Omineca Beetle Action Coalition's Future Forest Summit September 19th 2008

Final Report

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Acknowledgements

Availability

Copies of this report are accessible through the Omineca Beetle Action Coalition and the Community Development Institute website (http://www.unbc.ca/cdi).

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Executive Summary

On September 19ᵗʰ, 2008, a Future Forest Summit was hosted at UNBC through a partnership between OBAC, UNBC's Community Development Institute (CDI), and the Community Economic Development Initiative of Western Economic Diversification Canada. Results will help to inform OBAC's Future Forest Products and Fibre Use Strategy.

The event was very positive, and involved a wide range of participants who focussed on future forest and fibre opportunities. The central message was that communities want the future forest to support economic opportunity (for a range of small to large economic players), quality of life, and the environmental services that protect both economic and quality of life assets. The discussion focussed on the need to create viable community futures. This included attention to keeping resource revenues in the north to sustain social and economic development, and to renew infrastructure for moving into more diverse and viable future economies.

To support these viable community futures, places were seen as playing a larger role in resource management and control, in part to ensure that benefits generated locally were reinvested locally.

The structure of the Summit included:
- A review of key issues from OBAC's community dialogue sessions that reinforced the need to support a wider range of economic players, broaden access to the many potential resources in the future forest, and move with greater regulatory and management flexibility so that new opportunities can be evaluated and acted upon.

- Discussions respecting the dynamic tension between the need for viable economic players (of all sizes) and viable communities – including possible future community expectations for the forest and resource base around them. This focussed upon diverse economic opportunity without degrading local qualities of life and environment – 'gaining the benefits/not just the costs'.

- Opportunities and challenges to developing future forest economy wood products, including the need for workforce capacity building, supportive policy, and a coordinated approach to research and marketing.

- Discussion around developing non-timber forest products focussed upon bio-energy and agroforestry. A key challenge is the need for research (product and market) because so little is known about the energy, chemical, and biological characteristics and products that could be in our future forest resources.

- Discussion around needed short-term initiatives focussed on the Mountain Pine Beetle and infrastructure. MPB themes included the need for information and research, wider access to resources, limiting the ability of single users to block access, and the need for 'in the woods log sorting' to deliver the right forest product to the right user. Needed infrastructure investments included transportation, as well as workforce skill development.

- Discussion around long-term initiatives hinged upon increased access to the local resources so as to maintain local control, and thus local benefits, as well as more flexible policy to support innovative product development, collective marketing approaches, access to a wider range of forest resources, and the support of alternative business models. It included broader support for community development, visioning processes, and service provision, while entrepreneurs need information and market surveillance support.

OBAC Future Forest Summit: Final Report

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1.0   Introduction

With provincial funding, the Omineca Beetle Action Coalition (OBAC) was established in 2005 to respond to challenges and opportunities associated with the Mountain Pine Beetle (MPB) epidemic. The goal was to establish a series of strategies and provide direction to diversify economies, enhance resiliency, and ensure the long-term viability of communities within the OBAC region.

On September 19th, 2008, an 'expert dialogue on future forest and fibre opportunities' was undertaken through a partnership between OBAC, the Community Development Institute (CDI) at UNBC, and the Community Economic Development Initiative of Western Economic Diversification Canada. This Future Forest Summit, hosted at UNBC, sought to obtain input from community and industry representatives from affected communities in the Fraser-Fort George Regional District and the Bulkley-Nechako Regional District regarding future forest economic options and opportunities. Results from the Summit will help to inform recommendations to senior levels of government through OBAC's Future Forest Products and Fibre Use Strategy. Information from the Summit may also be used to support other OBAC strategies, including:

- mineral exploration;
- alternative energy;
- integrated regional transportation;
- retention and attraction;
- conventional energy;
- social / community services and supports;
- destination tourism;
- agriculture;
- regional cohesion, branding, and profile strategy; and
- regional emergency response.

Ground Truthing Findings from Community Dialogues

The first session focused upon a summary of key issues identified from the community dialogues undertaken by Timberline on behalf of the OBAC. Following a presentation of key issues, the participants were asked to provide a review or 'ground truthing' of these findings. The review included discussion of key points, any missing issues, and identification of three or four places or sectors on which attention should first be focussed. Three principle themes covered the individual items raised in the discussion: leadership, resilience, and building blocks for a new economy.

In terms of leadership, many of the issues raised spoke to our need to nurture northern and local leadership. This included taking hold of the issues at hand, and positing our solutions so that senior governments can support those solutions. A second element of leadership had to do with

transforming the relationships between aboriginal and non-aboriginal communities. This included bringing northern voices together in dealing with treaty and rights issues, and working with aboriginal and non-aboriginal interests as equal partners.

The second theme of resilience focused upon community expectations for their future and for their economy. Included in this was the need for regional economic development groups and local governments to support visioning exercises towards a better understanding of local assets and aspirations in both the region and individual places. Also included was a strong recognition that there would be mixes of economic actors (large, medium, and small) moving forward from this point to build that future.

Given the focus of the community dialogues on forestry issues, it is not surprising that most of the discussion focused upon the necessary building blocks required for moving a new forest economy forward. Included in this discussion were notions of access to resources. Beyond comments about tenure, most people supported the need for more flexible mechanisms for getting access to resources, for sharing the breadth of resources within any particular territory, and maintaining some certainty of access to those resources. A second type of building block involved access to capital, especially for the smaller economic players who are seen to be an increasingly large part of our future economies. Another included access to labour, over both the short and long-term. This included concerns about the levels of skills required for both the current and future regional economies. An additional building block concerned access to information about markets and market opportunities. Comments about infrastructure included not simply roads and rail, but also access to container opportunities, port opportunities, airport opportunities, and information technology so as to manage all of those transportation elements. Another important set of building blocks concerned the need to create alternative business models, especially small business models to support entrepreneurs working hard to move ideas into economic activity. This would entail changes to the policy supports necessary to nurture (in particular) a small business sector.

Tensions and Visions in a Future Forest Economy

A key theme throughout the day's discussion centred upon the tensions between the need for viable economic players (of all sizes) and viable communities. Following presentations made by Herb Langin and Bill Bourgeois, discussion focused upon identifying current and future community expectations for the forest and resource base around them. The response was clear – communities wanted economic opportunity, quality of life, and environmental services that protected both economic and quality of life assets.

By far, the most significant comment from the discussion was the need for viable community futures. This included attention to keep resource revenues in the north so as to sustain services and social and economic activities, and to renew needed infrastructure for moving into more diverse and viable future economies. To support these viable community futures, places were seen as playing a larger role in resource management and control, in part to ensure that benefits generated locally were reinvested locally.

To support those viable community futures, discussion turned to tools within new resource economy models. This included ways to share access to the resource base, and ways to work out alternative calculations of best resource uses (focused on local benefits) over both the short and long-term.

As part of creating and supporting those viable community futures, a series of development assets were described. These include the development of social and recreational opportunities, and control of assets like power generation, all to create tools which can be used to attract entrepreneurs and future forest economic activity.

Throughout the discussion, there was a strong sense of the North's need to take responsibility and leadership for its own future, and reduce dependence both on senior levels of government and large resource industry companies. As part of this leadership question, the need to resolve land claim settlements and develop new relationships to create certainty for moving forward was identified.

Future Forest Economy: Wood Product Opportunities

In the third session, participants were asked to describe opportunities and challenges to developing wood products for a future forest economy. Two core themes were highlighted: capacity building and policy supports. In terms of capacity building, a skilled workforce was identified as a critical need for a flexible future economy. A second need included research on the full range and extent of the characteristics of our forest resource in order to support creative economic options with the existing resource base. A third included greater attention to marketing support and market surveillance, so that competitive opportunities are identified for northern BC entrepreneurs.

Under policy supports, there was recognition that access to a resource may not necessarily entail the current full range of management responsibilities. Access to small volumes is needed for many of the recommended wood product opportunities. At present, much forest policy is geared to one user – large forest companies. There is a need to rethink all aspects of resource management and resource pricing policy so as to create platforms for small and niche industries. Policy is also needed to support and stimulate alternative forest products and forest product resources – including direct intervention by government to drive innovation. Finally, attention is needed to the infrastructure that will support new forest economy companies as they access the resource and move their product to market.

When asked about 'best bets' for new forest products, discussion focused upon three topic areas. The first involved structural wood products developed from current waste materials, including engineered wood, OSB, and the like. These options would make more use of currently available wood products and wood waste, and would be a good fit for using more of the Mountain Pine Beetle killed wood as it deteriorates over time. A second set of suggestions focused upon high value wood products. In this case, the end products would need relatively small volumes of wood, but would produce high value products marketed around the world (with commensurate high levels of employment per volume of wood consumed). A third set of suggestions focused

on green energy products and various ways to package and export wood fibre energy. This included opportunities for various grades of wood energy products.

Future Forest Economy: Non-Timber Product Opportunities

The next section focused upon non-timber forest product opportunities. Following a presentation, participants were asked to focus upon bio-energy and agroforestry. These topics were selected as they are currently the focus of intense interest and community actions/strategies need to be better informed about possibilities and challenges. Participants were asked to comment upon things that will work in concert with these approaches, and to explore the community and economic benefits or barriers.

The first discussion focused upon bio-energy. It was noted that greater attention was needed with respect to the general role of 'wastes' in generating energy. This includes access to a wide variety of forest industry woods and mill wastes that are still not made available to secondary users. It also includes combining debate and discussion about bio-energy with debate and discussion about waste management (in its various forms) and how each may contribute to green energy generation. The greatest stumbling block is that relatively little is presently known about the range of energy, chemical, and biological characteristics and products that could be generated from our current forest resources. A second reason why further developments have not occurred is that policy and practice supports are presently 'in the box'. Examples such as BC Hydro and the Ministry of Forests pricing and tenure policies need to be overhauled. Participants identified that one needs to know what is possible, and then re-tool the policy supports to allow entrepreneurs to take advantage of those opportunities.

In the discussion on agroforestry, three key issues recurred. The first was that new potential was likely dawning as a result of increasing energy and transportation costs. Various movements to buy healthy, buy local, and buy in an affordable manner may make regional agroforestry production more viable and profitable. A second had to do with access to better information. At present, participants did not have a good knowledge about potential agroforestry products. There was a clear need for information and research to not only identify potentials, but also to situate those potentials within a regime marked by global food markets and climate change. The third key issue discussed involved multiple uses of the forest land base. In this case, discussion focused upon the need for new economic models, as well as new land use models, that would provide a viable operating environment for large <u>and</u> small economic actors.

