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Chair: Mr. James Maloney



Standing Committee on Natural Resources

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• (1110)

[English]

The Chair (Mr. James Maloney (Etobicoke—Lakeshore, Lib.)): I call this meeting to order.

Thank you everybody for joining us. We're running a few minutes late, so we will jump right into it.

We have three witnesses who have been kind enough to give us some time today. From Meadow Lake Tribal Council Industrial Investments, we have Tina Rasmussen; from Nawitka Capital Advisors, we have Don Roberts; and from the United Steelworkers, we have Jeff Bromley.

Each of you is going to be given up to five minutes for opening remarks and then we'll open the floor to questions. You're free to speak in English or French. The translation service is available.

Why don't we jump right in?

Mr. Roberts, I happened to look at you first, so why don't you start us off?

Mr. Don Roberts (President and Chief Executive Officer, Nawitka Capital Advisors Ltd.): Thanks very much for the opportunity to speak to the committee today. I've been asked to discuss the economic recovery of the forestry sector with a special focus on pathways to a low-carbon future.

My name is Don Roberts. I'm the founder and CEO of Nawitka Capital. Nawitka Capital is an investment banking firm focusing on the renewable energy and clean technology sectors with a special emphasis on the emerging bioeconomy. I've been associated with the forest products sector for over 40 years. Prior to starting Nawitka in 2013, I was vice-chairman of investment banking with CIBC where I founded and led the bank's renewable energy and clean technology team.

I'm here to speak to the ongoing transformation of the Canadian forest sector through innovative uses of wood-based products and to try to propose some concrete measures to support Canada's goal to reduce carbon.

Where are the opportunities? In assessing the alternatives, I'd like to draw on the "Wood Fibre Futures" report, which I co-wrote earlier this year for the Government of New Zealand. The objective of that report was to show how forest resources could be leveraged to support New Zealand's move to a net zero emission economy by 2050. Quite frankly, the conclusions are equally applicable to Canada.

After reviewing over one hundred emerging products made from lower value woody biomass, we settled on two with the most commercial promise. The first is biocrude oil, which can be used directly for heat and power applications or further processed—and this is important—into a suite of transportation fuels, biochemicals and biomaterials. The second product is bio-coke, or torrefied wood, which can be used for steel-making.

The good news is that our Canadian forestry firms are already partnering with innovative Canadian biotech firms to construct biocrude oil plants. For example, Bioénergie AE, a joint venture between Quebec-based Arbec Forest Products and Ottawa-based Ensyn Technologies, built a 40-million litre biocrude plant in Côte-Nord, Quebec in 2018. Out west, Arbios Biotech, a joint venture between B.C.-based Canfor and Australia-based Licella, is currently considering the construction of a commercial biocrude plant in Prince George.

Although it's more of a niche market, bio-coke or torrefied wood can be used as a substitute for metallurgical coal and the production of iron and steel. Given the relatively high carbon intensity of traditional steel-making technologies, this could well be an attractive emerging market for lower quality wood from the forest sector.

Things are already happening here. ArcelorMittal, which is Dofasco's parent, is working to build a 50,000 tonne per year bio-coke plant in the Netherlands. Dofasco itself is currently working with several bio-coke technology providers to build a demonstration plant in their Canadian steel mill.

There's also a meaningful opportunity for products derived from high-value solid wood to reduce carbon emissions in the built environment. Specifically, the opportunity revolves around the ability to reduce carbon emissions through carbon sequestered, carbon avoided and carbon eliminated. I've identified specific technologies and products in my longer written submission.

What is the role of government here? In our view, the most effective policy tool to support the move to a low-carbon future is flexible regulation that focuses on a specific sector that emits a lot of carbon. Such regulation sets specific carbon intensity targets and then lets private sector actors figure out the best way to meet the targets. Compliance is facilitated through the use of tradeable carbon credits. Such flexible regulations, in our view, foster the most innovative use of technologies because the technology is feedstock agnostic. They leave decision-making in the hands of the private sector.

Importantly, especially given our COVID situation, such tools are not a direct cost to the public treasury since the burden of compliance is borne by the heavy carbon emitters. This is essentially an application of the “polluter pays” principle.

The Government of Canada is already working on the development of a clean fuel standard for specific sectors. Low-carbon fuel standards focusing just on the transport sector already exist in B.C., California and Germany. As documented by the International Energy Agency, the adoption of this policy tool is clearly a global trend.

