



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

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Bioenergy plant planned

Pristine Power and its First Nations partners have taken the first steps toward launching plans to build a \$110-million bioenergy project in the Burns Lake area. The Lakes District Native Economic development Corporation and the Burns Lake Band have signed an agreement with Pristine, and the next steps are to win a bid in B.C. Hydro's call for bioenergy projects, and then to secure about 200,000 tonnes of fibre a year through a provincial licence.

More dollars to create jobs

The B.C. government is injecting \$420,000 into this region to create about 29 short-term jobs to upgrade fences, restore trails, and remove hazardous trees around Burns Lake and Fort St. James. The funding is being provided to four firms: Northern Lights Ranch, Noostel Keyoh Development, Tanizul Timber and Takla Development Corp. "The province is taking action to create as many jobs as possible in the near future in order to help workers and their families through this time of economic upheaval," said Nechako Lake MLA John Rustad. When West Fraser shuts down its Eurocan paper mill in Kitimat at the end of January, more than 4,000 forestry workers across the north will have lost their jobs in the past three years.

Ainsworth show gains

Ainsworth Lumber had a net income of \$21.6 million for the third quarter, compared with a net loss of \$42.3 million for the same period last year. The improvement came mostly from foreign exchange gains associated with the company's outstanding U.S. dollar debt.

The company's High River OSB plant is still shut down, but its three other OSB plants, including the one at 100 Mile House, are operating at capacity.



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Region struggling with Eurocan closure

There's lots of buzz these days around West Fraser's announcement that it will close its Eurocan pulp and paper mill in Kitimat at the end of January.

Area business leaders and politicians have been meeting to identify the likely impacts of the closure on people, businesses and communities, and to figure out what they can do about them. Several committees have been formed to assess impacts in the areas of health, education, social services and economic development.

West Fraser has contributed \$250,000 to the District of Kitimat to help encourages new investment and economic diversification.

The company also called 12 Terrace mill workers and some loggers and truckers back this week for an unexpected last round of chipping logs at its Skeena Sawmills plant for the Eurocan mill, so it will have enough chips to meet its production plans to Jan. 31.

Meanwhile, West Fraser has agreed to open its Eurocan books to an unnamed Chinese company – the same one looking at buying the Mackenzie pulp mill -- possibly opening the door to eventual sale of the Eurocan operation.

In discussing that possibility, Forests Minister Pat Bell said sale of the mill might not come with West Fraser's forests licences as part of the deal, pointing out that 4.1 million cubic metres a year of fibre in the area is available, and little logging has been occurring.



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Tolko planning two-week shutdowns

Tolko is planning a two-week Christmas shutdown for most of its operations in central B.C., including in Quesnel and Williams Lake, following the pattern other companies across the region have set.

Tolko said the shutdowns, due to start about Dec. 18, are because of weak product prices, an oversupplied market and cost-control efforts. Start-up will occur about Jan. 4, depending on market conditions.

The shutdowns will cut lumber output by 52.5 million board feet.

Last month, the company stopped producing veneer at its Kelowna plant and said it would review its status on a week-to-week basis. Its Lavington mill remains closed, as do other operations that were closed indefinitely last February -- its High Level sawmill in northern Alberta, and its Slave Lake engineered wood plant.

NEWS FROM AROUND THE INDUSTRY

Tembec posted a loss of \$17 million in the third quarter, a result of a higher Canadian dollar, and weak lumber and newsprint markets. In the same period last year, the company lost \$4 million.

The company says it has continued to curtail production and reduce inventories in an effort to conserve cash. Its Chetwynd pulp mill, closed last February, remains shut down. For the full year, the company lost \$214-million, or \$2.14 a share, on sales of \$1.8-billion -- a decrease of 25% from 2008.

Thunder Bay area loggers succeeded a few weeks ago in getting a court ruling that prevented the wood they had delivered to area mills from being seized by the banks. This week, Buchanan Forest Products of Thunder Bay has filed for bankruptcy. The company has liabilities of more than \$42 million, 50% of which is owed to TD Bank.