In terms of 'best bets', the consensus seemed to be that the future of agroforestry would involve lots of small-scale operators, going after niche opportunities. To move this activity forward, however, there were concerns about how to maintain quality control, branding, market penetration, etc. These kinds of topics are typical, such as when the Okanagan wine industry transformed itself from low to high quality wine products.

A final comment about multiple uses of the land base entailed the opportunity to branch into agrotourism. Supplementing economic activity in a variety of ways will be the key to success for small entrepreneurs. It will also be a way to diversify the economic foundations for small communities.

Issues and Options for Moving Forward in the Immediate Future

Sessions five and six focused on issues and options for moving forward. The emphasis in session five was upon initiatives that could be undertaken in the short-term future. To focus the discussion, participants were asked to talk specifically about the Mountain Pine Beetle and what was needed with respect to infrastructure. Infrastructure would include both physical infrastructure, as well as the development of workforce and people skills. Again, the immediacy of the need to realistically address both of these issues in OBAC/community strategies drove the choice of topics.

Three key themes emerged from the Mountain Pine Beetle discussions. The first concerned access to information and research. Critical here was a lack of knowledge about the inventory, restocking, and beetle damage impacts on the forest. A second area of interest focused upon access to resources. This followed two specific threads. The first thread focused upon limiting the ability of single users to block others from obtaining access. The phrase 'use it or lose it' was raised. A second thread concerned getting the right resource to the right user. This involves the flexible allocation and delivery of different quality and types of forest resources to different users so as to maximize resource use, value added opportunities, and support a wider range of economic actors. Against the backdrop of rising energy costs, larger community forests were identified as an opportunity by which 'in the woods log sorting' could deliver the right forest product to the right user and obtain a higher overall premium on resources harvested. The third area of discussion focused upon policy. In addition to stumpage certainty, there is a great deal of discussion about revising the way stumpage is calculated given the likelihood that we will be moving into a multi-user, or cascading user, type of economic environment in the future where large and small economic players each have some economic stake in what was originally harvested from the forest base.

In terms of infrastructure, three issues came out of the discussion. The first concerned communications; and the critical need for networking, scaling up, and assistance with market surveillance and marketing. The second had to do with assistance with transportation so as to improve access to the resource and get the product out to market in a timely and cost effective fashion. The third topic focused upon technology, including a need for innovative policies to support new technology and product growth and development.

Issues and Opportunities: Long-Term Impacts

The last session of the day looked at issues and opportunities over the long-term. Participants were asked to identify long-term community needs and interests, as well as what would be needed to assist economic players, especially small economic players.

Support for communities followed topics generally well understood as being needed to support community development. These included support for community visioning processes, support through local service provision (including housing, employment training, etc.), and increased access to the local resources so as to maintain local control, and thus local benefits.

A host of information needs were also identified as being key to moving forward. This included not only information about the structure and characteristics of the forest resource, but also information on how the forest and the forest sector can contribute to local well-being. To support entrepreneurs, information and tracking of opportunities through market surveillance was needed. It also included the development of new information management tools to assist small economic players to remain viable across all activities they need to undertake from resource acquisition to manufacturing to marketing and shipping.

A final topic concerned the need, again, for more flexible policy. Included here is policy to support innovative product development, collective marketing approaches, access to a wider range of fibre and associated resources, and the support of alternative business models that would not be burdened with inappropriate tenure or pricing regulations from provincial ministries.

Closing Observations

The Mountain Pine Beetle has been one of many factors driving industrial restructuring in rural and small town places. New flexible and innovative solutions are required to support these places to 'be ready' to adapt to rapidly changing economic, social, and environmental conditions. This section highlights key tools and suggestions that were recommended through the Summit exercise and which can assist OBAC communities to seize opportunities in a future forest economy.

Some of these recommendations have been collected below under four topics – 'approaching the issues', 'policy', 'research', and 'development supports'.

Approaching the issues:

- The approach to a new forest economy that supports both economic and community viability needs to start with the question of 'what communities want from the forest base'.

- The viability of various economic actors must be weighed against the bottom line of what is most beneficial for community viability and success. This will include using the lens of short and long-term horizons to determine best resource uses for greatest net community benefit.

Policy:

- To ensure the long-term viability of places, policies must be developed that provide secure access to a wider range of timber and non-timber forest resources and ensure the efficient use of waste in all processes as inputs to other activities. Other uses of the forest, such as agrotourism or ecotourism, must also be considered and included in supportive public policy.

- A critical policy need is to get the right resource to the right user. This may involve creating larger community forests with 'in the forest log sorting' to maximize the value from the forest base. It may also involve different resource pricing regimes that allow for parts of logs/cuts to be sent to different users.

- Policy and investment supports need to include access to capital for small forest entrepreneurs, including access to the natural forest capital that would be critical as inputs into their processing and manufacturing lines.

- Through effective policies and programs, a positive business environment must be created that can incubate new technologies, products, and pilot projects. This positive environment should include access to timely information, market surveillance, streamlined processes, access to capital, networking and marketing tools, secure and flexible access to fibre, and the like.

- Government programs must be flexible and responsive when needed. The right conditions and opportunities for new developments may not follow government program deadlines.

Research:

- It was clear that there is a need to develop new models for improving forest resource access and accommodating multiple users on the land base over a long period of time.

- It was also clear that there is a need for new economic models, especially ones designed to support small economic actors with appropriate pricing and management responsibilities to their level of demand on the resource base.

- Given the many times that further research was identified as being needed on the biological, chemical, and structural characteristics of our forest resources, there was support for moving forward on the idea of a research centre of excellence on this topic.

- The same future research needs could support the development of research centres of excellence for non-timber forest products and for energy. In the case of non-timber forest products, the current research unit at Royal Roads University could be supported.

- A body of economic analysis is needed to educate different users of the benefits of producing low-value products annually versus higher value products every 70 years.

Development supports:

- Market surveillance came up time and again as critical to supporting innovation and new entrepreneurs.

- Innovation support may require direct government intervention.

- There was a clear need identified for small economic players to 'scale-up'. Local and regional groups and agencies could nurture and support existing groups, such as community forests and business associations, to become bigger players in both the market and policy development.

- There was strong support for the development of an information network for both communities and entrepreneurs which creates and shares information on markets and product development. This may be supported by the development of a position for a communication officer to track and distribute information in a timely manner. This is critically important as small communities are equipped with few municipal staff that have limited time and numerous responsibilities. Additional information may be collated about best practices, how to guides, funding and support programs, networking tools, and policy initiatives.

- Routine coordination and collaboration will be required to support scaling up initiatives and regional partnerships. Long-term programs are needed to facilitate this interaction on a local and regional level.

- Attention to enhancing local amenities, services availability, and global connectivity can cement rural and small town places as competitive players for the next generation of the workforce. This inherent linkage between economic, social, and environmental issues needs to be greater reflected in our local and regional economic development debate.

2.0   Purpose

In 2005, the Omineca Beetle Action Coalition (OBAC) was established to respond to challenges and opportunities associated with the Mountain Pine Beetle (MPB) epidemic. The goal was to establish a series of strategies and provide direction to diversify economies, enhance resiliency, and ensure the long-term viability of communities within the OBAC region.

On September 19th, 2008, an 'expert dialogue on future forest and fibre opportunities' was undertaken through a partnership between OBAC, the Community Development Institute (CDI) at UNBC, and the Community Economic Development Initiative of Western Economic Diversification. This Future Forest Summit, hosted at UNBC, sought to obtain input from community and industry representatives from affected communities in the Fraser-Fort George Regional District and the Bulkley-Nechako Regional District regarding future forest economic options and opportunities. Results from the Summit will help to inform recommendations to senior levels of government through the Future Forest Products and Fibre Use Strategy. Information from the Summit may also be used to support other OBAC strategies, including mineral exploration; alternative energy; integrated regional transportation; retention and attraction; conventional energy; social / community services and supports; destination tourism; agriculture; regional cohesion, branding, and profile strategy; and regional emergency response.

Key experts and leaders that were contacted to participate in the Summit included individuals from local government (economic development officers and corporate executive officers), provincial government (district managers, regional managers, etc.), First Nations groups, community forest representatives, industry and major licensee stake-holders, community groups and associations, OBAC board members, and elected municipal officials. These participants were targeted because they play a strong role in the community, economy, and policy development, and are likely to be major players in the facilitation and outcomes of our future forest economy.

Four background reports were circulated to participants prior to the Summit:

- Greig M. April 2008. *Future Forest Products and Fibre Use Strategy Backgrounder.* North Vancouver: Enfor Consultants Ltd.

- Greig M. April 2008. *Synopsis – Future Forest Products and Fibre Use Strategy Backgrounder*. North Vancouver: Enfor Consultants Ltd.

- Kearns A. and G. Halseth. August 2008. *Future Forest Products and Fibre Use Backgrounder: Non-timber forest resources – Information Compendium*. Community Development Institute, University of Northern British Columbia.

- Kearns A. and G. Halseth. August 2008. *Future Forest Products and Fibre Use Backgrounder: Non-timber forest resources – Overview*. Community Development Institute, University of Northern British Columbia.

3.0   Key Findings

3.1   Session One – Key Future Forest Issues from Community Dialogues
Ground truthing findings from Timberline

Introduction

The focus of the first session was to 'ground truth' findings from the community dialogue sessions that were hosted last July and August in Vanderhoof and Houston by Timberline Natural Resource Group. These community dialogue sessions included a selection of individuals from government, industry, and business who reside in the OBAC region. Timberline presented a synopsis of their findings in a PowerPoint presentation at the Summit (Appendix C). Participants were asked to review these findings, identify any core missing issues, and prioritize areas where attention should be directed to in the future. Three principle themes covered the individual items raised in the discussion: leadership, resilience, and building blocks for a new economy.

Discussion Summary

In terms of leadership, many of the issues raised spoke to our need to nurture northern and local leadership. This included taking hold of the issues at hand, and positing our solutions so that senior governments can support those solutions. A second element of leadership had to do with transforming the relationships between aboriginal and non-aboriginal communities. This included bringing northern voices together in dealing with treaty and rights issues, and working with aboriginal and non-aboriginal interests as equal partners.

The second theme of resilience focused upon community expectations for their future and for their economy. Included in this was the need for local/regional economic development groups and local governments to support visioning exercises towards a better understanding of local assets and aspirations in both the region and individual places. Also included was a strong recognition that there would be mixes of economic actors (large, medium, and small) moving forward from this point to build that future.