To reach the full potential of the forest sector, we also recommend that policy-makers recognize the carbon emissions produced by construction and the carbon stored in the built environment. Like the case of low-carbon fuel standards, flexible regulations could be implemented to measure that carbon and incentivize behaviour to reduce emissions through smart material selection.

• (1115)

It's worth noting that a side benefit of this kind of policy applied to the Canadian built environment is that it could significantly expand the domestic market for Canadian solid wood, which would decrease the Canadian lumber industry's dependence on exports to the U.S. Given that the softwood lumber dispute between Canada and the U.S. is never going to end, a large Canadian market would be of considerable strategic value. This is particularly important when we realize—and I really mean this—that the cornerstone of a competitive forest sector, especially in temperate climates like Canada, is a competitive solid wood sector. That was a key conclusion of the “2008 Future Bio-pathways” study, which I in fact led on behalf of the Forest Products Association of Canada, the Government of Canada, and the provinces of Quebec, Ontario and B.C.

In conclusion, part of Canada's forest sector has been hit hard by the COVID shock. However, opportunities exist for a sustainable recovery to a lower-carbon future. The forest sector is really well positioned to punch above its weight. Having said that, a joint public and private sector effort is required to make this happen.

Those are my comments. I'm happy to be here today to answer any questions.

Thank you.

The Chair: Thanks, Mr. Roberts.

Ms. Rasmussen, how about you going next?

Ms. Tina Rasmussen (Corporate Development and Administration Officer, Meadow Lake Tribal Council Industrial Investments): Good morning. *Tansi, edlanet'e.*

As introduced, my name is Tina Rasmussen. I'm a member of the Flying Dust First Nation, and I'm a corporate development and administration officer with MLTC Industrial Investments.

Thank you for inviting MLTC to present today.

The Meadow Lake Tribal Council, or MLTC, is located in north-west Saskatchewan. Our traditional territory spans from central Saskatchewan to the Northwest Territories border, on the western side of the province. We are made up of nine first nations, four of which are Dene-speaking and five of which are Cree-speaking.

MLTCII is the incorporated economic development arm of the tribal council. I'll give you a little bit of history about our organization.

In 1988, the leadership of the Meadow Lake Tribal Council invested in a dimensional sawmill located in Meadow Lake, Saskatchewan. They understood the potential to raise the first nations communities up through a local economic development opportunity using a local resource that grows on our traditional lands and the huge opportunity to develop indigenous employment in the forestry sector.

Through the years of ownership, the chiefs remained diligent in their determination to create a world-class forestry operation. In 1998, they purchased the remaining shares in the company to make it 100% indigenous owned.

Today the tribal council, through its economic development corporation, MLTC Industrial Investments, continues to operate the 100% indigenous-owned sawmill, NorSask Forest Products, which is a softwood lumber producer. NorSask produces 150-million board feet of dimensional lumber per year and has annual gross revenues of approximately \$60 million.

The lion's share of the lumber produced—

• (1120)

The Chair: Ms. Rasmussen, can I interrupt you for a second? There seems to be some problem with your microphone. There's a lot of static coming through.

Ms. Tina Rasmussen: Okay. Sorry.

The Chair: It's still there.

Mr. Maninder Sidhu (Brampton East, Lib.): Could you maybe unplug it and plug it back in?

Ms. Tina Rasmussen: Okay, I'll try that.

Is that any better?

The Chair: Yes. It's much better actually. That's perfect.

Ms. Tina Rasmussen: As I was saying, NorSask Forest Products was purchased by MLTC in 1998. NorSask produces 150-million board feet of dimensional lumber per year and has annual gross revenues of approximately \$60 million. The lion's share of the lumber produced is sold into the U.S. market, and the revenues earned are funnelled back to the benefit of the nine first-nation owner communities.

In 2018, MLTC purchased L&M Wood Products, a producer of pressure-treated wood posts and rails. It was felt there was a significant need to ensure the best use of timber being harvested from traditional land.

The addition of the L&M plant saw greater flexibility in the use of small diameter and oversized softwood that was not usable in the NorSask mill. The most recent entry into the pressure-treated wood products market sees an annual gross revenue of approximately \$10 million and a sizeable reduction in wasted timber.

To ensure that we have adequate timber supply for our plants, MLTC has a 30-year history with ownership in Mistik Management Ltd., a woodlands administration company. Mistik has ensured stakeholder consultations, sustainability and controlled harvesting practices as well as encouraging the development of indigenous-owned forest harvesting and transport companies to ensure that the raw material reaches the mill.

