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FIRST NATIONS LEADERSHIP COUNCIL & FIRST NATIONS FORESTRY COUNCIL

POSITION PAPER: TENURE VIABILITY

**PRESENTED TO HON. RICH COLEMAN
DECEMBER 2007**

SUMMARY OF RECOMMENDATIONS

1. *Amend the Forest Act during the spring sitting of the Legislature to legislate a unique First Nations forest tenure. This forest tenure should be flexible and provide First Nations with the option of replaceable longer term volume based licences (current policies on replaceable licences have 15-99 year terms) or area based tenures. It must allow the First Nation to manage the tenure according to its values and its definition of sustainability. Given the amount of work needed to draft legislation for the spring session, a high-level working group consisting of the Deputy Minister and First Nations Leadership Council and First Nations Forestry Council representation should be appointed immediately in order to meet the timelines. Some work has already been undertaken by First Nations to structure this draft legislation.*
2. *Institute a 50:50 revenue-sharing formula on the stumpage collected by the Crown on all licensees that harvest from First Nations territories, to replace the current \$500 per capita-based formula (the revenues would be shared with the First Nation on whose traditional territory the stumpage was collected).*
3. *That the Minister institute a 100% rebate to First Nations on stumpage paid, given that:*
 - a. *First Nations may choose the operating area for their cut-blocks or Forest Stewardship Plans;*
 - b. *The areas have adequate wood quality where stumpage is paid and then returned (to avoid any complications, the areas must have stumpage rates of at least \$15 per cubic meter unless the First Nation agrees otherwise, which would be rebated back at 100%); and*
 - c. *The Province is responsible for silviculture and road obligations.*
4. *Change the Annual Rent Regulation to eliminate the annual rent portion of any tenure awarded under Section 47.3 of the Forest Act.*
5. *As an interim measure (until recommendation 3.c. is implemented), develop policy for District Managers to not request of a First Nation any silviculture security deposit for any tenure awarded under Section 47.3 of the Forest Act.*
6. *As an interim measure (until recommendation 1 is implemented), develop policy for District Managers and Regional Executive Directors regarding the collection of cutting permit extension fees and cut control penalty fees on any First Nation tenure awarded under Section 47.3 of the Forest Act. Provide flexibility for First Nations to harvest according to their definitions of sustainability.*
7. *Convert BC Timber Sales licenses to First Nations tenure. A market-based auction system could still continue under this regime.*
8. *Identify additional amount of replaceable allowable annual cut (AAC) to provide for longer term licences, and/or area based licences for First Nations.*
9. *Until recommendation 1 is implemented, maintain flexibility to promote and issue more Woodlot Licences and Community Forest Agreements to First Nations where there is adequate replaceable AAC.*
10. *MFR policy must be changed to ensure that operating areas are representative of the timber profile (i.e. balance between the inventory profile and the timber “crossing the scale”).*
11. *MFR policy must support First Nations’ operating areas within their own traditional territories.*
12. *For the interior, MFR policy should ensure First Nations have access to species other than pine, where available, to better ensure economic viability in the long term.*