Given the focus of the community dialogues on forestry issues, it is not surprising that most of the discussion focused upon the necessary building blocks required for moving a new forest economy forward. Included in this discussion were notions of access to resources. Beyond comments about tenure, most people supported the need for more flexible mechanisms for getting access to resources, for sharing the breadth of resources within any particular territory, and maintaining some certainty of access to those resources. A second type of building block involved access to capital, especially for the smaller economic players who are seen to be an increasingly large part of our future economies. Another included access to labour, over both the short and long-term. This included concerns about the levels of skills required for both the current and future regional economies. An additional building block concerned access to information about markets and market opportunities. Comments about infrastructure included not simply roads and rail, but also access to container opportunities, port opportunities, airport opportunities, and information technology so as to manage all of those transportation elements.

Another important set of building blocks concerned the need to create alternative business models, especially small business models to support entrepreneurs working hard to move ideas into economic activity. This would entail changes to the policy supports necessary to nurture (in particular) a small business sector.

Workshop Discussion

Access to Resources
- Entrepreneurs are not able to access a consistent fuel supply for energy development projects.
- Control over resources and access to resources are key issues.
  - There are concerns about fibre availability (economic and long-term).
- Certainty with fibre supply and fibre cost are needed during the economic transition period.
- Certainty of access to fibre does not mean tenure reform is necessary.
- We need to meet the needs of all users of the land base (i.e. tourism, recreation, non-timber forest products, etc.) in addition to logging and industry.

Community Resilience
- We need to examine the total value of the forest. Questions were raised about focusing on the stumpage value versus all of the other values a forest can bring to a community. We might need new indicators to access value, and we may need to redefine our concept of what is valuable.
- We need to assess what we are looking for in 'community resilience'. Is it economic resilience or is it overall community health?
- We need to get away from focusing on sustainability and focus more on community resilience. These concepts mean different things and require different indicators.
- Value assessment for new economic developments needs to go beyond job and revenue creation. Smaller businesses might bring additional value (i.e. local work, community revitalization / stability, less reliance on government hand-outs, etc.).

Economic Diversification
- We need to define and outline diversification. Are we looking at diversity of tenure, products, markets, and milling capabilities, or a strategic vision that looks at all of these components?
- We need to examine our priorities when it comes to diversification.

Financial Barriers
- We need to examine appurtenancy issues, bankruptcy, and foreclosures. There are many people in the area who are struggling.

Information and Research Needs
- We need to analyse our community session reports, and find the areas in our communities that are not receiving enough attention.
- We need a better inventory of what the forest has to offer (i.e. the understory). We need to know more about what kind of species are available, and the quality of these resources.

Labour Shortage Issues
- The workforce will look different 10-20 years from now. Will the new workforce base come from First Nations, semi-retired baby-boomers, more highly technical people?
- We have seen an exodus of working age people from rural areas to urban / metropolitan areas. This has had a significant impact on the availability of skilled labour in rural areas.
- We need to look to First Nations as a workforce resource and include them more in projects. We have a growing local labour resource as First Nations communities become younger and more educated, so we should look at home first before importing labour from overseas.
- Workers need the flexibility and ability to migrate from sector to sector. This can be facilitated through ongoing skills training.
- There are labour shortage challenges right now. Communities try to train locally, but are competing against the oil and gas industry's wages and opportunities.
- A well-trained workforce is necessary for a resilient community.

Land Claim Issues
- Unresolved treaties and other tensions with First Nations pose questions about how to deal with those partners most appropriately.
- We need to examine new ways to distribute revenues and resources. New communication and business tools may be needed to accomplish this.

Land Use
- We need to view the forest as more than just a source of Lodgepole Pine, Spruce, and Douglas fir trees. There are many more resources and opportunities in our forests.
- We [First Nations] want to explore land use and resource access issues, not just treaties.

Leadership
- Are we to expect more leadership from the Province? We likely will not receive any additional leadership in the north, and instead we need to give the Province something to support. Leadership and opportunities must come from within the region.
- We need to find ways to foster leadership within the region.
- We need to create an environment to foster creative leadership. We need a vehicle for communicating and sharing opportunities and ideas.

Municipal Policies
- Land needs to be rezoned for more industrial purposes. We need to develop a plan to attract new industry, services, transportation infrastructure, etc., and we need land allocated for industrial purposes for this to occur.
- In Prince George, the industrial land strategy is moving forward but has experienced challenges due to air quality concerns.

Operations
- We need the forest ecosystem to continue to function. Dead and dying stands need to be included in legal and logistical plans for reforestation, ecosystem management, and general forestry operations.
- Questions were raised about the forest being adequately stocked at eighty percent. Eighty percent adequately stocked may be good for the Province in general, but this may not be good for the region or the forest.

Partnerships with First Nations
- A technical advisory committee is being assembled to better facilitate First Nations communities to work with industry.
- In terms of the First Nations Forestry Council, the North is not involved enough. Lack of input from the North is a roadblock for forestry processes.
- There is a lack of government-to-government (i.e. First Nations to provincial or federal government) relationships, and this leads to feelings of discontent from First Nations communities. First Nations may feel that they do not want to participate if they are not respected equally. First Nations have better relationships with local government than with provincial or federal levels of government, and are thus more inclined to work with local government.
- First Nations leaders need to be more involved with OBAC initiatives. The OBAC board could be expanded to include full First Nations participation.
- We need to explore how to get First Nations leaders to be more involved in OBAC and regional development processes.
- We need to utilize First Nations knowledge [where it is offered] in decision making and operations associated with forestry.
- There needs to be more political will and interest in working with First Nations by both government and industry. Groups need to be proactive in order to get First Nations to be involved in their projects. First Nations communities are changing, becoming younger and more skilled, and should be included in plans for the future workforce and economy.
- The government did not fly over the [Cheslatta] area to see the Mountain Pine Beetle devastation where it hit first, and this has affected how the government approaches projects in our area.

Policy Barriers
- Policies are driven to support and value large corporations rather than small entrepreneurs.
- Small operators have not been supported or valued by provincial policy.
- Smaller operators will likely be around longer than large industry and have more of an investment in the community (i.e. First Nations, community forests, and small entrepreneurs live where they work and stay for generations).
- New policy developments need to support smaller operators more. This would give more credibility to the smaller, grass-roots movement.
- Access to the US market is constrained by the softwood lumber agreement, and we need to continue to look at options for improving this situation.

Product Development
- We could increase our production of hardwoods in the future. This may have a significant impact on the future forest's appearance and benefits. We want to make sure there are no 'blinders' to new opportunities, particularly when it comes to diversifying our range of products.

Small Business Models
- Small business could contribute to the success of large-scale industry if given the opportunity to do so.
- Small businesses could utilise a small piece of the forest and make specialty products or products not well suited to mass production (i.e. pellets, cedar branch Christmas decorations, etc.).
- Large-scale industry may have become too large and could be operating at overcapacity, experiencing unnecessary losses.
- If the future encourages the development of smaller, local operators, we will need to look at new business models for this area. We do no want smaller operations to experience the same patterns and problems that larger industry has had.

Stumpage
- Current stumpage levels are not conducive to good business. Industry will not look at doing business if stumpage on licenses held by First Nations is too high, which they are right now. We need to address the economic viability of current licenses, and how they can be improved to better facilitate new opportunities.

Sustainability
- We have to examine what will happen to forest opportunities once the Mountain Pine Beetle wood is gone. Current technologies and ideas that assume a large supply of feed stock may not be viable in the long-term.
- We need to have economically viable options for the long-term. A lack of certainty about viability is an issue for moving forward with a number of projects.

Tenure Reform
- We need to evaluate the risks and opportunities that come with tenure reform.
- A number of different options for tenure reform need to be assessed in order to determine whose needs are being accommodated and whose are not.
- Fibre and resource access should be included in discussions pertaining to tenure reform.

Transportation
- The transportation of fibre from logging sites to community or processing locations is of issue. It is not viable right now for secondary users to collect and transport fibre on their own, so partnerships / arrangements with primary users need to be made.
- The Prince Rupert port is an issue for northern BC. It is focused on getting goods from China to the US, and does not focus any attention on getting our goods out to Japanese or other markets. It could be an excellent export opportunity for the North, but currently we are only valued as a stop on the way to Chicago.

- CN transport and availability has been a problem. CN has a limited number of cars in service because they have a labour shortage and want a faster turn over on their fleet. This ends up looking like a shortage of cars, when really it is a logistical problem from within CN. The result of this 'shortage' has been that producers are actually able to ship less.
- It takes a significant amount of effort to get goods to the marketplace, and Highway 16 provides a number of challenges for what should be simple transport.
- Communities could have a hand in bringing goods to the marketplace in order to support their local small businesses.

Vision
- We need to decide what the best use of the forest is, and who / what is going to decide this. Will economics and community benefits determine the approach to our future forest, or are there other management factors that need to be incorporated?
- We need to think about what the best use of the forest is outside of economic motivations.
- Currently, decision-making is driven by the interests of the primary user of the forest. There is a very close relationship between forest management and manufacturing industries, and this has significantly impacted how our forests are managed.

3.2   Session Two – Tensions and Visions in a Future Forest Economy
What do we want from the forest?

Introduction

The second session sought to explore a vision for the future forest. This vision would include industry, community, and individual considerations. An introductory presentation was made by OBAC's strategy coordinator Herb Langin and New Direction Resource Management Ltd. consultant Bill Bourgeois (Appendix C). Participants were asked to examine missing elements in today's forest sector, what they wanted from the forest, and where they wanted to 'get to' with regard to the forest industry.

Discussion Summary

A key theme throughout the day's discussion centred upon the tensions between the need for viable economic players (of all sizes) and viable communities. By far, the most significant comment from the discussion was the need for viable community futures. This included attention to keep resource revenues in the north so as to sustain services and social and economic activities, and to renew needed infrastructure for moving into more diverse and viable future economies. To support these viable community futures, places were seen as playing a larger role in resource management and control, in part to ensure that benefits generated locally were reinvested locally.

To support those viable community futures, discussion turned to tools within new resource economy models. This included ways to share access to the resource base, and ways to work out

alternative calculations of best resource uses (focused on local benefits) over both the short and long-term.

As part of creating and supporting those viable community futures, a series of development assets were described. These include the development of social and recreational opportunities, and control of assets like power generation, all to create tools which can be used to attract entrepreneurs and future forest economy activity.

Throughout the discussion, there was a strong sense of the North's need to take responsibility and leadership for its own future, and reduce dependence both on senior levels of government and large resource industry companies. As part of this leadership question, the need to resolve land claim settlements and develop new relationships to create certainty for moving forward was identified.

Workshop Discussion

Access to Resources
  • We need to consider access to all of the opportunities in the forest rather than strictly access to fibre and timber.
  • We need to secure fibre supply and other energy resources on a long-term basis.
  • We need to examine the minimum amount of fibre required for a fibre utilizing enterprise to operate, so that we can better distribute fibre resources.

