



Fourth Session, 39th Parliament

---

REPORT OF PROCEEDINGS  
(HANSARD)

---

SPECIAL COMMITTEE ON

**TIMBER SUPPLY**

**Mackenzie**

**Thursday, June 21, 2012**

**Issue No. 14**

JOHN RUSTAD, MLA, CHAIR

ISSN 1929-5235 (Print)

ISSN 1929-5243 (Online)



**SPECIAL COMMITTEE ON  
TIMBER SUPPLY**

Mackenzie  
Thursday, June 21, 2012

- Chair:* \* John Rustad (Nechako Lakes BC Liberal)
- Deputy Chair:* \* Norm Macdonald (Columbia River-Revelstoke NDP)
- Members:*
- \* Harry Bains (Surrey-Newton NDP)
  - \* Donna Barnett (Cariboo-Chilcotin BC Liberal)
  - Eric Foster (Vernon-Monashee BC Liberal)
  - \* Bill Routley (Cowichan Valley NDP)
  - \* Ben Stewart (Westside-Kelowna BC Liberal)
- \* denotes member present*
- Clerk:* Craig James
- Committee Staff:* Larry Pedersen (Technical Advisor)  
Jacqueline Quesnel (Administrative Coordinator)
- Attending Government Staff:* Dave Peterson (Chief Forester, Ministry of Forests, Lands and Natural  
Resource Operations)
- 

*Witnesses:* Mac Anderson (Mackenzie Fibre Management Corp.)  
Stephanie Killam (Mayor, District of Mackenzie)  
Tammy Rancourt



**CONTENTS**

Special Committee on Timber Supply

Thursday, June 21, 2012

	<b>Page</b>
Presentations.....	384
S. Killam	
T. Rancourt	
M. Anderson	



MINUTES

# SPECIAL COMMITTEE ON TIMBER SUPPLY



Thursday, June 21, 2012

4:00 p.m.

Multi-purpose Room, Recreation Centre  
400 Skeena Drive  
Mackenzie, B.C.

**Present:** John Rustad, MLA (Chair); Norm Macdonald, MLA (Deputy Chair); Harry Bains, MLA; Donna Barnett, MLA; Bill Routley, MLA; Ben Stewart, MLA

**Unavoidably Absent:** Eric Foster, MLA

**Others Present:** Larry Pedersen, Technical Advisor

1. The Chair called the Committee to order at 4:02 p.m. and made opening remarks.
2. The following witnesses appeared before the Committee and answered questions.
  - 1) District of Mackenzie Mayor Stephanie Killam
3. The Committee recessed from 4:31 p.m. to 4:36 p.m.
  - 2) Tammy Rancourt
  - 3) Mackenzie Fibre Management Corp. Mac Anderson
4. The Committee adjourned to the call of the Chair at 5:22 p.m.

---

**John Rustad, MLA**  
Chair

**Craig James**  
Clerk of the Legislative Assembly



THURSDAY, JUNE 21, 2012

The committee met at 4:02 p.m.

[J. Rustad in the chair.]

**J. Rustad (Chair):** Good afternoon, everyone. Welcome to our Special Committee on Timber Supply. I was going to call it a select standing committee, but it's not quite that. Like I say, welcome, everybody. The committee has had an interesting tour so far. We started off this week in Smithers, Houston, and went to Burns Lake, Fraser Lake, Fort St. James and Vanderhoof. This morning we were in Prince George. This afternoon we're in Mackenzie, and then tomorrow we will be in McBride and Valemount.

The committee will continue its tour in the week of July 2. We'll be in Williams Lake, 100 Mile House, Quesnel and Prince George. Then in the week of the 9th we will be down in Vancouver for three days of provincial meetings and then end the tour in Kamloops and Merritt.

The Special Committee on Timber Supply was struck in May to look at the issue of the mountain pine beetle epidemic and what could be done to minimize the impact on our timber supply. The mountain pine beetle epidemic, as most people know, has done quite a significant number on our timber supply over the course of what's expected. When the falldown completely hits, we're anticipating the total impact across the area — from around the Houston-Smithers area down to 100 Mile House and perhaps into Kamloops and Merritt — to be about ten million cubic metres. That's about the equivalent of wood required for about eight sawmills.

The task we have in front of us is quite significant — looking at trying to find ways to minimize that impact. Our time frame is to go through and have the public input through this process. People can give us written submissions through our website or through regular mail up until July 20, at which point, then, all of that information will be compiled, and the committee will have a report with recommendations, to be completed by August 15. It's a pretty tight time frame, but we're going to do our best to get out to hear from people in the communities as well as from that input and do our best to come up with some recommendations.

[1605]

The website that people can go to is [www.leg.bc.ca/timbercommittee](http://www.leg.bc.ca/timbercommittee). That website has all the background information that has been provided to the committee by the Ministry of Forests on the timber supply process: the inventory that goes into it, the various constraints, the mountain pine beetle epidemic, the history of it, as well as what options we are potentially looking at.

The goal of the committee going out is to ask individuals.... We start off the round table with the mayor and council, have an opportunity for First Nations — al-

though with today being National Aboriginal Day, we will not be meeting with First Nations today; we'll find an opportunity at a future date to be able to meet with First Nations — and then have an opportunity for an open mike for input. The goal of this is, of course, to ask: what are your priorities? What are the things that we need to know about for your area? What are the things that we should be thinking about when we sit down to consider options around the fibre supply and, ultimately, the importance of forestry for your area?

At this time I'd like to introduce the members of our committee, starting with Bill.

**B. Routley:** Hi. My name is Bill Routley, MLA for the Cowichan Valley.

**H. Bains:** I'm Harry Bains, MLA for Surrey-Newton.

**N. Macdonald (Deputy Chair):** Good afternoon. I'm Norm Macdonald, the MLA for Columbia River-Revelstoke.

**B. Stewart:** I'm Ben Stewart. I'm the MLA for Westside-Kelowna.

**D. Barnett:** I'm Donna Barnett, the MLA for Cariboo-Chilcotin.

**J. Rustad (Chair):** Unfortunately, our other, last member of the committee, Eric Foster, was in Prince George today, but he was unable to travel with us this afternoon.

Everything that we do with this committee is recorded and webcast live over the Internet by Hansard. It will be part of the permanent record of the province, but also it's information for anybody that wants to go and look at any of the previous meetings we had, or to listen to future meetings. With us from the Hansard crew are Michael Baer and Jean Medland. As well, the Clerk of the House, Craig James, is here, along with Jacqueline Quesnel, who is part of the Clerk's staff, to support the legislative committee.

We have with us here today, as well, two special advisers who are appointed to the committee and who are providing us with technical advice, former chief foresters. With us today is Larry Pedersen, who has been travelling with us diligently this week. As well, today we have a guest who has also been coming with us and travelling to a number of our meetings, Dave Peterson, who is our current chief forester.