13. *MFR should acquire the resources to address infrastructure issues associated with Bill 28 “take back” areas on the Coast. These resources are not included in the upfront payment funding. First Nations do not have the resources to address these issues themselves.*
14. *MFR should take a leadership role to fast track the location of operating areas for Bill 28 licences so as to decrease the time to award new licences;*
15. *MFR should adjust and stream line the business processes to ensure that operating areas for forest tenures in an agreement are identified prior to or shortly after interim measures agreements are signed.*
16. *Change the MFR service plan objectives and method of measuring success to reflect the volume of forest tenure under license and the volume being scaled (to reflect activity) , rather than the numbers of agreements signed. MFR and First Nations will work together to develop benchmarks and reporting mechanisms to monitor the effects of changes as a result of decisions made based on this report, and to track First Nations overall participation in the forest sector.*
17. *First Nations need to be meaningfully involved, from the beginning, in any future policy developments and decisions if government considers making changes in tenure or forest management that may impact First Nation tenures or the volumes allocated to First Nations;*
18. *Government to support business start-up costs including to develop the technical capacity to negotiate the location of tenures, recognize increased operational planning costs, and provide training for their employees. A payment is required:*
 - a. *to identify and develop operating areas;*
 - b. *to recognize the increased costs associated with operational planning and obligations to manage for First Nations cultural interests and values which adds costs over and above that realized by other non-native tenure holders; and*
 - c. *for training (i.e. EMS (certification), Worksafe BC training, etc) needed to increase First Nations involvement in the forest sector.*
19. *Government to support ongoing business development. After start-up there are a number of initiatives that would provide support and capacity development to First Nation. These costs and programs are in addition to the upfront payment and would be covered by program resources:*
 - a. *encourage or require partnerships with First Nations;*
 - b. *the provision of extension and expertise to develop Forest Stewardship Plans for individual or groupings of First Nations, including through linkages to work the Forest Science Board is supporting through FORREX;*
 - c. *Continuing support to the First Nations industry groups/organizations in their efforts to provide extension services and best practices workshops to their members;*
 - d. *Continuing support to the First Nations Forestry Council for follow up work and implementation of this report;*
 - e. *Continuing funding for FPInnovations in their efforts to build a value-added secondary manufacturing industry in BC First Nations; and*
 - f. *Continuing support to provide education and training for First Nations forest technicians at the Nicola Valley Institute of Technology, College of New Caledonia, and other educational institutions around the province, and through mobile/distance education;*
20. *Government to support other initiatives to support ongoing business development. These include:*
 - a. *Design the necessary instruments/policies/ legislation, to allow British Columbia Timber Sales to work closely with First Nations to develop mutually beneficial arrangements;*
 - b. *Jointly design and implement a revised government procurement strategy to allow MFR to direct award contracts to First Nations for various programs;*

- c. Provision of funding to First Nations industry groups/organizations and MFR to design, support and run extension services to First Nations to understand the regulatory framework for forest tenures;*
- d. Provision of funding to individual First Nations and the MFR to develop strategies for cross cultural training opportunities in First Nation communities as well in MFR and industry offices.*

PART ONE: BACKGROUND

In recent years, the First Nations Leadership Council and the Province of British Columbia have worked extensively and collaboratively to address forestry-related issues affecting First Nations in British Columbia. This includes significant effort with respect to the Mountain Pine Beetle epidemic and the Forest and Range Opportunity Agreement (FRO) template agreement. The *New Relationship*, the *First Nations Mountain Pine Beetle Action Plan*, and the April 2006 Commitments Document all reference the importance of resolving the outstanding matters related to the FROs.

Significant technical and political efforts have also been expended to improve the economic viability of forest tenures held by First Nations. At the technical level, a joint First Nations Forestry Council-Ministry of Forests and Range working group (the First Nations Forest Strategy Working Group) was formed in May 2007 to develop recommendations to improve tenure viability. This Working Group has produced a draft report, but has been unable to reach consensus on joint recommendations and has indicated that political intervention is required to resolve this pressing issue.

On October 9, 2007 a meeting was convened with Minister Rich Coleman, Nadleh Whut'en Chief Martin Louie and Dave Porter of the First Nations Leadership Council to discuss matters specifically related to Nadleh's FRA and to elaborate on recommendations to the long-term viability of these licenses. During this discussion, Minister Coleman stated that, at the upcoming October 16th meeting with the First Nations Leadership Council, he would outline three options for First Nations leaders to choose from to resolve the economic viability of these tenures. Furthermore the Minister wanted these solutions finalized within 30-60 days.

The options were presented by the Minister as follows:

1. Zero stumpage paid by the First Nation that holds the FRO(A);
2. Same stumpage as the Community Forest tenures (15% of the table rates or approximately \$3/m³ in the Northern Interior); and
3. Rebate on stumpage paid (presume this will be 100% as #1 as would be the equivalent as no stumpage).

