need to step back and look at ourselves in a different manner. If we want the coastal cut to be 20 million meters, more or less, the next step is to zone enough land, on an economically sound footing, to allow us to achieve the cut. If we look at the eco-based management system being instituted on the north and central coast it becomes apparent that we need roughly twice as much land to achieve the cut under that management regime, or alternatively, there is a reality that with EBM, the cut may be reduced by half.

If we could get the land zoned for forestry as the first priority then we could also get rid of endless bureaucratic red tape which is making many areas of the province uneconomic. Going to a results-based system with increased professional reliance would lower our harvesting costs.

We also need stability of the land base to help attract the right labour into our industry. We are not alone with this issue as most other industries have the same problem of an aging workforce and lack of training for new entrants.

This will be my final President's report and I would like to take this opportunity to thank the entire board of Directors, the membership, the staff, Jim, Stirling, Helena, Sandy and Eric, for all their hard work and dedication during my tenure.



I would also like to thank the retiring directors Allison McKenzie, Jim Cox, and Eric Dutcyvich for volunteering their time to be a director.

I finally would like to thank Rob Wood, retiring Past President, for his many years of hard and insightful work for the TLA.

I wish you all a safe and prosperous year.

A handwritten signature in black ink that reads 'M. D. Hamilton'.

Mike Hamilton,
President 2005-2006

EXECUTIVE DIRECTOR'S REPORT

As I complete my final year as TLA Executive Director, I am compelled to look back at the last year and over the past four years and evaluate the impact that the TLA has had on the industry over that time.

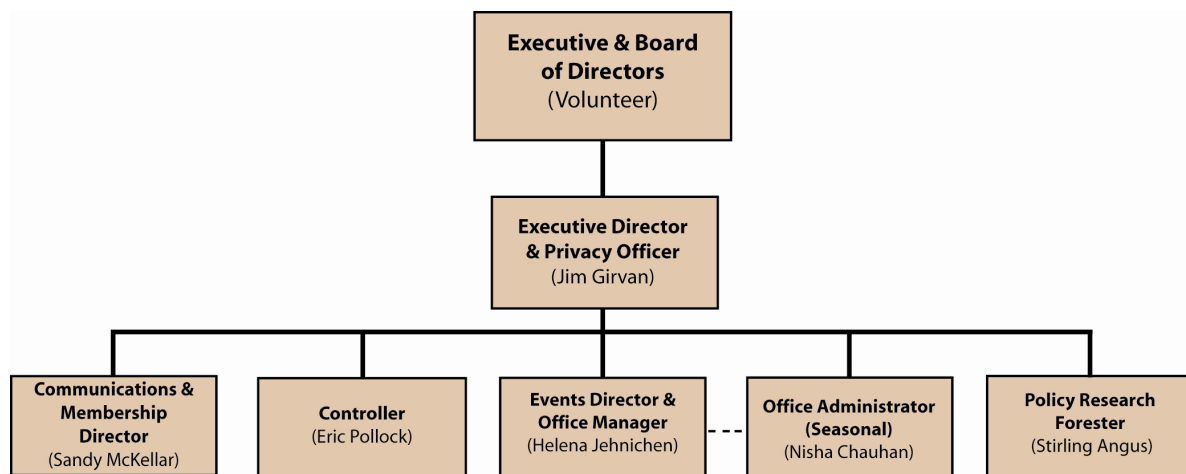
In the past year we have seen the implementation of the Forest Revitalization Plan and a slow recovery of markets. Unfortunately this has come at a time when many contractors have left the business and many workers have simply moved on. Labour is tight and as a result, so too are log markets.

We continue to bring a voice to many key organizations such as the BC Timber Sales Advisory Committee, the Trust Fund Advisory Board and the BC Forest Safety Council. In addition we also represent the membership on both the Coastal Recovery Group and the Coastal Steering Committee.



TLA finances remain in good shape, but reduced membership will require ongoing financial diligence. Our staff has worked very hard to deliver the many TLA programs we provide annually and the quality of events and publications has never been better.

We saw some minor changes to the staff structure during 2006. Sandy McKellar was brought on board as Communications and Membership Director, bringing over 10 years of practical experience to the role. The following is the current staff structure for the TLA:



Over the past four years we have seen many major coastal companies consolidate into but a few. While this might provide for operational synergies and cost reductions, I am wary of the long-term repercussions of having so few companies controlling the Crown harvest and what impact it will have on our sector. Independent manufacturers who

have already made investments in the Coast could now be at risk, as a result of a significantly reduced log market. In addition, without their ability to access fibre in an open and competitive log market, new independent manufacturing investment will be limited.

Although we lost many forest workers over the past four years, on a positive note, we saw the birth of the BC Forest Safety Council which brought new and needed attention to safety in our industry. Woods worker safety is now commonplace in the media and the loss of a forest worker is no longer just the cost of doing business. The introduction of the Safety Ombudsman, the SAFE Companies initiative, safety advocates and TruckSafe will change the face of our industry forever. The tireless work of those at the council who are dedicated to provision of programs that will ensure every forest worker comes home every night will guarantee a continuing focus on safety for years to come.

The TLA introduced a new logo and with it tried to ensure that stakeholders understood that we represent not just loggers, but all community-based businesses reliant on the coastal forest industry. We developed a staff that I know are truly dedicated to our cause. We have an increased focus on member communications and the increasingly professional quality of the events we host serves to show our dedication to the membership and our desire to support their success.

We have also taken on many challenges over the past four years. We successfully brought the Nisga'a settlement to a close. We fought to ensure the fair and equitable treatment of contractors displaced by Bill 28 and the provision of reasonable compensation for their loss. The take-back was not our choice and in the end, the fight for fair changes to Bill 13 and fair compensation for loss was our only option. I am the first to admit, however, that the treatment we received at the hands of the majors was not always equitable and in the end, cash compensation was little reward for the loss of many a generational family business.

We introduced a significant heavy equipment and liability insurance program that resulted in rate improvements for everyone in the business. We have kept the TLA health and benefits program one of the most competitive in the business. Promoting forest awareness, we introduced the Provider Pals education program to B.C. and with it brought a new understanding of the value of rural resource communities and the people who work in them to kids everywhere.

Continued Financial Management of the Association

Financial results for 2006 can be summarized as follows:

	2006	2005	2004	2003
Revenue	\$809,569	\$827,577	\$744,652	\$803,691
Expenses	\$752,588	\$821,118	\$657,746	\$728,390
Surplus	\$56,981	\$6,459	\$86,906	\$75,301

These results show that we once again managed our resources within budgetary constraints and optimized our programs to ensure maximum TLA member benefit.

Membership

While a significant number of new members joined the TLA over the year, a larger number terminated their membership. This reality speaks to the overall consolidation within the sector. By year-end we had a total of 501 member companies. Of those, approximately 60% are Industrial and the remainders are Associates.

Worker Needs Assessment

A key membership program started in 2006 that will be completed in early 2007 is the TLA spearheaded Forest Industry Woods Worker Needs Assessment. This study, being funded in part by Services Canada with the support of industry, our Interior logging associations and labour seeks to quantify the expected need for forestry workers over the next decade as well as identify the skills required to work in this industry.

I would like to thank my staff and our contract support for their ongoing dedication throughout the year. We run a lean and efficient organization that focuses on members' interests first. Without the help of our staff and contract support, I would not be able to talk about the successes we have achieved at this time. I would specifically like to thank Stirling Angus for his dedication and support over the past few years.

