



NORTHWEST UPDATE: CONTRACTOR SUSTAINABILITY, SOFTWOOD AND MILL UPGRADES

It appears the provincial government has stabilized somewhat and is moving into the role of governing. With the number of issues and tasks to be dealt with, there is no time to waste.

On the forefront is softwood lumber. A strong and unified stance will be required to achieve balance in the dispute. British Columbia and its forest industry have a huge stake in the negotiations as do communities and workers. I'm not holding my breath; but, wouldn't it be something if the issue were to be put to rest permanently? The dispute has been going on almost as long as I have been involved in the forest industry. In the meantime, I hope lumber manufacturers are putting maximum energy into new markets and that government continues to support those efforts. Reducing BC's reliance on the US lumber market is the strongest negotiating position the government can achieve.

Another issue inherited by the new government is the Contractor Sustainability Review. The TLA, ILA, and the NWLA worked hard to get the issue on the table and I truly hope the newly formed government recognizes the importance the Review has for contractors and their suppliers, rural communities and the province as a whole. Without a stable and profitable contractor base the entire forest industry and the communities they operate in are impacted. Contractors becoming insolvent or just opting to leave the forest industry is a trend that must be reversed. Communities and suppliers have a voice in this province and I would encourage them to use it and support this effort. A substantial amount of effort has already been invested in the initiative and it would be a waste not to bring it to completion and to act on the results.

On a very positive note, Skeena Sawmills recently announced that \$10 million of the funds I mentioned in my *Truck LoggerBC* Fall 2016 message will

be invested in a small log line. I have no doubt this particular upgrade will provide a good return. BC's northwest has substantial second growth inventories and that supply is constantly growing, as forests naturally do. Substantial future investments in the mill are also in the planning stages. The timber profile in the northwest is currently being studied to help determine the most ef-

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fective use of capital before making final investment decisions. These investments are great news for northwestern BC. Over the past several years, the area has seen closures, insolvencies and the flight of capital. Let's hope these investments pay off for Skeena Sawmills and spawn more positive news for the area. I would like to see more forest companies in the province follow suit and invest in our industry so we can be more globally competitive and secure our place in global markets.

One of the topics addressed in this issue is the value-added aspect of the forest industry. The term value added means different things to different people. However, one component of the value-added sector I am certain about is its ability to increase the value of the products we produce—that is a win-win for our economy. Several years ago, the government of the day pushed hard to get real results from the value-added sector. The results were mixed but largely unsuccessful. One of the reasons for its lackluster performance was lack of participation and commitment from the major players in the industry. To a large degree, secondary and value-added manufacturing rely on supply from primary manufacturers. Unfortunately, the primary manufacturers of the day were uninterested in supporting these smaller

facilities. To get value-added and secondary manufacturing off the ground that obstacle must be overcome.

The extended and devastating fire season in the Interior this year was on a scale not witnessed before in BC. At the time of writing this article it still rages on. We all hope the beast is brought under control soon. The emotional and financial impacts are

immeasurable. Ranchers, farmers, loggers, all other resource industries, the communities, and the people in those communities must pick up the pieces and do the best they can to recover.

Our thanks go out to all the dedicated professionals involved in trying to bring the wildfire situation under control. We saw help come from all over the province, across Canada and, in fact, the world came to assist with the efforts to bring things under control. It is worth noting that a large number of the people assisting in the effort left their homes and families to come to the Interior to fight these fires and provide the support needed for such a massive effort. The one positive note that can possibly be made is these people will rebuild their lives and the forest and grasslands will regenerate to provide for future generations. 🌲