

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL  
TRADE AND THE  
BRITISH COLUMBIA MINISTRY OF FORESTS**

**1. Parties**

This Memorandum of Understanding (MOU) is entered into between the Department of Foreign Affairs and International Trade (DFAIT) and the British Columbia Ministry of Forests (BCMOF). The Parties agree to establish executing agencies. For DFAIT, the executing agency will be the Export and Import Controls Bureau (EICB) and for the BCMOF, the executing agency will be the Economics and Trade Branch of the BCMOF.

**2. Purpose**

DFAIT and BCMOF recognize the importance of export controls in ensuring an adequate supply of logs for domestic manufacture.

**3. Background/Objectives**

DFAIT and BCMOF have co-operated for many years in the field of export controls over logs harvested from B.C.. Over the years Federal representation on the Timber Export Advisory Committee (TEAC) and the Federal Timber Export Advisory Committee (FTEAC) has varied. In furtherance of this process, Federal representation on the TEAC, but more importantly, on the FTEAC, needs to be formalized.

**4. Areas of Co-operation**

Both Parties to this MOU agree to co-operate in addressing the issue of log exports from B.C.. DFAIT will provide a Federal Representative to:

- a) participate in the meetings of the Timber Export Advisory Committee (TEAC);  
and
- b) participate in the meetings of the Federal Timber Export Advisory Committee (FTEAC).

**5. Mechanisms of Co-operation/Areas of Responsibility**

Mechanisms of co-operation of specific interest to both Parties are contained in the attached Annex 1, *Terms of Reference for the Federal Timber Export Advisory Committee (FTEAC)*, and the Parties agree that this document forms part of this MOU.

...2/

In addition to the roles and responsibilities of the Federal Representative as outlined in the *Terms of Reference*, to further improve existing co-operation, both Parties will give special attention and support to a number of specific mechanisms of cooperation, including but not limited to:

- (a) exchange of relevant information;
- (b) discussion with industry and sectors on an as required basis; and
- (c) identifying essential mutual issues or problems and establishing joint project teams to study such issues or problems, as required.

6. **Implementation**

In order to commence cooperation under this MOU, one or more meetings of experts assigned by the Parties and their respective executing agencies may be organized by mutual agreement to better define areas of common interest, to develop a mechanism by which this MOU will be managed and to prepare a program of implementation. The executing agencies will assist each other in the communication and sharing of information.

The Parties will ensure that appropriate funds and personnel are available each year to support this MOU. A report may be prepared from time to time by the two Parties in order to report on work carried out pursuant to this MOU.

7. **Funding**

- a) DFAIT will fund the participation of the Federal Representative to participate in the meetings of FTEAC. The Federal Representative will also attend the meetings of TEAC. The cost of the Federal Representative's attendance at TEAC meetings will be borne by DFAIT.
- b) The B.C. Ministry of Forests will assume the costs:
  - i) of the honoraria paid to the Chair of TEAC as well as the members of TEAC, and will assume responsibilities for their expenses;
  - ii) of any additional costs associated with the TEAC members participating in the FTEAC; and
  - iii) of holding the TEAC and FTEAC meetings including office and office services and all costs associated with photocopying, mailing and distributing relevant materials to the members/participants of TEAC/FTEAC.

...3/

8. **Selection of the Federal Representative**

DFAIT will consult with the BCMOF before the Minister for International Trade appoints the Federal Representative.

9. **Effective Date**

This MOU will take effect upon signature by both Parties and will remain in effect unless terminated by either Party upon ninety (90) days written notice to the other Party. Both Parties agree to review this MOU no later than one year after its coming into effect. It may be modified at any time by mutual written agreement.

Dated at Ottawa, Ontario,

Dated at Victoria, B.C.,

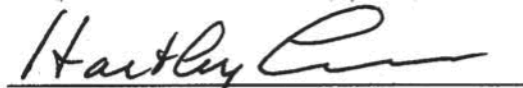
this 30<sup>th</sup> day of March 1998. this 30<sup>th</sup> day of March 1998.

For the Department of  
Foreign Affairs and International  
Trade

For the Ministry of Forests  
British Columbia



Wallace Dowswell  
Director General  
Export and Import Controls Bureau



Hartley Lewis  
Executive Director  
Policy and Economics

## **FEDERAL TIMBER EXPORT ADVISORY COMMITTEE (FTEAC)**

### **A. TERMS OF REFERENCE**

#### **1. General**

The Minister for International Trade (the Minister), in consultation with the B.C. Minister of Forests, has established the Federal Timber Export Advisory Committee (FTEAC) to provide recommendations to the Minister on exports of logs from lands outside the scope of British Columbia's forestry legislation.