Having said all of that, our first process is a round table with mayor and council. We've set aside about half an hour for a presentation as well as for questions and answers. With that, I will turn it over to you, Stephanie.

## Presentations

**S. Killam:** Before I start my presentation, I want to quote a couple of things. As chair of the Omineca Beetle Action Coalition, in 2008 we had a forest strategy. It talked about providing communities in the region with a more direct role in forest management and benefits derived from the region's forests, and that would include ensuring that dead pine stands were managed for both their economic and environmental utility.

I'm also chair of the Resources North Association, which is another forest-based group. Some of its key messages are that you should consider the full range of current and potential natural resource development activities in the area, rather than focusing on short-term benefits at the cost of other resource values. You should also promote diversification of value-added opportunities within our natural resource sector.

Now, as mayor of the district of Mackenzie, I would like to thank you all for coming and allowing me to make the presentation. I'm not a long speaker, so you won't be here for hours.

I'm going to do this in three parts. The first part is the past impact of the mountain pine beetle forestry operation on the district. The second is Mackenzie as it is today, and the third is a request that we have of you.

The past impact of mountain pine beetle operations. Mackenzie was a thriving forestry community of over 6,000 residents, completely dependent on forest operations, with five sawmill planers, two pulp mills and a paper mill. When the U.S. housing market hit a downturn in the late 2000s, Mackenzie's forest industry struggled, along with all the forest industries in B.C.

Mackenzie's forest industry also suffered an additional setback due to the mountain pine beetle epidemic in B.C. Forest policy decisions provided an uplift in harvesting and reduction in cost for mills south of Mackenzie but did not include Mackenzie. Harvesting and milling was no longer competitive, due to the combined market downturn and the low-cost fibre supply advantage in the other timber supply areas in B.C.

[1610]

In 2007 the industry shutdowns began. One company laid off 70 employees, and then months later the mills were shut down, with the loss of an additional 230 jobs. Three months later a merger happened between two global companies, and then a shutdown, wherein another 900 jobs were lost. This was followed by a third employer falling into bankruptcy, and 300 more jobs were lost.

By 2008 all the major forest employers, sawmills, pulp mills and the paper mill were shuttered, and 1,200 to 1,500 jobs were lost, not including the supporting businesses and auxiliary jobs. The town was in crisis, with its population dropping below 3,000 people. Homes were abandoned. Many of those remaining were working out of town, trying to keep up with their homes and

their lives. Small businesses suffered. School population dropped dramatically, and the community started to see a decline in other services, such as Greyhound.

We don't want to be in this position again. We need to move forward for everyone. Today Mackenzie has some of the sawmills and the pulp mill back in production, but the paper mill is closed permanently. Timber processing in the community is recovering. However, its recovery is fragile and could be impacted by decisions made in this timber supply review.

As other timber supply areas boosted harvesting to very high levels and are now facing a shortage, the Mackenzie timber supply is intact, with a large volume of timber available for a long term. We were fortunate enough to have only 45 percent of pine in the overall timber supply, so now that makes this TSA very attractive to others.

The district is struggling to maintain services with a 48 percent decline in tax revenue due to permanently closed timber manufacturing industries locally, and requests that decisions made by the Special Committee on Timber Supply do not place local industries into a competitive disadvantage so that they once again must shut down and push Mackenzie back into the crisis position.

In the report you have been handed you will find a graph that shows the decline of revenue since 2007. The district recognizes that the timber is a provincial asset and that timber may be moved from a timber supply area to other sawmills as values, mill appetite and market conditions allow.

Now the ask. First of all, ensure that the local timber-processing industries are not placed into a non-competitive position by new forest policies in the effort to sustain other mills. Do not provide a competitive advantage to timber-processing mills outside the area over local timber processing, as this then creates an uneven playing field. As well, this could impact trade agreements which affect the members of the industry in a negative way.

No. 2. Consider long-term, cost-effective timber supply to Mackenzie timber-processing industries in the same way that you would consider the timber supply to timber-processing facilities in other locations. Of 52 percent of the TSA that is considered productive forest, "56 percent of that productive forest is not available for timber harvesting." That's a quote, by the way, from the timber supply review. A lot of the timber supply area is remote and costly to work in. Maintaining the mid-term cut will require a much higher use of balsam, subalpine fir and deciduous, which is a less desirable species.

Do not increase Mackenzie's harvesting levels to unsustainable levels. Ensure that the stands that have been dead the longest be utilized, thus leaving the stands further north for future use, and ensure that enhanced tree planting is also planned and followed through with. Ensure that only the pine is harvested, if the harvesting levels are increased.

No. 3. Consider forest policy decisions and their impact on opportunities for present and future timber processing in Mackenzie, such as pallets or bioenergy or other non-sawlog timber uses. Ensuring diversification in Mackenzie's forest sector will facilitate Mackenzie's ability to serve other industries such as mining and strengthen the provincial resource sector.

In closing, I want to make it plain that you need to ensure that what happened in the communities in the south over the same issue does not happen to Mackenzie and other communities in the north.

**J. Rustad (Chair):** Thank you very much, Stephanie. I'll open it up to questions from members.

**N. Macdonald (Deputy Chair):** When first I was talking to you.... Thank you again for hosting. Bill and I came here in 2009, and it was a very difficult time for the community indeed. I think I commented to you even at that time how positive you were, which speaks to.... Having that sort of an attitude is really important.

[1615]

At that time it seemed to me that wood from the area was going as far as Dunkley. How far does it go now? When we're talking about things that are done in other areas, what's the range of movement for fibre into the area and out of the area?

**S. Killam:** Currently I understand that both West Fraser and Dunkley, through BCTS.... They might be able to give you a better idea of what they are, but that's where it's going.

**N. Macdonald (Deputy Chair):** Okay, so it's certainly as far as Dunkley and maybe as far as Quesnel. Is that...?

**S. Killam:** Mostly Dunkley, and if West Fraser is, I'm sure it's probably going to Quesnel, yes.

**N. Macdonald (Deputy Chair):** Okay, so quite a range. Now, the other thing is: are there First Nations tenures? Maybe you could tell us how that is working. Is it something that's tied to a mill? I know there are certain things that were done that are different here and that might be ideas.

**S. Killam:** We have three First Nations that we directly interact with. Two are far north at the end of the lake — that is, Tsek'ene and Kwadacha. Our closest neighbour is McLeod Lake Indian Band, and we actually have a joint community forest with McLeod Lake where we have fixed tenure, different areas that we have to use for that.

They are involved, I believe, with the tenure that goes with the pulp mill, and I believe the pulp mill could probably give you a better idea on how that works.

**N. Macdonald (Deputy Chair):** There's a fixed tenure there.

**S. Killam:** Theirs is not fixed. Just the community forest is fixed.

**N. Macdonald (Deputy Chair):** Okay, all right. Then you have, possibly, a project coming on, or a project is coming on with co-gen.

