The Business of Good Forestry

A Symposium

Report Series #1

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Preface

On November 15 and 16, 1995, a most unusual gathering of individuals assembled first on the campus of University of Victoria and then at Simon Fraser University's Downtown Campus in Vancouver.

The gathering was unusual for many reasons. There was, to start, the group’s composition: woodlot owners and practitioners, people who spend their lives in the woods actually practicing the new forestry techniques that the rest of us only talk about; business people and forestry consultants who daily make decisions about what products to buy and sell, and who are leading the challenge to transform the forest industry onto a sustainable and harmonious path; government officials, many of whom are way ahead of sanctioned policy in seeing these changes experimented with in their agencies and in their districts; First Nations’ foresters who face the challenge of making eco-forestry not just a business venture, but also a community success; and of course, the academic community that is actively engaged in debating all sides of the matter.

All of these people were gathered together to talk about something new. That too, was unusual, for during the two days, the air was filled not with academic jargon, but with real-world experiences, with instructive lessons of “how to,” with stories of people and communities. And all this was in the service of a stunning new development in that elusive quest for “sustainable development” — the emergence of the business of eco-forestry. Here theory met practice.

The result was optimistic, sometimes even exuberant, because the prognosis for this new business of good forestry is good. In the pages that follow, the reader will see ample evidence of that. But you will also see the many hurdles to be overcome, and perhaps that was the most unusual aspect of the whole event. Here, for the first time, was gathered together, not just on the stage but in the audience, those individuals who in their many individual and separate ways are working to overcome those hurdles and to make the practice of good forestry financially and spiritually rewarding.

Many people worked long hours throughout the preceding year to help this unusual gathering to happen. It began with our sponsors at the Rockefeller Brothers fund, especially Fran Raymond and Michael Northrop who provided not only the initial financial support, but also continuous prodding insights as to how to organize the most effective event. The day-to-day organizational work was carried out by two people in particular: Bryan Evans of Simon Fraser University and Kimberley Stratford, Project Administrator to the Eco-Research Chair at the University of Victoria. Thanks are also due to Dr. Chad Day, Director of the School of Resource and Environmental Management, Simon Fraser University. To these individuals and to the others who facilitated each day, our thanks. To everyone who attended the symposium, we extend our thanks, and our hopes for the future.

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Cover photo by Bryan Evans
Is Good Forestry Good Business?

Environmentalists have long argued that industrial forestry as practiced in British Columbia and elsewhere is not a model of "good forestry". According to many speakers at a recent two-day conference it is now not even "good business."

The "Business of Good Forestry" conference, hosted by the University of Victoria and Simon Fraser University, took place on November 15 and 16 in Victoria and Vancouver. In the Conference's opening Session, practitioners discussed their practical experience in implementing good forestry on the ground. Lawrence Wakau, President of the Menominee Tribal Enterprises of Neopit, Wisconsin described the Menominee tribe's use of "sustainable-yield" forest management (not to be confused with an industrial, "sustained-yield" forest management approach) on 100,000 hectares of land since 1854. Although two-and-a-half times the current standing volume of timber had been harvested in the intervening period, Wakau reported that 98 per cent of Menominee land still remained under forest cover (compared to 44 per cent in State lands), continuing to provide for the wide range of non-timber, environmental, ecological and spiritual values.

Similarly, Bill Howe, a forest manager with a family-owned enterprise called Collins Pine, California described the five principles of good forestry used on 38,000 hectares of forest land in Plumas and Tehama Counties in Northern California. The five principles of diversity, conservation, appropriate harvesting, forest maintenance and land stewardship have led Collins Pine to practice single-tree selection logging using hand-felling and low-impact harvesting systems.

Lest it be thought that good forestry is practiced only south of the border, Jim Smith of Vernon in British Columbia's interior was there to reassure us that we are also playing a leading role in the development of good forestry. Smith runs a unique operation out of the Ministry of Forests district office, practicing alternative logging systems that emphasize the importance of landscape level planning, adaptive management and public participation. Single-tree selection and shelterwood forest management systems are preferred, but partial cutting using small clearcuts (to a maximum of 5 hectares) is being practiced in diseased forest stands. One of the most innovative activities of the Vernon District Office has been the establishment of a log auction. Smith contracts private logging companies to cut logs which are then transported to the log market in Lumby, where they are graded by species, size and quality into numerous separate lots for auction. Each week, the lots are sold to the highest bidder at prices well above current stumpage rates.

Another BCer, Harold Macy, described how he is using commercial thinning, selective harvesting and labour intensive logging methods to practice good forestry on a 700 hectare woodlot owned by the University of British Columbia in Oyster River. Macy noted that in 1921, with an AAC of 5.7 million cum, the industry supported 10,000 loggers, whereas in 1995, with an AAC of 75 million cum, the industry supported only 15,000 loggers. One important solution to BC ecological and economic crisis in the forestry sector would be the promotion of forest homesteading, with private, independent individuals working their own forested lands, combining earning a livelihood with the maintenance of a forest's ecosystem health.

An important conclusion to be drawn from the Conference's first Session is that while subtle differences exist between speakers on the definition of "good forestry", there was unanimous agreement about what constituted "bad forestry". Bad forestry consisted of large-scale, volume-driven, industrial forestry managed by corporate monopolies using capital-intensive technologies and clearcutting to create even-aged, species-poor, forest monocultures. Good forestry consists of small- to medium-scale operations, under individual, family and community ownership, using appropriate technologies to cut timber within the broader context of an ecosystem-based management ethic. It is one thing to advocate such practices, however, and quite another to make them pay. It was with this concern in mind that Conference participants examined, in the second session, how the existing demand for "good wood" could be both promoted and policed.

The current and rapidly expanding market for green forestry products was the subject of the presentation from Tony Lent of Environmental Advantage and Catherine Mater of Mater Engineering Limited. Drawing on two recent studies, one carried out by Penn State University and the other by the Institute of Sustainable Forestry, Mater demonstrated that homeowners are very concerned about the environment, are prepared to pay a premium for certified goods, and trust environmental NGOs and independent auditing companies to set-up and run certification and labeling schemes much more readily than industry and government. Mater also noted that although a market was rapidly developing among end-users and in the retail sector, a major information and communication gap existed in the timber chain between primary and secondary producers. Although secondary producers are very interested in purchasing certified timber and are prepared to pay a price premium to obtain it, that information is not being adequately transmitted to primary producers.
One of the major mechanisms for creating and policing the practice of good forestry could be the adoption of certification and labeling schemes. George White, a Sainsbury's executive whose company markets huge quantities of timber products in the UK through its supermarket and do-it-yourself chains, informed conference participants of the growing preference of UK customers for independently certified forest products. Sainsbury's has joined the Forest Stewardship Council's (FSC) UK-95 Group, a consortium of approximately 50 British companies committed to purchasing timber from FSC-certified forests by the year 2000. In the interim, however, because insufficient certified timber is currently available, Sainsbury's will purchase timber from "well-managed forests" certified under other processes.

FSC, for example, is not the only certification operation in town, a point made clearly by Phil Gilbert, Director of Trade and Planning of the Council of Forest Industries of British Columbia. Mr. Gilbert outlined a made-in-Canada solution to certification and labeling. Over the past year, the Canadian Standards Association (CSA), with funding from the Canadian Pulp and Paper Association and support from COFI, has been developing a sustainable forestry management system for companies modeled after the International Standards Organizations' quality management standards (ISO 9000). Gilbert indicated that there are plans to have products on the market in the latter part of 1996 that have been certified under the CSA standard by the Standards Council of Canada (SCC).

The final session of the Conference was devoted to exploring opportunities for and obstacles to the practice of good forestry in British Columbia. Bill Bourgeois, of Lignum Limited, a large, privately-owned forest company operating in the Cariboo-Chilcotin region manifested considerable ambivalence about the whole approach. He drew attention to several difficulties, including the unclear definition of sustainable forest management, the uncertainty of demand for green forest products, the confusion being generated by the proliferation of certification and labeling schemes, and the potential price of moving from the current forest management system to ecosystem-based management models.

Herb Hammond, an ecoforester and auditor, put his finger on a key problem when he noted that the debate was between two value-systems, one based on industrial forestry oriented to high-volume, low-value-added timber production and the other oriented to low-volume, high-value added manufacture based on an ecoforestry ethic.

The Conference, however, did not end on a pessimistic note. There was a pragmatic recognition that the practice of good forestry would not sweep BC overnight and that the transition from industrial forestry would continue. In this transition, a movement of diverse individuals, linked together by a local, labour-intensive, community-based, value-added, market-responsive and ecologically-informed vision of forestry, is beginning to take shape. Members of this movement understand the potential economic benefits to be gained from the practice of good forestry. They also appreciate the potential non-monetary gains that comes from a deep pride in practicing good forestry. As a number of participants observed, when foresters look back at a forest after it has been logged and see a fully functioning forest ecosystem that retains the structure, composition and function of a natural forest, they experience pride in their work as well as pay in their pockets. That pride does not have an economic value, but it does make for a good day's work and an easy night's rest.

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SESSION 1: THE PRACTICE OF SUSTAINABLE FORESTRY

LAWRENCE WAKAU, President of Menominee Tribal Enterprises, Neopit, Wisconsin

Mr. Wakau's responsibilities include management of a forestry and sawmilling operation with an annual budget of approximately $12 million and over 300 employees. Logs for the mill come from 243,000 acres of mixed hardwood forest. The forest management has been independently certified by Green Cross and Smart Wood. The forestry operation yields thirty million board feet of annual production and is wholly owned and operated by members of the Menominee Indian Tribe of Wisconsin.

Mr. Wakau is enrolled in the Doctoral Program at the University of Wisconsin where he studies Educational Administration. He holds a Masters of Science degree in Vocational Education from the University of Wisconsin and a Bachelor of Science in Sociology from the same university.

Introduction

The Menominee Tribe of Wisconsin is considered a leader in the emerging area of sustainable development. Long before the term was coined, our forefathers harvested our forests in a way that removed no more than the forest would grow and that protected the traditional values of our forest. Responsible stewardship of our forest resources through the years has resulted in a forest recognized worldwide for its beauty, productivity, and quality. It is clear that international public opinion now demands that human use of forest resources be balanced with the long term protection and renewability of forest ecosystems. This paper will discuss how the Menominee Nation, via its business arm, Menominee Tribal Enterprises, is responding to current "Green Market" trends, while remaining true to our heritage of sustainable use of our forest resources.

By way of introduction, I am a member of the Menominee Nation of Wisconsin. Currently, I am the President and member of the Board of Directors of Menominee Tribal Enterprises (MTE). I have served MTE in one or the other of these capacities for more than two decades. I have represented the Menominee Tribe on the Inter-Tribal Timber Council for over six years. I am presently "All But Dissertation" toward my Doctorate Degree in Education Administration from the University of Wisconsin -Madison.

Menominee Tribal Enterprises is located in Neopit, Wisconsin on the Menominee Indian Reservation, in the northeastern area of the state. The Menominee Indian reservation was established by treaty in 1854 and is currently 232,000 acres primarily composed of high quality white pine and northern hardwood species. The Menominee Nation, a woodland people, traditionally hunted, fished and gathered rice — Menominee means wild rice people — in a culture adapted to, and living harmoniously with the environment.

The Menominee People

To understand the Menominee people and reservation today, a brief historical context must be provided. A system of sustained-yield management adopted by Menominee leaders soon after the reservation was established. Their vision was a management process that would allow the forest to be harvested at a rate that would achieve a perennial balance between annual growth/natural mortality and the production of timber through selective harvest. This commitment was made based upon traditional culture, values and the recognition of the need for responsible stewardship of a limited resource for future generations' survival and quality of life.

Historical documents show that modest harvesting was initiated in 1854 for logs, boards, fuel wood, fence posts and rails, and all the other amenities necessary for existence and the change from a hunting and gathering society to a more "modern" one.

Box One provides a historical outline of selected acts of Congress and related historic events which have indelibly shaped the Menominee People, our environment, and subsequent economic development activity.

The Menominee Tribal Enterprises Today

Currently MTE employs more than 180 people in an integrated forest management and forest products manufacturing operation. We produce
high quality white pine and northern hardwood lumber products for national and international markets. Annual sales amount to $11 million. We utilize and in fact develop, through our Menominee Computer Software division, advanced computer aided inventory and mapping technology and contract nationally for these services. We have a strong commitment to our Human Resource development program, with ongoing training and professional development as an integral element. We work diligently to contribute time and resources to improve the quality of life for tribal members, with a particular focus upon Menominee youth and recently launched the MTE School-To-Work Program where we provide summer employment for several college bound students.

Menominee Tribal Enterprises remains true to the commitment made nearly 140 years ago to practice sustainable development principles, and to fulfilling the obligation to "...manage and operate the subject property in a businesslike manner which will best promote the interests of the Tribe and of the tribal members."

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**BOX ONE**

**SIGNIFICANT EVENTS IN MENOMINEE SUSTAINABLE DEVELOPMENT AND ECONOMIC DEVELOPMENT HISTORY**

1854- Reservation established.

1887- Menominee leaders oppose the 1887 Allotment Act and retain tribal lands under collective ownership.

1890- Act of 1890 limited annual cut to 20 million board feet of timber.

1908- The act of 1908, known as the La Follette Act, authorized construction of a sawmill in Neopit. Net proceeds were deposited in a 4 percent interest bearing account.

1954- The US Treasury held $10.4 million of Menominee funds as a result of timber harvesting and manufacturing since 1908. The account's interest and sawmill proceeds funded the entire Bureau of Indian Affairs operational costs.

1961- Beginning of Termination Period. Menominee County was created and Tribal forest land was transferred to Menominee Enterprises, Inc.

1973- The Menominee Restoration Act was passed. Tribal forest lands were transferred from Menominee Enterprises, Inc. to the Secretary of the Interior to be held in trust. Menominee Nation was again recognized as a sovereign entity and gained back "privileges lost during termination."

1992- MTE is Certified as a Well Managed Sustainable Forest by Scientific Certification Systems "Green Cross" Program.

