# *EBM Working Group – Inventory of Economic Development Initiatives in the BC Central and North Coast Region*

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## Disclaimer

This report was commissioned by the Ecosystem-Based Management Working Group (EBM WG) to provide information to support full implementation of EBM. The conclusions and recommendations in this report are exclusively the authors', and may not reflect the values and opinions of EBM WG members.

# EBM Working Group – Inventory of Economic Development Initiatives in the BC Central and North Coast Region

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# Executive Summary

The purpose of this project is to develop an inventory of economic development initiatives on the Central and North Coast of BC and identify the main challenges in bringing these to fruition.

**Key Study Findings**

In the last two decades, the economic base of the Central and North Coast has been severely impacted by the decline of the forestry and commercial fishing sectors with populations in Prince Rupert and Kitimat, the two largest communities in the study area declining by approximately 12% between 2001 and 2006.

**Forest industry** and **commercial fishing** initiatives are focussing on reallocation of resource access rights to coastal communities, to bring more industry benefits to local communities.

- In the face of declining timber and salmon harvests, the current emphasis of most initiatives in these industries is to establish a greater role for local communities and their residents in the industries.

- In the forest industry, experience and resource rights gained now during an extremely difficult period for the industry may pay dividends when the industry recovers. Local communities will ultimately need to move beyond simply gaining tenure rights and industry experience, to contributing to broader industry efforts to build international markets for the timber and wood products, thereby increasing the value of the resource. Local coastal wood processing initiatives do not appear to be moving forward at present. Major forest industry challenges to successful participation in the forest industry include difficult market conditions, gaining access to timber resources in viable operating areas, maintaining cost competitiveness, pre-harvest planning requirements, access to markets and market knowledge, access to capital, and workforce skills.

- Similarly in commercial fishing, most of the current initiative is in trying to secure licenses to profitable fisheries, while ideas of ocean salmon ranching, lake seeding etc. seem to be gaining little momentum. Declining salmon stocks and the high capital value of licenses/quota for other fisheries are the most significant constraints to expansion of community based activity.

**Shellfish Aquaculture** and "**Green" Electric Power Production** are potentially emerging new industries on the Central and North Coast:

- Shellfish aquaculture has been identified as a promising opportunity for coastal communities and Coastal First Nations (CFN) has successfully led the development of 9 scallop pilot sites. The major challenge for shellfish aquaculture at this point is moving beyond pilot projects into commercial production, which requires very substantial capital investment to achieve viable operating scale, as well as cooperation amongst producers in transportation, processing and marketing.

- There has been a frenzy of activity to acquire rights to stream, river and wind resources and Green Power proposed projects are gaining momentum. At this point, none of the recently proposed projects in the study area is at the production stage (or the construction stage).

Major constraints to the development of IPPs include the distance to the main transmission grid, and the costs of developing each site. Clustering of sites and projects may help spread transmission costs.

Tourism, Commercial Recreation, Transportation, Mining, Finfish Aquaculture and Services are established industries with long-term growth trends.

- Communities and individuals in the study area are becoming increasingly involved in **tourism and commercial recreation** businesses, as both employees and business owners. Local community member employment in wilderness lodge operations has increased significantly over the past decade, as has the incidence of community owned tourism facilities and tour operators. Growth in the **sportfishing** sector may be slowing down, but it remains a major contributor to the viability of many lodges and businesses throughout the Coast. Because sportfishing caters mainly to the North American market, that sub-sector may be more affected by the United States recession and decline in value of the US dollar relative to the Canadian dollar. Other constraints to growth in the industry include declining fish stocks, the relatively short season, capital investment requirements, shortages of skilled workers, and cost competitiveness/ viability.

- The **cruise ship segment** of the industry has experienced significant growth as a result of new cruise ship facilities in Prince Rupert, thereby increasing the number of passengers, but also creating a demand for day tours catering to cruise passengers.

- The **ecotourism product** has been growing in importance throughout the North and Central Coast. In particular there appears to have been significant growth in the number of companies offering wildlife tours, cultural tours, and eco-friendly kayaking, canoeing, sailing, and other adventure tours. This ecotourism segment of the industry is less dependent on the US market than the sportfishing sector, and as a result may present better growth prospects over the next several years.

- Growth in **transportation** sector employment is primarily centered on the increasing activity at the Port of Prince Rupert, as well as potential for growth at the Port of Kitimat. There are emerging opportunities in businesses providing port services as well as opportunities for local residents to be directly employed in port operations.

- The North and Central Coast region is not participating in the recent surge in **mineral exploration and mining development** in BC, to the same extent as most other areas of the province. Most of the current exploration activity is concentrated in the northern tip of the North Coast plan area.

**Finfish aquaculture** has excellent growth potential from a market perspective, but concerns over environmental impacts from the current production methods are currently limiting the growth of this industry. The Klemtu operations appear to be very successful at providing employment opportunities to local residents. On March 27, 2008, the BC Ministry of Agriculture and Lands suspended the issuance of licenses and tenures for finfish aquaculture in North Coast tidal waters north of Aristazabal Island, which is approximately 150 km south of the mouth of the Skeena River.

The call centre/service centre in Bella Bella is an example of a **service business** most commonly found near large urban centres, but which has managed to overcome a remote location through strong management, good telephone service and a willing workforce. The call centre has not operated since late 2007, due to the expiry of its major service contract.

**Non-Timber Forest Products, Drinking Water Exports and Ocean Ranching of Salmon** are potential industries that have been identified in various economic development strategies, but which have seen little advancement in recent years. Ocean ranching, lake seeding, and river fertilization for salmon continue to be discussed, but little concrete progress has resulted.

**Other Observations**

One of the main constraints to growth of local businesses is economic viability and the ability to compete, whether in timber harvesting, commercial fishing, tourism, aquaculture or services. Some of the interviewees suggested that there may be opportunities to gain market advantages through branding of products that are produced from the "Great Bear Rainforest", while others suggested that at least in forestry, sustainable practices are more saleable in the European market rather than in Asia, where most market opportunities currently exist. Market advantages gained through regional branding, if achievable, could help counterbalance the higher costs of living and operating in the region.

In the next few years, higher fuel costs and the high Canadian dollar relative to the US dollar may further erode the competitiveness of the North Coast and Central Coast, particularly affecting the transportation sector, tourism and the forest industry.

Some interviewees noted a significant degree of interdependency among industry sectors and individual businesses in the region, in terms of creating sufficient demand to support transportation services, food services, accommodation, fuel supplies, equipment servicing and other basic industry infrastructure.

First Nations communities and individuals are becoming more involved in economic enterprises, as both business owners and employees, which appears to be increasing employment levels in Coastal communities. Some First Nations communities continue to experience management and political instability, which detracts from their ability to undertake longer term strategic economic development initiatives. Many of the coastal First Nations have encountered financial difficulties in the past, often the result of directing significant funding to ailing businesses.

Declining employment in Prince Rupert and Kitimat have created an excess supply of human resources in those communities, and First Nations members have difficulty competing for jobs as new labour force entrants. Conversely, many interviewees noted a lack of skilled workers on the Coast, particularly in the forest sector and in general business management.

Some interviewees mentioned bureaucratic processes as a major constraint to businesses and communities moving forward on economic development initiatives.

The following tables summarize economic development initiatives by sector by community.

*Table 1 Inventory of Economic Development Initiatives – Summary*

| First Nation | Location | Approx. Popu-lation 2006 | Forestry Resource Agreement | Active Forest Co./ JV. /Mgt | Other Forest | Tourism - Touring & Guides | Tourism - Lodge | Ferry Service | Commercial Fishing - Community Level | Fish Proces-sing | Fish Hatchery | Aqua-culture | IPP & Run-of-River |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **North Coast** | | | | | | | | | | | | | |
| Gitga'at | Hartley Bay | 190 | YES | YES | | YES | | BC Ferries | 5 Halibut licenses | | YES | Shellfish pilot site | YES but not main grid |
| Lax Kw'alaams | Port Simpson | 828 | YES | YES | | | New agreement with lodge | Own ferry service from P.R. | YES | Plant-5 yr lease - new operator | | Shellfish pilot site | Naikun, 3 run-of-river, on main grid |
| Metlakatla | Prince Rupert | 118 | YES | YES | | YES | | Own ferry service from P.R. | 6 Community Licenses | Approx. 12 work in canneries in P.R. | | Shellfish pilot site | Mount Hayes, Naikun & others |
| Gitxaala - Kitkatla | Kitkatla - Dolphin Island | 582 | YES | IN PROCESS | | Some but limited to a few individuals | | | YES | | | Shellfish pilot site | Banks Island |
| Haisla | Kitamaat | 635 | YES | YES | Silviculture | A few sportfishing charters | | | Crab, prawn & other licenses | Fish buying station | | Less productive area for shellfish | 2 projects Crab/ Europa |
| **Mid Coast** | | | | | | | | | | | | | |
| Heiltsuk | Bella Bella | 1,066 | YES | YES | Hope to develop dry sort | Some but limited to a few individuals | Koeye Lodge with Eco-Trust | BC Ferries | YES | Upgrade freezer plant | YES | Shellfish pilot site | |
| Kitasoo/ Xai' Xais | Klemtu | 282 | YES | YES | | YES | Newly built 6 unit lodge | BC Ferries | YES | Plant for farmed salmon and other | YES | Shellfish pilot site & Salmon Farm | Doubling of power capacity for local use |
| Wuikinuxv (Oweekeno) | Rivers Inlet | 85 | YES | YES | | | | | YES | | | Shellfish pilot site | |
| Nuxalk | Bella Coola | 788 | YES | YES | Community Forest but no harvest | Some but limited to a few individuals | | BC Ferries | YES | | YES | | Various - Nascall River |

Note: This inventory is a summary of what could be identified within the scope of this study and may be incomplete. The study focused primarily on communities that are located within the Central and North Coast EBM planning area.

| First Nation | Location | Approx. Population 2006 | Forestry Resource Agreement | Active Forest Co./ JV. /Mgt | Other Forest | Tourism - Touring & Guides | Tourism - Lodge | Ferry Service | Commercial Fishing - Community Level | Fish Processing | Fish Hatchery | Aquaculture | IPP & Run-of-River |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **South Central Coast** | | | | | | | | | | | | | |
| Xwémalhkwu (aka Homalco) | Campbell River and Bute Inlet | 220 | YES | YES | | YES | | | YES | Homalco Sea Products- Vanc. Isld | YES | | Bute Inlet - Plutonic Power |
| Namgis | Alert Bay | 453 | YES | IN PROCESS | | | | BC Ferries | YES | | | | All on Vanc. Island |
| Wewaikai (aka Cape Mudge) | Quathiaski Cove (Quadra Island) | 175 | YES | | | YES | Tsa-Kwa-Luten Lodge - Quadra Is | BC Ferries | YES | | | | |
| Da'naxda'xw/ Awaetlala | Harbledown Island near Alert Bay | 50 | YES | YES | | Cultural Tours | | | YES | | | | Knight Inlet |
| Tsawataineuk | Kingcome Inlet | 148 | YES | | | | | | | | | | |
| **Location** | | **Population** | **Forestry Resource Agreement** | **Active Forest Co./ JV. /Mgt** | **Other Forest** | **Tourism - Touring & Guides** | **Tourism - Lodge** | **Ferry Service** | **Commercial Fishing** | **Fish Processing** | **Fish Hatchery** | **Transport & Other** | **IPP & Run-of-River** |
| Prince Rupert | | 13,392 | n/a | Various | Dry-land sorts, timber harvesting and other industry contractors | 35+ touring & charters, 100,000 + cruise ship passengers | Variety of accommodation & lodges | BC Ferries from P.R. to Port Hardy & HG/QCI; other private ferries | YES | Excess plant capacity; some processing of Alaska catch | | Bulk loading terminal, container port facility, cruise ship | Various - Naikun, Mount Hayes, etc. |
| Kitimat | | 8,987 | n/a | Various | Eurocan Pulp & Paper | 5-10 fishing charters | YES | | YES | | YES | Port, Rio Tinto (Alcan), proposed LNG plant | 2 projects Crab/ Europa |
| Bella Coola/ Hagensborg (excluding Nuxalk Nation reserves) | | 421 | n/a | Various | Community Forest but no harvest | YES | YES | BC Ferries | YES | Major historic site, limited or no current activity | YES | | Harp Project (hydrogen - BC Hydro) & IPP Nascall River |
| Ocean Falls & Shearwater (Central Coast A) | | 138 | n/a | | | B&B, trails | | BC Ferries | | | | | Yes but not on main grid |

# 1 Introduction

Communities, private sector companies, First Nations, NGOs, and various government agencies are developing strategies and initiatives aimed at improving Human Well Being on the BC Coast. Through this and other projects, the EBM working Group wishes to obtain a broad perspective on the extent and scope of these initiatives, as well as an understanding of specific economic development opportunities and hurdles being faced in acting on those opportunities.

## *1.1 Study Objectives and Scope*

The objectives of this project are as follows:

- Identify economic development initiatives that are currently underway on the Central and North Coast of BC; and
- Where the economic development initiative is in the advanced planning stage or still being developed, identify the main challenges to be overcome in bringing these to fruition.

There are many economic development plans and strategies for individual communities and individual First Nations. This project focuses on economic development initiatives that are actually being implemented, rather than those that have been identified as being desirable, but that have not been acted upon.

The project has entailed:

- Developing an inventory of existing economic initiatives and constraints based on review of studies/publicly available documents and approximately 25 interviews with key community and sector representatives;
- Preparing a draft report of the findings;
- Participating in a focus group with business sector representatives from the Coast to discuss the project findings; and
- Preparing a Final Report that incorporates additional information provided by the focus group session.

The analysis of economic development initiatives has focused on “significant initiatives”, defined as those providing either 25 or more jobs regionally, or a 5 % increase to existing jobs in a single community. Since some of the Central Coast communities are very small, with populations of 100 to 500 people, initiatives that generate even 5 jobs may represent 10% of the labour force.

This project did not involve extensive consultations with each community or each business sector. The purpose of the interviews was primarily to fill gaps in data and information about economic development initiatives, and to discuss barriers encountered in trying to implement development initiatives. In selecting interviewees, the consultants attempted to seek spokespeople representing a broad cross-section of individual communities as well as certain pre-targeted business sectors.

The project focuses primarily on communities that are dependent on resources in the EBM planning area. The following map shows the geographic boundaries of the EBM Planning Area.

Map of EBM Planning Area


Source: EBM Working Group.

### *1.2 Selected Regional Development Agencies*

There are various agencies that are involved in socio-economic development and planning in the North and Central Coasts of BC. It is beyond the scope of this report to document all socio-economic agencies that are involved in promoting economic well being on the Coast, but this section highlights a few agencies that were either contacted or mentioned during our interviews with key stakeholders.

- **EBM Working Group**: As explained on the Government of BC website[1], the Ecosystem Based Management (EBM) Working Group is a technical committee co-chaired by the province and First Nations involved in the Central and North Coasts. The purpose of the EBM WG is to develop recommendations on EBM research priorities and on the application of research results to the implementation of EBM on the Coast.

- **Land and Resource Forums (LRF)**: Three LRFs made up of participating First Nations and the province have been created to oversee implementation of the strategic land use agreement, the Provincial land use decision and EBM. The three LRFs are the Nanwakolas LRF, the Coastal First Nations LRF and the North Coast Forum.

  **Nanwakolas Council (NC) LRF:** This coalition of First Nations of the southern portion of the Central Coast includes the following First Nations: Mamalilikulla-Qwe'Qwa'Sot'Em, 'Namgis,Tlowitsis, Da'naxda'xw Awaetlatla, Gwa'sala-'Nakwaxda'xw, Kwiakah, and Comox. All of the members of NC were previously members of a coalition known as KNT.

  **Coastal First Nations (CFN) LRF**: A coalition of First Nations of the Central and North coast, including: Homalco, Wuikinuxv, Gitga'at, Haisla, Heiltsuk, Kitasoo/Xaixais, and Metlakatla. CFN is undertaking some major regional economic development initiatives for First Nations, notably in the shellfish aquaculture and tourism sectors. A major thrust of CFN is to form an alliance of First Nations communities that can jointly pursue economic and social development initiatives that cannot viably be undertaken by small communities acting on their own. [2]

  **North Coast Forum**: The NCF includes the Gitxaala, Gitga'at, Kitselas, Kitsumkalum and Metlakatla and is open to any Tsimshian First Nation that wishes to participate. Nisga'a and Haisla are invited to participate when appropriate.

There are various funding, planning and training organizations that have supported initiatives of First Nations and other communities in Coastal BC. Some of the organizations that were mentioned in the interviews conducted for this study are listed below and described in more detail in Appendix 2 to this report:

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[1] The definitions for the planning organizations are from the BC MAL - ILMB website: http://ilmbwww.gov.bc.ca/lup/lrmp/coast/central_north_coast/forums.html
[2] Coastal First Nations web site: http://www.coastalfirstnations.ca/.

- **Economic Measures Fund (EMF)**:  Established and funded by the BC Government, the EMF provided a total of $24.8 million to 145 projects in BC between April 2002 and March 2005, including numerous projects on the North Coast.

- **Coast Sustainability Trust**: Initially established by the BC Government to help mitigate impacts from land use planning in Coastal BC, this fund offers a community matching fund for projects that create economic opportunities and long term jobs. Over $20 million have been set aside for funding economic initiatives such as bringing broadband internet access to central coast communities.

- **Coast Opportunity Fund**:  In January 2007, the BC and federal governments joined with an alliance of private philanthropic groups to establish the Coast Opportunities Fund (COF).   The Province and the federal government each contributed $30 million, while the philanthropic groups gave $60 million, for a total investment of $120 million.

- **Northern Development Initiative Trust**:  This is a regionally operated economic development funding corporation for four regions across central and northern BC, or approximately 70% of BC.  The BC Government established this fund in October 2004 with two deposits totaling $185 million.

- **North Island – Coast Development Initiative Trust.**  The BC Government established this $50 million dollar fund in 2006 as an economic development funding corporation for coastal communities across 2 regions, administered regionally like the Northern Development Initiative Trust.

- **Tribal Resource Investment Corporation (Tricorp)**: Tricorp is a lending agency that supports First Nations' economic development.  Since its inception in 1990, Tricorp has provided business loans totaling $24.2 million dollars.  Tricorp is a relatively small company that focuses on providing loans to small and medium-size businesses, rather than larger capital-intensive projects.

- The **Skeena Native Development Society (SNDC)**, based in Terrace, offers training and capacity building in collaboration with Human Resources and Social Development Canada (HRSDC), to First Nations members in its service area (Northwest BC including the North Coast).  The SNDC also collects market labour force and population data on a periodic basis (approximately every 3 years) for the Northwest BC First Nations communities.

- The newly formed **Community Development Trust**.  In May 2008, Premier Gordon Campbell announced details of three new programs to support forest workers and communities coping with the challenges of a changing industry.   The programs will be funded through the $129 million Community Development Trust announced in January 2008 by the federal government.   The three programs announced by Premier Campbell are: Tuition Assistance Fund, Transitional Assistance for Older Workers, and Job Opportunities Program targeted at forest workers and forestry-dependent communities.

