



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

Issue # 551 Week of March 1, 2010

Special training available

With breakup just around the corner, it's a great time to take advantage of the training funding available to contractors and owner-operators.

Through the Forest Labour Force Development Program the CILA is able to provide funding for training to help you build your skills set, refresh your certificates, or enhance your business opportunities in the forest industry.

Courses eligible for approval range from computer skills and bookkeeping to First Aid, faller challenges, Wildlife Danger Tree, and much more. Call the CILA office for more information, and we'll send you the application forms and a spring course list.

Why not send wood?

With Canada moving to provide aid to earthquake-stricken Haiti, and with the quake in Chili in the news, B.C. could play a unique role.

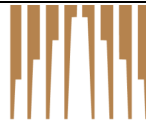
Historically, medical help, food, clothing, temporary shelter and policing/peace-keeping lead the list of disaster aid. When those needs are addressed, government focus often turns to committing money over time, and that's where our forest industry could step in.

Instead of Ottawa sending cheques, it should cut a deal with B.C.'s forest industry to send lumber, panelboard, prefabricated trusses and walls, even house packages, to Haiti and Chile.

Pulp prices moving up

Tighter global softwood and hardwood pulp inventories and the temporary shutdown of two Chilean mills because of a powerful earthquake point to rising prices through spring,

Prices for key grades of softwood pulp used for papermaking, have risen \$245 US a tonne since last May to \$880 U.S. a tonne. Producers have given notice of a \$30 US a tonne increase later this month and there could be another price increase in April or May.



SUMMIT
INSURANCE BROKERS INC

250-564-4401 or toll free 1-800-663-5581

Digging through the budget:

It's always challenging at budget time to sift out the facts from the rhetoric. Here are a few observations on forestry-related concerns:

Forestry is hurting: As if we didn't know. The budget projects direct revenue from stumpage and other fees at \$345 million this fiscal year, down from the Ministry's earlier \$600-million revenue forecast, and about a third of the revenue forestry generated just three years ago. Timber harvesting is down about 35% from three or four years ago, and stumpage revenue is way down too.

Budget cuts for MOFR: The Ministry's budget will be cut by 6%, which about \$200 million over three years. Maybe its logical, with reduced harvest levels translating into less work, less spending and fewer staff. But the cuts also generate several questions: What will the effect be on service levels? How will the cuts play out across the province, and how will they affect the Ministry's ability to oversee forest health, reforestation and other forest-based activities? Vancouver Sun columnist Vaughn Palmer points out that government has already changed how it reports on some activities. See it here:

<http://www.vancouversun.com/opinion/Forestry+taken+help+list/2639766/story.html>



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

The good:

Highway 37 electrification will get \$274 million, and there's \$200 million to upgrade roads in B.C.'s northeast for the oil and gas sector. **The Mackenzie Connector** linking that town with Fort St. James is still a go. **The Wood Design and Innovation Centre**, announced for Prince George, is still in the budget. **The \$100-million clean energy fund** remains, and is expected to support bio-energy projects. All of the above have links to forestry and should create work opportunities for contractors.

You figure it out:

Shifting ICBC money to general revenue: Government intends to shift \$778 million over three years from ICBC capital reserves into general revenue, saying ICBC doesn't need that level of reserve against future claims. The debate has already started, and the counter-argument is that ICBC's customers have been made to pay too much for optional insurance coverage and should get rate reductions.

The BC Hydro hit: Government also plans to take \$254 million out of BC Hydro's reserves. The budget states BC Hydro needs rate increases of up to 33% over the next four years to upgrade infrastructure. Hydro has applied for a 9.11% rate increase this year.

Taxes by the number: The budget shows that the carbon tax, which will increase by another penny per litre July 1, will cost the government \$69 million more than it will bring in this year. The Harmonized Sales Tax, due to start July 1, has a price tag of \$113 million for the 2010-11 budget period.

And in Ottawa. . . The federal budget will give Canada's forest industry \$100 million over four years for new green energy technologies, plus accelerating writeoffs in green-energy investments and a longer window for the work-share program, all aimed at encouraging more capital investment and helping keep jobs in the hard-hit sawmilling sector.