So, as a new change comes to the TLA with my departure as executive director, I trust that the TLA membership will simply take it in stride. Dave Lewis, the new executive director will bring continued dedication to the cause and our staff will support the mandate with which they are charged with passion. I too will remain dedicated to the TLA, but in an ongoing consulting capacity.

We are strong because of our membership and those we represent. However, the staff cannot do it on thier own. I encourage all of you to get involved with the TLA, as only with an active membership can the staff and directors succeed in their mandate.



Jim Girvan
Executive Director

PREAMBLE TO THE FINANCIAL REPORT FOR 2006

The Truck loggers Association rolled up another sound financial performance in 2006. The operating surplus increased to just under \$57,000.00, exceeding budgeted expectations as we worked through our consultation and lobby efforts.

On the revenue side, there was a slight drop from 2005 but considering some of the challenges in the coastal industry, this is considered to be a great performance. Membership is being maintained at 500+, with enough new members being recruited to replace those that fell from the list. As a result membership dues were up slightly.

Our affinity programs performed well with the benefit plan revenue up some \$33,000.00 and the Aon insurance program growing as well.

Convention revenues remain healthy, primarily as a result of the quality of the event that the TLA puts on each year. However, the donor auction which supports our education and awareness projects was down considerably. In 2007 we hope to see more hands pulled out of their pockets at the convention's live and silent auctions.

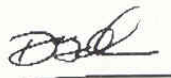
Our investment portfolio performance was comparable with 2005, but considering lower interest rates and more stringent investment guidelines, this was a good overall result. Magazine revenue was down slightly as well but considering the challenges in the industry, advertising dollars are tight so hats off to Lee Caldwell at Canada Wide Magazines for her successful sales efforts.

Overall expenses were close to 2005 with the exception a much smaller contribution to Provider Pals (as compared to the large one time payment made in 2005), resulting in the healthy surplus.

The audit of our financial statements was again performed by Meyers Norris Penny LLP, who reported no significant issues. I would like to again acknowledge the good work of our accountant Eric Pollock in preparing our monthly statements, and executive director, Jim Girvan for managing the association within budget.

The coastal forest industry continues to struggle as we work through a restructuring period. More than ever, a strong voice is needed to speak up for our members, the independent operators who are the future of this industry. The TLA is that voice and with our strong financial resources we will continue to push a balanced agenda for the betterment of our industry.

Thanks to our members and sponsors for another successful year



Don Bendickson,
Finance Committee Chair

FINANCIAL STATEMENTS



MEYERS NORRIS PENNY LLP

The Truck Loggers Association
Financial Statements
September 30, 2006



MEYERS NORRIS PENNY LLP

Contents	page
Management’s Responsibility	<i>17</i>
Auditors' Report	<i>18</i>
Financial Statements	
Statement of Financial Position	<i>19</i>
Statement of Fund Balances.....	<i>20</i>
Statement of Operations	<i>21</i>
Statement of Cash Flows	<i>22</i>
Notes to the Financial Statements.....	<i>23</i>
Schedule of Convention Operations.....	<i>28</i>
Schedule of Magazine Operations.....	<i>29</i>
Schedule of General and Administrative Expenses	<i>30</i>



Management's Responsibility

To the Members of the Truck Loggers Association

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of directors who are neither management nor employees of the Society. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Society's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Board and management to discuss their audit findings.

December 4, 2006

A handwritten signature in black ink, appearing to read 'Jim Girvan', written over a horizontal line.

Jim Girvan
Executive Director



MEYERS NORRIS PENNY LLP

Auditors' Report

To the Members of the Truck Loggers Association

We have audited the statement of financial position of The Truck Loggers Association as at September 30, 2006 and the statements of operations and related schedules, fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at September 30, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Nanaimo, British Columbia

December 4, 2006

A handwritten signature in black ink, reading 'Meyers Norris Penny LLP'. The signature is written in a cursive, flowing style.

Chartered Accountants



MEYERS NORRIS PENNY LLP
The Truck Loggers Association
Statement of Financial Position
As at September 30, 2006

	General Fund	Donor Fund	Total 2006	Total 2005
Assets				
Current				
Cash	341,582	-	341,582	249,460
Accounts receivable	37,268	-	37,268	164,707
Accrued interest receivable	8,506	-	8,506	7,612
Prepaid expenses	48,048	-	48,048	37,206
	435,404	-	435,404	458,985
Interfund balances	(138,109)	138,109	-	-
Investments (note 3)	726,596	-	726,596	702,703
Capital assets (note 4)	23,482	-	23,482	35,505
	1,047,373	-	1,185,482	1,197,193
Liabilities				
Current				
Accounts payable and accrued liabilities	87,827	-	87,827	58,129
Deferred contributions (note 5)	277,635	-	277,635	376,025
	365,462	-	365,462	434,154
Fund Balances				
Invested in capital assets	23,482	-	23,482	35,505
Internally restricted		138,109	138,109	174,773
Unrestricted	658,429	-	658,429	552,761
	681,911	138,109	820,020	763,039
	1,047,373	138,109	1,185,482	1,197,193

Approved on behalf of the Board:

Don Bendickson

Director

Mike Hamilton

Director



MEYERS NORRIS PENNY LLP

The Truck Loggers Association
Statement of Fund Balances
For the year ended September 30, 2006

	General Fund	Donor Fund	Total 2006	Total 2005
Balance, beginning of year	588,266	174,773	763,039	756,580
Excess (deficiency) of revenues over expenses	93,645	(36,664)	56,981	6,459
Balance, end of year	681,911	138,109	820,020	763,039



MEYERS NORRIS PENNY LLP

The Truck Loggers Association
Statement of Operations
For the year ended September 30, 2006

	General Fund	Donor Fund	Total 2006	Total 2005
Revenues				
Members' assessments	279,593	-	279,593	274,673
Interest and miscellaneous	32,762	3,600	36,362	45,891
Benefit plan administration	135,342	-	135,342	102,153
Insurance program administration	18,138	-	18,138	15,971
Convention (schedule 1)	258,653	-	258,653	254,292
Truck Logger Magazine (schedule 2)	42,175	-	42,175	43,955
Convention auction		39,306	39,306	86,773
	766,663	42,906	809,569	823,708
Expenses				
Executive Committee:				
Salaries and benefits	358,540	-	358,540	314,457
Consulting fees	68,686	-	68,686	44,306
General and administrative (schedule 3)	167,327	-	167,327	185,423
Amortization	14,222	-	14,222	16,023
Government and Forest Committee	14,730	-	14,730	21,463
Membership Committee	7,383	-	7,383	17,170
Native Affairs Committee	2,000	-	2,000	5,680
Publicity and Media Committee	40,130	-	40,130	63,223
B.C. Forest Discovery Centre	-	17,500	17,500	18,925
Scholarships and bursaries	-	24,000	24,000	24,000
Provider Pals	-	5,000	5,000	62,035
Donations and special projects	-	33,070	33,070	44,544
	673,018	79,570	752,588	817,249
Excess (deficiency) of revenues over expenses	93,645	(36,664)	56,981	6,459