# 2 Forestry

This section of the report reviews forest industry development initiatives in the following areas:

- B.C. Timber Sales and Timber Harvesting Operations by Major Licensees;
- Community Forests and Forest and Range Agreements (FRAs);
- Logging and Other Contracting; and
- Processing/ Manufacturing/ Log Sorts.

The section concludes with a brief overview of the major constraints facing industry growth.

## *2.1 BC Timber Sales and Timber Harvesting Operations by Major Licensees*

Between 2003 and 2005, approximately 3 million m3 of timber was harvested each year in the Central and North Coast of BC, or approximately 84% of the 2005 timber apportionment. More recent harvest data are not readily available for all management units on the North and Central Coast, but 2007 MOFR data show a 33% drop from the 2003 to 2005 average in timber harvest for the North Coast TSA and a 26% drop for the Mid Coast TSA. This is shown on the following table.

*Table 2 North Coast and Central Coast AAC and Harvest*

| 3 Year Average Estimated Harvest as a % of AAC by Type of License | AAC (December 2005) | 2003 to 2005 Data | | 2007 Harvest MOFR | % Drop - 2007 vs. 2003 to 2005 Avg |
|---|---|---|---|---|---|
| | | 3-Year Average Harvest | 3 Year Average Harvest as a % of AAC | | |
| **North Coast TSA (Excludes TFL 5 - Block 5)** | 546,624 | 437,695 | 80% | 292,282 | 33% |
| **Central Coast:** | | | | | |
| Mid-Coast TSA | 795,000 | 618,893 | 78% | 459,380 | 26% |
| Kingcome TSA - Mainland Portion Only | 1,043,132 | 1,083,686 | 104% | | |
| Strathcona TSA - Mainland Portion Only | 45,581 | 36,971 | 81% | | |
| TFLs | 1,215,340 | 888,330 | 73% | | |
| **Sub-Total - Central Coast** | 3,099,053 | 2,627,880 | 85% | | |
| **NC and CC Total** | 3,645,677 | 3,065,575 | 84% | | |

Note:

1. In 2008, the AAC in effect for the North Coast TSA is 400,000 m3 and 768,000 m3 for the Mid-Coast TSA. (MOFR website; MOFR Apportionment System, AAC Summary by TSA, April 15, 2008).
2. 2007 harvest data for the Kingcome TSA, Strathcona TSA and the TFLs are not readily available for only the Central Coast, as this would require obtaining the timber harvest breakdown between the Mainland and Vancouver Island portions of each management unit.

Source:

- 2003 to 2005: MOFR Harvest Billing System data as reported in: Pierce Lefebvre Consulting, *BC Central Coast and North Coast Timber Harvesting & Processing Employment Survey*, Presented to the BC Ministry of Agriculture and Lands, Final Report, August 8th, 2006
- 2007: BC Ministry of Forests and Range (BC MOFR), data prepared by Sinclair Tedder from Harvest Billing System; includes all harvest by scale date for calendar year.

The 2006 analysis of 2003 to 2005 harvest level for the Central and North Coast also reported data on timber harvesting and processing employment:

- While only 5% of the timber harvesting employees associated with the Central Coast timber harvest reside on the Central Coast (66 PYs of employment based on 3 year average of 2002 to 2005); some 78% reside on Vancouver Island, mainly in Campbell River, Port Hardy and other North Island communities. Another 4% reside in the North Coast, Terrace and/or Kitimat, 10% reside in the Lower Mainland, and 3% reside in other areas.

- 56% of the timber harvesting employees associated with the North Coast timber harvest reside on the North Coast, in Terrace and/or in Kitimat; 1% reside on the Central Coast, 35% reside on Vancouver Island and the balance (8%) reside in the Lower Mainland and other BC regions.

The forest licensees that are named in the Ministry of Forests and Range (MOFR) 2008 timber apportionment for the North Coast and Central Coast include International Forest Products (Interfor), Western Forest Products, Triumph Timber Ltd., Mill & Timber Forest Products, as well as approximately ten smaller licensees including Metlakatla Forestry Corporation and Lax Kw'alaams Tribal Resources Ltd. Smaller licensees listed in the MOFR timber apportionment are in some cases market loggers who obtain additional licenses from BC Timber Sales (BCTS). BCTS is now a major licensee in both the North and Central Coast as a result of the Forestry Revitalization Plan.[3]

Most timber harvesting on the Central Coast is undertaken by contractors based in larger centres on Northern Vancouver Island while contractors from Terrace and Prince Rupert carry out most of the harvesting in the North Coast. Examples include Helifor (Interfor crews that formed a company), BenWes Logging (large Interfor contractor based in Campbell River), GW Cox & Sons Logging (based in Campbell River), Boyle & Dean Logging in the North Coast, etc.

Central Coast residents employed in timber harvesting are typically First Nations individuals who are involved as part of the road crew or log boom crew. Occasionally, there is a First Nations member with experience and certification as a faller or equipment operator, but this is the exception rather than the norm. In general, it is less costly to source labour locally (as near as possible to the logging site), but it is difficult to find skilled employees in smaller communities. This difficulty may be increasing with recent changes in logging practices.

Factors that are likely to reinforce the trend toward more sporadic local work opportunities include the fragmentation of the timber harvesting industry, the increasing influence of market logging, the allocation of BC Timber Sale licenses to First Nations and other communities that do not have a full-time workforce, and the practice of harvesting a BC Timber Sale over a short period of time, rather than spreading the harvesting activity evenly over the duration of the license period. There may also be broader factors at play, including technological changes resulting in increased labour specialization (for example heli-logging), more onerous certification requirements, and societal changes influencing where loggers chose to reside. (Source: Pierce Lefebvre Consulting, 2006, page 14).

[3] The Forestry Revitalization Plan was introduced in 2003, and included the reallocation of 20% of the volumes associated with long term forest tenures to BC Timber Sales, First Nations and communities.

In general, First Nations are not buying timber harvesting and road building equipment. The business is simply too capital intensive and risky. Even after the equipment has been bought, the working capital requirements are significant such that even if logging/ road building equipment is essentially donated to a First Nation, significant debt can quickly develop if expenses exceed revenues. A small group of First Nations with significant timber volume under multiple licenses might be able to develop businesses to harvest their own timber, but this would require ongoing annual volumes of between 50,000 m3 and 100,000 m3.

Through direct and indirect linkages, the forest industry has been an integral part of the region's socio-economic structure and has contributed to the development and viability of transportation and other economic infrastructure (food services, accommodation, fuel supplies, equipment servicing, etc).

In the past, larger timber licensees and cut-control policies have provided significant periods of stability to suppliers and contractors facilitating capital investment in equipment and machinery such as barges, airplanes, etc. Smaller tenure holders have tended to operate more sporadically with market cycles and have provided additional, but perhaps less stable demand for industry suppliers and contractors.

### *2.2 Community Forests and Forest and Range Agreements (FRAs)*

There are two Community Forests agreements awarded to communities/ First Nations in the North and Central Coast:

- Nuxalk First Nation – 48,614 hectares, with an Allowable Annual Cut (AAC) of 20,000 m3
- Bella Coola Resource Society – 128,700 hectares with an AAC of 30,000 m3

Neither the Nuxalk First Nation nor the Bella Coola Resource Society have commenced harvesting in their community forest, as harvesting plans are still being developed. Harvesting may begin in the Bella Coola community forest in 2008 (likely between 5,000 and 10,000 m3 in 2008), and assuming log markets improve, the full AAC should be harvested in 2009 and 2010. A longer term objective of the Bella Coola community forest is to help support a local wood processing sector, but in the initial years of harvesting, the objective will be to harvest timber on an economically viable basis. While located in the same geographic area, the two community forest operations are not collaborating at this time, although there may be opportunity to do so in the future, to gain economies of scale in several aspects of their operations.

There are a number of Forest and Range Agreements (FRAs) between individual First Nations and the Ministry of Forests and Range (MOFR) that provide timber tenure and revenue sharing agreements on a per capita basis (range between 30 m3 and 54 m3 and $500 per community member). In 2006, MOFR modified the language of the FRAs to include broader accommodation measures than revenue-sharing and timber tenure and these were called Forest and Range Opportunities (FROs). (Nelson, Harry, 2007, page 10.) For the purpose of this report, references to FRAs include agreements that may be called FROs.

FRAs in the EBM area account for over 3 million m3 in total timber volume, and revenue sharing of $36.9 million over a 5 year period. In 2007, Coastal First Nations (CFN), the Truck Loggers Association and MOFR, commissioned an analysis of selected FRAs, partly to assess why so little wood was being harvested on the FRAs. Out of a potential timber harvest of 1.8 million m3 associated with those agreements examined, less than 20,000 m3 had been actually harvested (Nelson, Harry, pp. 3).

According to the Nelson report, “First Nations in the region faced a number of challenges in turning the agreements into an economic opportunity.” Some of the key issues have included:

(1) Difficulty in getting “on-the-ground” access to the resource;
(2) Establishing effective partnerships to take advantage of the opportunity;
(3) Administration delays on the part of First Nations and governments;
(4) Very difficult economic and market conditions;
(5) Limited capacity within First Nations to undertake the harvesting; and
(6) Access to capital as each 30,000 m3 to 40,000 m3 of timber harvest requires in the order of $1 million in working capital. (Nelson, Harry, page 27).

The report makes numerous recommendations including that the FRAs be made renewable or given a longer term, say 10 years, and that they be increased to higher volumes.

Harvest data for the Nelson report was gathered in October 2007, but there has been subsequent harvesting activity under several more of the FRAs in Coastal BC than was reflected in the report. Nevertheless, many of the obstacles to viable harvesting on FRAs indicated in the Nelson report, were also mentioned in our interviews with companies and forest industry representatives.

The following table summarizes the FRAs that have been signed on the North and Central Coast (effective February 2008).

The first portion of the table documents FRAs of First Nations that are located in the EBM area, while the second portion of the table documents FRAs for First Nations that are based on Northern Vancouver Island but whose traditional territories include part of the Central Coast.

The Namgis Nation listed in the first portion of the table has an FRA but logging is expected to take place on Vancouver Island. The Namgis Nation’s traditional territory that is in the Central Coast region has been largely designated as Protected Area under the Central Coast land use plan.

*Table 3 Forest and Resource Agreements on North and Central Coast*
(Excludes Vancouver Island and HG/QCI)

| Date signed | First Nation (by order of date signed) | Region | Location | FRA Revenue Sharing ($million) | FRA Timber Vol. m3 (000) | Comment |
|---|---|---|---|---|---|---|
| 2003/10 | Gitga'at | Coast (North Coast TSA) | Hartley Bay | 1.57 | 290 | 10 yr license (290,000 m3 per Gitga'at; MOFR web: 190,000 m3) - took over 2 yrs to negotiate chart area; waiting for markets to improve |
| 2003/10 | Lax Kw'aalams | Coast | Port Simpson | 6.85 | 650 | So far nothing has been harvested on FRA; harvest on band owned TFL 1& FL 16835 was 212,000 m3 in 2006 & 400,000 m3 in 2007; band owned forest company is Coast Tsimshian Resources Ltd. |
| 2003/12 | Metlakatla | Coast | Prince Rupert | 1.73 | 210 | Harvested 50,000 m3 in 2007; likely limited or no harvest in 2008 due mainly to poor markets and lack of viable chart areas |
| 2004/02 | Heiltsuk | Coast | Bella Bella | 5.17 | 485 | Have forest company; harvested about 45,000 m3 in 2007 |
| 2004/02 | Kitasoo | Coast | Klemtu | 1.2 | 115 | Have forest company; harvested 100,000 m3 on BCTS license in 2007; will harvest FRA in 08/09 |
| 2004/02 | Wuikinuxv (Oweekeno) | Coast | Port Hardy | 0.625 | 60 | Hope to purchase 200,000 m3 license in 08; harvest was 130,000 m3 in 04, 40,000 m3 in 05 and 47,000 m3 in 06 |
| 2004/09 | Kitkatla | Coast | Kitkatla | 3.99 | 375 | Nothing has been harvested; 4 years into the agreement, chart areas that were given cannot be logged profitably under current market conditions |
| 2004/12 | Xwémalhkwu (aka Homalco) | Coast | Campbell River | 1.06 | 79 | Have harvested timber on reserve lands, non-renewable licenses and other since early 1990s. Harvested 40,000 m3 in 2005, 20,000 m3 in 2006 and 60,000 m3 (complete FRA) in 2007. |
| 2005/02 | Namgis | Coast | Alert Bay | 3.8 | 410 | FRA is entirely on Vancouver Island; are in process of setting up, no harvest so far. Traditional territories on Central Coast are no harvest areas |
| 2005/03 | Wewaikai (Cape Mudge) | Coast | Quathiaski Cove | 2.1 | 102 | Also have Area Based Tenure (woodlot) associated with agreement |
| 2006/04 | Da'naxda'xw/Awaetlala | Coast | Alert Bay | 0.436 | 47 | Will likely harvest FRA in 2008; have approx. 5 local residents working in forestry on a part-time basis |
| 2007/02 | Nuxalk | Coast | Bella Coola | 3.31 | 311 | Have forest company; in process of setting up harvesting on FRA but no harvest so far; also have community forest license |
| 2008/01 | Tsawataineuk | Coast | Kingcome Inlet | 1.26 | 73 | Includes woodlot and other licenses up to a maximum AAC of 14,670 m3 per yr for 5 years |
| 2004/02 | Haisla | Northern Interior | Kitamaat | 3.79 | 360 | Have joint venture with logging contractor (last 2 years); 6 to 10 Haisla people work in logging mainly road crew, etc. Also, a few members are fallers but work outside band. Some 10 to 15 PYs at Eurocan P&P |
| TOTAL | | | | 36.9 | 3,567 | |

| Other - Northern Vancouver Island | | | | | | |
|---|---|---|---|---|---|---|
| 2004/04 | Gwa'sala-'Nakwaxda'xw | Coast | Port Hardy | 1.73 | 188 | Have partnership with Mill & Timber Products Ltd. for harvest on Mainland; expect FRA to be harvested in 08/09 |
| 2004/04 | Kwicksutaineuk/Ah' Kwaw'Ah'Mish | Coast | Port Hardy | 0.624 | 68 | |
| 2005/08 | Comox | Coast | Comox | 0.684 | 41 | Also have Area Based Tenure (woodlot) associated with agreement |
| 2005/12 | Tlowitsis | Coast | Campbell River | 0.855 | 51 | |
| 2006/07 | Wei Wei Kum | Coast | Campbell River | 1.5 | 90 | |
| 2006/12 | Mamalilkulla | Coast | Campbell River | 0.918 | 97 | |
| TOTAL | | | | 6.3 | 535 | |

**Notes:**

1. Revenue sharing and total timber volumes are over a 5-year period, unless specified elsewhere. Source: BC Ministry of Forests and Range web site, accessed February 14, 2008. http://www.for.gov.bc.ca/haa/FN_Agreements.htm
2. This inventory is a summary of what could be identified within the scope of this study and may be incomplete. The study focused primarily on communities that are located within the Central and North Coast EBM planning area.

Some First Nations obtain other licenses in addition to their FRAs. For example, the Tsawataineuk nation in Kingcome Inlet was awarded a 132,000 m3 direct award license in January 2008. In general, the timber volumes for these direct award licenses on the Coast come from previously approved harvesting that was not undertaken on other forest licenses (under-cut).

### *2.3 Selected Examples of First Nations' Involvement in Timber Harvesting*

First Nations involved in the forest industry typically work together with licensees or forest management companies. First Nations typically have a manager responsible for forestry who negotiates and co-ordinates the hiring of as many local people as possible, but the business of logging and silviculture is left to contractors. The following documents some of these arrangements:

- **Gitga'at Nation**: The Gitga'at have partnered with Triumph Timber, a licensee in the North Coast to conduct forestry in their region. Even though the Gitga'at have not harvested timber on their FRA, band members have been involved in forestry on the Triumph Timber licenses. Between 2003 and 2007, approximately 10 Gitga'at people have worked full time for 3 or 4 months each year on harvesting Triumph's licenses (logging camp crew, ground crew on booms, etc.), which represents 40% to 50% of labour hours on each license. In general on the North Coast, approximately 50% of timber harvesting is through helicopter logging which requires a greater percentage of skilled employees than conventional logging.

- **Gwa'sala Nakwaxda'xw Nation**: This First Nation resides in Port Hardy but has traditional territories on the Central Coast. While their FRA was signed in early 2004, the related forest license was not issued until 2006, and as a result, it will expire in 2011.

  Harvesting on the forest license began in November 2007, and is expected to be completed over the next two years (2008 & 2009). A Band-owned company has a contract with Mill & Timber Products Ltd. to conduct harvesting. The Band forestry coordinator is actively involved, as well as up to 6 other Band members during the most active periods (approx. 2 on the engineering crew, one on the logging crew and one on archaeological survey crew). Mill & Timber Ltd. is taking all the financial risks, applying for all permits, and carrying out the timber harvesting, but within 10 days after scaling, a royalty type payment is paid to the Band.

- **Lax Kw'alaams Nation**: In 2002, the band purchased TFL 1 and a forest license with a combined AAC of 580,000 m3 (The AAC for TFL 1 is 430,000 m3 and the AAC for the Forest License is 150,000 m3). Coast Tsimshian Resources Ltd., a band-owned company harvested 212,000 m3 in 2006 and some 400,000 m3 in 2007, entirely through the use of contractors who then hired some individual band members. Lax Kw'alaams also has an FRA for 650,000 m3 but nothing has been harvested to date on that license. In 2007, approximately 20 local residents worked in forestry from May through October, with some working for a longer period.

- **Haisla Nation (Kitamaat Village)**: The Haisla Nation, through a joint venture between the Haisla Business Development Corporation and a logging contractor, has been active in timber harvesting for approximately 2 years. The joint venture employs between 6 to 10 Haisla individuals, mainly as road and ground crew workers. In addition there are approximately 15 Haisla people involved in two major silviculture companies operating on the Haisla traditional territories. A Haisla member owns one of the two companies.

Table 3 in the previous section lists other First Nations on the Central and North Coast, such as the Heiltsuk, Kitasoo, and Nuxalk Nations that have similar businesses and partnerships to those described above.

### *2.4 Processing/ Manufacturing/ Log Sorts*

In Kitimat, Eurocan Pulp & Paper Co. Ltd., a subsidiary of West Fraser Timber, employs some 550 people and produces specialty packaging papers mainly using BC Interior chips from sawmills in Smithers, Houston and Fraser Lake, BC. Of the 550 employees, between 10 and 15 people are Haisla Nation members.

Other than Eurocan, there are no major primary wood or chip processing manufacturing operations in the Central and North Coast. In the larger communities such as Prince Rupert and Bella Coola, there are a number of local entrepreneurs with portable sawmills who work periodically to supply the local market. Occasionally, they may also fill post and beam orders that are shipped elsewhere.

