



• **Getting the most from every tree cut**

Government will no longer force companies to cut timber when it is uneconomic to do so. Licensees will also be allowed to transfer or subdivide licences, opening up opportunities for new operators with innovative ideas. And the mandatory links that forced companies to process the timber they cut will be ended, allowing the wood to go to mills best suited to handle it within B.C.

• **Setting a fair price for the public resource**

More timber will be sold via bids in public auctions. These auctions will be used to set the rates for Crown timber paid by licensees and other users, creating the more market-based pricing system promised by government. Some of the reallocated long-term tenures will be directed to support the auction pricing system, with about 20 per cent of Crown timber being sold at auction.

• **Transition assistance**

These changes will revitalize the forest sector and provide workers and communities with greater long-term stability. However, there will be some dislocation in the short term. Funding of \$75 million has been set aside for those who will be most affected by this transition to a new forest economy.

A brighter future

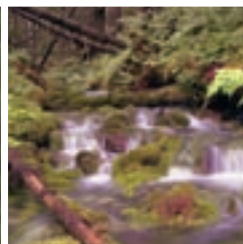
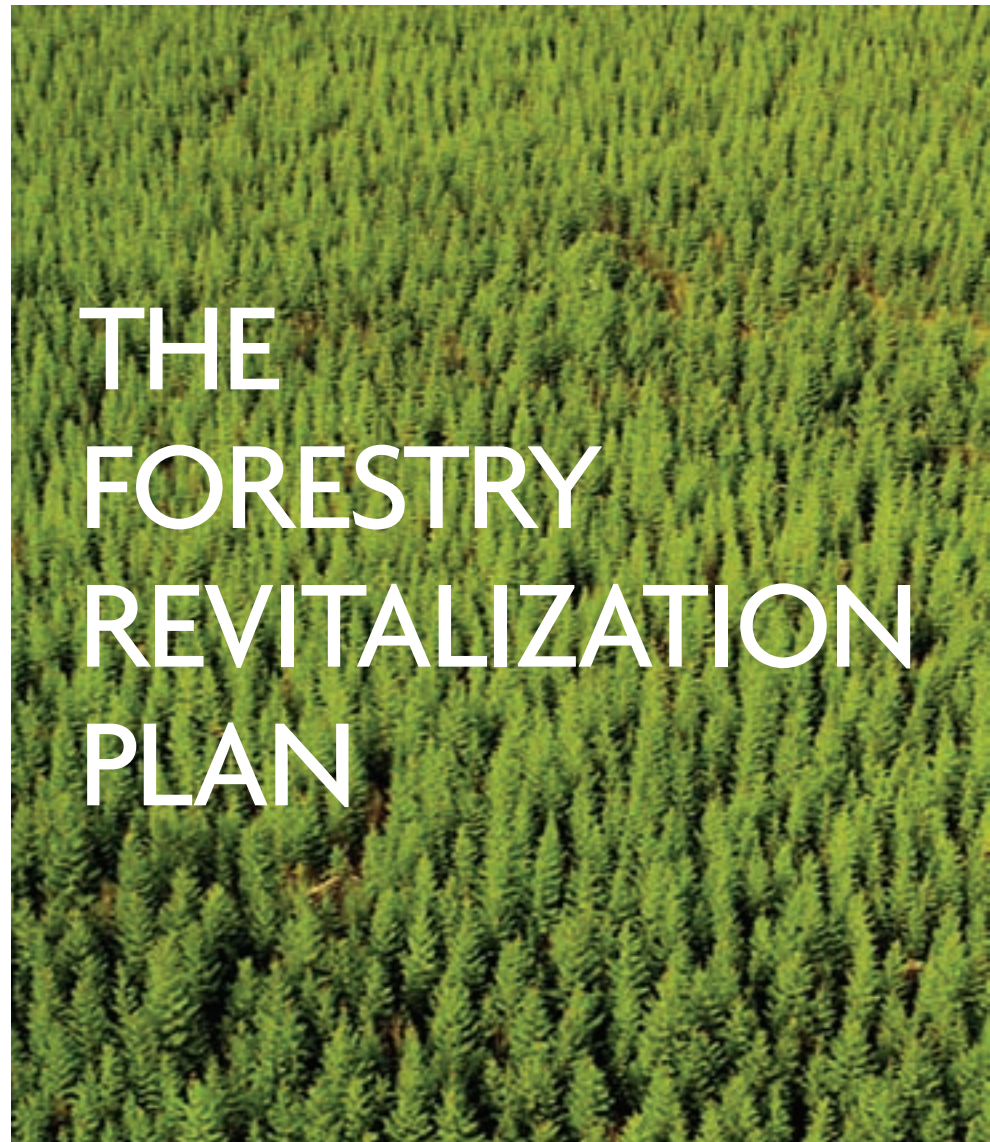
We are reshaping our forest sector to restore the B.C. advantage to our province's number one industry, both at home and abroad. These changes will help revitalize the economy, generate jobs and spinoff benefits for communities, and provide long-term contributions to our province's standard of living.

For a copy of the Forestry Revitalization Plan, please visit:

www.for.gov.bc.ca/mof/plan

or call toll-free at

1-888-316-8811



Revitalizing B.C.'s Forest Economy • Creating new opportunities • Opening up markets • Ensuring sustainable forest practices

Forestry drives British Columbia's economy. It provides thousands of jobs in our province's heartlands, and the revenue it returns to government pays for much of our health care, schools and other public services. In fact, the forest industry is the single most important contributor to every British Columbian's standard of living, whether they live in Vancouver or Vanderhoof.

Our forestry practices are world class, protecting our province's environment and resources for future generations. The B.C. industry is showing leadership in obtaining independent certification to assure their customers they are committed to sound environmental stewardship.

And our forest products are world-famous for their quality, from construction

lumber through pulp and paper to value-added products.

The challenges

Today, however, our forest sector is struggling. Since 1997, 13,000 workers have lost their jobs, 27 mills have closed forever, and annual government revenues from forestry continue to drop to the point where they are now down more than \$600 million.

New competitors are pursuing our customers aggressively, at home and abroad. Trade disputes and weaknesses in our traditional markets have also taken their toll.

We are already working to open up new markets in China, Asia and Europe, and we're telling the world about our sustainable forest practices to increase the B.C. advantage.

We also need to modernize our forest policy regulations. The current regulatory approach once helped B.C.'s forest sector to become a world-leading industry. But the world has changed, and these policies now sap the strength of the industry and thus harm forest workers, communities and the public.

The solutions

Our new Forest and Range Practices Act will maintain high environmental standards while shifting the focus from paperwork to on-the-ground results. But B.C. must make other fundamental policy changes to place our forest companies on a solid business footing, open up opportunities for new and innovative entrepreneurs, give the public fair value for the use of their forests, and make sure timber goes to its highest and best use in B.C. These changes will allow our number one industry to reshape itself and continue to provide benefits to the people of this province.

• Opening up new opportunities for British Columbians

Most logging rights in B.C. were awarded decades ago, making it difficult for new operators, along with their fresh ideas and creativity, to enter the industry. To open up the sector, the government will reallocate about 20 per cent of long-term timber licences, roughly half of which will go to new entrants, including First Nations and operators of woodlots and community forests. As well as increased access to timber, First Nations will be offered revenue sharing to accommodate their interests and create a more certain investment climate until their land claims can be settled.