#### **2. Membership**

The FTEAC will consist of a Chair and a Federal Representative, designated by the Minister, and not more than ten (10) members, designated by the Chair, who may be members of the Provincial Timber Export Advisory Committee (TEAC). In the absence of the Federal Representative, the Federal Representative may name an alternate Representative.

#### **3. Reporting/Accountability**

The Chair will keep the Director General, Export and Import Controls Bureau, Department of Foreign Affairs and International Trade (DFAIT), informed of all matters relating to the export of logs from lands outside the scope of the B.C. forestry legislation and of FTEAC recommendations.

#### **4. Functions and Responsibilities**

The FTEAC will:

- review all referred *Applications to Advertise Logs on the B.C. Federal Bi-Weekly List* ("Applications");

- assess the validity of any offers to purchase regarding Applications, and determine whether or not those offers are a fair representation of the domestic market value;

- determine whether or not the logs under Application are surplus to domestic needs and make recommendations on their disposition;

- request the B.C. Ministry of Forests to undertake inspections of specific proposed log exports, as required; and

- submit recommendations to the Director General, Export and Import Controls Bureau, for consideration.

...2/

5. **Disposal/Consideration of Applications by FTEAC**

The FTEAC will formulate recommendations concerning Applications, by consensus, and may dispose of an Application by:

- (a) Recommending that the export be approved;
- (b) Recommending that the export be refused; or
- (c) Requesting further information.

6. **Powers of the Chair**

The Chair will designate times and locations for FTEAC meetings, will chair those meetings, will designate a member as vice-Chair to act in the absence of the Chair, and, if required, will designate an alternate recording secretary.

7. **Quorum**

A quorum will consist of the Chair or vice-Chair and three or more members, and the recording secretary.

8. **Minutes**

Minutes of meetings will be distributed to members, to the Director General, Export and Import Controls Bureau, and to the Deputy Minister, B.C. Ministry of Forests.

9. **Confidentiality**

FTEAC deliberations and recommendations are confidential, and the Minister may release information within limitations prescribed by Federal Law.

**B. POLICY CONSIDERATIONS**

- 1. When FTEAC is satisfied that there is an adequate supply and distribution of logs, FTEAC may recommend that the Minister issue an export permit.
- 2. The Minister may take into account relevant information additional to FTEAC recommendations when exercising discretion respecting issuance of a permit for the export of B.C. logs pursuant to the *Export and Import Permits Act*.

**MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND  
RURAL DEVELOPMENT  
INFORMATION NOTE**

Date: September 11, 2018  
File: 280-20  
CLIFF: 242345

**PREPARED FOR: Honourable Doug Donaldson, Minister of Forest, Lands, Natural Resource Operations and Rural Development**

**ISSUE:** Minister Briefing on the Timber Export Advisory Committee (TEAC) on September 18.

**BACKGROUND:**

The Timber Export Advisory Committee (TEAC) was established in 1986 to give the Minister of Forests, Lands, Natural Resource Operations and Rural Development, and the Government of British Columbia expert advice on log export issues, to review and comment on the appropriateness of log export applications and to make recommendations on surplus applications that receive offers. The committee currently consists of eleven members, a chair and recording secretary. The recording secretary represents the ministry and does not vote.

The committee also functions to advise the federal minister on export issues related to federal jurisdiction timber lands in BC. A Memorandum of Understanding (Appendix 3) between the Department of Foreign Affairs and International Trade and the British Columbia Ministry of Forests is in effect.

TEAC members are drawn from both coastal and interior log exporters as well as manufacturers to give reasonable coverage across interests.

**DISCUSSION:**

TEAC Purpose:

The primary function of TEAC currently, is to make recommendations to the Minister regarding whether offers received on timber that has been advertised for export are fair based on current market conditions. Formal business offers are received and reviewed by TEAC on less than 1% of the volume that is advertised for sale annually. The review is based on market transactions of similar species/grades of logs during the period when the logs were advertised. Based on the market transaction, an offer is either deemed:

- “fair” (recommend denial of export exemption),
- “low but fair” (recommend denial of export exemption, but gives notice to the offerer that their price is on the low end of current market sales), or
- “not fair” (recommend approval of the export exemption request).

The TEAC Terms of Reference is provided in Appendix 1.

