

Check against delivery

**Address to Mountain Pine Beetle Symposium – Quesnel Nov. 21, 2003**  
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We -- government, communities and all sectors of the forest industry -- face two challenges in trying to address the problems created by this pine beetle infestation.

We need to determine approaches and procedures that will work best for all of us in areas of forest health, short and long-term community stability, best economic return, and most efficient marketing and use of the beetle-damaged and green attack timber.

And we need to build the system to do all of the above.

I don't know which job is tougher.

I DO know -- as does everyone in this room -- that it will take the full commitment of all stakeholders and an exceedingly high level of co-ordination and co-operation between government, communities and all industry sectors if we are to have any degree of success at all.

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I'm here mostly to talk about how to expand and fine-tune the system -- the machinery -- needed to harvest and haul the huge amount of beetle-infested pine we see around us. Others have talked and will talk about manufacturing and marketing issues.

I'll also talk for a minute about the approach, because that will, to a large degree, determine how the system must be structured.

So . . . what do we need to do to ensure these massive amounts of timber can be harvested and delivered to mills and other users? The flip side of that question is -- What things get in the way of doing that job effectively?

It's really very simple to list the things that can be done relatively quickly and easily to help the logging and hauling effort be successful

- Expand both the logging and hauling seasons
- Ensure the road structure -- and maintenance -- is adequate for safe movement of logging trucks AND for other road users.
- Involve the logging and log-hauling sectors in the planning process much earlier.

Everyone in this room is here because we share a commitment to develop a successful beetle management and timber inventory strategy. That means we have to get serious about addressing the things that can limit our success:

Fix Stumpage Bingo --end the current system of adjusting stumpage rates quarterly.

Why? Because the system has some unintended consequences. It causes mills to time their log deliveries -- stopping and then restarting log-hauling activities -- to take advantage of lower stumpage rate periods.

The consequences have been severe to the log-hauling sector

Over the past five years or so, it has reduced log-hauling to between 110 to 125 days a year in this region, compared with 170 to 190 days a year previously.

That's a 30 to 35% loss of hauling days – and we need them back if we're to deliver increased volumes of beetle wood.

It is ironic that while forest companies ramp up to three shifts a day in mills to lower unit costs for greater efficiency, logging and trucking contractors are having to buy higher-capacity equipment and bigger trucks that are used for fewer days a year.

There's another big reason to end Stumpage Bingo – safety.

Compressed log-delivery periods put more truckers on the roads at peak hauling times, and many of those truckers are brought in from elsewhere. Some aren't familiar with the road network, road maintenance becomes a bigger issue, longer hours dull reaction times. . . . and accidents happen.

Many of these roads aren't just used by loggers – they're also routes for fuel transport, chip-hauling, movement of logging equipment and supplies, school buses and the motoring public.

They need to be safe – and if policies and procedures make them less safe, that needs to be addressed.

We also need to co-ordinate road use

We – log-haulers, licensees and government -- need to identify major log-hauling routes and plan ways to control traffic flow more efficiently and more safely. Many of the roads in this area -- Blackwater, Nazko and others – are multiple-use roads, and that should ring some alarm bells.

Some work has already been done in this area, but we have to get the Ministry of Forests, the Ministry of Transportation, the Pine Beetle Initiative people and road-user groups connected on a continuous basis to develop priorities, set safety standards and monitor progress on how to move more logs, fuel, chips, equipment – and people – as safely as possible on roads across the region.

It is no coincidence that the government task force on safety in the forest industry has consistently heard about log-hauling accidents and Stumpage Bingo in its meetings across the Interior in recent weeks.

And. . .we need to co-ordinate logging activities more efficiently

- Let's find ways to shorten the time lag between identifying green attack areas and logging them. Get the planning done more quickly -- but take that little bit of time to lay it out for most efficient logging and hauling.
- At the Ministry of Forests level, let's make sure those logging permits flow smoothly, and the Timber Sales of beetle wood are put up quickly, and are consistently and well-advertised.
- And over on the ICBC side, let's build a better, 24-hour-a-day system for issuing permits to move logging equipment to work sites.

The above are short-term issues, and if the commitment to succeed is there, they can and must be addressed.

Now, let's talk long-term issues.

The next time you're near a truck stop, a weigh scale, a tire shop or a logging equipment dealership, go in and look at the customers. You'll see a lot of grey hair.

Why?

Because this sector – logging and hauling – is aging. More than half of the loggers and two-thirds of the truckers are in their mid-fifties or older.

We're not attracting new people into these businesses quickly enough to replace the entrepreneurs and operators who are leaving.

We're losing qualified machine operators and truck drivers to other industries such as gas and oil, or into retirement. In fact, unless something changes, we're facing a shortage of them.

Why?

An uncertain business climate . . . and I'm not just talking about tariffs and lumber prices.

If you want to encourage entrepreneurs to invest in logging and log-hauling instead of walking away from it, there has to be some degree of opportunity – competitive with other industries -- to make a profit.

And there has to be enough operational stability – predictable logging and hauling volumes – to keep people coming back to do business next year and the year after.

Or else -- money walks.

In our case, some of it is walking away from our sector – to more stable business environments, or to greater opportunities to make profits. And as I just said, the same goes for operators and drivers.

I'll leave this point with a question:

Do government policies and forest company initiatives attract or discourage investment and a flow of trained, skilled workers into the log-harvest sector?

We won't fix this today, and there is no quick fix. But we'd better think about how to address these long-term issues for the log-harvest sector if we want enough investment dollars and skilled people around, at the right price, to get this job done.

I said in the beginning that the way this timber is to be harvested will have a big impact on this sector.

A five-year bulge in harvest volumes followed by reductions in the cut will not encourage investment, and will challenge the capacity the sector has to harvest and haul it.

In a word, this is the issue for us: Capacity.

At the present time, and for the foreseeable future unless these stability and opportunity issues are addressed, there is not and will not be the capacity on either the logging or the log-hauling sides of this sector to harvest and haul pine in amounts beyond the current AAC uplift levels.

On the other hand, a more-managed and steady flow of log inventory will be more easily-handled by the current contractor and subcontractor base.

I'll close with this one thought:

It is crucial – for the above reasons – that the log-harvest sector be fully and directly involved in the next phase of planning to deal with the pine beetle epidemic.

Thank you.