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RNNR: HOUSE OF COMMONS STANDING COMMITTEE ON NATURAL RESOURCES

STUDY ON ECONOMIC RECOVERY IN CANADA'S FOREST SECTOR

Forest Products Association of Canada:

Kate Lindsay, Senior Vice President

Derek Nighbor, President and CEO

Date: November 3, 2020



Kate Lindsay to speak for the first half of the 5 minutes.

Good afternoon.

Thank you to the Committee Chair and Members of the Committee for this opportunity.

Canada's forest products sector is ready to play a key role in driving economic recovery – especially in rural and northern forestry communities – and at the same time bring health and environmental benefits, and greater self-sufficiency to Canada and Canadians.

My name is Kate Lindsay, FPAC's Senior Vice President, I am joined today by my colleague, FPAC President and CEO, Derek Nighbor.

Starting Point

Let me begin by talking about the fundamentals upon which Canadian forestry is built.

Canada is blessed with a tremendous natural and renewable resource in our forests. We have the second most forested lands in the world, making up 40% of our land base.

Canada's managed forest – the area under active management – is primarily under the purview of provincial governments. 94% of the lands upon which FPAC member companies operate are on Crown lands and are subject to among the most rigorous governance frameworks in the world.

Canada's forests and our sustainable forest management regimes are dynamic in nature, continuously evolving to respond to the natural, human, and societal shifts that require small adjustments or significant transformation.

Forest management planning in Canada happens at the local level and is driven by science and detailed modelling. It considers dozens of values from wildlife habitat requirements to watershed protection to fire risk mitigation. It receives and reflects input and knowledge from local municipalities, Indigenous peoples, regional recreation and outdoors groups, and other area rightsholders and stakeholders.

As with any local land development planning there are often competing values and interests. It is our job to work with local communities on local solutions that find balance and co-benefits.

Layered on top of provincial rules and local input is another level of accountability and transparency – third party certification.

Just 11% of the world's forests are third party certified – 35% of those certified forests are here in Canada. It's another reason why, in a recent Leger study of nearly 200 global wood, pulp, and paper buying customers (commissioned by BC Forestry Innovation Investment with the support of the Canadian Council of Forest Ministers), ranked Canada #1 in the world.

International customers cited quality, reliability, sustainability, and good forest management as being reasons why Canada is their #1 choice.

This natural Canadian advantage is a huge opportunity for us as we look at post-pandemic recovery opportunities.

Derek Nighbor to speak for the last half

Solutions and Opportunities

Thank you, Kate.

Good afternoon Chair and Members of the Committee.

Turning to those opportunities, here are some areas where forestry workers can do even more – for the economy and the environment :

1. *Safeguarding the future of our forests.* Climate change has emerged as one of the most important transformation challenges, placing unprecedented pressure on our forests' capacity to remain healthy and resilient (as evidenced by worsening pest outbreaks and wildland fire). Forests that are actively managed for the long term, together with the wood products harvested from them, are a key tool in the fight to address climate change. Active management will continue to provide environmental benefits, societal benefits as well as building more resiliency into Canada's forests for the future.
1. *Bringing more capital investment to Canada.* We can attract more capital investment to create a world-class manufacturing base that can compete with the best in the world. FPAC has identified over 140 shovel ready project across the country worth over \$1.5 billion in value that can sustain and grow jobs and improve competitiveness and environmental performance.

2. *Jobs and products for our people.* We can sustain and grow family-supporting jobs in communities that desperately need them. By strengthening our sector domestically, we can also ensure that we have a strong supply of lumber and wood products, pulp and paper, wood fibre based health and hygiene products, and bioproducts made right here in Canada so we can provide for our people. This includes important opportunities for SMEs, including the over 1,400 Indigenous-owned businesses that are a critical part of Canada's forest sector.
3. *Growing export markets.* Canada is well-positioned to be the global leader in sustainably sourced, manufactured renewables – and bringing more quality and innovative products to the world.

How can you help us get there?

We have a few requests and look forward to discussing these with you in greater detail :

- *Greater clarity between federal and provincial governments and predictable access to the working land base.* Remembering that 94% of the lands upon which our members operate are governed by provincial government legislation and regulations, we need your support to ensure there's greater coherence and clarity between federal and provincial jurisdictions. Certainty around access to wood fibre is important to workers, contractors, and forestry communities. Increasing levels of duplication between federal and provincial governments inhibits our ability to attract capital.
- *Market Access and Market Development.* Continued focus on trade agreements, growing and diversifying export markets, and building code modernization to allow for bigger and resilient carbon-storing wood buildings will bring real benefits to forestry workers.



- *Selling Canada's story to the world.* Canada's pulp and paper mills have reduced GHG emissions by nearly 70% since the early 1990s. In its most recent *State of Canada's Forests Report*, Natural Resources Canada confirms that our managed forest is a carbon sink of 14 MT. Canadian forestry has a compelling story that resonates with global customers. Despite this Canadian advantage, our customers and investors are increasingly being targeted by anti-industry groups and misinformation campaigns to drive business away from Canada. This is putting Canadian jobs at risk in the process. We need our federal and provincial governments to stand with us so we can sustain and grow jobs, keep our northern communities safe from fire, and advance the economic and environmental benefits that Canadian forestry and forest products provide.

Thank you again for the invitation to join you today.

We look forward to picking up the discussion during the Q&A portion of the meeting.