



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

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## **CILA truckers to meet**

The CILA is planning to hold two meetings with truckers who are members of the association over the next two Saturdays, to identify and address concerns they have about log-hauling.

The first meeting will be this Saturday (tomorrow) in Fort St. James, starting at 9 a.m. at the College of New Caledonia.

The second will be next Saturday, Feb. 13, in Smithers at Hudson's Bay Lodge.

The agendas for these CILA "members only" meetings will be based on concerns we've heard over the past couple of weeks, and we'll be discussing everything from safety issues to regulatory enforcement activities in the two regions.

## **Around the industry**

**A B.C. Supreme Court judge** has approved Tolko's plan to do archeological work before logging in the Browns Creek area near Vernon. The ruling brings to an end a dispute between the Okanagan Indian Band and Tolko that stalled logging plans over the band's desire to gather evidence of aboriginal settlement in the area.

**A Terrace-area group** that is pooling wood to attract outside value-added investors now has a promotional website. The Northwest B.C. Forest Coalition's website identifies fibre opportunities and provides information on significant business aspects of the coalition. The group now has 2.7-million cubic metres of wood a year within its control. It's on the web at <http://www.nwbc-forestcoalition.org/>

**China's largest producer** of rayon fibre has bought an ownership position in Port Alice's Neucel Specialty Cellulose on Vancouver Island, providing the mill with needed capital and assured access to the Chinese market. Part of the deal with Zhejian Fulida includes a long-term supply agreement.



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## **Forest companies seek biomass ties**

Canada's forest industry, long rooted in producing dimension lumber, panelboard, pulp and paper products, sees its future in partnering with the emerging biomass energy industry. A study released this week titled the Future Bio-pathways Project, produced by the Forest Products Association of Canada, is the beginning of a repositioning campaign. The forest industry wants to be the central player in the growth of so-called 'green industries' that will produce electrical energy, heating and transportation fuels and biochemicals from what was called 'wood waste' just a few years ago.

The study makes some compelling arguments:

Bio-energy and bio-chemical markets are just emerging, and the study says these opportunities are stronger economically and socially when integrated within the traditional industry's operations rather than on a stand-alone basis. It argues that such integration would also maintain jobs, provide renewable sources of low-cost clean energy, and could reverse the industry's long downward spiral of plant closings.

The study also urges the federal government to provide \$1.5 billion -- \$300 million a year -- to encourage the industry's diversification.



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Don Roberts, managing director of CIBC World Markets, headed the study. He says researchers looked not only at return on capital in an integrated forestry/biomass sector, but also on employment numbers for a cubic metre of wood. While stand-alone bioenergy plants may generate good financial returns, they don't produce many jobs, but if the new technologies are combined with the existing wood products industry, the return on capital and job creation are the strongest, he said. The study also urges Ottawa and the provinces to review existing programs and ensure that all sectors in the emerging bioenergy field have equal access to programs and funds.

One key point was absent from the study, and from news reports about it: The question of access to fibre, and how tenures and licences can enable or limit it.

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### ***Ottawa offers \$\$ for biomass projects***

On the same day the Forest Products Association of Canada issued its study, Ottawa pledged \$292.5 million to help Canada's sagging forestry sector develop renewable energy from biomass.

In a separate announcement, the federal government said it would spend just over \$1 million to fund forest fire reduction treatments on 125 hectares of land in the Cariboo-Chilcotin region.

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### ***Pellet plant project moving quickly***

The pieces are clicking into place for construction of a wood pellet plant for Terrace capable of producing half a million tonnes of pellets a year from local hemlock.

General Biofuels Canada now has a deal with the City of Terrace for a plant and log-storage site with rail access, and it has hired "leading engineering firm" to design the plant.

It also has agreements with local licence-holders to provide non-saw-grade timber to the plant, and a promise of support by the Ministry of Forests to meet any supply shortfalls with additional license capacity if required.

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