MEYERS NORRIS PENNY LLP

**The Truck Loggers Association
Statement of Cash Flows**
For the year ended September 30, 2006

	2006	2005
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from revenues	1,232,818	1,198,057
Interest received	54,396	9,298
Cash payments for expenses	(800,957)	(955,202)
Cash payments to employees	(358,540)	(314,457)
Interest paid	(4,298)	(3,356)
	123,419	(65,660)
Investing activities		
Purchase of investments	(206,137)	(774,493)
Proceeds on disposal of investments	177,039	672,577
Purchases of capital assets	(2,199)	(7,529)
	(31,297)	(109,445)
Increase (decrease) in cash resources	92,122	(175,105)
Cash resources, beginning of year	249,460	424,565
Cash resources, end of year	341,582	249,460



MEYERS NORRIS PENNY LLP

The Truck Loggers Association
Notes to the Financial Statements
For the year ended September 30, 2006

1. Purpose of the organization

The Truck Loggers Association (the “Society”) was incorporated as a not-for-profit organization under the Society Act (British Columbia) in 1943 and is exempt from income taxes by virtue of section 149(1) of the Income Tax Act. The objects of the Society are:

- (i) to assist the members to co-operate among themselves for the better protection of the natural forest resources of the country;
- (ii) to assist the governments of Canada and the Province of British Columbia to stimulate better forest management;
- (iii) to obtain, prepare and disseminate among its members, information as to better operating methods and current trading in the industries; and
- (iv) to obtain, prepare and submit to the general public information as to the problems and achievements of the forest industries.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles using the following significant accounting policies:

(a) Revenue recognition

The Society uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are deferred and matched with related expenses as incurred. Contributions specifically provided for capital assets are deferred and then amortized to income at the same rate that the capital asset is being amortized.

Two funds are maintained. The General Fund accounts for the Society’s program delivery, including the annual convention, production and distribution of the magazine and administrative activities. Members’ assessments are billed in May of each year and are recognized as revenue evenly over the following twelve months. Magazine revenues are recognized as income in the period in which the magazine is issued. Revenue earned from the benefit plan and insurance program administration is recognized as revenue in the period the administration relates and when the amount can be reasonably estimated and when collection is reasonably assured. Convention revenue is recognized as revenue in the period the convention is held.

The Donor Fund reports income earned on designated investments and proceeds of the annual auction which are used to pay bursaries, donate to logging related causes and advance public awareness through education at the discretion of the Directors.

(b) Capital assets

Capital assets are initially recorded at cost. Amortization is provided using the declining balance method (other than leasehold improvements) at the following annual rates:

Computer equipment	30%
Furniture and equipment	20%
Leasehold improvements	Straight line basis over term of the lease
Computer software	100%

(c) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(d) Recent accounting pronouncements

In January 2006, the Canadian Institute of Chartered Accountants issued new recommendations for the recognition and measurement of financial instruments effective for fiscal years beginning on or after October 1, 2006. Section 3855 Financial Instruments – Recognition and Measurement establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Section 3861 Financial Instruments – Disclosure and Presentation discusses the presentation and disclosure of these items. There have also been numerous consequential amendments made to other Sections. Although the requirements of Section 1530 Comprehensive Income are not applicable for not-for-profit organizations, amendments to Section 4400 Not-for-Profit Organizations will require presentation of gains, losses, revenues and expenses arising from financial instruments as separate components of the change in fund balances. The Society expects to apply these new recommendations for its financial statements dated September 30, 2007. Transitional provisions are complex and vary based on the type of financial instruments under consideration. However, the Society does not expect the adoption of these new standards to have a material impact on its financial statements.

3. Investments

Portfolio investments are recorded at cost. Their fair market value at September 30, 2006 is \$728,460 (2005 - \$699,452).

A resolution passed April 28, 2003 requires that a reserve level of \$120,000 be maintained in the Donor Fund at all times. This is reflected in the interfund balances.

4. Capital assets

	2006		Net book value	2005
	Cost	Accumulated Amortization		Net book value
Computer equipment	121,550	111,160	10,390	12,172
Furniture and equipment	119,783	106,691	13,092	16,365
Leasehold improvements	49,403	49,403	-	5,515
Computer software	6,029	6,029	-	1,453
	296,765	273,283	23,482	35,505

5. Deferred contributions

	2006	2005
Members' assessment fees, relating to the period after September 30 th	129,070	146,419
Revenues relating to upcoming January convention	102,900	227,925
Lease inducement fee	10,665	1,681
HRSDC project grant	35,000	-
	277,635	376,025

Changes in deferred contributions during the year are as follows:

	2006	2005
Balance, beginning of year	376,025	493,916
Additions	277,635	374,344
Transfers into revenue	(376,025)	(492,235)
Balance, end of year	277,635	376,025

6. Commitments

The Society is committed to monthly pension payments of \$403 to the widow of a past executive director for the remainder of her life.

The Society occupies leased premises with estimated minimum annual payments, not including triple net charges, as follows until May 31, 2011

2007	35,550
2008	35,550
2009	35,550
2010	35,550
2011	<u>23,700</u>
	<u>165,900</u>

7. Related party transactions

Included in these financial statements are transactions and balances with companies controlled by Society board members as follows:

	2006	2005
Revenues earned during the year	106,952	87,695
Accounts receivable as at September 30 th	451	1,986
Hosting fees paid during the year	-	5,000

The transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Financial instruments

The Society as part of its operations carries a number of financial instruments. Its management's opinion that the Society is not exposed to significant interest, currency, or credit risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Accounts receivable from the benefit plan provider and the publishing company in connection with the benefit plan administration and Truck Logger magazine represent 85% of total accounts receivables as at September 30, 2006. The Society believes that there is minimal risk associated with the collection of these accounts. The Society performs regular credit assessments of its customers and provides allowances for potentially uncollectible receivables.

Fair value disclosure

The carrying amount for cash, accounts receivable, accrued interest receivable and accounts payable and accrued liabilities reported in the Statement of Financial Position approximates fair value due to their short-term nature.

The fair value of the Society's investments as described in note 3 is based on quoted market prices.

Fair value estimates are made at a specific point in time, based on relevant market information and details of the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, could significantly affect the estimates.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through normal investing and monitoring activities. The Society is exposed to interest rate risk primarily through its investments in fixed rate debt.

9. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for 2006.



MEYERS NORRIS PENNY LLP

Schedule 1
The Truck Loggers Association
Schedule of Convention Operations
For the year ended September 30, 2006

	2006	2005
Revenue		
Ticket sales	237,021	254,827
Displays	168,353	208,800
Sponsored functions	254,187	237,075
Logos	4,900	6,000
	664,461	706,702
Expenses	405,808	452,410
Excess of revenue over expenses	258,653	254,292



MEYERS NORRIS PENNY LLP

Schedule 2
The Truck Loggers Association
Schedule of Magazine Operations
For the year ended September 30, 2006

	2006	2005
Revenue	66,929	77,182
Expenses		
Editorial	14,150	14,595
Graphics, photography and redesign	1,725	1,877
Office and miscellaneous	1,529	2,235
Consulting fees	7,350	14,520
	24,754	33,227
Excess of revenue over expenses	42,175	43,955



MEYERS NORRIS PENNY LLP

Schedule 3
The Truck Loggers Association
Schedule of General and Administrative Expenses
For the year ended September 30, 2006

	Total 2006	Total 2005
Accounting, audit and legal	30,633	37,901
Bad debts	8,113	17,070
Bank charges and interest	4,298	3,356
Courier and postage	7,380	6,849
Directors' meetings and expenses	9,954	7,131
Insurance	8,256	8,220
Office, computer services and other	31,113	37,525
Rent	58,602	57,562
Telephone	8,978	9,809
	167,327	185,423

