

## BRIEFING NOTE FOR INFORMATION

**DATE:** March 1, 2023

**PREPARED FOR:** Honourable David Eby, Premier of British Columbia  
Honourable Bruce Ralston, Minister of Forests

**ISSUE:** Houston Sawmill Closure

### BACKGROUND:

- On January 25<sup>th</sup> 2023, Canfor announced that they would be temporarily closing their sawmill in Houston, BC for approximately 2 years for restructuring. This announcement included the permanent closure of Canfor's Chetwynd facility.
- Previously, on January 12 Canfor announced it was permanently closing its pulp and paper mill in Prince George.
- The decision to restructure has not been formally approved by Canfor's board of directors. That decision is expected by June 2023.
- Houston has a population of approximately 3000. Houston Canfor is one of the main employers in Houston. It is anticipated that the upgraded facility will require fewer employees (estimated at 300).
- Between Canfor's licenses, they have an allowable annual cut (AAC) of approximately 1,045,00 m3 in the Morice Timber Supply Area (TSA).
- **s.13**
- Member of Legislative Assembly John Rustad sent a letter to the Honourable David Eby and Honourable Bruce Ralston on January 26 requesting a meeting to discuss the support BC can provide to the district of Houston and Canfor.
- The Associate Deputy Minister of Forests met with Canfor executive on February 22.
  - Canfor stated they want to keep their license active and their local contractors and woodland staff working during the shutdown (estimated at an additional 300 employees). They are in discussion with other major licensees and with BC Timber Sales (BCTS) for the purchase of existing developed volume. Some of the Morice Canfor volume could help support the West Fraser sawmill in Fraser Laker for the next 2 years.
  - Canfor are also looking for assurances around future timber supply in the Morice TSA in advance of their investment decision in June. While there is a potential for modest downward pressure it is one of the more robust and stable timber supply areas in the province. First Nations in this TSA are supportive of the forest industry.
  - Another meeting is scheduled for the end of March prior to Minister Ralston's meeting with Canfor.

- Canfor is working with the United Steelworkers to provide support for transitioning employees. They have been in communication with the Ministry of Labour regarding the Bridging to Retirement Program and transitioning impacted workers to other job opportunities in the area.
- In coordination with the District of Houston, Staff from the Ministry of Jobs, Economic Development and Innovation (JEDI) facilitated an initial community transition meeting on Tuesday February 28, 2023. In attendance were representatives from Ministry of Social Development and Poverty Reduction (SDPR), Ministry of Labour, Ministry of Post-Secondary Education and Future Skills (PSFS), Service Canada, WorkBC, United Steelworkers, Canfor, and the District of Houston.

## DISCUSSION:

MLA Rustad has specifically asked the government to provide program support to impacted workers until the rebuild is complete. The JEDI Community Transition Team leads coordinating overall transition supports as well as worker transition and community service supports. The Regional Economic Development Manager provides economic development support to the community.

The Community Transition Team works with a variety of stakeholders including provincial ministries, the federal government, and non-government organizations as well as the private sector. Partnerships are essential to a successful community transition response.

MLA Rustad has also requested that government ensures a forestry environment that supports the rebuild of the Canfor Houston sawmill. Ministry of Forests staff, including BCTS, are working with Canfor to identify needs and support them through this transition. Staff continue to process priority permits and other authorizations requested by Canfor.

Canfor Houston has been working collaboratively with local First Nations, government and other major forest licensees towards furthering stewardship initiatives and opportunities. They have upcoming meetings scheduled with several Nations in the area to discuss areas of concern related to the temporary closure.

## MINISTRY RESPONSE:

The Ministries of Forests and JEDI are committed to working with both Canfor and the District of Houston to support them through the short-term closure of the Houston sawmill. Canfor wants to minimize the impact to the community by keeping their license active and their local contractors and woodland staff working during the shutdown.