On October 16th, 2007, the First Nations Leadership Council, Minister Coleman, and Minister de Jong met to discuss the three options. A collective preference was indicated for option three (rebate on stumpage paid) and the First Nations Leadership Council and Minister Coleman committed to a follow-up meeting within two weeks to discuss progress in implementing this short-term option, as well as discuss options to improve long-term tenure viability.

This paper summarizes the efforts to date (those of the First Nations members of the First Nations Forest Strategy Working Group and the First Nations Leadership Council) and makes a series of recommendations to address tenure viability.

PART TWO: INTRODUCTION

The Government of British Columbia has agreed to a *New Relationship* with First Nations in British Columbia based on respect and recognition and the reconciliation of Aboriginal and Crown titles and jurisdictions. The *New Relationship* commits the parties to establish processes and institutions for shared decision-making, revenue and benefit sharing, and to support economic self-sufficiency for First Nations.

While the reconciliation of titles is resolved through other processes, the Ministry of Forest and Range (MFR) has committed to playing a key role in implementing the *New Relationship* by assisting First Nations to become active participants in the forest sector.

First Nations and the Government of British Columbia are working together to implement the vision set out in the *New Relationship*. An important aspect of this vision is to bridge the differences in socio-economic conditions between First Nation citizens and other British Columbians. In November 2005, the *Transformative Change Accord* was signed by the First Nations in BC, the Government of British Columbia, and the Government of Canada. The *Accord* requires the Parties to develop a 10-year plan to address the disparities experienced by First Nations in a range of areas (including health, education, and housing and infrastructure). An important element of the *Accord* as it relates to the forest sector is the following:

Provision of increased access to lands and resources through interim measures;

The implementation of revenue sharing arrangements; and

Supporting First Nations business and entrepreneurial development by increasing access to business training, and skills development and considering ways to facilitate greater access to capital funding sources.

Since 2003, the MFR has been entering into various agreements with First Nations to provide access to timber and forest revenues. However, these interim agreements generally have not facilitated First Nations success in the forest sector. Current market conditions, the Mountain Pine Beetle epidemic, high administrative and overhead costs, lack of access to markets, and capacity issues have all impacted the economic viability of tenures awarded under agreements such as the Forest and Range Opportunities/Agreements.

CURRENT CONDITIONS IN THE FOREST SECTOR IN BC

The economic circumstances of the BC forest industry are continually changing as a result of many factors, including: global competition for market share; the implementation of the Softwood Lumber Agreement between Canada and the U.S.; continued consolidation within the sector; reduced demand and declining commodity prices; the strong value of the Canadian dollar against the U.S. dollar; and aging capital assets and low returns on capital.

World competition in the global forest industry is increasing and returns on capital investment are tight. Many countries are emerging as potential customers of BC forest products (e.g. China, India and Indonesia) while others are becoming strong competitors (e.g. China, Russia, European

countries and Brazil). Given that more than 80 per cent of the sales by the BC forest industry continue to be destined for non-Canadian markets, there is constant pressure to maintain and improve the forest sector's competitiveness. PricewaterhouseCoopers estimates that for listed Canadian companies, nearly half of which are based in BC, the average return on capital employed was 4.6 per cent in 2007 – well below the target of 10 - 12 per cent.

Lumber prices are trending downwards in 2007 as a result of reductions in U.S. lumber consumption due to a decline in housing starts, rising interest rates and higher energy prices. However, pulp and paper prices have risen throughout 2007. Despite the strong prices, the BC pulp and paper industry will continue to struggle to remain profitable due to its aging capital, the relatively small size of the industry in comparison to international competitors, competition from different types of pulp, non-wood pulp and technological alternatives to paper, as well as rising energy costs. Due to the interconnectedness between the pulp and paper and lumber industries, the strength of the pulp and paper industry is an important factor in the health of the entire BC forest industry.