Alternative Forest Uses
  • There is value in human enjoyment of the forest (i.e. scenery, recreation, etc.).
  • We need to develop more opportunities for enjoying what the forest gives us (i.e. boating, hunting, hiking, etc.).
  • We need to look beyond the 2x4 and towards other and new valuables that can be provided by the forest.
  • Ecosystem services that the forests provide (i.e. carbon sequestration, eco-tourism, renewable energy, and diversified economies and revenues to communities) are necessary processes for human and environmental health.
  • Alternative uses of the forests could include a cover-crop for huckleberries, birch syrup production, and other non-timber forest products.
  • Wildlife is dependant on the existence of the forest. We need to be conscientious of other creatures that live in and depend on the forest.
  • Traditional forestry enterprises could diversify into alternative forest uses. For instance, 'Sinclar Mills Dried Mushroom Company' could be an opportunity for Sinclar Mills to capture more of the market while maximizing the value of the natural resources they extract.

Climate Change
  • The climate will be different in the future and this needs to be incorporated into our vision for the future forest.
  • The future forest will exist in a 'post-carbon' era.

Community Benefits
- We need to be able to generate income, employment, and a reasonable standard of living from our forests. It does not have to be a mill or traditional forestry sector job, so long as people can make a living.
- Communities should be supported by the forest industry, rather than having communities support the forest industry.
- We need revenues from the forest sector to be shared with communities in order to provide for infrastructure development.
- Communities need meaningful, stable employment and services (i.e. hospitals, schools, specialists, etc.) for residents in order to be successful over the long-term.
- We need to examine how a mill job might compare to a job picking berries or some other potential best-use allocation.
- We need to recognize the right for communities to exist. The closure of an industry should not mean the desertion of a community. Centralized decision-making has created disincentives for small towns to survive during periods of such adversity (i.e. Tumbler Ridge).
- Communities could focus on their own economies rather than the economies of the region or industry (i.e. there could be one mill per town rather than shipping products back and forth and benefiting only one or two communities).

Community Participation
- We want to hear from communities to see if there is a common theme regarding community expectations of the forest. We want to know if the needs of each community are cohesive, or if we need to develop some sort of strategy.
- We need to understand what the region and the individual communities want from the forests.
- The communities want to be actively engaged in forestry decision making processes. It can be difficult to get political leaders to come forward and respond to the question of how to best accommodate the needs of a community.
- We need to maximize the value of each hectare of land on a long-term basis.
- There are multiple visions for our future forest within each community. We need to examine what tourism groups, recreation users, and others in a community might be looking for.

Community Stability
- We need to look at the demographics of each community and what this means for long-term population trends.
- Much of our northern communities' wealth and enjoyment comes from the land base. The land base affords us our quality of life and provides stability to our communities.
- We need to have some control over and access to the land in order to support transition efforts into viable, future forest economies.

Diversification of Forest Use
- We need to maximize, improve, and diversify the range of benefits that are derived from the forests.

Financial Resources
- The development of new industries and opportunities requires access to capital.

Forest Industry Operations
- The sixty to eighty year rotation required for forestry crops may not be the best use of the land base.
- The land base needs to be defined and structured as a 'working forest' for maximum benefit to be derived.
- Don Roberts (Managing Director of CIBC World Markets Inc.) made a presentation in Kelowna about the state and future of the forest sector. Structural changes in Russia are raising tariff rates so that Scandavians will not have access to that timber, while in South America, their forest industry is moving away from eucalyptus (a 7 year turn-over for lumber) and toward planting food crops (4 to 5 times a year turn-over) because they are getting more value overall. COFI has a copy of this slide show.
- Comparative advantage may be applying to us less in the global industry. Just because you have a lot of trees does not mean you should be in the tree selling business. Northern BC needs to be aware of this.
- We should look at getting the most value from the twenty percent of the log that currently does not have cost recovery. Getting additional value from this portion of the tree is not just about putting it into chips but rather rethinking how we can use all parts of a tree.
- Our current approach to change (Herb's model) may look too much like incremental change, and may not be revolutionary enough to get the changes we want.
- We need more common sense in the forest industry, particularly regarding road creation, road access, etc.

Land Claim Issues
- We need to resolve current land claim issues.
- There needs to be respect for different types of land use, especially for those who gather food or medicines, or use the forest for other traditional purposes.
- First Nations know what they want from the forest, and it is more than just traditional uses. First Nations communities and individuals are reliant on economic benefits from the forest just as everyone else is.

Leadership
- We need vision and leadership from both communities and government when it comes to future forest visioning and planning.
- Rather than industry and government getting together and setting a vision for communities, communities should create their own vision that government can then take to industry, or develop into strategic plans.

Opportunities through Power Generation
- If mills or other production plants were owned jointly by communities, power generated could be better distributed to the community for use in municipal buildings, public areas, etc.
- If communities had control over power generators, they could attract more businesses to the area.
- In Quesnel, there is a nursery over a duct-flow (from a mill) that generates heat. We could use similar ideas in other communities as well (i.e. Burns Lake, Mackenzie, etc.) and benefit from a reduction in transportation costs.

3.3   Session Three – Future Forest Economy: Wood Product Opportunities
OBAC region wood products – opportunities and challenges

Introduction

This session focused on compiling opportunities for future forest wood products (i.e. structural products, building materials, etc.). An introductory PowerPoint presentation was made by Herb Langin, OBAC Strategy Coordinator (Appendix C). Participants were asked questions to encourage creativity and resourcefulness, and were encouraged to 'look not at where we've been, but where we want to go'. These questions included:

- What are the opportunities?
- What are the challenges?
- What products are we best positioned to produce?
- Is there potential for innovation in existing products?
- Which ones will extend the viability of the wood source?
- Should there be incentives?
- What are the linkages in the future forest (i.e. energy use)?
- Why aren't we already producing these products? What are the barriers?
- What will our marketing needs be? and
- What will our research needs be?

Discussion Summary

In the third session, two core themes were highlighted: capacity building and policy supports. In terms of capacity building, a skilled workforce was identified as a critical need for a flexible future economy. A second need included research on the full range and extent of the characteristics of our forest resource in order to support creative economic options with the existing resource base. A third included greater attention to marketing support and market surveillance, so that competitive opportunities are identified for northern BC entrepreneurs.

Under policy supports, there was recognition that access to a resource may not necessarily entail the current full range of management responsibilities. Access to small volumes is needed for many of the recommended wood product opportunities. At present, much forest policy is geared to one user – large forest companies. There is a need to rethink all aspects of resource

management and resource pricing policy so as to create platforms for small and niche industries. Policy is also needed to support and stimulate alternative forest products and forest product resources – including direct intervention by government to drive innovation. Finally, attention is needed for infrastructure that will support new forest economy companies as they access the resource and move their product to market.

When asked about 'best bets' for new forest products, discussion focused upon three topic areas. The first involved structural wood products developed from current waste materials, including engineered wood, OSB, and the like. These options would make more use of currently available wood products and wood waste, and would be a good fit for using more of the Mountain Pine Beetle killed wood as it deteriorates over time. A second set of suggestions focused upon high value wood products. In this case, the end products would need relatively small volumes of wood, but would produce high value products marketed around the world (with commensurate high levels of employment per volume of wood consumed). A third set of suggestions focused on green energy products and various ways to package and export wood fibre energy. This included opportunities for various grades of wood energy products.

Workshop Discussion

Access to Resources
- There are businesses that do not want to manage the forest but still want access to fibre or timber.
- We do not necessarily have to harvest the Mountain Pine Beetle wood for it to be of value to us. Leaving the wood where it is would create ecological value for the future, and opportunities for non-timber product uses.

Communication
- There are communication problems regarding product development. The provincial government produced a mushroom guide for marketing mushrooms that is not well known by local communities. Putting guides on a provincial website is not enough in terms of support for communities. Municipal staff do not have the time to surf government websites looking for opportunities or ideas. There is a need for a group organization, or a regional district, to play a role in sifting through provincial projects and initiatives, and then provide concise information to communities.
- Tariffs and other barriers to trade are not fully understood by the 'little guy' when he is developing his product. We need effective communication processes to help entrepreneurs navigate import / export policies.
- We need more support for website development so that small businesses can market effectively to regional and international consumers.
- Entrepreneurs would benefit from increased access to product development innovations and technological knowledge.

Community Development
- Attractive communities are important for attracting and retaining businesses, skilled workers, and a consistent population base.

- We need to tie revenues from product and business developments to developments and investments for future communities.
- We need to create incentives for new businesses and residents to come to our communities (i.e. why would they pick us?).

Education / Training
- We need to finds ways to stimulate entrepreneurship and creativity in non-timber forest products (i.e. mushrooms and huckleberries).
- More educational programs in the region are needed to match infrastructure, industry, and development needs (i.e. engineering and architecture programs).
- A knowledgeable workforce is needed in order to develop an alternative forest products sector in the region.

Environmentally-Friendly Products
- We have not fully utilized the potential of our 'green product' market. 'Green products' have niche market potential and can be targeted towards conscientious buyers looking to lessen their ecological footprint.
- We need more investigation into run-of-river power generation and other alternative opportunities. These kinds of environmentally friendly ventures could further advance the 'green product' market and be very profitable for northern BC.

Financial Barriers
- Stumpage rates limit the number of interested investors in many new projects.
- Wood-waste surcharges are expected, which limits the viability of energy production projects.

Financial Resources
- It is challenging to receive funding for many small-scale opportunities due to inefficient funding processes and difficulty in meeting criteria.
- There is opportunity in Western Diversification's funding, but the timeline to receive funding is too long. We need our funding to be as efficient and adaptive as our entrepreneurs.
- Small entrepreneurs need better access to capital and funding. The venture capitalist model caters to large-scale industry, and often the independent savings of entrepreneurs are not enough to fund business start-up, so many potentially profitable businesses never even get off of the ground.

Infrastructure Needs
- We need better roads, railways, air containers, etc. in order to facilitate the production and shipping of our products.

Land Restrictions
- There are challenges to taking land out of the Agricultural Land Reserve and reassigning it to industrial / productive purposes. One option could include investing a portion of the revenues derived from non-agricultural economic activity on the Agricultural Reserve Land into agricultural projects elsewhere.

