

## Haida-B.C. deal 'bleak' for coastal loggers

Pact would see harvest drop 38% from current levels

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A land-use plan for the Queen Charlotte Islands-Haida Gwaii that includes constraints on logging is raising alarm in the coastal forest industry, where licensees say they stand to lose 60 to 75 per cent of their harvesting rights.

If the land-use agreement between Victoria and the Council of the Haida Nation goes ahead as written, it could wipe out logging operations, jobs and over \$100 million a year from the provincial economy, say companies operating on the island archipelago.



CREDIT: Bill Keay, Vancouver Sun  
The Queen Charlotte Islands have been heavily logged for decades.

But Agriculture and Lands Minister Pat Bell said logging operators have to wake up to the fact the old days of large harvests and log shipments from the islands are over. The cut is coming down. But despite the constraints on harvesting, the Haida and the province have agreed to maintain harvest levels at 800,000 cubic metres -- a 38-per-cent drop from the current allowable annual cut of 1.3 million cubic metres.

"We are looking for a sustainable future for the islands; a future that is predictable. People will understand the business model going forward, and that this is the volume of fibre that can be extracted in a sustainable fashion," Bell said Tuesday.

The agreement is in its final stage at talks taking place in Vancouver. Both parties describe it as addressing long-standing resource and land-use issues. It includes permanently protecting 225,000 hectares, initiating ecosystem-based forestry and a mandate to harvest 800,000 cubic metres of timber annually.

But whether the islands, which have been heavily logged for decades, can sustain an annual harvest of 800,000 cubic metres is far from assured.

The B.C. Timber Sales agency suggests in a report that constraints on harvesting could make logging uneconomic in some areas. And a confidential report, that Bell said he has yet to see, discusses the 800,000 target and addresses whether that number is actually economically viable.

Forest companies say their own analysis of the land-use agreement shows the annual harvest could be reduced to 300,000 to 400,000 cubic metres, a 60- to 75-per-cent drop from the current 1.3 million cubic metres. The actual average harvest over the

last seven years has been 1.12 million cubic metres.

"The impacts of these cuts will be felt not only in the Queen Charlottes but downstream in communities with sawmills on Vancouver Island and the Lower Mainland," said Rick Jeffery, president of the Coast Forest Products Association.

Some operators, Surrey-based Teal-Jones Group in particular, would be harder hit than others. Teal-Jones is the largest employer in the community of Sandspit, and runs the largest solid-wood processing plant in British Columbia at Surrey.

The land-use plan's impact, according to the company's research, would reduce the harvest by 65 per cent, making its remaining cut uneconomic to harvest. It would force the company out of Sandspit and cost jobs in Surrey, where fibre from the islands is milled.

"We are the smallest of the three major licensees," said Teal-Jones chief financial officer Hanif Karmally. "That kind of cut basically devastates our operation. Our operation will not survive in its current form at all. We cannot run a stand-alone operation based in the Charlottes from the volumes that will be left for us."

Karmally said Teal-Jones has found both the province and the Haida easy to work with over the land-use process, but the company is concerned that its own internal assessments of what is practical may be overlooked.

"By the very nature of what forest companies do, we end up with the best technical data on what can happen on the land base," he said.

At Husby Forest Products, vice-president Bob Brash said his company's assessments show not only will the harvesting level drop by 60 to 75 per cent, but that costs could go up 20 to 25 per cent. At the same time, constraints on the cedar harvest will result in lower revenues.

It all adds up to a bleak business picture, he said.

He said although the talks are still in progress, Husby is concerned that the projections show their operations could be affected significantly.

"With those kinds of figures staring us in the face, we would welcome the chance to talk to both the Haida and the government," he said.

The union representing 250 forest workers on the Queen Charlottes also expressed concerns.

"The government and the Haida appear determined to finalize the agreement," said Darrell Wong, president of Local 2151 of the Steelworkers Union. "They want to start a new future there. But you really shouldn't shut down what you have until you've got a new economy in place."

The largest licensee, Western Forest Products, had no comment on the agreement.

Bell said the issue is not closed and efforts are still underway to find a way of accommodating a harvest of 800,000 cubic metres.

"I don't want to underestimate the effort it will take to find 800,000 cubic metres. The islands have had a huge amount of forestry going on up there historically over

the decades," he said. "I was very surprised as to the volume of timber that has come off the islands and the number of clear cuts I saw when I was up there."

He said the province is considering offering forest companies timber in other regions of the province -- such as the mountain pine beetle-ravaged Interior -- to replace what they lose on the islands.

But forest companies need to be aware of the overall provincial goal, he said.

"What we really are looking to do is creating long-term certainty on the islands and avoiding the confrontation we have had up there over the years."

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