

# What We Heard: Engagement on Interior Forest Sector Renewal

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## MESSAGE FROM THE INTERIOR FOREST SECTOR RENEWAL ENGAGEMENT LEAD

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I would like to extend my thanks to everyone who participated in the Interior Forest Sector Renewal (IFSR) engagement process that ran through the summer and fall of 2019. Of the 36 community meetings throughout the Interior, I attended 22. I had the opportunity to see firsthand the commitment and passion people have for their communities, the natural resources that surround them, and the desire to see all British Columbia benefit from the sustainable management of our forests. Commitment and passion were also reflected in the written submissions the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD) received, and the responses to the online survey questions.

The engagement process was deliberately extensive as government recognizes that there are a diversity of perspectives, interests and ideas with respect to opportunities for renewal of the interior forest sector. This report reflects that there is significant commonality on where the focus is on our efforts to affect change. Behind that commonality there is tremendous diversity in ideas and pathways which is of tremendous value as we know there is not a silver bullet to ensure a globally competitive forest sector, resilient communities and work force, reconciliation with First Nations, and sustainable forest management.

R.A. Malatest & Associates Ltd. was contracted to conduct the analysis and preparation of this *What We Heard* report. This report provides a high-level picture of what we heard, built on analysis on the feedback from the community meetings, the written submissions and the online survey. With so much information received, this report does not delve into the finer detail. However, all information is included in FLNRORD's on-going analysis as we now shift our focus to exploring and advancing options for policy and program reform that will support the on-going transformation and renewal of the interior forest sector.

### **Key Takeaways:**

FLNRORD has many ideas and suggestions to take away from what we heard in this process, including:

- *Forest Tenure and Fibre Supply*: maintain certainty of fibre supply that supports the investment of the industry and provides security to communities;
- *Climate Change and Forest Carbon*: communities want to have more input into and control of the forests that surround their communities for sequestration and storage of carbon, and for wildfire mitigation;
- *Wood Products Innovation*: provide incentives for innovation and support the development of wood products markets;
- *Manufacturing Capacity and Fibre Utilization*: focusing on value over volume, getting the right log to the right mill, and fostering more business to business relationships;



- *Reconciliation*: support reconciliation by increasing forest resource management and tenure opportunities for Indigenous communities; and
- *Fibre and Sustainability of Timber and Non-timber Forest Values*: Communities want to see land use planning at a strategic and tactical level. Inventory of the resource needs to be improved.

Thank you again to all who participated. Your engagement is a strong signal of the commitment to advancing renewal of the interior forest sector, grounded in continued engagement, collaboration and partnerships.

Sincerely,

Mike Pedersen  
IFSR Engagement Lead, FLRNORD

## SECTION 1: INTRODUCTION

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### **1.1 Background**

British Columbia's interior forest sector faces a number of challenges, including:

- Competitiveness challenges of cyclical pricing and demand conditions;
- The longstanding softwood lumber trade dispute with the United States; and
- The fibre supply consequences of the devastating mountain pine beetle epidemic and subsequent severe wildfire seasons of 2017 and 2018.

In the spring of 2019, the B.C. government began engagement on a renewed forest policy and programs in the B.C. Interior. To achieve this, the Ministry of Forests, Lands, Natural Resource Operations and Rural Development undertook a public engagement process from July 18 to October 11, 2019.

Feedback from the public centred on policies and programs to support the following four objectives:

- Enhance the competitiveness of the interior forest sector;
- Deepen the resilience of communities and workforce in this sector;
- Identify opportunities for greater Indigenous engagement in the forest products industry; and
- Continue to support the success of B.C.'s economy while providing reliable, high-paying, and high-tech jobs well into the future.

### **1.2 Engagement Process**

The engagement process was designed to ensure that the public, Indigenous communities and stakeholders of British Columbia's interior forestry industry could provide feedback. Avenues for participation included completing an online feedback form, providing written submissions or attending community engagement sessions. The community engagement sessions were by invitation to stakeholders and to First Nations; the broader public was invited to complete the online feedback form. Engagement focused on the following themes:

- Forest tenure and fibre supply;
- Climate change and forest carbon;
- Manufacturing capacity and fibre utilization;
- Wood products innovation;
- Reconciliation with Indigenous communities; and
- Fibre and sustainability of timber and non-timber forest values.

Participants to all the three pathways of engagement received in advance a discussion paper presenting detailed background information for each of the six main themes.

### **Online feedback form**

An online feedback form provided the public with the opportunity to respond to 12 survey questions, including 8 survey questions asking respondents to share their thoughts on specific areas of forest policy, such as ideas on what and how forestry policies could be improved. The remaining four survey questions gathered respondents' demographics. A copy of the online feedback form is attached in Appendix A.

The online feedback form was open from July 18, 2019 to October 11, 2019. A total of 1,107 members of the public started completing the survey, with 527 hitting the final submit button. Given that each question was not mandatory, many respondents provided responses to only the topics in which they were interested. As a result, the number of answers to each question varies (see Table 1). Given that the objective of this report is to summarize the feedback received, all feedback collected, regardless of whether the respondent answered other questions, have been analyzed.

**Table 1. Number of respondents by question**

# of respondents	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
	711	446	426	416	390	388	391	340

Responses to the online feedback form primarily came from respondents from the interior of B.C., though some respondents were from elsewhere in B.C. or outside of B.C. Based on 468 responses, respondents' distribution by region is as follows (Table 2). Almost a third of respondents were from Omineca (36%). About one-in-ten were not from B.C. Interior, but from elsewhere in B.C. (11%). Only a handful of responses were from outside of B.C. (1%).

**Table 2. Region of residence**

Region	Survey participants (count)	Survey participants (proportion)
Omineca	167	36%
Thompson-Okanagan	92	20%
Cariboo	69	15%
Kootenay-Boundary	50	11%
Northeast	27	6%
Skeena	6	1%
Elsewhere in B.C.	54	11%
Outside B.C.	3	1%
<b>Total</b>	<b>468</b>	<b>100%</b>

Source: 2019 Interior Forest Sector Renewal – Forest Policy Initiative Feedback form, Question 9.