With support from the Ministry of Forests, the Ministries of Labour, JEDI, and PSFS have a suite of supports for workers, communities and First Nations to offset economic and community impacts resulting from downturns in the forest sector. This includes skills training, short-term employment opportunities, employment assistance, and retirement transition support for workers who are 55 years old or older (Attachment 1). [s.13](#); [s.17](#)

[s.13](#); [s.17](#). Government has also established a Forestry Worker Support and Community Resiliency Council (FWSCRC) chaired by Parliamentary Secretary Routley, to provide further advice on community and worker support.

Worker transition supports will continue as long as the need is identified by the local government and key stakeholders. Economic development supports will continue beyond the transition response as part of a comprehensive strategy towards long term community sustainability.

**Attachment(s):**

- Attachment 1 – Forestry Supports 2-Page
- [s.13](#); [s.17](#)

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**REVIEWED BY:**

	Initials	Date
DM	RM	March 6, 2023
Assoc DM	EOD	March 6, 2023
ADM JEDI	CR	March 2, 2023
ADM FOR	MH	March 1, 2023
A/RED	BD	March 1, 2023



## Resources for Forestry Workers & Rural Communities

The BC Government has developed a suite of supports for workers, communities and First Nations to offset economic impacts from changes in the forest sector.



Ministry of  
Jobs, Economic Development  
and Innovation



### Support for Forestry Workers & Contractors

Program	Description	Who Can Access?	Available Funding	Link
<b>WorkBC Employment Services</b>	WorkBC Centres are located across the province to provide individualized employment services. Services and supports include personal employment planning, job search services and supports, job placement, wage subsidies, skills training and self-employment.	Job seekers in British Columbia	N/A	<a href="http://www.workbc.ca/employment-services">www.workbc.ca/employment-services</a>  <b>Find a WorkBC Centre close to you:</b> <a href="https://www.workbc.ca/Employment-Services/WorkBC-Centres/WorkBC-Centres-Listing.aspx">https://www.workbc.ca/Employment-Services/WorkBC-Centres/WorkBC-Centres-Listing.aspx</a>
<b>Bridging to Retirement Program</b>	Supports eligible workers willing to voluntarily retire, who have an employer who supports their participation in the program.	Full-time mill workers, forestry-dependent contractors and their employees Aged 55 and older*. Assets to support sector development, and investment attraction.	Up to \$75,000 per worker	<a href="http://www2.gov.bc.ca/gov/content/industry/forestry/supports-for-forestry-workers/retirement-bridging-program">www2.gov.bc.ca/gov/content/industry/forestry/supports-for-forestry-workers/retirement-bridging-program</a>

### Support for Skills Training & Development

Program	Description	Who Can Access?	Available Funding	Link
<b>Skills Training for Employment (STE) Program</b>	Provides skills training and employment supports to help unemployed and precariously employed people overcome barriers and obtain sustainable employment. Specifically, the Impacted Workers stream provides skills training and supports to assist individuals impacted by mill closures and shift reductions. The Older Workers 55+ stream assists with training to support older workers overcome barriers to employment.	Unemployed and precariously employed people*	Varies by program. Financial supports may include counselling, mentoring, child-care, transportation, disability supports, work experience, wage subsidies or equipment.	<b>Impacted workers:</b> <a href="http://www.workbc.ca/Training-Education/Skills-Training-for-Employment/STE-Impacted-Workers.aspx">www.workbc.ca/Training-Education/Skills-Training-for-Employment/STE-Impacted-Workers.aspx</a>  <b>Broader STE Programs:</b> <a href="http://www.workbc.ca/Training-Education/Skills-Training-for-Employment.aspx">www.workbc.ca/Training-Education/Skills-Training-for-Employment.aspx</a>
<b>Community Workforce Response Grant</b>	Provides funding to communities and sectors to support in-demand skills training leading to secure and sustainable employment for British Columbians. Priority is given to training projects offering occupational certifications, especially for in-demand skills.	Eligibility dependent on funding stream	Up to \$300,000	<a href="http://www.workbc.ca/Employment-Services/Community-Workforce-Response-Grant.aspx">www.workbc.ca/Employment-Services/Community-Workforce-Response-Grant.aspx</a>

