



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

Issue # 564 Week of June 4, 2010

Lien Act close to being law

To CILA members and others who have been asking about the new Forestry Service Providers Protection Act, here's a brief update:

The Act, introduced by government in the Legislature April 29, is moving through the process of legislative approval. It is essentially enabling legislation, containing the main principles of a combination lien process and insurance fund, and providing definitions of what type of logging work will be covered.

After legislative approval, work will start on structuring the insurance fund and developing regulations to govern application of the Act and access to the fund. You can see details of the legislation on the internet at http://www.leg.bc.ca/39th2nd/1st_read/gov21-.htm

CILA members who want a more-detailed assessment of the legislation should contact the office.

There's still time to see Expo!

Call for your ticket to see all the Resources Expo displays (free because you're a qualified attendee) and stop at the show office on site to purchase tickets to other events, including information sessions, the networking reception and Texas Hold-em poker tournament Thursday night, and the Friday luncheon featuring keynote speaker Cheryl Cran, on generations in the workplace

Lumber prices strong

What a difference a year makes – B.C. forest companies are making about \$130US per thousand board feet more on their lumber sales, including exports to the U.S., than they were a year ago, and because of higher lumber prices the export tax has shrunk from 15% in the spring of 2009 to zero now.

While there are concerns that a possible pullback in lumber prices could trigger export taxes, long-term projections call for lumber prices to rise.

Park group seeks logging ban

Arrowsmith Parks and Land Use Council has filed a complaint to the B.C. Forest Practices Board to block logging of coastal Douglas fir forests along both shores of Georgia Strait. The Snaw-naw-as (Nanoose) First Nation has a five-year forest licence to cut up to 15,000 cubic metres of timber on the 64-hectare property.

Resource projects – work for loggers

Dozens of resource projects around north-central B.C. offer a wide variety of work opportunities for loggers and truckers across the region, CILA research shows.

Just three projects – the Enbridge Northern Gateway pipeline, the Kitimat-Summit Lake Pacific Trail pipeline and the Highway 37 electrical transmission line -- will require clearing timber from almost 2,000 kilometres of right-of-way

Add to that about 1.5 million cubic metres of timber to be cleared from the Site C dam basin and site clearing for dozens of other projects, and there'll be high demand for logging contractors in those areas.

Of course, logging isn't the only thing our members can do – road-builders will also be in high demand for almost 20 proposed mine developments and about 80 current mining exploration projects.

The above data highlights only a portion of projects and does not include site preparation and building roads for oil & gas, or other emerging opportunities.

While all of this potential demand for resource work creates some great opportunities for logging and log-hauling contractors, it will also mean loss of logging capacity for forest companies as contractors take advantage of those new opportunities.

CILA members who want more-specific information can call the office.



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Hydro calls for more biomass energy

BC Hydro announced this week that it needs up to 1,000 gigawatt hours per year of new electricity supply from biomass, and is willing to pay top dollar -- \$150 per megawatt – for it.

Hydro also broadened its definition of biomass energy to include projects that burn wood waste, "energy crops" and municipal compost, and identified the Smithers/Fort St. James corridor, Mackenzie, northeast and northwest B.C., and central and northern Vancouver Island, as regions as having sufficient fibre supply to support biomass burning. Projects that use wood waste as fuel for thermal generation of electricity are likely to be tapping into waste fibre from the forestry and sawmill industries.

The \$150-per-megawatt price is a maximum, and higher than the expected average cost of hydro, wind and the Phase 1 bioenergy call.

B.C. Forest exports to grow by 20%

B.C. forest exports, measured by dollar value, are expected to grow 20% in 2010 and 23% in 2011, after falling almost 25 % in 2009, according to a forecast by Export Development Canada (EDC). EDC expects U.S. housing starts will grow from about 600,000 units to one million next year. "There could be more growth there," EDC's chief economist Peter Hall said in an interview. "That's just the kind of news the forestry sector want to hear," Hall added. "That's the news we've been waiting for for over three years." Forestry accounts for 30% of B.C.'s exports.