Marketing
- Smaller entrepreneurs may have difficulty accessing the larger market, but sometimes smaller can be better for new products (i.e. capital investment in a 25 ton a day energy plant may require $4 million, while a new pulp mill requires an initial investment of $2 billion).
- More investment in marketing and branding is needed to develop new markets for our new products.
- Marketing the 'next phase' of the BC economy requires the same attention / investment as marketing for the 2010 Olympics.
- Communities should work together towards a marketing concept, rather than competing directly with one another for the same market share.
- There are challenges connecting people, producers, and markets. For instance why not bring the companies to us (i.e. Ikea or businesses that are already built)? We need feedback from these 'end product' producers regarding our supply, product opportunities, and marketability.
- The Council of Forest Industries provides marketing support for members.
- To assist with developing new businesses, government could provide 'seed funding' for groups and associations to establish marketing plans, project developments, etc. over a five year period.
- A co-operative marketing board could be established for small operators in the area.
- Communities may need to create their own visions for the land base in order to effectively produce and market new products.
- We need to evaluate the mechanisms and options available to us for funding, marketing, and product diversification.
- There is funding available (i.e. Western Economic Diversification and the Northern Development Initiative Trust), but many do not know how to access it.
- A format that includes brokers to go between small business and the marketplace could be developed to assist with marketing.
- The market for bio-energy and carbon is uncertain, so we need to explore what the viability of these products are at different price points (i.e. bio-energy may be viable at twenty-two cents per KW for industry) and market them according.
- We need to develop local markets for our products (i.e. why send pellets to Sweden when they can be marketed and further developed in Canada?).
- Market surveillance and intelligence is needed. We need to look to existing industry and technology that has been successful in other areas.
- Marketing, networking, and promotional tools are needed to assist carvers and other artists in developing a market for their goods. A co-operative group could be designed to support regional artists.

Partnerships
- We need to encourage and support the development of cooperatives and partnerships in business, trade, and development.
- Individuals in the region need to be brought together to form a cohesive vision for the future.

Policy
- Government policy needs to support and stimulate alternative wood fibre uses. This could include reallocating resources toward alternative product research and development.

Product Development
- We need to be sure not to automatically 'write-off' opportunities due to our current economic assumptions. The viability of certain projects may be better in conjunction with the production of other goods.
- Support is needed to facilitate coordination in product development between entrepreneurs and craftsmen.
- We need to incorporate forest and land rehabilitation into our plans for future forest products.
- Future forest wood product opportunities could include:
  - engineered wood products (i.e. laminate and veneer products, wood cements and plastics),
  - bio-energy products (i.e. cellulose ethanol from wood, bio-diesel),
  - Wooden cutlery (i.e. Aspenware brand WUN cutlery was used by concessions at Pemberton Music Festival), and
  - carbon sequestration.
- Some 'best bet' future forest wood product opportunities include:
  - implementing more hardwood management (i.e. pursuing birch and aspen floor panels, bowls etc.);
  - raw Pine for decorative purposes (i.e. posts, doors, cupboards, flooring, rail products, etc.);
  - OSB (oriented strand fibre board), OSL (oriented strand lumber), and MDF (medium density fibre) board products;
  - wood heating products in the domestic market (i.e. pellets, briquettes, chips);
  - high-end specialty products (i.e. underwater or salvage wood art and musical instruments); and
  - high-end structural wood products (i.e. high-end dimensional lumber).
- We need more government support for OSB and MDF board opportunities. These opportunities could include secondary producer opportunities.
- We could implement more branding for our wood products (i.e. 'BC builds with wood').
- We need to explore where the specialty markets are. Japan, for instance, could be targeted for drift-wood musical instruments or specialty grains of wood.
- More opportunities could be pursued in the bio-plastics industry. Kelowna is bringing in a new plant to digest wood chips to produce lignin cellulose for bio-plastics for instance.
- Many of our hobby items could be developed into profitable specialty products elsewhere (i.e. art, crafts, or rare types of food).

Transportation
- We need transportation and shipping infrastructure that is efficient and affordable.

Wood Characteristics
- As Mountain Pine Beetle wood degenerates, you lose product opportunity.

- o Wide dimension lumber (2x10's and 2x12's) is the least viable product because of board defects, which then leads to the development of 2x4's and 2x6's.
  - o The next opportunity, once degeneration has progressed beyond opportunities for 2x4's, is into engineered composite products (i.e. OSB, MDF, and OSL). These products are still useful in a structural capacity.
  - o The next progression, due to the degeneration of Mountain Pine Beetle wood, is into floury particle-type products (i.e. wood cements, wood plastics, and bio-energy products).
- We need to keep in mind what is special about our trees. The Lodgepole Pine cell structure is different than that of other tree species, making it conducive to different treatments. It is also strong, light, and stays true to form.
- Termites destroy untreated wood, but there are vast opportunities for treated lumber products, particularly in Southern China.
- Pine is prone to water permeation, which makes is good for treatment absorption, but a poor candidate for raw use in a number of areas. We need to examine both the benefits and challenges associated with our wood products.
- Interior fine grain, kiln dried fir (Douglas fir) has characteristics that no other tree has, and is highly regarded as a speciality finished wood product in Japan.
- We need to be sure not to overproduce one particular product, and instead target an array of markets. Ainsworth Lumber was relying on OSB a few years ago, but is now facing challenges due to overproduction.
- The fungus in Mountain Pine Beetle wood (the blue tinge) affects the wood's cell structure, actually making it more water permeable.
- We need more research into Mountain Pine Beetle wood properties, so that we can develop viable products.

3.4   Session Four – Future Forest Economy: Non-Timber Product Opportunities
OBAC region non-timber forest products – opportunities and challenges

Introduction

The goal of this session was to encourage discussion regarding non-timber forest resources, and encourage participants to think outside of the 'traditional box' when thinking about commercial forest opportunities. An introduction was given by Greg Halseth, Director of the CDI, to stimulate discussion. Participants were asked to focus on two topics: bio-energy and agroforestry. They were then asked to consider what things would work in concert with these approaches, and to identify economic and community benefits or barriers to such products.

Discussion Summary

The first discussion focused upon bio-energy. It was noted that greater attention was needed with respect to the general role of 'wastes' in generating energy. This includes access to a wide variety of forest industry woods and mill wastes that are still not made available to secondary users. It also includes combining debate and discussion about bio-energy with debate and discussion about waste management (in its various forms) and how each may contribute to green

energy generation. The greatest stumbling block is that relatively little is presently known about the range of energy, chemical, and biological characteristics and products that could be generated from our current forest resources. A second reason why further developments have not occurred is that policy and practice supports are presently 'in the box'. Examples such as BC Hydro and the Ministry of Forests pricing and tenure policies need to be overhauled. Participants identified that one needs to know what is possible, and then re-tool the policy supports to allow entrepreneurs to take advantage of those opportunities.

In the discussion on agroforestry, three key issues recurred. The first was that new potential was likely dawning as a result of increasing energy and transportation costs. Various movements to buy healthy, buy local, and buy in an affordable manner may make regional agroforestry production more viable and profitable. A second had to do with access to better information. At present, participants did not have a good knowledge about potential agroforestry products. There was a clear need for information and research to not only identify potentials, but also to situate those potentials within a regime marked by global food markets and climate change. The third key issue discussed involved multiple uses of the forest land base. In this case, discussion focused upon the need for new economic models, as well as new land use models, that would provide a viable operating environment for large and small economic actors.

In terms of 'best bets', the consensus seemed to be that the future of agroforestry would involve lots of small-scale operators, going after niche opportunities. To move this activity forward, however, there were concerns about how to maintain quality control, branding, market penetration, etc. These kinds of topics are typical, such as when the Okanagan wine industry transformed itself from low to high quality wine products.

A final comment about multiple uses of the land base entailed the opportunity to branch into agrotourism. Supplementing economic activity in a variety of ways will be the key to success for small entrepreneurs. It will also be a way to diversify the economic foundations for small communities.

Workshop Discussion

Bio-Energy

Access to Resources
- Mills and other primary users often do not want to share their debris.
- Existing tenure constraints affect bio-energy production opportunities.
- Fibre could come from small licenses close to communities to ensure that they are not competing with major licensees (i.e. community, First Nations, and woodlots).

Animal By-Products
- We should look at every possible waste option for energy generation (i.e. cattle dung can be burned as fuel).

Bio-Energy - General
- We could use poplar wood (which is fast growing) for heat / energy production.

- Grass has been used as a bio-energy source in the U.S. and Denmark. We could use landscaping and other agricultural wastes for bio-energy products.
- We could combine bio-energy opportunities to assist in the development of greenhouses. This would make sure that bio-energy produced is used locally.
- We should combine bio-energy with waste management.
- We need to create a structural guide for our wood pellet products. Different grades of wood pellets could be created with different qualities of wood, which could then be used most effectively by specific users, resulting in less overall waste.
- There have been some advancements in bio-energy (i.e. ships that burn carbon). We need to perceive the unknown.
- Energy projects could be developed along Highway 16 to benefit communities in the area.
- There are knowledge gaps regarding many alternative energy opportunities (i.e. what are the opportunities with straw and straw-bale construction?).
- We could start with smaller energy ventures, which would require less access to fibre and less capital investment, to test the viability of projects. This would allow us to avoid some of the immediate issues associated with tenure.

Community Energy Projects
- According to COFI, the number 2 producer of energy in BC is sawmills (after hydro-electric dams).
- We could create heat for municipal buildings and subdivisions through community energy projects.

Diversification
- Sawmills focus on 2x4 production, and there are challenges (i.e. financial and logistical) in getting them to diversify.

Gasification
- We need to further explore opportunities with gasification. Almost anything (i.e. garbage, etc.) can be used, and can then be transported relatively cheaply.
- Activated charcoal is a by-product of the gasification process that is used in many products.

Geothermal
- Geothermal energy should be used more to reduce heating costs for homes and communities.

Networking
- We should try to utilize existing networks and research (i.e. the BC Bio-energy Network has already been formed) so we do not waste resources on projects already underway.

Operational Barriers
- The BC Hydro pricing schedule is a barrier for bio-energy due to the long wait times associated with hydro policy decisions.

- The lack of control over hydro resources is a long-term risk to business and industry in northern BC, and needs to be further addressed.
- We need to explore how silviculture responsibilities will be incorporated into non-timber forest production.

Policy Barriers
- BC Hydro policies are frustrating for small producers. There are calls for proposals, but since BC hydro is only offering eight to ten cents per KW, many 'green energy' opportunities are not viable.
- A business will face significant challenges if the sale cost of their product is predetermined, but the input costs could vary greatly due to uncertainty over access to resources, energy prices, etc.

Product Viability
- We need to be sure there is a market for our products (i.e. are people willing to pay more for 'green' energy).
- We need to examine the risks associated with bio-energy, as many of the initial investments required for projects are costly.