**S. Killam:** Yes, that would be Conifex.

**N. Macdonald (Deputy Chair):** Conifex, okay. And that's on line.

**S. Killam:** It's moving forward. They've got their approval, so they are moving forward with it, yes.

**N. Macdonald (Deputy Chair):** Good.

**B. Stewart:** Stephanie, I know I had the opportunity to come up in '09 and see the similar kind of situation that was up here. I heard a lot about it from Pat Bell, who is the MLA for this area. I still have my Mackenzie pin, and he told me he wasn't going to stop wearing his until such time as all those mills were up and running.

I guess with the situation that you have with the timber supply — the fact that the pine beetle epidemic has reached a point where it's not necessarily growing at the pace that it was at — I'm kind of wondering: have there been any discussions within the community about, perhaps, either growing the existing mill production or expanding and trying to bring to Mackenzie some of the opportunities that that might present?

**S. Killam:** The expanding of what?

**B. Stewart:** Well, I don't know whether they're running at the maximum number of shifts that they can and updating. Is there a capital investment? Are the mills current? Are they able to compete?

I mean, what's the status of the mill situation from the perspective of the communities? Are they reinvesting, or are there things they can do?

**S. Killam:** They are definitely reinvesting, particularly Conifex. We've had discussions about both Conifex and Canfor. They are looking to put another shift on in both cases, and I think Conifex is looking to start their other mill up. We haven't had conversation recently, but that is their intent.

**B. Stewart:** Does the timber supply which is currently out there meet their needs in terms of being able to expand that and take advantage of opportunities?

**S. Killam:** I think you'd have to ask them that. I would not have a full knowledge of whether it is or isn't.

**B. Stewart:** Okay. Well, we're hoping to grow the business. That's what we're....

**S. Killam:** I'm assuming that they have, and that they would bid on the wood that BCTS put out. That's how it all works. But you'd have to actually talk to them.

**H. Bains:** Thank you for hosting us. My question is about your presentation. You said that back in 2007 up to 1,500 jobs were gone. Then you said that some of the sawmills and a pulp mill are back. Can you give us an idea of how many jobs, out of those 1,500, are back?

**S. Killam:** I believe 260 in the pulp mill. I believe there are 239 at Canfor and a similar number at Conifex. Then there's East Fraser, which has a number of employees. They're sort of a value-added mill.

**H. Bains:** It's a little over half, I guess, that are back, and then you still have the other half.

**S. Killam:** That's right. If I could explain, the paper-pulp mill had, probably, another 300 or 400 jobs there.

**H. Bains:** Okay. I guess the question is on looking for ways to get back to where you were, as far as the jobs are concerned.

[1620]

Are they facing pure economics because of the lumber prices in the lumber market, or do your operators here also have similar problems as far as the timber supply is concerned, as in some of the other areas that we face? How would they fare during the post-pine beetle epidemic, when the AACs in all of the areas are going to go down?

**S. Killam:** You'd have to ask them that, actually, because they're the ones who would know that. My understanding is that both Conifex and Canfor have a certain tenure. The pulp mill has a certain tenure that they can utilize. But if they extend their number of jobs and what it is they do, then they would need more timber. That would be my assumption.

**D. Barnett:** Thank you, Mayor. I know how hard you worked, and I know that you'll get there. She's pretty tough.

My question to you is.... I notice that Mount Milligan is going to be a new venture here for this area. How will that affect the economics of Mackenzie in the long term?

**S. Killam:** In the long term it will be good. It will be part of our plan to diversify. We don't want to be totally

dependent on forestry again. We were the most forest-dependent community. It's not a fun thing to go from lots to nothing. Part of our plan going forward is to make sure that we do the diversification.

Forestry is still our base, and we still need to make sure that what happened in the other communities does not happen here. The cut was raised, and everybody went through all their cut. If you take a lot of the wood from here and do the same thing here that you did to them, the whole area will have no wood, basically. We don't want to be in that position, and we're not alone in that thinking.

**D. Barnett:** You do have a community forest, and you said it's in partnership with the First Nations.

**S. Killam:** That's correct.

**D. Barnett:** How successful has your community forest been over the years, or is it a new one?

**S. Killam:** It's a new one. It's just this last year that we've actually started doing some cuts. We've had one block cut, and we're working on another one right now. When we were hit with that windstorm in 2010, it did.... A lot of our community forest is around the town, so there was a lot of devastation in it. There's not as much value in it as there would have been if they hadn't been hit.

**B. Routley:** I noticed that you mentioned community concerns, certainly, and you talked about trade agreements. I'd like to hear a little bit more about what your trade agreement concerns are.

I also wondered about the existing fibre supply and how it meets your existing capacity. You've got a certain number of operations. Do you have sufficient supply for all of your existing operations, or are they getting some of their supply from other locations?

**S. Killam:** Again, I think you'd have to ask them where they're getting their supply from. I believe that most of it is within the area. For a short term they might be getting it from some other places, but not from very far away, I don't think. Again, you'd have to talk to the companies themselves, because they don't tell me that they buy wood here and sell wood there.

As far as the trade agreements, if you remember correctly, there was the percentage that went on it. With some of the companies, even though they weren't selling the wood or weren't selling whatever, it triggered the trade agreement and the percentage tariff. They were labelled with the same thing, and that may happen again — i.e., 25 cents for the bugwood they accused Canada of subsidizing, etc.

**B. Routley:** One further question. We've heard, from a lot of different communities, their views on land use

plans. Some refer, for example, to some of the old-growth set-asides or VQOs as constraints. Others see those as important values. I wondered if you had anything to offer the committee one way or the other with your views on the areas that are currently outside of any harvesting activities.

**S. Killam:** I think that the land use plans were done for a reason. I think that they have lots to offer and that they need to be considered when you're looking at the timber supply. I don't know that that has happened as much as it should. I don't think that they should be eliminated.

[1625]

**J. Rustad (Chair):** Good. I had one question, as well, around your community forest. What was the size of your community forest?

**S. Killam:** It's 35,000 cubic metres.

**J. Rustad (Chair):** So 35,000 metres which, of course, is area-based. I'm wondering. One of the questions that we're grappling with is whether or not volume-based or area-based or varied-based could be something we could use to help mitigate some of the impacts down the road. I'm wondering what your experience, although short-lived, has been so far with the area-based in the community forest. What are your thoughts on that?

**S. Killam:** We've been very fortunate to have the support of our mills here, because they buy our wood. Other than that, we haven't had a lot.... Like I say, we've only done the two lots, and the second one is just being done now, so we don't have a lot of experience around that at this time.

**J. Rustad (Chair):** Any other questions from members?

**B. Stewart:** I have one. This graph, Mayor Killam, that you've presented to us about your tax revenue — I imagine that the reserves you once had have been used up long ago. With that type of drop, almost a 50 percent drop from the peak, I'm wondering what you are doing to cope with that.