Further, respondents to the online feedback form represented industry, community and government perspectives. Based on the 359 responses to the stakeholder question, half of survey responses were from industry (51%), while almost as many represented community interests (47%); only 3% represented a level of government (Table 3).

**Table 3. Survey participants by stakeholder group**

Stakeholder group	Survey participants (count)	Survey participants (proportion)
Industry	182	51
Community	168	47
Government	9	3
<b>Total</b>	<b>359</b>	<b>100%</b>

Source: 2019 Interior Forest Sector Renewal – Forest Policy Initiative Feedback form, Question 10.

### ***Written submissions***

British Columbians were invited to submit written responses by October 11, 2019. At the end of the engagement process, the Ministry had received **92 written submissions**. Those who submitted documents were requested to identify:

- Their organization or people or organizations that they consulted in developing their submission;
- The areas of residence within the province;
- The objectives of the interior forest sector renewal process engagement their comments were meant to address;
- The six forest policy areas they had considered; and
- The policy areas recommended for change.

From this data, it is known that the submissions were submitted from a variety of organizations and individuals affiliated with the forestry industry, environmental groups, First Nations and rural communities.

### ***Community engagement sessions***

Indigenous communities, local governments, forest industry, labour and affected stakeholders were invited to participate in **36 community engagement sessions held across B.C.'s interior**. These sessions gathered feedback and focused on open-ended questions by policy area. Suggestions for solutions were solicited at each of the sessions to address the four objectives identified by government.

The B.C. government is committed to reconciliation. The engagement process was designed to ensure that Indigenous communities were provided with opportunities to discuss sector policies and programs. Among the 36 engagement sessions, eight sessions were held with Indigenous communities that

expressed interest. Three of these sessions were held in partnership with the First Nations Forestry Council (specifically in Merritt, Prince George and Williams Lake).

### **1.3 Analysis of Feedback**

On behalf of the government, Malatest, an independent research company, analyzed the feedback that was collected through all three pathways of the engagement process (namely, the engagement sessions, written submissions and the online feedback form).

For responses to survey closed-ended questions, Malatest employed summary statistics methods to create an overall picture. Since not all survey participants provided feedback to each question, the number of responses analyzed varies by question.

For open-ended responses from the engagement sessions, the submissions and the survey, Malatest coded them thematically to understand points where groups held similar opinions, as well as highlight differences in possible policy approaches.

Regional analysis of the online feedback form compared responses between six interior regions (Northeast, Omineca, Skeena, Cariboo, Kootenay-Boundary, and Thompson-Okanagan). The regional analysis did not show significant differences in participants' responses between the six regions.

### **1.4 Indigenous Perspectives**

In November 2019, British Columbia became the first Canadian jurisdiction to pass the legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). The B.C. [\*Declaration on the Rights of Indigenous Peoples Act\*](#) aims to create a path forward that respects the human rights of Indigenous peoples while introducing better transparency and predictability in the work we do together. The legislation provides a framework for joint decision-making between the B.C. government and Indigenous communities on matters that impact their members. Given the Province's commitment to reconciliation, the feedback provided by Indigenous participants are included in the overall results above; but are also included separately so that their voices can be clearly heard.



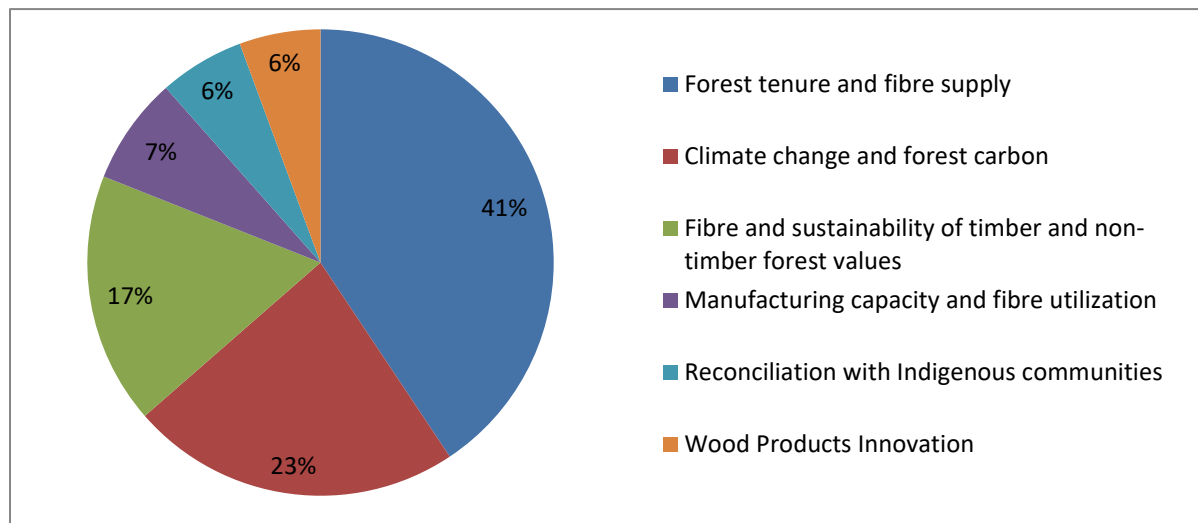
## SECTION 2: WHAT WE HEARD

All three engagement pathways were analyzed around six policy areas set out in the Interior Forest Sector Renewal Policy and Program Engagement Discussion Paper themes. The theme with the most number of comments was forest tenure of fibre supply (with 910 comments). A further 610 comments were collected around manufacturing capacity and fibre utilization. Reconciliation with Indigenous communities (465 comments) and fibre/sustainability of timber and non-timber forest values (312) were also commonly discussed. Climate change and forest carbon and wood products innovation were less commonly discussed, but it is important to note that hundreds of comments were collected on these issues as well (with 254 and 236 comments respectfully).

Survey participants were asked to rank the importance of these policy areas, from the most important to the least important. As shown in Figure 1, forest tenure and fibre supply was ranked as the most important policy area (41% of survey participants), followed by climate change and forest carbon (23%), and fibre and sustainability of timber and non-timber forest values (17%).