Solar Energy
- Solar energy is an opportunity that is not often discussed in northern BC, but still has a great deal of potential as a secondary power supply. Solar power could supplement existing and other power sources.

Sustainability Concerns
- There are concerns that the 'ginseng problem' will re-emerge with too many people competing for fibre or particular forest resources.
- We want to be sure we are not simply jumping on the 'bio-energy bandwagon'.

Transportation Barriers
- As transportation and fuel costs go up, products produced locally / regionally may become more viable.
- Transportation costs beyond 50 to 100 kilometres become very expensive, and need to be thoroughly considered when evaluating new projects.

Agroforestry

Carbon Sequestration
- Marketable carbon offset and sequestration opportunities are still unknown. While the carbon trading market has become more developed, the viability of actually growing trees for sequestration purposes is still unclear. Before this sector can be developed, entrepreneurs need more security from the carbon trading system.
- Markets and legislation pertaining to carbon sequestration need to be worked out before an industry can develop to support them.

Climate Change
- It is possible to grow forests (trees) much faster than we do now. We could grow trees, rather than cut them down, and then market them as carbon credits.
- Certain non-timber forest opportunities may not have a big carbon uptake (i.e. berries).

Communication
- We need more information about success stories in agroforestry (i.e. New Zealand).
- We need a point of contact for interested entrepreneurs (i.e. if someone is interested in collecting birch sap, who do they need to talk to in order to pursue this in terms of tenure, range options, etc.?).
- We need to make sure that production opportunities and information is shared in the community. It may be that there is a third or fourth product that could be extracted and used from another producer's waste.

Geographic Proximity
- Geographical barriers to agroforestry include tenure and access to the resource, as well as the necessity of actual human interface with the agroforestry project.
- There are proximity limitations for agroforestry as well (i.e. you can plant trees in an isolated location and walk away, but agroforestry crops and animals require interaction and maintenance).

Information and Research Needs
- There has not been an in-depth study into our region's agroforestry potential, and this creates a barrier to realizing new opportunities.

Labour Shortage Issues
- There are limitations regarding experience and skills in agroforestry, and we need to train or import a knowledgeable worker base to develop the sector.

Marketing
- Selling and getting our products to market is often the most difficult part of the product cycle (i.e. the Barbie doll example: it costs $1.00 to produce it, and it sells for $10.00 in the US, but all of the profit is eaten up by transit and distribution costs).
- We could promote the '100 mile diet' which emphasises local goods.
- We could promote agroforestry as a source of food security.
- We need to consider the demographics of the community in which we are targeting production / consumption so that we can produce appropriate products.
- Market surveillance is needed to determine demand for potential products.
- Organic products have been very successful, and we should continue to explore opportunities in this area (i.e. 'sustainably harvested by BC First Nations wood products').
- A twin town concept could be promoted where a community forest captures carbon credits, berries, and commodity products at a small-scale, and markets the entire package to another town in Europe – the twin town.

- In the future, transportation costs may make locally grown foods more affordable than imported ones, making agroforestry more profitable.

Policy Barriers
- Land conversion is a big concern for any agricultural projects. In terms of a forestry company for example, if you plant grass or berries, you could be in violation of your forest license.
- Concerns surrounding deforestation could hinder diversification into agroforestry in some cases, particularly if it is not cast appropriately.
- We need to examine tenure and access for non-timber forest products.

Product Development
- Berry crops could be planted between trees and grown.
- Wider spacing and better planning when tree-planting could promote future agroforestry uses.
- Wild fruit could be 'planted' in forested areas and harvested later.
- Domesticated berry crops are an excellent opportunity, as they can be planted and grow well in our northern climate.
- Baskets from willow branches could be made.
- Moss could be used for planting in the greenhouse and other agricultural activities.
- Many food crops have multiple uses (i.e. blueberry leaves can be used to regulate blood sugar levels for diabetics), so we need to be sure to track and apply this knowledge to get the most value out of our forests.
- Balsam firs are pursued for their bark and pitch, but this bark and pitch is disappearing with the Mountain Pine Beetle.
- The avian flu can be combated with extracts from Pine, Spruce, and fir trees.
- The wild mushroom market (i.e. morels, pine mushrooms, etc.) is highly lucrative, but needs to be protected from over harvesting.
- Birch syrup and associated products could be further explored, as they have niche market opportunity.
- Goats and sheep can be used for noxious weed control and road brushing.
- Poplars and other fast growing trees could be harvested for pulp fibre.
- Floral supplies (i.e. salal) could be further exploited as a value-added product.
- Landscaping species could be harvested for sale in big-box gardening stores.
- Complimentary cover crops are an opportunity for existing tree stands and agricultural development.
- Pasture / grazing animals could be used more for landscaping purposes where appropriate.
- Environmental services could be promoted (i.e. retaining water) in order to increase agroforestry implementation.
- Cut blocks are currently harvested with a 5 metre reserve of streams. If a 10 metre reserve were left, the environmental benefit would be much larger, and could potentially be a marketable asset (i.e. people from cities could pay for this environmental benefit, which would offset the costs to forestry).

- Residents in L.A. and Tokyo pay communities for environmental services (i.e. clean water and clean air), and we should explore similar opportunities for northern BC.
- We should look at adding small-scale opportunities to existing enterprises (i.e. hobby farming could be made larger and more productive).
- We need to determine our level of comfort regarding subsidized farming.
- While new products are excellent, we want to be sure to avoid overproduction or overestimation of demand.
- Since not all new products will be economically viable, we have to be ready to be flexible and adapt if our original plans fail.

Quality Concerns
- Agroforestry could set high standards for food production (i.e. just as you need a quality 2x4, you need a quality cow). We have to be sure that we make quality items and get a good return on our investments.
- We will need to re-evaluate our approach to the market (i.e. perishable food crops would be a concern for overseas shipping).
- Consistency of food crops is of concern. Berries for instance are highly susceptible to bad weather.
- We want to be sure to maintain the integrity of existing operations and crops (i.e. corn can often damage other operations).

Rotation Length
- Plantation forestry takes a long time, so if we were to pursue carbon sequestration as part of our agroforestry operation, we would need a secure market.
- We need to examine the long-term rotation and benefits of a crop (i.e. if you plant trees, you get one crop every 60 years where as if you plant berries, you get one crop every year).
- Agroforestry can provide both short-term and long-term benefits for producers, because it produces more than one product concurrently and is geared towards future viability.

Sustainability Concerns
- There are several opportunities with medicinal plants, but there are also reservations. First Nations may not wish to share too much of their knowledge due to concerns over overexploitation and resource destruction.
- The Mountain Pine Beetle has impacted many product and use opportunities for First Nations, and this needs to be incorporated into plans for the future forest.
- Farming and agriculture are difficult processes that require trained staff and expensive supplies. We need to examine these costs and be sure to make the correct investments.
- Often the cost of producing some of these (agroforestry) goods leaves little room for profit.
- We have to look at all of the values that may come from agroforestry. It may appear more feasible to implement some of these new business models if we account for non-monetary benefits.
- We need to make a play for more local processing (i.e. when you add packing etc., that is where things become more profitable).

- We need to examine what the opportunity costs of bringing in agroforestry might be, as we could be taking away from other opportunities.

Tourism
- Agroforestry tourism opportunities could be marketed much in the way that Elderhostel is. This is particularly important given the aging population across Canada and within northern BC. Older residents may have to downsize their homes where they have incorporated agroforestry activities into their lifestyles, but may wish to continue to experience agroforestry opportunities. Examples of Elderhostel opportunities include adventures in Churchill, Manitoba and across Nova Scotia.
- Agritourism, agri-tours, 'agro-tainment', and other eco-tourist opportunities should be promoted in the region.
- GPS pictures and art could be more heavily marketed to city residents or individuals in different climates.

3.5 Session Five – Issues and Options for Moving Forward
Some stuff we can do in the immediate future

Introduction

The purpose of the fifth session was to encourage participants to consider real world options, opportunities, and challenges for the forest in the immediate future. A recap of key items from the day was presented by Greg Halseth. Participants were asked to focus on the Mountain Pine Beetle epidemic and the types of infrastructure that would be needed. Infrastructure would include both physical infrastructure, as well as the development of workforce and people skills.

Discussion Summary

Three key themes emerged from the Mountain Pine Beetle discussions. The first concerned access to information and research. Critical here was a lack of knowledge about the inventory, restocking, and beetle damage impacts on the forest. A second area of interest focused upon access to resources. This followed two specific threads. The first thread focused upon limiting the ability of single users to block others from obtaining access. The phrase 'use it or lose it' was raised. A second thread concerned getting the right resource to the right user. This involves the flexible allocation and delivery of different quality and types of forest resources to different users so as to maximize resource use, value added opportunities, and support a wider range of economic actors. Against the backdrop of rising energy costs, larger community forests were identified as an opportunity by which 'in the woods log sorting' could deliver the right forest product to the right user and obtain a higher overall premium on resources harvested. The third area of discussion focused upon policy. In addition to stumpage certainty, there is a great deal of discussion about revising the way stumpage is calculated given the likelihood that we will be moving into a multi-user, or cascading user, type of economic environment in the future where large and small economic players each have some economic stake in what was originally harvested from the forest base.

In terms of infrastructure, three issues came out of the discussion. The first concerned communications, and the critical need for networking, scaling up, and assistance with market surveillance and marketing. The second had to do with assistance with transportation so as to improve access to the resource and get the product out to market in a timely and cost effective fashion. The third topic focused upon technology, including a need for innovative policies to support new technology and product growth and development.

Workshop Discussion

<u>Mountain Pine Beetle</u>

Communication
- People need to know where to turn for information and resources before any new developments can occur.

Community Concerns
- There are visual sensitivities from communities regarding the Mountain Pine Beetle. Many communities will see or have seen the cutting of dead trees in parks and community spaces.
- Communities do not want loggers in charge of land and resource management, as their goals are making profits and deriving wood products, not ecosystem management.
- Often, communities may prefer not to remove dead Mountain Pine Beetle trees for aesthetic purposes.

Financial Barriers
- Processing chip road-side debris is costly (i.e. around $3 a cubic metre) and is not viable in many instances.
- We need to apply a method of 'total-cost accounting' for Mountain Pine Beetle projects. This method should include human and environmental impacts as well as financial ones.

Financial Resources
- Small operators experience challenges in business start-up and capital access for their day-to-day operations. They need financial resources or someone to 'bankroll' them early on so that they can establish themselves.

Information and Research Needs
- We need to do an inventory and assessment of the Mountain Pine Beetle infestation so that we know what we are dealing with.
- We need access to many kinds of information (i.e. trends in the market, skills required for different projects, regulatory frameworks, etc.) so that we can properly assess what our actions or next steps need to be in order to facilitate our goals.