Throughout 2007 the Canadian dollar was strong against the U.S. dollar reaching par in September 2007 and continues to trade above par. The strong Canadian dollar will continue to impact the BC forest industry by increasing the relative cost of production in BC, and reducing BC companies' profits as most forest products are sold in U.S. dollars.

This context presents an immediate challenge to the forest sector as a whole, especially to First Nations, as the majority, if not all are new market loggers trying to sell their timber in a flooded domestic market. First Nations face many challenges as new entrants in the forest sector that are compounded by higher start-up costs and the inability to sell their wood at a profit as a result of depressed prices.

MOUNTAIN PINE BEETLE EPIDEMIC

The Mountain Pine Beetle (MPB) continues to devastate the mature pine forest in the interior of the province. The Ministry projects that 80 per cent of the merchantable pine in the province's central and southern interior could be killed by the beetle by 2013. The total volume of trees infested by the mountain pine beetle increased in 2007, affecting 530 million m³. This epidemic will have long term social, economic and environmental impacts to First Nations communities.

As a result of the MPB infestation, the Chief Forester has increased the Allowable Annual Cut (AAC) of the interior of BC by almost 15 million m³ and First Nations have been given the opportunity to access almost a quarter of this timber supply. However, it is acknowledged that this increase in harvest is not sustainable, and will drop as soon as in 4 to 5 years, and the drop over the medium term will be larger than the increase has been. For instance ministry studies show that for 20 interior forest management units, the mid term timber supply will be 54% to 62% less than current harvest levels.

This situation provides First Nations with an immediate opportunity to recover as much economic benefits as possible from the increased harvest levels in their traditional territories, but in the long term presents a challenge as the AAC drops and the focus switches to silviculture and reforestation. Although the increased AAC presents First Nations with short term economic opportunities, the "shelf-life" of the dead timber affects the economic viability of these opportunities, at a time when the BC forest sector is struggling. Furthermore, concerns have been expressed regarding the need

to manage for other values, and impacts of potential large tenures for alternative fuels, such as bioenergy.

Current market conditions and the mountain pine beetle epidemic, although hard on the industry as a whole, have added to the challenges of First Nations as new entrants in the forest sector.

STATUS OF FIRST NATION TENURES

Prior to 2002, the MFR was working with some First Nations to increase their participation in the forest sector; however, there were limited mechanisms to provide all First Nations with the opportunity to acquire forest tenure. First Nations had to compete with others to acquire any opportunity that the MFR advertised. Secondly, the timber supply of the province was fully committed. In response to this situation, the Province introduced legislation in 2002 to allow timber volume to be direct awarded without competition to First Nations. In 2003, the Province introduced the Forest Revitalization Plan, which reallocated 20% of the timber supply in the province to develop a market pricing system and to provide opportunities for First Nations and communities. This unilateral action by the provincial government caused concern among many First Nations. For example, the take-back from the forest industry resulted in a compensation package of \$200 million. Now the industry is purchasing the same wood from BC Timber Sales, Woodlots, Community Forest Licenses, and others at a lower cost than if they harvested their own tenure. Numerous other benefits, such as cut-control restrictions, were provided to industry through the Forest Revitalization Plan. Approximately 8.2 million m³ was reallocated to these government objectives, and the First Nations in BC are in the process of acquiring 2.4 million m³ of this AAC. To date, all this volume has not been awarded.

In addition to reallocation volume, First Nations are accessing other sources of volume, such as undercut volumes, small amounts of uncommitted AAC and, as a result of the MPB infestation, some First Nations in the interior are acquiring a portion of the uplift in AAC – about 3.6 million m³. Not all this volume has been awarded.

