

Forest plan draws loggers' wrath

Major companies are squeezing industry, contractors complain

Gordon Hamilton, Vancouver Sun

Published: Wednesday, January 16, 2008

Coastal logging contractors said Tuesday that Victoria's forest revitalization plan transferred too much control to major forest companies, who are now squeezing loggers out of business in the drive to lower costs.

The Truck Loggers Association of B.C., which is holding its 65th annual convention in Vancouver beginning today, said that a rash of insolvencies within the sector is exposing a crisis that goes far deeper than the current market collapse.

Within recent months two major contractors have sought court-ordered bankruptcy protection, a third has been put into receivership and a fourth is considering its options this week.



Don Bendickson and Mike Hamilton (right) of the Truck Loggers Association prepare to get out group's message. (Mark Van Manen, Vancouver Sun)

The 487-member association, which represents the coastal logging contractors, called on Victoria to start all over again with its forest policies. They have failed to deliver a diversified and economically healthy forest sector, the loggers say.

The association's annual gathering is the industry's largest event of the year. It is expected to attract 2,000 people during the next three days.

Premier Gordon Campbell announced the revitalization plan at the 2003 TLA convention. Campbell is to address the convention Friday, where he can expect to encounter frustration from the loggers, who believe they have paid too high a price for a policy initiative that has yet to bear fruit for them.

Mike Hamilton, past president of the Truck Loggers, called the forest policy a bold effort by the province to re-make the industry, but it is not unfolding as planned.

The government plan was to introduce market-sensitive conditions on the West Coast. It freed major forest licensees from a number of government policies, redistributed 20 per cent of their timber, mostly to first nations, and introduced a new market-based stumpage system.

However, most of the timber taken back is not being logged, major forest companies have consolidated to the point that four companies now control over 60 per cent of the harvest, and some of the major licensees, pressed by their own financial issues, have begun demanding lower rates.

Part of the reason the policies failed, Hamilton said, is that the forest licensees, contractors and workers could not all agree on a common strategy when the government was preparing its revitalization plan.

"We all asked for change," he said in an interview Tuesday. "That was the government's attempt at it. But we collectively dropped the ball.

"We couldn't agree on what we wanted and this is what we got."

Rick Jeffery, president of the Coast Forest Products Association, which represents the licensees, refuted the contractors' claim that the reforms are a failure. He said the major companies his organization represents do not want to reopen the issue.

"I would say markets are the best mechanism to allocate resources and that we should stick with the market-based system whether the truck loggers like the outcome or not."

However, TLA executive director Dave Lewis said the policy changes were unfairly weighted in favour of the licensees; they now have too much control over the timber harvest without having to carry the cost of investing in logging it. The contractors now bear that cost but are at the mercy of a few licensees, who want to drive down contract rates.

"We see diversity of tenure being the number one issue still. When a large company has control, we have seen how they exercise that control," he said, referring to the high number of insolvencies among contractors.

ghamilton@png.canwest.com

© The Vancouver Sun 2008