COMMITTEES

Chart of 2006 Committees

Worker Health & Safety Committee

Graham Lasure – Chair
Eric Dutcyvich – Vice Chair
Jim Cox

Convention Committee

Patrick Davidson – Chair
Brian Welch – Vice Chair
Brian Mulvihill
Grant Lansdell
D’Arcy Ingram

Membership Committee

George Lambert – Chair
Jon Lloyd – Vice Chair

Communications Committee

Alison Mackenzie – Chair
Brian Mulvihill – Vice Chair
Larry Wobick

Education Committee

Angus Allison – Chair
Monty Hussy – Vice Chair
Bill Markvoort

Forestry Committee

Bill Markvoort – Chair
Glen Kappel – Vice Chair
Bob Brash
Grant Lansdell
Eric Dutcyvich

Aboriginal Affairs Committee

Bob Brash – Chair
Glen Kappel – Vice Chair

Industrial Relations Committee

Dwight Giesbrecht – Chair
Alison Mackenzie – Vice Chair
Graham Lasure

Transportation

Rob Wood – Chair
Doug Meier – Vice Chair

WORKER HEALTH AND SAFETY REPORT

The injury and fatality statistics for the B.C. forest industry have greatly improved for 2006. As you can see from the tables below, fatalities have dropped from 2005's high of 43 forestry related deaths, to 11 as of November 24th 2006. Injuries appear to have improved slightly, showing us that while we have made improvements in the number of fatalities, there is still much room for improvement in keeping our most valuable asset, our employees, safe from harm. These improvements are the direct result of the industries unprecedented focus on worker safety, and the programs and work of the BC Forest Safety Council and WorkSafeBC BC.

The BC Forest Safety Councils' main achievements for 2006 were:

1. The completion of the Faller certification program. Any Faller working in BC must now be certified. New faller, and faller supervisor, training is now readily available.
2. The facilitation of Roger Harris as the BC Forest Safety Ombudsman. This will provide a means for the open and impartial discussion of safety issues within our industry.
3. The SAFE companies program has been finalized and piloted. Companies will be required to become SAFE certified during 2007 and 2008. All companies working in the forest sector can now registration for SAFE audits.

For 2007, the Council will be continuing with a number of initiatives including introduction of the Safety Advocates program, which will support and work with the SAFE Companies institutive. They will also be holding a review of substance use and abuse in the forestry sector and working with a number of agencies and associations on a Workforce Development Strategy with the eventual goal of supplying safe and qualified workers for our industry.

In late 2006 and early 2007 WorkSafeBC BC has undertaken a full review of Part 26 (Forestry Operations) of the regulation. There are likely to be extensive changes in numerous areas, particularly in definitions, falling requirements, workplace responsibility (prime contractors), and worker training. There will be an open stakeholder's consultation meeting on January 18th in Vancouver, and January 29th in Nanaimo and everyone is entitled to comment on the proposal by January 31st 2007.

For 2007 WCB rates have increased only slightly and with further improvements from all of us in keeping safe, this trend should continue and eventually be reversed.

On your behalf, the TLA will continue to sit on and be directly involved with all Boards and associations that play a safety role in the BC forest Industry. Should you require information on any of the above initiatives or programs

WCB Assistance A Phone Call Away

Staffed with WCB specialists, the Employers' Advisers are ready to assist employers in all areas of Workers' Compensation:

- Claims
- Assessments
- Occupational Health & Safety
- Appeals

Assistance, advice, education and representation where there is merit are only a phone call away at no cost to you:
1-800-925-2233

please contact me directly or through the TLA office.

2006 was a pivotal year for improving safety in the forest sector, lets all work together to continue the trend and have a future goal of zero fatalities and serious injuries.



Graham Lasure
Workers Health and Safety Chair



BC Forest Safety Council
Unsafe is Unacceptable

Actuarial rate 2007: \$9.42
history: 2006: \$9.81
2005: \$11.39

DR01 - Forestry

CU name	CU #	2007 Rate	2006 Rate
Brushing and Weeding or Tree Thinning or Spacing (not elsewhere specified)	703002	\$7.38	\$6.43
Cable or Hi-Lead Logging	703003	\$9.46	\$9.45
Chemical Brushing and Weeding or Chemical Tree Thinning or Spacing	703001	\$7.38	\$6.41
Dry Land Sort	703004	\$9.48	\$9.34
Forest Fire Fighting	703005	\$7.38	\$6.41
Ground Skidding, Horse Logging, or Log Loading	703006	\$9.46	\$9.45
Helicopter Logging	703019	\$9.39	\$9.24
Integrated Forest Management	703008	\$9.46	\$9.45
Log Booming	703009	\$9.48	\$9.34
Log Processing	703011	\$9.46	\$9.45
Logging Road Construction or Maintenance	703012	\$9.48	\$9.34
Manual Tree Falling and Bucking	703013	\$9.46	\$9.45
Marine Log Salvage	703018	\$9.48	\$11.22
Mechanized Tree Falling	703014	\$9.46	\$9.45
Shake Block Cutting	703015	\$9.48	\$9.34
Tree Planting or Cone Picking	703016	\$2.75	\$3.21

Injury and Fatality Statistics to November 24th 2006, Yearend 2005

Category	2006	2005	2006	2005
	F*	F*	I**	I**
Manual Tree Falling	-	7	13	20
Yarding/Mechanical Harvesting	2	11	18	24
Log Hauling	5	9	18	16
Silviculture	-	-	-	4
Helicopter Logging	-	2	1	2
Forest Fire Fighting	-	-	-	-
Sawmills	1	4	41	28
Traveling to and from Work	-	8	3	12
Other	3	2	8	4
TOTAL	11	43	102	110

F* – Fatalities

I** – Serious Injuries

CONVENTION REPORT

The goal of every TLA Convention is to create an informative forum and networking opportunity for all of those that make their living in the coastal forest industry. The theme for the 64th Annual Convention & Coastal Forestry Expo 2007 is: "British Columbia Coastal Forests: A Gateway to Prosperity"

The trade show name was changed to the Coastal Forestry Expo to create in the eyes of the delegates and exhibitors an event where they can more broadly showcase their companies and products while networking with delegates. We have also initiated a major change that will facilitate increased exhibition traffic for trade show delegates. All meal and presentation sessions will be facilitated through the trade show hall and there will be no booths in the VCEC lobby.

The Expo will open for the "Coastal Markets Day" delegates on Wednesday January 17 at 5:00 pm where a two-hour cocktail reception will take place. The public will have access to the Expo starting at 7:30 am Thursday January 18 and 8:00 am Friday January 19.

This year's Expo will feature a heavy equipment format with heavy equipment suppliers each displaying one piece of equipment down the centre aisle of Exhibition Hall B. Four pieces of heavy equipment will also be on display in the plaza in front of VCEC.

The TLA website was used extensively this year to promote the convention events and TLA sponsors; allowing the members and exhibitors to stay current. An online registration system was also successfully introduced.

Exhibitors have responded by booking spaces earlier than expected. Ninety per cent of the spaces were sold by the end of September and there are a number of new exhibitors. Highlights of the show will once again include the Ford Dealers of BC - Ford Truck Lease prize draw and the Ritchie Bros. Live Auction during Suppliers' Night.

This is the second to last year that the TLA Convention & Expo can be held in the original Vancouver Convention & Exhibition Centre facility due to the VCEC expansion project and the 2010 Olympic Games. In 2009 this facility will undergo a major remodeling project and we will have to hold the event in a new facility. The Convention Committee is already planning future TLA conventions.

