



June 2019

Simpcw Resources LLP Newsletter

Bone Creek Operational Monitoring
2019—Photo from Jay Curtis

Mission & Vision Statement:

The purpose of
Simpcw Resources
LLP is to help create
a community that
fosters respect,
pride and self-
sufficiency using
sustainable and
environmentally
responsible
methods that
honour the culture
of Simpcw First
Nation.

Upcoming Events/Training:

- **Security Training—June 10—14, 2019**
- **SRLLP Management Committee Meeting
June 19, 2019**
- **Level 1 First Aid & Transportation
Endorsement—June 29 & 30, 2019.**
- **SRLLP Scholarship Applications due
July 15, 2019.**

GENERAL PRINCIPLES:

- Preservation of
Simpcw Culture &
Heritage
- Respect for the
Environment.
- Sustainability of
Resources.
- Control over
business risk
respecting that
we are a community
organization.
- Provide a healthy
environment for
economic and social
benefit for the
people of Simpcw
First Nation.

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SRLLP CEO Community Newsletter Report

Forestry Industry Outlook

The challenge of producing lumber from B.C.'s mountain-pine-beetle and wildfire-ravaged forests has been a hotly contested topic amongst B.C. forestry companies who are now saying that the proposed legislation of Bill 22 would give government a veto over the transfer of timber cutting rights which has put the entire industry in a holding pattern.

Several forestry companies and independent contractors have advised the government that what is bad for them is also bad for the B.C. economy and thousands of people who rely on it for their livelihood are at risk. The passing of Bill 22 will result in forest companies having to obtain approval from the forestry minister before transferring tenure agreements to another party. As a result, the minister will be able to refuse the new arrangement, or put conditions on it, if it is not in the public interest.

Forestry Minister Doug Donaldson said he's heard from many small operators, including First Nations groups (SFN and SRG recently met the Minister in Kamloops) and communities, who are interested in purchasing a timber tenure. "Right now it's almost totally allocated," he said. "There's very little diversity in the industry and diversity is important because it creates resilience."

One of the goals of the amended Forest Act will be to ensure changes of control do not result in further concentration of harvesting rights, meaning that a swap that happened five years ago between West Fraser and rival Canfor could be off the table in the future. Supporters say the swap helped keep mills running by maintaining enough wood supply to operate one mill in Quesnel and one in Houston. But Donaldson said the legislation will give government a tool to monitor tenure swaps and hold them up to a "public interest test." "It gives us an opportunity to look at these transfers before they happen," he said.

Under Bill 22 the government will have to approve every single commercial transaction, and there are a lot of uncertainties about what it would take to get a transaction approved ... I think it puts the whole B.C. industry in a holding pattern or; perhaps created opportunity.

Fibre availability is obviously critically important to an industry currently faced with an environment of declining timber harvests. For producers such as Canfor Corp., Interfor Corporation, West Fraser Timber Co. Ltd and Tolko Industries Ltd, adjusting has meant in many cases reducing mill capacity in B.C. while in some cases continuing to buy and build mills where trees are more plentiful, such as the U.S. south and even inter-continental.

It has recently been reported that the share of Canfor's lumber production in Canada fell to 51 per cent in 2018 from 73 per cent at the end of 2017. Canfor announced last fall that it was buying a 70-per-cent stake in Sweden's Vida Group for the equivalent of \$580 million, which is estimated would account for 16 per cent of Canfor's overall lumber production. Is the Vavenby Mill at risk of sustainability; I say most likely?

West Fraser's production in Canada is believed to have slipped to 55 per cent, compared with 57 per cent in 2017, and its production in the U.S. rose to 45 per cent from 43 per cent in 2017.

Canadian lumber producers have no choice but to expand further outside their base in order to adapt to the difficulties they have in sourcing logs in Western Canada and to be able to grow, you need to go where fibre is more available. For those who remain, we at SRLLP will continue to adapt to the changing legislation and market conditions, recognize and respond affirmatively to the cyclic nature of supply and demand and will endeavour to influence positive financial outcomes.



Al Chorney



*“Simpco
Resources LLP
expects those we
do business with
to respect the
Vision, Mission
and Guiding
Principles of
SRLLP & SFN.”*

**Riverboat
Training—Photo
from Darwin
Baerg (Rivertec)**

SRLLP Updates:

Forestry & Aggregates:

SRLLP has resumed logging on CP B04 on our Cedar/Hemlock license, SRLLP is hoping to be completed harvesting around June 21, 2019.

Pipeline Integrity Maintenance:

The Integrity Program has 4 crews currently working on different dig sites at varying stages, as well 2 crews working on brushing and signage on the pipeline right of way.

The month of May PLM crews had 4172 man-hours.

Security:

Security currently has 30 basic security employees working across the valley, and SRLLP will be conducting interviews for the Security Coordinator and Basic Security positions.

The month of May Security crews had 5426 man-hours.

Training:

SRLLP completed the following training in May; Shoreline Safety Training, Security training (12 participants) and Site C Dam Kitchen Skills Training (6 students attended.)



OUR SERVICES

Estsék' is comprised of a multi-disciplinary team of professionals and technical staff.

Services provided include:

- Environmental management and impact assessment
- Regulatory applications and permitting resource planning
- Water resource management
- Environmental and construction monitoring
- Biological and ecological assessments

Check out our website at www.estsék.com

PROJECT UPDATES

- TMCI—NT6—Estsék' has provided environmental monitoring support for this project.
- Early June Estsék' will be supporting KWL with vegetation assessments for BC Hydro.
- Estsék' has been supporting Trans Mountain in stream assessments as well as collecting soil samples.
- Bone Creek Hydro Project conducted a stream gauging trip at the beginning of May, with an additional site visit May 21—21rd.
- Photos below are of Bone Creek monitoring provided from Jay Curtis SRLLP Resource Technician..



Community Firewood

To all community members please be advised that a significant amount of firewood has been delivered from Chinook Cove Contracting for community members benefit.

Important Note:

Prior to accessing the site adjacent to the SRG offices on Dunn Lake Road please ensure that you come to the SRG main office to inform SRG Staff that you will be onsite cutting firewood and to execute the necessary waivers.

Thank you,
SRLLP Management.