1993- MTE Revitalization and value-added Expansion Project commences

1995- MTE is Dual Certified by "Green Cross" and Rainforest Alliance's Smart Wood Programs.


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**The Costs of Termination**

It must be understood that the Menominee Nation is still recovering from the tremendous costs associated with the federal policy of termination. When we were terminated and became Wisconsin's 72nd county, we were supported almost entirely by the tribal sawmill. The $10.4 million of Menominee funds generated by the sawmill and held by the US Treasury, was dispersed by Congress to the entire tribal membership, in the form of per capita payments, to solicit tribal support for the termination plan. Decisions were made during termination to dramatically increase the cut (reaching nearly 35 million board feet) to meet our added cost burdens.
Since Termination in 1961 we have been obligated to make bond indenture interest payments to those persons on the final Menominee roll of 1954. This complex bond indenture has always been paid even if MTE lacked sufficient net income. During this time we were burdened by various natural disasters such as blow downs, drought and disease.

Recovering from the tremendous blow to our operation has been slow coming. The sustained yield management of our forest resource has been kept intact. However, the forest products manufacturing component of our integrated operation has never fully recovered. Even with a major renovation in 1975, the mill has simply not been able to consistently generate sufficient net profits to reinvest in modern and efficient machinery and manufacturing processes. This situation is further compounded by the fact that the current mill site is unstable, as it is located on what was an old mill pond site which was subsequently filled in and developed.

On August 6, 1993 the Senate approved a request by the Menominee Tribe for a legislative reference of its claims to the United States Court of Federal Claims. At issue is whether Congress should award damages to the Tribe arising from the mismanagement of the tribal forest and mill and other tribal property during the period of termination.

That aside, we are currently addressing, to the best of our abilities, our immediate needs for added kiln capacity, various value-added machine centers, enhanced training programs, and new marketing strategies to fully capitalize upon emerging market opportunities.

Emerging "Green" Public Opinion, Public Policies and Markets
International public opinion now demands that human use of forest resources be balanced with the long term protection and renewability of forest ecosystems. President Clinton responded to this demand in 1993 by forming the President's Council on Sustainable Development. Soon after, the United States Department of Agriculture Forest Service Chief, F. Dale Robertson called for an active "...search for tools and institutional arrangements to promote sustainable forest management practices."
Industry also responded to this call the same year, when the Minnesota Wood Promotion Council (MWPC) released a Sustainable Wood Resource Policy Statement which states in part:

"Recognizing the need to consider the requirements of future generations as well as immediate resource users, MWPC endorses the concepts of sustainable resource development in managing the world's forest resources which are renewable."

Driven by current public opinion regarding protection of ecosystems world-wide, "Green Markets" are now emerging whereby in some niche markets a premium price is paid for sustainably produced products. Globally, we are seeing a growing commitment toward importing only certified wood products in countries such as Great Britain and the Netherlands.

Furthermore, throughout the United States we are observing supply/demand imbalances, highgrading, and other poor forest management practices which have resulted in resource shortages in some areas already. Environmental conflict in the west (e.g. the spotted owl issue) and other areas, has also contributed to shortages.

The Menominee Nation is now responding to a wide array of opportunities to access new program resources, new value-added market opportunities and enhanced prominence in education, awareness and technology transfer related to sustainable development principles and practices.

Menominee Tribal Enterprises: Response to Emerging Opportunities
Our recognition of and planning for this emerging environmental ethos is not new. Nearly eight years ago I envisioned a Menominee Forest Research and Training Center which would be based upon our long practiced sustainable yield forest management principles. At that time I was unable to affect the change which would have made the Menominee Nation a leader for technology transfer related to an integrated sustainably managed forest resource and forest products manufacturing operation. More recently, with wide recognition of the significance of this emerging ethos regarding sustainable development, and the opportunities it presents to the Menominee Nation, I was able to obtain consensus to conduct a planning process.
called Menominee Tribal Enterprises Strategic Plan for Revitalization: Capitalizing Upon Sustainable Development.

I firmly believe that the best science, technology and business management practices must be utilized to insure that the bonds between the Menominee people, our forest and MTE remain strong and healthy. Furthermore, I believe that the current trends and related market opportunities create conditions favorable for us to continue, and in fact enhance our ability to sustainably produce a wide range of value-added forest products, provide needed tribal employment opportunities, and still retain a forest resource not unlike the Menominee people valued nearly 140 years ago. For example, in 1992 Menominee Tribal Enterprises was certified by the national Green Cross organization which formally recognizes MTE as a source of sustained forest products managed under Sustainable Forestry Principles and Practices, and we just recently obtained the Rainforest Alliance's Smart Wood certification. However, I also recognize that if we are to be successful in this endeavor, we must continue to create conditions such that we have a productive and healthy forest, an efficient production facility producing quality products, an aggressive marketing program, and a well-trained and motivated work force.

The Strategic Planning process was designed to address these challenges and opportunities in a systematic fashion. I assembled an inter-agency technology team (Tech Team) of individuals recognized for their expertise in forest management and forest products manufacturing to work closely with MTE management. Working in collaboration with key managers for MTE, it was determined by the Tech Team that a comprehensive analysis of MTE was required in five functional areas: Human Resource Analysis; Natural Resource Analysis; Market Analysis; Production Analysis; Financing Analysis.

The primary goal of this Tech Team is to assist the MTE management in revitalizing the entire MTE operation so as to remain a competitive and efficient business enterprise which is keeping pace with rapidly changing technology and market trends. As President, I have the obligation to run MTE in a businesslike manner in the best interest of the Tribe and tribal members. I have a personal commitment to expand our employment base by expanding into various value-added product lines. To fulfill these obligations, the strategic planning process is facilitating MTE management's determination of where we are in terms of operations, where we would like to be, and the best long term strategy and time frame in which to get there. We project a five year implementation process culminating with the launching of the manufacturing and marketing of Certified Secondary Wood Product Lines. In the interim, we have begun implementing short term strategies which complement and phase in toward our long term positioning of MTE. Full implementation of our Strategic Plan is contingent upon our ability to structure necessary financing to ensure sufficient return on investment — which is particularly critical now given the severe reduction in available federal Indian business development dollars.

Future Initiatives: Menominee Center for Sustainable Development

Directly related to this revitalization effort has been the creation of the Menominee Center for Sustainable Development housed within the College of the Menominee Nation — of which I serve as Chairperson of the Board of Directors. New federal initiatives, discussed above, as well as emerging private sector and foundation opportunities, present an opportunity for MTE to establish even larger national and global prominence as a leader in Sustainable Development practices — to foster expanded knowledge, education, and technology transfer concerning sustainable development opportunities based on forest resources. The foundation of this Center will be the melding of the heritage, culture and spiritual beliefs of the past Menominee generations with the business, scientific and technological knowledge of today's Menominee People. This successful melding or linkage is demonstrated in our beautiful, healthy, productive forest, profitable production facility, and direct connection with our People's economic and spiritual well-being. Currently, I am working with the Menominee Sustained Development Institute to establish a Menominee Sustainable Development Council whose responsibility it is to develop a comprehensive and long term Research, Education, and Development Plan. This plan will be of critical importance to the protection, control, decision-making and management of Reservation Resource for both the current and future generations of Menominee People.
Conclusion
The Menominee Forest is the premise of our cultural heritage, the source of our spiritual renewal and foundation of our economic well-being. Sustainable Development is the basis of our aboriginal teachings and spiritual way of life now facing the technological age in a world of limited natural resources. It complements the past and the future. This is a case where history does not repeat itself, where technology complements the spirit of man.

According to the most recent Wisconsin Forest Inventory, only 44 percent of the state land area remains in forest land. By contrast, our reservation land remains 98 percent forested and largely how our forefathers passed it on to us 140 years ago. This is so even though during this time an equivalent of 2.5 times the current stand of timber has been harvested and processed, while preserving our ecosystem stability and biological diversity, and actually increasing our standing timber resource.

The Menominee Nation of Wisconsin is a demonstration that it is possible to live within the capacity of the land while improving the well being of the people of local communities, regions and the nation, through diverse, cost effective, and environmentally sensitive production, use and conservation of natural resources.

It is my hope that Menominee Tribal Enterprises continues to grow and prosper for future generations of Menominee People, and that we can serve as a model demonstrating that the correct path to forest based community economic development is through sustainable development practices — removing no more than the forest provides.

JIM SMITH, Ministry of Forests, Vernon, British Columbia
Jim Smith holds a forestry degree from the University of Minnesota. He has worked for industry as assistant divisional forester for Eurocan in Burns Lake, and for government as a timber management forester for the Department of Natural Resources in Washington.

Since 1980, Mr. Smith has been employed with British Columbia's Ministry of Forests. He currently works out of the Ministry’s District Office in Vernon where he is involved in the ongoing development of a unique logging and log-marketing operation.

Mr. Smith's work demonstrates the feasibility of labour-intensive logging methods that are ecologically sound and economically rewarding. A key element in this approach has been the establishment of a community-based log yard where logs are sorted and graded before sale at auction. Auction prices have consistently covered all logging and marketing costs, providing the Ministry of Forests with substantial post-logging profits. (Mr. Smith's presentation was accompanied by slides).

Introduction
I'm here to talk to you about the Vernon Small Business Program, landscape-level management planning, stand-level management, the log yard and special projects.

There is a lot of good logging in BC: good shelterwood; nice foresting; and some horse-log management. We're involved in an evolutionary process of thinking. We're constantly learning and making mistakes and hopefully improving along the way.

Landscape Level Planning
Our landscape is dominated by clearcuts. Clear cutting has a very heavy impact on the landscape. Landscape level planning is one way to get better. We maximize partial cutting and, if necessary, only clearcut to a maximum of five hectares. We try to do mostly single-tree selection and some shelterwoods. The process of forest management takes place by doing total planning. We have total resource plans that identify landscapes that are unstable and inoperable. You can see old growth nodes in areas, wildlife habitat areas, and recreation areas identified in the plan. The basic long-term structure is set aside. We try to accommodate long-term movement of plants and animals. The key to long-term planning is in creating linkages and in working to plans. Plans are referred to public and approved by the district manager. We try to remain open to new ideas and concepts and we get involved with communities.
Beyond Clearcuts
Cherryville area residents don't like clearcutting. We needed to do some harvesting there and, working with the community, landscape management experts, loggers and industry people, we created a plan of strip selection with 20 meter and 15 meter strips. Root rot needed to be stumped and there was a problem with soil degradation. Lots of different silviculture systems were employed including 1.4 hectares and 3.4 hectares (average 2 hectares) clearcuts to create better visuals and clearcuts with reserves.

We use many trial and error cuts. We tried a 23 hectare block as a special project. We are also trying clearcuts with reserves. We left the Douglas fir standing and identified other timber to be left in the stand. We tried a number of selections which work well in a variety of types of wood. Four hectare cut blocks and half-hectare openings make up the selection. Group selection is used when root rot is found.

Group selection was used in a watershed special project. The objective in the watershed is to accumulate more snow for spring runoff. This way you get more water but the spring melt is spread out over a longer period of time.

Using a shelterwood system we leave the best trees and take the worst trees. We involve some horse logging here. The most intensive logging is single tree selection. Occasionally we do some logging in provincial parks and employ this method here.

The Lumby Log Yard
Our log yard covers 25 to 40 acres. We harvest 50,000 cubic meters annually. We contract the logging out and truck the wood to the yard, market the logs, and analyze the financial opportunities. We started with 12 products, and are now up to 43. We have weekly sales at the yard. Once logs are sold, they are then loaded on trucks and sent on their way.

We get many groups of people coming to look at our projects in forest management, including Greenpeace interested in looking at stand management. I think the key to our success is that we are changing and learning all the time.

Certified logs at the Lumby log yard. photo courtesy of Jim Smith Vernon Forest District
BILL HOWE, Forest Manager with Collins Pine, Plumas and Tehama Counties, California

Collins Pine, a family-owned company, has been in the timber business since 1855. A sizable portion of its timber holdings—95,000 acres in Plumas County and Tehama County in northern California—have been independently certified as sustainably managed by Scientific Certification Systems of Oakland, California.

Mr. Howe holds a forest management degree from Humboldt University in Arcata, California. He also holds a Master in watershed management from the University of Nevada. He has worked in the forest industry for 30 years, 21 of them with Collins Pine.

Collins Pine practices "single-tree selection" logging on its certified forestry operations. All trees are hand-felled. They are then removed from the forest using track or rubber-tired skidders. Some wood is yarded out, and more yarding is planned in the years ahead. (Mr. Howe's talk was accompanied by slides).

The Collins Pine Family

Ecosystems are different around the world. I'm going to speak to my ecosystem but the general principles apply around the world. Sometimes we don't see the forest for the trees. We don't see what we have at home. You have an incredible natural resource here. You need the land stewardship that is so important to preserve what you have.

The Collins Pine family began forestry in early civil war times. From 1855 until today they have made three major moves. After each move they overcut the resource and had to move on. At the turn of the century, they came to California and realized they couldn't move any further west and therefore had to change their forestry practices. They started the silviculture system as it exists today.

Single-Tree Selection

Diversity is very important. At forestry school, I thought that in the ideal forest everything was green. It's taken 30 years to learn how misled I was. Seventy percent of forest activity is dependent on decaying material. Diversity is so important when harvesting. We need different methods for different regions. Some of the methods and tools I'm presenting may not be applicable but the principles are.

Single-tree selection lends itself to what nature has already provided. Conservative estimates of growth create a nice balance. When we finish logging, we should be able to turn around and still see a forest. We should do everything in a conservative way. Massive clearcuts are not a good way to manage land.

Five Forest Management Principles

The Collins family operates on five basic principles: diversity, conservation, appropriate methods for sustainability, still see forest when finished logging, and proper stewardship of land.

Stewardship must be embraced and permeate management practices. The forest management program we practice recognizes that growing fibre is only one portion of forestry, and not the most important one. It is illegal to clearcut anything larger than eight hectares in the state of California. This law is driven by abuses of forestry practices in the past.