### TEAC Membership:

Individuals are recommended for TEAC membership based on suitable knowledge in some or all of the following areas:

- the practicalities and economics of conducting logging operations,
- the practicalities and economics of operating a wood product manufacturing facility, and
- knowledge of the domestic and export log markets.

Committee members are expected to “check their corporate hat” during the meetings and recuse themselves from any deliberations that would create a potential conflict of interest. Current TEAC membership is provided in Appendix 2.

TEAC members understand the market dynamics, trends (short and long term) in log supply and have extensive contacts throughout the market. Several of the individuals currently on the committee are long standing members and while retired, remain current in their knowledge of the industry. Continuity in membership has been a key strength of the committee as there are limited individuals with the knowledge, expertise and aptitude to participate in the Committee. The market intelligence received through the Committee is an invaluable resource for ministry staff.

Current members whose terms have expired have been asked to provide a short description of their current activities related to their area of expertise and indicate their interest in continued participation. With many of the members in need of either a new appointment or retirement from the committee, now is a good opportunity to review the set of guiding principles for TEAC and re-assess the knowledge and expertise required of the members to meet government’s needs. For example, there may be interest in adding a coastal First Nations forestry representative to reflect their increasing presence in the industry (currently there is a First Nation representative from the Interior).

### **Next Step:**

TEAC has invited the Minister to attend their next meeting on October 5 in Vancouver to meet the committee and discuss TEAC’s work.

**Attachment(s):** Appendix 1: TEAC Terms of Reference.  
Appendix 2: Provincially Appointed TEAC Members.  
Appendix 3: MOU between Government of BC and Government of Canada

**Contact:**

ADM: Chris Stagg  
Div: TOPFN  
Phone: 250-387-4429

**Alternate Contact:**

Name: Vera Sit  
Div: TOPFN  
Phone: 250-356-1019

**Prepared by:**

Name: Jennifer Burleigh/John. Cook  
Branch: Trade and Export Policy  
Phone: (778) 974-2430

Reviewed by	Initials	Date
DM		
DMO		
ADM	CS	Sept 14, 2018
ED	VS	Sept 12, 2018
PRGM Dir./Mgr.	JB	Sept 11, 2018

## **TIMBER EXPORT ADVISORY COMMITTEE**

### **1. Constitution**

The Timber Export Advisory Committee (“TEAC”) is an advisory committee established by the Minister of Forests, Lands and Natural Resource Operations (“the Minister”), to provide recommendations to the Minister regarding the export of timber originating from lands within British Columbia that is regulated for manufacture in British Columbia by the Government of British Columbia.

### **2. Membership**

TEAC will consist of a Chair, not more than eleven (11) members, and a Coordinating Secretary. The Chair and members are to be persons with suitable background knowledge in some or all of the following areas: the practicalities and economics of conducting logging operations; the practicalities and economics of operating a wood product manufacturing facility; and knowledge of the domestic and export log markets. The membership is to represent all areas of the province where timber exports are prevalent.

The Chair will be appointed for a term of five (5) years and members will be appointed for terms of three (3) years by the Minister. Member terms will be staggered over time to maintain continuity of TEAC. The Chair and member terms may be extended or abbreviated by approval of the Minister.

The Coordinating Secretary and his/her alternate will serve as directed by the Deputy Minister of Forests, Lands and Natural Resource Operations.

### **3. Accountability**

TEAC will report, through the Chair, to the Minister or a designate.

### **4. Functions and Responsibilities**

#### **a. Applications for Exemption**

Applications for Exemption to Export Unmanufactured Timber Products (“Applications”) that are advertised on the Provincial Bi-Weekly Advertising List and receive valid offers to purchase the advertised timber (“Offers”) will be referred to TEAC.

For each Application that has a related Offer, TEAC will consider whether or not the Offer is fair relative to TEAC’s understanding of the domestic market value of the timber under the Application and, on the basis of a consensus, dispose of the Application by issuing one of the following:

- a recommendation to the Minister that the timber under Application should be considered surplus to requirements of timber processing facilities in British Columbia;
- a recommendation to the Minister that the timber under Application should not be considered surplus to requirements of timber processing facilities in British Columbia;
- or
- a request for further information.

#### **b. Other Advice and Recommendations**

From time to time, TEAC, of its own volition, or in response to a request from the Minister or a designate, will provide advice and recommendations on:

- timber export policy;
- timber export proposals, including proposals relating to *Forest Act* Sections 128 (3) (a), (b) or (c);
- other applications to exempt timber from the requirements of manufacture within the province, and
- the percentage of standing timber volume, by species, grade and geographic region, to be exempted from the requirement of manufacture in British Columbia, and the term of standing timber exemptions.