I was thinking about the community forest a second ago, and I'm wondering how much that might have helped equate, in terms of helping the community with that, or has it impacted it very significantly?

**S. Killam:** It hasn't impacted it very much yet because, again, there's not a lot of money that's come out of just the two lots. We still have an investment that we have to repay back, so that wouldn't go in....

In effect, when we got hit like we did, we were fortunate. We had no debt and that kind of stuff. So we still have

some reserves, because we got most of the tax money that we needed, but we're very careful with those reserves, and everything we purchase and do is based on.... We put money away first, and then we buy it.

With the downing of the paper mill, that's \$1.2 million a year on a \$9 million budget. That's a significant drop for us. That's why we're encouraging increases in forests with the companies. We'd like to see more value-added. We'd like to see more forest companies and others come here. That's all part of how we're doing a sustainability plan to take us down the road here.

**B. Stewart:** Who's helping you with that sustainability plan, or is it being done...?

**S. Killam:** My chief administrative officer has lots of experience in that. We have a consulting firm, and it's something that we started in December. We've involved the community with this. We're now going to move forward with our strategic goals, and then it's going to go back to the community.

**B. Stewart:** Great.

**N. Macdonald (Deputy Chair):** I was wondering about the paper mill. That was pure economics? You've said it shut down permanently. The equipment is gone completely, is it now? I mean, you have a lot of industrial space already.

**S. Killam:** Conifex owns that.

**N. Macdonald (Deputy Chair):** And that's where they've put their new operation.

**S. Killam:** Near to it, yes. They're using the turbine, and they're increasing the turbine, etc.

**N. Macdonald (Deputy Chair):** Okay, I see.

**S. Killam:** They are incorporating that in their....

**J. Rustad (Chair):** One last question. It's not quite on timber supply.

You mentioned Mount Milligan in terms of the diversification. Of course, Kemess South has been open for.... Is Kemess South closed now?

**S. Killam:** Yes. Kemess South is closed. They are working towards opening, I believe, Kemess North as an underground. That's something they're working on. I think that's a year or two before they'll be ready to do that again.

We had a number of people who were either truck drivers or who worked up in the mine as well. We have a number of people that are working out at Mount Milligan,

and a number of their staff have bought houses. We're moving along. It's just that everything right now is extremely fragile, and we don't want to be back where we started.

**J. Rustad (Chair):** Yes, and I agree with you. Any other questions?

**D. Barnett:** I'll go back to your presentation. For clarification, when you state that you don't want to be in the same position as the communities to the south, could you explain that to me a little bit — which communities you're referring to?

**S. Killam:** Burns Lake, Vanderhoof, Quesnel, even Williams Lake, because the uplift that was given when they started to cut all the beetle wood.... Well, it was quickly gone through over the years, so there's nothing left for them there.

[1630]

If you do the same kind of thing up here, where you increase it to the point where it's not sustainable for us to have our mills working and for others to go out.... I'm sure that there is some wood that can go elsewhere. It's not that we want to keep it all here, but we don't want to be in the same position they are.

Then when I referred to planting, planting needs to happen, and it needs to happen fast.

**D. Barnett:** So you didn't have an uplift in Mackenzie.

**S. Killam:** No.

**J. Rustad (Chair):** Stephanie, thank you very much for your presentation. Thank you for taking some time and sharing your perspective. Congratulations, I guess you could say, and good work on getting through what was a very, very challenging time.

The committee will take a brief recess, and then we'll start in with our public input session.

The committee recessed from 4:31 p.m. to 4:36 p.m.

[J. Rustad in the chair.]

**J. Rustad (Chair):** Good afternoon. I'd like to call the committee meeting back to order. We'll now be entering into the community input session, where we'll have an opportunity for presenters to present to the committee. They have up to 15 minutes to present. It's great if you can leave a little bit of time for some question-and-answer as that process goes on.

If anybody else would like to present to the committee, please make sure you see Jacqueline at the back, and she will get you on the list.

Our first presenter today is Tammy Rancourt.

**T. Rancourt:** Good afternoon. Thanks for giving me this opportunity to speak. My name is Tammy Rancourt, and I am a member of this community. I also work in the forestry industry as a silviculturalist here in Mackenzie.

In order to become a silviculturalist, I chose a post-secondary education of science and forestry and graduated in 2005 with a degree in forestry. Since 2001 I've been acquiring training and experience in the field of forestry. That training and education has provided me with the tools and credentials to become a member of a regulated profession known as the Association of B.C. Forest Professionals as a forester in training, and it has allowed me to participate in the art and science of sustainable forest management for current and future generations.

Our forests are B.C.'s greatest renewable resource. Sustainable forest management pertains to a clear understanding of ecological, economic and cultural values. Forest professionals, including myself as a silviculturalist, apply this concept daily when managing our forests. These are values held by British Columbians, and it is important that we focus on these values when we manage our forests, not on political expediency.

I believe that the first priority of this committee needs to be about ensuring that B.C.'s forests are sustainable. One hundred years from now, the health and welfare of our communities will be dependant upon our commitment today to sustainably managing our most important renewable resource.

I would like to address two topics, the first being inventories, followed by investment in our young forests.

With respect to sustainable forest management, inventory of the land base is not up to date. In the February 2012 ABCFP public overview paper entitled *Assessment of the Status of Forest Inventories in British Columbia: An Update to the 2006 ABCFP Review*, there was a finding that "there is a need for improved, routine reporting of changes in the forest due to harvesting and other activities, such as fires" and that "the current information gap affects our ability to assess not satisfactorily restocked areas."

What this means is that our vegetation resources inventory, or VRI, is missing large portions of critical information, such as whether or not an area has mature timber or has been harvested and whether or not a logged area has been reforested. The same applies to forest fires and whether the areas have mature standing timber or have been burned.

Another aspect of inventories to consider for timber supply are blocks that are in the 25- to 30-year range in the VRI. It is likely that intensive management was applied to some of these blocks with an expectation of accelerating the rotation age.

[1640]

There are multiple aspects to intensive forest management. One of them is the choice of regeneration. With respect to intensive management, the choice is planting

rather than natural regeneration. The primary aspect of planting brings forth the decision of tree species. Pine is a faster-growing species compared to spruce. Therefore, pine was often the choice species unless the ground was unfavourable for pine to grow.

These 25-year-old pine blocks that are anticipated to be part of the mid-term timber supply have likely succumbed to the mountain pine beetle epidemic. The problem here is that the inventory is not current to take into account that these 25-year-old pine stands are dead and have stopped growing.

Thirdly, forest health affected our inventory with the mountain pine beetle epidemic. Other forest health agents, such as pathogens and other insects, have significant impacts on our inventory.