The Collins Pine Forest

Collins Pine has 95,000 acres of forest, located in the southern end of the Cascade range. Our forest elevation is 6000 ft (white fir, chestnut red fir) down to a low of 3000 ft (oak, ponderosa pine). It is a diverse forest in age groups and there are large trees and open stands. Fire is an important part of the ecology. Lightning strikes are prominent. It is not unusual to go 116 days without rain so frequent fires occur.

It's easy to get reproduction by replanting after a massive clearcut. Ecoforestry is not that easy. You need to provide for effects of fire. Logging must make up for fire.

Diversity and small groups keep things different in many areas. The inventory growth plots help
to measure activity in the field — wildlife snags, groundcover and so on.

Most of the forests in the slides you see have been logged with three major incursions since 1941. The health of riparian systems is as critical as the health of the trees and we need to be managing for snags and wildlife areas. Clearcutting can’t address many of these issues. We also manage creeks and smaller waterways as we’re obligated to do this as stewards of the land.

Grazing in the meadows is a long-standing practice. Addressing channel concerns and fisheries is a real challenge. We’re trying to fence cattle out of watershed areas in the hopes of improving fishery habitat.

We also do a lot of monitoring. We capture incidents through inexpensive photography. If nothing else, it raises the level of interest and concern by foresters to the level of wildlife activity in forest.

The future condition of our forests is to be open but not bare. It is a place where people can be proud to work and of providing benefits. Industry needs to drive home the message of these benefits.

HAROLD MACY, Woodlot Manager, Oyster River, British Columbia
Mr. Macy manages a 700-hectare woodlot near the Oyster River south of Campbell River. The woodlot is owned by the University of British Columbia, which has employed Mr. Macy as its woodlot manager for the past ten years.

Mr. Macy oversees the "commercial thinning or selection harvesting" of the woodlot. Trees are logged and removed from the bush using a labour-intensive "short-log" method. Once the trees are felled, they are bucked to length on the forest floor. An excavator with a short, collapsible tower is then used to haul the short logs out of the woods. Cables extending from a radio-controlled winch are secured to logs lying up to 300 feet away from the excavator. The radio allows Macy and others full control over how the logs come out of the woods. This minimizes the damage to surrounding trees and forest soils.

Macy is not a registered professional forester, although he has studied forestry at both the University of New Brunswick and the University of BC. "Some of us went to SFU, Simon Fraser University, I went to SHU—Side Hill University," Mr. Macy says. "I've had a lot of rain in my lunch pail." (Mr. Macy’s presentation was accompanied by slides).

Introduction
Today we will be hearing many experiences concerning the much-used term "sustainable forestry". Like the blind men describing the elephant, we each have our own particular view of the issue. What I will be challenging you with has nothing specifically to do with technical matters such as standing snags or biodiversity, nor does it directly deal with marketing and progressive business endeavors. Yet without it, both examples are fraught with peril and may well be little more than futile exercises in good intentions.

Wanted: A Stalwart Peasant
While spotted owls and salamanders get their share of publicity, forest workers do not unless they are at one extreme end of the spectrum bedecked in yellow ribbon. I would make a proposal here today that we re-examine the role of those of us who live and work in the forest, that we look hard at the historical evidence that underlies some of the base sources of conflict. I would ask that we re-populate the working forest, and return values and a land ethic back to the people.

When the white settlers came to the Island, there were forests without end, and little thought was given to conserving the resource. The first handloggers saw the forest offering a new start, a back-breaking, man-killing job that nonetheless gave them an independence and the opportunity to make their own decisions — something they could not do in Ontario, Minnesota, or Norway.

All that was needed was a strong back, a crosscut saw, a felling ax and a rowboat. In the early part of this century there were an estimated two thousand handloggers and settlers up the inlets and throughout the islands. Port Neville, Minstrel
Island, God's Pocket: all with rowdy hotels, stores and float camps.

Some loggers hacked small farms out of the stumps and fought the salal to grow crops and families. Their efforts, in other parts of the young nation, would have been the genesis for populating the countryside. On the prairies, the Dominion government wanted "...a stalwart peasant in a sheepskin coat, born to the soil, whose forebears had been farmers for ten generations, with a stout wife and a half dozen children."

**Of Politicians and Politics**

This was not to be the case on the coast of BC. While the country was being opened up by muscle, the fledgling House of Parliament in Victoria began to dispense tracts of land, mineral and timber rights. In this frontier society, businessmen and property holders were also the legislators. It was difficult for a Premier, who himself had extensive holdings, to refuse requests made by his friends and political associates.

The fine line between those making these "...magnificent gestures..." and the landed families became more blurred. Those who would benefit the greatest wrote the statutes that ensured those fortunes. High level bureaucrats worked to establish forms of tenure then crossed into the private sector to capitalize on them. A perfect example of this is H.R. MacMillan, who started as the first Chief Forester in BC in 1912, and by 1919 had left the civil service to establish his own dynasty.

As industrial capital began to come into the woods, the single handlogger found himself running out of timber. Steam power began to appear, requiring more investment, more mechanical support and of course, earning more dollars for the distant investor. In a few short years, industry was in its full glory. The plan and presumption from the beginning was that there would be a large force of wage earners. It was not intended they should settle the land or steward the soil or timber, and definitely not to form any lasting attachment to the land, but simply to work.

**More Industry Fewer Jobs**

I do not deny that today our forest industry provides a tax base to finance schools, hospitals and highways. I also know the capitalization that displaced the early handlogger is continuing as the major industries spend more and more to reach the last bits of previously inaccessible old growth and to give us world-renown landscapes. But if we were selling off our birthright in exchange for employment, there might be some comfort. Unfortunately, this is not the case. When I first moved to the Comox Valley in the seventies, I worked for what was then Crown Zellarbach, now TimberWest. There were over two hundred men working out of this yard. Now with "rationalization" and "modified cutting patterns", the jobs move or evaporate and the families adapt. In the heyday (1921) of the steam donkey, the AAC for the province was around 5.7 million cu meters, employing perhaps 10,000 loggers. Now with the annual cut at 78 million cu meters (a twelvefold increase), we employ 15,000 loggers. So while shareholders of industrial companies may benefit from technical change, loggers and other forestry workers and our home communities have not. It is a trend that has seen the labour force whittled down and the remaining workers pocketing an ever-shrinking proportion of the revenue generated by the ostensibly public resource.

**A Vision of What Might Have Been**

Let us suppose it had been different, that late in the 19th century, BC had set out to populate its timberlands with forest-farmers, our coastal equivalent to the prairie homestead — people connected to place, to the land. I am suggesting we return to pioneer times in terms of independence, which I equate to self-employment. For many years the term "entrepreneur" conjured up a vision of the proverbial traveling salesman, skipping from town to town one step ahead of the law. I think while this may fit some of the trans-national forest companies of today, this breed of go-getter might breathe new life into sustainable forestry.

**The Woodlot Movement**

The woodlot movement in BC is a quiet revolution. We do not usually show up at blockades or sit-ins but work steadily at improving the resources we manage. It seems there is an angry debate that clouds the issue — it involves the relationship of us humans and that indefinable essence called "nature". Trees, owls and elk are seen as untainted, clean and worthy. We even refer to the ancient forest as "virgin." By extension, then, any activity that compromises that innate integrity is seen as a
loss of innocence and is labeled bad. We loggers are bad. I don't buy this. It is a largely urban reaction to industrial forestry and it tends to preclude any positive decision offered by forest-rooted workers. Woodlots offer a gentle response to the bickering.

There are several attributes that separate a working woodlot from industrial forests. Woodlots are usually adjacent to our communities, highly visible and open to speculation. Woodlots are diverse in species, ages and sites and can provide a greater harvest than a yearly batch of sawlogs. In the Comox Valley, there is an active market for non-timber forest products. This company has been in business for two generations, buying local greenery and shipping out two containers a week to European and Asian markets. Huckleberry tips, salal, cedar and pine branches, and of course the fabled chanterelle mushroom. How many here have cursed a thicket of Devils Club? The dried root from this cousin of ginseng is worth more than T-bone steak. Truly a renewable resource.

Not everyone, of course, will climb down from the cab of a grapple yarder to claw through the brush. We still need good loggers who can adapt to the requirements of a changing forest, appropriate equipment, and a world marketplace. Clean logs, manufactured to capture a special market, getting top dollar and creating forest workers with new skills.

Other resources can also be better managed by smaller, more responsive tenures. If I have to drink the water coming off a slope to be logged, my plans will be considerably different than that of a distant bureaucrat or CEO. On my way to the mailbox, I can take a bush trail and knock off some lower branches and achieve a higher quality log many years hence. I do not need a top-heavy government program with a multitude of forms, nor do I require a cost-benefit analysis to determine the feasibility of preparing a contract for a silvicultural operation. I just want to cut off the branch.

Small non-industrial forest owners can provide both the more gentle and more intensive treatments. More labour and less capital into the woodlot; more timber, water, wildlife and biodiversity come out. Many small forest-farmers are proud of their accomplishments and serve as a demonstration of how we can change. At present there is little government recognition of the role we can play. In fact, there are more disincentives than benefits.

Woodlots: A Free Enterprise Solution
To illustrate the worth of woodlots, the North Island Woodlot Association (NIWA) commissioned a study to determine the extent of private forest land in the Comox Valley.

If sustainable forestry is our goal, there must be people who have the spiritual connection to the resource, to the land. There is a large portion of our population who would readily take up the challenge. Single men and women, families, cooperatives, First Nation people, and communities. As the province sets aside lands for parks and ecological reserves, might it not be appropriate to ask an equal amount to be made available for true free-enterprise? We needn't re-invent the wheel. Other parts of Canada as well as distant countries have achieved this social equity. We can do it here. In fact, if forestry is ever to be sustainable, we must do it.

Free enterprise is the basis of all co-operative activity. Only free people can organize and operate co-operative enterprises, with open and voluntary membership. Only free people can practice democratic control. Let us have free enterprise, but let it be co-operative, not competitive. Let it be for the welfare of the many and not of the few.

<table>
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<th>A Study of North Island Private Forest Land</th>
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<td><strong>Objectives</strong></td>
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<td>To determine the extent of NIPF in the Comox Valley; to develop a profile of forest owners and to identify constraints on these lands.</td>
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<td><strong>Executive Summary</strong></td>
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<td>We surveyed every landowner with a parcel of eight hectares or greater, excluding industrial forest lands. Private land owners earned a very substantial return rate with a possible harvest of over 107,000 cu meters a year, conservatively valued at $1.7 million.</td>
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<td><strong>Constraints</strong></td>
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<td>Taxation and financial issues; Government bureaucracy; Urbanization; Lack of development resources; Lack of forest management knowledge; and Desire to see forests left in a &quot;natural&quot; state</td>
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<td><strong>Three Dimensions Of Change</strong></td>
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<td>Volume to Value; Capital to Labour; and Corporate to Community</td>
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SESSION ONE: Questions and Discussion Period

Comparative Prices
(To Jim Smith) How do revenues from log-yard sales compare with those from the regular small-business program?
A. Hard to say. Had studies done showing slight profits. It’s at least as profitable as normal but what is important about the log yard is it makes volume available for anyone. It also employs more people in all phases of operation. I think log-yard purchasers employ more people per cubic meter. And we have happy employees and you can’t put a price on that. Positive feedback because of operation. Even if breaking even, it’s better.

Interest-Group Involvement
(To Jim Smith) What interest do Share groups and the Forest Alliance take in the operation?
A. I don’t know if they’ve visited us officially. Some members have been by. We have lots of industry people in the log-yard every week. They are very supportive as they buy majority of wood. Haven’t had those groups officially but they’re welcome.

Land Ownership
(To Larry Wakau) Without land you can’t do anything. The people of BC have lost tenure to their land here.
A. We don’t own our land, we are just visitors here, merely caretakers. Aboriginals look at land as taking care of it, not owning it.

Shelterwood Management
(To Jim Smith) What are the objectives in leaving only Douglas fir in shelterwood stands?
A. We leave the Douglas where we have just a few species. Fir is most well rooted and so it is primarily a function of wind firmness of the species.

First Nations Participation
(To Jim Smith) I didn’t notice many activities with First Nations in your presentation. Also, are sacred sites respected?
A. If we have one major failing, we haven’t done much work with natives. We have some ideas. We’ve gotten along reasonably well so far but conflicts are on the horizon. Our small business planner is now working on it for me and we have an opportunity to do a better job that way.

Economic Recovery
(To Larry Wakau) In 1961, when the Bureau of Indian Affairs pulled out, how did you get going again?
A. The bonding issue occurred when the Menominee Tribe became a county and became stockholders in a corporation. Menominee was run by a board of directors selected by a congressional committee made up on non-native people in the state of Wisconsin. When profits from the sawmill were liquidated to pay taxes, around 11-$12 million, they charged $5.5 to $6 million for the cost of termination. We were left with deficit, and with no money for refurbishment and retraining. Within five years we were faced with closing mill and selling. We developed and sold some property (12,000-14,000 acres), and started the restoration of Menominee land.

Log Yard Profits
(To Jim Smith) When you say the log yard made a profit, is that before or after the opportunity costs of not having sold it on the stump?
A. I’m not an economist or accountant, I’m a forester so I can’t speak with authority on it. Price Waterhouse said we made a small profit but I don’t know how they did it. Even if we’re just breaking even, it’s better.

Selection Management
(To Jim Smith and Larry Wakau) Has natural selection based on death and mortality been tried as logging method?
A. (Larry Wakau) We are facing a number of diseases so natural forests don’t apply to us in that sense. Are you saying trees naturally die off because they are overcrowded or stressed? Not sure what you mean by that. Also, our methodology is determined by specific site. Our selection of natural mortality is not significant. We have a bigger problem with skidders and damage due to wet weather and so on. These are more a problem than anything else. We do recover many trees from root rot and caterpillar. The percentage of trees left due to mortality we try to recover even if there are only small blowdowns because trees are very valuable. Tribal members are very aware when trees blow down. One issue with us is trespassers — nighttime loggers that cut saw logs and haul them
out. We have a problem with prosecution in non-native court in getting the appropriate dollar value of cutting a log with long term value. Looking at banishment for people who cut green trees, five years for natives.
A. (Jim Smith) Our general management strategy is to deal with natural buildup. We don't mind natural mortality. It's an integral part of a forest system. We will harvest some of the snags, some that are obviously dying but usually we leave these as we go through. We look at trees about to die as future snags.

