

# FORESTRY PARTNERSHIPS: FIRST NATIONS, CONTRACTORS AND TRUST

By Hans Peter Meyer

Relations between First Nations communities and the BC coastal forest industry haven't always been smooth. For coastal First Nations, the forest has been a source of great cultural and economic wealth for thousands of years. Since contact, that wealth has been contested by industrial interests—particularly by a coastal forest industry increasingly anxious about secure access to timber supply.

When the provincial government introduced legislation (Bill 28) in 2003, one of the intentions was to mitigate this conflict. The Bill redistributed approximately 10 per cent of the allowable annual cut (AAC) to First Nations communities as a step towards economic integration and development. First Nations were to be engaged as active and interested parties in the forest industry. For years, however, this 10 per cent of the AAC was deemed to have entered a “black hole.” Most First Nations’ com-

munities were either not ready to act, or were skeptical.

## From skepticism to cautious engagement

Lincoln Douglas was an elected Councilor with the Cheam Band at the time. When government first proposed that the Cheam should sign a Non-Replaceable Forest License (NRFL), he wasn't in favour. “I didn't see any long-term benefit for the community in jobs and contracts.”

Douglas was no stranger to the forest industry. His father had owned a small logging operation, and he'd worked in the industry before starting his business career outside the forest industry. When government proposed the first NRFL, Douglas didn't see the Pilalts, his community and tribe, having the necessary capacity or the volume to get involved in the forest industry. “64,000 cubic metres, spread out over five years in a non-renewable license? It didn't

look to me like a way to build stability and economic opportunity for our community.” Nevertheless, after seeing some neighbouring First Nations communities, like the Ts'elxweyeqw (Ch-ihl-kway-uhk), move ahead with NRFLs, the Cheam did sign.

“The various bands decided that it was better to be inside in the industry and making the plans, rather than throwing rocks at the logging trucks,” says Matt Wealick. Wealick is a registered professional forester (RPF) and member of the Ts'elxweyeqw. He's also a TLA board member. In 2005, Wealick was hired to manage the Ts'elxweyeqw's collective forestry enterprise via Ts'elxweyeqw Tribe Management Ltd. (TTML). This includes Ts'elxweyeqw Forestry Limited Partnership and TLA member company Ch-ihl-kway-uhk Forestry Limited Partnership. TTML also manages licenses for three Pilalt bands.

All Photos: Hans Peter Meyer



First Nations see opportunities in the forest industry, but often don't have the expertise. TLA members are in a good position to develop partnerships where both parties succeed. Left to right: Brian Donnelly, processor operator; Lincoln Douglas, partner in SSLP and owner of Link's Contracting; and Matt Wealick, TLA board member and Chief Operating Officer for TTML.



A young First Nation's woman with a strong desire to run heavy machinery, Kelsey Pelegrin trained as HEO (heavy equipment operator) through a First Nation's training program in the region.

### Seizing opportunities by making haste, slowly

Collectively holding 10 per cent of the AAC, First Nations represents a significant opportunity for independent loggers, consultants, and log buyers says John Iacoviello, Manager of Forestry & Timber Development with Probyn Log Ltd., another TLA member. "Our business is the financing and marketing of timber and logs," he says. "We're able to help smaller entities—like First Nations' communities—capitalize on opportunities that the NRFLs represent."

TTML and Cheam are among several First Nations bodies that Probyn has been working with since 2005. They're making haste by moving slowly and building trust. For example, prior to negotiating the agreement with the Ts'elxweyeqw, the company had to show willingness to give up something in the short-term: they relinquished some chart areas in Ts'elxweyeqw traditional territory in exchange for area elsewhere. "That may have cost us some money," Iacoviello says. "But it showed that we were serious. We were willing to make a concession even before we had an agreement. I think that's made a difference to how our long-term relationship has grown."

On their side, Wealick says the TTML

see several positives in being involved in the forest industry. One is having greater (though not total) control over traditional territories. Another is financial. As Lincoln Douglas has pointed out, however, for individual bands, like Cheam in the Pilalt Tribe, small volumes and the non-renewable nature of the existing agreements offer limited financial opportunities. To make it work for Cheam meant "ramming together" five years of cut into a condensed project over a few months.

A third positive that both acknowledge is the opportunity to build capacity in the work force and in the business sector. Having an industry-ready workforce brings wages from the adjacent forests back into First Nations communities. Building business capacity within the community encourages longer-term direct and indirect benefits. It's one of the areas where Wealick says Lincoln Douglas is a leader and a role model. Kelsey Pelegrin is an example. A young First Nation's woman with a strong desire to run heavy machinery, Pelegrin trained as HEO (heavy equipment operator) through a First Nation's training program in the region.

Prior to the Cheam NRFL, Douglas was operating several businesses, primarily in construction and gravel. With the TTML/Probyn partnership on the horizon, he saw an opportunity to launch a viable logging operation. Smámelet Siyám ("Mountain Chief") LP (SSLP) was formed as a limited

partnership between Douglas and the Cheam Band to build roads and harvest timber in the region. They will be completing the 64,000 m<sup>3</sup> Cheam NRFL cut in the summer of 2014.

Benefits to Cheam, other Pilalt bands, and the Ts'elxweyeqw include income for their communities as logs are brought to market in the near-future. During the term of work, it means jobs and incomes for the crew of SSLP, approximately 60 per cent of whom are of First Nations background and live in the Chilliwack region. In the longer-term, it's enabled Douglas to create a new forest company. He sees opportunities to grow in the emerging First Nations forestry sector, given his knowledge of cultural, political, and operational realities. With a crew that's knowledgeable about line-logging, he's also seeing opportunities—and competing (successfully)—for work as demand grows for those services.

### Challenges

The initial NRFLs involving the Ts'elxweyeqw and Cheam are almost complete. The parties involved say that things have generally gone smoothly with the current TTLM/SSLP/Probyn relationship but all acknowledge growing pains.

One of these is fitting Ministry of Forests' volume-based tenures with the First Nations' area-based perspectives on forest land. Another is the length of time it takes to move things forward.

"That's just a fact of life with working through these first NRFLs after Bill 28,"



John Iacoviello thinks being willing to make a concession even before they had an agreement made a difference to how Probyn's long-term relationship with TTML has grown.



Having an industry-ready workforce brings wages from the adjacent forests back into First Nations communities.

says Iacoviello. For example, the TTLM/Probyn joint venture agreement was signed in 2005. One of the first orders of business was hiring Matt Wealick as forester. Building trust to move ahead was a big focus and that takes time. Bringing Douglas' new logging company, Link's Contracting, into the mix as an untested "new kid on the block" has also involved

patience and trust. If the forest industry hopes to benefit from the 10 per cent of AAC volume allocated to First Nations communities, patience, diplomacy, and transparency will become part of the logger's toolkit.

**What needs to change?**

The news so far is good, but there is

no shortage of suggestions for making the situation better.

For Douglas the problem of long-term benefit persists. "There's not enough work or contract opportunities on the operations side from the NRLP to sustain Link's Contracting and the partnership with Cheam," he says. This means he'll be competing with established forest operations that have deeper wells of experience and proven track records with licensees.

For the TTLM and Cheam, Douglas and Wealick both agree that the organizations need to look at how to strengthen their position in the forest industry. "In particular, we need to find better alternatives to these non-renewable licenses," says Wealick.

First Nations communities have a lot of issues to deal with and leaders are spread very thin. "They're swamped," says Wealick, citing this as an opportunity for TLA members, like Probyn and TTML. "They see opportunities in the forest industry, but don't have the expertise. We're in a good position to help First Nations' forest companies get their feet wet—successfully." ▲




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