Since these changes in 2002 and 2003, and to this date, the MFR has signed agreements with 142 First Nations providing access to about 6.5 million m³ of AAC. In 2005, the Huu-ay-aht First Nation challenged these agreements and was successful in its arguments; however, the provincial government continued to sign similar agreements. Some First Nations have stated that they signed these agreements “under duress”, as the Province provided a “take-it-or-leave-it” offer. Many First Nations are either not harvesting their wood or are in a worse economic situation now that they invested their resources in equipment and other infrastructure. These forestry agreements have 5-year terms and collectively First Nations have access to 31 million m³ over the term of these agreements. The forest tenures are provided through Forest and Range Agreements, Forest and Range Opportunity Agreements, Direct Award Agreements and other interim measures agreements. Furthermore, there is another 0.9 million m³ of AAC still under negotiation which is not yet in one of these agreements.

However, there has been very little progress made in “uptaking” the benefits in these agreements. Of the 6.5 million m³ of AAC in these agreements, only 2.7 million m³ of AAC is actually in forest tenure. This reflects a number of difficulties related to consultation, forest tenure administration, and First Nations capacity issues. Of the 31 million m³ of volume offered, only about 3.4 million m³ has been harvested to date. The lack of harvesting performance is a function of higher

administrative and operational costs, lack of access to capital, capacity constraints compounded by the current poor market conditions, and the surplus of wood on the market as a result of the MPB epidemic.

It should be noted that although there is only 6.5 million m³ of AAC held by First Nation through forestry agreements, there is about 4.2 million m³ of AAC from previous competitive programs (pre-2002) or from transfers of tenure made in more recent years. Due to the unfavourable MFR policies, only a small percentage of the First Nation-held tenures have been harvested. Some First Nations have acquired tenure through purchase from industry. In total, there is a potential for about 11.7 million m³ to be under tenure if all forestry agreements are signed. This amount represents about 13.6% of the provincial AAC of 85.9 million m³.

Consistent with our mutual commitments in the *New Relationship* and the *Transformative Change Accord*, and in response to several recent court decisions (*Delgamuukw 1997*, *Haida 2004*, *Huu-Ay-Aht 2005*, *Sappier & Gray 2006*, *Tsilhqot'in 2007*), First Nations and the Province of BC are looking at ways to meaningfully reconcile pre-existing Aboriginal title with the assertion of Crown sovereignty, and to achieve parity in standard of living between First Nations and other British Columbians. Clearly, it is in First Nations and the Province's mutual interest to ensure that First Nations tenures are economically viable as a key part of fulfilling these common goals.

PART THREE: RECOMMENDATIONS

The First Nations Leadership Council and the First Nations Forestry Council remain committed to resolving the economic viability of tenures held by First Nations, including those delivered through Forest and Range Agreements. To increase the viability of First Nations tenures, legislative, policy and regulatory change is required. We present the following recommendations to resolve this important matter.

A: LEGISLATIVE CHANGE

There is a need for legislative change to create a new type of tenure specifically designed for First Nations. This would represent a significant recognition of First Nations connections with their lands, and of their cultural and traditional values.

Recommendations:

- 1. Amend the Forest Act during the spring sitting of the Legislature to legislate a unique First Nations forest tenure. This forest tenure should be flexible and provide First Nations with the option of replaceable longer term volume based licences (current policies on replaceable licences have 15-99 year terms) or area based tenures. It must allow the First Nation to manage the tenure according to its values and its definition of sustainability. Given the amount of work needed to draft legislation for the spring session, a high-level working group consisting of the Deputy Minister and First Nations Leadership Council and First Nations Forestry Council representation should be appointed immediately in order to meet the timelines. Some work has already been undertaken by First Nations to structure this draft legislation.*

B. POLICY AND REGULATORY CHANGE

REVENUE-SHARING

The existing revenue-sharing formulas in FROs are unconstitutional and based on outdated and inaccurate statistics. The current government commitment to provide \$50 million annually is inadequate to address the full implementation of their current obligations.

Recommendations:

- 2. Institute a 50:50 revenue-sharing formula on the stumpage collected by the Crown on all licensees that harvest from First Nations territories, to replace the current \$500 per capita-based formula (the revenues would be shared with the First Nation on whose traditional territory the stumpage was collected).*

ADMINISTRATIVE AND OPERATIONAL COSTS

First Nations incur significant administrative and operational costs with respect to their tenures. These obligations and upfront costs specified above as they relate to the current 5 year non-replaceable tenures create liabilities that extend beyond the current licence term, and are a burden on First Nations as new entrants in the forest sector because of their limited access to capital. The following proposals will reduce the overhead costs to First Nations.

