

Forest Investment Council Meeting

Draft Minutes

<u>Meeting Date:</u>	September 22, 2005	
<u>Location:</u>	Canfor Head Office, 100-1700 West 75 th Avenue	
<u>Attendees:</u>	Doug Konkin (Chair) Alex Ferguson (Canfor) Ian de la Roche (Forintek)	Chris Trumpy (MOE) Ric Slaco (Interfor) Kevin Jardine (ILMB)
	Karen Brandt (FII) Kevin Bromley (PwC) Jill Gilbert (MOFR)	Ian Brown (PwC) Rick Brand (MOFR)
<u>Guest Presenters:</u>	Bill Bourgeois (FSP) Dave Bodak (MOFR)	Dale Draper (TIP) Jack Woods (TIP)
<u>Absent:</u>	Mike Lambert (ILMB) Bruce MacNichol (West Fraser)	Ken Baker (FII)

1. Minutes of Previous Meeting/Draft Agenda

The Minutes of the March 4, 2005 meeting were accepted. No new items were added to the agenda.

2. Action items from last meeting

FIC Terms of Reference

- Rick Brand reported that the FIA Governance Overview in the FIC terms of reference has been revised slightly to reflect government reorganization. More minor changes will be made to the FIA overview diagram to include a box for the FII Board of Directors under Goal 3 Governance, and also a box for the joint task group for the ministries (discussion on the proposed change to this group to occur later in the meeting). *Completed and attached.*
- The other changes to the terms of reference reflect the discussion at the last meeting that:
 - the decision-making authority for allocation of funding lies with the Deputy Minister of Forests and Range; and,
 - meetings will be held twice a year, in mid September and late January, and that meetings will alternate between Vancouver and Victoria.

Action: Letters will be prepared for the Deputy Minister's signature appointing Mike Lambert and Alex Ferguson to the Council. *Will be completed and signed off by Doug shortly.*

FIA Communication

- A table of communication and extension accomplishments between 2001 and 2005 was distributed for review.
- The Council discussed the reasons for expanding communications, at what level should communications be focussed, and how best to achieve this.
- It was generally agreed that the objective of expanded communication is to get favourable support for existing programs and to be able to grow the program. There is a need for an overall formalized communication strategy that targets elected officials, in advance of the on-the-ground activities.

Action: Doug Konkin will ask MOFR communications staff to co-ordinate a meeting of industry communications staff to develop a communications strategy that targets elected officials and focuses on program components (as opposed to FIA) with links to FIA funding.

2005/06 Budget

- An extra column was added to the budget chart for 2005/06 to show where changes have been made since the start of FIA. It shows a decrease in some program areas.

3. Strategic Planning

Forest Science Program

Bill Bourgeois made a presentation on the Forest Science Program, its mandate, focus, organization and achievements to date. In response to questions, Bill explained how the Forest Science Program is administered and how the Board and committees work.

Tree Improvement Program

Dale Draper made a presentation on the Forest Genetics Council, its role, the importance of FIA funding in the strategic planning and business planning initiatives, and its progress towards its provincial objectives. Copies of the current Business Plan and the Annual Report were made available for Council members.

Dale outlined the impacts of mountain pine beetle on the forecasts for provincial select seed use and average genetic gain.

Questions were raised about where the government plans to go with reforestation in the mountain pine beetle infested area; whether the area be reforested with the same species and to what harvest level. Doug Konkin indicated that the Chief Forester would be looking for input on these and other reforestation questions at a meeting to be held in early October to determine the future of the mountain pine beetle infested area.

LBIP shift in direction

Dave Bodak made a presentation on proposed adjustments to the LBIP investment program. A question was raised about BC Timber Sales becoming a recipient in 2006/07. Dave pointed out that this was proposed at a meeting with industry that took place in June 2005.

Proposed adjustments to the LBIP include:

- Strengthen the LBIP governance. Move from a task group to a steering committee, which will include industry representatives (coast, interior, major licensees, small tenure holders) as well as ministry representatives.

Decision: There was general agreement that an enhanced governance model should be established on a pilot basis to look at and propose an optimal balance between provincial/regional/local level funding strategies for the Council's review. The steering committee should also discuss and recommend whether funding should be at the management unit or licensee level.

Action: MOFR staff to contact the Associations to canvass for representatives to form the pilot LBIP Steering Committee. *Steering Committee has been formed, met once and agreed on terms of reference that are attached.*

- Allocation determined on the basis of AAC. Some concern was raised about the effect of using AAC to determine allocations. With the addition of BCTS as a recipient, allocations will change, and some smaller licensees or First Nations may lose out. It is assumed the BCTS will become a recipient in 2006/07. *Discussions with BCTS indicate that they are gearing up to be included as a LBIP recipient in 2006/07.*

Action: PwC to identify the top five projects from last year that were below the funding level cut off. *List is attached.*

- Activity strategy to include focused and discretionary funding envelopes with clear expectations, criteria and standards. New strategy to be phased in over 2 years.

The overall principle for the funding in previous years has been on local programs. The Steering Committee should discuss the balance between focused funding and discretionary funding, and develop some categories of programs for focused funding. What would be an ideal balance? Should there be funding caps for focused and discretionary funding? Should discretionary money be allocated at the licensee level and a portion be allocated at the management unit level

- Strengthen the Land Base Inventory Rationale (LBIR). It was suggested that the scope of the LBIR be expanded to cover a 3-year period.
- Develop outcome focused performance measures based on activity strategies and LBIR. It was generally agreed that enhanced strategic planning would lead to outcome focused performance measures.

4. FIA Allocation Looking Ahead 2006/07

- Rick Brand circulated a preliminary proposed breakdown of the allocation of FIA funding for 2006/07. The budget for 06/07 is expected to be \$121 m, up from \$89 m. Although this is a big lift, it will be important that programs are not ramped up too quickly in case funding in the following year drops off again.
- It may be advisable to discontinue funding the Tree Improvement Program as a separate program, as tree improvement program activities are also eligible for funding under the LBIP. It is being proposed that all TIP funding come from one funding envelope.

- Small tenures funding will be under pressure from an increased number of community forests. As the funding is shared among a greater number of proponents the amount each receives could be reduced to a level at which it may be difficult to carry out useful projects.
- It was confirmed that a large portion of the funding for forest health is spent on mountain pine beetle. Spending on species at risk could also be considered from the LBIP funding envelope.
- Further discussion around specific allocations will take place at the January meeting, when the FIA budget has been confirmed.

Decision: The Council agreed with the recommendations to increase funding for tree improvement, small tenures, Forest Science and LBIP, and felt that the international marketing and product development should also be increased. This will provide funding for Olympics exposure and sustainable messaging.

Action: Kevin Jardine was asked to check whether the current CLUPE funding level is adequate for 2006/07.

Meeting adjourned at 1:55 p.m.