Sponsorship recognition is always a top priority for the TLA. We recognized gold sponsors on the front of the convention brochure again this year. Additionally, all sponsors were recognized on the TLA website, and in the TLA magazine. Continuing to find new sponsorship opportunities is the key to every convention. This year we have over 30 different convention sponsors.

The Donor Auction is also a key component of our annual convention and expo. Donor auction proceeds go to support forestry education and general forestry awareness projects and initiatives. Ritchie Bros. Auctioneers will conduct the first of two live auctions

at Suppliers' Night. The President's Banquet & Ball will play host to a silent auction and the second live auction conducted by Ritchie Bros.

A new initiative, "Coastal Markets Day" was conceived to attract new convention delegates from many different forestry sector stakeholders. By creating panel discussions that have focused topics and interesting speakers, our hope is to deliver relevant and informative material to a broader cross-section of the industry.

The Ladies Charity Fashion Show & Brunch is to be held on Thursday and will include fashions from Marilyn's to be presented by professional models. We hope to once again raise close to \$10,000 this year to support the BC Children's Hospital.

The Thursday morning breakfast speaker will be Ken Dobell. Mr. Dobell has recently been appointed by the Premier of BC to help facilitate the Coastal Recovery process. This will be Mr. Dobell's first forestry sector speaking opportunity in this new role.

The annual Progress Panel has been moved into a lunch time-slot. Speakers will include Deputy Minister of Forests Doug Konkin, Opposition Forest Critic Bob Simpson, Steelworkers Director Steve Hunt, Independent Manufacturing Representative David Gray, and finally outgoing TLA president Mike Hamilton who will provide the TLA perspective. Justin Rigsby, representing both the BC Chamber of Commerce and Alm-Wood Contracting, will moderate the event.

The Minister of Forests is unable to attend this year's convention due to a conflict in his schedule. He will share his message at the convention via a pre-taped video presentation. The Premiers luncheon to be held on Friday will see the return of the Honorable Gordon Campbell.

The Friday morning panel entitled "Coastal Log Markets in a Competitive Industry" is the encore to the sell-out 2006 Log Markets Panel, which will again bring together a diverse group of log market professionals who will provide their individual perspectives on global log markets, log costs and utilization.

Finally, the new TLA president and his wife will host the President's Banquet and Ball. This year's entertainment will include the very popular "Time Benders" who have entertained notable people such as Microsoft's Bill Gates at his New Years party.

Thanks to the staff of the TLA for their support in pulling together what we hope to be another successful TLA convention.

Respectfully,



Patrick Davidson
Chair, Convention Committee

MEMBERSHIP AND BENEFITS REPORT

At year's end, 2006, our membership was as follows:

Associate members	211
Industrial members	285
<u>Retired members</u>	<u>5</u>
Total	501

Over the year the committee and TLA staff focused on benefit programs, members' meetings and attracting new members. For this year's recruitment program, we concentrated on the benefits of membership for new and non-member companies and used the literature the TLA staff produced to promote these programs. The affinity programs also continue to be excellent marketing tools.

The TLA continues to be concerned with the risk of losing more member companies through 2007 as a result of coastal restructuring and other negative market forces. The Membership committee has set a target to recruit up to 50 new member companies to maintain our position. We encourage all TLA members to help in this effort since membership is the backbone of the organization.

For 2007 we are introducing a new affinity program with Petro-Canada where members with TLA gas cards can get a discount of 1.5 cents off the pump price at any regular Petro-Canada station. Information will be available on our website or through the office once the program details have been finalized.

During the spring of 2006, we took the health and dental benefits program to market and solicited proposals from seven underwriters. Two provided full proposals and after careful review we are satisfied that we have very good coverage from Pacific Blue Cross at very competitive prices. We continue to enjoy lower pricing than comparable groups, combined with coverage unavailable to smaller companies elsewhere.

The Aon insurance program grew in 2006 and continues to be a positive benefit to the organization and the members.

In addition to the convention, we had two members meetings in 2006 which were well attended. The spring meeting in Courtenay had speakers Roger Harris - the BC Forest Safety Ombudsman, and David Bowra speaking on insolvency and restructuring. Additionally we got to hear from Richard Basset of Neucel and CEO Renoyld Hert from Western Forest. We saw this as a positive step toward building bridges with these companies. The fall meeting in Port Alberni was also a success as a large number of members came out to hear interesting perspectives from speakers Lee Doney, Csada Hajdu and Graham Lasure on the issues we face in the 2007 contract negotiations. Thank you to Graham Lasure for all your work in arranging and scheduling the speakers and thanks to Helena Jehnichen for organizing the events.

Logging contractors and their supplier base needed a strong voice. Intense competition on the coast has made it harder than ever to make ends meet. The TLA has the credibility and lobby power to help put forward the message that coastal communities depend on our businesses being healthy and that we must be in a position to reinvest so we can enjoy long-term stability. The organization needs all the members it can attract to help in this effort.

I would like to thank Director of Communications & Membership, Sandy Mckellar and Executive Director Jim Girvan for all their hard work and support throughout the year.



George Lambert
Membership Committee Chair

THE TRUCK LOGGERS GROUP BENEFITS PROGRAM

OVERVIEW

With labour market shortages reported across all industries in western Canada, it's no surprise that one of the top four objectives identified in the recently published TLA report, "The Key to Prosperity for the Coastal Forest Industry" is labour. The future of our industry is in our ability to attract and retain top employees. The TLA understands that an employer's ability to offer a quality benefit package continues to be a cost effective and valuable component of their total compensation package for key employees.

The TLA Group Benefits program continues to provide quality benefits at stable pricing to our members. Companies with as few as one employee have access to a comprehensive benefit package, while companies with 10 or more employees are able to customize their benefits.

During the past few years, while costs for most benefit plans were experiencing double-digit increases, the TLA Plan managed to keep increases in the low single digits. Our projections for this year indicate that plan members will again see only a modest overall increase.

GENERAL TRENDS

This past year, publicly funded Health Care continued to be the focus of both provincial and federal governments. Not surprisingly, we anticipate further changes in how health care is delivered and this will inevitably add pressure on private Health Plans such as the TLA's.

Although Health care costs continue to be the chief area of concern, these past two years have seen an increase in Short Term Disability (WI) at higher than expected levels. In addition, there is a marked increase in Life claims.

2006 PLAN HIGHLIGHTS

- Over **230 member companies** currently participate in the Program
- Over **\$1,954,000** in claims paid to members during the past **12 months (Nov 05 to Oct 06)**
 - Over **\$708,000** paid in **Dental benefits**
 - Over **\$542,000** paid in **Health benefits**
 - Over **\$539,000** paid in **Disability benefits**
- Four **Life Insurance** claims totaling **\$220,000** were paid, and
- One **AD&D** claim paid of **\$45,000** was paid

LIFE INSURANCE – Basic and Optional

During the past 12 months, there were four Life Insurance claims paid out totaling \$220,000. In the previous year, there were two Life Insurance claims paid, totaling \$100,000.

ACCIDENTAL DEATH AND DISABLEMENT (A.D. & D.)

In addition to the Life claims reported above, there was one AD&D claim totaling \$45,000 during the past 12 months.

DISABILITY – Short Term Disability (WI) and Long Term Disability (LTD)

Over the last two years WI claims have increased to levels higher than expected while LTD claims remain stable.

