



THE WORKING FOREST

Directions for the Future

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GOVERNMENT OF BRITAIN COLUMBIA
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Introduction from the Minister of Forests

Managing public forests in the best interests of all British Columbians remains a major challenge. In recent years, the provincial government has taken a series of important steps - implementing land use plans, improving forest practices and increasing value added production.

Reflecting rapid and ongoing changes in our forest economy, this discussion paper identifies key issues, shared values and potential long term solutions. It is my hope that it will guide and stimulate informed public discussion on policy changes needed to promote an environmentally sustainable and economically vital forest economy.

David Zirnhelt

Minister of Forests

Our Heritage

Forests are part of our past, and will be part of our future — a legacy we value and a trust we hold.

Forests are extraordinarily complex ecosystems. Our actions today shape the forests of tomorrow and will be evaluated by future generations.

We expect our forests to be biologically, socially and economically sustainable and to enhance the quality of life for all British Columbians.

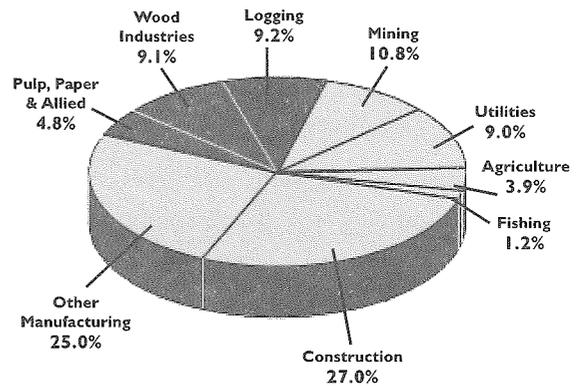
For more than a century, our forests were seen as a vast storehouse of wealth and opportunity. Investments in forestry opened up the province and helped establish scores of thriving communities.

In addition to a competitive export industry, these investments provided a wide range of economic and social benefits to British Columbians. The challenge confronting British Columbia is how government policies can ensure that the public derives the maximum economic, environmental and social benefits from our forests — now and in the future.

While B.C.'s economy has grown and diversified, the forest sector remains important to most communities. Globalization, and changing economic and environmental conditions, have presented a series of challenges which must be addressed — and

solved — if we are to protect a way of life that is the envy of the world. Some challenges, such as the Canada-U.S. softwood lumber issues, call for decisive action. Other structural issues, such as our system of forest tenure and management, must be carefully assessed to protect long-term public interests while respecting the rights of existing tenure holders.

Gross Domestic Product of Goods-Producing Industries in BC: 1997



Source: Stats Canada

And these challenges must be met in a global environment of growing competition, disputes over market access, rapid technological change and increased consumer concern over environmental values. This global pressure increases the need for change, and adds another dimension to the issues that must be addressed in any forest policy reform.

The future of our forests and our economy are issues of vital concern to all British Columbians. The public policy debates — impassioned, contentious, too often

acrimonious — remain unresolved because the stakes are so high.

British Columbians have strong opinions when it comes to the forests and their use. There are many, often contradictory, voices speaking loudly as each stakes out its own bargaining position.

There is good news as well. Public concern and expectations are driving the debate over our forests.

Today, there is a common call for transparent decision-making; individuals and their communities rightly demand more community control over the decisions that directly affect their lives. Clearly, there is a will for change; only an open exchange of ideas will reveal the shape and extent of that change.

But with such a diversity of viewpoints, what common ground do we share? Precisely what, if any, is our common vision? Based on what principles?

A Series of Thorny Issues

Today, British Columbians are deeply concerned when they read about corporate takeovers, softwood lumber disputes, falling profits, poor forest practices, stream degradation, and layoffs — as well as ongoing debates over land tenure and forest management and access.

At the same time, people have come to understand there is a direct connection between the long-term ecological integrity of the forests and the economic health of our communities.

During the past three decades, British Columbians have undergone a major shift in attitude — a historical transformation of values that has changed the way we look at our forests and the industries that depend on them.

