

NEW – ENSURING OLD GROWTH PROTECTION AND SUSTAINABLE FORESTRY STRATEGIES SUPPORT BC'S REGIONAL ECONOMIES AND BUSINESS COMMUNITIES

Opening Statement

The old-growth temperate rainforests of British Columbia have significant economic, social, and environmental value.

Old-growth forests are vital pillars of BC's multi-billion dollar tourism industry, with tourists coming from around the world to visit the province's unique old-growth forests and parks. They also enhance property values due to their scenic, recreation, tourism, and wildlife values and help improve regional quality of life, which in turn attracts a skilled workforce to BC. They store vast amounts of atmospheric carbon, allowing local communities to benefit from rapidly expanding carbon markets; supply clean water for communities and for wild salmon, which in turn supports commercial and recreational fisheries; and are important for non-timber products, such as mushrooms, wild berries, and medicines.

The old growth deferral process implemented by the BC Government has led to regional economic uncertainty, rising prices for timber, and resulted in unforeseen consequences such as increasing cost to do business, build homes, and trade globally. The process used to reach the conclusions of the deferral process was not based on the best science available and lacks adequate focus on regional consultation with First Nations, professional foresters, local governments or the business community.

Background

Studies have shown that keeping old-growth forests standing provides greater net economic benefits than cutting them down when factoring in their value in supporting tourism, recreation, carbon offsets, water conservation and filtration, recreational and commercial fisheries, and non-timber forest products (e.g. wild mushrooms). Local communities across British Columbia stand to benefit from long-term, sustainable revenues and jobs by keeping old-growth forests standing.

Old-growth forests are central to many First Nations cultures, which rely on ancient cedars for building traditional canoes, long houses, totem poles, masks and other items, and on plants, wildlife, and wild salmon for food and medicines. While the protection of old-growth forests in First Nations' territories would support their cultures and help lay the foundation for sustainable economies, many of these communities lack the financial capacity and support needed to diversify their economies so that old-growth forests can be protected rather than logged.

Old-growth forests are scarce in much of BC today. For example, on BC's southern coast, over 79% of original, productive, old-growth has been logged, including well over 90% of the highest productivity, valley-bottom forests where the largest trees grow. Old-growth forests now make up a minority fraction of the productive, forested land base, meaning second-growth forests now dominate most of the productive forest lands in BC.

The BC Government is currently deferring logging activity within 2.6 million hectares of old growth forests within the timber harvest land base. The purpose of this deferral process is to allow the Province, First Nations, and other partners to develop a new approach for old growth forest management.

The deferral process has been implemented based upon an independent review and panel report titled 'A New Future for Old Forests: A Strategic Review of How British Columbia Manages for Old Forests Within its Ancient Ecosystems'¹. The report was created by consulting with more than 800 people through a survey, written submissions, and emails.

The report had a total of 14 recommendations including on conditions required for change:

1. Engage the full involvement of Indigenous leaders and organizations to review this report and any subsequent policy or strategy development and implementation;
2. Declare conservation of ecosystem health and biodiversity of British Columbia's forests as an overarching priority and enact legislation that legally establishes this priority for all sectors;
3. Adopt a three-zone forest management framework to guide forest planning and decision-making;
4. Adopt a more inclusive and stable governance model that gives local communities and stakeholders a greater role in forest management decisions that affect them; and,
5. Provide the public with timely and objective information about forest conditions and trends.

For immediate response:

6. Until a new strategy is implemented, defer development in old forests where ecosystems are at very high and near-term risk of irreversible biodiversity loss; and,
7. Bring management of old forests into compliance with existing provincial targets and guidelines for maintaining biological diversity.

For improving management:

8. Establish and fund a more robust monitoring and evaluation system for updating management of old forests;
9. Establish a standardized system and guidance that integrates provincial goals and priorities to local objectives and targets;
10. Update the targets for retention and management of old and ancient forest;
11. Improve the mapping and classification of old forests to recognize multiple values; and,
12. Create a silviculture innovation program aimed at developing harvesting alternatives to clearcutting that maintain old forest values.