Surrogate Bidding
(To Jim Smith) How do you stop big logging companies from coming and buying up all the logs to mix with their allotment? How does the smaller company get access to their products?
A. Open bidding system is a problem we have in business in BC. Don't see it as a problem for log yard.

Green Forests or Brown Forests
(To Larry Waku) Are we practicing ecosystem forestry by leaving trees behind? Foresters have looked at healthy forests as green things and eliminating decaying matter might cause a problem. Huge problem that needs to be addressed with certification.
A. This concern doesn't hold any water. We have plenty of animal trees and a tight check list on bird habitat along with plants, insect life and water animals. If anything goes amiss, we're aware of it. We have passed the test. We open the door to anyone who wants to check what we have. We take the volume that is there as prescribed.

Woodlot Size
(To Harold Macy and Bill Howe) What is a reasonable size of lot for an individual or a small company?
A. (Harold Macy) What is the productivity of land must be first question asked. Need to see what other products you can get. Non-consumptive uses of forestry must be taken into account. There are many things in the forest you can make a living on. Must be site specific. Four hundred hectares is provincial site license for coast, six hundred hectares in the interior.
A. (Bill Howe) In US, there are some real battles and terrible examples of private forestry. Certified forestry is a way to go. When we want to do something ourselves, we do it right.

Certification can do this. It allows people to do what they want.

Standards for Forest Management
(To Harold Macy) What are your feelings concerning forest practices on private land?
A. On the east coast of Vancouver Island, the E&N land belt is owned by MacMillan Bloedel. At the woodlot level, there are other ways of working to improve the value of the stand. But if we improve the forest, taxes go up. This is backwards — we should be given incentives, not penalties for improving forests. This would go a long way to help forest practices. We need a diversity of tenures. The more pieces, the more stable something is. Tenure would be very useful as it would remove the speculative engine from the land and restore the spiritual question to the land if we remove the question of money. In Sweden, half the forest is owned by individuals. The rest is owned by government and companies. There is a system of good checks and balances. We have a tremendous imbalance in BC. We need to review and reform the tenure system here.

No matter what tenure holders we have, we need a basic standard of practice as a minimum. I would like to see the Forest Practices Code in practical ways applied to private land. You can't expect everyone to handle the land ethic in the way we do. What does happen is money talks and if money makes people do things, we need to get it in a positive way so that more money will be paid for good forestry practices.

The Role of the North Island Woodlot Association
(To Harold Macy) What role does the Woodlot Association have with woodlot owners in assisting them with management of their properties? And what's the potential for homesteading for public woodlots?
A. The Association has meetings, field days, and so on. We have every gamut of worker in forestry. The Association makes people feel they are not alone. Lots of exchange of education and information. We're all new at this. The most important thing we do is network.

The Forest Practices Code
(open) With regard to the Forest Practices Code — is it applied to all land in BC? There should be some basic standards applied to all lands.
Why was the code brought in on such a limited basis?
A. (Bill Howe) In California 50-60 percent of the land is owned by government and there is lots of private land. The state has very rigorous rules that apply to private land. All timber harvesting must pass test of 100 years in future to be considered managed for long term sustainable yield. What are the cumulative watershed effects on fisheries? What will habitat movement be? It must all be forecast.

Certification and Labelling
(open) What is the paradigm/framework for certification? How is certification going to be different from regulatory process?
A. The Forest Stewardship Council has ten principles that should pertain to forest practices all over the world. Then its up to regional directors to uphold principles in their regions.

Recognizing Value of Small Tenure Holders
(To Harold Macy) Do you have any suggestions to speed up the recognition of value of smaller scale tenures? Examples and ideas please.
A. I think this conference is an example. By bringing examples such as Vernon and to start coming at it from an economic angle. We need to work within the economic system. Balance and power in the community will make more sense than one large TFL and then it will begin to happen.

Legal Constraints
(To Harold Macy) How will we deal with legal constraints to tenure?
A. On the east coast of Vancouver Island, we don’t know how to do this yet. Some companies may be persuaded to let people like horse-loggers or small loggers work on lands on a stewardship contract. They get logs and we get work on contract basis. Need to work together.

Eco Forestry and Private Lands
(To Harold Macy) How do we ensure a broader ecosystem approach at the landscape level — a stewardship approach with deregulation on private lands?
A. You can take a carrot or a stick approach. Sticks won’t go as far as the carrot approach. If I improve my land, my taxes go up. We need to be given incentives so that taxes go down. If you have to fight off speculators and taxes and don’t have knowledge, you won’t have good forestry.

A. (Jim Smith) In most of the world, we can’t expect the same kind of philosophical shift as Larry has at Menominee Tribal Enterprises. Economic incentives are the key to better forestry. We need to educate people in a land ethic. Economics are one answer.

Protected Areas Management
(To Larry Wakau and Bill Howe) Can you speak about protected areas and reference sites within your management areas?
A. (Bill Howe) We treat riparian areas differently than standard areas — from reduced removal to no removal depending on a variety of factors such as wildlife, bald eagle nesting and so on. There are scenic areas which by family policy we won’t operate in. We have a 40 acre parcel chosen where no logging will take place to see what would happen if nothing was done.
A. (Larry Wakau) We have some culturally significant properties and more than one hundred burial sites. We don’t cut within 100 ft of the river, and don’t cut near aesthetic areas. We don’t cut on islands where eagles are nesting. Where there are any road changes, an environmental assessment study is done.
A. (Jim Smith) The whole process of better forest management is evolutionary. We’re going through this and still learning. We’re looking forward to working with local native community and work cooperatively together. Real opportunities exist.

Forest Management In Difficult Conditions
(open) Most of the examples shown in the presentations were relatively small trees, uniform lands and easy topography. How would some of the approaches presented operate in more difficult conditions — steeper slopes, wetter climates?
A. (Larry Wakau) Forestry practices are site specific and cannot necessarily be transposed to different regions. I wouldn’t want to imply that our techniques are perfect nor are they necessarily appropriate for other conditions.
A. (Jim Smith) It’s a fair question but I can’t answer as I don’t have any experience in coastal forestry. What I’ve noted is a switching to new systems takes an act of will to employ new methods, make some mistakes and improve. It seems to me that some of our silviculture systems could be applied, even with your present harvesting technology.
A. (Bill Howe) What is your desired future condition? Need this in mind to answer question.
Also, it's wrong to think what we're talking about today doesn't involve old growth forest. If you're looking at the site you're working in and can mimic nature's conditions, you can begin there.
A. (Harold Macy) On the island, we have lots of second growth forests and if we took better care of these, we can save our old growth forests.

Employment
(To Harold Macy) I think woodlot programs are on the right track. However, the number of people we employ per cubic meter has gone down and the actual share of forest labour has captured has been constant—labour captured 60 percent of value of forest. Labour has done well out of industrial forest management paradigm. If we change this, will wage rates be lower? Can we maintain real wages and practice sustainable forestry?
A. If you offer someone a year round job at a lower rate, instead of high wage for a couple months, which would you take?

Land for Woodlot Program
(To Harold Macy) The province is doubling the amount of land in the woodlot program. What will your association or those within the Ministry who are aware of woodlot program do to prevent logs being diverted to majors? What can be done about surrogate bidding?
A. Majors are helping small woodlot owners with new equipment, buying logs and so on. Legal but it's against idea of woodlot licenses. Need to have this addressed by government and cut through red tape.

Individual Woodlot Management
(To Bill Howe/Harold Macy) For one person to take on management of woodlot is to do everything from inventories to harvesting to value-added production. Is it possible to do all this?
A. (Harold) On a 100 acre woodlot there's not much of a chance you can do it alone. Look at the Scandinavian model where owners cooperate. You need to get together and join forces and be a force to be reckoned with. Sign contracts with a mill to buy wood and you can begin to bank on the cuts and so on.
A. (Larry Wakau) We're losing 1000 farmers a year in Wisconsin. Trying to organize woodlot owners to achieve certification so mills will have chain of custody and sustainable supply so we will be able to help private woodlot owners with marketing, education, laying out trails and so on. We're trying to ensure production of Wisconsin wood, market the product, and get a fair return on the product. Sustain forest production and argue with bureaucracy so collectively you can change some of the laws in the state.
SESSION 2: MARKETS FOR SUSTAINABLE FOREST PRODUCTS

GEORGE WHITE, Sainsbury’s Group, London, England

George White works for Britain’s Sainsbury’s Group of retail companies. He holds a degree in forest products technology from Brunel University in West London.

Mr. White spent five years in the timber trade with Manson and Sons, the largest privately-owned softwood importer in the UK. Manson and Sons regularly imported wood from Scandinavia and Canada, and in particular British Columbia.

Mr. White has continued postgraduate studies on timber bio-deterioration at Dundee University, north of Edinburgh. He has also worked for the Soil Association, which is in the process of being recognized by the Forest Stewardship Council as a certifier of sustainably produced forest products.

Sainsbury’s is one of a number of British companies committed to purchasing wood from forests that are independently certified as sustainably managed. The company sells more than $250 million pounds sterling of wood products each year.

Introduction
Thank you for giving me the opportunity to return to Canada and talk to you about potential markets for "alternative forest products."

I would like to cover several topics during this talk: Why is Sainsbury’s interested in forests and forest products? What are the main issues? How are we managing the issues? Where do we go from here?

The Sainsbury Group

But firstly, I should like to take a few minutes to tell you something about the company I represent. Sainsbury’s is one of the world’s leading retailers. It operates four separate retail chains in the UK and the United States. Together these serve more than 11 million customers a week. In the last financial year Group sales approached $25 billion Canadian. Group operating profit reached almost $2 billion Canadian. Sainsbury’s employs nearly 130,000 people.

The largest part of the Sainsbury Group is the UK supermarket business. With 355 stores it accounts for 80 percent of Group sales and 87 percent of Group profit. A typical large Sainsbury’s supermarket now stocks over 19,000 product lines. Over 9,000 of these are Sainsbury’s own brand lines, and these account for 65 percent of supermarket sales.

I believe that this is of particular importance in the context of what I have to say today, since we have control over the specifying, production and design of all our own brand products. We believe that the Sainsbury’s brand is the most extensive range of house brand products of any grocery retailer in the world.

Our other companies are Savacentre, the UK’s only specialist hypermarket company, and the Homebase chain of home improvement and garden centres. Savacentre, with its 12 sites, sells a vast range of food and non-food products, not only the range of food and drink sold in Sainsbury supermarkets, but also its own brand of clothing, electrical goods, soft furnishings, lighting and many Homebase brand goods.

In January of this year, Homebase purchased the Texas Homecare chain of 240 stores. Following a two year period of integration, the enlarged Homebase chain will then comprise some 300 stores with a share of just over ten percent of the home improvement and garden products market in the UK.

Sainsbury’s also has interests in the USA with our wholly owned Shaw’s Supermarkets, operating a chain of 87 supermarkets in New England; plus a 16 percent holding in another American supermarket group, Giant Foods, operating in the Washington and Baltimore areas.
However, the focus of today's talk will be the UK retailing operations.

UK Consumers and the Environment
My presence here today is the result of a number of visits that Bill Martin, our Senior Technical Manager and Alison Austin, our Environmental Manager have made over the last year to Sweden, Finland, Malaysia, Canada and the USA. The visits to North America amounted to a fact finding tour organized at our request through the Canadian Pulp and Paper Association and its membership, plus also an earlier visit to support the establishment of the North American Buyers' Group - more of this later.

So why is Sainsbury's, a European retailer, interested in Canadian forests and their management?

I think that it would suitable here to explain how important forestry issues are in the UK. Are consumer concerns fundamental, or is this just a passing fashion? Some polls suggest "The Environment" as an issue is becoming a little stale.

Environmental issues are on a floating scale, as one issue moves up, another moves down. Back in the summer, dumping at sea proved to be the issue of the moment. I suggest that now this has moved down the scale subsequently. But it has not gone away.

Other reasons for the apparent falling off in interest must include waning media attention. Like it or not, most people are heavily influenced by media coverage, but the popular media often look for simplistic answers to complex issues. This can lead to misunderstanding, and causes confusion among audiences, who are led to believe that there must be a simple solution to every problem. If there doesn't appear to be one, their concerns increase and they may become cynical.

So then, just how concerned are consumers?

Opinion polls in the UK suggest that although the recession has pushed the environment down the list of public concerns, the underlying trend has continued to harden with each successive generation. A survey of school age children in 1993 showed that of their global environmental concerns, number one was "deforestation", and for local issues "danger to wildlife" came in at number three (after litter and traffic fumes).

A market research survey by Mintel in 1994 identified Sainsbury's as having the highest proportion of green shoppers among its customers, with nearly seven out of ten putting themselves in this category. This proportion has remained the same since 1990. Perhaps you can now begin to see why this is an area of considerable interest for us.

The same survey revealed that customers are generally skeptical about the prices charged for "environmentally friendlier" products; as many as 70 percent feel that they are being overcharged and exploited. This demonstrates to us that any positive moves we make to benefit the environment must be achieved with the lowest possible cost. Although it has been suggested that customers will be prepared to pay a premium for environmentally responsible goods, what people say and what they actually do are often different.

Sainsbury's Forest Products Market
Sainsbury's sells over $500 million Canadian dollars worth of forestry products each year through its outlets. We sell in excess of 10,000 product lines which have a timber or paper based element. This figure does not include the paper in packaging. Such products range from cocktail sticks and chopping boards to babies' diapers, facial and bathroom tissues, vacuum cleaner bags and stationery, i.e. mainly pulp based products. Over 80 percent of the UK's wood raw material is imported.

