

Forest Views

a newsletter for customers and investors of Canadian logging companies

SUMMER 2001

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New British Colum-
bia Government

"Greenpeace has won its case about the need to apply conservation biology and ecosystem management on the central and north coast. We agree with that and we think most people in B.C. agree with that."

Linda Coady, Vice
President,
Weyerhaeuser



"We are agreeing to protect significant areas of the internationally recognized area, known as the Great Bear Rainforest, home to the world's only spirit bears."

Premier Ujjal Dosanjh,
April 2001

Forest Views is a newsletter aimed at keeping you alerted to progress being made in the protection of Canada's ancient forests in light of recent positive developments in British Columbia. This newsletter will be published three times a year, and distributed to companies and

investors internationally with interests in future logging activities in Canada's Great Bear Rainforest. The newsletter will cover all the important issues currently affecting the Great Bear - from eco-certification to the new B.C. Liberal government - and will keep you up-to-date on the state of play of the on-going

efforts to find long-term solutions for the region. It will also look at how customers and investors can continue to play a positive role in building a sustainable logging industry, and protecting the long-term health of Canada's rainforest and the myriad of species who depend upon it for their survival.

A Future For Canada's Rainforest

Historic milestone reached to protect the Great Bear Rainforest



Following an intense global campaign targeting the trade and investments of companies linked to the destruction of the Great Bear Rainforest, an historic agreement has been reached between environmental groups and logging companies, with the support of many First Nations. On Thursday, April 4th, the Government of British Columbia (B.C.) announced the adoption of a new approach to conservation and environmentally responsible logging in the Great Bear Rainforest. A jubilant Premier Ujjal Dosanjh was on hand to endorse the framework agreement, and went on to say that "today in British Columbia we have witnessed a truly historic day in the campaign to save the world's remaining ancient forests".

The Great Bear Rainforest stretches from Knight Inlet to the Alaskan border on B.C.'s west coast, and represents the largest tract of pristine coastal temper-

ate rainforest left on earth. It is home to thousands of species of plants, birds and animals including the rare Kermode or Spirit bears, wolves, grizzly bears, bald eagles and endangered salmon runs. B.C. environmental groups have been campaigning for its protection and an end to clearcut logging for years. First Nations such as the hereditary chiefs of the Nuxalk Nation, have been arrested for trying to protect their traditional territory and have traveled the world to educate the marketplace about the destruction of their traditional lands.

Greenpeace and other environmental organizations have been running a major global campaign to urge logging companies Interfor and West Fraser Timber to return to formal negotiations over the future of the Great Bear Rainforest, and to support a long-term logging moratorium on key areas while conservation plans are developed for the region. *(continued)*

Great Bear Rainforest

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International buyers of Canadian timber products all over the world have supported these objectives. Industry leaders like Ikea (the world's largest furniture retailer), Home Depot (the world's largest ancient forest products retailer) and the German Publishers Association have led the call for logging practices that do not endanger the future of the world's remaining threatened ancient forests. A diverse range of companies have followed their lead, including the UK's largest buyer of western red cedar, one of Italy's largest toilet paper retailers and the Japanese wood trading division of Mitsubishi. Canadian and UK mutual fund companies who own holdings in B.C. logging companies have also weighed in with their concerns - for example Friends Ivory & Sime divested their £3.2m (\$7million CDN) in Interfor shares.

Dialogue and Truce

With so many companies calling for change, the B.C. logging industry and environmental groups have undertaken a lengthy dialogue and an historic truce has been found. Other key players involved in dialogue include local communities, workers, First Nations and the Truck Loggers Association representing small logging contractors. This historic milestone will protect many pristine rainforest valleys from industrial logging and development, defer logging in numerous others, and mandate new logging practices and levels of logging that do not damage the long-term health of the Great Bear Rainforest. While this is only the first step on a new path, the elements of the agreement should provide the basis for ensuring the long-term health of this rainforest. For the most part, these discussions have focused on the rainforest valleys in the Great Bear Rainforest, but other rainforest hotspots on B.C.'s west coast such as Clayoquot Sound and the Elaho Rainforest were also addressed.

Ecosystem Based Plan

It is important to stress that the future of the Great Bear Rainforest still hangs in the balance.

B.C. environmental groups will be meeting regularly with the logging industry and other stakeholders as part of the solutions process. Central to this is the development of an ecosystem-based plan that ensures

the long-term survival of this irreplaceable natural heritage while focusing on local economic diversification. A framework for managing change is also being developed to avoid heavy economic impacts on local communities. Greenpeace and others have suspended campaigns that specifically target B.C. logging companies involved in the positive solutions process. Many customers have expressed an interest in regular updates so that they can have confidence that B.C. logging companies are following through on commitments made. We will be active in the marketplace, and have already toured four European countries along with logging industry executives and community and First Nations delegates to demonstrate our united support for this agreement. And finally we will be working to ensure that the new Liberal government facilitates the full implementation of this hard-won consensus agreement.