A major impediment to wood processing in the Central and North Coast is the lack of an integrated manufacturing network to extract the full value from a log. Wood processing in the North and Central Coast (as with HG/QCI) is disadvantaged relative to the South Coast due to the lack of cost effective access to market opportunities for chips, sawdust, low grade lumber, trim blocks and other by-products.[4]

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[4] Pierce Lefebvre Consulting, *Socio-Economic Assessment of Haida Gwaii / Queen Charlotte Islands Land Use Plan Recommendations*, Commissioned by the Integrated Land Management Bureau, Coast Region, BC Ministry of Agriculture and Lands, 2006, page 17.

The Heiltsuk First Nation has planned to establish a dryland sort at Norman Morrison Bay (in Bella Bella) that could handle up to 200,000 m3 of timber per year, and would be open to all operators in the area. In March 2006, the BC MOFR granted a log export request from the Heiltsuk First Nation, partly to help support the development of a log sort. [5] For one year, the First Nations community and other licence holders in the Mid-Coast Timber Supply Area were permitted to export up to 35 per cent of their harvest to make harvesting more profitable, support more logging jobs and encourage development of the Heiltsuk log sort. In March 2007, log export approvals were extended to August 31, 2007.

Some of the impediments to establishing a dryland sort in Bella Bella are listed below.

- There are logistical issues for timber to be dropped in Bella Bella from neighbouring cutting blocks, which may restrict the volume that would ultimately be brought to the log sort.

- While timber may be exported offshore directly from Bella Bella, this would represent a maximum of 35% of the entire harvest for a timber block; the balance (or a minimum of 65%) would still likely be shipped to Howe Sound, therefore limiting the attractiveness of Bella Bella as a location for a log sort. One Coastal First Nation active in timber harvesting, indicated that all of their harvested timber has been processed in the Lower Mainland with none being exported, therefore making it doubtful that they would use a dryland sort in Bella Bella.

- A minimum volume is required. One interviewee said that the dryland sort would require 400,000 m3 to work effectively. A recent study on dryland and water-based sorts suggests that a minimum volume of 125,000 m3 might be sufficient. (Sterling Wood Group Inc., 2002)). The timber harvest from the Central Coast averaged 2.6 million m3 per year between 2003 and 2005 (MOFR data as reported in Pierce Lefebvre Consulting, 2006).

One of the interviewees indicated that the current economic conditions in the forest sector makes the development of a dryland sort at Bella Bella very doubtful, at least for the next few years.

In the North Coast, there are dryland log sorts in Prince Rupert that operate efficiently near the Port of Prince Rupert. For example, Ridley Log Sort Inc. has been operating since 1994, and in the last 15 years, the operations have involved: buy/sell logs, custom sort, shingle plant, cedar mill and whole log chipper. The proximity to the Port of Prince Rupert allows efficient shipment of raw log exports.

### *2.5 Constraints Facing Forest Industry Growth*

**Access to Timber Resources in Viable Operating Areas:** Recently designated protected areas, and conservancy areas have reduced the potential Timber Harvesting Landbase (THLB). The general move into more difficult and costly operating areas, and the implementation of EBM harvesting practices, is combining with difficult product market conditions to further limit the extent of viable operating areas in the Central Coast and North Coast.

[5] "*Log Exports to Benefit Coastal First Nations*"; BC MOFR, News Release, March 27, 2006.

Licensees on the Central Coast have tended to concentrate recent harvesting effort on higher valued cedar logs to assist in making some of the cut blocks more viable.

**Costs and Competitiveness**: The small size and remoteness of most of the coastal communities contributes to higher costs of doing business in those areas, and higher costs of moving product to southern markets (conversely, there are time and cost advantages if product volumes are sufficient to ship in bulk to Asian markets). A number of interviewees commented on the stumpage system not being sufficiently market sensitive nor representative of specific areas being logged.

**Planning Process Requirements**: Pre-harvest planning requirements, which have expanded significantly in recent years, are a daunting barrier for potential new entrants into the forest industry. Existing major licensees have been able to adapt to the expanding information and process requirements that have been added incrementally over time, and are able to reap some economies of scale in this aspect of their timber harvesting operations. Some of the newer and/or smaller licensees fear that EBM planning requirements will lengthen the pre-harvest planning period and increase planning costs, creating further business cash flow challenges. There is also concern that additional planning costs will not be fully reflected in the stumpage appraisal system.

**Access to Markets and Market Knowledge**: New markets need to be developed for hemlock-balsam and second growth wood over the next two decades. Participants/ stakeholders in the BC coastal forest industry will likely need to take a long-term view of developing and improving market value for the coastal forest resource, with a coordinated approach to nurturing emerging export markets for wood and pulp and paper products. The challenge for the coastal forest industry is to re-establish economic rent by rebuilding international markets for its wood products, containing timber harvesting costs while pursuing responsible and sustainable harvesting practices, and reinvesting in processing facilities that make efficient use of the current and evolving timber profile.

There are many government and industry initiatives underway to develop new markets for BC's forest products, through agencies such as the provincial government's Forest Innovation Investment (FII) agency[6], the Coast Forest Products Association (CFPA), and FP Innovations (a national not-for-profit research organization including Feric, Forintek, Paprican and the Canadian Wood Fibre Centre). Important initiatives for the BC Coast industry include development of new products and markets for coastal species such as balsam, hemlock, cedar and Douglas fir, forest products certification coordination, branding for BC products, and technologies to drive improved value recovery from the coastal timber profile. Developing markets is an essential part of the value chain for timber, along with efficient logging practices and access to wood processing facilities that can maximize fibre utilization/value extraction for the complete timber profile.

As part of the North and Central Coast Land and Resources Management Plan Table Recommendations, the Table recommended to government that the region should be marketed as an example of sustainability, particularly with respect to forest products, and that this would allow timber from the region to gain a market advantage. Some interviewees in Coastal communities noted that there have been no significant marketing initiatives put in place to date, or at least these initiatives have yet to result in a market

[6] Forestry Innovation Investment (FII) has two offices, one in Vancouver (12 staff) and one in Shanghai (5 staff) which are dedicated to forest product market development. Source: http://www.bcfii.ca/, accessed May 2008.

advantage for Coastal products One interviewee suggested that sustainable forest practices are more significant to the European market, but in Asia, where the most significant new market opportunities are emerging, there is little or no interest in the Coastal sustainability commitment.

There is speculation that carbon credits and the value of managed forests in terms of carbon sequestration may become a significant component in the timber value equation.

**Access to Capital**: Each 30,000 m3 to 40,000 m3 of timber harvest requires in the order of $1 million in working capital. (Nelson, Harry, page 27). Large licensees were able to auto-finance their operations, but First Nations with FRAs are having to negotiate agreements with log brokers and other partners interested in purchasing the timber. In many cases, log brokerage firms such as A & A Trading and Probyn Log Ltd., as well as management businesses and others have used their own working capital to harvest under FRAs. Forest Management companies that have assisted First Nations include Capacity Forest Management (Campbell River) and Hayes Forest Services (Duncan).

**Social Issues, Capacity and Training:** Some First Nations representatives indicated that the relatively low level of education and other social issues were a major impediment to individuals seeking training and work in the forest industry.

Many of the communities have undertaken successful training programs in the forest sector including Lax Kw'alaams and the Gitga'at.

Obtaining training dollars is difficult, however, and since the jobs are often not full time, it is difficult to retain the trainees in the industry. Some First Nations people who are trained in timber harvesting work with/for other First Nations on occasion, but only when relationships between those First Nations are amicable.

# 3 Non-Timber Forest Products and Agriculture

## *3.1 Pine Mushrooms*

Pine mushroom harvesting occurs mainly northeast of Prince Rupert (bordering the Nass Valley), in the Bella Coola Valley, Northwest of River's Inlet and along the South Coast.

The Pine mushroom industry in Coastal BC generates seasonal employment for a few buyers / entrepreneurs along the Coast, notably in Bella Coola, and individual pickers. In some areas like Powell River, HG/QCI, northern Vancouver Island, and the Nass Valley, as many as 100 to 150 pickers in each key growing area work for approximately 2 months (mid to end of August through October).

Mushroom buyers then sell crops to companies in the Lower Mainland or Vancouver Island who then distribute them to local distributors and/or to markets in Japan and elsewhere. These include Emperor Specialty Foods (Richmond), Cowichan/ Quw'utsun Wild Foods (Cowichan First Nation, Duncan), and Pacific Rim Mushrooms (Vancouver).

### *3.2 Other Non-Timber Forest Products*

There are many economic development plans for Coastal BC communities that list potential opportunities in Non-Timber Forest Products (NTFP). Other than harvesting pine mushrooms, however, there is little commercial activity relating to NTFP in the Central Coast and North Coast.

Some of the opportunities that are often mentioned include: salal and other similar products, devil's club, medicinal plant species, other edible fungi, and medicinal fungi.

BCMAL and MOFR have tried to develop commercial activity in NTFP for at least 10 years. Royal Roads University in Victoria has developed a Centre for Non-Timber Resources that attempts to link individuals interested and involved in NTFP, and provide support for on-going multi-disciplinary research.

Outside the Central Coast and North Coast, there are small businesses that are developing markets for wild food production. These include:

- Wild Islands Foods Cooperative in Sointula, which offers food production faculties for islanders wishing to produce and market their own food and beverage products.

- Islands Harvest Food Company based in Comox, which produces and exports naturally grown wild berries and wild mushrooms from BC.

The Coastal First Nations group has struck a committee to examine opportunities in NTFP. Working Group members have attended an international NTFP Symposium at Royal Roads University in 2005, and they are developing plans and strategies to obtain funding and develop the industry.

### *3.3 Community Gardens and Other Agriculture*

The Bella Coola Valley Sustainable Agriculture Society (BCVSAS) is trying to reintroduce farming to the Bella Coola Valley through community gardens and other venues, partly to help enhance healthier diets among its residents. Various groups involved in food related community projects include the Central Coast Regional District (CCRD), the Nuxalk Nation and the Acwsalcta School.

There have been various crop suitability and land availability studies conducted, but at this point, the viability of commercial agriculture in the Bella Coola Valley has not yet been confirmed and commercial development is not occurring.

Agriculture was also a mainstay of the Kingcome Valley community in the early part of the 20$^{th}$ century with the production of local foods such as crab-apples. There are no significant commercial agriculture ventures currently in operation or being planned.

The BC government has embarked on a major "Buy Local" campaign, which may help develop local gardens, but discernable effects of the campaign have not yet materialized.

### *3.4 Major Constraints*

The remoteness of most communities along the Central Coast, and the related high cost of transporting product to markets likely limit the viability of commercial production of most NTFPs or agriculture products. For example, transporting salal by boat from a community like Klemtu would likely not be cost competitive when compared with operations on Vancouver Island.

In Bella Bella, there have been discussions of processing wild mushrooms and cedar oils, but no commercial ventures are eminent at present.

The lack of licensing and regulation regarding NTFPs makes it difficult to develop commercial businesses based on growing, harvesting and processing pine mushrooms or other products. Neither timber harvesting tenures nor other types of tenure provide rights related to harvesting NTFPs on crown land. As a result, there is little incentive for an enterprise to manage for, or commercially develop NTFPs on crown forest lands.

# 4 Tourism and Commercial Recreation

Tourism and commercial recreation are becoming increasingly important to the socio-economic foundations of Coastal BC. Tourism and outdoor recreation are generally defined as follows:

- The tourism industry is based on spending by non-resident travellers on such activities as accommodation and food, recreation activities and transportation (defined in this way, tourism would include business travellers).

- Outdoor recreation is defined as non-commercial outdoor activities enjoyed by residents and non-residents. Public recreation does not involve the use of a commercial guide for which a fee is paid.

The following sub-sections review the major tourism and commercial recreation activities that occur in Coastal BC. These sub-sections include:
- Front-Country Tourism;
- Lodges and Resorts;
- Examples of Tourism Initiatives in First Nations Communities;
- Development of Tourism and Infrastructure; and
- Constraints Facing the Tourism Industry.

A summary table at the end of this section lists the major tourism initiatives for each community.

### *4.1 Front-Country Tourism*

Tourism has been gaining in importance on the North and Central Coast in terms of employment income and jobs.

BC Stats estimates that in 2001, tourism on the North Coast and Central Coast was the third most significant employment generator, accounting for 14% and 16% respectively, of basic sector employment (1,025 direct and indirect jobs in the North Coast and 1,315 direct and indirect jobs in the North Island/Central Coast), behind the public sector (37% for the North Coast and 31% for the North Island/ Central Coast) and the forest sector (21% for the North Coast and 34% for the North Island /Central Coast). (BC MSRM. 2004. pages 4 and 10)

In 2001, the tourism sector's contribution to basic sector after tax income was 6% for the North Coast and 7% for the North Island - Central Coast area, which is not as high as the contribution to basic sector employment, as a result of the seasonal nature of the employment and the relatively low wages and salaries.

In recent years, the North Coast, and in particular, Prince Rupert has seen tremendous growth in tourism, partly as a result the cruise ship industry. In 2008, the Port of Prince Rupert expects 65 large cruise ships and 103,000 passengers to enter port, compared to 60 ships and 100,000 passengers in 2007 and 32 ships and 62,845 passengers in 2006. This continues the steady growth since the opening of the Northland Cruise Terminal in 2004.[7] In 2006, the Prince Rupert Port Authority suggested that Prince Rupert cruise ship passenger landings could grow to more than 200,000 passengers by the year 2014. By comparison, Ketchikan (Alaska) welcomed 921,000 cruise ship passengers in 2005.[8]

Although not all 2007 statistics are available, two interviewees (CCRD and City of Prince Rupert) indicated that based on hotel taxes, ferry passenger traffic and tourism visits have fully recovered from 2006 when ferry service was disrupted as a result of the sinking of the Queen of the North vessel.

The growth in cruise ship traffic has encouraged growth in retail services in Prince Rupert, particularly along the waterfront. In October 2007, the Chances Gaming and Entertainment Centre commenced operations in Prince Rupert, and it now employs approximately 100 people, many of them part time. This summer is the first year the gaming centre will be open during cruise ship season, and it may draw people from the ships, particularly crew members who are prohibited from gambling on the cruise ships.

The Port of Prince Rupert reports that approximately 25,000 cruise ship passengers joined organized side tours in Prince Rupert as part of their cruise experience. There are various tours that are offered to cruise ship guests including general adventure tours, multi-day grizzly bear adventure tours, 6-hour tours to the Khutzeymateen "Valley of the Grizzly" on a vessel with a capacity of 100 passengers (West Coast Launch Ltd.), cultural event tours, jet boat tours of the harbour, sportfishing charters, etc.

Members of the Metlakatla First Nation are involved in providing boat and fishing tours to cruise ship passengers, mainly through Seashore Charters based in Prince Rupert. Smaller communities on the North Coast, which are relatively close to Prince Rupert, have been the subject of business proposals suggesting activities that would link cruise ship passengers arriving in Prince Rupert to nearby communities. We were not able to identify specific new businesses or business plans related to new touring opportunities targeting cruise ship passengers. One interviewee indicated that the market is far from being saturated and that ultimately, one could expect at least two thirds of the cruise ship passengers to engage in day touring in and around Prince Rupert, as a more complete package of local touring services develops.

[7] Prince Rupert Port Authority, "Improved Prince Rupert Guest Experiences to Greet 2008 Cruise Passengers", March 7, 2008.
[8] Prince Rupert Port Authority, *Prince Rupert Port Attracts Two New Cruise Lines for 2006 Season*, May 16, 2006.

The cruise ship facility in Prince Rupert is not operating at capacity, and could accommodate one ship per day during the entire season. In addition, BC Ferries is working closely with the Alaska State ferries to increase sailings between Alaska and Prince Rupert and better coordinate schedules.

The majority of cruise ships that visit Prince Rupert are larger vessels, for example, the 2,000-passenger Norwegian Spirit. The Port also welcomes smaller "pocket" cruise ships with between 50 and 200 passengers, usually involving cruises along the inside passage and Alaska.

There are many other opportunities in Coastal BC to capitalize on front country tourism potential (particularly for locations accessible by road or ferry) such as developing better camping facilities, boat launching facilities, restaurants and other services for tourists.

For more remote communities, a constraint to tourism growth is the relatively high cost to reach them. Lax Kw'alaams significantly improved road access to its community in the last 5 years by upgrading the road from the ferry terminal to the community through an $11 million investment, shared by the Province, the federal government and Lax Kw'alaams. The community hopes that better access infrastructure will result in more substantial front country tourism. Plans include paving access roads and developing a boat launch that would encourage tourists to take the ferry from Prince Rupert, drive to Port Simpson and engage in boating activities around Lax Kw'alaams.

### *4.2 Lodges and Resorts*

Coastal BC has dozens of sportfishing lodges established throughout the Coast and HG/QCI. In 2002, the number of lodge businesses classified as saltwater fishing lodges was estimated at 125 businesses, each employing an average of 15 people or the equivalent of 6.5 PYs of employment.[9] Approximately half are on the South Coast and Vancouver Island, 20% are in HG/QCI and 25% (approximately 30) are on the Central Coast/ North Coast.

Lodges typically offer all-inclusive packages comprising accommodation, meals, boat and fuel, fishing equipment, and fishing guides. Lodge packages are often three to five days in duration. By comparison, charters are angling packages that include boat, equipment, and guide, but no accommodation or meals.[10]

West Coast Resorts and King Pacific Lodge are two large companies that operate lodges in the Central and North Coasts.

- West Coast Resorts operates 5 sportfishing lodges in the following locations: two in HG/QCI, one on Vancouver Island, one near Hartley Bay (Gitga'at) and one near Bella Bella (Heiltsuk). West Coast Resorts works in collaboration with several coastal First Nations, including a protocol agreement with the Gitga'at Nation. The lodges on the Central Coast each employ between 30 and 35 people for 4.5 months of the year, of which between 5 and 10 employees are First Nations. Employees

[9] Source: GS Gislason and Associates Ltd., Saltwater Fishing Lodges in BC - An Economic Profile, prepared for BC MSRM (now BC MAL), 2003.
[10] Paraphrased from GSGislason and Associates Ltd., 2003, page 4.

from local First Nations communities have held a variety of jobs including fish guides, dock employees and servers/ housekeepers.

- King Pacific Lodge is a floating sportfishing and ecotourism resort, and every May, this 17-room floating barge is towed into Barnard Harbour on Princess Royal Island. King Pacific pays a foreshore lease fee to the Province for the right to moor in Barnard Harbour, and starting in 2000, it agreed to pay the same amount to the Gitga'at in recognition of operating in their traditional territory.[11] King Pacific Lodge hires approximately 10 Gitga'at individuals each season in a variety of positions including fishing and tour guides, lodge employees and other. Approximately 5 return each year, and 5 are new trainees.

The client market for fishing lodges between 2002 and 2006 was characterized as vibrant, with strong economic conditions and good fishing results. Fishing results were less spectacular in 2007, and 2008 is presenting much tougher economic and general market conditions. The US market likely accounts for 35% to 40% of sportfishing lodge clients and it is negatively affected by the relatively high value of the Canadian dollar and the general downturn in the US economy. There are currently a number of sportfishing resort operations for sale in Coastal BC, perhaps more than usual. One of the interviewees indicated that there could be a shake up in the industry with larger companies purchasing independent lodges.

