

# Prince George SFMP PAG Meeting

5:30 – 9:00 PM, April 5, 2011

Civic Centre, Prince George, BC

## MEETING Summary

In Attendance:

<p><u><i>Public &amp; First Nations:</i></u> Betty Abbs – Local Government Chris Andreschefski – Private Landowners Doug Beckett – Public Interest Shannon Carson – Public Interest Michelle Hourie – Tourism / Recreation, commercial, motorized Ray Hourie – Small Business Melanie Karjala – Research &amp; Education Virginia Karr - Natural Conservation Dave Kim – Forestry Workers &amp; Contractors Dave King – Recreation, non-motorized Sandra Kinsey – Naturalists Anne Migvar - Ranching &amp; Farming (alternate) Jeff Mohr – Recreation, non-motorized (alternate) Lee Sexsmith – Recreation, non-commercial, motorized Don Wilkins - Commercial wildlife interests (guides, trappers, outfitters) Ian Wilson – Hunting &amp; Fishing</p>	<p><u><i>Steering Committee:</i></u> <b>Chair:</b> Sara Cotter - Canfor Lee Evans – BCTS</p> <p><u><i>Advisors:</i></u> Jim McCormack – SFMP Coordinator, Canfor</p> <p><u><i>Observers:</i></u> Gundula Meyer-Eppler - Sinclair Mills</p> <p><u><i>Facilitator &amp; Scribe:</i></u> Dwight Scott Wolfe (Tesera Systems Inc.) Loni Spletzer</p>
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### 1) Welcome & Introductions – Sara Cotter

- a) Introduction of members and guests:
  - i) Gundula Meyer-Eppler - Sinclair Mills

### 2) Reviewed Agenda

- a) Add: Section 6. Other: PAG representatives and PAG meeting start time
- b) Agenda accepted as revised.

### 3) Reviewed Minutes of March 17, 2011 PAG Meeting

- a) Correction on last name: UNBC Professor Dr. Greg *Halseth*
- b) P. 5 Added second Action Item following discussion on CSA Element 5.2 Communities and Sustainability: **Action Item #2:** *LSC to work with experts to see if there might be ways to making the Investment Indicator more meaningful and effective. Possibly*

*have the experts provide various indicator options for the PAG to select from. Presentation of some background as to what the options measure and some discussion of advantages and disadvantages of the various options should be included: Due: March 2013*

- c) Minutes accepted as revised

#### **4) Reviewed Meeting Evaluation**

- a) Meeting Evaluation results from the March 17, 2011 PG PAG meeting were posted. Comments reviewed. All items above target.

#### **5) Indicator Revisions (CSA Element 5.2: Communities and Sustainability)**

- a) Core Indicator 5.2.3 Level of direct and indirect employment.
- i) LSC Recommendation: replace PG Indicator #36 and TFL30 Indicator #42 with new Proposed wording of Core indicator 5.2.3.
  - ii) Existing PG Indicator #36: The number of first order wood products produced from trees harvested from the DFA. Target:  $\geq 12$  types of products annually; Variance: -3
  - iii) Existing TFL30 Indicator #42: Average income of DFA forestry sector workers compared to provincial average for forestry sector workers. Target: To monitor the average income of DFA forestry sector workers compared to provincial average for forest sector workers, targeting  $\geq 100\%$  every five years; Variance: 0%.
  - iv) New Indicator 5.2.3a: (a) Level of direct and indirect employment. Target: Cut control volume harvested (times) employment multiplier, as a five-year rolling average. Variance: -35%.
  - v) Discussion:
    - (1) LSC Rationale:
      - (a) The forest sector presents a source of income and non-financial benefits for DFA-related workers, local communities and governments
      - (b) Very direct relationship between direct and indirect employment and annual harvest levels
      - (c) The employment multiplier is derived from reports completed as part of the PG TSA Supply Review
    - (2) PAG member commented that people at the “bottom of the food chain” don’t get paid by contractors or payment is terribly delayed. PAG member said it is devastating for the families and communities, because getting a paycheck is not dependable. PAG members would like to see an indicator that tracks if workers are paid or not.
    - (3) PAG member doesn’t know if worker payments can be tracked at this level.
    - (4) PAG member asked if this indicator requires input from outside experts? Also wanted to know about tracking the size of business -> who gets the contracts.