The scale of our operations, plus the fact that the majority of our customers regard themselves as "green consumers" means that we must have a professional and informed response to our customers concerns and queries. Our customers expect Sainsbury's to know where our wood-based products come from. They also expect these products not to come from badly managed forests, neither are they interested in complex supply chains making this difficult. They are not interested in excuses or vague statements. They want simple clear statements of fact.
Sainsbury's is not a forestry company and we have no wish to become forestry experts. Our business is retailing. Ideally we do not want to be in a position where we have to make decisions on forestry management, on what is good or what is bad.

We needed to develop a rationale that would allow us to manage the problem and bring influence to bear as and when necessary.

**World Wide Fund for Nature 1995 Group**

After a tour of Finnish and Swedish forest industries in late 1994, and some careful consideration, the Sainsbury Group joined the World Wide Fund for Nature 1995 Group (95 Group). The 95 Group was set up in the UK as a partnership, in the widest sense, between the WWF (an environmental pressure group) and industry.

All 95 Group member companies are determined to play their part in improving the quality of forest management around the world. Where it is poor, they try and encourage change; and where it is good they seek to promote this through the use of independent certification. Every week, 20 million customers buy something from a 95 Group member company. Along with Sainsbury's, other leading UK retailers include Boots, Tesco, WH Smith, BBC Publications and B&Q.

The 95 Group companies between them now account for well over two billion dollars worth of sales in forest products in the UK. Membership stands at 50 companies, and accounts for at least 20 percent of all wood products sold in the UK.

All 95 Group members have two things in common; they trade in wood and wood based products, and are publicly committed to ensuring that by the end of 1995 all forest sources of these products have been identified and are from known to be well managed forests.

Within the UK 1995 Group, smaller sub-groups have been established. These groups concentrate on areas such as wood pulp based products, or solid timber products. I believe that these groups are unique. As a member of the pulp sub-group, Sainsbury's is working in partnership with our main retail competitors on this issue. Sub-group members explore areas of common supply and use their combined influence to promote independent certification to demonstrate good forest management.

The Group will be renamed the "1995 Plus Group" from January 1st 1996. The new criterion for membership will mean a commitment to purchasing only independently certified timber by the year 2000.

Since the formation of the 95 Group, a number of other countries have taken steps to set up their own organization with similar aims. Belgium, Holland, Austria, Switzerland, France, and Australia, plus the North American Buyers Group are all being established. The ultimate aim of introducing independently certified wood products from well managed forests is a common goal.

**The Forest Stewardship Council**

All groups recognize the central role of the Forest Stewardship Council (FSC) as at present the only independent and credible organization to shepherd the forest certifiers.

By accepting the FSC, and its Principles and Criteria, we believe that we can overcome one of the prime difficulties arising from environmental labeling of forest products — the diversity of claims and claimants. Consumers are increasingly confused and cynical and mistrust claims that are not supported independently.

**Credibility**

If your label claims are substantive and accurate, then you can attract the growing "green market". But if you get it wrong, you not only risk falling foul of legislation, you also undermine your whole corporate reputation.

Some of the environmental claims that have been made in the UK, and that continue to be made, do not do justice to what the forest industries are trying to achieve.

Claims such as "One tree is planted for each one felled" or "Product made from a sustainable forest" are not acceptable in the UK market place. Such claims as these are being removed from our product ranges, along with all 95 Group members. If we don't remove them, the UK Advertising Standards Authority and the law courts may decide to do this for us!
The key to this all of this is credibility. The healthy cynicism displayed by many consumers translates to open criticism of any sort of environmental claim, especially when we are discussing emotive issue such as forestry. Those with a vested interest in such claims need to have the insurance provided by a valid and credible backup. In this case, the only such independent body is the FSC.

To be credible, environmental labeling must be rigorously researched and verified, and this means high standards and independent assessment. The FSC and its accredited certifiers provide this option. It will make the issue of environmental labeling of wood based products simpler and much more reliable by giving consumers a label they can trust — one that is backed by environmental, social and trade groups, and above all a concept that is relatively easy to explain to our customers.

We see Sainsbury's participation in the 95 Group, and our support of the FSC, not just as a selling tool. We see it as a way of demonstrating to all our stakeholders — customers, shareholders, employees and communities where we trade — that we are a company that takes its responsibilities to the world's forests seriously.

**From Market Niche to Mainstream Trade**

A point I must make is that I find the idea of marketing "alternative forest products" somewhat unsettling. It could be argued that alternative forest products might be items like mushrooms, fruits or even tourism. What we need to discuss here today is sustainable forest management, not as part of an alternative market niche, but very much as part of mainstream trade.

Certified timber products constitute a positive market niche at the moment, and for some producers the "green niche" may be just the opportunity that they have been looking for. I would like to turn this on its head. We believe that in future that part of the market that isn't certified may constitute the negative market niche.

Once a critical mass of certified products exists, and the importance of certification is related to the consumer, the cynicism that I have mentioned several times already, may well be transferred to the implications of not being certified. It will surely be inferred that if a segment of the market is not certified then it is not sustainably managed and therefore to be avoided.

The forest products sector, at least in the UK, has always under performed when competing against steel, aluminum, concrete or bricks. Certification at last provides a marketing opportunity, perhaps a unique one in this sector. Very few competing materials can be sourced sustainably, yet the forest product market always seems to be squeezed by these same competing materials. Certification provides an opportunity for product differentiation. If given the choice of identical products, which would you choose — certified (sustainable) or non-certified (inferred as being unsustainable)?

**Conclusion**

Certification is a fact of life in the UK retail sector. Over the coming twelve months an increasing number of products bearing the FSC logo will appear. We aim to introduce a number of certified products in early 1996.

Timber certification has evolved fairly rapidly in the 1990s, and will continue to develop. A broad comparison of the Helsinki Agreements or the Montreal Process with the FSC Principles and Criteria will show definite overlaps. Broadly speaking these three documents are in concurrence. I see this as a positive thing, it means that we have a common base from which to go forward.

Perhaps in the future the FSC will reach acceptance through pursuing an International Standards Organization approach. Or perhaps another independent approach to ISO will satisfy the FSC. Regardless of who ultimately is at the helm, certification is established, and will not go away. Certification is already a market opportunity, ultimately it may become the means of securing continued access to all markets.

If you will excuse the pun, I do not believe we have a log jam here. For too long, the only news from the forest has been bad. This does not reflect the good work which is going on around the world, particularly here in Canada. Together we can get this message across.
Tony Lent, Managing Partner, Environmental Advantage, New York, New York

Mr. Lent holds a Bachelors in Science from Tufts University and a Masters in Business Administration from Berkeley. Environmental Advantage has a full-time staff of eight and works with a variety of players including large corporations, foundations, government agencies, environmental groups and multi-lateral institutions such as the World Bank that share an interest in sustainable forestry, commercialization and renewable energy.

Headquartered in New York City, Environmental Advantage is extensively involved in the business development and financing schemes that help promote nascent, sustainable industries.

Introduction

Environmental Advantage is a business and industry development company from New York. We focus on sustainable forestry products.

BC softwood lumber imports represents 40 percent of the US market. From a forest management perspective, the markets have changed and in fact have seen a major revolution in the last ten to fifteen years.

There is worldwide an increasing demand for sustainable forestry products. What does this mean to BC? What drives consumers/buyers to buy certified forest products?

The Changing Forest Products Industry

Transformation of the forest products industry is driven by complex environmental and market forces: product substitution, biodiversity loss, forest degradation, consumer concerns, environmental group pressures and regulations/government policy.

The newly articulated demand is pulling sustainable forestry into the market. Companies using conventional forest practices are faced with consumer preference for green products, certification standards and buyers groups for certified products. This leads to sustainable management and trade.

Indicators of market shifts are diverse and widespread. For example, the largest Brazilian pulp producer is actively exploring FSC certification as a source of market advantage. The Dutch government is working with timber importers. Belgium’s largest importers are traveling to Cameroon to talk to their suppliers about forest stewardship and certification. And in Germany, furniture manufacturers are making public commitments to seek sustainable supplies.

There is no chicken or egg problem (certification or market problem). This is an emerging global transition over the next decade. In 1990, there was talk of certification making the rounds in environmental and industry communities. In 1995 we see major certification efforts emerging worldwide. In 1991, the UK WWF Group formed. In 1995 they started buying in significant quantities. In 1994, Swedish producers began to engage in dialogue with environmental groups and certifiers. A likely product will be in the market by 1996. In 1994, the US Forest Service officially endorsed an ecosystem management approach, and in 1995, buyers groups have spread to Belgium, Australian and the US. These are just a few examples of what is happening even as we speak.

The Demand For Certified Forest Products

It’s not just about green markets. The corporate strategy is in seeking the first mover advantage in a changing market, redefining company positioning. By anticipating and adapting to broader definitions of product quality, they are doing the right thing and acting as good corporate citizens. It is also about reducing environmental liability and preempting environmental groups and consumer pressures. It is about expanding corporate environmental strategies to vendor and value chain management. It is also about lowering supply risks and seeking the green consumer’s dollar.

A Green Premium?

Transition to sustainable forestry will cost something just like any other capital investment in future capacity to remain competitive. The issue in BC is export market access. COFI notes that, of paper and wood products exports in 1994, 55 percent of dollar value is exported to US, 23 percent to Japan, 11 percent UK and EC and nine percent to other Pacific Rim markets. The markets that have emerging demand for certified sustainable products are the US and the
UK/EC. Scandinavian, Latin American and US players are gearing up to service this demand.

The Need for Independent Certification
Certification is a conduit for receiving and sending clear market signals. Through independent certification, diverse industry stakeholders are forging consensus about the definitions of sustainability. If you win at this game, you win credibility in multiple arenas. It is also a clear signal to consumers and corporate buyers that your firm embodies the best emerging practices.

PHIL GILBERT, Director of Trade and Planning, Council of Forest Industries of BC, Vancouver
COFI is a BC forest industry umbrella trade association representing six member associations. One of Mr. Gilbert's main tasks with COFI relates to the development and maintenance of access to international markets for western Canadian forest products. As part of that work he is extensively involved with other industry association representatives from across Canada in supporting the Canadian Standards Association (CSA) in its development of a "Sustainable Forest Management" national standard document.

Mr. Gilbert is a registered professional forester with 38 years in the forest industry including forestry, manufacturing and marketing work.

The Canadian Standards Association Process
The objectives of the CSA Process are to raise the level of sustainable forest management across Canada on a continuing basis, provide a credible and scientific basis for confirming that a specified forest area is being managed on a sustainable basis and to fulfill international obligations of the UN, Rio '92, the Montreal Process and ITTO.

The CSA is a 75 year old organization that has a high level of credibility which is needed for certification. It relies on input from government, the public, industry and academia and adopts a consensus approach. It allows for a uniform standard to be applied across Canada. Large and small companies, private and public lands have a joint management responsibility of some sort. CSA uses a multi-stakeholder approach, a fundamental requirement of the CSA process. The process is open, independent and transparent. Anyone has the opportunity to comment on drafts before final documents are published. The CSA has established linkages through the Standards Council of Canada (SCC) and to the International Standards Organization (ISO) for international liaison, coordination and credibility.

The CSA and Sustainable Forestry Management Practices
The multi-stakeholder technical committee was formed in 1994 at the request of the Canadian Forest Industry because of the need to access the 80 countries presently being marketed to. Public sector, government, industry and professionals all sit on the technical committee with an equal balance of 32 people. Standards are not beholden to industry or government or non-government organizations. They must be responsible to all groups. One more draft of the document will be available with publication set for March/April of 1996.

Applications for certification will be assessed by accredited, independent and competent third party auditors, checking actual management systems in place for a defined forest area against the approved CSA standard. A voluntary process will be initiated by the forest land owner and/or licensee or operator. This could be through joint government/industry applications. Auditors will be accredited by SCC. Hopefully those same auditors in BC will be recognized to conduct mandatory Forest Practices Code audits as it will achieve the cost effectiveness objective. We will certify sustainable forest management systems, not specific products (no chain-of-custody in the CSA process as it's considered impractical in the Canadian integrated industry context).

The Utility of Certification
Certification provides a potential communication tool between producers and their customers. This is hopefully a positive statement about the situation and a way of ensuring access to markets. There will be a process in place for maintaining or renewing certification once it has
been earned, as well as for revocation for non-performance, with an appeal process.

Sustainable Forest Management Systems will be compatible with the six national criteria by the Canadian Council of Forest Ministers (CCFM). These are conservation of biodiversity, forest ecosystem condition, health and productivity, conservation of soil and water, forest ecosystem contribution to global cycles and multiple benefits to society. As well, due to the preponderance of public ownership of forest land in Canada, accepting society's responsibility for Sustainable Forest Management (SFM).

The systems will be based on ISO 14000 environmental management standard, and similar to ISO 9000 quality management standard. The CSA standards will include a basic requirement that all pertinent laws and regulations be complied with. The concept of sustainable forest management, its application to a defined forest area or forest management unit and acceptable levels of performance will be based on practical and measurable indicators. The SFM framework will include defining SFM goals with public input, planning to achieve goals and monitoring results.

Key Components of the CSA Standards
Key CSA elements will be commitment by the managing organization, public participation, comprehensive long and short-term plans, implementation, human resource training, responsibility, authority and accountability. Other elements include control procedures, good documentation, communication with all parties, continual improvement and a measurement of performance and assessment. The bottom line is a realistic and sustainable balance of environmental, economic and social interests.

Other considerations include forest managers' attitudes. They must understand and accept the evolving situation. Government attitudes are also crucial and influential. Standards deal with corporate/customer objectives and regulations deal with government/public objectives. Certification will not survive if there is no market for it. There is still much work to be done before any significant volumes of forest products from certified forest lands can be supplied to world markets. Having looked at various options, the Canadian industry is solidly supportive of the CSA and ISO processes.

CATHERINE MATER, Principal and Vice President of Mater Engineering Ltd., Oregon
Mater Engineering specializes in assisting forest products companies to develop new engineering technologies and marketing tools to allow them to profitably manufacture and sell more "value-added" and secondary wood products.

In 1989 Ms. Mater was asked by the State of Oregon to develop a strategic plan to expand value-added wood processing in the state. She was later appointed by Oregon's newly-elected Governor to head a committee charged with developing a transition strategy for the state's timber dependent communities. Many of which were running short of wood.