While claims increased dramatically in the mid '90s, new claims during the past few years have eased. Total payments of \$539,000 represent an increase of over 20% from last year's total of \$440,000 due mainly to increases in WI claims. Based on this, we can expect an increase in the WI premium though Long Term Disability rates will remain stable.

EXTENDED HEALTH

Prescription drugs continue to make up the largest component of the Extended Health benefit, representing over 80% of the total Health claims paid. Although paid claims appear to have stabilized this past year, we are anticipating a slight increase in premiums.

DENTAL

Annually, the British Columbia Dental Association reviews and recommends fees for dentists. Their *2007 General Practitioner Fee Guide* increase is anticipated to be in the range of 3% – 4%.

Dental claims appear to have stabilized this past year. Therefore, the slight increase in premiums we expect is due only to the annual *Dental Fee Guide* increase.

SUMMARY

The TLA Benefit Plan continues to provide quality benefits and stable pricing. With Health, Dental and WI claims costs increasing over last year, we can expect an overall increase in the coming year, however, it should be modest.



Fabrizio (Fab) Biagini
Johnstone's Benefits

COMMUNICATIONS REPORT

A successful lobby group needs a strong communications program to impact target audiences effectively. The TLA continues to build its communications portfolio, adding new projects, and continually improving ongoing traditions. In 2006 the TLA engaged in a variety of projects aimed at strengthening our lobby message to government and other sector stakeholders across the coast of British Columbia.

Embarking on 2006, the TLA were true "Champions of Change". This was well evidenced at the successful convention in Vancouver that provided a platform to share critical messaging with members, key industry representative and government. This annual event is the cornerstone of our communications program, and 2006 kept up the tradition of well attended events overall, with a record breaking Log Markets panel that brought in over 300 people.

In his capstone year with the association, Executive Director Jim Girvan led the charge on the year's communications projects. In keeping with our desire to create closer ties with communities, we focused much of our energy on local MLA's from across BC, including those in rural or coastal resource-based communities.

Back by popular demand – we ran another very successful MLA Woods Tour in the summer. The tour took guests to Brandt Tractor in Surrey, followed by a helicopter flight to an active logging site and included local First Nations from the Chilliwack Ch-ihl-kway-uhk First Nation. We continued to keep MLA's from both sides of the house engaged by inviting them to hosted dinner presentation evenings where caucus members and other invited guests joined in a lively discussion about the state of the coastal forest sector and the TLA's vision for the future.

Several critical reports were generated by the TLA in 2006. The TLA released its vision document, a position paper entitled "Markets and Market Forces – The Key to Prosperity for the Coastal Forest Industry". Greenspirit Strategies choreographed the media release of our document. This led to a controversial story in the Vancouver Sun. According to the age old adage "any PR is good PR"; this story generated an opportunity to place an editorial opinion piece as a follow up, and led to printed letters of support from leaders in the sector also appearing in the Vancouver Sun. The document was mailed to all BC MLAs and all coastal community mayors and we hope it will set the stage for development of a much needed government vision for our industry.

BC Mayors were also engaged this year during the lead up to their annual convention, the UBCM (Union of BC Municipalities). At the time, the issue of log exports had become a hot topic, and the Minister of Forests was conducting a review of stakeholder positions on the subject. The TLA was actively involved in this process, meeting with the review team, and submitting a substantial document outlining the TLA position on log exports. In conjunction with our submission, we produced a one page "Log Exports Fact Sheet" that was mailed to all BC Mayors before the start of the UBCM. At a UBCM hospitality evening

co-sponsored by the TLA and the Private Forest Landowners Association, mayors and other community leaders spoke positively about the fact sheet and expressed their gratitude in receiving the short and concise information.

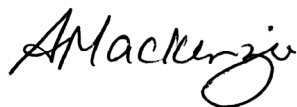
Access to logs and protection of the working forest land-base are important issues for members of the TLA as articulated in our Vision paper. Introduction of new objectives for the implementation of Ecosystem Based Management (EBM) gave us another opportunity to present our views to government. Aligning with the framework outlined in our position paper, a discussion paper on EBM was submitted to the Minister of Agriculture and Lands, in an attempt to protect working forest values on the coast.

Ongoing communications programs continue to flourish. Communication to the membership via hot sheets and monthly newsletters ensures that members are kept up to date on the issues.

The Truck Logger magazine continues to engage stakeholders in provinces across Canada and around the world as we persist in focusing on lobby-based issues with every edition we publish. The magazine completed its fourth year with Canada Wide Magazines and we are pleased to confirm that again this year revenues are ahead of budget as a result of the great work of Lee Caldwell. From the feedback we receive we are certain that the quality of the magazine continues to impress! We want to extend a thank you to all those that took the opportunity to advertise in Truck Logger. In addition, thanks go to all the Canada Wide staff, their hard work and commitment contributes to the professional polish and presentation of this publication.

As Jim Girvan moves into a consulting capacity in the association, we look forward to working with the new executive director Dave Lewis. Dave's experience in community politics and municipal affairs will further strengthen the TLA's relationship with coastal BC communities.

Finally, I would like to take this opportunity to thank all the committee members who have worked hard on the magazine in our brainstorming sessions and a special thanks to Sandy McKellar our new Director of Communications and Membership who came on board with the TLA mid-year and has already made a significant impact on the quality of communications that support the TLA mandate.



Alison MacKenzie
Communications Committee Chair

EDUCATION REPORT

The purpose of the TLA Donor Fund is to support forest education and TLA awareness programs across the coast. The annual "Donor Fund" auction at the 2006 convention raised a total of \$39,410. Throughout the year the TLA receives funding requests. Each request is presented to the board for adjudication against the TLA's spending support criteria. During 2006 a number of initiatives were funded by the proceeds of the Donor Fund. Total spending from the fund in 2006 was \$69,160.00.

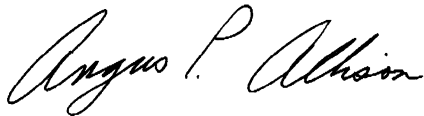
Key projects supported included:

- The second year of the Provider Pals program received \$5,000 in order for the program to continue in its second year. Once again the Southgate School in Campbell River and the Walter Moberly School in east Vancouver are participating in this program. It is expected that more funding will be required in the future as the program moves forward.
- Students from UBC's Faculty of Forestry, the BC Institute of Technology, and Malaspina University College received scholarships in the aggregate amount of \$24,000. Each student received recognition for the awards at the 2006 TLA convention.
- The Malaspina College Library Construction Fund once again received \$5,000. There are two years remaining in the five-year funding support commitment.
- The BC Discovery Center in Duncan was granted \$7,500 to assist with their display of coastal forest industry heritage at the 2006 convention. TLA also provided \$10,000 to help fund the second year of the successful grade school education program that has been well attended.
- The BC facts and figures that are included in the "It Takes a Tree" publication, published by the Pacific Logging Congress (PLC) was updated by the TLA at a cost of \$900. It is expected an updated version of this publication will be available from the PLC in 2007.
- The Campbell River Loggers' Sports and the Port Alberni Loggers' Sports events were each supported with \$750. Those sponsorships provided the TLA with good opportunities to extend the awareness of the organization and its benefits to local communities.
- The Festival of Forestry received its annual commitment of \$5,000 to extend an improved understanding of the forest industry to teachers. This funding helps the Festival of Forestry in their program of conducting teachers' tours of the woods via the Bill Moore Legacy Fund.

