

**July 14, 2008**

As part of its ongoing deliberations and discussions to develop a forward looking plan for the forest sector, the Working Roundtable on Forestry is considering the following:

Products and Markets

Products

1. What new forest products will there be demand for in the next 5 to 20 years, and what will be the level of that demand?
2. What is the anticipated demand for existing forest products over the same period?
3. What are the potential economics of new and existing products?
4. What should the forest industry do to ensure that it is aware of and taking advantage of new product opportunities?
5. What kind of strategic alliances make sense?
6. What should the role of government, industry and others be in terms of developing or stimulating the development of new products?

Markets

7. Where is future market demand going to be and for what types of products?
8. What countries are going to try to serve these markets, and what competitive advantages or disadvantages does British Columbia have relative to them?
9. What should the role of government, industry or others be in terms of developing new markets and maintaining access to existing markets?

Consumer Preferences

10. How does BC compare to other jurisdictions in terms of its international reputation for its products?
11. What are the key attributes that British Columbia demonstrates that consumers in various markets want and that can be used to best promote British Columbia forest products?

Cost Structure & Capital Investment

Costs

1. What are British Columbia's relative labour, processing and transportation cost advantages and disadvantages compared to its competitors?
2. What can industry do to minimize costs?
3. What can government do to reduce costs while still maintaining sustainable forest management practices, honouring the Softwood Lumber Agreement, etc?

Capital investment

1. What have been the most significant impediments to attracting capital investment in BC's forest sector?

2. What do senior lenders look for before lending?
3. What companies have had successful Return on Capital Employed levels and why?
4. What does industry need to do to attract capital?
5. What can government do to attract capital?
6. What could government and industry do to facilitate strategic alliances?
7. How can industry and government support and/or encourage First Nations investment?

### Stumpage

1. How should British Columbians value (i.e. assign a price to) and obtain benefits from forest resources?
2. What are efficient and effective means of extracting economic rent from forest users (e.g. market based competitive bid systems, rent based systems, etc.) and what works best in what circumstances?
3. What pricing mechanisms are used in other jurisdictions? What are the advantages and disadvantages of them?
4. Should special pricing systems exist for different users?

### Tenure

5. What are the outcomes that the Province of British Columbia should strive to accomplish through a forest tenure system?
6. What are the attributes of tenure that lead to these outcomes?
7. What tenure systems are used in other jurisdictions and what are their advantages and disadvantages?
8. The “Working Forest” - Do we need a dedicated forest land base, and if so how do these lands get identified?
9. Is tenure always required? (i.e., under what circumstances is it acceptable to acquire logs or fibre through the market?)
10. Do different types of tenure make sense in different geographic areas?