For us here in Mackenzie, disease is affecting our pine stands. Mackenzie is considered to be number one for having the worst pine rust issues in northern B.C. However, other northern communities also have severe rust issues. These rusts have caused a reduction in stand density and even crop failures. With that said, inventory can change drastically simply from ideal weather conditions that result in an influx of the disease.

In any business setting, successful management of the business requires current inventory data. A complete inventory of the land base would benefit forest management strategies and communities endeavouring to diversify.

As for investing in our young forests, it is a key aspect of sustainability. A sustainable forest resource requires ongoing investment and long-term perspective in order to continue to provide the values expected by society. We need to invest in research in order to continually improve our methods of reforestation — for example, establishing seed orchards to provide seeds with superior genetic worth and to grow seedlings capable of withstanding multiple environmental conditions, such as weather, insects, pathogens, etc.

Inclusively, for community stability we need to invest in the improvement of young stands and in the health of our forests — aspects to consider in intensive forest management. This includes vegetation management such as brushing and weeding. This activity helps to reduce competition to our crop trees and will improve their ability to grow. Fertilizer is another tool that can contribute to maximizing innovative opportunities.

Let's look at fertilizer as one opportunity. In 2007, I began working in forestry in B.C. as a silviculture supervisor in Kamloops. My supervisor at the time became my mentor and taught me how to grow trees. Part of his methods included fertilization of Douglas fir. I still keep in contact with the company that provided the fertilizer packs, and they have provided the following information.

As you can see in the graph below, the bar in light blue is the fertilizer, or teabag, and the yellow bar is the control. At year 4 the difference is already evident, where the

control pine is at 35 centimetres cubed and the fertilized pine is at 124 centimetres cubed. At year 6 the control pine is at 429 centimetres cubed and the fertilized pine is at 1,015 centimetres cubed. The fertilized pine at year 6 is over double in volume.

These opportunities will enable us to use forests closer to communities to create employment and to increase forest productivity. I think it is vitally important to look at the mountain pine beetle epidemic as an opportunity for improvement. I believe that sustainability must always be considered when managing our forests. Innovation is integral, as business as usual will not provide economic stability for the communities at risk.

**J. Rustad (Chair):** Thank you very much, Tammy. Questions from members.

**B. Routley:** I once had the opportunity to go down to the southern states. I remember Weyerhaeuser took me up in their helicopter and said: "We own 109 miles in this direction and 104 miles in this direction." They put the helicopter down in a stand that had been fertilized. One of the things that....

[1645]

I mean, they were obviously doing that. It was their private land, so they saw that as an option. I also know from the marketing people I've talked to that the value of the lumber that was produced out of those stands was certainly less as well. So you've got an increased volume of trees that are worth less money is a point that I would like to make, or a concern that I have.

While I understand that we have been managing for volume not value.... In other words, our valuable forests, particularly on the coast of British Columbia, have been converted in some cases to pulp farms. We've got stands.... Like, I drive from Duncan to Lake Cowichan and see stands that have literally thousands of stems per hectare where there should be a managed number.

You would know that stands are more like growing carrots. If you have too many, you can have a problem just as if you don't have enough there could be a problem, as well, in terms of the quality.

You've talked about fertilization. I wondered if you were aware of those marketing concerns. Like, when you were mentored, did anybody talk to you about the value of what it was that you were going to eventually sell?

I'd like to hear a bit more about pine rust. I've heard about the pine beetle but tell us about pine rust and what that's doing to this region.

**T. Rancourt:** Ultimately, the goal as a silviculturalist is to achieve a free-growing stand. That's growing our trees to a certain height. As for the quality, it depends on the species. It would have to get tested. I can't really speak to that because I haven't seen any results of the quality. I mean, it's said that it's lower quality. Sure, it grows faster,

but it depends on what the use would be for that wood.

I don't think that continual fertilization would be an ideal situation because it would result in lower quality. But at the same time, the quality of wood is going down with dead wood, so that's another way to look at it. We want trees that we can harvest in 30 to 70 years. Right now, the quality is going down with our dead trees.

For the rust issue, can you clarify what you would like to...?

**B. Routley:** Do you have a rough estimate of the number of hectares that are being impacted by this rust problem? I mean, you may not know that.

**T. Rancourt:** I don't have numbers for you. I know that I go into blocks that have rust issues. Some of them are across the block, and it's a complete crop failure. These trees are of free-growing age, so they are no longer.... They are likely all going to die because of rust.

It's all about elevation and ideal weather conditions. It's a big issue for us here in Mackenzie, and there are three types of rust. We have....

**A Voice:** Really?

**T. Rancourt:** Yeah.

**B. Stewart:** Thanks very much, Tammy, for bringing not only your wisdom.... Some of the ideas that you've brought forward and some of the things that we've heard here today haven't been mentioned in the other discussions we've had, and maybe it's geographic.

On the graph that you present about the application of fertilizer and being utilized in the Kamloops district. I don't know what the rates are, but is the application more than one application? Is it annual, or is it...? I say that meaning that there's some discussion about when you time it and how often, what the cost would look like.

**T. Rancourt:** I'm not sure about when exactly for this graph.... I can look into that for you and let you know. When I worked in Kamloops, it was a single application at planting.

[1650]

**B. Stewart:** Was it? Okay.

Actually, we have written submissions up until July 20 — right?

**A Voice:** Yeah.

**B. Stewart:** I think if you could clarify a little bit more detail around that, that certainly helps us out.

To Bill's question about the quality of wood, I don't know if this is.... I'm assuming that there must be some sort of density test — I mean, we do it.

**T. Rancourt:** Yes.

**B. Stewart:** And I'm assuming that we can measure the density and the strength of the wood. I don't know how that's done, but some clarification on that.

Linking that with.... If that's not something.... If we were to really seriously look at the application, like what you're talking about here, what does the...? Is there research being done on the diminishment of the quality or the strength of the wood through density? If there's any work that is being done or could be presented to us so that we better understand that.

Certainly, having not fertilization, really, but the idea about some of the things that you're showing, the details of how much wood.... I mean, it's better than a 50 percent increase in volume in the few years since it was fertilized. I think that's good. Thank you for the informative information.

**N. Macdonald (Deputy Chair):** A couple of questions. All of these areas are different, and this is more information that would be useful, perhaps, in other areas.

One of the things talked about, of course, was fertilization. I guess you're applying for fertilization to reach a goal of.... I guess the companies want to get to a certain stage so that they no longer have responsibilities. You're talking about fertilization at an early part of a tree's life, but are there applications, too, later in life? Is there science behind when fertilization is most effective in terms of getting it to a place where...?

I think what we would be looking at in different areas is how to move trees into a place where they would be available for harvest earlier on, which is slightly different, I think, than the goal you have. What sort of science is there around that that you'd be aware of? Or is that something that's out there but...?

**T. Rancourt:** I'm sure it's out there. I could probably ask the person, the company, who does the.... He has different trials, so I could definitely ask and get some additional information as to application at different ages and results.