Making the necessary changes to our forest policies will not be easy. The first step is to have a clear sense of the thorny issues we face.

ON THE LAND

Forest lands for industrial uses diminish in size as multiple values are recognized. This ongoing process means our working forests must be managed to achieve ‘more with less.’ Our future place in the global economy requires diversifying commercial activities on public lands, and ensuring that land-use decisions maximize the short and long-term benefits to the public.

- > How do we maintain and enhance returns to the public from the use of public lands?
- > How do we maintain the range of representative forest ecosystems for biodiversity, genetics and research?
- > What is the right balance of lands for parks and protected areas, for intensive forestry and for multiple uses?
- > How do we respect the multiple values of our forests — environmental, recreational, scenic,

forestry and other commercial values?

- > What is the best way to allocate tenure — or access to the working forest — among the many sectors wanting to use the forests and forest lands and among competing components of the forest sector?
- > How do we respect current tenure rights while providing additional opportunities for new entrants and allowing existing licensees to get more value from their tenures?
- > How do we protect key environmental values, such as endangered species and community watersheds, while making effective use of lands identified for commercial forestry?
- > How do we achieve these goals without creating unnecessary red tape and bureaucracy?

IN THE FOREST INDUSTRY

In an increasingly global economy, the forest industry faces a constant need to innovate, attract new investment and become more efficient.

- > What is B.C.'s competitive advantage in a global marketplace dominated by increasing competition in traditional commodity products?
- > How can industry protect our forest environments and ensure long-term sustainability?
- > How can industry be competitive in the global marketplace and attract investment?
- > How do we provide a secure land base for

commercial forestry that will allow them to become more productive and profitable?

- > How can industry continue to be innovative and leading-edge when it comes to technology and product development?
- > How do we support existing jobs, encourage new jobs and ensure a highly trained workforce?
- > What are commercial users' social responsibilities to workers, communities and the public when utilizing public forests?

PUBLIC STEWARDSHIP

In an era of globalization, government must ensure British Columbia has the ability to manage forest policy in the interests of our forests, forest communities and the province as a whole.

- > How can government identify new and better ways to maintain and restore healthy forests and a healthy forest economy?
- > How can we ensure a balanced sharing of the benefits of our forests among large and small commercial users, communities, workers and the public?
- > Within the forest sector, how can we promote a forest industry that reflects both small and large business operators and a mix of specialities?
- > How do we establish a policy framework that protects fundamental public values while providing opportunities for industry to make sound business decisions and attract investments?
- > How can government allow industry to get

the right log to the right mill?

- > How can we encourage the small business sector to maximize its role in innovation and job creation?
- > Can, and should, government use incentives to encourage industrial diversity, innovation, research and development?

These are not easy questions, but they must be answered if we are to meet our present and future obligations.

A Set of Common Principles

While British Columbians have many different, sometimes conflicting, opinions over forest policies, we need to agree on a set of basic principles, such as:

- > British Columbia will manage its forests in a variety of ways based on a system of Crown lands and tenures.
- > Our forests will be biologically, socially and economically sustainable in order to enhance the quality of life for all British Columbians.
- > We will preserve our forest heritage, ensuring parks and protected areas maintain British Columbia's biodiversity.
- > We will encourage a globally competitive, dynamic and diverse forest industry which recognizes the needs of other commercial users of the land such as the growing tourism sector.
- > By recognizing the full range of forest values, our forests will provide stable jobs and communities.

- > We will maximize the value of every tree we cut and plant.
- > We will continue to develop an effective and efficient system of forest regulation.
- > Our forest policies will respect aboriginal rights and encourage an increased role for aboriginal peoples in the working forest.

New Values, New Attitudes, New Economic Opportunities

In the next century, our forests will be managed for many different reasons, many different values. This has major implications for future forest managers who work with communities, workers, First Nations and small independent operators, as well as major forest companies.

Over time, new values will translate into new opportunities and economic benefits for the people of this province.

