

West Island Woodlands Advisory Group – Western Forest Products
Held at the ACRD Boardroom, Port Alberni
Final Minutes – January 12, 2012

Advisory Group Members

✓ ✓	Harold Carlson Barbra Baker (alt)	Forest Recreation		Lyle Newton Arnie Magnusson	Logging Contractor Island Pacific
✓ ✓	Rick Avis Judy Carlson (alt)	Naturalists	✓	Gilbert Richir	Forests and Range Natural Resources Operations
✓	Rick Avis (for now will also cover this)	Watershed/Fisheries	✓ R	Jim Creighton Neil Malbon	Small Business/Tourism
✓	Glen Wong	A.C. Regional District	R ✓	Darlene Clark Bob Cerenza	Alberni Fish & Game
		Port Alberni & District Labour Council	✓ ✓	Jack McLeman Pat Deakin	City of Port Alberni
✓	John McIntosh	Parks Canada	✓	Jane Morden Mike Stini (alt)	Environment
✓	Stefan Ochman	Bamfield	R	Keith Hunter	Multiple Goods & Services
R	Tom Paisley	Catalyst Paper	✓	John Smith Phyllis Francoeur	AV Hill Climbers AV Hill Climbers (alt)

✓ = attended R=regrets blank=did not attend V=vacant seat Q=Quorum

Resources Present:

Western Forest Products (WFP) Port Alberni Forest Operations (PAFO)

Erin Badesso - PAFO WFP, Forester
Annette van Niejenhuis, RFP, WFP Forest Investment Account (FIA) Coordinator
Kevin Somerville – WFP Operations Manager
Justin Kumagai – PAFO WFP, Resident Engineer
Doug Singbeil, FP Innovations
George Singbeil
Jennifer Dyson – Facilitator
Marusha Taylor – Recording Secretary

1. Welcome and Introductions

Meeting called to order @ 5:30pm
 Introductions were made around the table.

2. Safety Orientation

Jennifer reviewed safety procedures.

3. Approval of Minutes

Minutes from the WFP WIWAG June 9, 2011 meeting were approved and will be posted to website.

Action Item #1: JD to post to website

4. WFP Update – Kevin

Safety stats presented showing improvements company-wide; low rate of injury for heavy industry, with goal of improving even further. More challenges in the contract community, but trending in the right direction; company is having a positive influence there. Accelerating cut to higher levels again. Port Alberni will remain a focus operation with more safety advisors and resources, coaching and auditing of contractors. Cut of 6.5 million cubic meters anticipated for this year. A lot of investment in infrastructure upgrades, inventory. Meetings have been held with the College and other programs to promote interest in forestry among younger people, succession of labour force still an issue for the industry.

- Glen Wong mentioned that fibre supply may provide source of revenue for programs at the high school.
- \$140 million is budgeted for Port Alberni forest operations.
- AAC; Provincial news release regarding TFL 44, from 900,000 cubic meters, to 800,000 cubic meters, this was expected and based on a (WFP calculated) recommendation, this number has been built into the (logging) plan.

5. Presenter Annette van Niejenhuis RPF, WFP Forest Investment Account (FIA) Coordinator presented on Criterion 1 — Biological Diversity. For discussion: The gene pool of native seed stock, and genetically modified organisms (GMOs) and the associated regulatory/policy requirements

- Fertilizing is being done in TFL 44. WFP will treat over 1500 hectares this year. Tree improvement at population level by control of parentage; tree breeders play a critical role. Goal of maximization of economic benefit, improvement of wood quality is tied into the land use plan here.
- Research by industry Ministry, universities; funding by provincial and federal government Return on investment is very good, so funding remains at consistent levels
- Forest Genetics Council makes recommendations, advises on policy matters - WFP is on the Council Breeding program involves a lot of field testing: provenance tests of wild seed populations, and progeny tests using controlled pollination of parent plants.
- Both tests used for transfer limits; some species more adaptable than others to movement between elevations. Primary trait is generally volume; in some, pest management is primary.
- Seed and its use is highly regulated via seed registry (SPAR). 95% of seeds have to be planted perfectly according to their transfer limits; a variance is needed to plant beyond. Need to have minimum number of parents to meet standards. Seed storage is regulated.
- No GMOs can be registered or planted by law in BC. Genetic gain has an impact on allowable cut. Surplus seed is made available to other licensees on the coast.
- Improved stock available for all species except Amabilis Fir; little success in producing it in orchard. Genetic diversity within tree species is considerable; in Western Red Cedar, it is comparable to that in humans. Provenance testing has led to two seed sources for Sitka spruce which were not decimated by weevils. Climate change will have some impact on the coast; much more so in the Interior. High elevation seed will be reduced; concern that there will be less forest, more grassland in some areas but precipitation patterns are hard to predict.
- Douglas fir and Western red cedar make up more than 70% of regeneration program.
- Work being done on conservation of commercial species; research on species which are possibly threatened.
- Gene Resource Mgt. Program is held up as a world-class program with enviable success. About 95% of reforestation is done by replanting; other 5% by natural processes.
- Planting of mixed species is done selectively to avoid out-competition of some.