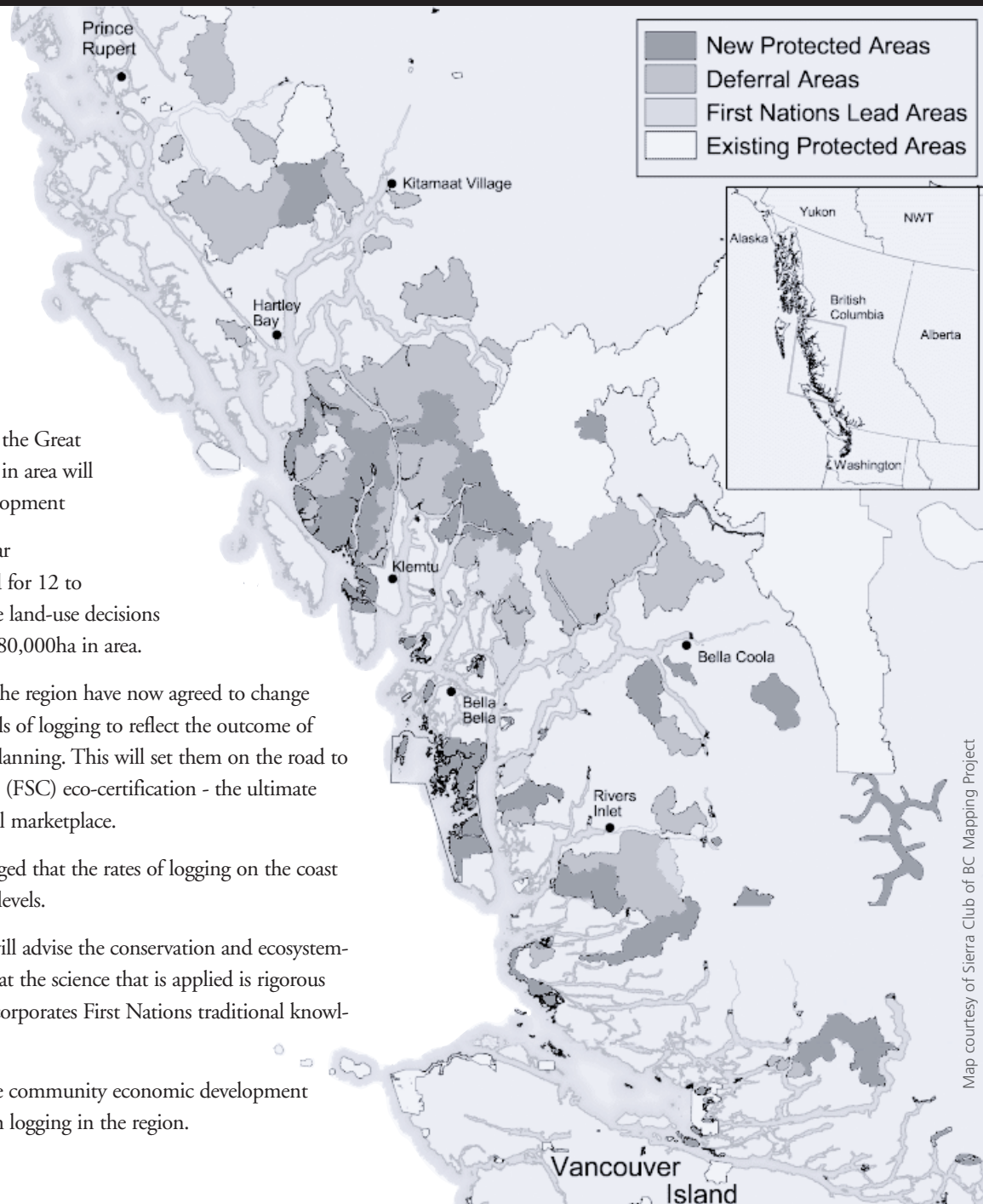
"In applying our own environmental standards and principles to our transactions with Interfor, we found that we were not able to confirm the sustainability of certain forest products we were purchasing from them and independently determined to suspend that business until we can confirm it is being conducted sustainably."
Mitsubishi Corp., Japan. March 2001 in a letter to Greenpeace Japan



forest

elements of the agreement:

- 20 large pristine rainforest valleys in the Great Bear Rainforest totalling 650,000ha in area will be protected from logging and development
- A further 68 valleys in the Great Bear Rainforest will have logging deferred for 12 to 24 months, until further appropriate land-use decisions can be made. These deferrals total 880,000ha in area.
- Logging companies that operate in the region have now agreed to change their logging practices and their levels of logging to reflect the outcome of conservation and ecosystem-based planning. This will set them on the road to gaining Forest Stewardship Council (FSC) eco-certification - the ultimate guarantee of acceptance in the global marketplace.
- Logging companies have acknowledged that the rates of logging on the coast will be reduced to more sustainable levels.
- An independent team of scientists will advise the conservation and ecosystem-based planning process, to ensure that the science that is applied is rigorous and ecologically responsible, and incorporates First Nations traditional knowledge.
- Experts will be bought in to advance community economic development in an effort to offset the reduction in logging in the region.



