



Also Serving – Interior Logging Association (ph 250-503-2199) & North West Loggers Association (ph 250-635-6801)

Issue # 559 Week of April 29, 2010

New Radio Calling Protocol

Standardized radio calling procedures will be implemented on all Forest Service Roads effective tomorrow, May 1, 2010. The main point to note is that the language will be “up” and “down”, a move away from the old ‘empty’ and ‘loaded’ routine. Call up as the kilometers go up, and down as the kilometers go down. For more details contact MaryAnne at the CILA office.

First Nations get Licences

Minister Bell introduced the First Nations Woodland Licence on Monday, an area-based tenure that can include private and reserve land. The initial term of the licence will be set at 25 years. It's unique in that it provides exclusive right to harvest timber on Crown Land, and the right to harvest, manage and charge fees for botanical forest products, practice Aboriginal stewardship and protect traditional use practices.

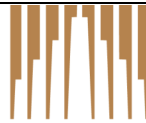
Woodland licences will only be available to First Nations that have interim measures agreements with government. First Nations with licences in their existing agreements will be able to convert some of them to a First Nations woodland licence.

Meeting Reminders

Contractors and Truckers Meeting, Smithers Wed May 5, 6:30pm at the Legion. Harvesting and trucking rates and other issues will be discussed. Roy Nagel and Maryanne Arcand will be in attendance.

CILA AGM, Friday May 7 10am at the Railway & Forestry Museum, Prince George.

Pat Bell will be joining us for lunch. RSVP to ellys@cila.ca or 1.877.562.5668. The AGM is open to members and non-members. Please forward your Board of Directors nominations to MaryAnne Arcand.



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Forest Service Providers Protection Act

MOFR Minister Pat Bell was true to his word and tabled the new Forest Service Providers Protection Act in the legislature yesterday, replacing the 100 year old Woodworker Lien Act. “Forest Service Providers” are defined as contractors who provide falling, yarding and hauling timber to forest products companies. Under the new Act contractors will be able to register liens against not only logs, but lumber or payables resulting from the sale of the products made from those logs.

Along with the lien option, which works as long as the forest company remains solvent, there will be an “insurance scheme”; the Forestry Service Providers Compensation Fund, that will provide compensation to contractors in the event of licensee insolvency. According to Minister Bell, the details will be worked out over the next couple of months, but the Fund will act in a manner similar to travel insurance, where travel agencies buy insurance in case one of their carriers goes into bankruptcy and leaves their customers stranded.

This legislation was a long time in the making, and Roy Nagel deserves a lot of credit for years of pushing, drafting, and finessing this legislation. It was a long, hard grind, and it's not over yet, as we hammer out the mechanics of the Compensation Fund. Roy represented the CILA, ILA and NWLA in the final few months of the negotiations, and we appreciate his hard work.



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Another adjustment Minister Bell made today to the Forest Act ensures that Bill 13 rights will survive insolvency, another assurance to contractors.

Rick Jeffrey, president of Coast Forest Products said that his members hope the legislation will not need to be invoked. So do we, but it's a comfort to know that finally we have some recourse when it does happen.

Things are looking up....

Canfor reported a profit of \$32.5 million in the latest quarter, mainly due to higher lumber and pulp prices. Due to a new accounting standard in 2010, the company's net income available to its equity shareholders was \$15.6 million, or \$0.11 per share. That is up \$32 million from a comparable net loss of \$17.0 million, or \$0.12 per share, for the fourth quarter of 2009. Canadian "lumber is on the cusp of making money" again, the CEO of **Tembec** Inc. said after the struggling forestry company reported it broke even during its second quarter, helped mainly by higher pulp prices. **West Fraser** says the worst is over in the forestry business as demand returns and lumber prices continue to rebound from one of the most devastating periods in the industry's history. "We believe we can now see the light at the end of the tunnel in terms of the deepest recession our lumber industry has suffered through since late 2006" says Hank Ketchum. North American lumber prices were up 31 per cent during the first quarter of 2010, and he expects prices to remain strong during the busy spring building season. West Fraser saw profits rise to \$19.4 million, or 45 cents per share in the first quarter of the year, compared with a loss of \$83.1 million or \$1.94 per share a year ago. Sales totalled \$687.8 million, up from \$558.2 million.