While sportfishing is a more mature segment of the tourism sector, ecotourism, cultural tours and wildlife viewing are becoming increasingly popular. Industry interviewees indicated that future growth in the wilderness lodge business on the coast would likely be driven by ecotourism, cultural tours and wildlife viewing tours. European tourists, for example, are much more focused on cultural and wildlife tours.

In general, First Nations in Coastal BC are becoming more actively involved in lodges and resorts in their traditional territories.

In 2001, the Heiltsuk Nation, Ecotrust Canada, Ecotrust and the Raincoast Conservation Society committed to jointly purchasing and operating the Koeye River Lodge at the mouth of the Koeye River approximately 45 km south east of Bella Bella and some 7 km south of Namu. The purchase of the 74-hectare property for approximately $1 million was made possible through contributions from US philanthropists Howard and Peter Buffett.

According to the Ecotrust website, the lodge was built in 1996 but it was never successfully operated as a commercial lodge, in part due to the opposition of the Heiltsuk to any development. The lodge has 10 guest rooms and two separate cabins that can sleep 6 to 8 people. The Heiltsuk people offer various youth programs at the lodge through the QQS (Eyes) Project Society, which is a registered, charitable, non-profit society established in 1999. The Koeye Lodge website seeks donations from supporters and indicates that the net cost of owning the Koeye Lodge and property is approximately $100,000 per year. The main activities advertised at Koeye Lodge relate to wildlife viewing, beach combing and cultural tours.

[11] Uehara, Michael (CEO of King Pacific Lodge), "Unprecedented Agreement the Right Thing to Do", Globe and Mail newspaper, November 2001.

In 2004, Coastal First Nations commissioned King Pacific Lodge to conduct a comprehensive feasibility analysis for additional high-end lodges in Coastal communities. The analysis concluded that the BC Coast could sustain three additional high-end lodges and that the projects would benefit from a regional alliance to help capture economies of scale and synergies in terms of marketing, financing and training. These would be full-experience lodges that would be aimed at the global high-end tourism market and would rely heavily on the two industry partners, Rosetta Resorts and King Pacific Lodge to manage and market the lodges. Each lodge would involve bear watching, sportfishing, hiking, etc. and involve a high ratio of staff to guests, similar to the King Pacific Lodge. Potential sites were identified as follows:

- Homalco;
- Haida Gwaii/ QCI; and
- A third one likely on the North or Central Coast

Each lodge would employ approximately 60 people, and many of these positions would be full time. Building the resort would also result in construction employment for First Nations people.

Coastal First Nations is working closely with the Homalco First Nation and their development company, the Bute Inlet Development Corporation (BIDC) to help develop the first potential site. The BIDC has announced that the Chief and Council for the Homalco First Nation has designated 28.4 hectares of land, following a referendum within the Band that provided 75% support towards establishing an eco-friendly resort at Homalco. Rosetta Resorts Fund and King Pacific Lodge have agreed to joint venture with BIDC and Coastal First Nations on this major regional initiative. Financing is a significant barrier for the project, as the initial capital investment required may be in the range of $20 million to $25 million for the first site at Homalco.

The capital investment required for a floating lodge would be much more modest, likely at approximately $3 million for a 50 guest facility, excluding boats and other equipment. A 2003 economic profile for saltwater fishing lodges in BC[12] estimated that the 125 lodges then in operation represented a $200 million investment for an average of $1.6 million per lodge.

### *4.3 Other Examples of Community Tourism Initiatives in North and Central Coast*

Some examples of tourism development initiatives in individual communities are outlined below:

- **Gitga'at**: The Gitga'at (Hartley Bay) nation is involved in several tourism initiatives. In addition to individuals working at the King Pacific Lodge and West Coast Resort, the Gitga'at have developed tourism plans focusing on cultural tourism, nature-based tourism and visitor services such as B&B, remote cabin accommodation, etc. The Gitga'at offer bear viewing tours, and have some bed and breakfast operations in the village of Hartley Bay.

  Much of the Gitga'at strategy has focused on training recent high school graduates in the tourism sector, and providing management training for two Gitga'at tourism staff

[12] GSGislason and Associates, *Saltwater Fishing Charters in BC – An Economic Profile*, 2006.

per year. West Coast Resorts indicated that they participated in what they viewed as a very successful training program with the Gitga'at where wages of Gitga'at trainees were heavily subsidized for some weeks of training, which eventually led to hiring 6 to 8 of the trainees. One issue is the lack of continuity in the training programs, in that even successful programs are not often repeated.

- **Kitasoo:** The Kitasoo Nation has been active in tourism through Klemtu Tourism. Klemtu Tourism offers weekly 4 and 7 day eco-tour packages between May and the first week of October. Klemtu opened its doors to tourists in 1996 when the first passenger ferry in 19 years landed in its harbour.

  In 2007, Klemtu Tourism opened the Spirit Bear Lodge, with six double-occupancy units. The lodge can house up to 12 tourists and will be used primarily in conjunction with eco-tours during the summer season. As part of the eco-tour business, the Kitasoo lease a vessel that can carry up to 10 passengers and a guide. During touring season, approximately 5 people work full-time for Klemtu Tourism, and one remains a full-time employee during the balance of the year to take bookings and operate the lodge. The Kitasoo hope to double the lodge capacity in the next 3 years. To date their market has been primarily people from the UK, and marketing has been mostly by word of mouth.

- In **Bella Bella**, there are a number of bed and breakfast home based businesses, and a few touring companies. Sportfishing enthusiasts tend to occupy the bed and breakfast businesses from May to October. There is one operator that offers pocket overnight cruises and there are approximately 5 individuals who charter individual boats. There are no major lodges or touring operations based in Bella Bella. Business for existing operations has been relatively stable over the last 10 years.

  One of the lodge operators, West Coast Resorts actively recruits in Bella Bella each year, typically hiring fishing guides, dock employees and servers/housekeepers from members of the Heiltsuk Nation and the local community. According to one interviewee, more should be done to encourage lodges to hire locals.

While some communities are embracing the developing tourism sector, others are not as far along, perhaps due to greater remoteness with less opportunity, and/or less capacity to undertake these kinds of initiatives.

### *4.4 Development of Tourism and Infrastructure*

There have been significant investments in cultural facilities throughout Coastal BC to help build infrastructure aimed at the tourism industry, particularly the growing ecotourism segment of the industry. These include a variety of projects such as carving shops, destination trails, fish smoking houses, and bear fishing towers/ viewing areas.

These investments in infrastructure have contributed to the development of ecotourism tours. In 2007, the Aboriginal Tourism Association of BC gave 9 awards of which three were for operations based on the Central Coast. These are:

- Cultural Authenticity Award: Koeye Lodge near Bella Bella (Heiltsuk people) has room for approximately 25 guests and offers all inclusive ecotourism tours.

- Tourism Conservation Award: Homalco Wildlife Tours is a wholly owned operation of the Bute Inlet Development Corporation operating out of Campbell River. They operate daily tours to view grizzly bear in the lower Orford River. They advertise that all their guides are fully certified and all are Homalco First Nation members. Homalco Wildlife Tours offers additional cultural events such as traditional salmon feasts to its clients.

- Excellence in Customer Service Award: Tsa-Kwa-Luten Lodge is a luxury resort on Quadra Island near Campbell River (Kwagiulth)

Government funded trusts such as the Northern Development Initiative Trust as well as other funding agencies such as the Coast Sustainability Trust Fund have been funding significant tourism infrastructure developments, and these investments are beginning to make a difference to individual communities.

The Central Coast Regional District[13] reports increased funding directed toward maintaining forest service roads, trails and recreation sites in the Bella Coola area by the BC Ministry of Tourism, Sport and the Arts (TSA), the Ministry of Forests and Range (MOFR) and other stakeholders including Interfor. In 2007, $94 million was spent grading and servicing forest service roads for tourism related traffic, up from $20 million in 2005. Similarly, in 2006, some $22 million was spent on trail and recreation site improvements, up from $10 million in 2005.

While some substantial investments have been made in the last 10 years, communities continue to emphasize the need for additional tourism infrastructure funding to really make a significant difference to the local economies. In the Bella Coola Valley for example, much of the tourism consists of RVs and camping parties spending very modestly in the community, and over a relatively short two month summer season. There remain shortages of funds to develop web pages and brochures, build signs, beautify the town centre or undertake any major tourism supporting development initiative. Winter heli-skiing has been growing, bear viewing and ecotourism have also expanded, but the tourism potential of Bella Coola remains largely untapped.

The Namgis Nation also suggested that a major constraint to growth is access to capital for building infrastructure such as small cabins, toilet facilities, trails and other tourism facilities. The Namgis Nation is hoping to develop and profit from ecotourism on Hanson Island in Johnstone Strait. Reaching Hanson Island by kayak is feasible for experienced kayakers but a more extensive development may require establishing more regular water taxi services.

### *4.5 Constraints on Tourism Development*

- **Cost, competitiveness and viability**: Tourism on the North Coast and Central Coast is a difficult business with continuing challenges related to markets and location. Factors that have affected business in recent years have included Highway 16 road closures, the sinking of the Queen of the North ferry in 2006, the rising Canadian dollar, the rising price of fuel, and continuing competitive pressures on cruise ship industries. The cruise ship industry is continually changing and while there is potential for growth, one of the key cruise ship companies has announced

[13] Central Coast Regional Report, 2008.

that it will discontinue its day long stay in Prince Rupert in 2009. For one small business owner, cruise ship passengers from that one company currently make up a major part of their business.

The ecotourism product has been growing in importance throughout the North and Central Coast region in the last decade. In particular there appears to have been significant growth in the number of companies offering wildlife tours, cultural tours, and eco-friendly kayaking, canoeing, sailing, and other adventure tours. This ecotourism segment of the industry is less dependent on the US market than the traditional sportfishing sector, and as a result may present more growth opportunities over the next several years.

- **Lack of Skills** within coastal communities to work at lodges. There are many instances of Central Coast and North Coast residents, often First Nations, working at lodges and resorts throughout the Coast. Some of the operators such as King Pacific Lodge and West Coast Resorts are working in collaboration with local communities to train local staff. Nevertheless, more could be done to provide continuity in training programs that are successful, and to facilitate young people starting out in junior positions, and advancing through training to become accommodation staff, cooks, chefs, interpreters, guides, managers and owner-operators.

- **Lack of Capital** – establishing a floating sportfishing lodge requires a capital investment of approximately $3 million, excluding boats and equipment, although the capital required for a very high-end full service lodge that offers sportfishing as well as ecotourism activities could be as high as $25 million. Even a small boat cruising operation requires significant capital investment, with the required good quality boats and equipment costing some $200,000 per boat. One sportfishing lodge company reported an inventory of 40 boats at an average value of $40,000 per boat.

- **Seasonal Nature of Industry**: In some areas, the season is very short, usually only 6 to 8 weeks. For example, whale watching may be as short as 6 weeks from mid-July to the end of August. Similarly, white bear viewing will occur in August and September when bears come to shore to feed on the salmon. The short season limits the viability of highly capital intensive businesses.

  The sportfishing season varies depending on the area. For lodges on migratory salmon routes, the season is longer, from May $5^{th}$ to approximately September $15^{th}$, or approximately 4.5 months. For terminal fisheries, such as Rivers' Inlet, where very large salmon can be caught nearer to their spawning grounds, the season may be as short as 8 or 9 weeks.

  The relatively short tourism season makes it difficult for the tourism sector to compete for scarce labour from the local communities. Individuals typically favour longer-term employment in fish processing or the forest industry, where it is available.

- **Community Attitude**: One interviewee noted that there is some resistance to greater tourism in the area, particularly if it involves harvesting the resources. Non-consumptive tourism (i.e. no fishing or hunting) is much less controversial. Tourism operators indicated that further growth in the industry would likely have to come from broadening the product to include helicopter touring, sea kayaking, and other non-consumptive tourism.

Local residents and First Nations on Vancouver Island and in the southern part of the Central Coast are concerned with kayakers and tourists who do not contribute significantly to the local economy, and have poor environmental practices regarding waste disposal.

The following table summarizes tourism initiatives reviewed in this report for each community.

*Table 4 Inventory of Tourism Initiatives*

| Communities | Tourism - Touring & Guides | Tourism - Lodge | Ferry Service |
|---|---|---|---|
| Prince Rupert | Very developed sector, approx. 35 fishing charters and 10 adventure tourism businesses (some overlap with fishing charters); 100,000 cruise ship passengers per year provide market for touring/chartering & retail companies; new Gaming and Entertainment Centre, 25,000 cruise passengers take additional land based and/or marine tours | Wide variety of accommodations including B & B operations, lodges, hotels, motels and camping/ RV | BC Ferries services to Port Hardy and HG/QCI. Also, have ferry service to Tsimpsean Peninsula |
| Kitimat | 5-10 fishing charters | Variety of accommodations including RV and camping facilities mainly catered to recreational fishery | |
| Bella Coola (Excluding Nuxalk Nation Reserves) | Various tourism businesses, camping sites, retail and other; also, expanding heli-skiing operation | Variety of accommodations including B & B operations, motels and camping/ RV | BC Ferries |
| Ocean Falls & Shearwater (Central Coast A) | Active community economic development committee has helped develop trails and infrastructure | Some B & B operations and front country tourism facilities | BC Ferries |

Note: This inventory is a summary of what could be identified within the scope of this study and may be incomplete. The study focused primarily on communities that are located within the Central and North Coast EBM planning area.

| First Nation | Location | Tourism - Touring & Guides | Tourism - Lodges | Ferry Service |
|---|---|---|---|---|
| **North Coast** | | | | |
| Gitga'at | Hartley Bay | King Pacific Lodge hires approx.10 Gitga'at people each season as guides and lodge workers; as does West Coast Resorts | Gitga'at have agreements with various lodges operating in traditional territories | BC Ferries |
| Lax Kw'alaams | Port Simpson | Hope to build coastal trail from Lax Kw'alaams to Metlakatla; through Work Opportunity Program, hope to hire 10 people in spring 2008 | Signed agreement with small lodge in Work Channel for lease payments & employment | Own car ferry service between Prince Rupert and Tsimpsean Peninsula |
| Metlakatla | Prince Rupert | Members of Metlakatla operate Seashore Charters that offers tours to cruise ship passengers & others - approx. 15 employees in summer | | Own Metlakatla Ferry Services - approx. 8 Metlakatla employees |
| Gitxaala - Kitkatla | Kitkatla - Dolphin Island | | | |
| Haisla | Kitamaat | Village of Kitamaat owns & operates very basic RV Park & campground; a few members own fishing charters | | |
| **Mid Coast** | | | | |
| Heiltsuk | Bella Bella | A few individuals offer cultural and ecotourism tours | Koeye Lodge - 25 guests/ ecotourism - jointly operated between Heiltsuk Tribal Council, and NGOs such as EcoTrust and the Raincoast Conservation Society | BC Ferries |
| Kitasoo/ Xai' Xais | Klemtu | Ecotouring business Spirit Bear Adventures offers 4 to 7 day tours | Newly built 6 unit lodge doubles capacity to 12 room accommodation facility | BC Ferries |
| Wuikinuxv (Oweekeno) | Rivers Inlet | | | |
| Nuxalk | Bella Coola | Limited to individuals providing cultural walking tours | | BC Ferries |
| **South Central Coast** | | | | |
| Xwémalhkwu (aka Homalco) | Campbell River and Bute Inlet | Homalco Wildlife Tours - daily tours from Campbell River to view grizzly bear | Plans to develop high-end lodge in Homalco- 60 jobs | |
| Namgis | Alert Bay | A few individual members are involved in providing ecotourism tours | Hope to develop tourism on Hanson Island in Johnson Strait | BC Ferries |
| Wewaikai (aka Cape Mudge) | Quathiaski Cove (Quadra Island) | | | BC Ferries |
| Da'naxda'xw/Awaetlala | Harbledown Island near Alert Bay | Cultural tours/feast and performances in the summer and operate campsite in summer (mainly for kayaks) | | |
| Tsawataineuk | Kingcome Inlet | | | |

# 5 Mining and Metals Processing

### *5.1 Mining and Metals Processing Projects in Coastal BC*

The mining sector includes the following sub-sectors:
- Mineral exploration;
- Support to mineral exploration;
- Mineral development;
- Construction aggregates including sand & gravel; and
- Metals manufacturing including Alcan Aluminium in Kitimat.

Mineral exploration effort in BC has grown more than tenfold in the last several years, from $29 million in 2001 to an estimated $416 million in 2007. The BC Ministry of Energy, Mines and Petroleum Resources estimates that in 2007, the minerals economy employed 28,000 people in over 50 communities.[14]

In general, this activity has targeted metallic mineral resources in the BC Interior and the Pacific Northwest region, rather than the North and Central Coast, which is considered to be relatively under-explored given its mineral potential. The 2007 BC Map of Operating Mines and Selected Major Exploration Projects in BC[15] shows the location of 119 mineral exploration projects in BC, and only a few of these are in the Central and North Coast plan area boundaries. Moreover, there are very few mining related projects planned or that have been proposed in recent years for the Central and North Coast region. Most of the effort in the region is focussing on construction aggregates and industrial minerals that can be easily moved to tidewater for transport to southern markets.

- **Swamp Point Aggregate** mine, located 50 km south of Stewart (160 km north of Prince Rupert) is expected to create between 20 and 50 direct full-time jobs in the region when in full operation. Ascot Resources Ltd. announced the first shipments of aggregate by barge from Swamp Point to Prince Rupert on April 30, 2007.[16] These first shipments are destined to the container port development in Prince Rupert, but ultimately, Ascot anticipates serving markets as far south as California.

- **Sandhill Project in Kitimat**: the resource consists of an estimated 93 million metric tonnes of in-situ aggregates for concrete, asphalt and construction use. The project appears to be on hold.

- **Bella Coola Rock Corporation**: There was a proposal for a gravel extraction operation near Bella Coola between 2001 and 2003 (Bella Coola Rock Corporation - Rock Quarry and Marine Loading Facility) but this proposal appears to be on hold.

- **Polaris Minerals Corporation and Namgis First Nation on Vancouver Island**: The Orca Quarry is permitted to produce 6 million tonnes of sand and gravel per year. It is located on the east coast of northern Vancouver Island, 3.8 km west of

[14] BC Ministry of Energy, Mines and Petroleum Resources, *BC Mining Quick Facts and Stats for 2007*, January 22, 2008.
[15] BC Ministry of Energy, Mines and Petroleum Resources, *Operating Mines and Selected Major Exploration Projects in BC – 2007*.
[16] Ascot Resources Ltd., 2007, *News Release – Swamp Point Barge Shipments to Fairview Container Terminals*, April 30th, 2007, www.ascotresources.ca (accessed June 1st, 2007.