- (5) PAG member wondered if contractors could be black-listed if they don't pay employees. LSC said that getting involved in contractor business at this level would get into some legal issues
- (6) PAG member said that sub-contractors and employees must pay out people and this needs to be notarised before their contracts are closed out.
- (7) PAG member also suggested getting Better Business Bureau involved for tracking problematic contractors
- (8) PAG member asked about definition of a "job". LSC said this is well-defined in the Prince George Timber Supply Area Timber Supply Review documentation and it is a full-time equivalent (person year).
- (9) PAG member asked "do you keep track of employment coefficients"? Observer commented that Statistics Canada uses government records and these are used to apply a formula.
- (10) PAG member asked about the formula measuring the allocation of jobs to each community and to community members. LSC said that this would be far too much detail for the scope of the indicator. PAG member said that high volume is the only way to generate a decent income and would like to see smaller contractors get access to these contracts. LSC said that size of company will be tracked by small, medium and large (using criteria for business size found in the SAFE certification method).
- (11) PAG member asked about the -35% variance being the Allowable Annual Cut (AAC)? LSC said it is based on the lowest Annual Harvest over the last 5-years.
- (12) PAG member asked about using Stats Canada and the 5 year multiplier connection. LSC said the multiplier is specific to the Prince George District as defined in the Timber Supply Review.
- (13) PAG members concerned about employees losing pensions and income. PAG member suggested the SFM Plan track some of this, and issues with the proposed multiplier – due to technology, less and less people are being required per cubic meter harvested. PAG member understands this is part of the evolution of business (better safety, more efficiency), but where is value-added? BC has seen less value-added of late. PAG member wonders if there is a way to explore and track value-added activity. LSC responded that Canfor's major customers are not interested in moving more to value-added (Lowes, Home Depot are examples). BCTS sells raw logs and it is impossible to track what happens to those logs once they are sold. PAG member suggested a different corporate direction from BCTS. BCTS stated that changes in current direction must come out of Victoria. PAG member asked if BCTS staff from Victoria could attend these meetings. LSC suggested that Core Indicator 6.3.1 will address this concern, in part.
- (14) PAG member asked about the 35% Variance and if it was a 5 year rolling average of harvest level or of number of jobs and feels the multiplier may skew numbers and doesn't understand this. LSC said that the variance and multiplier relationship seems to be causing confusion and needs to be stated more clearly. LSC proposed changing the variance to – 35% of harvest level.

- (15) PAG member understands that amount of work is tied to volume harvested and although variance can be better stated is ok with this indicator
- (16) PAG member asked about the employees in recently closed mills in the DFA (eg. Rustad Bros, Winton Global, etc) and wondered if they are accounted for in this indicator. LSC said that many employees are absorbed into other mills and these mills were operating the last time the multiplier was used. Observer stated that there is a lag with the statistics and will be accounted for using the 5-year rolling average.
- (17) PAG member asked if using an employment multiplier is out of scope for the SFM Plan since the metric is outside of LSC control. PAG member feels it should be for cut control volume only. LSC felt it would be more meaningful if it showed jobs and trends. PAG member felt that a target should be something that can be controlled and employment multiplier cannot be so perhaps it should be about cut control volume only.
- (18) PAG member feels that multiplier would not remain constant despite cut volume (ex. Secretaries, snow removal people and so on). LSC said the multiplier will be updated by Stats Canada and Natural Resource Canada.
- (19) PAG member suggested breaking this Indicator into 3 components: cut control volume harvested (already in 3.2.2), direct employment multiplier, and indirect multiplier (based on direct jobs) that can be increased (or at least striving to increase).
- (20) LSC propose a revised target: *Cut control volume harvested multiplied by most current local direct and indirect employment multiplier, as a five year rolling average (5,252) Variance: <=35% of the target (5,252 jobs).*
  - (a) LSC will report out the difference between local and non-local jobs if info is available.
- (21) PAG member supports previous PAG member comments, taking into account the lag period this is not an overly sensitive indicator (cannot measure annually). PAG member feels this is a weak indicator and that perhaps other indicators may fill the gap.
- (22) PAG member feels that an expectation on BCTS and Canfor to directly influence the multiplier is unrealistic.
- (23) PAG member stated that very likely the numbers are going down. LSC said this relates to value-added and need for diversification within the communities to ensure jobs.
- (24) PAG member agrees that this indicator is weak and should be tightened up and reworded and revisited at a future PAG meeting.
- (25) PAG member noted that auditors will look at this indicator and see that a Stats Can formula is being used so the data collected has no purpose. PAG member feels that the data for the auditor is meaningless.
- (26) LSC noted that companies cannot control this indicator, but this indicator is a Core Indicator in the new standard and must be kept. PAG member said this detail should be put into the comments section and clarified in the SFM Plan.