Doug Singbeil from FP Innovations will talk about converting forest biomass into bio-energy, bio-chemicals and bio-materials. The talk will focus on the economics and technology of converting wood and wood residues into bio-products.

- Forestry industry undergoing a shift from production of pulp, lumber etc. to additional production of energy products
- Bio-pathways program for research into latter.
- FP Innovations is one of the largest forest research centres in the world, with facilities and offices across Canada. Use of electronic media is escalating fast; consequences for forestry are serious. Use of newspaper has dropped 50% in the last decade. However, new markets are opening up for traditional forestry products (eg, China). Not all emerging technologies promise to be good investments; ethanol from forest biomass isn't a good bet, but heat and power might be under the right conditions – being used in parts of Europe with some success. Here, housing density is lower and costs per family increase. Lessons from other industries:
- Technologies with high return on capital investment tend to have low employment numbers.
- Oil industry is making most of its profits from specialty chemicals, which represent only 4% of their product. Question of scale: bio-refinery operations must be carried out at a very large scale to be economical. Biomass is wet and bulky, hard to transport.
- High-value products are needed which can be produced at high volume. 2% of our AAC could provide renewable fuel content in BC. Alberta would need 77% of its AAC to replace 20% of its coal. About 20% of harvestable wood is left as residue; could be recovered without affecting AAC. Cost of returning residues to the plant is high (between \$50-100 per ton).

Current technologies:

- Pelletization with low oxygen produces torrefied wood that is more water-resistant, has greater energy density. Pellets as fossil fuel substitute are not a great economic opportunity; markets driven by government subsidies, very risky. Cutting trees to make pellets not cost-effective.
- Pyrolysis heats wood to point of vaporization, then it is condensed quickly to produce oil that could be refined into gasoline in the future; however, it's smelly and corrosive.
- Gasification produces a syngas that can be used close to the source of production. Very high capital costs; need to process a lot of wood to make it economical.
- Cotton production has peaked, but demand for textiles is growing – wood as a source of fibre (viscose rayon). Two mills in Canada have been repurposed to produce dissolving pulp; mill in Port Alice has always produced it. However, market could become glutted with global prices bottoming out.
- Wood cooked in ethanol produces a high-quality lignin for producing resins and other products; this is being done by a company in BC. However, can't get a high enough value for their lignin.
- Wood-to-ethanol conversion: offers no economic advantage over corn ethanol, and is more expensive than gasoline.
- Bio-composites: panels for the automotive industry (currently made from petroleum products) could have same traits as plastic products.
- Cross-laminated timber: replaces concrete in small, one-storey malls and warehouses. Not new to Europe, but new to North America. Some technologies are using non-toxic glues to bind the panels.
- Bio-methane collection offsets some of the costs from wastewater treatment.
- Nano-crystalline cellulose to be incorporated into other products – varnishes, paper cups, etc. Material is completely non-toxic.

Cost of competing fuels is an issue and will continue to be so for some time to come. Demonstration plant needs to be integrated and operable 24/7; have a ready market for product; use real feed stock. However, there is federal funding for demonstration projects. Canada has an advantage in that most of its forest products are certified; not the case elsewhere. Wood is renewable, environmentally-friendly feedstock; but without a strong primary industry, residue to make other products isn't there. 30% of revenues from a typical pulp and paper company will be power, not traditional products.

Audit actions – Erin Badesso

Will be brought forward at next meeting.

Next Meetings

- **ITLP Feb. 9**
- **WFP March 8, June 14**

Another tour in October 2012, to be determined.

Meeting adjourned at – 8:30 pm

#	ACTION ITEM AND PROGRESS	Date of request	Recommend Completion	Completion Date	Person Responsible
1.	JD to post approved minutes from last meeting to WIWAG website			January 13	JD
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
Flag					

Western Forest Products – WIWAG Action Items

All Completed Action Items see file: [Actions completed\WFP actions completed.doc](#)