Operations
- We need to get the land base back to a reproductive / productive state.
- We need new rules specifically designed for Mountain Pine Beetle stands. It does not make sense to apply rules designed for living stands to Mountain Pine Beetle stands.

- We could explore 'snow cashing' and create subsidies to encourage producers to get dead wood off the land base, and then store it for future use.
- Current cruising and scaling practises are not well suited to dead stands.
- We need to have the overall value of the land considered in our land management practices. This could be facilitated by separating sawmills and other forest product producers from forest management.
- We need to have a 'log market' to supply products to mills, producers, etc.
- We need to explore how to best utilize the dead Mountain Pine Beetle trees that are 25-60 years of age and then rehabilitate, restore, and replant those forests.
- We could use controlled burns to manage the forest.
- We need to allow our RPFs to be true forest managers.
- A case could be developed for riparian management and ecology by examining all of the values associated with such practises.
- We need to look further into on-the-ground forestry and processes. It may be best to complete secondary processing in the forest.
- We need better distribution of wood to entrepreneurs and small businesses.

Policies
- We need to know how international trade policies (i.e. NAFTA) affect us directly in terms of bio-energy and other new products.
- We could try to remove woodlands from licenses and create an auction style market. The Province could then enable delayed payments and allow entrepreneurs to get up and running.
- If wood is to be auctioned off, we will have to examine what kinds of guarantees this market can make for long-term access to fibre.
- In terms of Bill 31, road side piles and standing dead timber are made available to whoever wants it, at the standard commodity price. Access is based on first right of refusal, so there is no overlapping tenure. This kind of process could assist in situations where partnerships have yet to be developed.
- Smaller operators need to be aware of how Bill 31 will work, and how it will affect the price of fibre in times of market downturn.
- We need to create a balance between bio-energy and saw log companies. Losses in one sector could be out-weighed by overall gains in the long run, but this would require the coordination of both government and industry
- When licensees are not harvesting due to mill closures and market downturns, we need some kind of system that allows other users to access that land base. Licensees should either 'use it or lose it'.
- We could look at promoting silviculture and agroforestry on sub-marginal stands.
- We could apply some sort of annual rent to prevent licensee holders from tying up wood supplies. Companies may want to keep all of their options open, but this prevents opportunities in other product and wood uses.

Safety Concerns
- Mountain Pine Beetle stands are a fire hazard and a safety concern for communities.

Stumpage
- We could look at removing the stumpage from the dead trees, which would encourage the use of Mountain Pine Beetle wood for bio-energy. Losses in stumpage would be off-set by decreases in unemployment costs and increases in taxable income for the Province.
- International arrangements such as NAFTA control what we can do in terms of forestry policy and pricing. We may not be able to remove stumpage or other financial barriers for these reasons.
- Stumpage could be charged according to the products produced (i.e. if you use fibre to make electricity, stumpage could be zero, whereas if you use fibre to make wood products, stumpage could be higher).
- We have to consider stumpage policies for all possible products. It may not be fair to have the primary producer be responsible for all of the stumpage.

Sustainability Concerns
- We should not focus only on bio-energy as this may lead to another boom and bust trend.
- We need more opportunities for training regarding Mountain Pine Beetle wood and products.

Infrastructure

Communication / Technology
- Infrastructure support is needed for building capacity for website development. WoodNet in the US markets products of small-scale operators, and enables them to trade wood.
- WoodNet Development Council of Orofino, Idaho developed a cooperative for woodworkers and a network of specialty plant growers in the Pacific Northwest as "yew woods, medicinal herbs, and even custom ordered wood products are available for purchase over the Internet" (Henderson 2001: 3). Furthermore, an on-line wood swap also exists for woodworkers to buy, sell, and trade specialty wood, equipment, goods, and services.
  - Henderson, J. 2001. Networking with E-Commerce in Rural America. *The Main Street Economist*. (September) www.kc.frb.org. Center of the Study of Rural America. Federal Reserve Bank of Kansas City.
  - WoodNet Development Council. PO Box 709, Orofino, ID 83544 (Phone: 208-476-4263), (E-mail: woodnet@woodnet.org), (Website: www.woodnet.org).
- We should investigate new technologies for heat generation and district-wide heating using chips and gasification.

Transportation
- There was a note of caution that suggestions about subsidies, even for transportation costs, could be risky due to the softwood lumber agreement and NAFTA.
- The Ministry of Transportation currently has upgrades underway, so we may not need as much transportation support in the future.
- In terms of port bound freight, entrepreneurs have to ship products to Prince George first, even if the products have to go by the community again on their way to the port (i.e. from

Burns Lake to Prince George, and then back to Burns Lake on its way to Prince Rupert). This is creating unnecessary transportation costs.
- We need more options for container loading.
- We need improved access to CN services and rail transport in general.
- We could develop a 'road users group' to facilitate increased transit, or improve cooperation between the Ministry of Forests and transportation service providers.
- Entrepreneurs need better access to port bound freight transportation.

Policies
- We need to relax strict policies to allow for pilot projects and new technologies.

3.6   Session Six – Issues and Opportunities: Long-Term Impacts
Assessing long-term impacts

Introduction

The final session asked participants to identify long-term impacts of some of the options discussed throughout the Summit. A short introduction to the session was made by Greg Halseth where participants were asked three questions, including:
- What are the community needs and interests?
- What is the scale of these wants and needs?
- What is needed to assist companies, particularly small companies?

Discussion Summary

Support for communities followed topics generally well understood as being needed to support community development. These included support for community visioning processes, support through local service provision (including housing, employment training, etc.), and increased access to the local resources so as to maintain local control, and thus local benefits.

A host of information needs were also identified as being key to moving forward. This included not only information about the structure and characteristics of the forest resource, but also information on how the forest and the forest sector can contribute to local well-being. To support entrepreneurs, information and tracking of opportunities through market surveillance was needed. It also included the development of new information management tools to assist small economic players to remain viable across all activities they need to undertake from resource acquisition to manufacturing to marketing and shipping.

A final topic concerned the need, again, for more flexible policy. Included here is policy to support innovative product development, collective marketing approaches, access to a wider range of fibre and associated resources, and the support of alternative business models that would not be burdened with inappropriate tenure or pricing regulations from provincial ministries.

Workshop Discussion

Access to Local Services
- We need to advocate for community stability regarding access to healthcare and education services.
- We need more entrepreneurial training.
- As part of economic development work, it was recognized that there is a critical need to ensure that communities are able to meet basic needs such as water, sewer, health, and transportation, which would then allow for better community action and involvement in the market.

Access to Resources
- We need to advocate for local control of area resources.
- We need our community forests to be able to access fibre.
- The community forest model is a good opportunity for small businesses, which may only need access to small amounts of timber. We need to further develop these relationships and opportunities.

Communication
- The use of regional economic development officers is okay, so long as they work in concert with local community staff and aspirations.

Community Development
- We need government recognition of where the community wants to go.
- We need to evaluate the role we want community forests to play (i.e. what percentage of the forest should be community forest?).
- The forest industry should be supporting communities, not having to be supported by communities.
- Woodlot licenses facilitate control over the wood resource, but communities may not want or have the capacity to control the entire resource. Communities need options for access to resources that are balanced with their ability to manage.

Employment Transition Support
- We need to look at poverty and unemployment needs. Workers cannot commute to new jobs due to large distances between rural places, so unemployment programs need to be more flexible to reflect rural and small town needs.
- Due to fewer employment options and large distances between places, people are more likely to be on EI for longer periods until they and the market are able to adjust.
- We could look at having municipalities provide relief from local taxes during economic downturns, or try to find support from the provincial government.

Financial Resources
- The provincial government could set the parameters for industry, and communities could then figure out how to get there (i.e. the NDI Trust was given money, but the north decides how to use and invest it).

- We need better access to funding and credit for small businesses. Financial institutions have check lists that can result in an easy 'no' that does not consider the benefits or unique contexts that entrepreneurs operate in.

Housing
- We need more social housing options, and less centralization of services. Residents are at risk of losing their homes, and are struggling with debt and other payments, so these (social support) services are essential.

Information / Research Needs
- We need to be able to fully understand how the forests and the forest sector contribute to overall community well-being (i.e. community forest tenure, woodlot licenses, etc.).

Management Tools
- Managers in industry need access to a wide range of opportunities for goods and services that they can then utilize on several levels.
- We could create a vision tool for liaising with industry (i.e. these are our economic values for the next 100 years, can you meet them? If not, what can you provide? Can you fully utilise the forest?).
- Our visions for the future need to be flexible, since over time our needs, wants, and realities will change.
- Sustainable management plans assess forest values over 250 years, but these often do not assist communities in making the right decisions for right now.

Marketing
- We need more marketing opportunities for small companies. Rather than having every actor do their own market surveillance, etc., we could create a facility to assist with these marketing needs for the whole region.
- FP Innovations provides an example of an organization providing tools for assistance with marketing and acquiring funding.
- Community Futures Corporation has been helpful for small companies.

Networking
- We need to facilitate more networking opportunities for small companies.

Operations
- It can be hard for district managers to make decisions regularly, so some sort of operations guide could be created for the region.

Policy
- We need to de-link manufacturing and land management in larger operations (this may not be applicable to small or First Nations community circumstances).
- Generally, a community refers to a municipality. We need to include First Nations and rural communities into our policy frameworks, so we can better manage areas outside of municipals boundaries. These areas are a large part of our forest sector, and are important.

- The provincial government could set broad guidelines, and let industry meet the challenge rather than setting strict guidelines that hinder market entrance and diversification.

Product Development
- We need to be able to generate a wide range of values, services, and products from our forests.

Promote Local / Regional Initiatives
- Utilization of the '100 mile diet' could address carbon and transportation costs.
- Communities may have to work together when liaising with industry to ensure overall benefits are created for all involved.
- Communities need an opportunity to navigate the course more, rather than sitting back and hoping things will be okay.
- We need to increase market access for local farmers and local products. Industry Canada changes have hindered or destroyed many farmers' markets in the area.

Revenue Sharing
- Revenues from forestry should be shared directly with the region, particularly during and in preparation of economic downturns.

Scale
- We need to acknowledge that small companies are in it for the long haul, while it may be difficult to weigh the attitudes of large corporations.
- We could explore flexible market options (i.e. in tough economic times, small operations could be amalgamated in a Canfor type company anyway).
- We cannot ignore big company needs, but also cannot ignore community and small business needs. We need a better balance in our industry.