Logging companies and environmental organizations involved in the agreement.

The following B.C. logging companies have major logging operations in the Great Bear Rainforest and are involved in the solutions process described in this newsletter:

- Weyerhaeuser Canada coastal operations
- International Forest Products (Interfor)
- Doman Industries (Western Forest Products)
- West Fraser Timber

In addition, the following companies buy significant quantities of wood from the companies listed above and turn them into pulp and paper products and are also involved in the solutions process:

- Canadian Forest Products (Canfor)
- Norske Skog Canada (formerly Fletcher Challenge Canada)

The following environmental organizations have been centrally involved in a global markets campaign, and in discussions with B.C. logging companies:

- Greenpeace
- Sierra Club of B.C.
- Rainforest Action Network
- ForestEthics

Forest Facts

- Canada is home to one of the rarest and most endangered types of ancient forest in the world - coastal temperate rainforests. They only exist in their natural state in temperate zones, stretching along the west coast of Canada and much of the US. These forests only ever covered 0.2 percent of the earth's land surface, and are far rarer than tropical rainforests.
- Current logging rates in the southern Great Bear Rainforest are far beyond sustainable, and even 50% above the B.C. governments long term harvest level.
- Approximately 80 percent of the large rainforest valleys in B.C. have already been degraded or destroyed, so this deferral will ensure that the last handful of areas are left untouched while their importance is evaluated.



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View of the Future: Planning Process Benchmarks

The following benchmarks have been developed in order to monitor the implementation of the agreement. We will be using them to measure the success of the planning process over the coming months.

Protected areas

Has the new Liberal government completed the legislative process to protect the 20 rainforest valleys? Upon completion of the entire planning process, is there a network of areas that are protected from industrial logging, and is this network extensive enough to guarantee the survival of species such as the grizzly bear and marbled murrelet? Has the network of protected areas been developed using sound conservation biology principles?

Eco-certification

Are companies on the road to obtaining FSC eco-certification within a reasonable time frame?

Logging practices

Does the plan continue to advocate the clearcut logging of ancient forests, or does it propose alternative logging methods such as those currently employed in Clayoquot Sound? Has the amount of logging been reduced to more sustainable levels? Has the new Liberal government reduced the rate of logging in the immediate term to take into

account new protected areas and deferrals to ensure that logging pressure is not transferred to other sensitive areas while planning continues?

Fisheries values

Is there adequate watershed-level protection of streams, rivers and estuaries in order to protect fisheries values? Do the rules around logging next to streams and rivers meet or exceed the standards set for Alaskan and US northwest rainforests?

First Nations concerns

Does the plan respect First Nations spiritual values and respect traditional forest use? Have logging companies obtained consent from First Nations for logging operations, as specified by FSC?

Local employment

Does the plan favour creating employment within the Great Bear Rainforest communities, or does it instead continue to favour employment to people living outside the region as has been the case historically?

Independent science

Are the scientists involved with the process internationally respected and credible? Is there an adequate peer review of the science used to support the planning process? Is the planning process truly ecosystem based, that is, centered on protection of these fragile ecosystems as the primary priority?

A new government, a new era for British Columbia.

On May 16th 2001, British Columbians voted overwhelmingly for a new Liberal government to replace the New Democratic Party. Former Premier Ujjal Dosanjh endorsed and supported the original Great Bear Rainforest agreement, and

some concern has been expressed since then over whether incoming Premier Gordon Campbell will honour the agreement. Early indications are that Premier Campbell will in fact support this ground-breaking agreement. His first task will

be to complete the legislative process begun by the former government to officially recognize the protected areas and deferrals, and lower the rate of logging in the Great Bear Rainforest to a more sustainable level.

Photo Descriptions:

PAGE 1:

- A giant western red cedar tree (Clark/Greenpeace)
- Premier Ujjal Dosanjh signing agreement to protect the Great Bear Rainforest on April 4th, 2001 (Hunter/Greenpeace)
- Photo montage of grizzly bear (O'Neill/Greenpeace), Japanese

banner and Catherine Stewart, Greenpeace Forests Campaigner (Hunter/Greenpeace)

PAGE 2:

- Banners were flown over Vancouver and the Great Bear Rainforest to celebrate its protection (Hunter/Greenpeace)
- Interfor clearcut in the Great Bear Rainforest (King/Greenpeace)

d) Towering Douglas Fir trees can live for more than 1,000 years in Canada's rainforest (Ross/Greenpeace)

e) The Great Bear Rainforest is home to the rare Kermode bear (O'Neill/Greenpeace)

PAGE 4:

- An activist clings to an anchor chain to prevent the offloading

of Interfor timber in Flushing, Netherlands (Bas Beentjes)

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