We will strive for competitive advantages based on leading-edge technology, a highly skilled workforce, and an environmentally aware forest industry.

Industry must have the confidence to invest at every stage of the forest cycle — from improving seedlings, to developing new products, to securing new markets.

Government, industry and labor must ensure ongoing training for workers, and world-class technical training for our young people

planning careers in the forest sector. And forest practices must be responsive to the growing scientific knowledge of the forest ecology — knowledge which may challenge some deep seated beliefs among stakeholders and the public.

And because diversity is important to future forest policies and management, government must become more flexible — enabling innovative forest-management practices, facilitating stronger community participation and mediating competing demands for our forest lands. Effective policies must reflect the many different climatic, ecological and trade patterns within the province — particularly the differences between our coastal and interior forests.

This is the basis for a constantly evolving economy that can meet international market demands for competitive costs, innovative products and services, and environmental responsibility.

In doing this, we can build on the considerable experience, knowledge and expertise of many groups and organizations. We can also draw on the values and wisdom of a public which cares deeply about its forests, both as a natural heritage and as a source of wealth and jobs.

Advice has come from environmental and industry groups, from public processes such as regional and local land-use planning groups, and the Premier's regional economic summits.

Outlined below are a series of broad policy options suggested as solutions for our forests. Some have broad stakeholder and public support; others are new and controversial and require 'outside-the-box' thinking.

Together, they provide a framework for an informed discussion of our forest policies.

FOREST LANDS

All discussions of forest policy must begin with the land base. The many stakeholders must agree to some difficult trade-offs if we are to achieve the dynamic economy we seek. We need to build on the hard work done by local stakeholders and communities in developing land-use plans which now guide the use of most of British Columbia's forests. At a minimum we need to complete land-use planning, develop new tenure options and create more flexible and efficient regulatory systems.

Certainty can only be achieved if we decide conclusively which lands are for what purposes. We must complete the identification of parks, and protected and sensitive areas. Forest access for the many non-forestry commercial users, including B.C.'s burgeoning tourism sector, must be clearly defined. Land must be identified where forest companies can seek to produce 'more for less' through intensive forestry, eco-forestry or multiple-use projects. And all of these activities must be based on long term ecological and economic sustainability.

Within lands identified for forestry, we must be flexible enough to take advantage of changes in technology or market demands to make new species or stands available. While still inside the commercial forest, these changes may actually increase the portion of the working forest that can be economically harvested.

Communities, First Nations and new business entrants must have more access to public lands if we are to encourage a diverse and dynamic forest economy. This could mean major tenure holders would exchange some of their tenure for other benefits, such as increased certainty and reduced costs.

To meet all forest values, our approach must secure strong environmental stewardship and long-term sustainability through a regulatory system that is effective, efficient and enforceable. Regulations must be flexible, yet ensure effective public oversight and participation. On some forest lands, this may mean moving to a regulatory system which focuses on outcomes, not how they are achieved.

Specific policies in these areas — certainty, tenure and regulations — must encourage profitable investments, provide public benefits, respect different uses of the forests, and promote innovation and community involvement.

FOREST INDUSTRY

British Columbia's forest industry has tremendous strengths. Major companies sell

their products in global markets and have a long tradition of technological and product development. Small and medium sized firms are increasingly important, particularly in niche marketing and value-added manufacturing.

The industry is supported by a highly skilled workforce and clusters of technology providers, educators and research-and-development firms.

In return for its right to operate on public lands, the public expects industry to respect many social goals — to protect the environment, respect other land users, work with First Nations, invest in technology, and provide jobs and community stability. While much progress has been made, more is needed.

Silviculture practices must ensure that the productivity of the working forest is maintained or improved. If industry is to make the kind of long-term investments necessary to yield more and better quality timber, governments must provide long-term certainty of tenure.

Government and industry must work together to create log markets which allow price signals to ensure the 'right log gets to the right mill.' But industry must also see that innovation and product diversification are supported by flexible and modern business practices.