Recommendations:

3. *That the Minister institute a 100% rebate to First Nations on stumpage paid, given that:*
 - a. *First Nations may choose the operating area for their cut-blocks or Forest Stewardship Plans;*
 - b. *The areas have adequate wood quality where stumpage is paid and then returned (to avoid any complications, the areas must have stumpage rates of at least \$15 per cubic meter unless the First Nation agrees otherwise, which would be rebated back at 100%); and*
 - c. *The Province is responsible for silviculture and road obligations.*
4. *Change the Annual Rent Regulation to eliminate the general rent portion of any tenure awarded under Section 47.3 of the Forest Act.*
5. *As an interim measure (until recommendation 3.c. is implemented), develop policy for District Managers to not request of a First Nation any silviculture security deposit for any tenure awarded under Section 47.3 of the Forest Act.*
6. *As an interim measure (until recommendation 1 is implemented), develop policy for District Managers and Regional Executive Directors regarding the collection of cutting permit extension fees and cut control penalty fees on any First Nation tenure awarded under Section 47.3 of the Forest Act. Provide flexibility for First Nations to harvest according to their definitions of sustainability.*

TENURE

Current MFR policy is to issue non-replaceable tenures to First Nations as part of interim measures agreements. Non-replaceable tenures are typically five years in length, consistent with the term of the respective interim measures agreements. These tenures are 'volume based' in that they do not guarantee harvesting rights or promote investment within a specified area. The short term, non-replaceable nature of these tenures have impeded capital investment and not provided avenues for scales of economy. There are some circumstances where small area based licences (Woodlot Licences) have been issued, but these opportunities have been provided in the minority of circumstances. First Nations have title to their traditional territories, and have stressed that area-based replaceable tenures are needed to facilitate long term investment, weather market conditions, and increase their involvement in the stewardship of these areas on the path toward reconciliation.

Recommendations:

7. *Convert BC Timber Sales licenses to First Nations tenure. A market-based auction system could still continue under this regime.*
8. *Identify additional amount of replaceable allowable annual cut (AAC) to provide for longer term licences, and/or area based licences for First Nations.*
9. *Until recommendation 1 is implemented, maintain flexibility to promote and issue more Woodlot Licences and Community Forest Agreements to First Nations where there is adequate replaceable AAC.*

OPERATING AREAS

Better efforts are required to ensure that tenures are placed on representative areas of the timber harvesting land base, and be economically viable as this was a significant barrier to success and the mobilization of AAC under previous tenure offers.

Recommendations:

10. *Change MFR policy to ensure that operating areas are representative of the timber profile (i.e. balance between the inventory profile and the timber “crossing the scale”).*
11. *Ensure MFR policy supports First Nations’ operating areas within their own traditional territories.*
12. *For the interior, MFR policy should ensure First Nations have access to species other than pine, where available, to better ensure economic viability in the long term.*
13. *MFR should acquire the resources to address infrastructure issues associated with Bill 28 “take back” areas on the Coast. These resources are not included in the upfront payment funding. First Nations do not have the resources to address these issues themselves.*
14. *MFR should take a leadership role to fast track the location of operating areas for Bill 28 licences so as to decrease the time to award new licences.*
15. *MFR should adjust and stream line the business processes to ensure that operating areas for forest tenures in an agreement are identified prior to or shortly after interim measures agreements are signed.*

SERVICE PLAN OBJECTIVES AND POLICY INVOLVEMENT

A key goal and objective within the MFR service plan is to increase the participation of First Nations in the forest sector. The MFR service plan goal has been measured by the number of agreements signed with First Nations. However, the number of agreements is not a good measure that correctly reflects the involvement of First Nations in the forest sector – there is no reflection in this measure how economically successfully success these tenure awards have been. An alternative performance measure is needed to reflect the economic success of First Nations tenure awards.