This section presents the main messages provided by members of the community, industry, government representatives, and First Nations on each of these six themes.

**Figure 1. Survey participants' rank policy areas as highest importance**



Source: 2019 Interior Forest Sector Renewal – Forest Policy Initiative Feedback form, Question 1.

## 2.1 Forest Tenure and Fibre Supply

As part of the three engagement pathways, feedback was solicited as to what changes government could implement in terms of current forest tenures, new forest tenures and timber supply allocations in response to the current situation of reduced timber supply in the interior region of B.C.

### a. Overall perspectives

As highlighted in Table 4 below, there were a range of themes identified. Overall, there was strong consensus in terms of changes identified through the submissions/engagement process and opinions offered in the online survey.

**Table 4. Suggested Policy Changes Associated with Forest Tenure and Fibre Supply**

Submissions and Engagement Sessions	Online Survey (n=524)
Redistribute forest tenure (351 comments)	Redistribute forest tenure (44%)
Reform the forest tenure model (217 comments)	Establish sustainable forest practices (42%)
Improve access to affordable fibre (97 comments)	Reform the forest tenure model (36%)

The top suggestion was for the government to consider redistributing current forest tenures. More specifically, respondents were concerned that there is not enough access to tenure and fibre supply for smaller, local operators. They expressed that communities should have more control over the forest located in their area. Hence, a call was made for a diversification of tenure ownership by distributing current and new tenures to local communities and Indigenous communities.

*“Investigate potential merits of greater tenure diversification, particularly in regards to supporting a more diverse value chain within the Interior forest products sector.”*

*(Submission)*

Furthermore, respondents emphasized that in distributing forest tenures, the government should prioritize area-based tenures, as compared to volume-based tenures. According to some respondents, volume-based tenures are less effective at protecting ecosystems or at ensuring the sustainability of forests. Other respondents stated that area-based tenures encourage their holders to make long-term investments in forest sustainability, and have a demonstrated track record of better forest management.

Reforming the forest tenure model was another popular

*“Consider re-distribution of forest tenure to allow smaller operators to have access to more forests/future supply.”*

*(Survey Respondent)*

*“The loss of mills tied to the local forests was the beginning of the end. Small communities ceased to exist and now timber is driven for immense distances to mills, often passing other trucks traveling with logs in the opposite direction.”*

*(Survey Respondent)*

suggestion. Respondents advised against long haul logging, whereby timber logs are shipped from forests to distant mills for processing. In the view of some, the most important policy change that could be implemented is reintroducing appurtenancy rules, whereby timber harvests are processed at local mills. To them, this would reduce the carbon footprint and transportation costs, while simultaneously fostering local communities through job creation.

Improving access to affordable fibre was described as a critical path for the B.C. forest industry to maintain and attract new investments, and to remain competitive with other jurisdictions. According to these participants, the B.C. government should commit to generating a constant and predictable flow of fibre to the industry, and notably small and medium forest enterprises. The majority of those comments mentioned reforming the stumpage system by:

*“The Province needs to better ensure that industry has a long term minimum amount of logs and fibre available. We can’t plan if there are massive swings in supply.”*

*(Submission)*

- Making the pricing system more responsive to the market, to allow the industry to cope with cyclical downturns. Respondents felt that the current pricing system does not adapt quickly enough to market fluctuations.
- Adopting a cruise-based stumpage fee. Cruise-based cutting differs from scale-based cutting in that the stumpage fee is calculated using the volume estimated by a cruise of the timber rather than the volumes derived from the scale of logs. It was recommended that a shift from scale-based sales to cruise-based stumpage fees would incentivize greater utilization.
- Reducing stumpage fees. According to these participants, the stumpage fee is currently too high for the industry to turn a profit from harvesting low quality wood fibre. Thus, a reduction in prices could encourage increased fibre residue collection and utilization.

The case of the spruce beetle infestation was also raised in the engagement sessions and the written submissions. Some participants spoke of the need for the government to focus on prevention and to put in place mechanisms to respond more quickly to events of this kind.

However, most comments were on how to respond to damage caused by the spruce beetle infestation. A number of respondents suggested that the government should take action to ensure that damaged wood is harvested quickly. Some respondents suggested that financial incentives be put in place to encourage users to recover the damaged wood more quickly. For example, it has been suggested that there should be a reduction on the stumpage fee on spruce beetle wood.

There were also some comments that forest tenure holders should be accountable for their environmental practices. In this context, it was also noted that efforts made by forest tenure holders to ensure biodiversity, reduce the risks of wildfire, and for other sustainable forest practices consistent with a low environmental footprint, should be recognized.

## b. The Indigenous perspective

Analysis of this theme suggests that Indigenous participants had specific opinions about forest tenure and fibre supply. The top three suggestions among Indigenous participants included:

- Redistributing forest tenure (40 comments from Indigenous submissions/engagement session comments, and 26% of Indigenous survey respondents);
- Reforming the forest tenure model (9 comments from Indigenous submissions/engagement session comments, and 31% of Indigenous survey respondents); and
- Establishing sustainable forest practices (51% of Indigenous survey respondents).

*“Revise the Forest Act to support First Nations’ access to increased volumes and tenure.”*  
(Indigenous’ submission)

When it comes to redistributing forest tenure, Indigenous respondents indicated that the B.C. government should award more tenure to local communities, and in particular, to Indigenous communities. Some participants commented that Indigenous communities should have more power in the management of their resources, and a redistribution of tenures would go a long way to achieving this objective.

When it comes to reforming the B.C. forest tenure model, Indigenous participants recommended creating a new type of tenure with a focus on both timber and non-timber values. For example, this could include allocating a proportion of forest tenure to approaches that maximize the full potential of the tenure, including both forest and non-forest related activities (such as ancillary forest products and Indigenous capacity development). Some Indigenous survey participants suggested reintroducing appurtenancy rules, whereby timber harvests are processed at local mills.

A majority of Indigenous survey respondents suggested establishing sustainable forestry practices (51%), specifically banning clear cutting, placing more emphasis on selective logging, and increasing reforestation with diverse tree species.