In 1993 Ms. Mater was selected by President Bill Clinton to serve as a panelist at the historical Forest Summit in Oregon. At the conclusion of the summit, media commentators noted that Mater's presentation came "the closest to offering real solutions" to resolving how to maintain jobs in the wake of a growing timber shortage in the US Pacific Northwest. (Ms. Mater's talk was accompanied by overheads).

Certification as Good Business Sense
We've been in the forest products industry for 50 years. We have a pretty good idea of what is happening in the industry. The whole area of certified products is not a passing fad but becoming a mandate of consumers throughout the world. Seeing the issues appear in popular press indicates it's becoming part of the fabric of the everyday life of consumers.

I want to show you that it makes good business sense to be in the business of certified wood products. We pay attention to the demographics of consumers. The most important environmental issues to consumers right now in the US, outside of hazardous waste, is solid waste and the destruction of natural resources. There is a
critical awareness of what is happening in this arena.

**Consumer Attitudes to the Environment**

Environmental issues are most prominent in consumers who are 35 to 54 years of age, college educated, women, three or more people in house, live in New England or Pacific regions and live in urban areas. Women make the largest percentage of purchase decisions based on price, convenience, need and conviction.

A 1995 Penn State University survey has just been completed. The conclusions show that homeowners are extremely aware of environmental issues and that there does appear to be a market for certified wood products in the US.

The Institute for Sustainable Forestry also produced a study about wood product producers and manufacturers in Washington, Oregon and Northern California. We interviewed the wood product buyers of these states, with 302 companies targeted and 184 interviewed. There was a better than 50 percent response rate in all areas which shows these are very credible results.

Consistent results showed buyers willing to pay at least a five percent premium for certified wood products. Overall results show there is more demand for certified wood products than supply available. The buyers say there is an immediate demand in specific product areas they can fill. This is big business.

Almost 60 percent of secondary wood product producers said they would pay a five percent premium on certified hardwood products and 33 percent said they would pay five percent on softwood. Twenty percent said yes to a 15 percent premium. More than 60 percent of all cabinet manufacturers surveyed said yes to a premium payment and better than 70 percent of all surveyed who said yes to a premium payment were furniture manufacturers. This is important when you’re figuring how you move product in the market structure.

Primary producers were asked the same questions. Thirty percent had received requests from their buyers for documentation of certification but only 17 percent showed any interest in buying certified wood. Clearly, the study is indicating that there is an immediate demand for certified wood products they can’t fill. Secondary wood product producers are seeing a marketing opportunity and advantage, but the information is not being passed on to the primary producers, and therefore not back to the landowners. Here is the real challenge to move this agenda forward.

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*Group Selection - Quarter hectare openings on Vernon Hill Coldstream Creek watershed. Logged Sept’91.*

*photo courtesy of Jim Smith*  
*Vernon Forest District*
SESSION 3: SUSTAINABLE FORESTRY OPPORTUNITIES IN BRITISH COLUMBIA

BILL BOURGEOS, Vice-President, Lignum Ltd, Williams Lake, British Columbia

Mr. Bourgeois holds a Ph.D. in forest soils from the University of Washington, Seattle. He is currently working in forest policy, researching issues pertaining to certification of sustainably produced lumber products, for Lignum, a major lumber producer in Williams Lake, BC.

Prior to joining Lignum, Mr. Bourgeois spent 18 years with the province’s largest forest company, MacMillan Bloedel Ltd. As general manager of woodland’s services, he was responsible for a budget of seven million dollars and about 100 employees. Upon leaving MacMillan Bloedel Ltd in 1992, Mr. Bourgeois worked for two years as an Associate with British Columbia's Commission on Resources and the Environment (CORE), before moving to his current position.

Lignum Limited

Lignum is a privately held company operating in the Cariboo-Chilcotin district with a sawmill in Williams Lake. Relative to the BC forest industry, the company would be considered medium sized. The sawmill consumes approximate 850,000 cubic meters of logs annually, which is about one-eighth the size of MacMillan Bloedel. Approximately 55 percent of the mill requirements are obtained from long-term forest licenses and the remaining logs are purchased from private land owners or small business loggers. Most of our lumber is sold in the USA with the remainder going to numerous other countries around the world. A major portion of our business is lumber trading, involving both Lignum produced products and products from other primary manufacturers.

Sustainable Forest Management and Certification

Lignum and other forest companies have as a primary objective the practice of sustainable forest management. We don't always know specifically what this really means but we understand the concept which is probably where most of you are. Certification is one mechanism that can be used in identifying that a company is meeting the objective. Lignum customers have not identified certification as a requirement or desire at this time for purchase of products. Regardless of customer requirements today, it is the company's philosophy that we practice sustainable forest management. I will use certification to discuss the issues and questions I have in recommending what actions are needed for Lignum to be viewed as practicing sustainable forest management.

Five Certification Issues

The situation Lignum finds itself in regarding meeting the objective of practicing sustainable forest management and receiving certification requires clarification on five major issues.

- what principles, criteria, indicators and standards will be used?
- is it necessary to be certified by one specific organization. Do I have to pick between CSA/ISO or FSC?
- what limitations does a volume-based tenure operator have in attaining certification?
- are our First Nations Joint Ventures and the BC Treaty Process adequately addressing the aboriginal rights concerns?
- how does certification of Lignum products affect our lumber trading business?

I would like to elaborate on these 5 issues to give you an idea of what has to be done before a company such as Lignum can be assured its practices will be recognized as working toward or attaining sustainable forest management.

Certification Principles, Criteria, Indicators and Standards

Ideally there should be one set of principles, criteria and indicators that all certifying organizations would use. However, this is not the case and probably will not occur in the near future. An international set of statements is critical to acceptance. Should Lignum use the principles, criteria and indicators being developed in Canada by the Canadian Council of Forest Ministers (CCFM)? It is expected these will be presented to the UN Commission for Sustainable Development Panel for consideration as the international standards.
Lignum must meet the laws of the land and in Canada this means the Forest Practices Code (FPC). However, I have heard people say that standards have to be in excess of the FPC to be acceptable for certification. Attaining sustainable forest management may take years. I would expect that we will see the Forest Stewardship Council (FSC) continuing to develop as we better understand the Code and sustainable forest management practices. I would suggest we should use the Code as it is but with an understanding that the standards will improve as we learn more. I have also heard people say that only a small percentage of companies should reach the level of certification. Surely we want all forest management companies to practice sustainable forest management and get recognition for it.

The development of standards for certification needs to have all interests equally heard in the development. It cannot be the industry developing the standards and then asking the conservation sector to comment upon them. Equally, the conservation sector cannot develop the standards with little or limited input from the industry and expect companies to accept them. I don’t think we are advancing well in this area.

CSA/ISO or FSC?
I was of the opinion that Lignum would have to pick between CSA/ISO and FSC until I had a discussion with a director of FSC. It was her opinion that we may wish to be certified by both. The rationale for the answer was that we may have some customers that prefer to have a traditional international organization recognize the sustainable practices which would indicate an approach such as the CSA/ISO be selected. In other instances some of our customers may wish to have a conservation sector supported organization such as FSC certify our practices. Ideally we would like the two approaches to work towards one set of principles, criteria, indicators and standards. However, I don’t think this will occur in the near future. It may be possible for them to modify their statements so they can be close. We must recognize that the CSA/ISO approach uses management systems while the FSC focuses on practices. Conceptually, I can see the two being close enough that we can use the systems and practices to complement each other. However, there would have to be a desire to reach this objective by the proponents of each and I have not seen this exhibited yet.

Certification And The Volume-Based Tenure Operator
The usual sustainable forest management concept includes practices throughout the rotation of the life of the forest stand. However, in volume-based tenures the management responsibility of the licensee is from harvest to free growing. The remainder of the management is the responsibility of the Ministry of Forests. Does this mean that no company operating under a volume based tenure can be certified? If this is the case, the majority of BC forest would be managed under a regime that was not certifiable. Is it possible that a company’s practices can be certified based on the responsibilities they have under their license? This is a critical point that must be addressed if you want companies such as Lignum to provide leadership in the area of sustainable forest management.

Aboriginal Rights
Lignum has three joint ventures with First Nation in the Cariboo Chilcotin. They are based on relationship building and attaining sustainable communities. The joint ventures are at the request of the Bands involving formation of independent companies owned 50 percent by Lignum and the Band. In the joint ventures we work with the Bands to address their community needs and aboriginal rights. The BC Treaty process is intended to address land claims, aboriginal rights and fair compensation for resources. This, in combination with the joint ventures goes a long way in meeting the objectives related to First Nations outlined in the FSC principles. However, will it meet the standards being developed?

Certification And The Lumber Trading Business
We buy and sell lumber from companies in addition to that of Lignum. In addition, 45 percent of the logs used in manufacturing lumber in the Lignum sawmill could come from lands not certified. This would mean separation of both the logs and the lumber from Lignum managed forest stands from that of others. This can be done but it costs money. Will the customer recognize this additional cost in the purchase of certified products? To date this is not the case. However, is the cost recognized in other ways such as reduced logging costs? This could be the
reason for acceptance. It is a problem but I am confident we can solve it if there is a good business reason for doing so.

Lignum sells its own lumber and that of others. The others may not be certified. Will our customers be prepared to buy Lignum lumber and separate it from that of others. If not, then we would have to sell certified lumber to some customers and non-certified lumber to others. This would be a significant change to our long standing operations with customers.

These are complications but if a need arises that is justified, we will find ways to accommodate our customers. However, this will not prevent us from conducting sustainable forest management practices.

**Summary**

Lignum is committed to conducting sustainable forest management practices. Certification can be used as an instrument in evaluating whether sustainable management practices are being conducted but it is not a means in itself. There are a number of issues that need to be addressed before sustainable forest management can be recognized.

I hope I have left you with the impression that sustainable forest management is a complex issue and will take working together to solve the questions. However, companies such as Lignum are committed to the practice of sustainable forest management regardless of whether a certification process is in place.

**HERB HAMMOND, Forest Ecologist And Professional Forester, Silva Forest Foundation and Silva Ecosystems Consultants Ltd., Slocan Park, BC**

*Mr. Hammond has 20 years experience in researching, teaching and consulting. Mr. Hammond is perhaps best known for his concept and promotion of "wholistic forest use", which he defines as the protection and ecologically responsible use of the forest.*

*He is a founding member of the Silva Forest Foundation, a non-profit organization devoted to the implementation of wholistic forest use. He also heads Silva Ecosystems Consultants Ltd. In his busy consulting work, Mr. Hammond travels around the world to work with a host of clients who value his specialized forest ecosystem knowledge, applied forest research, economic analysis and wholistic forest plans.*

*He holds a Bachelor of Science degree in forest management from Oregon State University and a Masters of Forestry from the University of Washington. He is currently part of a team investigating the viability of community-based, sustainable forest management in the Russian Far East and Siberia. He is also working on the certification of wood products that meet ecologically responsible standards.*

**Introduction and Reflections**

First, when I was asked to write a report looking into the feasibility of certifying wood products, the FSC was just in its infancy, and I don’t think anyone was interested in wood certification. The point here is independence in certification has to do with being independent from production and wood products. That’s how most of the independent people involved in certification still see it.

Second, having heard what’s happened here so far today, I see something that is not unusual in this debate. I am involved in these issues all over the globe and what I see, whether talking about certification, whether I wear my hat as an ecologist or practicing field forester, is two dominant value systems in conflict with each other. One is an industrially-based, short-term profit ethic with technology at the root. The other is where I believe we’ll find solutions in dealing with an ecosystem based set of values. I don’t know if there is a resolution; there is definitely a competition. As time goes on, that competition expresses itself in a death grip struggle. I don’t think we should back away from that. I have an ecosystem based value system. I believe passionately in that and I believe that my science and training supports that and I believe that it works socially and economically. In addressing the topic of today, opportunities for sustainable forestry, that’s my position.

My third reflection is in this jug of water. It does not reflect light well today. The problem with this jug of water is logging in Vancouver’s
watersheds. We have a situation of inappropriate logging and road construction that ends up with Vancouver’s water being dirty during the rainy season. This is not seen as sustainable and wouldn’t meet Silva Forest Foundation’s criteria of certification.

**Independent Third-Party Certification**
Silva Forest Foundation believes in independent, third party certification. We are not associated purposely with producers, manufacturers or consumers in the marketing end. We need to keep at arms length from that part of the forestry business. We don’t believe producers and manufacturers should be setting standards for certification. There is a need for guidance to meet standards for certification and a need for independence. Certification works best when run by non-profits organizations. Otherwise there is too much temptation to ease standards to fit circumstances. (For the record, I don’t believe the Canadian Standards Association is a non-profit organization). We don’t believe in certifying management systems and management plans. We’re interested in what happens at the landscape level and in the forest and we will never certify unless it meets our standards on the ground.

**Goals and Principles of Certification**
The goal of wood certification should not be to replace today’s consumption of non-certified wood with equal amounts of certified wood. We are still gobbling up resources instead of living off the interest of ecosystems. This means we need substantial reductions in cut.

Certification should also focus on the development of markets for recycled wood. That takes pressure off the existing forest land base. (As an aside, 30 percent of landfill is house parts-mostly wood. We need to recycle this wood so it can reduce pressure to cut the forests).

Certification needs to be regionally based. However, forests don’t have totally different sets of ecological principles between regions. There are important differences but there is also a clear set of basic forest in terms of their composition, structure in forest and function. Composition and structure go together to make function. We must protect at all levels to maintain sustainability. Clearcuts in our system do not protect composition and structure, are not sustainable and therefore are not certifiable.

Sustainability means timber management must be carried out in a way that maintains fully functional forests at all scales through time. All the parts must remain intact from landscape to stand level.

Economies are subsets of cultures and cultures are subsets of ecosystems. We don’t sustain ecosystems. Ecosystems sustain us. This needs to be the foundation for certification and opportunities in sustainable forestry.