<b>Employer Training Grant</b>	Supports skills training to address provincial labour market needs. Priority is given to first-time applicants, small businesses, applicants from disadvantaged regions and applicants from industries facing the greatest challenges in acquiring skilled workers.	Employers in British Columbia	Up to \$300,000	<a href="http://www.workbc.ca/Employer-Resources/BC-Employer-Training-Grant/What-is-the-B-C-Employer-Training-Grant.aspx">www.workbc.ca/Employer-Resources/BC-Employer-Training-Grant/What-is-the-B-C-Employer-Training-Grant.aspx</a>
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## Support for Communities or Businesses

Program	Description	Who Can Benefit?	Available Funding	Link
<b>BC Manufacturing Jobs Fund</b>	Help manufacturing companies modernize, innovate, and grow by providing grants for capital projects in regional and Indigenous communities (outside of Metro Vancouver and the Capital Regional District)	Businesses, for-profit organizations, entities with for-profit manufacturing operations, including Indigenous and First Nation-owned enterprises.	<b>Business and Project Planning:</b> Up to \$50,000 <b>Capital Projects:</b> Up to \$10,000,000 with an average contribution of 20% of total eligible project costs	<a href="http://gov.bc.ca/ManufacturingJobsFund">gov.bc.ca/ManufacturingJobsFund</a>
<b>Rural Economic Diversification &amp; Infrastructure Program (REDIP)</b>	Supports rural economic development projects that promote economic capacity building, resilience, clean economy opportunities and infrastructure development. REDIP funds projects that strengthen communities, build capacity and diversify rural and remote economies in B.C.	Rural Indigenous and non-Indigenous governments and organizations	Up to \$1,000,000	<a href="http://gov.bc.ca/REDIP">gov.bc.ca/REDIP</a>
<b>Rural Business and Community Recovery Initiative</b>	Delivered through the Economic Trust of the Southern Interior, Island Coastal Economic Trust and Northern Development Initiative Trust. Recovery advisors support rural businesses and communities and support strategic decision making.	Rural businesses and communities	Varies	<a href="http://www.etsi-bc.ca">www.etsi-bc.ca</a> <a href="http://www.islandcoastaltrust.ca">www.islandcoastaltrust.ca</a> <a href="http://www.northerndevlopment.bc.ca">www.northerndevlopment.bc.ca</a>
<b>Community Transition Rapid Response Teams</b>	Deliver on-the-ground economic development and community support services to help with community transition responses.	Local governments Indigenous governments and organizations Non-governmental organizations Private sector organizations	N/A	<a href="http://www2.gov.bc.ca/gov/content/employment-business/economic-development/support-organizations-community-partners/community-transition-services">www2.gov.bc.ca/gov/content/employment-business/economic-development/support-organizations-community-partners/community-transition-services</a>



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Withheld pursuant to/removed as

s.13 ; s.17



## BRIEFING NOTE

**Western Forest Products meeting with Premier David Eby**

**Location – Vancouver Cabinet Office (740-999 Canada Place)**

**CLIFF: 273969**

### Briefing Note

#### What:

*Steven Hofer, President & CEO, of Western Forest Products Inc. (Western) to meet with the Premier to discuss the Minister's mandate letter, how their corporate objectives support the Ministry of Forests objectives and sustainable forestry stewardship.*

#### Who:

*Steven Hofer, President & CEO, of Western, Minister Bruce Ralston, and Deputy Minister Rick Manwaring.*

#### Executive Summary:

*Western is an integrated Canadian forest products company with approximately 2,000 employees, managing forests and manufacturing wood products and is the largest operation on the Coast with approximately 38% of the timber harvest rights, 6 sawmills, 2 value added facilities (Attachment 1) with a total of 1 billion board feet production capacity. s.13; s.16*

s.13; s.16

*They are leaders on the coast working with Nations on Forest Landscape Planning.*

s.13; s.16

#### Background:

- *The Coast Area's total allowable annual cut (AAC) is approximately 15.3 million cubic metres per year (m<sup>3</sup>/yr), with Western holding an AAC of approximately 5.8 million m<sup>3</sup>/yr or 38% of that total. Their annual harvest is approximately 82% of*