- The Campbell River Junior Forest Wardens received \$500 for transportation assistance to those attending their campout.
- The TLA provided \$7950 to ensure that the ILA Education Van was present on the Trade Show floor at the 2006 convention.

In these difficult times, it is hoped that TLA members can dig down and generously support the Donor Fund Auction at the 2007 annual convention. In 2006, expenditures exceeded revenues and the balance of the donor fund was again reduced as we supported worthwhile projects. There will be a live auction run by Ritchie Bros. on Suppliers' Night and the Banquet and Ball together with a silent auction at the annual banquet and ball as well.

See you there!



A.P. Allison, Education Chair

FORESTRY REPORT

In 2006 we once again saw dramatic changes sweep over the coastal forest industry which was still absorbing the bulk of the revitalization changes from the previous 2 years. Sadly, we saw several of our TLA members exit the industry as part of the Bill 28 reorganization while many coastal contractors and independent sawmills are still in the process of adjusting to the *new* Western Forest Products. Western's consolidation, combined with poor weather and soft markets, resulted in much less timber being available on the open market - creating a crunch for the independent saw millers. This combined with less timber coming into the marketplace as a result of the 20% take-back created a sellers market for loggers and timber owners by creating a booming demand for most species and sorts.

2006 also saw a rising demand for pulp logs, partly as a result of the re-opened Neucel Port Alice pulp mill in May 2006, and a general shortage of pulp logs due to a summer fire shutdown and reluctance by the majors to harvest pulp at low market prices. This situation was turned around by a reduction in stumpage on U and X grade Hembal and Spruce logs and X grade Fir Logs to \$.25/m³ and increasing market prices for pulp logs which is creating a renewed interest in taking out the lower grade portions of a stand.

The other major shift for the industry was the settlement of the long standing lumber tariff dispute with the USA in August of this year. Although less critical on the Coast than in the Interior, the agreement has major implications for coastal sawmillers. First, they will see an 80% return on their deposits which will result in the return of millions of dollars of duties. The verdict on whether or not this will turn out to be a beneficial deal to the Canadian forest industry, however, is still not clear and may not for be for some years to come. There are many who believe that it was not a good deal, but with the endless litigation and resultant legal fees now over, we can concentrate on getting on with business.

Looking forward to 2007 the BC Competition Council (Wood Products Industry Advisory Committee) has drafted a BC Coast Turnaround Plan which promotes land certainty, reduced costs, transition to second growth, new tenure arrangements and workforce transitions. This goes beyond the Revitalization Plan of the past two years which has had mixed results. As part of this process Ken Dobell had been named as the new Coast Industry Advocate.

The TLA sits on several standing committees that advise the government on forest policy issues:

TSAC - Timber Sale Advisory Committee

The TLA had representation and provided significant input at all 5 TSAC meetings held during 2006 and dealt with numerous issues including,

- Export of low grade Cypress and Cedar,
- BCTS waivers on sale extension and deposits,
- SAFE program and worker safety within BCTS

- Shared road and dump infrastructure conflicts and resolutions
- Certification
- Variable cost pricing on old growth timber sales
- Timing of timber sales
- Continuation of Cat 2 sales.
- BCTS structural review (separate agenda item)
- Custom weigh scaling

For more information minutes from the meetings are available at <http://www.for.gov.bc.ca/bcts/> under advisory committee.

Coast Timber Pricing Committee

The TLA has a seat on the Coast Timber Pricing Committee (which used to be the Coast Appraisal Advisory Committee) which had as its major purpose the rewriting of the Coast Appraisal Manual. Also Mike Greig from Enfor Consultants is the TLA representative on the MPS 2 Technical sub-committee whose purpose is to review the timber sale auction dataset for accuracy and assist in creating the new MPS equations. This task is almost completed and a new CAM is expected to be ready for implementation in early 2007.

Coast Steering Committee (CSC) and Coast Recovery Group (CRG)

The TLA sat on both of these new committees formed in 2005 to facilitate coastal restructure. The CRG provides an avenue for issue resolution and position paper preparation with industry and government at the table. The CSC is the forum for final decision making with all recommendations made directly to the Minister of Forests. The TLA sits on both of these committees and has had, over the year, influence on policy direction. A key discussion paper was produced and submitted to the Coast Recovery Group this year that has stimulated significant discussion and action with respect to pulp log salvage opportunities across the coast.

The TLA also participated in several reviews to forest policy in 2006 as follows:

Structural Review of BC Timber Sales

In 2006 the Wood Products Industry Advisory Committee through the BC Competition Council recommended that a third party carry out a review of BCTS with the purpose of determining if the current organizational structure was the most effective way to address its mandate and to recommend any changes to either the structure or the delivery model. In particular the Competition Council recommended that the government take steps to eliminate its role as an operator and seller of timber products. The review was chaired by the Assistant Deputy Minister, Dave Pederson and Howard Saunders, a consultant. The main review process was through two meetings held with the members of BCTS, the MoF and the TSAC membership. These meetings were attended by Jim Girvan, Stirling and Bill Markvoort representing TLA interests. Two interim discussion papers were published which are available on the BCTS website and final recommendations are expected in late 2006.

Review of BC Log Export Policy

Don Wright and Bill Dumont were appointed by the Forest Minister in early September to conduct a review of log export policies. The TLA met with the Mr Dumont and Mr. Wright and submitted a paper documenting the TLA position. This can be summarized as a support for a measured degree of log exports utilizing the surplus system, and a concept of economic zones where log exports are deemed to be necessary for a viable logging industry. The complete TLA position on log exports is available on the TLA website.

Other issues dealt with by the forest committee included:

- Writing a paper to the Federal Competition Bureau on the WFP purchase of Canfor and Cascadia recommending that more timber be made available in the open market
- Drafting a position paper on EBM stating concerns about extra costs of implementation
- Input and committee representation regarding weigh scaling on small tenures
- A review of the BC Chamber of Commerce forest policy proposals
- Support for an Interfor phase contractor dispute
- Preparation of a letter to Rick Thorpe requesting wider use of coloured fuel
- Input into amendments to Bill 13 Regulations in response to Teal Jones proposal
- Attendance at the UBCM Conference in October to co-hosted a reception with TimberWest and the Private Forest Land Owners Association in order to advocate for supportive log export policy.



Bill Markvoort
Forestry Chair

ABORIGINAL AFFAIRS REPORT

This year saw increased awareness and understanding of the reality that First Nations will continue to directly impact the relationships we share with industry stakeholders who rely on the coastal forests for their livelihood.

The New Relationship

The New Relationship, a framework for the determination of a more formal process for First Nations consultation and accommodation that has the objective of leading to increased land base certainty, continued to unfold in 2006. Minister Mike deJong was appointed to the Ministry during the year, but details and processes that may move ongoing land base issues along within the framework have yet to materialize along with the promised certainty envisioned.

Government Reallocations to First Nations (FRA's)

The Government's broad objective as part of the Forest Revitalization Plan is to reallocate as much as 8% of the provincial AAC into First Nations initiatives. In addition, previous AAC undercuts will be utilized by government to address the First Nations' issues. As of the end of 2006, FRA's with a combined volume of over 16,996,000 m³ had been allocated to First Nations province wide (6,487,000 m³ on the coast) as part of the Forest Revitalization Plan. Harvest to date, however, has been negligible as First Nations work to build capacity, establish operating areas and working relationships with brokers and loggers. In essence, this volume has fallen into the proverbial "black hole" at a time when serious log shortages exist across the coast. The TLA is concerned that vast majority of this volume will not come 'on-line' for the next few years.