**Opportunities for EcoSystem-Based Forest Management in the Forest**
Land use and economic activities are guided by the wisdom of traditional cultures and appropriate science. The economy must be designed to protect the land and culture. Healthy land and water equals healthy culture and economy. The forest is still dominated by clearcuts which are not sustainable. They lack vital levels of composition and structure that are required for function. We burn out ecosystems doing that. If we don’t stop clearcutting, we’re looking at long term restoration jobs. We still have some places to practice ecosystem based forestry in BC. The longer we continue to practice clearcutting, the more likely we will practice restoration forestry. We need to wake up to ecological limits when we look at steep slopes. There are lots of opportunities left but we’re losing them fast. The more we practice timber management by clearcutting, the more we lose great opportunities.

**Social & Economic Opportunities**
There are many benefits from value added manufacturing. More employment and more profit per tree (six to seven times employment in partial cutting and value-added wood manufacturing) means you can reduce cutting (that verges as high as 70-80 percent) and still maintain employment. We need to have shared decision-making. We need to involve people in a way that is real, with timber companies and environmental groups, there is a good opportunity. Economies are subsets of human culture. They are not above the energy flows of ecosystems. The wood quality is not being produced in tree farms. Ecosystem forestry controls quality of wood and won’t compete with areas that grow wood fibre quickly because we want quality wood. Public education is necessary to drive ecosystem certification. Vernon is an excellent model. The government made four
times the stumpage doing forestry practices that employ lots more people per tree cut. Final quality is shared decision making at local level, which eluded us in CORE. Don’t overlook this as a social opportunity.

Political and Legal Opportunities
We operate on the basis of corporate capital. The basic flaw is privatize the profits and communize the costs. That is how we have organized and cut our forests. We can’t allow this to continue to happen if we want real opportunities for ecosystem based forestry. People don’t have access to .90 percent of land base in BC. Opportunities are restricted by the tenure system. The timber supply review is based on current forest management practices, not even on those of the Forest Practices Code. There are still old practices in place. The legal and political structure prevents access to sustainable forestry and to set models for sustainability. Economic transition depends on control as the basis of an economy. The control now rests in the hands of industry, and we need to shift the control. When we talk about what is possible, there are lots of opportunities in the forest and lots of techniques for ecosystem based forestry. We can apply these anywhere if we listen to ecosystems. Economic benefits and political problems are solved through this. The problem is access — who controls, and who has access to the forest.

Control is the basis for the economy. The intangible benefit of certification is that people like to do this. People have a lot a pride here. It also creates more employment, loggers who feel good about what they’re doing, and are more innovative employees. Communities and ecosystems come first — happy and innovative employees help make more profit. What you end up with is a protected forest and happy, healthy community. Don’t ignore the intangibles.

Conclusion
We have a few points to work on. First, we need to reform the tenure system. Second, we need to strengthen the Forest Practices Code Act to make it into an ecosystem based document, not a timber-based document. It needs to include things like a requirement for protected landscape networks and for ecologically responsible portion cutting. We also need to develop directories that connect producers, manufacturers and consumers. We need public education so people understand how forests work and finally, any credible certification system must start at the forest.

ROBERT DUDOWARD, Forestry Chair For The Council Of The Haida Nation (CHN), Queen Charlotte Islands, British Columbia
Mr. DuDoward is a veteran faller, with 18 years experience in the logging industry. Much of his logging was done on the Haida Gwaii, also known as the Queen Charlotte Islands. Mr. DuDoward is one of a number of respected leaders on the archipelago who feel that current high logging rates pose a danger to the long-term social and economic well-being of the Haida Gwaii’s communities.

In his ongoing work, Mr. DuDoward has secured funding from Forest Renewal BC for field surveys of heavily logged watersheds on Haida Gwaii. The watershed assessments have uncovered a host of logging-related problems that are now being addressed through rehabilitation plans drawn up by the CHN and funded by Forest Renewal.

Like other islands residents, Mr. DuDoward wants logging rates on the islands lowered immediately. In addition, he and the other island leaders are calling for an end to corporate forest tenures and their replacement with community-based licenses.

Introduction
I want to present a brief history of how the Haida Forestry Branch evolved and some insight into some of our programs. The Council of the Haida Nation was in interim level negotiations with BC government negotiations in June, 1993 when I realized there was a need to develop structures to document activities in the forest and gather data to present facts that would make a change in the cut on our islands. We had a sense of urgency to develop these because complete ecosystems were being destroyed. This had to be documented and shown to the people of BC. We needed to gather scientific fact and produce inventories of what was left to show that volume based tenures
weren't working on Haida Gwaii. We have since developed four ongoing programs.

**Forest Watch Program**
We look at the five year corporate development plans and review 20 year management plan. We make comments on these plans and try to hold corporations to existing policies and guidelines. Corporations ignore the guidelines and blame the Haida for their reduction in cuts. They feel the Haida lands are the last frontier and no guidelines need to be followed. Corporations refuse to hire the men it takes to get their permits out in a timely fashion. We've shown volume based tenures are not working on the islands. We also do field reviews with all the different forestry agencies. We have a very solid presence in our forests and know exactly what is going on. We have logged in excess of 2 million cubic meters per annum, a substantial contribution to the economy of BC and want to have some say in how that quantity is extracted.

**Watershed Restoration Program**
The Council of the Haida Nation pursued money from Forest Renewal BC to repair some of the habitat that has been damaged. We have 78 extinct salmon producing streams needing to be restored, damage that is directly attributable to current logging practices. Watershed restoration money will repair some of those streams, have trees grow back and have the salmon come back. This is an opportunity to repair damaged ecosystems and habitat on homeland.

**Culturally Modified Tree Inventory**
This program is currently sponsored by corporations. We go into licensed areas and identify cultural areas to be protected. Our hope is to achieve an inventory that will provide the licensees with the knowledge of where our ancestral work areas are. We are also hoping to save money for corporations in inventory work. Sustainable work of Haida people through concise documentation will save corporations in the long run and contribute to sustainability.

**The Traditional Use Study**
This is an inventory of medicinal and edible plants and spiritual places of the Haida Gwaii. This has primarily been funded through Tourism BC. We are documenting areas that would normally be lost. Hopefully our work will contribute to a reduction in cut, but we are also developing a plan to extract less fibre, intensify the work force and raise prices of fibre coming off our lands.

**Conclusions**
People must understand volume-based tenure systems are wrong. There is a high value in fibre grown on the coast. If we continue at the current rate of cut, we will lose all the wood and animal habitat. Canadians will lose as well as the Haida. We must first develop a plan. We want to add to the value and economy of BC. If we can show you a plan for a sustainable cut and at the same time, increase manufacturing on the islands, we can contribute more to BC than we presently do now.

The bioregion of the Haida Gwaii can be an example of how to do things right. We need skilled people to come and help achieve our goals.
ROGER STANYER, Chief Executive Officer of Forest Renewal BC, Victoria, BC

Forest Renewal BC, a Crown corporation is responsible for investing hundreds of millions of dollars in a variety of forestry-related ventures. Forest Renewal money helps support forestry-dependent communities, an expanded value-added wood products industry in the province, the restoration of watersheds damaged by previous logging, expanded forest inventory work, various intensive silviculture programs, forest industry worker training and education initiatives.

Mr. Stanyer worked in the labour movement for nearly two decades with the IWA-Canada. After leaving the union where he was national Vice-President, he went to work for BC’s Ministry of Forests in 1992 as Special Advisor to the Deputy Minister. There, he oversaw a number of projects concerning recent trends in the forest industry. His particular concern was how those trends impacted on community development. Mr. Stanyer also served as Assistant Deputy Minister of Labour Relations, prior to being named to Forest Renewal.

Forest Renewal BC

In Forest Renewal, industry, government, environmentalists, communities and so on formed a forest eco-strategy committee. The opening premise was that the committee was part of BC Inc., and was to look at the best interest of province by way of creating a strategy for BC. In developing this strategy, it became apparent (based on profitability of industry and the coming together of ideas around the table) that the interim advice to government was to create a crown corporation that would invest funds back into the forest economy and towns and people.

Some saw this as a possibility to create some positive work in BC. It’s easier to be politically sustainable when removed from government. The interests in the forest economy are all represented on the Board of Forest Renewal. An increase in harvesting fees created a cash pool estimated to be $400 million per year. We then had some regional equitability built into the legislation. An average of fifty percent of the Forest Renewal money should go back into the forest. Twenty percent of the money will be spent retraining our work force. Fifteen percent of the fund is aimed at environmental projects like the Haida stream restoration project. Over time, hopefully the focus of the money will shift so there will be greater opportunity to spend money on environmental protection. In this light, it was meant to give people a better opportunity to participate and guide their own destiny rather than pander to the major corporation in town. The business plan this year is to spend $250 million.


photo courtesy of Jim Smith
Vernon Forest District
DEREK THOMPSON, Assistant Deputy Minister, Ministry of Government Service's Land Use Coordination Office, Victoria, British Columbia

Mr. Thompson has had a long distinguished career in British Columbia's civil service, and is the holder of two geography degrees—a Bachelors of Science from the University College of Wales and a Masters in Geography from the University of Victoria. He was formerly a Director of Planning and Conservation with the Ministry of Environment, a position that gave him responsibility for planning and natural resource management in more than 400 provincial parks and 131 ecological reserves covering 6.6 million hectares of BC's land base. In 1992 he received the Federal/Provincial Parks Councils' Merit Award in recognition of his outstanding contribution to parks and conservation. Mr. Thompson was represented by Nancy Wilkin on the second day of the symposium.

Land Use Planning in British Columbia

BC holds 38 percent of Canada's timber industry with an inventory of 22 percent of the nation's productive forest area. The Forest Practices Code is driven from below and above. Society's expectations need to be met with economy and management of resources. The plans produce zones of protected areas in which the forestry industry focuses — resource management zones. We have completed Plans for the Kamloops and Prince George areas, and while we don't have a fully functioning plan for Vancouver Island, the important thing is we have a broad statement of values and expectation of fisheries and wildlife habitat and linkage. The plan currently says if biodiversity is applicable anywhere on Vancouver Island, it is applicable in the Low Intensity Areas (LIAs).

Low Intensity Areas

LIAs are areas possessing combinations of special environment and resource values, to be used for extractive and non-extractive purposes. The concept is to respect and minimize impacts on their special natural, cultural and recreational qualities and functions. Timber harvesting will be regulated with respect to standards and will be guided by principles of sustainable ecosystem management. The goal is additional timber harvest reduction of 10 percent or less per region.

Some of the general principles and guidelines for Vancouver Island LIA's include creating a special resource management zone with a primary focus on Special Forest Management under the Forest Practices Code. Each LIA will have an objective statement and management guidelines, and permits will be consistent with the guidelines. We anticipate it to take two years for compliance and all plans to be consistent. There will be a planning process, imposed silviculture practices. Visual quality and scenic values will be incorporated as well as a high level of cultural, heritage and archaeological values. There will be biodiversity maintenance and old growth conservation. The guidelines also call for community watershed water quality maintenance, recreation value and opportunity maintenance, and wildlife habitat and population protection.

Some of the forest management principles will encompass planning and managing according to the concept of sustainable forest ecosystem management. Individual values will result in individual objectives to be refined by early emphasis on Landscape Unit Planning. Forest development must remain viable. The Forest Practices Code and Guidelines will be applied and monitoring will take place.

Conflicting Advocates

Advocates for the environment want radical change and say the sustenance of the environment takes precedence over development. They feel the ten percent reduction in cut is only a rough guide. The forest sector is anxious about maintaining the harvest and are lobbying for no radical changes and making the ten percent reduction an absolute.

Biodiversity

A biodiversity guidebook that applies to landscapes and stand level planning process has been produced. Biodiversity Management Alternatives have been developed and will be applied within biogeoclimatic subzones. Lower biodiversity emphasis in timber harvesting will affect 45 percent of our harvesting landbase. Intermediate biodiversity emphasis will affect another 45 percent of the area with the remaining ten percent being slated for higher biodiversity emphasis.
SESSION TWO AND THREE: Questions And Discussion Period

Certification and Labelling
(To Phil Gilbert) Would you buy a radiant heat panel that was CSA approved?
A. CSA made a mistake and it has been corrected.

(To Phil Gilbert) Who has contributed financially to the CSA process?
A. Over $1 million from industry

(To Phil Gilbert) How specifically does the CSA standard differ from Forest Stewardship Council?
A. It doesn’t dictate size of tenure. It also sets in place a management process for local input and consideration and assessment if that process is appropriate for that site.

(To George White) What is the opinion of Sainsbury’s of CSA approval - will it have the buyers’ confidence?
A. No. We will only use FSC by the end of century. In the short term CSA will be allowed breathing space and will be reviewed.
A. (Phil Gilbert) Industry in Canada is working with other countries. We think there is a good match between ISO and FSC requirements. CSA is focusing on management of forest land, not chain of custody. It is not achievable in Canada.
A. (Catherine Mater) If certification is going to work there must be an incentive to do it. It makes good business sense to do it. It should be voluntary but with incentives to make it work. The US is in process of making chain of custody more effective and cost efficient because the consumer is demanding it.

(To Phil Gilbert) CSA standards will sometimes be tougher than meeting the Forest Practices Code. Is what is being proposed going to meet the criteria of the future?
A. Consumers pay attention to the clearcutting issue. If consumers have confidence then they will accept standards.

Health and Forest Products
(Open) There has been a significant increase of respiratory problems in young people - in schools and so forth.
A. (Catherine Mater) Composite board manufacturers have problems. There are very clear issues with consumers. It’s actually probably more of the issue of tighter building methods that keep pollutants in the house.

Labelling
(To Tony Lent) How is the proliferation of a number of labels going to affect the consumer buying?
A. It appears that all certifiers that are FSC accredited will use that logo and their own. There will be competing standards for maybe as many as ten years or more. We’re seeing a lot more credibility that clearly differentiates them coming from expert bodies.
A. (Catherine Mater) Multiple labeling is confusing to consumer. There needs to be unified label process for consumer. There is more internal value for the labels than to the consumer.

