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## NEWS RELEASE

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Ministry of Forests and Range

### **NEW LEGISLATION TO PROTECT LOGGING CONTRACTORS**

VICTORIA – The antiquated Woodworker Lien Act will be replaced with a new Forestry Service Providers Protection Act, Forests and Range Minister Pat Bell announced today.

“With the introduction of today’s legislation, we’re acting on our August 2009 throne speech commitment to strengthen payment protection for forestry contractors,” said Bell. “By enabling a fund and providing for liens on forest products, we’re ensuring that logging contractors will be protected financially. In 2007, when Pope & Talbot declared bankruptcy, not all logging contractors received payment for their services. The Forestry Service Providers Protection Act is designed to prevent situations like that from happening again.”

Under the act, forestry service providers are those who provide contracted services, including falling, yarding and hauling timber to owners of forest product companies. Contractors will be able to register liens under the Personal Property Security Act to ensure payment of services.

“At the last TLA convention, Premier Campbell said he believed that contractors should be paid for the work they do,” said Dave Lewis, executive director, Truck Loggers Association. “This legislation sets the framework for a fund that will help ensure this happens. While there is still a great deal of work to do, we are grateful for the commitment this government has made to contractors, their employees and the communities they support provincewide.”

The new act enables the establishment of the Forestry Service Providers Compensation Fund and enables contributions to the fund through levies and other means. The fund will be administered arm’s length from government, and forestry service providers will be able to apply to the fund for payment if the companies they provide services to declare insolvency.

“This legislation supports a healthy, competitive contracting environment, which benefits the forest sector as a whole,” said Rick Jeffery, president and CEO, Coast Forest Products Association. “That being said, we do hope the legislation will not need to be invoked.”

In developing the new legislation, the Ministry of Forests and Range formed a working group with representatives from major licensees and logging associations, as well as an expert in lien legislation.

“We’re pleased to see government living up to its commitment to ensure loggers are paid for the work they do,” said MaryAnne Arcand, executive director, member services, Central Interior Logging Association. “This legislation and the accompanying fund put our members on a more solid footing in the event of licensee insolvency.”

The Woodworker Lien Act was established in the early 1900s and focused on protecting individual workers as opposed to the logging contractors sector. About 3,000 contractors provincewide are expected to benefit from the legislative changes.

The act will come in force through regulation. A copy of the act, as introduced in the B.C. legislature during first reading, is available online at [www.leg.bc.ca/39th2nd/1st\\_read/index.htm](http://www.leg.bc.ca/39th2nd/1st_read/index.htm).

Today’s legislation is the latest in a series of actions to attract investment and improve the competitiveness of the B.C. forest sector. Recent efforts include promoting bioenergy opportunities, implementing a Wood First policy, expanding lumber exports to China and introducing the HST, which is expected to save the forest sector \$140 million annually.

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Media Contact: Vivian Thomas  
Communications Manager  
Ministry of Forests and Range  
250 387-5728

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