## 2.2 Climate Change and Forest Carbon

As part of all three engagement pathways, the B.C. government was interested in learning how it could further support the forest industry, communities, and Indigenous communities in mitigating the effects and adapting to climate change.

### a. Overall perspectives

As seen in the table below, there were a number of issues identified. The most commonly mentioned suggestion for both engagement process and online survey was to increase efforts for more carbon sequestration (see Table 5).

**Table 5. Suggested Policy Changes Associated with Climate Change and Forest Carbon**

Submissions and Engagement Sessions	Online Survey (n=473)
Increase efforts for more carbon sequestration (119 comments)	Increase efforts for more carbon sequestration (42%)
Use incentives to reduce carbon emission (34 comments)	Improve wildfire risk management and prevention (16%)
Provide more control over forest management to local communities (26 comments)	Encourage better fibre utilization (8%)

Specific suggestions on how to increase carbon sequestration included:

- Increasing reforestation efforts to enhance carbon sequestration into the natural ecosystem;
- Improving forest biodiversity by planting a full range of tree species (not just species associated with marketable products), including more native species; and
- Protecting old-growth forests because they sequester a lot more carbon and more quickly, as compared to young forests.

A number of respondents indicated the B.C. government could use financial incentives to reduce carbon emissions. Some mentioned the possibility of establishing carbon-based tax exemptions or tax refunds. Further, reductions in the environmental impact of forestry operations, such as reducing carbon emissions from saw mills, trucking or log harvesting, could be supported by government incentives.

In addition, some respondents suggested that local communities should have more control over forest management. It was mentioned that rural communities are the first affected during climate events and should therefore have more control over the means of mitigation. It was suggested that increasing the share of forest controlled by local communities or asking these communities for more input on forest management could help adapt to climate change and mitigate risk. Some respondents mentioned increasing community participation in wild fire mitigation, for example, through the interface fire program.

*“Rural communities need support in adapting to climate change, including through enhanced local control over forest management decision making”*

*(Forestry organization)*

*“Ensuring full utilization of fibre would reduce the amount of residual that would have to be burned and thus reduce the release of carbon into the atmosphere by intentional burning.”*

*(Manufacturer)*

Survey respondents also touched on the importance of improving wildfire risk management and prevention given that dead timber creates a large and hazardous fuel source for wildfires. Suggestions were made to plant fire-resistant species, and adequately fund community fire protection by setting defensible spaces around all forest



communities, regardless of their size. Furthermore, some participants suggested adequately funding wildfire management, especially during dry summers.

Encouraging better fibre utilization was recommended by engagement session participants, through written submissions and by survey respondents. In the majority of cases, these recommendations referred to restricting slash pile burning and to introducing financial incentives to increase use of residual fibre.

#### **b. The Indigenous perspective**

There were few comments from Indigenous communities related to climate change and forest carbon. Those comments mentioned developing a carbon sequestration plan that will benefit Indigenous communities and local communities. Over half (52%) of Indigenous survey participants that commented on this theme suggested increasing carbon sequestration to support climate change mitigation and adaptation. Carbon sequestration should include incentives to reduce carbon production, for instance, by reducing burning wood residues or by creating a designation for areas that are used to store carbon.

### **2.3 Manufacturing Capacity and Fibre Utilization**

Feedback was also solicited through all three engagement pathways as to how provincial policy and programs could enhance wood manufacturing diversity.

#### **a. Overall perspectives**

As highlighted in Table 6 below, there was limited consensus the changes that could be implemented to improve wood manufacturing diversity. However, greater utilization of residual fibre was commonly mentioned.

**Table 6. Suggested Policy Changes Associated with Manufacturing Capacity and Fibre Utilization**

Submissions and Engagement Sessions	Online Survey (n=450)
Encourage greater utilization of residual fibre (329 comments)	Promote the development of new products and markets (29%)
Provide incentive for residual fibre utilization (92 comments)	Provide incentives for innovation (26%)
Facilitate secondary users access to fibre (91 comments)	Encourage greater utilization of residual fibre (21%)

Based on feedback from the three engagement pathways, different ideas emerged as to how greater utilization of residual fibre could be accomplished:

- Offer incentives to increase the use of residual fibre. For instance, it was stated that financial incentives such as tax credits could encourage contractors to improve their utilization of fibre;

- Offer incentives to collaborate with research institutions, such as universities, to develop innovative ideas for the use of waste;
- Facilitate access to residual fibre for secondary users. For example, a few comments mentioned that secondary manufacturers need access to waste piles without tenure or stumpage charges. Some also recommended creating residual recovery zones to improve residual fibre movement; and
- Limit the burning of residual waste. Some participants mentioned that it would be necessary to impose restriction on the incineration of residual waste. It was suggested to apply a financial penalty or a carbon tax on owners who burn wood slashes. Other participants simply suggested that this practice be permanently banned.

“Provide incentives (not taxes) to utilize more waste, and enhance biomass utilization”  
(Manufacturer)

A small number of comments from the engagement sessions and written submissions also indicated that the B.C. government should support the manufacturing of value-added wood products. Some suggested that this could be achieved by promoting the use of wood products in public and private sector construction projects, for example through the B.C. government’s Wood First Program. Others have suggested that the stimulation of value-added manufacturing could be achieved using forest tenure. This could be achieved by imposing tenure owner requirements to assign part of the harvested timber for value-added products. Furthermore, reducing stumpage rate for wood for higher value product was also suggested by participants.

The results of the online survey provided additional perspectives on how to diversify the manufacturing environment. Promoting the development of new products and markets was the most commonly expressed recommendation among survey participants. For instance, some survey respondents said that the government should ban single-use plastic products (such as bags, beverage cups, drinking straws, and food packaging) and switch to paper-based alternatives. Other survey participants said that the government should assist companies in establishing longer term contracts in foreign markets that would drive exports of value-added wood products.

Providing incentives for innovation was the second most popular suggestion among survey participants. It was suggested that the government should provide tax credits to companies that invest in non-traditional wood processing technology or that diversify their product mix.