(27) PAG member feels that it would be an easy calculation to track small business. LSC says that logging, silviculture, pulp and paper, road building, and harvesting are all tracked with this indicator.

(28) PAG member asked about using primary and secondary instead of direct and indirect. LSC said proper “jargon” is to use direct and indirect but can be explained in the comments/write up.

(29) PAG member generally stated that this indicator is “mushy, meaningless and stupid”.

vi) PAG endorsed the new revised indicator 5.2.3a: *Level of direct and indirect employment. Target: Cut control volume harvested multiplied by most current local direct and indirect employment multiplier, as a five year rolling average (5,252) Variance: <=35% of the target (5,252 jobs).*

b) Core Indicator 5.2.4 Level of Aboriginal participation in the forest economy

i) PAG agreed with LSC suggestion to postpone discussion of *Core Indicator 5.2.4 Level of Aboriginal participation in the forest economy*, as one of the regularly attending First Nations representatives was not at this meeting.

## **6) Indicator Revisions (CSA Element 6.3: Forest Community Well-Being and Resilience)**

a) Reviewed Handouts

i) Powerpoint presentation on Criterion 6: Society’s Responsibility.

(1) The presentation provided background information on Core Indicator 6.3.1 – Evidence that the organization has cooperated with other forest-dependent businesses, forest users, and the local community to strengthen and diversify the local economy

(a) “Local area” is defined as 100 Mile House to Mackenzie and Smithers to Valemount (same as definition for Indicator 5.2.1. “% of dollars spend in local communities”)

b) Core Indicator 6.3.1 – Evidence that the organization has cooperated with other forest-dependent businesses, forest users, and the local community to strengthen and diversify the local economy

i) LSC Recommendation: replace PG Indicator #37 and TFL30 Indicator #39 with new Proposed wording of Core indicator 6.3.1.

ii) Existing PG Indicator #37: The percentage of DFA volume advertised for sale through open competitive bid. Target: >=20% annually; Variance: -5%.

iii) Existing TFL30 Indicator #39: Proportion of timber extracted from the DFA supplied to local processing facilities - applies to Canfor only. Target: To supply >=95% of timber extracted from the DFA to local processing facilities; Variance: -5%.

iv) New Indicator 6.3.1: Primary and by-products that are bought, sold, or traded with other forest-dependent businesses in the local area. Target: Number of purchase/sale/trade relationships. Variance: N/A.

## v) Discussion:

- (1) PAG member says that this indicator is all about wood fibre and very little to do with forest community well-being and resilience and suggests taking out the word “forest” and put in “wood fibre”.
- (2) PAG member would like to see language in this indicator around strengthening and diversifying the local economy.
- (3) PAG member would like to see relationships with forest dependent users and other community members so that we report on all users (ex. Trappers, hiking clubs and so on) not just businesses.
- (4) PAG member comment to BCTS: would like to see 35-40 licenses reported on in more detail. LSC said that tracking sold logs after the license is not that easy. Sometimes it is easy to say things are known to go to pulp for example because of the volume of pine sold.
- (5) PAG member agrees with previous comment that there should be relationships shown between other users and suggests that BCTS needs to show evidence of cooperation with other forest users.
- (6) PAG member concerned that this indicator is simply LSC’s blowing their own horn without meaning anything. Concerned about variance not being monitored properly. Would like to see reporting out when a relationship was not successful.

Action Item #1: LSC to determine if there is information to track the root causes of “unsuccessful” relationships. Due: Next meeting.