**N. Macdonald (Deputy Chair):** Okay. The point you made about inventory — I think that's something that we've heard a lot about.

I have one other question. I think it was a layman that asserted this; I'm not sure. If it wasn't, then I apologize. It was around the impact of fertilization on water qualities, that somehow that could cause blooming, or something like this. Again, that's a pretty.... Perhaps it's beyond the scope of what you would know. Have you ever heard anything like that, that the application...?

**T. Rancourt:** No.

**N. Macdonald (Deputy Chair):** You haven't heard anything, okay. It's just one of those things somebody said, and then you think: "Okay, well, is that actually in play or not?"

**J. Rustad (Chair):** Thank you. Two more questions.

**H. Bains:** Thank you, Tammy. That was very informative. You talk about inventory, and we, as Norm said, heard from different communities out there. But it seems to me you are referring to the Association of B.C. Professional Foresters report on that. Is there anything else that supports that, or is that the only report that suggests that that's what is happening?

**T. Rancourt:** That's the report I referred to, but from personal experience, there are deficiencies. From my understanding of reporting, there are deficiencies, and it's not up to date.

**H. Bains:** Yeah. Again, we received some information from the ministry which supports that to an extent as well. I was wondering if there is another independent report or anything else available.

**T. Rancourt:** No, there is no other independent report that I'm referring to. The other aspects.... It's personal experience with the 25-year-old pine stands. It's what I've seen — stands that could potentially be part of the timber supply but won't be.

[1655]

**J. Rustad (Chair):** I've got one question as well. One of the biggest challenges, of course, with silviculture is the volume-based versus area-based, as to where you do the applications. Will you get a benefit from it, or does it go into the overall pie? Is it something that government should take on? Or is there an opportunity for, whether it be companies or a consultant, taking on managing an area over a period of time or over a rotation?

From your perspective which type of environment do you think would be best for working on for silviculture? And what would your preference be?

**T. Rancourt:** Can you clarify?

**J. Rustad (Chair):** Sure. Most of our volume and that that we extract from the land base is volume-based, which means companies could go here or there. They may never come back to a particular block. Once it becomes free-to-grow, it goes back into the ministry stock, and it could be some other company down the road.

Area-based is when you have a defined area that you're managing on. You're putting strategies in place, and you may be going back frequently, or certainly over a rotation, checking on them, doing various strategies.

Those are the two options on the land base that we have. I suppose there are hybrids or other things that could be thought of in terms of options of tenure models. But when you think about silviculture and your ability to be able to enhance growth, such as the fertilization or other types of activities — pruning and spacing, and those types of things — which type of environment...? Where do you think you could get the best success?

Maybe you might be early enough in your career that you may not have had the opportunity to look at or work in both types. That's fine too. I just thought I'd ask.

**T. Rancourt:** I'm from Ontario, so it's more area-based in Ontario. I like the area-based because you can go back. There's more of a history there. You can go back to it, and it's yours. But I think that's a personal preference. You can go back to it, and you've seen it grow.

**J. Rustad (Chair):** Take ownership of it.

**T. Rancourt:** Yeah. I think that's about the only version for my preference. But as for volume-based versus area-based, I don't know.

**J. Rustad (Chair):** That's good. Thank you very much for taking your time, Tammy. We really appreciate what you've brought for our committee.

Our next presenter will be Mac Anderson, with the Mackenzie Fibre Management Corp.

**M. Anderson:** Thanks for giving us the opportunity to speak. To let you know, I represent Mackenzie Fibre Management Corp. We manage a forest licence for the McLeod Lake Indian Band of approximately 800,000 metres a year. We're also involved with an economic development agreement, which helps us supply fibre to Mackenzie Pulp.

There is going to be a written submission from our group later on, so that's why I don't have anything to give to you right now. I wanted to come, let you know that we're here and perhaps get some dialogue from the people and everything else there.

We go out into the bush. We harvest the fibre. We take poles for Stella-Jones down in Prince George. We also grab peelers. They're going as far as Williams Lake, Quesnel — sawlogs to a variety of places down in the Cariboo and Prince George, as well as some of the local sawmills here. We also take the pulp and we chip it. That supplies the pulp mill here. Direct employment is about 130 jobs just with Mackenzie Fibre.

I want to speak to a couple things. One is forest stewardship. I think it's important that any of the non-timber resource management strategies be rationalized to reflect the effectiveness and the intent of those strategies, but they should not impair any of the strategies that we have.

[1700]

I also would like to speak to the additional tenure rights. Currently I believe there's enough pressure on the fibre supply in Mackenzie. The benefit of the decision of those businesses to locate in a well-fibred TSA should not be diluted. For example, our partner company, Mackenzie Pulp–Paper Excellence, to date has spent \$70 million getting that pulp mill up and going. It was designed to do about 600 tonnes a day.

They presently are trying to get it up to 750 tonnes a day, with plans to try and get it over one million tonnes a day. If the fibre that we have to keep that mill running is diluted, then we have issues where people who are investing in our area are going to have problems investing more money.

Paper Excellence and Mac Fibre, through the consumption of low-value logs, has in fact enhanced the mid-term sawlog supply by improving economics in marginal stands. We are harvesting in 0.2 timber piece size stands. We are taking the sawlog out and trying to generate as much pulp log as we can.

We are currently trying to look at even lower stands, with the Ministry of Forests and that. We are going to try to run some trials fairly soon to see what we can do. There are some issues around that. How do we do it economically — trying to get an inexpensive pulp log to the chipping plant? I'm sure there's a way, and we're going to figure out. We're going to be the first out of the gate, and we're going to be good at it.

I think Paper Excellence combined with Mac Fibre represent the single largest fibre-based employment group in the community. I mean, Paper Excellence, like I said, spent a ton of money here already, and they are planning on spending more.

Unfortunately, the ownership aren't the type to brag about those kinds of things. They are of Asian descent, and they just like to do business and do their own thing. We're going to try and get out there.

We're also, like I said, involved with the McLeod Lake Indian Band. The licence is in their name. They're going to get more involved. They like what they're doing. They want the success of the pulp mills. They want the success of the sawmills in the area — and all that kind of stuff. So they're there.

One of the things that Mac Fibre does is that we use this fibre to secure pulp logs and chips from other areas around the province. For example, I'll go and sell some logs to one sawmill, say, down in Prince George.

That sawmill, in turn, will supply Canfor, or CPLP, the pulp partnership, with pulp logs. In turn, we take chips out of the Cariboo region and ship them to Howe Sound Pulp. So there are a lot of things that go on here that are beyond Mackenzie itself. It's provincially some of the things that we are doing and how they impact other places. So you've really got to kind of watch what you do in that manner.

Some of the other things we do is we'll.... We're ac-

tually chipping in Mackenzie at the chip plant, hauling chips to Prince George, in return to getting sawdust for the sawdust digester in Mackenzie. There are all of these things. It's very intricate, the deals that are going on. When people are concerned about sawlogs leaving the community, they have to recognize that we're using that as leverage to get the pulp mill fibre.