“As long as forest companies have relatively easy access to timber, and especially coveted old growth forests, there will be little drive for innovation”  
(Survey participant)

Conversely, it was suggested by survey participants that the government should tax loggings for negative environmental impacts. A few participants suggested making it costly to access timber or

obtain licences, saying that increasing the cost of fibre would drive innovation.

Further, 19% of survey participants suggested banning or restricting raw log exports as a way of enhancing wood manufacturing. In the eyes of one of those participants, exporting raw logs and importing processed wood products do not serve B.C.'s interests. Conversely, processing logs in B.C. and exporting finished products would create more jobs in wood manufacturing for British Columbians, and hence offset some of the job losses from the forest industry.

Others suggested supporting research and development (12%) with an aim to grow the diversity and value of innovative products across a spectrum of end uses. By providing supports such as public research grants, the B.C. government would help drive advanced construction applications (like tall wood buildings), cross-laminated timber, paper products and bio-products.

Survey participants were also asked what role they, their community, and their employer could play in supporting manufacturing or product diversity. The top five suggestions included:

- Buying B.C.-made wood products whenever possible (24%), as a way to boost their demand;
- Reducing stumpage (14%), in particular for new manufacturing businesses;
- Giving individuals, communities, and professionals a voice when decisions are being made (8%), because it is imperative that communities have the ability to make decisions for their own area;
- Supporting innovative products (8%), for instance by providing businesses and individuals with incentives to spend extra dollars on higher value wood related products; and
- Supporting value-added products (8%), by banning raw log exports and processing logs into finished products in the province.

*“[there should be an] open and respectful dialogue and communication, not simply “lip service” when decisions have already been made”  
(Survey participant)*

## b. The Indigenous perspective

“Companies pile up huge mountains of wood and burn it with no benefit to anyone and a direct contribution to climate change. That wood could heat the homes in every community annually”  
(Indigenous’ submission)

Indigenous communities provided a few comments on manufacturing capacity and fibre utilization. Most comments that were received focused on improving the utilization of residual fibre. For example, a few participants mentioned that the B.C. government should address harvesting waste. Others indicated that companies that stockpile and burn wood benefit no one and directly contribute to climate change. Among the suggestions offered in the engagement sessions, one respondent suggested that individuals who can utilize waste wood should be provided it free for other purposes before it is destroyed.

Based on the 33 responses from Indigenous survey participants regarding how provincial policy and programs could enhance wood manufacturing diversity, it was suggested that the provincial policy and programs should:

- Promote development of new products and markets (42%);
- Provide incentives for innovation (18%);
- Restrict raw log exports (18%); and
- Support (investment in) research and development (12%).

Based on the 32 survey responses from Indigenous survey participants regarding what role they, their community, and their employer could play in supporting manufacturing or product diversity, the top suggestions included buying B.C.-made wood products whenever possible (19%) and encouraging and increasing use of B.C.-made wood products in construction projects (19%).

## 2.4 Wood Product Innovation

All three engagement pathways covered the topic of wood product innovation. Feedback was gathered on the policies and programs the B.C. government could create in the short, medium, and longer term to encourage and support investment, production and business growth.

### a. Overall perspectives

As showed in Table 7 below, the themes identified demonstrated some consensus between engagement pathways.

**Table 7. Suggested Policy Changes Associated with Wood Product Innovation**

Submissions and Engagement Sessions	Online Survey (n=403)
Provide incentives for innovation and investment (83 comments)	Provide incentives for innovation and investment (20%)
Develop and diversify markets for B.C. wood products (74 comments)	Provide incentives to consumers for purchasing value-added products (14%)
Support investment in research and development of wood technology (44 comments)	B.C. government should restrict raw log exports (10%)

The top suggestion from all three engagement pathways in this area was for the B.C. government to provide incentives for innovation and investment. Different ideas emerged as to the kinds of incentives that could be provided, and include:

- Providing innovative companies, particularly small and start-up companies, with financial incentives in the form of tax incentives and subsidies. Innovation tax incentives and subsidies could be designed to support the transition from quantity- to quality-centered production without revenue loss. Long-term, low interest loans would also help reduce the barriers to adopting leading edge machinery;
- Providing sustainable, long-term tenure that allows for long-term investments; and
- Rewarding innovative companies for implementing best practices, while penalizing those lagging behind.

“If the province can provide incentives for emerging product producers that can prove their new products can provide economic and environmental benefits, there should be a lottery type award.”

(Community Group)

Some spoke about compelling companies to innovate. A number of survey participants mentioned that scarcity is a driver of innovation. Hence, they suggested that the B.C. government should make fibre scarcer to force the industry to innovate. In turn, innovation should create growth and jobs. They suggested that restricting the source of timber to second-growth forests would act as a form of scarcity.

Some participants across the engagement pathways suggested that B.C. should develop and diversify markets for B.C. wood products and forest resources. A few ideas emerged as to how this could be achieved, including:

- Using building codes to increase the use of wood products in construction;
- Providing financial incentives to support the growth of the bio-energy market;
- Marketing the quality of B.C. wood;

“Include Expansion and Support of the Wood Pellet Sector in the mandate letter for the Minister of Forests.”

(Industry Group)



- Leveraging other forest uses including eco-tourism and recreation.

“The Government has a strong role to play in research and development. Launch one or more projects/programs on making products from reconstituted wood”.

*(Engagement session participant)*

Another suggestion common across engagement pathways was to support investment in research and development of wood technology. According to these participants, research and development could be supported by issuing public research grants to higher education institutions or by leveraging the B.C. government's current partnerships with innovation groups to improve technology, product development and cleaner transportation.

Survey respondents also suggested that the B.C. government should provide incentives to consumers for purchasing value-added products. Some participants made the argument that if the B.C. government promotes value-added products, companies would be more likely to invest in and increase supply of those products, to meet the resulting increased demand. Other participants suggested that the B.C. government should restrict raw log exports (13%), because processing logs locally would create growth and jobs in the province.

#### **b. The Indigenous perspective**

A few Indigenous participants in the engagement sessions and written submissions mentioned wood product innovation. Those comments suggested that B.C. should support the expansion of the wood market, mainly the bio-energy market, or invest in research and development to support a greater automation in the forest manufacturing sector.