Port McNeill and began production on February 20, 2007. The Orca Quarry includes a dedicated ship loading facility capable of loading vessels with a capacity of up to 70,000 tonnes. Polaris Minerals Corporation owns 88% of the Orca Quarry with a remaining 12% participating interest held by the Namgis First Nation. Approximately 15 Namgis people work at the Orca Quarry full time although some work primarily when ships are ready for loading. The sand/gravel pit has operated for approximately one year, with one ship per week going to California, and the occasional ship going to Hawaii.

- Small scale, seasonal operations near Bella Coola extract glacial clay, which is processed in the Lower Mainland for medicinal, and health/beauty products.
- **The Porcher Island mineral exploration project** is one of the few currently active metallic mineral exploration projects located on the North and Central Coast of BC in 2007. This gold property is located some 35 km south-southwest of Prince Rupert and is owned by Imperial Metals. Extensive exploration took place on the property between 1975 to 1988. Imperial entered into an option agreement with Cross Lake Minerals in November 2005 whereby Cross Lake may earn a 65% working interest by carrying out aggregate exploration and development expenditures of $2 million on the property. Cross Lake has initiated a diamond drill program on the property.
- **The Red Bird molybdenum deposit, owned by Torch River Resources Ltd.** is a currently active exploration project located just within the North and Central Coast planning area. The property is located 133 km southwest of Burns Lake and 105 km north of Bella Coola and is bordered by Tweedsmuir Park to the east and north. Float plane access is available from Nimpo Lake and Bella Coola located south of the property and from Burns Lake or Houston northeast of the property. The property lies 45 kilometers from tidewater and is not currently accessible by road or water.
- **There are also active exploration projects at the very northern tip of the North Coast land use plan area, in the highly explored and developed mineralization zone extending north from Observatory Inlet**

**Rio Tinto (Alcan),** the company that now owns the Kitimat smelter, is hoping to proceed on a US$2 billion dollar project to modernize the smelter. In a January 2008 press release, Rio Tinto reports a recent agreement between Rio Tinto Alcan and BC Hydro that clears the way for the expansion.[17] This major construction project will result in 800 to 1,000 construction and other jobs over a five year period as well as restore confidence in the long term viability of the Alcan smelter. The modernization will ultimately result in a reduction in the operating workforce to 1,000 people from the current 1,500 employees. [18] Approximately 50 Haisla members are currently employed at Alcan. The Haisla Nation and Alcan have joint-ventured on training initiatives to help ensure that Haisla members are able to secure employment at Alcan in the future.

### *5.2 Major Constraints Facing Mining in Coastal BC*

In general, the North and Central Coast First Nations and civic communities are not attracted to mining as an economic development initiative. Remoteness, lack of

[17] "Rio Tinto Clears Major Hurdle for US$2 Billion Kitimat Smelter Modernisation in BC", Rio Tinto Press Release, January 2008, www.riotinto.com.
[18] BC Ministry of Economic Development, *Alcan Investment in Kitimat*, August 14, 2006.

industrial power supply and land use constraints/uncertainty appear to have restrained the mining industry's interest in exploration in the region.

Coastal First Nations have had discussions with the Association for Mineral Exploration BC (previously the BC Yukon Chamber of Mines) about a draft mining protocol agreement, but no such agreement has been established to date.

# 6 Independent Power Production

Newly proposed Independent Power Production enterprises (IPPs) in Coastal BC are focused on either wind energy or run-of-river hydro projects.

In general, IPPs are likely not a major employment opportunity other than during the construction phase, but they may provide better, cheaper and cleaner power than diesel power for communities along the Coast. First Nations' benefits agreements may also help secure employment, revenues and other benefits for local communities.

## *6.1 Hydroelectric / Run-of-River Projects*

The Central Coast Power Corporation (CCPC) was formed in 1985 when the hydro-electric power and pulp mill assets of Oceans Falls Corporation were sold. CCPC operates two of the 4 generators, and supplies power to Bella Bella/ Sheawater via a 45 kilometre transmission line, and to Ocean Falls. The operation and maintenance of the powerhouse and transmission line requires 3 powerhouse operators and up to six contractors. (from Central Coast Power Corporation website)

Current hydro-electric projects along the Central Coast include:

- **Gitga'at**: In May 2007, the BC Government announced funding of $488,000 to Gitga'at Development Corporation to support development of the Hartley Bay hydroelectric project and replace diesel-generated electricity with clean power. The intention of this project is to support local businesses and residences with cleaner and less expensive power than diesel power. The intent is not to provide power for the main BC Hydro power grid.

- **Klemtu**: The BC Government has approved a grant to double hydro-generation in Klemtu, which will provide less expensive power to its aquaculture facility and even create some surplus power. As noted in a BC Government news release: "The community of Klemtu is upgrading its existing run-of-river hydropower plant and has built new, local housing to be more energy efficient in collaboration with the Province, federal government and the Kitasoo-Xaixais First Nations. The Province is contributing more than $440,000 for increased hydroelectric capacity and new homes built to EnerGuide 80 standards." [19]

The BC Hydro map of existing IPPs lists two other producers on the North Coast, namely, Alcan near Kitimat and the Brown Lake IPP project south of Prince Rupert.

[19] Ministry of Energy, Mines and Petroleum Resources, BC Supports Clean, Efficient Energy for First Nations, News Release, March 30, 2007, http://www2.news.gov.bc.ca.

The Environmental Assessment Office (EAO) lists three applications for commercial run-of-river hydro developments on the Central and North Coast. These are all at the very early stages of approval and include:

- **Nascall River**: 445026 BC Ltd. (the proponent) proposes to construct and operate a hydroelectric project on the Nascall River, which would have a capacity of 68 MW of power to supply the communities of Bella Coola and Anaheim Lake (Nascall Bay is approximately 50 km west of Bella Coola). The project is estimated to cost in the $100 to $200 million range. During construction there would be an estimated 100 PYs of employment, and after construction, there would be employment for 6 full time operators. The main benefits however, would be lower cost power for those two communities as local industries currently derive most of their power from diesel generation. The proponent expects to submit the project application to the EAO in late 2008.

- **Klinaklini River**: Kleana Power Corporation hopes to develop a run-of-river hydroelectric project on the Klinaklini River north of Knight Inlet and Bute Inlet on the mainland of BC some 150 km north of Campbell River.[20] The project would have an average generating capacity of 280 MW (and ability to generate approximately 800 MW during high flow conditions).

- **Crab Creek/Europa Creek**: Kitamaat Renewable Energy Corporation proposes to construct and operate 2 run-of-river hydroelectric projects on the Crab (32 MW) and Europa (102 MW) rivers, located 40 to 70 km south of Kitimat. The proponent is a partnership between the Haisla Nation and Dr. Alexander Eunall, who is trying to develop similar projects elsewhere in BC. A capital investment of $150 million is anticipated to be required for the project. Construction would last 3 years and require a “large onsite workforce.” Once in operation, 4 full time jobs would be created to oversee ongoing maintenance and operation. The project is in the very early stage of the EAO process.

Plutonic Power Corporation plans to develop multiple run-of-river projects in each of three general areas:

- Toba Inlet which includes the East Todd and Montrose Creek Projects currently under construction (south of the Central Coast plan area);
- Bute Inlet which includes 18 potential sites under consideration; and
- Knight Inlet, which includes 3 different sites under consideration.

Plutonic has entered into Benefits Agreement discussions with the Homalco First Nation concerning the Bute Inlet project.

Lax Kw’alaams has plans to develop some run-of-river projects on its territory with links to the main grid. Lax Kw’alaams obtains power through a transmission line linking the community to Prince Rupert.

### *6.2 BC Hydro’s Hydrogen Assisted Renewable Power (HARP) Project*

In Bella Coola, BC Hydro is undertaking a project that will use hydrogen to supplement hydro-electric generated power in that community, thereby substituting the diesel power

[20] Triton Environmental Consultants, *Klinaklini Hydroelectric Development Project Description*, prepared for Kleana Power Corporation, revised November 7, 2007.

that is currently used to supplement the hydro-electric power. According to the CCRD, approximately 40% of Bella Coola's power needs are met with diesel generated power, and the other 60% is from hydro-electric power.

As indicated on the BC Hydro website, "the project will generate hydrogen using an electrolyser at times when there is a surplus of renewably generated electricity at BC Hydro's Clayton Falls generating station. The hydrogen fuel will be stored to generate electricity using a fuel cell during times of peak demand. General Electric has agreed to partner with BC Hydro on this project to develop an energy management system to control and optimize the hardware. The Federal Government, through its agency Sustainable Development Technology Canada (SDTC) has agreed to provide 30% co-funding for this project."[21] If this project is successful, HARP technologies will likely be considered for other remote BC communities.

### *6.3 Proposed Wind Generated Power Projects*

There are no wind turbines that are currently operating on the Central Coast and North Coast of BC. There are however, various projects that are being proposed and for which the environmental review process has been started. These include:

**NaiKun Wind Development Inc.**

NaiKun Wind Development Inc. is planning a wind generated power project off the coast of Haida Gwaii/QCI in Hecate Strait. When fully operational, the 1,750 MW project will generate enough electricity to supply approximately 600,000 homes. The first phase of the project is 320 MW, enough electricity to power 120,000 BC homes. In twelve hours one turbine could produce enough energy, on average, to supply 2 to 2.5 houses for a year. NaiKun is in the research and data collection phase of the Environmental Assessment process and is expected to apply for its EA Certificate in 2009.[22]

Coastal First Nations (CFN) has a revenue sharing / JV agreement with NaiKun. Also, in February 2008, NaiKun reported signing an agreement with the Lax Kw'alaams First Nation regarding transmission routing for the NaiKun wind project. The planned transmission interconnection point will be south of Prince Rupert in the traditional territory of Lax Kw'alaams.

**Sea Breeze Power Corporation**

Sea Breeze Power Corporation is another company involved in wind power, but according to their website, so far, all their proposed projects are on Vancouver Island. [23] Various communities and islands along the Central and North Coast have been considered such as Aristazabal and Price Islands, but linking any wind turbines with the main grid likely makes these plans less viable than the proposed projects on northern Vancouver Island.

**Katabatic Power Corporation and Banks Island North Wind Energy Project**

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[21] BC Hydro – PowerTech, "Initiation of the Hydrogen Assisted Renewable Power (HARP) Project", http://www.powertechlabs.com/cfm/index.cfm?It=106&Id=53
[22] NaiKun Wind Development Inc. News Release, "Lax Kw'alaams and Naikun Complete Commercial Agreement", February 28, 2008; from website: http://www.naikun.ca/
[23] Sea Breeze Power Corporation website: http://www.seabreezepower.com/projects/gods_pocket.php; accessed March 6th, 2008.

The EAO website lists the Banks Island North Wind Energy Project to be developed by North Coast Wind Energy Corporation. The project also lists Katabatic Power Corporation as a proponent of the project. On its website, Katabatic Power Corporation indicates its intention to develop a 3,000 megawatt wind power facility at a 40,000 hectare Banks Island property near Kitimat between mainland BC and HG/QCI. The project described on the EAO website is a 700 megawatt wind farm project on the north end of Banks Island.

According to the document posted on the EAO website, the proponent has had preliminary discussions with the Gitxaa'la Nation, Gitga'at Nation and the Haisla Nation.

**Katabatic Power Corporation Mount Hays Wind Farm Project**

Katabatic Power is proposing a wind farm on the southern slope of Mount Hays, just south of Prince Rupert. This project will generate 27 MW of power, enough to supply 10,000 homes, from 18 wind turbines. According to the Katabatic Power website, construction is expected to begin in late 2008 or early 2009 pending completion of remaining regulatory approvals. Between 25 and 30 jobs are expected during construction and four to five full time jobs once the wind farm is operational.[24]

**Other Projects**

A recent study commissioned by BC Hydro lists 38 Investigative Use Permit sites for the North and Central Coast region.[25] In addition to the sites mentioned above, this includes sites on Aristazabal Island, Porcher Island, Price Island, Cape Caution and others.

The above mentioned BC Hydro analysis shows that in general, the costs for projects on the North and Central Coast, which is referred to as the 'North Coast', are higher than similar projects on Vancouver Island, in the Peace region and in the Southern and Eastern Interior. As indicated in the report, "the cost of energy of the North Coast onshore project is higher than the other onshore projects as a result of higher connection costs, but again this is offset to some extent by the high capacity factors." [26] The report also notes that similarly, the higher offshore capital costs are offset to some extent by the relatively higher generation capacity compared to the onshore projects.

The report indicates that the approximate distance to transmission lines is a major factor in determining the attractiveness of each site, with Mount Hays (along with Humphrys Creek and Sinclair Creek) being the only North Coast sites with direct access to a transition line. Clustering sites, as is being proposed for most larger projects stands to mitigate the high transmission costs of the proposed North Coast projects.

**Spin-off Jobs Related to Wind Development**

[24]The Northern View (Shaun Thomas), *Mount Hays Wind Farm Awarded B.C. Hydro Contract*, August 2, 2006, as reported on Prince Rupert Economic Development Corporation website: www.predc.com; also, Katabatic Power website.
[25] Garrad Hassan, *Assessment of the Energy Potential and Estimated Costs of Wind Energy in BC*, BC Hydro, Feb 2008.
[26] Ibid, page 14.

Wind power developments could generate some spin-offs, for the City of Prince Rupert in particular. There may be opportunities to manufacture blades and towers in Prince Rupert, or at least provide facilities for assembly crews and stockpiling parts.

### *6.4 Constraints Facing IPP Projects*

The development of Independent Power Projects in BC will depend on the industry's ability to be profitable in light of increasing construction costs and the pricing structure for new, domestic, green IPP power determined by BC Hydro.

A major cost driver for many projects in the North and Central Coast region is the distance to the existing transmission grid. This may be ameliorated in some cases with project clustering, which spreads the cost of new transmission lines over a larger base of power generation potential.

# 7 Aquaculture

This section reviews current initiatives in shellfish and finfish aquaculture.

### *7.1 Shellfish Aquaculture*

The existing BC shellfish industry is located mainly on Vancouver Island and is comprised of approximately 300 licensed marine shellfish companies controlling over 550 culture sites on crown land leased from the province. Shellfish aquaculture in Coastal BC has focused mainly on oysters and clams. BC's farmed shellfish wholesale value was $29 million in 2002, of which 53% was farmed oysters (mainly the Pacific Oyster), 41% was farmed clams (mainly the Manila clam) and other species (mainly scallops and mussels). (BC Shellfish Growers Association, 2006).

In 2003, Redstone Strategy Group identified approx. 50 sites, mainly near Bella Bella/Klemtu, Kitkatla/Prince Rupert, and Hartley Bay that could potentially develop as shellfish aquaculture sites, not just for oysters and clams but also for other shellfish products. Other potential shellfish aquaculture products include scallops, mussels, sea cucumber, sea urchin, geoduck clam, abalone and spot prawns. Abalone is a listed species under the federal Species-At-Risk Act (SARA), which prohibits its harvesting.

The BC Shellfish Growers Association has identified various constraints to shellfish aquaculture growth including lack of working capital, lack of quality consistency, lack of seed production capacity and the need for industry cooperation. (BC Shellfish Growers Association, page 8).

**Pilot Site Development**: Through the Coastal First Nations (CFN) and the Tsimshian Stewardship Committee, approximately 10 coastal First Nations are involved in the development of a shellfish industry in the Central Coast, North Coast and HG/QCI. The main initiative consists of 9 pilot sites including 2 on HG/QCI (Skidegate and Old Massett), and 7 in the North and Central Coast that have been testing the growth of mussels, oysters and Japanese scallops at each site. The 7 pilot projects underway include sites at Metlakatla, Lax Kw'alaams, Kitkatla, Hartley Bay, Rivers Inlet/ Oweekeno, Bella Bella (Heiltsuk), and Klemtu.

Each site has had an increasing number of seeds over the past 4 years and production has been deemed feasible at each site. In 2007 each site was seeded with 200,000 seeds, which could support approximately $75,000 in gross revenues when scallops mature. Each site is currently at the research stage and as a result, seafood production has not been sufficient to support sales outside the local community. At full operation, a commercial site would be expected to grow 3 million seeds per year and would have a staff of 12 full time employees.

**Training Community Residents**:
Two trainees at each site have been hired in each community for one year between September 2007 and September 2008. Within the one year period, each trainee will receive approximately 12 weeks of training at Malaspina University College, and the rest of the time will be spent tending existing scallop production at the pilot sites.[27]

The Centre for Shellfish Research (CSR) is part of the Institute for Coastal Studies established by Malaspina University College in Nanaimo, which also houses the First Nations Shellfish Aquaculture Training Program.

**Financing**:
The Coast Opportunity Fund has provided funding for the pilot sites to operate until September 2008, however significant additional funding (possibly through joint venture partners) will be required to ramp up capacity to a commercial scale and make the operations commercially viable.

Coastal First Nations is pursuing various joint venture partners. A commercial scale site might require an investment in excess of $1 million to cover initial capital costs and on-going operating costs until products will be available for sale (Nagada Consultants, 2002). In-shell scallops can be sold after approximately 12 months of growth, but most scallops are sold off-shell at approximately 24 months.

**Processing**:
A dedicated processing/shucking plant would require approximately 15 million scallops per year to be viable, or a minimum 6 or 7 commercial farming sites within relatively close proximity. Possible processing plant locations would likely include Prince Rupert and/or Bella Bella. Processing at an existing seafood processing plant with idle capacity is also a possibility.

### *7.2 Constraints Facing Shellfish Aquaculture*

A major constraint to shellfish aquaculture development on the North Coast, and to a lesser extent the Central Coast is transportation costs. To achieve maximum revenues, farms need to supply the fresh shellfish market, which necessitates reliable, quick, efficient transportation to markets. Coastal First Nations is hoping that adopting a regional approach to the venture will help capture economies of scale in sales/marketing, processing and transportation, and alleviate some of the constraints.

Sites that are more easily accessed by road may be more viable than the others. Not all 9 pilot sites will necessarily proceed after the pilot project is completed in September

[27] Source: Interviews conducted as part of this study, and: Malaspina University College, Press Release, *Malaspina Reaches to Haida Gwaii with Shellfish Training*, Centre for Shellfish Research, Creating Wealth from Knowledge, 2007.

2008, as proceeding to the next phase will require communities to invest in these ventures. According to one interviewee, the remoteness of each site is an asset in terms of water quality and production relative to sites on Vancouver Island.

One interviewee was sceptical of the ability of individual pilot sites to develop to commercial production without management expertise within the communities. Each successful business requires an owner-operator, or at the very least a manager that will take ownership of the idea and develop the business. Bringing highly qualified managers into remote communities often requires high compensation, which may reduce the viability of the business.

The Vancouver Island scallop producer is the only scallop seed supplier in BC, which is not ideal from a business risk management perspective.

### *7.3 Finfish Aquaculture*

The only salmon aquaculture operation in the Central Coast of BC (north of Vancouver Island) is the Marine Harvest Canada Inc. joint venture with Kitasoo Aquafarms Ltd. (Kitasoo) in Klemtu.