Transportation Services
- We need to facilitate a flexible workforce without forcing people to 'give up the farm'. This could be done by organizing a charter for short-term employment to places like Fort McMurray.
- We need improved transportation (i.e. buses, roads, trains, planes) in general.
- A tri-transit system is being explored between Vanderhoof, Fraser Lake, and Fort St. James with BC Transit. Workers could be transported to industry jobs in Fraser Lake, or seniors and other residents could commute for shopping, recreation, and health needs.
- We need to properly assess the costs associated with different modes of transportation (i.e. at 200 kilometres, logging trucks become more expensive than rail).
- Due to rising transportation costs, service provision within 100 miles may again become more viable.
- We need to encourage passenger rail use. In some places, there is no platform, no lighting, tall grass, and it is not safe.
- While there have been some transportation improvements (i.e. extending the runway at the airport in Smithers), not all of the improvements are necessarily the best fit for the

community (i.e. the CN overpass in Smithers was built, but it may still create problems for the community, who will then have to further invest to correct the problem).

4. 0   Closing Observations

The Mountain Pine Beetle has been one of many factors driving industrial restructuring in rural and small town places. New flexible and innovative solutions are required to support these places to 'be ready' to adapt to rapidly changing economic, social, and environmental conditions. This section highlights key tools and suggestions that were recommended through the Summit exercise and which can assist OBAC communities to seize opportunities in a future forest economy.

Some of these recommendations have been collected below under four topics – 'approaching the issues', 'policy', 'research', and 'development supports'.

Approaching the issues:

- The approach to a new forest economy that supports both economic and community viability needs to start with the question of 'what communities want from the forest base'.

- The viability of various economic actors must be weighed against the bottom line of what is most beneficial for community viability and success. This will include using the lens of short and long-term horizons to determine best resource uses for greatest net community benefit.

Policy:

- To ensure the long-term viability of places, policies must be developed that provide secure access to a wider range of timber and non-timber forest resources and ensure the efficient use of waste in all processes as inputs to other activities. Other uses of the forest, such as agrotourism or ecotourism, must also be considered and included in supportive public policy.

- A critical policy need is to get the right resource to the right user. This may involve creating larger community forests with 'in the forest log sorting' to maximize the value from the forest base. It may also involve different resource pricing regimes that allow for parts of logs/cuts to be sent to different users.

- Policy and investment supports need to include access to capital for small forest entrepreneurs, including access to the natural forest capital that would be critical as inputs into their processing and manufacturing lines.

- Through effective policies and programs, a positive business environment must be created that can incubate new technologies, products, and pilot projects. This positive environment should include access to timely information, market surveillance, streamlined processes, access to capital, networking and marketing tools, secure and flexible access to fibre, and the like.

- Government programs must be flexible and responsive when needed. The right conditions and opportunities for new developments may not follow government program deadlines.

Research:

- It was clear that there is a need to develop new models for improving forest resource access and accommodating multiple users on the land base over a long period of time.

- It was also clear that there is a need for new economic models, especially ones designed to support small economic actors with appropriate pricing and management responsibilities to their level of demand on the resource base.

- Given the many times that further research was identified as being needed on the biological, chemical, and structural characteristics of our forest resources, there was support for putting forward proposals for a research centre of excellence on this topic.

- The same future research needs could support the development of research centres of excellence for non-timber forest products and for energy. In the case of non-timber forest products, the current research unit at Royal Roads University could be supported.

- A body of economic analysis is needed to educate different users of the benefits of producing low-value products annually versus higher value products every 70 years.

Development supports:

- Market surveillance came up time and again as critical to supporting innovation and new entrepreneurs.

- Innovation support may require direct government intervention.

- There was a clear need identified for small economic players to 'scale-up'. A mechanism needs to be found to nurture and support existing groups, such as community forests and business associations, to become bigger players in both the market and policy development. Such a mechanism is likely to involve local, regional, and provincial partners.

- It was recognized that there is a critical need to develop an information network for both communities and entrepreneurs which creates and shares information on markets and product development. This may be supported by the development of a position for a communication officer to track and distribute information in a timely manner. This is critically important as small communities are equipped with few municipal staff that have limited time and numerous responsibilities. Additional information may be collated about best practices, how to guides, funding and support programs, networking tools, and policy initiatives.

- Routine coordination and collaboration will be required to support scaling up initiatives and regional partnerships. Long-term programs are needed to facilitate this interaction on a local and regional level.

- Attention to enhancing local amenities, services availability, and global connectivity can cement rural and small town places as competitive players for the next generation of the workforce. This inherent linkage between economic, social, and environmental issues needs to be greater reflected in our local and regional economic development debate.

Appendix A: Future Forest Summit Participants

Future Forest Summit Participants

Name	Title	Affiliation
		Elected Local Officials
Don Bassermann	Councilor	City of Prince George
Richard Bisanz	Mayor	Village of Fraser Lake
Gerald Ewald	Mayor	Village of Granisle
Cress Farrow	Regional District Chair	Regional District of Bulkley-Nechako
Stephanie Killam	Mayor	District of Mackenzie
		Local Government
Lana Fitt	Regional Strategic Development Analyst	Regional District of Bulkley-Nechako
Kathie Laforge	Economic Development Officer	District of Vanderhoof
Cindy Shelford	Economic Development Officer	Lakes Economic Development Association
		Provincial Government
Heather Cullen	Regional Staff Manager-Operations	Northern Interior Forest Region, Ministry of Forests and Range
Gord Dow	Silviculture Specialist	Northern Interior Forest Region, Forests for Tomorrow, Ministry of Forests and Range
Leslie Lax	Regional Project Manager, Cariboo	Ministry of Economic Development
Doug Macfarlane	Director, Community Economic Development	Pine Beetle Epidemic Response, Ministry of Community Development
Gerry MacDougall	District Manager	Nadina Forest District, Ministry of Forests and Range
John Pousette	Tenures Officer	Prince George Forest District, Ministry of Forests and Range
Chris Ritchie	Mountain Pine Beetle Response Manager	Ministry of Environment
Colene Wood	Director, Policy and Innovation	Pine Beetle Epidemic Response, Ministry of Community Development
		Federal Government
Bryan Bogdanski	Research Economist	Pacific Forestry Center (Prince George), Canadian Forest Service
		First Nations Government and Representatives
Mavis Benson	Councillor	Cheslatta Carrier First Nation

Jackie Brown	Forestry Coordinator	Lheidli T'enneh
Clara Jack	Capacity Initiative Coordinator	Nak'azdli Band
Dave Kim	Consultant	Kim Forest Management Representing: Tsay Keh Dene
Corrina Leween	Chief	Cheslatta Carrier First Nation
Mike Robertson	Senior Policy Advisor	Cheslatta Carrier First Nation
Jasmine Thomas		Saik'uz First Nation
		Community Forests
Alistair Schroff	General Manager	Burns Lake Community Forest ltd.
Marc von der Gonna	General Manager	McBride Community Forest
		Associations and Councils
Joan Chess	Regional Coordinator	Fraser Basin Council
Mark Clark	President	Prince George Woodlot Association
Rick Publicover	Executive Director	Central Interior Logging Association
		Industry and Stakeholders
Gordon Andersen	President & CEO	Sinclar Enterprises Ltd.
Bill Bourgeois	Consultant	New Direction Resource Management Ltd.
Terry Lazaruk	Planning Forester	Canfor
Greg Lawrence	Manager	Community Futures North Cariboo
Rob Parisotto	Director, Mountain Pine Beetle Program	Forestry Innovation Investment Ltd.
Dan Rogers	Marketing and Communications	Concept Design
Marvin Strimbold	President	Lakes Timber Health & Salvage Ltd.
Dan Thiessen	Fibre Logistics Manager	Pacific BioEnergy
Al Wiensczyk	Extension Specialist, Ecosystems and Stand Management	FORREX
Dave Wilson	Owner / Manager	Celtic Reforestation

Appendix B: Future Forest Summit Program

Natural Resources Canada / Ressources naturelles Canada

Western Economic Diversification Canada / Diversification de l'économie de l'Ouest Canada

UNBC COMMUNITY DEVELOPMENT INSTITUTE CDI

OMINECA Beetle Action Coalition

Omineca Beetle Action Coalition's

Future Forest Summit
September 19th 2008
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UNBC UNIVERSITY OF NORTHERN BRITISH COLUMBIA

Future Forest Summit

Summit Information

Place: UNBC rooms 6-205 and 6-211
Date: Friday, September 19, 2008
Time: 8:00 AM- 5:30 PM

Agenda

8:00 AM – 9:00 AM:	Registration & Light Breakfast
8:45 AM – 9:00 AM:	Introduction & Welcome
9:00 AM – 9:45 AM:	Key Future Forest Issues from Community Dialogues
9:45 AM – 10:30 AM:	Tensions & Visions in a Future Forest Economy
10:30 AM – 11:00 AM:	Coffee Break
11:00 AM – 11:45 AM:	Future Forest Economy: Wood Product Opportunities
11:45 AM – 12:30 PM:	Future Forest Economy: Non-Timber Forest Product Opportunities
12:30 PM – 1:30 PM:	Lunch
1:30 PM – 2:15 PM:	Issues & Options (1) for moving forward
2:15 PM – 3:00 PM:	Issues & Options (2) for moving forward
3:00 PM – 3:30 PM:	Coffee Break
3:30 PM – 4:30 PM:	Develop Actions
4:30 PM – 5:00 PM:	Discussion & Closing

Results from the summit will help to inform strategy recommendations to senior levels of government.

Summit Topics

1. Key Future Forest Issues from Community Dialogues

2. Tensions & Visions in a Future Forest Economy

3. Future Forest Economy: Wood Product Opportunities

4. Future Forest Economy: Non-Timber Forest Product Opportunities

5. Issues & Options (1) for moving forward

6. Issues & Options (2) for moving forward
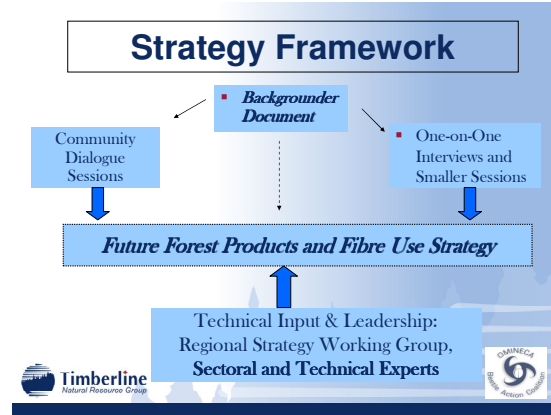
Appendix C: PowerPoint Presentations

Session One – Timberline Natural Resource Group PowerPoint Presentation