Based on the 29 survey responses from Indigenous participants regarding the policies and programs the B.C. government could consider creating in the short-, medium- and long-term to encourage and to support investment, production and business growth, the top three suggestions included:

- Providing incentives for innovation and investments (14%);
- Providing incentives for value-added products (14%); and
- Promoting increased fibre utilization (10%).

## **2.5 Reconciliation with Indigenous Communities**

Engagement process and online survey solicited feedback on what opportunities exist or could be developed to increase Indigenous participation in the forest sector.

#### **a. Overall perspectives**

As shown in Table 8 below, comments received recommend encouraging the participation of Indigenous communities in the forest sector.

**Table 8. Suggested Policy Changes Associated with Reconciliation with Indigenous Communities**

Submissions and Engagement Sessions	Online Survey (n=409)
Increase Indigenous participation in the forest industry (221 comments)	Increase Indigenous management and ownership of forestry assets and businesses, such as woodlots (16%)
Support the development of Indigenous capacity for managing forest resources (49 comments)	Support Indigenous education, training and mentorship in the industry (16%)
Improve sharing of forest revenue with Indigenous communities (43 comments)	Consult more with Indigenous communities (14%)

Almost half of comments gathered during the engagement sessions and written submissions centered on the importance of increasing Indigenous participation in the forest industry. Several courses of action were suggested:

- Some participants mentioned that B.C. should consult Indigenous communities more. It was mentioned that Indigenous communities should be provided with more decision-making power over how resources are managed;
- A number of participants suggested increasing the amount of forest lands managed by Indigenous communities. To achieve this objective, some participants mentioned increasing the number of Indigenous tenures; and
- Fostering partnerships with Indigenous communities. It was also mentioned that B.C. could support that objective by creating more situations or projects where partnership with Indigenous communities are required.

“Identify and actively promote opportunities aimed at increasing First Nation business and employment participation within the Forest Products Industry including developing both FN owned Forest Products businesses and joint ventures.”

(Manufacturer)

Indigenous involvement in the forest industry should be supported by capacity building within Indigenous communities. A number of participants mentioned that B.C. should support the development of Indigenous communities’ capacity for managing forest resources; for example, through training opportunities. A number of participants also indicated that there should be a greater sharing of forest revenue with Indigenous communities. Several participants mentioned that the Indigenous communities should receive a percentage of the stumpage fees that are collected on ancestral territory.

Survey respondents were also asked to identify opportunities that would increase Indigenous communities’ participation in the forest sector. The most common suggestions included:

- Increasing Indigenous communities' management and ownership of forestry assets and businesses (16%);
- Supporting Indigenous communities' education, training and mentorship in the industry (16%);
- Consulting more with Indigenous communities (14%);
- Managing the land in accordance with Indigenous values (12%); and
- Fostering partnerships with Indigenous communities (10%).

#### **b. The Indigenous perspective**

The majority of comments focused on advancing reconciliation through increasing Indigenous communities' participation in the forestry industry. A number of Indigenous participants mentioned broadly that B.C. should consult with Indigenous communities more often. It was suggested that policies are needed to ensure that Indigenous views are recognized in how the B.C. government is managing natural resources. Some indicated that B.C. should increase the proportion of forests managed by Indigenous communities. Others mentioned the need for fostering more partnerships with Indigenous communities, for example through the creation of tenure.

*"Meaningful sharing of stumpage revenues supports the modernization of the government-to government relationship and the well-being of First Nations communities."*

*(Indigenous written submission)*

A few Indigenous participants mentioned increasing the forest revenue share provided to Indigenous communities. While some engagement process participants suggested increasing the portion of stumpage revenue that Indigenous communities receive, there was no consensus as to the percentage of revenue that should be returned to Indigenous communities, with ranges between 40% and 75% being put forward.

Fewer participants held that B.C. should foster capacity-building within Indigenous communities. As one respondent put it, "the B.C. government could fund Indigenous communities to hire and train more staff." This could strengthen Indigenous communities' capacity to meaningfully participate in forest management.

Based on the 35 survey responses from Indigenous respondents regarding what opportunities exist or could be developed to increase Indigenous communities' participation in the forest sector, the top suggestions included:

- Giving Indigenous communities equal treatment, similar to other communities (23%);
- Consulting more with Indigenous communities (17%);

- Fostering partnership with Indigenous communities;
- Managing the land base along Indigenous values (14%); and
- Increasing Indigenous communities' management and ownership of woodlands (11%).

## **2.6 *Fibre and Sustainability of Timber and Non-timber Values***

Feedback was solicited from the engagement sessions and written submissions as to how the B.C. government could support sustainable management of B.C.'s forest and range resources.<sup>1</sup>

### **a. Overall perspectives**

A total of 312 comments were made on sustainable management of timber and non-timber values. The majority of participants mentioned that the B.C. government should support a sustainable approach to forest management. Respondents suggested that forest management should aim to maintain the biodiversity of ecosystems. Some comments recommended restricting industry practices that harm biodiversity, such as the use of herbicides, clear-cutting and monocultures. A number of comments also mentioned the need to revalue non-timber uses, such as tourism.

Some participants spoke of the need for more local communities to participate in forest management to improve sustainability of B.C. forests. A few further spoke to the point that B.C. should promote more dialogue with local populations, including Indigenous communities, on forest management issues to develop a more sustainable approach to resource management.

A few participants held that there is a need to improve B.C.'s forest resource knowledge base. It was stated that updating the forest inventory is required to inform planning and land use decisions. The solution most often mentioned was to employ light detection and ranging (LIDAR) devices to create a more accurate picture of B.C. forest resources.

Some participants also mentioned revising the timber supply review process. It was suggested that planning for allowable annual cuts should be done with transparent objectives and should take into account the sustainability of forests. It should not be planned to merely supply the forest industry.