**5. Powers of the Chair**

The Chair will designate a member as Vice-Chair to act in the absence of the Chair.

**6. Meetings**

TEAC will meet monthly or at the call of the Chair.

**7. Quorum**

A quorum will consist of the Chair or Vice-Chair and three (3) or more members.

**8. Attendance**

Members absent for three (3) consecutive meetings will be considered for removal from TEAC.

**9. Minutes**

Minutes of meetings will be prepared by the Coordinating Secretary, signed by the Chair, and distributed to members and the Minister or a designate.

**10. Confidentiality**

TEAC deliberations and recommendations are confidential, and the Minister may release information within limitations prescribed by Provincial Law.

**11. Funding**

FLNRO will provide an honorarium to the Chair and members, at a rate to be determined by the Minister. Reasonable expenses will be reimbursed to all members.

**Appendix 2: Provincially Appointed TEAC Members**

<b>CHAIR</b>	<b>Appointed (3 yr. term)</b>	<b>Affiliation</b>
Don Ruhl	2011	Retired Export Policy Forester, Ministry of Forests and Range
<b>MEMBERS</b>		
Angus Allison	2011	Retired, Woods Manager, Richmond Plywood Corporation,
R. D. Burkholder	2011	Retired, Manager, Rocky Mountain Log Homes Canada Inc.,
Jim Cross	2011	Consultant, Lumber Manufacturing and Marketing, Past President and CEO, Campbell River Mills Ltd.
Paul Hanna	2017	Silverwood Consulting, Terrace
Rick Hanson	2017	Retired, Woodlands Manager, J.H. Huscroft Ltd, Creston
Michael Holmes	2011	Timberwest, Manager, Log Trading, B.C.
Scott Lunny	2011	Canadian Research Representative, United Steelworkers
Jim McGrath	2014	Manager, Tk'emlupsemc Forestry Development Corporation
Ken McRae	2011	Ex. Mayor, City of Port Alberni, B.C.
Clint Parcher	2017	Vice President, Fibre Supply Coastland Wood Industries Ltd. Nanaimo.
Tony Peiffer	2014	Retired, VP Coastal Log Sales & Marketing Group, Western Forest Products Ltd

### **Appendix 3: MOU between Government of BC and Government of Canada**

#### **MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE AND THE BRITISH COLUMBIA MINISTRY OF FORESTS**

**1. Parties**

This Memorandum of Understanding (MOU) is entered into between the Department of Foreign Affairs and International Trade (DFAIT) and the British Columbia Ministry of Forests (BCMOF). The Parties agree to establish executing agencies. For DFAIT, the executing agency will be the Export and Import Controls Bureau (EICB) and for the BCMOF, the executing agency will be the Economics and Trade Branch of the BCMOF.

**2. Purpose**

DFAIT and BCMOF recognize the importance of export controls in ensuring an adequate supply of logs for domestic manufacture.

**3. Background/Objectives**

DFAIT and BCMOF have co-operated for many years in the field of export controls over logs harvested from B.C.. Over the years Federal representation on the Timber Export Advisory Committee (TEAC) and the Federal Timber Export Advisory Committee (FTEAC) has varied. In furtherance of this process, Federal representation on the TEAC, but more importantly on the FTEAC, needs to be formalized.

**4. Areas of Co-operation**

Both Parties to this MOU agree to co-operate in addressing the issue of log exports from B.C. DFAIT will provide a Federal Representative to:

- a) participate in the meetings of the Timber Export Advisory Committee (TEAC); and
- b) participate in the meetings of the Federal Timber Export Advisory Committee (FTEAC).

**5. Mechanisms of Co-operation/Areas of Responsibility**

Mechanisms of co-operation of specific interest to both Parties are contained in the attached Annex 1, *Terms of Reference for the Federal Timber Export Advisory Committee* (FTEAC), and the Parties agree that this document forms part of this MOU.

In addition to the roles and responsibilities of the Federal Representative as outlined in the *Terms of Reference*, to further improve existing co-operation, both Parties will give special attention and support to a number of specific mechanisms of cooperation, including but not limited to: .

- (a) exchange of relevant information;
- (b) discussion with industry and sectors on an as required basis; and
- (c) identifying essential mutual issues or problems and establishing joint project teams to study such issues or problems, as required.