- (7) PAG member would like to see present tense used instead of past tense – Cooperated to cooperating. LSC stated that the wording cannot be changed as it is a Core Indicator.
- (8) PAG member would like to see more parts to this indicator to address other forest users. LSC Stated that the SFM Plan currently has two indicators (#38 and #40) that will address a broad range of non-tenure holders. There are indicators that reflect on relationships with non-forestry users.
  - (a) Indicator #38: The number of opportunities given to the public and stakeholders to express forestry related concerns and be involved in our planning processes. Target  $\geq 10$  annually. Variance: -3.
  - (b) Indicator #40: Percentage of timely responses to written public enquiries. Target 100% annually. Variance: -5%.
- (9) PAG member suggests target should read “increasing number of purchase/sale/trade relationships” and variance should be +sign.
- (10) PAG member said there should be a split between forest and wood fibre. (fibre and non-fibre). It was also noted that tracking through BCTS can be done through stumpage and stratum.
- (11) LSC proposed new Target and Variance for Core Indicator 6.3.1.a: Target: increasing number of purchase/sale/trade relationships from an established baseline. Variance: +.

- (12) LSC committed to developing a separate indicator 6.3.1.b to address “forest users”. This indicator will be presented at a future meeting.
  - (13) LSC committed to developing a separate indicator 6.3.1.c to address “local community”. This indicator will be presented at a future meeting.
  - (14) PAG member likes the direction so far on this indicator. PAG member would like to see comments captured where forest users have had difficulty obtaining quality products (ex. Furniture makers).
  - (15) PAG member would like to see comment “for the purpose of forest – refer to wood fibre only”. Other PAG members would like to see additional indicators b) and c) drafted instead.
  - (16) PAG member feels Target should be more specific. It should be an empirical value (a number or percentage). LSC suggested 17 or greater as baseline from what is the current number known.
  - (17) PAG member would like to have more info on things like volume, board feet etc (provide details of the kind of purchase sale in comments). LSC stated that this anecdotal information related to the purchase/sale/trade can be provided in the annual report.
  - (18) PAG member feels the previous info is fine for Canfor, but not for BCTS. Agreements or meetings with other users (even if not sales) could be reported on. What kind of effort does BCTS put forward to strengthen business agreements or cooperation with forest-dependent businesses?
- vi) PAG endorsed the new revised indicator 6.3.1.a: Primary and by-products that are bought, sold, or traded with other forest-dependent businesses in the local area. Target: Increasing number of purchase/sale/trade relationships. Variance: +
- 7) Other:
- a) PAG Representation:
    - i) Michelle Hourie informed the PAG that Jerry Noakes will now be representing the “Recreation, commercial, motorized” sector.
    - ii) PAG endorsed adding Jerry Noakes as “Recreation, commercial, motorized” sector representative. No alternate at this time.
  - b) Meeting Time:
    - i) Some PAG members have expressed concern that 9:00 PM was too late to be finishing the meeting and requested finishing 30 minutes earlier.
    - ii) The PAG agreed to start at 5 pm and finish at 8:30 pm on a trial basis.
  - c) Don Wilkins alerted PAG members to a presentation on Saturday, April 9 at the Columbus Centre: Wildlife in Management and History of Wolves
- 8) **Evaluation Forms requested and collected**
- 9) **Next PG PAG Meetings:**
- a) The following schedule of future PAG meetings was presented. All meetings will be held in the Prince George Civic Center 5:00 – 8: 30 pm

- i) Tuesday April 26, 2011 at **5 pm**
- ii) Tuesday May 17, 2011
- iii) Tuesday June 7, 2011

### Actions- update

<b>PRINCE GEORGE PAG</b>				
<b>ID#</b>	<b>ACTION</b>	<b>WHO</b>	<b>DEADLINE</b>	<b>STATUS</b>
Nov 2 - 03	Provide updates on attempts to recruit representation for Non-Renewable Resource Extraction.	Steering Committee	Dec 2006	In progress: positive responses received from Enbridge, PMG, and BC Hydro.
Feb 24 - 01	Add "tenure/private land" to the reporting table for Indicator 5.1.1.b	Steering Committee	Next Annual Report	
Mar 17 - 01	Add Donations indicator into the SFM Plan and provide details at a future meeting.	Steering Committee	Future meeting.	
Mar 17 - 02	Work with experts to see if there might be ways to making the Investment Indicator more meaningful and effective. Possibly have the experts provide various indicator options for the PAG to select from. Presentation of some background as to what the options measure and some discussion of advantages and disadvantages of the various options should be included.	Steering Committee	March 2013	
April 5 - 01	Determine if there is information to track the root causes of "unsuccessful" relationships	Steering Committee	Next meeting.	