

Snuneymuxw First Nation



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FOR IMMEDIATE RELEASE

10 April, 2017, Nanaimo, BC/Snuneymuxw Territory: Ground-breaking Partnership Grows Island Forestry Economy for a Generation

A ground-breaking forestry partnership between TimberWest, Nanaimo Forest Products, Western Forest Products, Coastland, and the Snuneymuxw First Nation promises to unlock the forestry potential of mid-Vancouver Island for a generation, creating jobs and growing the economy for the benefit of the entire region.

Through understandings reached the Mid-Island Forestry Initiative, with appropriate partnership from a new Provincial government, will transform the future of forestry in the area. Specifically, the Initiative has the potential to achieve the following:

- Unlocks 3,200 ha of timber for harvest on an economically sustainable basis.
- Creates 160 direct and indirect forestry jobs in the region
- Provides a guaranteed flow of timber to Coastland for its mill operations for years to come that provides them business certainty
- Provide additional land for Snuneymuxw in the Mount Benson and South Nanaimo River area
- Resolves outstanding issues and conflicts related to log storage in the Nanaimo Estuary, including by providing access to TimberWest, providing lease and sublease opportunities, reducing overall lease areas and advancing restoration initiatives.

The Initiative provides a new blueprint for how the First Nation and Industry can collaborate to grow the economy in a respectful manner that achieves benefits for everyone. Assuming a new provincial government plays its roles, the future of the mid-Island forest industry will be secure for years to come.

For more details on the Initiative see attached backgrounder: "Mid-Island Forestry Initiative" dated February 27, 2017.

Chief John Wesley:

"Snuneymuxw has been looking for ways to grow the economy for our members and those of the region as whole based on recognition of our treaty and aboriginal rights. When we brought this innovative forestry model forward the response has been overwhelming. Our young people have increasing hope and purpose today, knowing that they will have opportunities in the forest industry that will provide them, and others, jobs for years to come. We look forward to working with our industry partners to secure the full commitment from a new provincial government to fully implement the Initiative."

Industry Quote from Bob Colclough, Manager, NRELSA

"The Nanaimo River Estuary Log Storage Association, whose members include Coastland Wood Products, Nanaimo Forest Products/Harmac, and Western Forest Products, in partnership with TimberWest, have been working hard to build a strong working relationship with the Snuneymuxw First Nation for some time. The Snuneymuxw's Mid-Island Regional Forestry Initiative broadens that partnership to include the Province and the Nanaimo Port Authority, and integrates it into a more comprehensive approach to forestry in the region, expanding the local economy and ensuring certainty and stability for us all."

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MID-ISLAND REGIONAL FORESTRY INITIATIVE

Unlocking the forestry economy in the Nanaimo Region through a new model of partnership between Snuneymuxw, BC, and Industry

27 February 2017

A Vision for Stimulating the Regional Forest Economy Around Nanaimo

The Snuneymuxw First Nation has worked for many years to spur economic growth in the Nanaimo region. This has involved creating new partnerships with other governments and key industry actors. In recent years, a focus has been on the forest industry, where collaborative efforts and planning are required to maximize the forestry economic potential of the region.

Unlike much the rest of the Province, the forestry economy on southeastern Vancouver Island is distorted by the fact that almost all land is privately held. This limits opportunities for required reconciliation and partnership, and removes the range of flexibility for how to move forward. In the Nanaimo area, some of the last remaining Crown land blocks with forestry potential are on Mt. Benson and Mt. McKay. These lands have been in a holding pattern for decades, frozen out of the regional economy, because of the complexities of reconciliation. At the same time, the entire industry relies on log booming in the Nanaimo estuary which is facilitated by arrangements involving BC and the Nanaimo Port Authority – but the future of log booming is uncertain and complex because it has displaced the Snuneymuxw shellfishery (approximately 1 million pounds of clams/acre).

This proposal manages these complex factors by bringing Snuneymuxw, BC, the NPA and Industry into a common partnership to spur the next generation of forestry in the greater Nanaimo region. BC's role is critical – but is an extension of commitments already made in the *Reconciliation Agreement* signed with Snuneymuxw in 2013.

The Challenging Mid-Island Forestry Economy

The regional forest economy centred upon Nanaimo has been relatively stagnant over the past number of decades.

The BC forest sector continues to recover from 2009, the sector's worst year of the recent recession and one of the worst years for BC forestry in recent history. Although we are seeing some stability in the past five years we are still well below where we were a decade ago.

From 2005 – 2014:

- BC Timber harvest volume is down 20%, well below the Provincial Annual Allowable Cut
- BC manufactured forest products sales down 25%
- Direct Employment down 23%
- BC Softwood Lumber production down 25%
- Capital and Repair expenditures down 53%

Over the ten-year period ending 2011, 33,000 direct forest sector jobs in BC were lost and more than 70 mills closed.

