



Reference: 250302

August 13, 2019

The Honourable Amarjeet Sohi  
Minister of Natural Resources  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Minister Sohi:

**Re: Federal Assistance Forest Sector Workers and Communities in British Columbia (B.C.)**

I would like to take this opportunity to acknowledge the important role that the Government of Canada plays in British Columbia's forest sector and to raise the need for further collaboration to address job losses and community impacts resulting from timber supply impacts of the Mountain Pine Beetle (MPB), record wildfire seasons and increasing restrictions on the land base for habitat requirements.

As you know, Canada and British Columbia have committed considerable resources to strengthening B.C.'s forest sector over recent years. Federal funding through the Softwood Lumber Assistance Program, Low Carbon Economy Leadership Fund and other programs have been providing valued support for worker retraining and market diversification. However, additional targeted interventions are needed to assist workers, communities and the forest industry through a critical period of transition.

The already significant impacts that insect outbreaks, wildfires and habitat restrictions are having on B.C.'s timber harvesting land base are being compounded by low 2019 U.S. lumber prices. This combination of factors has resulted in widespread curtailment of forest sector manufacturing and harvesting operations across much of the B.C. Interior. Additionally, an extended labour dispute on the B.C. Coast has temporarily closed Western Forest Products mills, with related impacts on residual fibre supply to the Coastal pulp and paper sector.

Across B.C., the industry has announced current and future reductions at 22 locations, including 3 permanent facility closures, 12 temporary facility shift reductions or closures, and 8 indefinite facility shift reductions or closures. Collectively, more than 3,900 employees are impacted across 16 communities. The impacts on community economic stability are even

larger when we account for earnings disruption for contractors, suppliers and small businesses.

Although the rationalization of mill capacity to match sustainable post-MPB harvest in the B.C. Interior is inevitable, the pace of closures and curtailments exceeds the capacity of existing federal and provincial funding mechanisms to support workers and dependent communities.

British Columbia has been taking significant steps to respond to both the immediate crisis and its root causes, some examples of which include:

- The Ministry of Forests, Lands, Natural Resources and Rural Development has launched policy renewal initiatives to address challenges on the Coast and in the Interior and enacted legislative changes to ensure the public interest is carefully considered when forest licenses are transferred;
- We increased funding in our 2019-20 budget to mitigate, manage and respond to wildfire risks;
- An ongoing, weekly coordination process has been established with communities, labour and the industry, led by Deputy Minister John Allan and other ministry staff, with regular engagement from my office and our newly-appointed Parliamentary Secretary Ravi Kahlon; and
- Our Rural Dividend fund provides \$25 million per year for strengthening Indigenous and non-Indigenous community resilience and we are working with the Forest Enhancement Society of BC to deliver projects that improve forest resilience to wildfire and climate change.

In addition to these efforts, there is an urgent need for our governments to jointly engage communities, organized labour and the industry to develop new programming that can be rapidly deployed to support workers impacted by mill closures in B.C., and to support community and industry transition. To begin this work, I propose we assign our Deputy Ministers to work together on the following:

- Enhancing and extending the Softwood Lumber Assistance Program to address the urgent needs of mill workers, independent harvest / hauling contractors and affected communities;
- Developing and providing an early retirement incentive program that would support successful industry restructuring by bridging age-eligible workers impacted by a permanent or indefinite mill closure *or* where their position could be filled by an impacted worker from another facility;
- Working with the industry to establish a centrally-operated worker transition coordination office to provide equitable treatment of workers impacted by permanent and indefinite closures, oversee support services and coordinate placement opportunities, with a focus on individual worker needs and personal circumstances;
- Working with the industry and labour to identify adjustments to Employment Insurance eligibility to address the unique needs of rural, forestry-dependent workers undergoing significant economic disruption; and,
- Expanding and extending forest industry transformation support, with an emphasis on new conversions from conventional products to engineered wood, pulp, bioenergy and composite products.

These steps will enable B.C.'s forest sector to succeed in the transition to a resilient and diversified forest economy. As a next step, I propose that B.C. and Canada develop an action plan that sets out the details for further federal funding. Given the short time available before the upcoming Federal election and the immediate needs of workers and communities, I cannot stress strongly enough the need for a combined federal and provincial response.

Thank you for your attention to this urgent matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Doug Donaldson', with a stylized, cursive script.

Doug Donaldson  
Minister

cc     The Honourable Jean-Yves Duclos, Minister Employment and Social Development  
Canada  
The Honourable Shane Simpson, Minister of Social Development and Poverty  
Reduction, B.C.  
Ravi Kahlon, Parliamentary Secretary, Ministry of Forests, Lands, Natural Resource  
Operations and Rural Development