



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

Issue # 544 Week of January 11, 2010

What's the CILA doing?

The phrase 'we're busy' doesn't begin to describe what our association is doing on behalf of our members and the sector in general. Here's a quick rundown of recent and continuing activities:

CILA Directors were meeting today to review our progress on projects, and our priorities. These meetings are open to all members, and more than 40 attended.

CILA and Resources Expo staff were at the Natural Resources Forum in Prince George earlier this week, meeting with people from other resource sectors to outline our initiatives and cultivate new business opportunities.

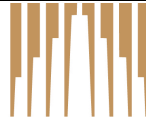
Work continues on building new training opportunities for forestry workers who have lost their jobs, but who aren't eligible for employment insurance. We just received approval to expand the training to cover more workers, so if you haven't already applied, connect with us for information – call 1-800-562-5668.

Things are moving fast on the Resources Expo front; more than 80% of the inside display spaces have been sold, and outdoor equipment display areas are 40% sold. The CILA has the management contract for the symposium/trade show, running June 3 to 5 in Prince George.

A CILA staff member will be at the Truck Loggers Convention in Victoria next week, and we'll also be meeting with the Northern Caucus (northern MLAs and Cabinet Ministers)

We'll also be at the Minerals Roundup in Vancouver, again pushing for work opportunities for our members in areas of right-of-way clearing, road construction, supply activity and hauling.

Later this month, CILA staff will also be meeting with silviculture people at their convention in Prince George.



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Policy shift will help biomass users

The province plans to introduce a new form of biomass harvesting licence and a major shift in timber pricing by the end of this year that together could greatly increase the stability of fibre supply for the growing biomass industry.

Forest Minister Pat Bell announced at the B.C. Natural Resources Forum Wednesday that his government will create what he calls biomass 'receiving licences' and enact an area-based pricing system to encourage forest companies to harvest all timber and fibre on cutblocks instead of burning slash and other low-grade fibre.

Bell says receiving licenses would give biomass users an annual allowable cut allocation which could be transferred to the forest tenure-holder. That AAC could then be used to harvest lower-value fibre for pulp, pellets, bioenergy production and other uses.

"Biomass producers need to have some leverage. This is a strategy that not only benefits the new players... but it also supports the primary sector by maximizing the capacity of the pine beetle volumes," Bell said.

Having tenure-holders pay a flat price for each hectare to be logged instead of collecting stumpage from timber that is cut and scaled will push full utilization and reduce Ministry costs, Bell said.

The Ministry will assign fair market value to the timber in each supply area as it moves to stand-as-a-whole pricing. The Prince George-Vanderhoof area and the Cariboo will be the first areas to go through the pricing change.



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What will it mean for loggers, truckers?

Besides generating more work in harvesting and transporting timber and low-grader fibre to different end users, these biomass licences could help the harvest sector in other ways.

It all depends on how they're set up.

For openers, government should consider selling the new biomass licences via a bid process that is open to any business that is not a holder of a Forest Licence or TFL. That wider range of bidders, which would include biomass companies, logging contractors and possibly others, would create healthy competition, help diversify the industry and potentially generate more revenue for government.

Another key concern is ensuring that successful bidders can acquire the steady supply of fibre they need.

The start of harvesting for the biomass recipient can't be conditional on whether or not the forest company holding the overall tenure needs more logs. That would defeat the whole purpose, and undermine the value of the licences.

Surplus logs are already bought and sold between mills, brokers, sortyards and other businesses under the current system; it shouldn't be a big step to offer first right of refusal to the host tenure-holder than them sell them elsewhere.

Tolko has been granted a conditional court injunction to stop the Okanagan Nation Alliance from blocking logging in Brown Creek, west of Okanagan Lake. The B.C. Supreme Court also ordered that Tolko and the band develop a harvesting process that will protect the band's ability to conduct further gathering of archeological evidence.