To flourish in the global marketplace, the forest sector — both large and small operations — needs to work with government and researchers to maintain a technological advantage. In the

long term, this is the only way to remain competitive while providing good, secure jobs and maintaining the highest environmental standards.

Above all, industry must be willing and able to make the best use of the working forest. It needs to be flexible and innovative in creating greater value from available fibre. This may require greater investments in future forests. And industry must be realistic in its assessment of B.C.'s long-term advantages in the face of very low-cost competition in traditional commodity markets. Diversity of tenures, a more market responsive stumpage system, and more effective and efficient regulations should all be developed to encourage these goals.

GOVERNMENT

On behalf of the public, government is the primary steward of our rich forest heritage and must ensure, through protected areas and sound management of commercially-used forests, that this heritage is passed on to future generations. The public also expects government to share the benefits of the public forests fairly — among the public, communities, workers, non-timber users and the forest sector. And it must do so while encouraging a dynamic and profitable forest economy and minimizing regulatory costs.

Government must also work with stakeholders to make tough land-use decisions and use the

tenure system to provide incentives to increase stewardship and investment. On lands used for commercial forestry, government must ensure fairness of access and more certainty for both large and small operators. This requires ensuring a place for communities, First Nations, value-added producers and new entrants to the industry.

Through revised forest policies and potential changes to the stumpage system, government must encourage industry to get the right tree to the right mill, provide secure access to international markets and ensure a fair return to the owners of our forests — the public.

Workers and communities, who are the foundation of the forest industry, have a right to expect government and industry to work with them to find ways to maintain economically viable forest jobs and encourage new job opportunities for their children. When economic cycles bring difficult times, communities and workers will need assistance to minimize the impact and build a more stable economic base.

Government has a responsibility to bring together the many stakeholders who have a role in developing fair and effective policies.

As well, government must create — and enforce — regulations to protect environmental values while allowing the private sector to remain competitive and efficient. A regulatory system which focuses on outcomes is one way to achieve these goals.

Finally, government has the responsibility to foster innovation and support research and development.

UPSIDE POTENTIAL

Despite the challenges, the potential advantages of effective, modern forest policies are many:

- > a balance of benefits from the forests to a diverse range of companies, communities, workers and the public;
- > the creation of more jobs and greater wealth from increased efficiency, value-added manufacturing and the realization of a broader range of forest values;
- > leading-edge application of new knowledge to support the growth and development of a modern, dynamic forest industry;
- > enhanced access to world markets; and new opportunities for communities, First Nations, workers and young people in the forest economy; and
- > the long-term sustainability of British Columbia's forest ecosystems.

'Focus on our Forests'

The provincial government has commissioned a series of discussion papers to encourage public discussion. Titled, Focus on our Forests, the papers form an adjunct to an extensive program of stakeholder and public consultation.

Conceptual and reflective — these papers will investigate the long-range implications of critical forest policy issues including the following:

- > Economic Trends
- > Getting More Benefits From BC Forest Lands:
 - The Intensive Zoning Option
- > Tenure and Pricing — Issues and Directions
- > Non-Timber Forest Resource Values
- > Small Scale Forestry
- > Enhancing Value-Added Manufacturing
- > Communities, Jobs and the Forest Sector

Once these discussion papers have been released, a series of community workshops will take place throughout the province. Organized by the Office of the Jobs and Timber Accord Advocate, the workshops will complement current stakeholder discussions.

Once the workshops have been completed, the Office of the Jobs and Timber Accord Advocate will collate the findings and submit a report — with a series of recommendations and an action plan — to the provincial government.

MORE INFORMATION

The series, *Focus on our Forests*, can be downloaded from the Ministry of Forests web site at www.for.gov.bc.ca or by calling:

Office of the Jobs and Timber Accord Advocate
(604) 775-0012

or toll free through Enquiry BC at
1-800-663-7867

Individuals and organizations may also choose to submit policy recommendations directly to the Jobs and Timber Accord Advocate at:

Jobs and Timber Accord Advocate
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