The farms in Kitasoo/Xai'Xais territory employ 50 people: 15 harvesters, 30 to process the fish at a Kitasoo-owned plant, and 6 to pack the fish in Styrofoam boxes for shipping. According to a Klemtu representative, fish is sold dressed, cleaned and fresh in Styrofoam boxes. A barge takes semi-trailers from Klemtu to Bella Coola, from which they move by road to the Lower Mainland for export. The plant also processes herring spawn-on-kelp and sea cucumber.

Aquaculture provides reliable, full time, community based jobs for Klemtu residents. By comparison, forestry jobs tend to be increasingly intermittent and tourism jobs often last as little as 6 to10 weeks in a given season. According to a Klemtu representative, opportunities for the Klemtu salmon farm site to expand further are limited, primarily due to environmental concerns.

There may be market opportunities for black cod and halibut aquaculture, but there is significant resistance in most First Nations communities on the BC coast to any type of finfish aquaculture. The publicity surrounding sea lice problems in the Broughton area was mentioned a number of times in the interviews. The Coastal First Nations group indicated that they have no mandate to develop finfish aquaculture for their member nations.

On March 27, 2008, the BC Ministry of Agriculture and Lands suspended the issuance of licenses and tenures for finfish aquaculture in North Coast tidal waters north of Aristazabal Island, which is approximately 150 km south of the mouth of the Skeena River. According to the BC MAL news release, "Currently there are three applications for finfish aquaculture licenses in this area. Crown land tenures for these sites were previously issued and two aquaculture licenses were approved, but have since lapsed. The sites are not active at this time." [28] The sites were to be developed by Pan Fish Canada and the Kitkatla First Nation.

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[28] BC MAL, News Release, "Finfish Aquaculture Suspended in the North Coast Area", March 27, 2008.

# 8 Commercial Fishing

## *8.1 Description of Activity*

Commercial fishing, and particularly salmon fishing, was an economic mainstay for Central and North Coast communities for most of the 20th century. Over the past 30 to 40 years, the influence of the salmon fishery has declined dramatically both in terms of employment and value of the catch. Other fisheries have grown or emerged over this period (shellfish, halibut, geoduck clams), but their growth has not been sufficient to counterbalance the decline of the commercial salmon fishery. The decline in sockeye salmon stocks and license rationalization across all fisheries has left most Coastal communities with many fishing boats without fishing licenses. There has also been a tendency for smaller coastal community residents with commercial fishery licenses to relocate to larger urban centres.

The decline in commercial fishing may also be having an impact on the First Nations food fishery (over and above the decline in fish stocks), as communities no longer have the same number of boats maintained and available to participate in the food fishery.

In spite of its long term decline, the commercial salmon fishery remains the largest contributor to the total value of licensed commercial First Nations catch across all fisheries. The roe herring and herring-spawn-on-kelp fisheries also have a high degree of First Nations participation, and contribute significantly to the total value of First Nations commercial catch. Regulation of the commercial fishing sector has created licenses with a high capital value for most fisheries, which now act as a major barrier to entry into the commercial fishing sector for coastal community residents.

A 2003 report by Teakerne Resource Consultants estimates that 31% of all jobs in commercial fishing are held by First Nations members, including 30% for salmon and 80% for herring spawn on kelp. [29] Examples of First Nations involvement in the commercial fishery which were identified in the interviews conducted as part of this project include:

- James Walkus, a member of the Gwa'salla 'Nakwaxda'xw, operates the James Walkus Fishing Company. Mr. Walkus owns approximately 10 seine boats, of which 2 or 3 are used as packers for the aquaculture farm (transports fish from the farm to the processing plant).

- The Gitga'at First Nation in Hartley Bay has had some recent success at commercial fishing. The community owns 5 halibut licenses, but these are not sufficient to maintain all the locally owned fishing vessels in operation. The Gitga'at Nation is working with Coastal First Nations at making changes to the fishing licenses and increasing First Nations participation in commercial fishing. They are also actively seeking to take advantage of the DFO buy-back program.

- Similar to the Gitga'at Nation, most First Nations communities hold a few commercial fishing licenses.

[29] Teakerne Resource Consultants (Michelle James), Native Participation in BC Commercial Fisheries – 2003, prepared for the BC Ministry of Agriculture, Food and Fisheries, November 2003.

DFO operates a number of Fish Hatcheries on the Central Coast usually in partnership with First Nations. These include:

- Kitimat River Hatchery, on the Kitimat River;
- Snootli Creek Hatchery in Bella Coola;
- Hartley Bay Creek Hatchery, which is operated in collaboration with the Gitga'at to stock sockeye;
- Heiltsuk Hatchery in Bella Bella;
- Klemtu Creek Hatchery; and
- Taggares-Homalco Hatchery, on the Orford River on Bute Inlet, approximately one hour by boat from Campbell River on the Mainland.

### *8.2 Constraints to Growth in Commercial Fishing*

Profit margins in the highly competitive commercial fishing sector have been very low. Commercial fishermen face the risk of poor fishing results, while at the same time being squeezed by increasing expenses and relatively low prices, particularly for salmon.

In 2004, the Turning Point Initiative/ Coastal First Nations developed a strategy to increase the percentage of Natives working in the commercial fisheries. The primary strategy focuses on governments instituting voluntary and involuntary license buyback programs, for redistribution to First Nations communities on a communal basis. It was estimated that this initiative might require approximately $300 million over the following five years to achieve desired levels of Native participation in the various fisheries.

In July 2007, the Department of Fisheries and Oceans announced a $175 million program to revitalize the commercial fisheries including better enforcement efforts, better catch monitoring and reporting, and establishing a voluntary program to retire licenses and quota of fishers who want to leave the commercial fishery, with the aim of facilitating greater participation by First Nations in the industry.[30]

The buy-back program is disappointing to First Nations who had hoped that significantly more capital, perhaps 3 to 4 times as much would have been made available. Nevertheless, the buyback program will likely award approximately $50 million in licenses to Central and North Coast First Nations communities. Because the program is based on the voluntary retirement of licenses, less valuable licenses such as salmon and herring licenses are more likely to be redistributed, rather than the most valuable licenses such as prawn, crab and geoduck.

There are coastal community economic development plans that list ocean ranching, lake seeding and river fertilization, and reviving traps and fish wheels as gear for catching fish, to enhance local value capture from the salmon resource. The financial viability of these initiatives has not been established and little progress is apparent to date.

[30] Department of Fisheries and Oceans Canada, "One Fishery for All of Us: Canada's new Government Delivers on promise to Integrate Pacific Commercial Fishery", News Release, July 16, 2007.

# 9 Fish Processing

Fish processing occurs mainly in Prince Rupert, the Lower Mainland and Vancouver Island. Increasingly, salmon processing operations are located in the Lower Mainland as most farmed salmon is sold fresh to the US directly from plants in the Lower Mainland.

In Prince Rupert, there is a cannery operating in the summer, and some specialty fish processing such as crab and halibut, but there remains significant excess fish processing plant capacity. Some fish from Alaska is processed in Prince Rupert depending on the size of catch each year.

There is a fish processing plant in Lax Kw'alaams that has received significant government funding and has been a drain on community funds over the years. The latest plan to operate the plant is a 5 year lease agreement with a third party company that will pay lease payments to the community and hire up to 60 local residents for 8 months of the year. Most of the fish processed at the plant are expected to originate from Alaska and be destined for Asian markets.

On the Central Coast, there is fish processing in Klemtu in connection with the salmon aquaculture operations in that community, which employs 36 people in processing and shipping. There is also a fish processing plant in Bella Bella. The Heiltsuk nation (Bella Bella) has plans to renovate a fish processing plant for wild salmon, and government funding has been obtained to upgrade the freezer plant. The fish plant is a seasonal operation from March through November, which produces fresh and frozen salmon, herring spawn on kelp, and other products. Finished product travels via BC Ferries in refrigerated trucks and most product either goes to the Lower Mainland or is shipped offshore (the herring spawn-on-kelp in particular is mainly shipped to Japan).

There may be opportunities for value added strategies, for example, improving the quality of fish delivered to the markets or by transforming the catch into high value products, usually by ensuring that fish is delivered in the freshest possible condition.[31]

The opportunity for fish processing in smaller coastal communities has been constrained by the declining catch in the wild salmon fishery and the tendency for licenses and processing to move to the larger urban centres. There are small grass-root business initiatives such as Homalco Seafood Products, which in 2007 began selling various value added seafood products such as smoked salmon and salmon jerky.

[31] Source: Matkin, Jim et al., prepared for CIT, page iv

# 10 Transportation

This section reviews two aspects of transportation in the BC North and Central Coast region: port activities in Prince Rupert and Kitimat, and passenger/freight ferry services within the BC Coast.

### *10.1 Developments at Prince Rupert and Kitimat Deep-Sea Ports*

The largest transportation related developments are occurring at the Port of Prince Rupert and include:

- In 2007, Phase 1 of the Prince Rupert Fairview Intermodal Container Terminal was completed. It is expected that Phase 1 operations will ultimately generate approximately 200 direct jobs on site. As of April 2008, the container facility operates at approximately 30% capacity and approximately 125 people work there although many are only part time; for example, longshoremen obtaining two shifts per week. The new $150 million container terminal has an annual throughput of 500,000 containers. Containers arrive from China and are being shipped to Chicago. Backhaul containers containing logs and aluminium are being sent back to China and Asia.

  Capacity at the container facility is expected to increase to 2 million Twenty Foot Equivalent Units (TEUs) by 2012, which will involve an additional 750 people working on the site and an additional capital investment of $500 million.

  Approximately 10 people of the Matlakatla Nation work at the container facility. The facility is not at capacity yet, but a few years from now, assuming a growth in container traffic, the Matlakatla First Nation hopes that as many as 100 people from the Band might be working at the Port. Training is a major issue, and the current focus is on upgrading basic skills to at least Grade 12 level.
- As mentioned in the tourism section of this report, in 2008, the Port of Prince Rupert expects 65 large cruise ships and 103,000 passengers to dock in Prince Rupert, compared to 60 ships and 100,000 passengers in 2007 and 32 ships and 62,845 passengers in 2006. This continues the steady growth since the opening of the Northland Cruise Terminal in 2004.[32]

- Ridley Terminals bulk loading facility has seen shipments of coal, wood pellets and sulphur grow in recent years, resulting in a full crew operating for 2 shifts per day rather than the skeleton crew that worked there only a few years ago.

There are many employment and business opportunities that will likely develop from expansion of the port facilities in Prince Rupert, and many already have. For example, the container facility has required 50 customs and border security people, increased RCMP service and expanded inspection services. As the container facility operations expand to capacity, more employees and service providers will be required.

[32] "Improved Prince Rupert Guest Experiences to Greet 2008 Cruise Passengers", Prince Rupert Port Authority, March 7, 2008, http://www.rupertport.com/pdf/newsreleases/

The Metlakatla and Lax Kw'alaams First Nations, collectively the Coast Tsimshian, have been frustrated with development at the Port of Prince Rupert as they claim insufficient consultation and accommodation occurred prior to construction of Phase 1 of the new container facility. As the Port of Prince Rupert plans further development of its container facility, the Metlakatla and Lax Kw'alaams have embarked on court action to help resolve these issues.

There are also various development proposals for the Port of Kitimat. These include:

- Kitimat LNG is proposing to construct and operate a Liquified Natural Gas (LNG) import, regasification and send-out terminal at Bish Cove near the Port of Kitimat. The project had planned to be in operation in 2010, but at this point construction is expected to begin in 2009, approximately a year behind schedule. The project is expected to generate 700 construction jobs, and 50 permanent jobs once the facility is operational. [33]

- In conjunction with the LNG Terminal, Pacific Trail Pipelines Limited Partnership is proposing to construct the Kitimat-Summit Lake Pipeline Looping Project (the KSL Project), which would add 462 km of pipeline to the existing Pacific Northern Gas (PNG) natural gas pipeline system between Kitimat, BC and Summit Lake BC. The BC Environmental Assessment Office (EAO) is currently reviewing the project. The Haisla Nation has negotiated a benefits agreement with Kitimat LNG that includes equity ownership (1.35 million shares), a 20 year revenue stream and opportunities for procurement contracts and employment.

- There is a proposal for a Common Carrier Break Bulk port on the Douglas Channel in Kitimat, an opportunity spearheaded by a variety of stakeholders including the Haisla First Nation, business and government interests. The project is still at the feasibility stage. (Kitamaat Port Development Society).

- There are major pipeline proposals to transport oil from the Alberta oilsands to Kitimat for export by tanker to Asia, but there are many barriers for these projects to overcome, including strong resistance to introducing oil tanker traffic on the BC Coast.

### *10.2 Ferry and Barging Services Within BC Central and North Coast*

BC Ferries operates five northern routes: Port Hardy to Prince Rupert, Prince Rupert to HG/QCI , Skidegate to Aliford Bay on HG/QCI, Discovery Coast Passage (Port Hardy to Mid Coast), and a Mid Coast shuttle route (between Bella Coola, Ocean Falls, Shearwater, and Bella Bella). In general, BC Ferries cross subsidizes its northern routes and minor ferry routes with revenues earned on the more profitable routes between Vancouver Island and the Mainland.[34] In addition, provincial and federal government operating grants (totalling $116 million in fiscal 2007) are required to provide service on the northern and minor routes.

The Discovery Coast Passage service operates during the summer season only. In 2007, BC ferries extended their seasonal Discovery Coast Passage service between

[33] Kitimat LNG Project Update, 2006, presented as part of BC EAO, http://a100.gov.bc.ca/.
[34] BC Ferry Services Inc , Annual Report to the BC Ferries Commissioner, Year Ended March 31, 2007.

Port Hardy and Bella Coola with 7 extra sailings, ending with a September 17 sailing instead of Sept 1st. The CCRD and the Northern Ferry Advisory Committee continues to lobby government to help foster development of the northern routes, and the eventual purchase of a replacement vessel for the Queen of Chilliwack vessel (Discovery Coast Passage) due to be replaced by 2012.

Ferries that are operated by local communities include:

- Metlakatla Ferry Services Ltd, which operates a passenger service between Metlakatla and Prince Rupert (approximately 7 km) on a daily basis; and
- Lax Kw'alaams First Nation, which operates an inner harbour service transporting freight, passengers and vehicles between Prince Rupert and the head of Tuck Inlet. Disembarking vehicles can travel the 35 miles up the peninsula to the Village of Lax Kw'alaams.[35]

There have been various proposals to barge freight and passengers on a more regular basis than is currently offered by BC Ferries. The Gitga'at (Hartley Bay) mentioned a ferry proposal that fell through, which would have linked various North Coast communities such as Hartley Bay and Kitkatla. Such a venture would likely require funding/service/revenue agreements with BC Ferries and other government / crown agencies, for example with Indian and Northern Affairs Canada, for transporting garbage and providing other services. This proposal may be revived but it would likely require cooperation from several North Coast communities.

### *10.3 Other Transportation Services*

Many coastal communities are easily accessible by float plane. There are regular commercial flights between the major cities on the mainland and Vancouver Island, but also from many of the more remote communities including Klemtu, Bella Coola, Bella Bella, Kitkatla, Hartley Bay and many other drop-off/ pick-up points along the Coast.

Maintaining transportation infrastructure is a continuing challenge. In Bella Bella, for example, there are plans to upgrade the airport terminal, but lack of funds is a major issue. Bella Bella hopes to increase the size of the airport so that it can accommodate larger planes.

### *10.4 Constraints to Greater Transportation Sector Employment*

The Port of Prince Rupert is providing significant new employment opportunities for area residents through its current expansion. The new container terminal and cruise ship facilities are operating well below capacity at present, but both have major expansion potential depending on international markets. The website of CN Rail advertises Prince Rupert as the closest port to Asia by up to 58 hours of sailing time compared to any other west coast port in North America, which gives shippers approximately one extra round-trip voyage per year (i.e. shipping time of approximately 14 days instead of 16 days between West Coast of BC and main Asian ports).[36] The ability to develop

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[35] From: http://www.coasttsimshian.ca/splash.asp

[36] Source: CN website: http://www.cn.ca/specialized/ports_docks/prince_rupert.

backhaul shipments will be a significant factor affecting the pace of expansion of the Port of Prince Rupert freight facilities.

Local residents, particularly residents of First Nations communities such as Metlakatla and Lax Kw'alaams have been frustrated by the lack of work opportunities at the Port of Prince Rupert. Two interviewees mentioned a recent incident whereby a number of Lax Kw'alaams individuals were unsuccessful at obtaining employment as Customs officers for the Port of Prince Rupert, even though it appeared the stated education and skill requirements could have been met with a minimal amount of pre-test preparation.

Most water based transport services between communities on the North and Central Coast are highly subsidized, and any expansion of services will likely rely on the willingness of governments to provide financial support. Private sector operations are confined primarily to towing and barging services and water taxi services.

# 11 Services and Other Businesses

This section reviews economic development initiatives in the following areas:
- Broadband internet services
- Data collection (Skeena Native Development Society and GIS Mapping)
- Training Institutions
- Fine Arts
- Other Ventures / Businesses

## *11.1 Broadband Internet Services*

In the last few years, governments and various other groups have invested in providing broadband internet services to communities on the North and Central Coast including Bella Bella, Klemtu, Bella Coola, etc.

The community of Bella Bella (Heiltsuk) has benefited from broadband internet services since approximately 2005. The Band Office of Bella Bella is the Internet Service Provider for the entire community.[37] It also services some homes in the nearby community of Shearwater. The fee based service makes fast access to the internet available to the entire community of 1,200 people, and assists their school and college in leveraging correlated internet-based educational content.

Cell phone service is not viewed to be as important as broadband internet service, and this is left to private sector companies to provide.

## *11.2 Data Collection*

Canada Census collects socio-economic data such as population, labour force, education statistics and other data for all communities in Canada including First Nations. First Nations representatives have expressed concern about the accuracy of Canada Census data for the First Nations communities. Canada Census data are commonly

[37] Source: Lions Gate Training Alliance, http://www.lionsgatelearning.com/case_studies/remote_community.html.

used for planning and analysis throughout Canada. One interviewee noted that the lack of consistent data for Coastal First Nations is an impediment to good planning.

The Skeena Native Development Society (SNDS) collects data on population, band membership, employment and labour force for various North Coast First Nations on a more frequent basis than Canada Census. The SNDS population data are shown alongside the 2006 Canada Census data in Appendix 1.

Various communities along the Central Coast are involved in GIS mapping. Klemtu for example, has undertaken some GIS resource mapping, but there is not sufficient work to justify full time employment. GIS resource mapping and socio-economic statistical profiles will be important contributors to effective EBM implementation and monitoring.

### *11.3 Training Institutions*

Training programs specifically catered to First Nations needs are becoming more common in community colleges and universities throughout BC, including coastal BC. This section lists examples of colleges and institutions that have offered specialized training to First Nations and were mentioned by interviewees.