Nanaimo has been particularly impacted by these developments. Jobs have been lost, major mills shut down, equipment manufacturers closed. At least four major mills and manufacturers have closed since 2002 (CIPA, Island Phoenix, WFP Nanaimo, and Madill Equipment).

The effect of this is that one of the regions of the Province with historically high unemployment has lost out on potentially hundreds of jobs. Currently, 3200 hectares of Crown land near the City of Nanaimo remain unharvested and of no economic benefit to Snuneymuxw, the Province, Industry or the region.

One of the central reasons for the relative stagnation of the forestry economy in the region has been the slow pace of forming proper relationships regarding Snuneymuxw's Aboriginal and Treaty Rights. A new and collaborative approach is needed to accelerate the pace of positive relations between BC and Snuneymuxw that can also unlock the economic potential of the region.

Innovative Partnership as the Path Forward

In recent years, Snuneymuxw and the Province have taken concrete steps forward, including through the 2013 *Reconciliation Agreement*. That Agreement provided a small boost to the local forestry economy through the transfer of Douglas District blocks 18, 202, and 271 which are now being harvested. Approximately 24 direct jobs have been created, and the forestry work on the blocks moves forward in an economically sustainable manner through business relationships with TimberWest, Coastland Wood Industries, A&K Logging and Snuneymuxw.

The *Agreement* was explicitly acknowledged as only a first step – it contemplated an additional round of land transfers to be negotiated. Snuneymuxw is proposing that this new round of land transfers be part of innovative partnership between Snuneymuxw, the Province, and

Industry that unlocks the forest economy in the region, creates jobs, makes Snuneymuxw a meaningful economic actor, and advances reconciliation.

The goal would be to design, confirm, and announce this innovative partnership – the *Mid-Island Forest Economy Growth Strategy* - by March 15, 2017, so that the entire region can plan for, organize around, and be prepared to implement this new engine for economic growth in the region.

The Elements of the Mid-Island Forest Economy Growth Strategy

The Growth Strategy would have the following partners: Snuneymuxw First Nation, Province of British Columbia, Nanaimo Port Authority, Timberwest, and the Nanaimo River Estuary Log Storage Association through its members Coastland Wood Industries, Nanaimo Forest Products and Western Forest Products.

The *Growth Strategy* would facilitate the following outcomes:

- Unlocking 3,200 ha of timber for harvest on an economically sustainable basis. Effectively this would provide an additional 32,000 cubic metres of cut annually in the mid-Island area in perpetuity.
- Creating 160 direct and indirect forestry jobs in the region
- Contributing to long-term reconciliation between Snuneymuxw and the Province through the transfer of the remaining Mount Benson blocks (17, 243, 258 and 282 Douglas District) and the South Nanaimo River Blocks (14, 19-22, 87, 172, 181, 194, 224, and 777 Douglas and Bright District) to Snuneymuxw as part of fulfilling phase 2 negotiations under the *Reconciliation Agreement*
- Providing a guaranteed flow of timber to Coastland for its mill operations for years to come that provides them business certainty
- Resolving outstanding issues and conflicts related to log storage in the Nanaimo Estuary. Specifically:
 - TimberWest would gain access to log storage in the Estuary which would economically benefit their operations

- The Log Storage Association would be granted permission to rent or sublease space for third parties
 - An overall reduction in the log storage area from 140 hectares to 100 hectares through reduction of lease areas near Snuneymuxw IR #1
 - Investment in a long term estuary restoration program that meets environmental interests
 - Predictability for the NPA in the management and revenue stream from log storage operations, and an increase in the amount of timber flowing through the NPA
- Establishing jobs, revenue streams, and capacity development for Snuneymuxw through a business to business partnership between industry and Snuneymuxw, while providing them with business opportunities through partnering with Snuneymuxw on forestry operations and management.

Moving the Strategy Forward

For the *Growth Strategy* to move forward, confirmation is needed that the Province is prepared – in an expedited manner – to negotiate the transfer of the remaining Mt. Benson blocks and the South Nanaimo Blocks to Snuneymuxw. Should this confirmation be received, the expectation is that a transfer agreement would have to be completed by March 15, 2017, in order to be able to announce the strategy in March.

At the same time as the land transfer agreement is being completed, Snuneymuxw, Timberwest, Coastland, Nanaimo Forest Products, Western Forest Products and the Nanaimo Port Authority would complete the necessary bilateral and multi-party understandings and agreements necessary (reflecting the elements above) to implement the strategy. All of these partners have expressed their commitment to this innovative partnership, and readiness to complete the arrangements in an expedited manner.