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**CLIFF: 273969**

*their available cut.* s.13; s.17  
s.13; s.17

- *Western holds 6 tree farm licences (TFL),* s.13; s.17  
s.13; s.17 *and 191 Timber Licences.*
- *Western has partnered with the Huu-ay-aht Nation by creating Tsawak-qin Forest Limited Partnership and* s.13; s.16; s.17  
s.13; s.16; s.17

s.13; s.16

- *Western will be a key player in advancing two of the eight new forest landscape plans in collaboration with the Province and First Nations related to accelerating the old growth strategic review.*

## Recommendations:

- *I remain encouraged by Western's leadership of partnering with First Nations, leading Forest Landscape Plans on the Coast and commitment to implementing the recommendations from the Old Growth Strategic Review.*
- *The Province is committed to working with the forest industry to develop a strategy prioritizing high-value manufacturing in British Columbia to support local employment.*
- *I would like to thank you for the role you play in supporting the forest industry and providing employment to the citizens of British Columbia. We are actively*



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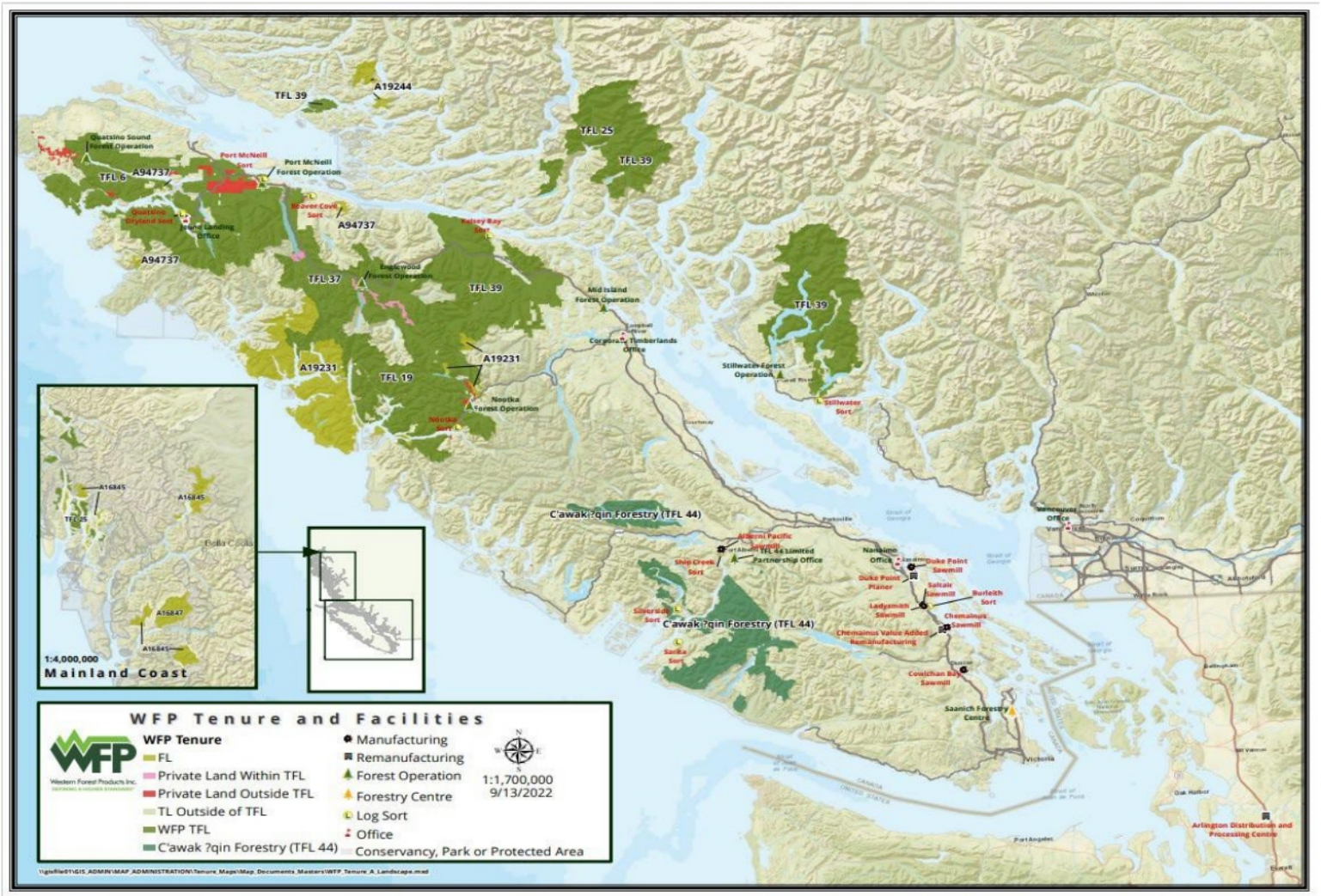
**CLIFF: 273969**