Anyway, like I said, the flow of timber into and out of the region really depends on a healthy log market. I don't think it's necessary to redraw the timber areas, because I think we are quite successful in moving timber around. We're doing it very well. We're selling wood into the Vanderhoof area — like I said, Williams Lake, Quesnel, Prince George. We've been successful in putting a little bit of wood into the local mills as well.

Recently one of the sawmills was struggling to have enough wood to get through to breakup, and we were able to get about 20,000 metres in there to keep them running and keep the jobs going. It's kind of interesting.

Wrapping up, I wanted to say that you will be getting something from the whole group. When I refer to the group, it's the McLeod Lake Indian Band, Paper Excellence, which is Mackenzie Pulp, and of course Mackenzie Fibre, which is a group that manages forest licence. That's all I've got to say.

[1705]

**J. Rustad (Chair):** Mac, thank you very much. Questions from members.

**N. Macdonald (Deputy Chair):** Well, how does that partnership work? Are there long-term agreements on fibre? Is that part of the deal that set it up, or is it...?

**M. Anderson:** It was an agreement that was kind of brought together. I guess you really have to go back. When the pulp mill went down, the fibre supply agreements were sold by the receiver to generate cash to pay off the debt. We had a pulp mill here that had no fibre, so it was not able to operate.

Through the ingenuity of numerous people, they came up with this forest licence to cut and put it into the McLeod Lake Indian Band's name. Then they struck the partners who were involved. The original owners of the pulp mill and the new owners set up Mackenzie Fibre to manage it and to get the thing going. We're all kind of connected, and it's in the economic development agreement that was struck on how this whole relationship works.

**N. Macdonald (Deputy Chair):** Okay, so it's actually tied, though. The fibre is tied.

**M. Anderson:** Yes.

**N. Macdonald (Deputy Chair):** And for how long a

period — forever?

**M. Anderson:** There are five-year terms to the licence, renewable every five years.

**N. Macdonald (Deputy Chair):** Okay, and like I say, it's tied to the mill. But you can trade to get the type of wood that you....

**M. Anderson:** Exactly. I guess when it was struck, they felt that it should be a sawlog licence, that we should be on the same level as a sawmill.

We should have those same opportunities. A pulp log licence up here historically hasn't worked. I was involved many years ago with some around the Prince George area, and I think all of them got transferred into green licences, sawlog licences, because stand-alone a pulp licence doesn't have the value to generate anything. That's why it was kind of set up in that manner.

**N. Macdonald (Deputy Chair):** Okay, good.

**D. Barnett:** It sounds like you have a success story here, and a model that could benefit, maybe, other communities. I hope you'd be willing to share it with other communities. In the McLeod Lake Indian Band how many people are employed from the band through this corporation?

**M. Anderson:** I don't have the exact number. It's probably quite small. We're talking maybe a dozen, two dozen people.

**D. Barnett:** But they are the beneficiaries of some good revenue, are they not?

**M. Anderson:** Yes. On the licence itself, we operate on the band's traditional territories, and we pay a royalty to the band. It's in excess of about \$400,000 a year that the band gets direct from us as a royalty, over and above any royalties or stumpage we pay to the government.

**B. Stewart:** Actually, I had a question, further on to what Donna had said. So there's not necessarily a First Nation component in the employees at Paper Excellence.

**M. Anderson:** No. Duz Cho Logging, which is a company owned by the band, actually has the contract to manage the chip, hog and sawdust piles out there. It was one of the things that were negotiated when the pulp mill started. They have a direct impact at the pulp mill. Duz Cho Logging does have, I think, about 16 people working there.

**B. Stewart:** Are there any efforts to bring them into...? I don't know what skills or training you need, but is there

anything with the McLeod Lake Band that's going on in the community to bring them in? Generally, I think, in a lot of communities, it's a very stable workforce, which often is very involved in the harvesting of fibre, working in the mills. I'm wondering: is there any training or anything that's there that has been initiated by Paper Excellence?

**M. Anderson:** I can't talk to that. I'm not sure what Paper Excellence has done on that part.

**B. Stewart:** The partnership agreement.

**M. Anderson:** Yeah, it's a partnership. I know the McLeod Lake Indian Band, through Duz Cho, is very successful. Duz Cho has two arms, Duz Cho Logging and Duz Cho Construction, and those two companies this year will do in excess of about \$100 million in business with the mines and everything else. They do whatever they can to try and train their people. Unfortunately, it's one of those things where it takes time to get people into the workforce. But they're very aggressive in that manner, yes.

[1710]

**H. Bains:** A further question along the line that Norm asked, about the arrangement between the First Nations and the pulp mill. You said it's a five-year renewable contract. I guess a couple of questions. Can they actually opt out, or does it actually work like an appurtenancy clause, where that timber is tied to this venture? If that agreement is no longer there, what will happen to the fibre, or the licence?

**M. Anderson:** You're correct. There is some wordage around that, and yes, if one does leave — whether it's the band or the pulp mill — then it puts the licence at risk.

**B. Routley:** I wondered about the economics of the distances in terms of your sales. I guess the question that I need to ask first is: out of the 100,000 cubic metres, is 100 percent of it marketed by just your group, or do you use other marketing? Do you sell a fixed amount to certain companies?

**M. Anderson:** All of the marketing is done within our group, specific to the roundwood log. We get involved with the Paper Excellence people when we get involved with the chips and that kind of stuff.

Typically, what will happen is that a customer will have a need. For example, maybe there's a log profile that they need of a certain size and diameter. If their fibre basket doesn't have it and a part of their operation is suffering because of it, they'll come to us. We'll put together a package of a very specific log, and then we'll ship it to them. We'll arrange a price, agree on a price, make a contract

and deliver it.

**B. Routley:** Do you have most of this timber within fairly close proximity to manufacturing operations? What's the furthest distance you have to go to access some of your fibre?

**M. Anderson:** Like I was saying, the current licence area is within the McLeod Lake Indian Band's traditional territory. It's kind of almost an area-based tenure. Not really an area.... Don't go that way. It's an area that we have to harvest in. Some of it is relatively close to town. The outside edge is probably upwards of three hours from Mackenzie itself. We're in the lower part of the Mackenzie TSA.

**J. Rustad (Chair):** I've got myself on the list and then Ben and Norm. We're obviously well over the 15 minutes, but being that you're the last presenter....

Do you operate, or do you take any of the logging residues? Do you do chipping of them or those types of things?

**M. Anderson:** Well, we do try. Everything that comes off of our licence, we will take a pulp log off of. When the economics work, we have been taking pulp logs off of the other licensees in the area. We are active in the small business sales, buying pulp logs there as well.