Certification and the Small Contractor
(To Phil Gilbert) Will every job by small contractors need to be audited? How does it work on a small scale?
A. CSA is designed for every size of contractor in the country. In New Brunswick, the woodlot owners are banding together to help each other. If your customer wants certified wood, then you need to address that question.
A. (Catherine Mater) If there is market value to have lands certified, resource co-ops are set up and profits are passed back through the system.

Development Projects and Certification
(To Herb Hammond) How can you fell wood in a development (project houses, roads and so on) and have wood certified?
A. FSC regulations says it is not certifiable.

CSA Expertise
(To Phil Gilbert) What is CSA’s knowledge and basis for providing real guidance in sustainability? Is public participation a true and valid part of process?
A. There are representatives from First Nations, other groups from various provinces and organizations across country. I don’t have a list. Some groups have chosen not to be involved, yet others are still at the table giving good information and representation from across country.
Credibility of CSA Process
(To Phil Gilbert) Certification is to protect the forest and guarantee the consumer this is what is happening. Also, the First Nations involvement in the CSA process is industry involvement. More than 50 environmental groups and organizations have criticized CSA process. This questions the credibility of the CSA process.
A. We are moving toward the ISO 14000 standard. We have had no formal vote put forth. It's premature to get to a vote because of the level of confusion surrounding what was going on. New Zealand has offered to convene a study group designed to work through this so more countries have an understanding of what the process is about. The statement about the 50 groups that won't participate is correct but there are many other hundreds of groups in the country and several are still at the table. This process is not going to please everyone. It is a consensus basis and hopefully will work for the most groups represented.
A. (Catherine Mater) Demand for certified wood far exceeds supply today. Part of decision making is who takes the lead and who seems to have political acceptance and is ready to move because of supply problem.

National Certification Schemes
(Open) Given the difficulty of implementing the Forest Practices Code, and the complexity of ecosystems across the province, never mind nationally, it seems too difficult to adhere to all this. How do you certify wood in the first place?
A. (Tony Lent) There are two streams of thought here — certifying wood and certifying the management process. One of the problematic things worldwide is the notion of national certification programs. A lot of certified products available from certain countries are not terribly credible.

Criteria for Certification
(Open) I didn't learn any of the criteria being applied to certification. Are there any underlying criteria on an international basis available? Many of these programs are similar in scope — health, equity, community participation and so on. One thing considered is auditing forest practices, not widely accepted by industry.
A. (Catherine Mater) Many companies are looking at this as a competitive advantage. In working with industry, there is a great level of misperception about the requirement for achieving certification. People believe you can't get certified by FSC if you are clearcutting. This is not the case. The same goes for pesticide use. You need to be clear in understanding what the criteria are.
A. (George White) Social, economic and environmental criteria are part of the FSC principles. Local interpretation and standards come up depending on the ground conditions.
A. (Phil Gilbert) Criteria developed by the Canadian Council of Forest Ministers include conservation, forest ecosystem health, multiple benefits to society and so on as basic criteria.

Rate of Cut
(To Herb Hammond) How does “rate of cut” fit into discussions of today?
A. Rate of cut is the central issue, which comes out of hopefully good science, values, intuition and practices. Far too often it is one of those things done with not very good information. We have just done the first ecosystem based, spatially oriented plan, maybe in a lot of the world. We asked the question “What do you need to sustain ecosystem function?” We went through the process of defining what minimum was needed to maintain at the landscape level and then made some assumptions of what was needed for structure and composition to be maintained at the stand level. The results were a cut reduction of that particular landscape of between 75 percent and 85 percent, much higher than even I had anticipated. The next stage was to design an economy around that. So, when you take the numbers that you could make with value-added manufacturing and you accept the notion of perhaps redistributing some of the wealth, then you could replace all the timber jobs with that kind of cut reduction, keeping all the employees in the forest industry. We need to look in ecosystem time frames, not human time frames, far more than a few years down the road. The timber supply review process of set cuts is incredibly flawed. Among many things, it is not spatially oriented and if you don't use a planning system that is spatially oriented, how could you hope to have good planning decisions to come out of it?

Forest Practices Code and Private Land
(To Derek Thompson) When will the Forest Practices Code (FPC) be applied to private land?
A. I'm not directly involved in that but my understanding is the government is working on this currently and hopes to have something in place soon.
A. (Herb Hammond) I need to point out the FPC is largely modeled around an industrial-based system of forestry. You can’t apply FPC policies on private land as most private land doesn’t work on an industrial model.

Women and Forestry
(Open) There seems to be a real large barrier for women to get involved in forestry. What is being done about finding a greater diversity of people to get involved in forestry in BC?
A. (Herb Hammond) Our organization is gender-balanced. I think we need more women in forestry because it’s a lot easier for women to start from their hearts and I think that’s where we need to start to solve some of these problems. One way to remove barriers is through education to teach people that emotional arguments are valid.
A. (Roger Stanyer) We are strong on affirmative action and hire women in particular, granted many are in secretarial position now. However, some management positions are represented by women. Outside the office, a significant number of people we deal with are women and First Nations. Other than that, Forest Renewal does not have any particular instruction to go further.
A. (Derek Thompson) We are having a problem finding qualified professionals and we’re finding that all gender barriers have disappeared, with almost equal balance of men and women in areas where we are hiring. Women need to be better represented in boards and associations, although I don’t expect to see huge changes in the future.

Forest Renewal Expenditures
(To Roger Stanyer) Can you tell us how the Forest Renewal money has been spent so far?
A. If you want the list of projects, we can do that, providing all you need is where the money has been spent, not what has been applied to as there are legal concerns around applications regarding intellectual property.

Tenure Reform
(Open) How are we going to return to the issue of tenure reform? How do we challenge the status quo to get it changed?
A. (Robert DuDoward) You need to put together some alternate plans that encompass all aspects that you can present to government. You have to show them the numbers of the increase in the workforce, the reduction in volume, and so on. Put together groups of people to demonstrate to the government that it’s achievable.

A. (Derek Thompson) We are in midst of big changes in province, and it’s not easy to put aside old ways. Lots of people are still saying that’s nice but it’s not far enough. The government is currently saying they want to consistently apply the changes that we have put in place at this point.
A. (Herb Hammond) I agree with what Robert said about alternate plans, and it ties into what Derek just said. Because we were reducing cuts, often times without good planning, and we’re not providing the kind of practical economic transition that needs to be made, then tenure reform gets a bad name. If you produce alternate plans, and redesign local economies to fill the gap in economic transition and use different models creatively, then you reduce fear in communities. Tenure reform is absolutely needed if we’re going to have any kind of real opportunities for ecosystem based forestry. Coalitions are important and coalitions with labour, indigenous people, government and so on can not only help in education but in formulation of plans of community based economies.

Low Intensity Areas
(Derek Thompson/Nancy Wilkin) How are LIA’s working in regard to Clayquot?
A. The report and recommendations of Clayquot Sound have been accepted. The government is using it as a testing field. We’re placing more emphasis for biodiversity, special wildlife areas being established, wider riparian areas and so forth are criteria established to move to ten percent.

Wholistic Forestry
(To Herb Hammond) Can you elaborate how you choose which of the many different species, compositions and structures you need to protect? Which is the right one?
A. There is no right one. When you look at it from a landscape or stand or patch level perspective, you need to look at it in terms of scale and time. We need to think about succession when we design timber management practices, and we need to accommodate composition and structure as it exists naturally. The key thing missing in conventional timber management is it should be left alone and not manipulated the way it is in current practice. When you look at that through time, the early succession stage needs to be kept at the same ratio as it exists naturally. Like ideally leave the old growth phase to run through its duration.
naturally as well. I’m not suggesting one phase dominates any other. It is interesting when you look at temperate rainforests and some interior wetbelt forests, that old growth forests dominated the landscape there. That should give us a lead to the kinds of composition and structures that are generally going to dominate over human time frames in timber management.

What is Sustainable Forest Management?
(Open) What is criteria for sustainability? Do you think rate of allowable annual cut is the issue in forest management issue in BC today?
A. (Bill Bourgeois) I’m not sure that many of us know what we’re talking about when we say sustainable forest management. AAC is a blunt instrument, driven by assumptions. I don’t share some of Herb’s views. I don’t feel we’re doing enough to balance the social, economic and environmental stool from a forestry perspective. Sites are not producing what we could potentially produce. I don’t share the idea of a uniform concept across the board. I believe in zonation- regionalization. We need to set targets in fibre production and other values before we discuss AAC. If we are going to achieve a balance, we need to do the zonation. We are discussing forest practices of today but we are all talking from different bases of assumptions. Until we establish a common ground and clarify the assumptions we are using, we can’t have a meaningful discussion.
A. (Herb Hammond) I agree the AAC is an issue. I don’t agree with Bill that we don’t know to deal with the AAC. It is not good forestry or a professional position to say let’s keep the cut as high as possible until it proven we need to lower it. Evidence is available in spades and in terms of how to lower it, there are some simple things to do. Someone produced an ecosystem based plan. If ecosystems are going to provide long term value and keep functioning to sustain water, air and so forth. What needs to be protected in order to do that? We did an aerial photo process to my land. We went through the process and applied variable retention silviculture and out other end came an 85 percent reduction in AAC. That even shocked me. How do you design an economy around that? We looked at Jim Smith’s model and log yard and partial cutting jobs he’s doing. We found three to four jobs per 1000 meters cut. And if take conservative average of value-added manufacturing study, we found another four and a half jobs which more than replaced the forest-timber based jobs and achieved the 85 percent cut. We can’t get past legal tenure system.
A. (Nancy Wilkin) We need to address zonation. We need to change everything to speak from a new point of view. Change is too great for people to grapple with. How can companies like Lignum make these changes when they are saying I want to become sustainable? We have a government that has a system set up based on economic forestry. The system is so huge it takes time to make changes. The government’s role is to protect the public good and maintain it and the public good right now is to protect the economic value and maintain it at certain level so they will only impact it to the degree where communities will remain stable.
A. (Herb Hammond) We’re talking about changes made at a local level to maintain local community economics. What it does is shift some of responsibility into community based economics. You’re saying it’s a top down solution instead of bottom up. These changes are happening in small places like Vernon. We need coalitions like on Haida Gwaii.
A. (Robert DuDoward) The cut calculation is on table but so is tenure reform. We contribute two million dollars a year to the overall economy of BC and welcome value-added production to add to employment.
A. (Bill Bourgeois) I have two points to make. First, 20 percent of lumber we produce goes to remanufacturing plants, 82 percent in Williams lake. We are a strong supporter that five percent of TFL license goes to small manufactures. We want to do that but it can’t happen until someone says ‘I have a business and a market for it’ so we can sell them the lumber. However, it’s a competitive market so a low price can’t automatically be offered. My second point is the influence the industry has over government is dead. It may have occurred in the 50’s and 60’s. But, the environmental community has much more impact and control in setting standards. We may have indirect control in what the government says they’re going to do things that may appear to be preferable to us than environmentalists but I don’t think we have much control at all.

The Swedish Experience
Q. (Open) Sweden has essentially deregulated their forests and privatized everything.
A. (Herb Hammond) You’re alleging all 60 million BC hectares are alike and can operate on the same forest practices in all landscapes. You
can’t do that. You have to treat each landscape differently and treat it as nature would treat them.

A. (Nancy Wilkin) To me it’s more than just forest, its biodiversity. Sweden doesn’t have any more protected areas. They have issues around marketing a non-clearcut product that comes from a clearcut system. We’re dealing with a different language. There is a good marketing and education campaign in Sweden. They’ve now formed a three person review team to review their deregulation scheme because they’re worried they may not get protection of the forest they were hoping for. They have no regulations and are standing back to see how it works. We’re in a position in BC where we have regulations and we’re standing back to see how it works.

Non-Timber Forest Products and First Nations

(To Nancy Wilkin) There was no mention of First Nations. What is sustainable for First Nations to survive? What about alternatives to forestry?

A. Botanical forest products is a place to start. The Ministry of Forests is completing a study that shows a huge value in these products out there. There are allowances in the Forest Practices Act to have suppliers registered so the government can get a handle on size of the product and the market to maybe move into regulations to protect those products.

A. (Robert DuDoward) We’re looking for alternative products and harvests. We need a closer look within our ecosystem to find out where the markets are.

A. (Herb Hammond) I have had the privilege of working with indigenous nations. What you’re pointing out is a large problem when what is being talked about are treaty agreements and providing some kind of inner protection measures for sustainability of indigenous people yet we don’t provide a basis of protection of the land. They’ve gotten weaker and weaker. What is sustainable for First Nations? That has to be an independent choice by each nation, but we owe it to you to make sure there is a large enough land base after the treaty so you can have opportunities, however you define them.

A. (Bill Bourgeois) We now have a joint proposal for alternate forest products proposal between us, government, UBC and one of the bands to look into markets for a type of mushroom that has a high value for overseas market. The thought here is to work into a joint venture with First Nations. It’s a small one for us but it may not be small for that band.

(To Nancy Wilkin) Regarding regulations to botanical medicines, who has the right to say who can harvest them?

A. The legislation doesn’t do that. It was an introduction into botanical forest products where you can register but that’s as far as we can go because there isn’t the knowledge or information to enter into any kind of legal framework.

A. (Herb Hammond) Most of the joint ventures with timber companies still maintain major control over decisions of where and how much to cut. Would timber companies be willing to enter into joint venture like the Haida where an ecosystem based forestry system is used as they would like.

A. (Bill Bourgeois) One of our joint ventures is in the process of considering this now. Our joint ventures are initiated by the bands coming to us. Secondly it is a 50-50 percent ownership and there is a clause in every venture where the band can buy us out after five years if they choose. One joint venture has been through the five year process and have chosen to renew it for another five years. Eventually they may feel ready to take it over themselves and that is fine. Some questions are not do we or don’t we cut trees, but how do we cut trees. Our joint ventures, fundamental to us, is relationship building. We can’t operate in a community without the acceptance by the community. If we want to maintain a fibre security for the mill we run and we don’t have a good relationship with the band or community, we won’t get the fibre. The band is going to make the ultimate decision.