

# Timber Sales Advisory Council (TSAC) Meeting

## Agenda

May 25, 2017

9:00AM-3:00PM

Executive Airport Plaza Hotel & Conference Centre

7311 Westminster Highway

Conference Call 1-877-353-9184 ID: 5545002#

**Participants:** Mike Falkiner (BCTS), Rob Bigalke (BCTS), **Shawn Hedges - chair (BCTS)**, Ray Luchkow (BCTS), Al Powelson (BCTS), Duncan Chisholm (ITMA), Barry Simpson (TLA), Wayne Lintott (ILA), Scott Marleau – COFI (South), Russ Cameron (IWPA – Coast), Clint Parcher (IWPA – Vancouver Island), Les Kiss (CFPA), John Hatalcik (COFI – South), Dennis Cook (ILA), Dyon Armstrong (COFI – North), Mike Kemp (ISWM), Dan Battistella (ILMA), Jay McGeachan (Rotary MFG), Warren Carter (IWPA - Interior), Ken Houlden (NWLA), Craig Upper (ILMA), and Juli Scarrow – secretariat (BCTS)

**Guests:** Steve Kozuki, Keith Tudor and Vera Sit (by phone), Jason Stafford (BCTS, TKA), Tom Johnson (BCTS, TCH), Colleen Plunkett (ADMO)

**Absent:** Chris Stagg (TOPFN), Craig Upper (ILMA), Wayne Lintott (ILA), Dennis Cook (ILA)

### Adoption of Agenda and Safety Briefing - Shawn Hedges

#### Action Items Review

A

- **Item D: Waste measurements in the Interior (see below)**
- **Item F: Q&A discussion Re: Bill 12 (see below)**
- **The Peace-Liard Business Area will be looking to add more MPB volume to its sales schedule in the Dawson Creek TSA subject to staffing and multiphase contractor capacity.**
- **The Peace-Liard Business Area will forward TSAC our policy on the rules surrounding leaving deciduous standing on TSLs**

#### SLA Update – Vera Sit (by phone)

Since April 24<sup>th</sup> what has occurred and what to expect for the next 6 months:

B

- **Irving Ltd from New Brunswick came forward and volunteered to be investigated with hopes of getting a lower rate. The US accepted and came back with a rate of 3%.**
- **On April 24<sup>th</sup> the preliminary decision on subsidy was issued, the decision had three parts:**
  1. **Yes, the Canadian government subsidized the Canadian forestry industry**
  2. **Yes, individual companies will receive their individual rates. Canfor over 20%, West Fraser 24, Tolko 19.5, Irving 3%, Resolute 13% and everyone else almost 20%**

The week of June 19th, US officials will be coming to BC spend a week with companies to review the information submitted.

**NOTE: A week before they arrive they'll provide us with a list of questions. On Friday, June 23<sup>rd</sup> the US Department of Commerce will have finished their preliminary anti- dumping decision. We should have their decision by Monday, June 26<sup>th</sup>.**

#### Subsidy Case Rate

- **The preliminary decision rates we received in April are only in effect for four months, which means we pay up until**

	Topic	Time 9:00 – 3:00	Lead	Category	Reference Material & Comments
	August 28 <sup>th</sup> then the subsidy rate will no longer be required; however, companies will continue to pay the anti-dumping rate. The anti-dumping rate will be in effect for six months. End of November the final decision for subsidy and anti-dumping will be decided. The new rates will not be in effect until Jan 2018.				
C	Executive Update - Mike Falkiner <ul style="list-style-type: none"> <li>• Timber supply issues occurring throughout the province.</li> <li>• First Nations expectations are growing particularly in the North.</li> <li>• Politics of the Election – with a minority government the business in Victoria will be a lot different.</li> </ul>				
D	Timber Pricing Branch Update - Steve Kozuki & Keith Tudor (by phone) <ul style="list-style-type: none"> <li>• Waste Relief Decision –Major Licensee requested relief due to early breakup but hadn't built the road or felled the timber – request was denied.</li> <li>• Update on the Waste Project in the Interior: Part of the Minister's Fibre Action Plan: 1) To continue the benchmarks 2) Get wood to secondary manufacturers 3) Improve waste measure procedures in the Interior               <ul style="list-style-type: none"> <li>➢ <u>Last year:</u> Pilot tested the new standards on two major licensees. Sampled a number of blocks on volume grades 1, 2 and 4. Received direction from Chief Forester to measure dry grade 4</li> <li>➢ <u>This year:</u> Expanded the pilot to five major licensees and to BCTS. Hope to better understand the mechanics of how we can better measure the waste in the blocks).</li> <li>➢ <u>What's next:</u> Reevaluate in 8-10 months.</li> </ul> </li> <li>• New IAM will be published on July 1, 2017</li> </ul>				
E	Year-end Report out - Rob Bigalke				
F	Grab Bag: - Al Powelson <ul style="list-style-type: none"> <li>• Bill 12 Q&amp;A</li> <li>• E-Bidding update               <ul style="list-style-type: none"> <li>- 56/1000 registrants so far; continue to monitor use throughout the pilot period. Decision on fate of e-bidding will be made in September.</li> </ul> </li> <li>• Draft collusive behaviour bidder declaration</li> <li>• Draft block layout non-warranty clause</li> </ul> <p><b>ACTION: Shawn will update TSAC at September meeting re: status of efforts to negotiate a business area wide road use agreement with WFP. Shawn will also update TSAC re: next steps, if any, WRT proposed amendments to TSL Particulars.</b></p>				
Lunch – Noon – 12:30					
G	a. BCTS Apportionment - Al Powelson b. Rationalized Apportionment - Ray Luchkow				

	Topic	Time 9:00 – 3:00	Lead	Category	Reference Material & Comments
	<ul style="list-style-type: none"> <li>Full AAC = 14,522,307 m<sup>3</sup>/yr; rationalized apportionment = 12,196,150 m<sup>3</sup>/yr.</li> </ul>				
H	Business area update – Kamloops – Jason Stafford				
I	Business area update – Chinook – Tom Johnson				
J	<p>Short Snappers:</p> <ul style="list-style-type: none"> <li>Grey attack pine - Scott Marleau/Al</li> <li>Release of quarterly BCTS performance information – Jim Hackett <b>ACTION: Reports will be sent out prior to meeting</b></li> <li>Policy inconsistencies – Jim Hackett/Ray Luchkow <ul style="list-style-type: none"> <li>Road use agrmt</li> <li>Logging plan changes</li> <li>Survey results following Len’s query to TSOs</li> <li>Migratory bird policy and TSL clauses – seeking consistency WRT MLs</li> </ul> </li> <li>Sales plans – Jim Hackett/Ray Luchkow <ul style="list-style-type: none"> <li>FY 2017 – What happened in TCC?</li> <li>FY 2018 – Target by TSO, especially for Q1</li> </ul> </li> <li>TOC iTSL for low quality timber (trend?)</li> <li>9 Axle – Jim Hackett</li> </ul>				
<b>2017 Meeting Dates</b>					
September 21, 2017			December 7, 2017		

Future Agenda Items:

Road legislation – Doug Kelly

**Presentation on LEAN: which projects have been a success**