## 6. Implementation

In order to commence cooperation under this MOU, one or more meetings of experts assigned by the Parties and their respective executing agencies may be organized by mutual agreement to better define areas of common interest, to develop a mechanism by which this MOU will be managed and to prepare a program of implementation. The executing agencies will assist each other in the communication and sharing of information.

The Parties will ensure that appropriate funds and personnel are available each year to support this MOU. A report may be prepared from time to time by the two Parties in order to report on work carried out pursuant to this MOU.

## 7. Funding

- a) DFAIT will fund the participation of the Federal Representative to participate in the meetings of FTEAC. The Federal Representative will also attend the meetings of TEAC. The cost of the Federal Representative's attendance at TEAC meetings will be borne by DFAIT.
- b) The B.C. Ministry of Forests will assume the costs:
  - i) of the honoraria paid to the Chair of TEAC as well as the members of TEAC, and will assume responsibilities for their expenses;
  - ii) of any additional costs associated with the TEAC members participating in the FTEAC; and
  - iii) of holding the TEAC and FTEAC meetings including office and office services and all costs associated with photocopying, mailing and distributing relevant materials to the members/participants of TEAC/FTEAC.

8. *Selection of the Federal Representative*

DFAIT will consult with the BCMOF before the Minister for International Trade appoints the Federal Representative.

9. *Effective Date*

This MOU will take effect upon signature by both Parties and will remain in effect unless terminated by either Party upon ninety (90) days written notice to the other Party. Both Parties agree to review this MOU no later than one year after its coming into effect. It may be modified at any time by mutual written agreement.

Dated at Ottawa, Ontario,

Dated at Victoria, B.C.,

this 30th day of March 1998

this 30th day of March 1998

For the Department of Department  
of Foreign Affairs and International  
Trade

For the Ministry of Forests  
British Columbia

Director General  
Export and Import Controls Bureau

Executive Director  
Policy and Economics

## FEDERAL TIMBER EXPORT ADVISORY COMMITTEE (FTEAC)

### A. TERMS OF REFERENCE

#### **General**

The Minister for International Trade (the Minister), in consultation with the B.C. Minister of Forests, has established the Federal Timber Export Advisory Committee (FTEAC) to provide recommendations to the Minister on exports of logs from lands outside the scope of British Columbia's forestry legislation.

#### **Membership**

The FTEAC will consist of a Chair and a Federal Representative, designated by the Minister, and not more than ten (10) members, designated by the Chair, who may be members of the Provincial Timber Export Advisory Committee (TEAC). In the absence of the Federal Representative, the Federal Representative may name an alternate Representative.

#### **Reporting & Accountability**

The Chair will keep the Director General, Export and Import Controls Bureau, Department of Foreign Affairs and International Trade (DFAIT), informed of all matters relating to the export of logs from lands outside the scope of the B.C. forestry legislation and of FTEAC recommendations.

#### **Functions and Responsibilities**

The FTEAC will:

- review all referred *Applications to Advertise Logs on the B.C. Federal Bi-Weekly List* ("Applications");
- assess the validity of any offers to purchase regarding Applications, and determine whether or not those offers are a fair representation of the domestic market value;
- determine whether or not the logs under Application are surplus to domestic needs and make recommendations on their disposition;
- request the B.C. Ministry of Forests to undertake inspections of specific proposed log exports, as required; and
- submit recommendations to the Director General, Export and Import Controls Bureau, for consideration.

#### **Disposal/Consideration of Applications by FTEAC**

The FTEAC will formulate recommendations concerning Applications, by consensus, and may dispose of an Application by:

- (a) Recommending that the export be approved;
- (b) Recommending that the export be refused; or

- (c) Requesting further information.

**Powers of the Chair**

The Chair will designate times and locations for FTEAC meetings, will chair those meetings, will designate a member as vice-Chair to act in the absence of the Chair, and, if required, will designate an alternate recording secretary.

**Quorum**

A quorum will consist of the Chair or vice-Chair and three or more members, recording secretary.

**Minutes**

Minutes of meetings will be distributed to members, to the Director General, and Import Controls Bureau, and to the Deputy Minister, B.C. Ministry of Forests.

**Confidentiality**

FTEAC deliberations and recommendations are confidential, and the Minister may release information within limitations prescribed by Federal Law.

***B. POLICY CONSIDERATIONS***

1. When FTEAC is satisfied that there is an adequate supply and distribution of logs, FTEAC may recommend that the Minister issue an export permit.
2. The Minister may take into account relevant information additional to FTEAC recommendations when exercising discretion respecting issuance of a permit for the export of B.C. logs pursuant to the *Export and Import Permits Act*.