We are looking at doing other residuals right now. We're trying to figure out how to do it. It's one of those things where we don't really want to reinvent the wheel. I know other people have tried it, and it's very costly, but we are looking at that as well.

Obviously, with the money that Paper Excellence is putting into the community, they're going.... The mill was designed for 600 ADMts a day. They're presently trying to achieve 750. The plan is to get it over a million, which is huge.

The impact there alone is quite incredible. We're talking that it could consume, on a whole-log basis.... I think it's 1.6 million metres.

Is that correct, Doug — around 1.6 million?

Interjection.

**M. Anderson:** So 1.7 million. Of course, we get residual chips from mills and that as well — right? The ownership there wants this place to go on everything else, so they're putting their money where their mouth is, so to speak.

**J. Rustad (Chair):** Thanks, and one other question. You mentioned you send fir down to one place and a peeler to another place and sawlogs to other places. Do you bring wood in from the bush and sort it, or do you do that out on the landing? How do you get the right piece

to the right operation?

[1715]

**M. Anderson:** We are currently operating a reload facility just off the highway at Windy Point. Any of the fibre that's destined to go south actually goes into that yard, and then we utilize the truck fleet in the area in the slower times of the year. There's a shortage of trucks, a shortage of truck drivers. We couldn't haul from the bush direct to the mill, so what we do is we stockpile. Then when the opportunity exists, we gather up the trucks, and they start travelling on the highway.

We pick some blocks that are right on the edge of the Fort St. James area, and we go in through that way to get to Vanderhoof. We pick and choose what we're doing and where we're going. Obviously, in the bush we'll select the sawlogs that'll come out. The sawlogs will go in one direction and the poles in another direction. All of the pulp logs would then come into Mackenzie to East Fraser Fiber, which is under contract to us to chip our fibre.

**B. Stewart:** I want to ask you a little bit about.... I don't know anything about the pulp business, but I do know that the plant that's down in Port Alice produces a different type of fibre on the Island, which was extremely valuable. I don't know whether that opportunity exists up here, what the fibre basket has to look like for that. What I'm wondering....

You mentioned the investment that Mackenzie Pulp or Paper Excellence has put in. Are they investing in the plant? Where does it fit in terms of the state of the art, knowing that the pulp industry is cyclical and trying to make certain that their market share is protected and that the community isn't faced with the fact that, all of sudden, something drops out of that?

We've got it up to whatever that number was, the thousand units that you were talking about. Are the investment and the strategy along those lines — to make it so that it's very competitive, that it's producing a pulp that has got this higher value or demand and that it can be produced in the area?

**M. Anderson:** The ownership of the company. Paper Excellence is owned by a company called Sinar Mas. Sinar Mas has over 32 pulp mills worldwide. They have some of the largest pulp mills in the world. They have a number of other companies — Asia Pulp and Paper, etc. They're the largest manufacturer of tissue paper products, cardboard products in Asia.

Recently I had the opportunity to speak to the CEO of Paper Excellence. He essentially told me that the fibre that Mackenzie Pulp is producing right now is a long fibre. It's hugely important in their mix, at their various locations, to mix with their short fibre coming from their plantations in Indonesia, South America, and places like that.

They're growing trees so that they can produce pulp

logs in five to six years. Because it's juvenile growth and that, it doesn't have the strength necessary to make these products. What they're doing is they're blending the pulp that comes from here in with that other fibre to make their products. He essentially said that it doesn't matter if the pulp price goes down significantly. They'll keep this place running, even if they have to subsidize the mill to keep it up and going, because they need that fibre.

**J. Rustad (Chair):** Norm, last question.

**N. Macdonald (Deputy Chair):** The committee is dealing with a whole host of issues. Obviously, part of the catalyst for it being formed was around Burns Lake, as you know. There are a lot of interesting parallels, in that there's a community that needed attention.

You have a fairly unique setup in terms of what is essentially a form of appurtenance. You have different deals. You obviously had a lot of government resources. I guess the question is: with the work that was done, and presuming you were involved with it, what were the ministries involved? Was this primarily just the Ministry of Forests? What sorts of resources were put towards putting that deal together? It is, I'm presuming, a fairly unique deal.

**M. Anderson:** I believe it's very unique in the way that it was done. Definitely the Ministry of Forests was heavily involved in it. I believe Minister Bell was heavily involved in it. He really wanted to get Mackenzie going, so he brought all the resources that were necessary to do it. It was a combination of First Nations, government, government bodies and businessmen — bringing them all together to make this thing work.

[1720]

**N. Macdonald (Deputy Chair):** All right. I think there are more lessons we can likely dig into here, because superficially, there are parallels or interesting elements of the model.

**M. Anderson:** Yeah, we've got a good story. That's why I'm here to tell it.

**N. Macdonald (Deputy Chair):** Good. Well, congratulations.

**J. Rustad (Chair):** Great. Mac, thank you very much for your presentation. We look forward to your written submission, as well, that will come later.

That brings to an end the list of presenters we have. However, we have time for an open mike. At this time I would like to ask if there's anybody that would like to present to our committee through the open mike.

I'd also like to remind everybody that you have until July 20 to give us written submissions and to provide information. As well, there are the future community meetings that are coming up, and the provincial meetings. If anybody would like to be able to add some comment through that process, they're more than welcome.

We'll be compiling all of that information that we receive up until July 20. We'll be compiling that and then going through deliberations, and once again, we'll have a final report by August 15.

I'd like to thank everybody that has come out for the meeting here in Mackenzie. I'd like, of course, to thank Hansard staff, as well as Craig James and Jacqueline, for their work.

With that, the committee stands adjourned.

The committee adjourned at 5:22 p.m.



## HANSARD PRODUCTION

Acting Director  
Robert Sutherland

Post-Production Team Leader  
Christine Fedoruk

Editorial Team Leaders  
Laurel Bernard, Janet Brazier, Robyn Swanson

Technical Operations Officers  
Pamela Holmes, Emily Jacques, Dan Kerr

Indexers  
Shannon Ash, Julie McClung, Robin Rohrmoser

Researchers  
Jaime Apolonio, Mike Beninger

Editors  
Kim Christie, Aaron Ellingsen, Deirdre Gotto, Jane Grainger, Betsy Gray,  
Iris Gray, Linda Guy, Barb Horricks, Bill Hrick, Paula Lee, Donna McCloskey,  
Bob McIntosh, Anne Maclean, Constance Maskery, Jill Milkert,  
Lind Miller, Lou Mitchell, Karol Morris, Dorothy Pearson,  
Erik Pedersen, Janet Pink, Amy Reiswig, Heather Warren,  
Arlene Wells, Glenn Wigmore, Anita Willis

Published by British Columbia Hansard Services,  
and printed under the authority of the Speaker.

[www.leg.bc.ca/cmt](http://www.leg.bc.ca/cmt)

Access to on-line versions of the official report of debates (*Hansard*)  
and webcasts of committee proceedings is available on the Internet.