- Malaspina College in Nanaimo: First Nations Shellfish Aquaculture Training Program;

- BC Northwest College in Terrace: the Coastal Watchmen/ guiding program & arts program;

- Nuxalk College in Bella Coola: adult education, Grade 12 programs, business management courses and other;

- Simon Fraser University: Coastal First Nations – SFU Learning Strategies Group;

- Chinook Aboriginal Business Centre, University of British Columbia Sauder School of Business;

- Discovery Community College (carpentry program); this privately owned institution is based on Vancouver Island and it specializes in providing trades apprenticeship and other training programs. According to one interviewee, Discovery Community College has provided a successful carpentry-training program whereby an instructor visits Bella Bella and trains carpentry apprentices through building houses in the community.

- Kitanmaax School of Northwest Coast Indian Art at 'Ksan Village near Hazelton: The 'Ksan art school offers a four-year program dedicated to teaching traditional carving. It was the first to offer Northwest Coast Indian art in formal instruction with the main carving shed opening in 1970. Many well- known artists and carvers have trained at the 'Ksan school. Demand for the school's programs has been dropping, partly the result of competition from various colleges throughout BC.

- The Native Education Centre (NEC): this is a private school in the Lower Mainland that educates First Nations people under the sponsorship and direction of the Urban Native Indian Education Society (UNIES). NEC provides culturally relevant education and training, and enhances employment opportunities and community partnerships for Aboriginal people. The school has been operating for approximately 40 years.

- Kitimat Valley Institute: this private training institution is owned by the Haisla (one half) and Alcan, and offers job readiness/ Grade 12 programs as well as Health and Safety training to a class of between 20 and 30 people each year. Graduates from this program have been successful at finding work at local employers including Seaspan (a tugboat and barging company).

- The Skeena Native Development Society, based in Terrace, offers training and capacity building in collaboration with Human Resources and Social Development Canada (HRSDC), to First Nations members in its service area (Northwest BC including the North Coast).

Various themes that were brought up in interviews were as follows:

- Training programs should be directly linked with the jobs expected to develop in the First Nations communities.

- Job readiness training for First Nations individuals may require much more emphasis on practical skills than is offered by typical community college courses. One interviewee provided the example that while Biology 11 may be a reasonable prerequisite to enter the aquaculture program at Malaspina College, a general biology course may not be particularly relevant in readying students for work in the shellfish aquaculture business.

- Practical training programs offered within the students' home communities were often more desirable and cost-effective than programs that required students to leave their community. Examples are the carpentry program offered by the Discovery Community College in Bella Bella, or the training programs offered to fishing guides by some of the tourism operators.

- Coordination between institutions along the Coast is required to help capitalize on successes and learn from failures; also, a coordination centre could help foster the development of co-op programs.

A number of interviewees stressed the need for organizations such as the Port of Prince Rupert, the Port of Kitimat, Canada Customs, the Coast Guard, BC Ferries, BC Hydro and other employers, to work with First Nations and training organizations to ensure that First Nations members obtain the best training for the jobs that are required. The example of the Lax Kw'alaams members being unable to secure any of the 35 new Customs Canada jobs at the Port of Prince Rupert, even though most met the minimum requirement of having obtained a Grade 12 certificate, may be indicative of a lack of coordination between employers and skills training providers.

Alcan in Kitimat faced a similar situation when it offered to hire Haisla members who had graduated high school, but only 2 out of 24 Haisla Grade 12 graduates passed the competency exam. [38] This was approximately 3 years ago, and resulted in a $150,000

[38] Source: Lorenz, Andrea W. , "The Haisla First Nation and Kitimat LNG Inc. have forged a groundbreaking agreement that others are using as a model", Oilweek, September 2007, http://www.oilweek.com/articles.asp?ID=454

six month job readiness program designed to upgrade the participants' basic skills, as well as other pre-employment training programs offered by the Kitimat Valley Institute.[39]

### *11.4 Fine Arts*

There is an extensive community of First Nations artists in Coastal BC who are carrying forward and enhancing a long tradition of carving, jewellery making, basket weaving, painting and other fine arts skills. Community based businesses developing around these fine arts skills tend to be small enterprises of a single individual or a few people working together producing the art works, and small marketing/retailing enterprises. Some interviewees indicated that competition is fierce amongst these businesses.

There are various training institutions for wood carving, metalwork, jewellery design, and other Aboriginal art education. These include the Native Education College based in Vancouver, the Kitanmaax School of Northwest Coast Indian Art at Ksan Village near Hazelton, and various programs offered by community colleges and universities.

Coastal First Nations (CFN) has negotiated a General Agreement with MOFR that provides access to monumental cedar from crown lands.

### *11.5 Other Businesses*

NALA Services operated a small call centre/service centre in Bella Bella beginning in 2000 that employed up to 10 people at a time, depending on the amount of work available. The call centre has not operated since December 2007 but could be re-opened if a significant new contract were obtained. The centre has provided services primarily to federal government agencies. For example, the call centre functioned as the national help desk for Indian Residential Schools Resolutions Canada for a number of years.

NALA Services has also offered call centre start-up guidance, toolkits and advice for others wishing to start similar ventures in other communities, and has plans to open a second location in Duncan. According to the ex-manager of the call centre, many community members gained valuable training and employment experience over the 6 years in operation. While the call centre/service centre depended on contracts from outside the community to survive, it was also able to obtain small contracts to provide local services, which improved profitability and contributed to the availability of local community services.

There has been discussion of exporting water from Link Lake in Oceans Falls, but there are no current operations or any imminent plans. There have also been some discussions of the Oweekeno Nation exporting water in bulk. One of the limitations is a Canadian moratorium on the export of water in containers holding more than 23 litres, which makes water exports from relatively remote areas less economically viable.

### *11.6 Constraints to Development of Service Industries*

The service sector depends mainly on entrepreneurship and the skills of the workforce. Several interviewees mentioned a lack of entrepreneurship and management skills as an impediment to business growth in North and Central Coast communities.

[39] Kitamaat Village Council, *Pre-Employment Training*, February 6, 2008.

# 12 Summary and Conclusions

This project has identified economic development initiatives currently underway in several specific industry sectors in the Central and North Coast regions, as well as observations by key informants on some of the challenges faced in pursuing these opportunities.

## *12.1 Industry Sectors*

**There is a wide assortment of economic development agents and initiatives focusing on the Central and North Coast of BC. Many industry sectors including forestry, commercial fishing, aquaculture, tourism, transportation and services are being probed for their potential to bring economic activity and diversity to Coastal communities.**

**In the last two decades, the economic base of the Central and North Coast has been severely impacted by the decline of the forestry and commercial fishing sectors.**

- Populations in Prince Rupert and Kitimat, the two largest communities in the study area, have been declining since 1996, and each declined by approximately 12% between 2001 and 2006, reflecting the continuing decline in those key economic sectors.

- While the historic economic base has been negatively affected overall, there are nevertheless, numerous economic development initiatives that are creating some optimism for economic growth along the Coast. In the words of Tricorp, a lending corporation based in Prince Rupert:

  > "As the economy has changed and shifted, Tricorp's loan portfolio reflects the various changes in the industry sectors. Tricorp's loan portfolio is no longer predominately invested in the fishing and forestry sectors. In most recent years, we (Tricorp) have seen a dramatic increase in the tourism, hospitality and trades industries." [40]

**Forest industry and commercial fishing initiatives are focussing on reallocation of resource access rights to coastal communities, to bring more industry benefits to local communities.**

- In the face of declining timber and salmon harvests, the current emphasis of most initiatives in these industries is to establish a greater role for local communities and their residents in the industries.

- In the **forest industry**, experience and resource rights gained now during an extremely difficult period for the industry may pay dividends when the industry recovers. Local communities will ultimately need to move beyond simply gaining tenure rights and industry experience, to contributing to broader industry efforts to build international markets for the timber and wood products, thereby increasing the

[40] Source: http://www.tricorp.ca/

value of the resource. Local coastal wood processing initiatives do not appear to be moving forward at present. Major constraints to successful participation in the forest industry include difficult market conditions, access to viable operating areas, maintaining cost competitiveness, pre-harvest planning requirements, market knowledge, access to capital and workforce skills.

- Similarly in **commercial fishing**, most of the current initiative is in trying to secure licenses to profitable fisheries, while ideas of ocean salmon ranching, lake seeding etc. seem to be gaining little momentum. Declining salmon stocks and the high capital value of licenses/quota for other fisheries are the most significant constraints to expansion of community based activity.

**Shellfish Aquaculture and "Green" Electric Power Production are potentially emerging new industries on the Central and North Coast, and Coastal communities are attempting to get in on the early development stage of these industries.**

- **Shellfish aquaculture** has been identified as a promising opportunity for coastal communities, and Coastal First Nations (CFN) has successfully led the development of 9 scallop pilot sites. The major challenge at this point is moving beyond pilot projects into commercial production, which requires very substantial capital investment to achieve viable operating scale, as well as cooperation amongst producers in transportation, processing and marketing.

- **Independent power production** is not new to the Coastal communities, as several communities have a long history of generating power for their own needs. Selling power from "green" sources to the provincial grid is a rapidly emerging business opportunity, based on provincial policy initiatives. The primary focus of local communities and individuals is to participate in joint ventures and/or Benefits Agreements formed to exploit the water and wind resources available on the North and Central Coasts, and to participate in the somewhat limited employment opportunities that may result. None of the recently anticipated projects in the study area is at the production stage (or the construction stage), after a frenzy of activity in acquiring rights to stream, river and wind resources.

**Tourism, Commercial Recreation, Transportation, Mining, Finfish Aquaculture and Services are established industries with long term growth trends,**

- Communities and individuals in the study area are becoming increasingly involved in **tourism and commercial recreation** businesses, as both employees and business owners. Local community member employment in wilderness lodge operations has increased significantly over the past decade, as has the incidence of community owned tourism facilities and tour operators. Growth in the sportfishing sector may be slowing down, but it remains a major contributor to the viability of many lodges and businesses throughout the Coast. Because sportfishing caters mainly to the North American market, that sub-sector may be more affected by the United States recession and decline in value of the US dollar relative to the Canadian dollar. Other constraints to growth in the industry include declining fish stocks, the relatively short season, capital investment requirements, shortages of skilled workers, and cost competitiveness/ viability.

- The cruise ship segment of the industry has experienced significant growth as a result of new cruise ship facilities in Prince Rupert, thereby increasing the number of passengers, but also creating a demand for day tours catering to cruise passengers.

- The ecotourism product has been growing in importance throughout the North and Central Coast. In particular there appears to have been significant growth in the number of companies offering wildlife tours, cultural tours, and eco-friendly kayaking, canoeing, sailing, and other adventure tours. This ecotourism segment of the industry is less dependent on the US market than the sportfishing sector, and as a result may present better growth prospects over the next several years.

- Growth in the **transportation sector** is primarily centered on the increasing activity at the Port of Prince Rupert, as well as potential for growth at the Port of Kitimat. There are emerging opportunities in businesses providing services such as towing and barging that are ancillary to port operations, as well as opportunities for local residents to be directly employed in port operations.

- The North and Central Coast region is not participating in the recent surge in **mineral exploration and development** in BC. With a long but sporadic history of mining activity, the region's metallic mineral potential is generally considered to be under explored.

- **Finfish aquaculture** has excellent growth potential from a market perspective, but concerns over environmental impacts from the current production methods are currently limiting the growth of this industry. The Klemtu operation has been successful at providing employment opportunities to local residents.

- The call centre in Bella Bella is an example of a **service business** most commonly found near large urban centres, but which managed to overcome a remote location through strong management, good telephone service and a willing workforce.

**Non-Timber Forest Products, Drinking Water Exports and Ocean Ranching of Salmon are potential industries that have been identified in various economic development strategies, but which have seen little advancement in recent years.**

- **Non-Timber forest products** continue to be harvested informally and support several small scale businesses.

- National restrictions on bulk **water exports** have reduced the viability of proposals to export high quality drinking water from the Central Coast.

- **Ocean ranching**, lake seeding, and river fertilization for salmon continue to be discussed, but little concrete progress has resulted.

### *12.2 General Observations on Challenges Facing Economic Development*

**One of the main constraints to growth of local businesses is economic viability and the ability to compete, whether in timber harvesting, commercial fishing, tourism, aquaculture or services.** Small remote communities face additional challenges in competing in global markets, related to transportation costs and distance to markets, financing alternatives, availability of workforce skills, management expertise and achieving efficient scales of production.

**There may be opportunities to gain marketing advantages through branding products that are produced from the "Great Bear Rainforest".** While this was suggested by some interviewees, others indicated that at least in forestry, sustainable practices are proving to be more saleable in the European market, rather than in Asia, where most market growth opportunities currently exist. Market advantages gained through regional branding, if achievable, could help counterbalance the higher costs of living and operating in the region.

**Business linkages and relationships between sectors are an essential part of the socio-economic structure**. The forest industry has been an integral part of the region's economy and has contributed to the development and viability of transportation and other economic infrastructure, which in turn has improved the viability of other sectors such as tourism and commercial fishing. The First Nations food fishery depends in part on individuals maintaining boats and equipment as part of the commercial fishing sector. The call centre/service centre relied on major contracts from outside the community, but once established could contribute in other ways to the community service infrastructure. Finfish aquaculture near Klemtu supports fish processing operations that are then available to the commercial fishing sector when needed. Sportfishing has provided an important income and infrastructure base from which to grow the ecotourism business.

**First Nations communities and individuals are becoming more involved in economic enterprises, as both business owners and employees.**

Interviewees indicated that as a result of this increased involvement, there is a sense that employment levels have increased in the last few years in several communities. There is some evidence to support this impression in official labour force data for some of the coastal communities, but the reliability and applicability of the data at the community level is questionable (Appendix 1).

**Declining employment in the larger North Coast communities has created an excess supply of human resources in those areas and First Nations members have difficulty competing for jobs as new labour force entrants.**

Most coastal First Nations have a very low percentage of high school graduates. Moreover, many First Nations people who graduate from high school do so without completing Grade 12 examinable courses, so that the high school certificate they obtain sometimes does not embody the skills assumed by employers requiring a high school degree.

**Training directed to specific people for specific employment opportunities seems to be most beneficial.**

There are many examples of employment training programs for First Nations members. Training programs that appear to be the most successful are on-the-job training provided in a variety of settings including tourism lodges, the call centre in Bella Bella, forest industry on-the-job training, on-reserve carpentry training, etc.

**Some First Nations communities continue to experience management and political instability, which detracts from their ability to undertake longer term strategic economic development initiatives**.

First Nations community leadership, effective band management and community cohesiveness are three important criteria for economic development success. Several interviewees observed that communities with strong and stable leadership appear to be moving forward on economic development initiatives more quickly and more successfully than those that have lacked leadership stability.

Effective and efficient Band management was identified as a significant contributor to overall leadership stability. Many of the First Nations communities have encountered financial difficulties in the past, often the result of directing significant funding to ailing businesses. The need to insulate economic development initiatives and Band owned enterprises from political interference was commonly mentioned.

**The economic development priorities of First Nations people living on-reserve may not reflect the priorities of the total band membership.** On-reserve residents may put more emphasis on local employment opportunities, while off-reserve members may be more focused on band revenues and dividends.

**Various interviewees mentioned bureaucratic processes as a major constraint to businesses and communities moving forward.** In the words of one interviewee**, "**major constraints include: time wasting and painfully slow bureaucratic processes; the failure to move at the speed of business; funding, financing and resources processes that are arduous and needlessly targeted; and ridiculously detailed and extensive reporting requirements."

The following tables summarize economic development initiatives by community.

*Table 5 Inventory of Economic Development Initiatives by Community*

| Location | Prince Rupert | Kitimat | Bella Coola/ Hagensborg (excluding Nuxalk Nation reserves) | Ocean Falls & Shearwater (Central Coast A) |
|---|---|---|---|---|
| Population - 2006 Canada Census | 13,392 | 8,987 | 421 | 138 |
| % Change 2001 to 2006 - Canada Census Population | -12% | -13% | -18% | -3% |
| Forestry | Dry-land sorts, timber harvesting and other industry contractors | Eurocan Pulp & Paper | Community Forest but no harvest | |
| Tourism | | | | |
| Tourism - Touring & Guides | Very developed sector, approx. 35 fishing charters and 10 adventure tourism businesses (some overlap with fishing charters); 100,000 cruise ship passengers per year provide market for touring/chartering & retail companies; new Gaming and Entertainment Centre, 25,000 cruise passengers take additional land based and/or marine tours | 5-10 fishing charters | Various tourism businesses, camping sites, retail and other; also, expanding heli-skiing operation | Active community economic development committee has helped develop trails and infrastructure |
| Tourism - Lodges | Wide variety of accommodations including B & B operations, lodges, hotels, motels and camping/ RV | Variety of accommodations including RV and camping facilities mainly catered to recreational fishery | Variety of accommodations including B & B operations, motels and camping/ RV | Some B & B operations and front country tourism facilities |
| Ferry Service | BC Ferries services to Port Hardy and HG/QCI. Also, have ferry service to Tsimpsean Peninsula | | BC Ferries | BC Ferries |
| Commercial Fishing | YES | YES | YES | |
| Fish Processing | Excess plant capacity; some processing of Alaska catch | | Major historical fish processing site, limited or no current activity | |
| Fish Hatchery | | YES | YES | |
| Transport & Other | Bulk loading terminal, container port facility, cruise ship | Port, Rio Tinto (Alcan), proposed LNG plant | | |
| IPP & Run-of-River | Various - Naikun, Mount Hayes, etc. | 2 projects Crab/ Europa | Harp Project (hydrogen - BC Hydro) & IPP Nascall River | Yes but not on main grid |

