

Port Alberni – Fibre recovery process meeting notes

Five main themes emerged from the discussions:

- 1) Business to business connections
- 2) Log specifications
- 3) Communications
- 4) Operational issues
- 5) Government policy issues

Business to business connections

What are best B2B attributes

1. Long term view, building relationships
2. Be open, to opportunities or problems, solve via open dialogue

Pricing of pulp logs need to focus on marginal cost

Log specifications important in moving more pulp

Change in specification has allowed more volume to move

10 metre 3" top

Different locations will have different specs

Chambers takes 1 metre 2" top

TimberWest not hauling short pieces for safety reasons

Specifications are not exact, need to define

For TW hauling more pulp fibre is cash positive now, but was not in the past

Question whether pulp mills / chippers can handle larger logs

Logs specs not really an issue, communicate needs to contractor

Communications important

Need to inform potential users about extra log supplies

Will pay incremental price for more logs, but don't want higher price for some extra volume to affect the price of all fibre

Operational issues

Pulp mill gate closed, truckers not able to deliver past certain time. Reduces incentive to move more per day.

Flexibility required to meet changing fibre needs

Timber marking issues, small loads impractical, if can mix loads could pick up more logs

Comment that mixing can be done but is more complicated so a deterrent to doing.

Mixed loads on barges is possible, as long as there is clear separation

How to share higher costs of logging in more remote areas,

Ship to mills first, allow for mixed species loads, pay contractor by ODT, avoid dry land sort

Government policy issues

Charge full stumpage on waste, but 25 cents if delivered to secondary user

Is J grade useful, should government redefine J

Charge based on destination, to increase logs leaving cut block

Waste survey numbers, how much is actually merchantable, do stumps overstate, heli-blocks and standing timber

Waste survey rules biased to revenue, J grade not accurate indicator of end use.

Was misunderstanding about the flexibility of policy to move fibre more easily.

Government policy costs lead to reduced utilization

Scaling - \$10/m³ for piece scale – should ship to mill first, address mixed species loads