For orderly transitions:

13. Once developed, implement the new policies and strategies for the management of old forests through mandatory provincial and local transition plans that define, schedule and monitor the process; and,
14. Support forest sector workers and communities as they adapt to changes resulting from a new forest management system.

There are three mechanisms for deferring harvest in old growth forests:

- Voluntary deferrals, where a licensee or tenure holder volunteers to avoid harvesting in areas for a period of time
- Regulation based deferrals including the use of Part 13 of the *Forest Act* to establish a legally enforceable deferral
- Directed deferrals, in the case of the provincial government providing direction to BC Timber Sales

¹ <https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/stewardship/old-growth-forests/strategic-review-20200430.pdf>

Cam Brown, with support from Jeremy Hachey, authored a paper titled 'Status of BC's Old Forests'², which found that there is a lack of local and regionally specific data, without which assessments of old growth conditions cannot be labelled as complete, and any policy directives stemming from this incomplete data would be reckless, especially considering the lasting economic impacts it would create.

The uncertainty in forestry has resulted in businesses moving out. Teal Jones, in Surrey for example, has built a new wood manufacturing facility in the United States instead of expanding in BC. Additionally, Canfor announced over \$600M in investments outside of BC in 2021 with \$420M to buy Millar Western Forest Products (Alberta) \$200M in Louisiana, USA to build a new sawmill. West Fraser purchased Norbord (February 2021) for \$4B. Dunkley Lumber announced \$100M expansion plans for Carrot River, Saskatchewan sawmill in February 2021.

Examples such as these are going to become more frequent with the anti-business sentiment that the government is displaying. BC has committed to using mass timber for building³, however, there will be no supply since foresters are moving their operations out of province.

The 2022 BC Budget projected that there will be a \$700 million revenue reduction for the government that come from forestry revenues. There will be a 12% drop in annual timber harvest as a direct result of the deferrals. The government also indicated that there would be about 4500 jobs lost. These are well paid and highly skilled jobs. ⁴Additionally, due to the decreased production of lumber, there will be a rise in prices, which will only exacerbate the supply chain, and housing crisis everyone is currently enduring.

The Global and Economic Context

When BC indicates that our products, which are highly sought after and harvested with the most environmentally sustainable regulations, are not for sale, global demand does not wait until we have figured out our management practices to resume their operations. Rather, they go to where supply is available. Once we lose these relationships, it is unlikely we will be able to get them back. By implementing this deferral without taking into consideration the global trade ramifications is going to cripple this industry.

It was also found that of the 2.6 million hectares that was deferred, only 1.355 million hectares were actually in the timber harvest land base. Should this deferral become permanent, it could result in a reduction of the annual allowable cut (AAC) by 4 million cubic metres, which could result in as many as 10 sawmills shutting down. ⁵

Our forest resource is vital to the health of our communities and needs to be managed in a responsible manner which considers all the values a healthy forest can provide.

THE CHAMBER RECOMMENDS

1. Support First Nation communities who choose to defer logging in identified at risk old-growth forests by providing agreed upon compensation by the parties for lost logging revenues'

² https://www.cofi.org/wp-content/uploads/BC_OldGrowth_2021Status-Report_Oct21-2021.pdf

³ <https://news.gov.bc.ca/releases/2021JERI0025-000646>

⁴ <https://vancouver.sun.com/opinion/columnists/vaughn-palmer-b-c-budget-undercores-job-and-revenue-losses-of-old-growth-logging-deferrals>

⁵ <https://biv.com/article/2022/01/what-exactly-being-deferred-old-growth>

2. Commit to a fact-based, balanced, and inclusive engagement process that includes a detailed assessment of regional old growth conditions in a regional context with consultation of local experts and First Nations to determine the best way for managing the forests;
3. Commit to educate the public on the current process of resource extraction;
4. Support policies that facilitate a sustainable, value-added, second-growth forest industry in BC, as second-growth forests now constitute the majority of its productive forest lands; and,
5. Support the sustainable economic development and diversification of First Nations communities through conservation financing mechanisms that assist new Indigenous enterprises to develop.

SUBMITTED BY

Surrey Board of Trade, Terrace & District Chamber of Commerce, Port Renfrew Chamber of Commerce