Recommendations:

16. *Change the MFR service plan objectives and method of measuring success to reflect the volume of forest tenure under license and the volume being scaled (to reflect activity) , rather than the numbers of agreements signed. MFR and First Nations will work together to develop benchmarks and reporting mechanisms to monitor the effects of changes as a result of decisions made based on this report, and to track First Nations overall participation in the forest sector.*
17. *First Nations need to be meaningfully involved, from the beginning, in any future policy developments and decisions if government considers making changes in tenure or forest management that may impact First Nation tenures or the volumes allocated to First Nations.*

CAPACITY BUILDING

The *Transformative Change Accord* commits the Parties to “supporting First Nations business and entrepreneurial development by increasing access to business training, and skills development and considering ways to facilitate greater access to capital funding sources”. This commitment needs to be better addressed in MFR policy, through providing First Nations with support to develop the capacity to fully engage in the forest sector.

Recommendations:

18. *Government to support business start-up costs including to develop the technical capacity to negotiate the location of tenures, recognize increased operational planning costs, and provide training for their employees. A payment is required:*
 - a. *to identify and develop operating areas;*

- b. to recognize the increased costs associated with operational planning and obligations to manage for First Nations cultural interests and values which adds costs over and above that realized by other non-native tenure holders; and*
 - c. for training (i.e. EMS (certification), Worksafe BC training, etc) needed to increase First Nations involvement in the forest sector.*
- 19. Government to support ongoing business development. After start-up there are a number of initiatives that would provide support and capacity development to First Nation. These costs and programs are in addition to the upfront payment and would be covered by program resources:*
 - a. encourage or require partnerships with First Nations;*
 - b. the provision of extension and expertise to develop Forest Stewardship Plans for individual or groupings of First Nations, including through linkages to work the Forest Science Board is supporting through FORREX;*
 - c. continuing support to the First Nations industry groups/organizations in their efforts to provide extension services and best practices workshops to their members;*
 - d. continuing support to the First Nations Forestry Council for follow up work and implementation of this report;*
 - e. continuing funding for FPInnovations in their efforts to build a value-added secondary manufacturing industry in BC First Nations; and*
 - f. Continuing support to provide education and training for First Nations forest technicians at the Nicola Valley Institute of Technology, College of New Caledonia, and other educational institutions around the province, and through mobile/distance education;*
- 20. Government to support other initiatives to support ongoing business development. These include:*
 - a. Design the necessary instruments/policies/ legislation, to allow British Columbia Timber Sales to work closely with First Nations to develop mutually beneficial arrangements;*
 - b. Jointly design and implement a revised government procurement strategy to allow MFR to direct award contracts to First Nations for various programs;*
 - c. Provision of funding to First Nations industry groups/organizations and MFR to design, support and run extension services to First Nations to understand the regulatory framework for forest tenures; and*
 - d. Provision of funding to individual First Nations and the MFR to develop strategies for cross cultural training opportunities in First Nation communities as well in MFR and industry offices.*

PART FOUR: IMPLEMENTATION

The First Nations Leadership Council is fully aware of the ambitious timelines posed by these recommendations and commits to a process to complete this work within the deadlines required.

A high-level bilateral implementation committee must be struck, composed of one representative each from the First Nations Leadership Council and the First Nations Forestry Council, and the Deputy Minister of Forests and Range. This committee will be responsible for:

- Implementing the recommendations set out in this paper on a priority basis;
- Meeting with, and updating, the Minister and the First Nations Leadership Council on a monthly basis; and
- Maintaining close linkages with the joint Recognition Working Group formed under the New Relationship Main Table.

A bilateral technical committee, composed of high-level technical representatives of the First Nations Leadership Council, First Nations Forestry Council, and Ministry of Forests and Range will be struck to support, and will take direction from, the bilateral implementation committee.