

Challenging year ahead for truck loggers CONVENTION | Forest revitalization a major issue

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Expect a lot of serious talk at next week's Truck Loggers Association convention as the venerable organization wrestles with a series of issues that is expected to make 2006 a challenging year for the coastal forest industry.

The 525-member organization, which employs 6,500 workers, is shouldering a huge challenge at its 63rd annual convention which is titled TLA -- Champions of Change.

Areas of focus are more or less a shopping list of themes for the revitalization of the province's forest sector and adjusting to the changes arising from the provincial government's 2003 forest revitalization program.

Challenges include dealing with impacts of consolidation of manufacturing, reducing workplace accidents and forging a strong economic relationship with first nations who were apportioned a percentage of the allowable annual cut on the coast as a result of the 2003 program.

"We are only midstream," association executive director Jim Girvan said in a Friday interview.

"Difficult changes that were needed on the land base are still going on, with the tenure transfer. If we can get a better working relationship with first nations that results in easier access to the land base, that will be good for all of us."

Speakers at the conference include Premier Gordon Campbell, Forests Minister Rich Coleman and Minister of Aboriginal Relations Tom Christensen.

"We are seeing on the ground change, this year probably even more than when they introduced the revitalization plan in 2003," Girvan said. "We are seeing the transfer of tenures. We are seeing contractors move from contract work with the majors to a significantly increased timber sales program. We are seeing the majors divest tenures to first nations, so there is more community control there. These are real changes that impact our membership."

The industry is still struggling to find a market for one of its main products, hemlock, and needs \$2.5 billion worth of reinvestment in sawmills and wood processing, and pulp and paper mills.

Rick Jeffery, Coast Forest Products Association president and CEO, said his members attending the conference are eager to hear news that would get that much-needed restructuring under way.

"We're hopeful at the conference that we will hear announcements from government on some of the things we've been working on with them to address the cost issues and we're hopeful to hear some ideas from the truck loggers as to how we are going to create the conditions that will attract that \$2.5 billion," Jeffery said.

"We've had one year of positive net earnings in the past five years. In the last decade we've had positive earnings in four out of 10 years. Losses exceed profits by a long shot.

The industry is just in poor financial shape. On top of that our return on capital over the last eight years has been 2.5 per cent. It's hard to attract capital here if that's the kind of return that we're generating."

Solutions would include some form of tax relief -- possibly lowered corporate capital taxes or municipal property taxes -- that would make the industry more attractive to invest in, some regulatory relief, and a market-based timber pricing system.

From Tom Christensen, Jeffery wants to see some accords with first nations that would private certainty about access to the land base.

"Without that, we won't be able to raise a dollar of the \$2.5 billion that we need to attract reinvestment to the industry," Jeffery said.

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