Note: This inventory is a summary of what could be identified within the scope of this study and may be incomplete. The study focused primarily on communities that are located within the Central and North Coast EBM planning area

| North Coast First Nations | Gitga'at | Lax Kw'alaams | Metlakatla | Gitxaala - Kitkatla | Haisla |
|---|---|---|---|---|---|
| Location | Hartley Bay | Port Simpson | Prince Rupert | Kitkatla - Dolphin Island | Kitamaat |
| Population - 2006 Canada Census and SNDS | 190 | 828 | 118 | 582 | 635 |
| % Change 2001 to 2006 - Canada Census Population | -3% | 2% | 0% | 13% | 1% |
| Forestry | | | | | |
| FRA Revenue Sharing ($million) | 1.57 | 6.85 | 1.73 | 3.99 | 3.79 |
| FRA Timber Vol. m3 (000) | 290 | 650 | 210 | 375 | 360 |
| Comment | 10 yr license (290,000 m3 per Gitga'at; MOFR web: 190,000 m3) - took over 2 yrs to negotiate chart area; waiting for markets to improve | So far nothing has been harvested on FRA; harvest on band owned TFL 1& FL 16835 was 212,000 m3 in 2006 & 400,000 m3 in 2007; band owned forest company is Coast Tsimshian Resources Ltd. | Harvested 50,000 m3 in 2007; likely limited or no harvest in 2008 due mainly to poor markets and lack of viable chart areas | Nothing has been harvested; 4 years into the agreement, chart areas that were given cannot be logged profitably under current market conditions | Have joint venture with logging contractor (last 2 years); 6 to 10 Haisla people work in logging mainly road crew, etc. Also, a few members are fallers but work outside band. Some 10 to 15 PYs at Eurocan P&P |
| Tourism | | | | | |
| Tourism - Touring & Guides | King Pacific Lodge hires approx.10 Gitga'at people each season as guides and lodge workers; as does West Coast Resorts | Hope to build coastal trail from Lax Kw'alaams to Metlakatla; through Work Opportunity Program, hope to hire 10 people in spring 2008 | Members of Metlakatla operate Seashore Charters that offers tours to cruise ship passengers & others - approx. 15 employees in summer | | Village of Kitamaat owns & operates very basic RV Park & campground; a few members own fishing charters |
| Tourism - Lodges | Gitga'at have agreements with various lodges operating in traditional territories | Signed agreement with small lodge in Work Channel for lease payments & employment | | | |
| Ferry Service | BC Ferries | Own car ferry service between Prince Rupert and Tsimpsean Peninsula | Own Metlakatla Ferry Services - approx. 8 Metlakatla employees | | |
| Commercial Fishing - | 5 Halibut licenses | YES | 6 Community Licenses | YES | Crab, prawn & other licenses |
| Fish Processing | | Plant-5 yr lease - new operator | Approx. 12 work in canneries in P.R. | | Fish buying station |
| Fish Hatchery | YES | | | | |
| Aquaculture | Shellfish pilot site | Shellfish pilot site | Shellfish pilot site | Shellfish pilot site | Less productive area for shellfish |
| IPP & Run-of-River | YES but not main grid | Naikun, 3 run-of-river, on main grid | Mount Hayes, Naikun & others | Banks Island | 2 projects Crab/ Europa |
| Other | | | | | Port facility expansion; Rio Tinto Alcan (approx. 50 Haisla currently employed; potential to participate in Alcan $2 billion modernization project) |

Note: This inventory is a summary of what could be identified within the scope of this study and may be incomplete. The study focused primarily on communities that are located within the Central and North Coast EBM planning area.

| MID COAST FIRST NATIONS | Heiltsuk | Kitasoo/ Xai' Xais | Wuikinuxv (Oweekeno) | Nuxalk |
|---|---|---|---|---|
| Location | Bella Bella | Klemtu | Rivers Inlet | Bella Coola |
| Population - 2006 Canada Census and SNDS | 1,066 | 282 | 85 | 788 |
| % Change 2001 to 2006 - Canada Census Population | -15% | -4% | -11% | -13% |
| Forestry | | | | |
| FRA Revenue Sharing ($million) | 5.17 | 1.2 | 0.625 | 3.31 |
| FRA Timber Vol. m3 (000) | 485 | 115 | 60 | 311 |
| Comment | Have forest company; harvested about 45,000 m3 in 2007 | Have forest company; harvested 100,000 m3 on BCTS license in 2007; will harvest FRA in 08/09 | Hope to purchase 200,000 m3 license in 08; harvest was 130,000 m3 in 04, 40,000 m3 in 05 and 47,000 m3 in 06 | Have forest company; in process of setting up harvesting on FRA but no harvest so far; also have community forest license |
| Tourism | | | | |
| Tourism - Touring & Guides | A few individuals offer cultural and ecotourism tours | Ecotouring business Spirit Bear Adventures offers 4 to 7 day tours | | Limited to individuals providing cultural walking tours |
| Tourism - Lodges | Koeye Lodge - 25 guests/ ecotourism - jointly operated between Heiltsuk Tribal Council, and NGOs such as EcoTrust and the Raincoast Conservation Society | Newly built 6 unit lodge doubles capacity to 12 room accommodation facility | | |
| Ferry Service | BC Ferries | BC Ferries | | BC Ferries |
| Commercial Fishing - Community Level | YES | YES | YES | YES |
| Fish Processing | Upgrade freezer plant | Plant for farmed salmon and other | | |
| Fish Hatchery | YES | YES | | YES |
| Aquaculture | Shellfish pilot site | Shellfish pilot site & Salmon Farm | Shellfish pilot site | |
| IPP & Run-of-River | | Doubling of power capacity for local use | | Various - Nascall River |
| Other | Call centre employed approx. 10 people up to Dec. 2007 (would require significant new contract to re-open) | | | Proposed gravel extraction project (Bella Coola Rock Corp.) appears to be on hold. |

Note: This inventory is a summary of what could be identified within the scope of this study and may be incomplete. The study focused primarily on communities that are located within the Central and North Coast EBM planning area

| Southern Central Coast First Nations | Xwémalhkwu (aka Homalco) | Namgis | Wewaikai (aka Cape Mudge) | Da'naxda'xw/Awaetlala | Tsawataineuk |
|---|---|---|---|---|---|
| Location | Campbell River and Bute Inlet | Alert Bay | Quathiaski Cove (Quadra Island) | Harbledown Island near Alert Bay | Kingcome Inlet |
| Population - 2006 Canada Census and SNDS | 220 | 453 | 175 | 50 | 148 |
| % Change 2001 to 2006 - Canada Census Population | 22% | -35% | -3% | n/a | 56% |
| Forestry | | | | | |
| FRA Revenue Sharing ($million) | 1.06 | 3.8 | 2.1 | 0.436 | 1.26 |
| FRA Timber Vol. m3 (000) | 79 | 410 | 102 | 47 | 73 |
| Comment | Have harvested timber on reserve lands, non-renewable licenses and other since early 1990s. Harvested 40,000 m3 in 2005, 20,000 m3 in 2006 and 60,000 m3 (complete FRA) in 2007. | FRA is entirely on Vancouver Island; are in process of setting up, no harvest so far. Traditional territories on Central Coast are no harvest areas | Also have Area Based Tenure (woodlot) associated with agreement | Will likely harvest FRA in 2008; have approx. 5 local residents working in forestry on a part-time basis | Includes woodlot and other licenses up to a maximum AAC of 14,670 m3 per yr for 5 years |
| Tourism | | | | | |
| Tourism - Touring & Guides | Homalco Wildlife Tours - daily tours from Campbell River to view grizzly bear | A few individual members are involved in providing ecotourism tours | | Cultural tours/feast and performances in the summer and operate campsite in summer (mainly for kayaks) | |
| Tourism - Lodges | Plans to develop high-end lodge in Homalco-60 jobs | Hope to develop tourism on Hanson Island in Johnson Strait | | | |
| Ferry Service | | BC Ferries | BC Ferries | | |
| Commercial Fishing - | YES | YES | YES | YES | |
| Fish Processing | Homalco Sea Products-Vanc. Isld | | | | |
| Fish Hatchery | YES | | | | |
| Aquaculture | | | | | |
| IPP & Run-of-River | Bute Inlet - Plutonic Power | All on Vanc. Island | | Knight Inlet | |
| Other | | Polaris Minerals Corp. and Namgis Nation - Orca Quarry employs approx. 15 Namgis people | | | |

Note: This inventory is a summary of what could be identified within the scope of this study and may be incomplete. The study focused primarily on communities that are located within the Central and North Coast EBM planning area

# APPENDIX 1 Population

Population data for Coastal communities are available from the Canada Census and from the Skeena Native Development Society. Individual communities sometimes provide estimate of current population based on their own data collection initiative. First Nations population data are difficult to accurately report for a variety of reasons including poor Canada Census returns. Population data are provided here as a general guide of community size.

*Table 6 Population and Labour Force of North and Central Coast Communities*

| Population by First Nation | | Development Society (2006) and Other Sources | | Canada Census - Population | | | 2006 Canada Census Labour Force | 2006 Canada Census - % Un-employed |
|---|---|---|---|---|---|---|---|---|
| First Nation | Location | Band membership | Population | 2001 | 2006 | % Change | | |
| **North Coast** | | | | | | | | |
| Gitga'at | Hartley Bay | 661 | 190 | 162 | 157 | -3% | 55 | 18% |
| Lax Kw'alaams | Port Simpson | 3,067 | 828 | 667 | 679 | 2% | | |
| Metlakatla | Prince Rupert | 732 | 114 | 118 | 118 | 0% | | |
| Gitxaala - Kitkatla | Kitkatla - Dolphin Island | 1,806 | 582 | 368 | 417 | 13% | 120 | 63% |
| Haisla | Kitamaat | 1,521 | 635 | 511 | 514 | 1% | | |
| **Mid Coast** | | | | | | | | |
| Heiltsuk | Bella Bella | | | 1,253 | 1,066 | -15% | 405 | 19% |
| Kitasoo/ Xai' Xais | Klemtu | | | 295 | 282 | -4% | | |
| Wuikinuxv (Oweekeno) | Rivers Inlet | | | 96 | 85 | -11% | | |
| Nuxalk | Bella Coola | | | 909 | 788 | -13% | | |
| **South Central Coast** | | | | | | | | |
| Xwémalhkwu (aka Homalco) | Campbell River and Bute Inlet | | | 180 | 220 | 22% | | |
| Namgis | Alert Bay | | | 692 | 453 | -35% | | |
| Wewaikai (aka Cape Mudge) | Quathiaski Cove (Quadra Island) | | | 181 | 175 | -3% | | |
| Da'naxda'xw/Awaetlala | Harbledown Island near Alert Bay | 188 | 49 | n/a | n/a | n/a | | |
| Tsawataineuk | Kingcome Inlet | | | 95 | 148 | 56% | | |
| **Other - Vancouver Island** | | | | | | | | |
| Gwa'sala-'Nakwaxda'xw | Port Hardy - Tsulquate | | | 387 | 432 | 12% | | |
| Kwicksutaineuk/ Ah'Kwaw'Ah'Mish | Port Hardy -Gwayasdum | | | 31 | 40 | 29% | | |
| Comox | Comox | | | | 272 | | | |
| Tlowitsis | Campbell River | | | | n/a | | | |
| Wei Wei Kum | Campbell River | | | | n/a | | | |
| Kwiakah | Campbell River | | | | n/a | | | |
| Mamalilikulla-Qwe'Qwa'Sot'Em | Campbell River | | | | n/a | | | |
| **Other Communities Not Mentioned Above** | | | | | | | | |
| Prince Rupert | | | | 15,302 | 13,392 | -12% | 7230 | 13% |
| Kitimat | | | | 10,285 | 8,987 | -13% | 4740 | 10% |
| Bella Coola/ Hagensborg (excluding Nuxalk Nation reserves) | | | | 516 | 421 | -18% | 215 | 16% |
| Ocean Falls & Shearwater (Central Coast A) | | | | 143 | 138 | -3% | 90 | |
| Alert Bay (Excluding Namgis Nation Reserves) | | | | 583 | 556 | -5% | 340 | 4% |

Note: Canada Census provides labour force data only for the larger communities.
Source: Canada Census, 2006.
Skeena Native Development Society; 2006 Labour Market Census; population includes First Nations residency and non-first nations residency.

# APPENDIX 2 Selected Funding Organizations/ Programs

**Economic Measures Fund (EMF)**

The BC Government established the EMF and between April 2002 and March 2005, a total of $24.8 million in EMF was provided to 145 projects. These covered all regions of BC but the North Coast participated in the largest number of projects. Types of projects consisted of a wide range of economic development initiatives for First Nations including training, business plans for tenure application and other businesses, sector development strategies and infrastructure improvements.

An Evaluation of the Economic Measures Fund (Ference Weicker & Company, 2005) deemed the money generally well spent. Some of the projects funded by the EMF between 2002 and 2005 included:

- Business plans for forest tenure applications (Gitga'at, Haisla, Heiltsuk, Kitasoo, Metlakatla, Wuikinuxv (Oweekeno))
- EBM forestry trials (Gitga'at (Hartley Bay), Heiltsuk, Kitasoo,
- Tourism strategies (Gitga'at, Kitasoo, Coastal Turning Point Society), and
- Tourism cruise ship business development (Metlakatla).

**Coast Sustainability Trust Fund**

The original Coast Sustainability Trust was established in 2002 by the Province of British Columbia to mitigate adverse impacts arising from land use planning decisions in Coastal BC. The Original Trust started with $35 million, of which $25 million was allocated to a Worker and Contractor Mitigation Account, and $10 million was allocated to a Matching Funds Account. Approximately $14 million was allocated to workers and contractors, and the remaining funds were allocated to the Matching Funds Account.

The Coast Sustainability Trust offers a Community matching Fund for projects that create new economic opportunities and long-term jobs.[41] Examples from the Central Coast and North Coast include:

- $200,000 contribution towards $2.2 million project to bring broadband internet access to central Coast communities;
- $92,325 for a traditional cultural arts centre for the Oweekeno Nation;
- $100,000 to the Kitasoo First Nation for construction of a small conference centre and 12-room accommodation facility in Klemtu;
- Contribution to the Gingolx Village Government and to the Kitkatla Village for the construction of cultural longhouse/ carving sheds; and
- $100,000 to the Port Edward Historical Society to construct a float, ramp, gate and railings to improve water and float plane access to this historic fishing village.

The CSTF cannot fund private individuals, they can only fund communities or not-for-profit organizations such as First Nations. This sometimes constrains development. For example, one Heiltsuk band member owned a long house, which he wanted to renovate and operate to attract tourists, but because it was on private property, it could not be the recipient of trust funds.

[41] Source: The Coast Sustainability Trust, Eric van Soeren, Trustee, August 16, 2005.

**Coast Opportunity Fund**

- In January 2007, the provincial and federal governments joined with an alliance of private philanthropic groups to establish the Coast Opportunities Fund (COF). This fund grew out of the Conservation Investments and Incentives Initiative (CIII) that was advanced during the land use planning negotiations associated with the Central and North Coast.
- The Province and the federal government each contributed $30 million, while the philanthropic groups committed $60 million, for a total investment of $120 million.
- The combined federal-provincial contribution to the COF is directed toward economic development opportunities for First Nations businesses involved in activities such as sustainable fisheries, forestry and tourism. The matching private funding provides an endowment fund for conservation management and research.

**Northern Development Initiative Trust**[42]

The Northern Development Initiative Trust (Northern Trust) was established in October 2004 through an act of legislation passed by the Government of BC. Initially infused with two deposits totalling $185 million, it is a regionally operated economic development funding corporation for central and northern British Columbia. The Northern Trust operates independently from government and provides the funding and ability to identify and pursue new opportunities for stimulating economic growth and job creation. The Northern Trust mandate is to be a catalyst for strategic economic development at the local and regional levels to achieve its mission of helping northern BC communities create and sustain world-class industries and diversified economies.

The Northern Trust covers approximately 70% of the Province, which includes communities from the south at Lytton to the north at Fort Nelson, and from the east at Valemount to the west at QCI/Haida Gwaii. Northern Trust funding programs are generally available to local governments, First Nations, and not-for-profit agencies for projects that are implemented within the Trust area. There is a specific Business Competitiveness Program that is directly targeted at business. Each project must demonstrate measurable economic benefits such as job creation and increased revenues/sales. The Northern Trust is managed by a 13-member Board of Directors, and an executive staff of five located in Prince George.

**Tricorp - Tribal Resource Investment Corporation**

The following has been lifted verbatim from Tricorp's website: http://www.tricorp.ca/

> TRICORP is owned and governed by four members: the Kitkatla-Metlakatla Development Corporation, Haida Gwaii Economic Development Corporation, Nisga'a Lisims Government and the Gitksan Wet'suwet'en Economic Development Corporation.
>
> TRICORP's lending area extends (east to west) from Haida Gwaii (Queen Charlotte Islands) to Burns Lake, Hartley Bay to the south and north to the Yukon border.

[42] Source: rrom http://www.nditrust.ca/ndit/

Since its inception in 1990, TRICORP has contributed to the prosperity and self-reliance at the individual and community level by providing business loans totalling $24.2 million (to January 21, 2008). TRICORP continues to support First Nations' economic development.

Since 1996, TRICORP has been a self-sustaining corporation, replenishing its loan fund with principal repaid by borrowers, and financing its administrative services through the interest re-paid on loans.

TRICORP is an experienced North Coast commercial lender. It concentrates on developmental lending and services a niche market, specializing in lending to clients who live on First Nations communities. TRICORP's loan portfolio includes individuals, partnerships, companies and joint ventures which are 51% owned/controlled by First Nations. TRICORP's loans portfolio reflects the Northwest economy.

As the economy has changed and shifted, Tricorp's loan portfolio reflects the various changes in the industry sectors. Tricorp's loan portfolio is no longer predominately invested in the fishing and forestry sectors. In most recent years, we (Tricorp) have seen a dramatic increase in the tourism, hospitality and trades industries. Under its corporate umbrella, TRICORP also manages funds for the First Citizens' Fund on behalf of the Province of British Columbia's Ministry of Aboriginal Affairs, and delivers Aboriginal Business Canada's program of business contributions.

According to their website, Tricorp employs nine individuals including 4 business analysts whose main mandate is to assist and mentor aboriginal businesses.

# APPENDIX 3 Selected References

***Coast Information Team Documents and Publications***:

- **Review Report**: Allen, Robert Prescott, *Coast Information Team Review Report*, January 2005, 37 pages.

- **Tourism EGSA**: Economic Planning Group, Juan de Fuca Environmental Consultants, and Timberline Forest Inventory Consultants, *Coast Information Team Coastal BC Economic Gain Spatial Analysis Tourism Sector Report,* April 2004.

- **Timber EGSA**: Cortex Consultants Inc. (Doug Williams and Mike Buell), *Coast Information Team Economic Gain Spatial Analysis Timber CIT Region*, August 2004.

- **Fisheries and Aquaculture EGSA**: Matkin, Jim (Q.C.), Dr. Parizal Copes, Catherine Griffiths and Peter Panek, *Fisheries, Ocean Ranching and Aquaculture Economic Gain Spatial Analysis*, Draft Report, prepared for the Coast Information Team, August 2003, 182 pages.

***General Economic Development Plans***

- Crane Management Consultants Ltd., Marlyn Chisholm & Associates and Enfor Consultants, *Socio-Economic and Environmental Assessment of LRMP Scenario developed by the North Cost LRMP Table as of April 2004, Volume I: Socio-Economic Analysis*, prepared for the North Coast LRMP Table and BC MSRM, may 2004, 122 pages.

- McKim, Patricia, *Northern Plan Area Economic Opportunity and Barriers Study,* prepared for the Central Coast Land and Resource Management Plan, Forest Renewal BC, 2000).

- Lions Gate Consulting Inc., Westcoast CED Consulting Ltd. and Peak Solutions Consulting, *Economic Development Operating Plan, 2005-2007,* prepared for the Central Coast Economic Development Commission, Central Coast Regional District, April 1, 2005, 92 pages.

- Central Coast Regional District, *Economic Development Operating Plan*, 2007 Third Quarter Report – July to September, October 2007, 10 pages.

- Central Coast Regional District, *Economic Development Operating Plan*, 2007 Annual Report, February 2008, 19 pages.

- Central Coast LRMP Documents including: Holman, Gary, Eliot Terry and BC Ministry of Competition, Science and Enterprise, *Central Coast Land & Coastal Resource Management Plan (LCRMP) Phase 1 Framework Agreement*, July 2001.

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