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Ministry of Forests and Range

## LOCAL BUSINESS, COMMUNITIES BENEFIT FROM TFL DECISION

VICTORIA - Ensuring payments to local suppliers and contractors affected by Pope & Talbot's bankruptcy, along with other community benefits, were key factors in a decision to approve the removal of private land from Tree Farm Licence 23, Forests and Range Minister Pat Bell announced today.

"This was an important decision and one of much interest to the residents of the Kootenays," said Bell. "We engaged in extensive consultations and I want to thank everyone who participated. As a result, I think we've arrived at a good outcome for the communities and particularly for the local suppliers and logging contractors hurt by Pope & Talbot's bankruptcy."

The minister approved the removal of 4,341 hectares of private land from Tree Farm Licence (TFL) 23 in the Arrow Boundary and Columbia forest districts based on the following:

- \* The forest management concerns associated with the deletion can be largely mitigated.
- \* 130 hectares of private land considered high value mountain caribou habitat will not be removed from the TFL and will continue to be managed as Crown land.
- \* Payment of \$4,150,000 to 92 Arrow/Boundary local suppliers and logging contractors whose primary business emanated from woodlands operations of Pope & Talbot Ltd.
- \* Payment of \$211,000 to Arrow/Boundary contractors that provided surety bonds to Pope & Talbot Ltd.
- \* Donation of \$50,000 to the Nakusp Community Forest.
- \* Province's purchase of the nine-hectare Eagle Bay recreation site for \$1.00 (estimated value \$425,000).
- \* Province's purchase of the 55-hectare Oatscott property for \$1.00 (original asking price was \$495,000), contingent on the issuance of a foreshore lease for the Needles log dump.
- \* Continued road access through private land formerly part of the tree farm licence as well as other private land parcels formerly held by Pope & Talbot (estimated value between \$418,000 and \$528,000).
- \* Continued Crown access to log dumps and gravel sources.

"Times are tough in the forest sector right now - and especially for local logging contractors that were affected when Pope & Talbot ceased operating," said Wayne Lintott, general manager, Interior Logging Association. "I'm thrilled that government was able to secure more than \$4.3 million in payments to local contractors as a condition to removing the private land from TFL 23."

In October 2007, Pope & Talbot sought protection under the Canadian

Companies' Creditors' Act and began selling off its assets. It listed private land within TFL 23 for sale, subject to ministerial approval of the land being removed from the tree farm licence. In December 2007, Interfor purchased the logging rights associated with the Crown portion of the tree farm licence.

In approving the private land removal, the minister considered input from local governments, First Nations, other government agencies, local contractors and the public. Public meetings were held in May in Revelstoke, Nakusp and Castlegar, where issues of compensation for local logging contractors and suppliers affected by Pope & Talbot's bankruptcy were raised.

"The minister and I spoke at length about TFL 23," said Nakusp Mayor Karen Hamling. "There were a lot of factors to consider and I'm pleased that Minister Bell took the time to work with us and to ensure that our contractors will receive the monies owed to them. The contribution to the Community Forest, maintaining road access and the properties acquired by the Province are all very important decisions for our communities."

Forest management issues such as old growth management areas, wildlife habitat, recreational access, road access, water users and others, were also considered. When it was discovered that two of the private land parcels were high-value mountain caribou habitat, the request to remove those parcels was withdrawn. Instead, they will continue to be managed as part of TFL 23.

If the land is managed for forestry, the Private Managed Forest Land Act will apply. As well, regardless of use, the private land must continue to be managed in accordance with the Heritage Conservation Act, Drinking Water Protection Act and the federal Fisheries and Species at Risk acts. In addition, the use of private lands removed from the TFL must follow all local government zoning and land-use restrictions.

There remains 12,817 hectares of private land in publicly managed tree farm licences around British Columbia. In comparison, there are about 2 million hectares of privately owned forest land in the province.

A copy of the decision briefing note and other supporting information is available on the ministry's website at [www.for.gov.bc.ca/pab/media](http://www.for.gov.bc.ca/pab/media).

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