The TLA Coastal Vision paper released in late 2006 identified this issue as a significant concern for industry and encouraged government to work towards realization of these volumes critical to functioning of the coastal log market.

Haida Negotiations

The Haida Nation continues to negotiate land use planning terms directly with the Provincial government with little input from industry. Recent options presented indicate continued significant reductions in the Crown AAC as a result of increased levels of protection for streams, wildlife and cultural cedar.

With the most recent Timber Supply Review (TSR) as a base, options being considered for implementation would further reduce the AAC by as much as 61%. If approved, this level of AAC reductions will make the QCI inoperable across much of the landscape, further jeopardizing the economy of the Islands.

The general concern of the TLA on these negotiations is whether such dramatic changes and impacts are considered a template for other negotiations with First Nations on the BC coast.

The TLA encourages all members who could be impacted by these land use discussions to raise their voice in support of an equitable and balanced approach to land use planning that will result in a viable industry, jobs and an economy.

For the TLA, we will continue to develop policies and programs to recruit new First Nations licensees and contractors into the Association, develop mutual capacity building and training opportunities focused on First Nations, and continue to develop and update TLA policies relating to First Nations' issues. These issues will be addressed by the Aboriginal Affairs Committee in the New Year.

A square image containing a handwritten signature in black ink on a light-colored background. The signature is cursive and appears to read 'B Brash'.

Bob Brash
Aboriginal Affairs Committee Chair

INDUSTRIAL RELATIONS REPORT

The Industrial Relations Committee has been monitoring the labour situation leading up to the 2007 Coast Master negotiations.

Last fall, the Steelworkers IWA Council (Steel) sent out members of their bargaining committee to visit mills and logging operations to personalize the relationship between the committee and workers. Effort was made to identify key issues. Changes to alternate shifting will likely be an area of focus in the logging sector.

Steels' influence on the IWA is likely to become apparent in these negotiations. They have a reputation of being businesslike and solution oriented, but they also have a \$150+ million strike. We understand that Steel will announce their demands by March.

FIR has been reorganized with a new voting system that is intended to be more equitable for both mills and contractors. The new board is comprised of three voting milling sector members, three voting logging sector members, and Western with one vote. Five votes out of seven are required to pass a lockout vote while four out of seven are required for other voting issues.

Today's Coast Forest Industry is not healthy. Factors such as high production cost, global competition, and trade restrictions have had a negative impact upon capital investment. There are serious labour shortages as skilled forestry workers are retiring or finding steady work and better pay in the construction, mining, and oil & gas industries.

A significant shift has occurred on the coast; many of the large tenure holders have given up trying to run their own crews. Most coastal logging today is done by large contractors. Many are unionized, but a growing number are non-union. How will Steel approach the 2007 negotiations? A prolonged strike may take down weaker companies (large and small) and will further alienate many employees. Could Steel inadvertently drive the unionized contractor crews to go non-union? Time will tell.

In September of this year, the TLA hosted a members meeting to discuss contractor labour issues as well as to provide representatives of FIR insight into member issues. The meeting was well attended. The TLA will continue to monitor the negotiations through 2007. Any member who would like to provide insight or become involved, please contact the TLA office directly.



Dwight Giesbrecht
Industrial Relations Chair

TRANSPORTATION REPORT

In early 2006 the Transportation Committee received a report from Alan Robinson regarding the interpretation of the new Hours of Service Regulation being implemented by the Federal Government on January 1st, 2007. Alan Robinson represents the TLA, ILA and CILA on issues pertaining to federal and provincial initiatives relating to forest industry truckers.

The new regulations will be adopted by all provinces and territories as they are currently written and will apply to all commercial vehicles with a registered gross vehicle weight of over 4500 kg, unless a province provides a specific exemption. Many stakeholders, including the TLA made submissions to the provincial government, some agreeing with the Federal Legislation while others are lobbying for an exemption to the proposed regulation changes for log hauling, as has been past practice. If the B.C. government allows special rules for log haulers, the new rules will most likely be more restrictive than the current list.

Everyone affected should consult the Provincial Ministry of Transportation's website under Commercial Vehicle Safety and Enforcement Acts and Regulation and Transport Canada as the new rules are complex and difficult to interpret. Once the new regulations are available from the province, the TLA will distribute them to the membership and list them on our website.

During the year there have been many information bulletins from B.C. Ministry of Transportation identifying changes to the Act and Regulations. These bulletins can be found on the Ministry website under Commercial Vehicle Safety and Enforcement – Commercial Transport Manual

The TLA has continued to participate in the B.C. Forest Safety Council and the TruckSafe program. There are still an alarming number of truck driver fatalities in the province, but with the help of the TruckSafe's initiatives, hopefully we can eliminate these accidents in the future.

A step towards this goal was made by TruckSafe in the launching a province wide Road Safety Awareness Program. Forty radio stations in communities throughout the province are running short clips to alert truckers and the driving public of increased commercial traffic on the provincial highways and industrial roads.

The TLA will continue to monitor and report trucking related information to members via the website and newsletters.

Robert Wood



Transportation Committee Chair

UNFINISHED BUSINESS

No unfinished business

NEW BUSINESS

No new business

ELECTION OF 2007 EXECUTIVE AND DIRECTORS

TLA nominations as recommended by the Board of Directors:

Officers to be elected for a 1-year term:

Don Bendickson	BenWest Logging Ltd.	President
Tom Olsen	Olsen Management Group	1st Vice President
Graham Lasure	WD Moore Logging Ltd.	2nd Vice President

Past President (no election required)

Mike Hamilton Mike Hamilton Logging Ltd.

Directors

A total of six directors will be elected for a 2-year term.

Incumbent Directors recommended for a 2-year term

Bob Brash	Husby Forest Products Ltd.
Bill Markvoort	Probyn Log Ltd.
Brian Welch	Olympic Forest Products
Monty Hussey	Powell Daniels Contracting
Glenn Kappel	Kwatna Timber Ltd.

New Director recommended for a 2-year term

Jacqui Beban Beban Logging Ltd.

New Director recommended for a 1-year term

Rod Visser	Pallan Group
Gord Thompson	Ironside Contracting Ltd.

Incumbent Directors with 1 year left (no election required)

Angus Allison	A.P.A. Enterprises Ltd.
Patrick Davidson	Greenwater Contracting Ltd.
Dwight Giesbrecht	Antler Creek Logging Ltd.
Dave Clarke	Canadian Overseas Ltd.

Associate Non-voting Representatives (Appointed):

Larry Wobick	Coneco Equipment
George Lambert	T-Mar
Joe Forani	Wajax Industries
Brian Mulvihill	Finning (Canada)
D'Arcy Ingram	Brandt Tractor
Doug Meier	Inland Kenworth
Jon Lloyd	Forestech

RESOLUTION #1

NEXT ANNUAL GENERAL MEETING

WHEREAS, Section 8 of the Truck Loggers Association bylaws require that an annual general meeting be held in January of each and every year at such hour and place as may be prescribed by the Association in general meeting, or in default, be determined by the Directors,

THEREFORE BE IT RESOLVED, that the 2008 Annual General Meeting of the Truck Loggers Association be held at 3:00 p.m. on Tuesday, January 15th, 2008 with the location to be determined by the Directors at a later date.