### **b. The Indigenous perspective**

Engagement sessions resulted in 29 comments on fibre and sustainability of timber and non-timber values from Indigenous participants. A third of comments mentioned that B.C. should support sustainable forest management practices. Some comments indicated that logging should be done with the objective of preserving ecosystems. Thus, some Indigenous participants stated that forest management should take into account a multitude of values, instead of placing value solely on timber. Another third of the comments indicated that Indigenous communities should be more involved in forest management. For instance, one participant suggested that this could be achieved by ensuring that land use plans are developed collaboratively with Indigenous communities.

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<sup>1</sup>Fibre and sustainability of timber and non-timber values was not covered directly in the online survey.

## APPENDICES

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### *APPENDIX A. Survey instrument*

## Interior Forest Sector Renewal – Forest Policy Initiative Feedback form

**Thank you for taking the time to fill out this feedback form.**

Government is seeking ideas on how to create or change current policies (including legislation and regulation), programs, tools, guidance and advance partnerships to support a vibrant, diverse forest sector for British Columbia's interior.

The feedback form contains twelve questions. Most questions ask you to share your thoughts on specific areas of forest policy and there is an opportunity to share additional thoughts on what could be improved in forest policy at the end of the feedback form.

If you haven't already, consider reading the discussion paper on [engage.gov.bc.ca/interiorforestrenewal](https://engage.gov.bc.ca/interiorforestrenewal) before completing the survey.

This feedback form will be accepted until **October 11, 2019 at 4 pm.**

**Collection Statement:** Personal information collected by the Government Communication and Public Engagement for the Ministry of Forests, Lands, Natural Resource Operations and Rural Development is under the authority of section 26(c) and 26(e) of the Freedom of Information and Protection of Privacy Act for the purpose of informing the Interior Forest Sector Renewal – Forest Policy Initiative. If you have any questions about the collection, use and disclosure of your personal information, please contact: Director, Citizen Engagement, PO Box 9409, STN PROV GOVT Victoria BC, V8W 9V1, 250-208-3591.

***Please do not include any personally identifiable information about yourself or others in your responses.***



**1. Please rank, in order of importance, which forest policy area is most important to you to which is least important to you.**

Please rank the policy areas below by numbering them from 1-7 beside. 1 - being most important to 7 - being least important.

- Forest tenure and fibre supply
- Climate change and forest carbon
- Manufacturing capacity and fibre utilization
- Wood Products Innovation
- Reconciliation with Indigenous communities
- Fibre and sustainability of timber and non-timber forest values

**2. Forest Policy Area #1: Forest Tenure and Fibre Supply**

Forest tenures are agreements between the Province and an organization, where the rights to harvest Crown timber are granted based on a series of conditions, such as tenure obligations (e.g. reforestation) and fees (e.g. stumpage, annual rent). Forest tenures are tied to available timber supply.

In a situation of reduced timber supply as we are experiencing in the Interior, are there any changes government should consider to current forest tenures, new forest tenures and how timber supply is allocated by forest tenure?

**3. Forest Policy Area #2: Climate change and forest carbon**

Following the mountain pine beetle epidemic and two record-setting wildfire seasons, climate change is evident in our forests and our communities throughout B.C.'s interior. The Province is acting in a number of ways to take action on climate change and prepare for climate impacts. This includes the Province's [CleanBC](#) plan to reduce carbon pollution and build a cleaner future for B.C.

The government is considering further opportunities to reduce and store carbon emissions through wood-first programs, reforestation, and other initiatives.

How could the Province further support the forest industry, communities, and Indigenous communities to address climate change mitigation and adaptation?

**4. Forest Policy Area #3: Manufacturing capacity and fibre utilization**

B.C.'s forest industry was built on manufacturing forest products domestically. In 2018, 82% of trees harvested in the Interior were transported to a lumber mill for manufacturing. Portions of this fibre also support other traditional manufacturing opportunities throughout the Interior, such as pulp and paper production, panel products and bioenergy products. These traditional products will be complemented by a greater array of increased value products such as engineered wood products, mass timber and other advanced bioproducts.

How could provincial policy and programs enhance wood manufacturing diversity?

**5. Forest Policy Area #3, continued: What role can you, your community and your employer play to support manufacturing or product diversity?**

**6. Forest Policy Area #4: Wood Products Innovation**

Enhancing competitiveness for our forest industry means shifting some production from high volume to high value. This shift can ensure the province continues to have a forest sector, and create forest products, defined by opportunity and sustainability.

What policies and programs could the Province consider creating in the short-, medium- and longer-term to encourage and support investment, production and business growth?

**7. Forest Policy Area #5: Reconciliation with Indigenous communities**

Each government ministry is responsible for implementing the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission's Calls to Action. This includes, but is not necessarily limited to, reviewing and revising programs and policies to reduce barriers to reconciliation. At the same time, many Indigenous communities participate in the forest sector and want to increase their role in forestry.

What opportunities exist or could be developed to increase Indigenous communities' participation in the forest sector?

**8. Additional comments: Forest Policy Ideas for Change**

Do you have any additional ideas for forest policy change that you would like to share?

## Optional Demographic Questions

9. Using this map as a guide, from what area in B.C. do you reside most of the time?

Pick one from the list below

- ☐ Stikine
- ☐ Northern Rockies
- ☐ Peace River
- ☐ Fraser-Fort George
- ☐ Kitimat-Stikine
- ☐ Bulkley-Nechako
- ☐ Cariboo
- ☐ Squamish-Lillooet
- ☐ Thompson-Nicola
- ☐ North Okanagan
- ☐ Central Okanagan
- ☐ Okanagan-Similkameen
- ☐ Columbia-Shuswap
- ☐ Kootenay-Boundary
- ☐ Central Kootenay
- ☐ East Kootenay
- ☐ Capital Region
- ☐ Cowichan Valley
- ☐ Alberni-Clayoquot
- ☐ Strathcona
- ☐ Comox Valley
- ☐ Mt. Waddington
- ☐ Central Coast
- ☐ North Coast
- ☐ Metro Vancouver
- ☐ Sunshine Coast
- ☐ Qathet
- ☐ Fraser Valley
- ☐ I don't live in B.C.