*working with First Nation and the industry to find long term solutions to permitting and licensing challenges.*

*Attachments: 1. Western's Tenures and Facilities Map*  
*s.13; s.17*

## Attachment 1

Map provided by WFP illustrating their various tenures and facilities throughout the Coast Area:



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s.13 ; s.17



## BRIEFING NOTE FOR DECISION

**DATE:** March 15, 2023  
**PREPARED FOR:** Rick Manwaring, Deputy Minister of Forests  
**ISSUE:** New Mandate Letter for Forest Enhancement Society of BC

**RECOMMENDATION:** **Approve that there are no new priorities for the Forest Enhancement Society of BC**

### BACKGROUND:

- New Mandate Letters will be required for all Crown Agencies that previously received them from government, as required by the Premier's Office.
- The Crown Agencies and Board Resourcing Office (CABRO) is introducing a streamlined process to update Mandate Letters for Crown Agencies.
- Cabinet Submission will be required only for those Crown Agencies that have new proposed priorities for the next 18 months.
- For Crown Agencies with no new priorities, CABRO will coordinate their Mandate Letters to either DMCSI or DMCE. ADM committee review will not be required.
- This streamlined approach will free up resources at Cabinet.
- Minister of Forests is responsible for the Crown Agency Forest Enhancement Society of BC (FESBC).
- Ministry of Forests must submit a deputy minister approved declaration on whether there are any new proposed priorities for FESBC, by March 30, 2023.

### DISCUSSION:

FESBC is a service delivery Crown Agency that was formed in 2016. FESBC contributes to the achievement of Government's strategic priorities through the delivery of its constitutional purposes:

- Prevent and mitigate the impact of wildfire,
- Improve damaged or low-value forests,
- Improve habitat for wildlife,
- Support the use of fibre from damaged and low-value forests, and
- Treat forests to improve the management of greenhouse gas (GHG) emissions.

On January 19, 2023, Premier Eby announced \$50 million of new funding to FESBC and specified that the new funding would be used to improve fibre utilization. The new funding is provided as part of Budget 2023.

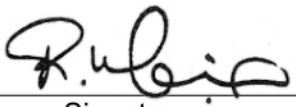
As this specific focus is within the purpose of FESBC, no new priorities are identified.

Premier's direction for the new funding can be captured in the refreshed Mandate Letter for FESBC.



**RECOMMENDATION:**

Approve that there is no new priority for the Forest Enhancement Society of BC.

Approved / Not Approved            March 29, 2023  
Signature      Date  
Rick Manwaring,  
Deputy Minister of Forests

**Attachment(s):** Crown Mandate Letter Assessment Tool

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REVIEWED BY:

	Initials	Date
DM	RM	March 29, 2023
Associate DM		
DMO		
ADM/Chief Forester	SB	March 15, 2023
Program Dir/Mgr.	VS	March 15, 2023