



PO Box 780 Terrace, BC V8G 4R1 Ph: (250) 635-6336 Fax: (250) 635-4335

January 31, 2020

Messrs. Gary Merkel and Al Gorley  
BC Government Review Panel Members  
Provincial Old Growth Strategic Review

As a tenure holder, sawmill operator and pellet producer reliant on fibre from Crown lands in BC's Northwest, we have a keen interest in the policy framework for managing forests, including old forests, in British Columbia. We appreciate the opportunity to provide input into this process, and thank you for taking the time to meet with us in October of last year.

Skeena Sawmills is, in essence, a start up in what is a heavily consolidated sector in British Columbia. It is not easy as a new player to secure sufficient fibre, grow customer relationships and build a successful business in BC's forest industry – but, step by step since our start up in 2012, we have built on small successes and found a way forward.

We have a solid strategy that we believe will set us up for long-term success – and that requires a significant sawmill modernization project to enable our operation to run on two shifts. We are diligently working now to secure the needed financing – not easy in today's market conditions. While our capital-raising efforts are supported by our operating performance over the past challenging year where so many of our competitors were forced to take downtime, one of the biggest challenges we face is demonstrating fibre security.

The Coast Mountains Natural Resource District (CMNRD) is unique in the province with its vast amount of old growth forests and with established Old Growth Management Areas (OGMA's). As the current Timber Supply Reviews and Forest Management Plans in the Coast Mountains Natural Resource District demonstrate, the local forest industry is dependent on old growth for its fibre supply. Skeena Sawmills has recently initiated a commercial thinning program on previously harvested stands however the reliance on old growth is expected to continue for another 25-30 years.

At Skeena, we are firm believers in sustainable forest management, that includes but is not limited to measures to protect water quality, biodiversity, wildlife habitat, species at risk, and forests with exceptional conservation values. Our operations are certified for forest management, fiber sourcing, and chain of custody through the Sustainable Forest Initiative. As forest managers, we must implement management strategies that recognize that forests are dynamic ecosystems and that active forest management will be even more important in a changing climate.

Currently our staff is engaged with other Licensees and CMNRD staff in reviewing the established OGMA's to determine if at the time of establishment these areas are representative for the values old grow forests including biodiversity , wildlife and species at risk they were meant to be. This will also provide an opportunity of co-locating OGMA's to other areas constrained from harvesting for a host of non-timber values including incorporating maximizing carbon sequestration.

Government Policies need to establish a role for forest harvesting in maintaining productive, healthy and resilient forests, and move away from management approaches that create static, rigid "no-go" zones that are locked up spatially permanently and not adaptive to new science nor changing environments. Any new or additional policies should emphasize the need for the decision on the management of old growth forest be made at the local (district) level.

Our concern is that, in the course of this Strategic Review, the fibre certainty and availability in our region will be further eroded – an unnecessary blow to the domestic industry given the extensive protections already in place for old growth forests.

As a company working hard to create local jobs with local timber in BC, we ask that your recommendations take a balanced approach that recognizes the significant conservation measures taken in BC already to protect old growth and other forest values, and the extent to which BC leads our global competitors in sustainable practices. The fibre supply situation in our operating region is already challenging, and we will be reliant on old forest fibre for the near and mid-term as we transition to a more balanced age class distribution and second-growth harvesting. We need Government policies that will support our continued operation through that transition, and the stable access to fibre that will support much-needed investment in domestic manufacturing technology, including at Skeena Sawmills.