**10. In completing this survey, you are sharing ideas:**

- ☐ As an elected official in B.C.
- ☐ As an Indigenous Nation
- ☐ As a forest industry employer
- ☐ As an organization representing forest workers
- ☐ As an employee of an Indigenous government
- ☐ As an employee of a local government
- ☐ As an employee in the forest industry
- ☐ As a member of an Indigenous Nation
- ☐ As a forest professional actively practicing
- ☐ As a member of the public

**11. What is your gender?**

- ☐ Male
- ☐ Female
- ☐ Gender Diverse

**12. Do you identify as an Indigenous person, that is, Indigenous nations (status or non-status), Métis or Inuit?**

- ☐ Yes
- ☐ No



## APPENDIX B. Survey data tables

**Table 9. Survey perspectives on forest tenure and fibre supply**

In a situation of reduced timber supply as we are experiencing in the Interior, are there any changes government should consider to current forest tenures, new forest tenures and how timber supply is allocated by forest tenure?	
Suggestion	Percentage
Redistribute forest tenure	44%
Establish sustainable forestry practices	42%
Reform forest tenure model	36%
Improve access to affordable fibre	15%
Restrict raw log exports	10%
Make the industry more competitive	8%
Improve access to fibre security	3%
Perform intensive silviculture	3%
Stop clear cutting	3%
No change to forest tenure model	2%
Restrict glyphosate use	1%
Other	11%
Don't know	1%

Percentages represent the proportion of survey respondents whose feedback included the corresponding suggestion.

Suggestions are not mutually exclusive.

**Table 10. Survey perspectives on climate change and forest carbon**

How could the Province further support the forest industry, communities, and Indigenous Nations to address climate change mitigation and adaptation?	
Suggestion	Percentage
Increase carbon sequestration	42%
Improve fire risk management/prevention	16%
Improve fibre utilization	8%
Diversify/Promote wood (bio) products	7%
Increase carbon storage	6%
Promote sustainable innovation/green technology/renewable energy	5%
Stop clear cutting	3%
Improve communication with First Nations/local communities	3%
Make production costs affordable	2%
Restrict raw log exports	1%
Improve education	1%
Better insect control	1%
Establish an overarching Forestry Climate Change Strategy/Policy/Systems	1%
Promote small local businesses	0%
Let the forest grow naturally	0%
Other	7%
No action required	7%

Percentages represent the proportion of survey respondents whose feedback included the corresponding suggestion.  
Suggestions are not mutually exclusive.

**Table 11. Survey perspectives on manufacturing capacity and fibre utilization (Policy role)**

How could provincial policy and programs enhance wood manufacturing diversity?	
Suggestion	Percentage
New products/market diversification	29%
Provide incentive for innovation	26%
Improve residual fibre utilization	21%
Restrict raw log exports	19%
Invest in research and development	12%
Improve access to affordable fibre/lumber	10%
Get more value for less fibre / Expand value-added manufacturing	4%
Restore appurtenancy rules	3%
Improve fibre access security	2%
Change BC Timber Sales to support secondary manufacturing	2%
Limit the size of manufacturing companies	1%
Listen to/communicate with First Nations	0%
Ban plastic / Bring back paper	0%
Improve economic feasibility of existing/new programs	0%
Other	2%

Percentages represent the proportion of survey respondents whose feedback included the corresponding suggestion.

Suggestions are not mutually exclusive.

**Table 12. Survey perspectives on manufacturing capacity and fibre utilization**

What role can you, your community and your employer play to support manufacturing or product diversity?	
Suggestion	Percentage
Support buying locally	24%
Reduce taxation/stumpage	14%
Let individuals, communities and professionals have a voice when decisions are being made	8%
Support innovative products	8%
Support value added product	8%
Sell product locally /regionally/ provincially/ within Canada	7%
Encourage/Increase demand for B.C. made wood products in construction projects	7%
Preserve security of fibre supply at reasonable cost	4%
Promote/Create small tenure holders	3%
Review/Expand community forest tenure/Support tenure diversity/community-based conservation	2%
Promote/Adopt more sustainable environmentally friendly practices and standards	2%
Improve fibre utilization	2%
Government to assure policy certainty	1%
Increase outlet for B.C. made wood products, including on foreign markets	1%
Restore appurtenancy rules / Purchase from local woodlots	1%
Other	10%
Nothing	1%

Percentages represent the proportion of survey respondents whose feedback included the corresponding suggestion.  
Suggestions are not mutually exclusive.

**Table 13. Survey perspectives on wood product innovation**

What policies and programs could the Province consider creating in the short-, medium- and longer-term to encourage and support investment, production and business growth?	
Suggestion	Percentage
Provide incentives for innovation/investments	20%
Provide incentives for value added products	14%
Restrict raw log exports	10%
Increase market diversification/development/outlets for B.C. wood products	8%
Invest in/Support research and development	8%
Promote/Adopt more sustainable and environmentally friendly practices and standards	7%
Increase fibre utilization	7%
Improve fibre access security at reasonable cost	6%
Invest in education and skills training	6%
Support/Promote small community-owned mills	6%
Ensure existing and new policy/regulations are appropriate, stable and achieving their objectives	5%
Focus on hemp	1%
Reduce bureaucracy and red tape / Streamline processes	1%
Fair international agreements	1%
Other	13%

Percentages represent the proportion of survey respondents whose feedback included the corresponding suggestion.

Suggestions are not mutually exclusive.

**Table 14. Survey perspectives on reconciliation with Indigenous nations**

What opportunities exist or could be developed to increase Indigenous Nations' participation in the forest sector?	
Suggestion	Percentage
Increase First Nations' management/ownership of forestry/woodlots	16%
Support First Nations' education/training/mentorship	16%
Consult more with First Nations	14%
Managing the land base for First Nations' values	12%
Foster partnership with First Nations	10%
Equal treatment	10%
Share revenues with First Nations	9%
Support local initiatives, such as carbon offset programs	5%
Encourage ownership of small/local/community-based mills	2%
Streamline the process towards reconciliation / clarify the meaning of reconciliation	1%
Other	6%
No action required	10%

Percentages represent the proportion of survey respondents whose feedback included the corresponding suggestion.

Suggestions are not mutually exclusive.