The result of controlling our own forest management practices is that MLTC is the most senior indigenous forest management and woodlands operator of a major forest tenure in the Canadian forest sector. The success and continued operation of our forest industries has not come without immense effort and tenacity.

NorSask Forest Products is a survivor, having weathered the multi-year U.S. housing market collapse in the mid-2000s. We believe that NorSask is the only sawmill operation in Saskatchewan that did not shut down from 2007 to 2012. Although many others shuttered and in some cases failed to reopen, upon the reopening of markets, NorSask took steps to upgrade its finishing operation to make it more competitive and better able to meet market demands for planed lumber.

In 2020 we face another challenge related to maintaining operations and safety of our personnel in the COVID era. We have continued our operations through the implementation of stringent safety protocols and by allowing for flexible staffing in the face of unplanned absences that may arise due to worker shortages complicated by COVID.

As in every industry, we do our best to continue to manage our business while keeping the best interests of our staff in mind. Today, MLTC has the largest and best known 100% indigenous-owned forest products manufacturing companies and forest management company in Canada.

Through the direct ownership of these industrial plants, MLTC has been able to encourage and support indigenous business development related to the forestry industry. Today, both timber harvesting and trucking companies exist that are indigenous owned and that employ many first nations and Métis people in our region.

Here is a quote from Shane Vermette, our executive director of the Ministry of Energy and Resources in Saskatchewan. He said, "Saskatchewan leads Canada, and MLTC leads Saskatchewan, by far when it comes to Indigenous forestry business development, Indigenous employment in the forestry sector, and percent of annual allowable cut allocated to Indigenous businesses".

Federal and provincial statistics show that in Saskatchewan, 31% of the population employed in the forestry sector is indigenous in comparison with three per cent overall in Canada. Our major lumber exporting provinces—Alberta and British Columbia—operate with seven and five per cent aboriginal employment participation in forestry respectively.

The results in Saskatchewan are accomplished through a planned effort and direct focus on goals for moving a disadvantaged segment forward. In addition to the presence of a success story and industry influencer like NorSask Forest Products, Canada must focus on the need for indigenous peoples to participate in the economy where they reside rather than having the natural resources leaving the region and no advantage being given to the indigenous residents of the area.

In many instances, non-local and even multinational corporations are moving their own interests forward without indigenous participation. Prime Minister Trudeau has stated that "No relationship is more important to me and to Canada than the one with indigenous people". It is time for a renewed nation-to-nation relationship with indigenous peoples based on recognition of rights, respect, co-operation and partnership.

● (1125)

If this is to be true, Canada must continue to implement effective measures and, where appropriate, special measures to ensure continuing improvement of the economic and social conditions of indigenous communities, including new indigenous ownership, growth and diversification in the Canadian forestry sector.

The Chair: Ms. Rasmussen, I'm going to have to ask you to wrap up very quickly, please.

Ms. Tina Rasmussen: Okay.

The barriers that we see are the continued American tariffs. Most of our lumber is sold into the United States. We continue to see 20% tariffs. As a single sawmill operation, it's very difficult to endure.

Something else that we see as a barrier is....In order for indigenous people to get into business, they need opportunities to access funding. Grant funding currently provided through four forestry opportunities is very targeted, lacks a lot of imagination and lacks any type of flexibility to allow the first nations communities to participate.

The Chair: I may have to stop you there. We have a five-minute limit on opening remarks, and we're running a bit short on time already.

Ms. Tina Rasmussen: The last thing I want to mention has to do with the new carbon....

This is a good news story, and I think it's directly related to what the government is doing in the right direction. MLTC has announced and is currently constructing a new bioenergy cogeneration plant. That cogeneration plant has been supported by a \$52.5-million grant from both the federal and provincial governments. That is attached to NorSask Forest Products. It's a new way in this new bioenergy opportunity to create new opportunities for our aboriginal communities.

The Chair: Thank you very much.

Mr. Bromley, we go over to you for five minutes, please.

Mr. Jeff Bromley (Chair, Wood Council, United Steelworkers): Thank you, Mr. Chair.

On behalf of over 14,000 members of the United Steelworkers in the forest industry across the Canada, including over 80 members of my counterpart operation in NorSask Forest Products up in Meadow Lake, Saskatchewan, I thank the committee for the opportunity, for inviting us to contribute to your important work on the economic recovery of this critical and historic sector in Canada's economy.

My name is Jeff Bromley and I am the chair of the United Steelworkers Wood Council. It is a council of over 12 locals across the nation, representing, as I mentioned, 14,000 workers in the sector. I am a worker. I have been a representative of members, both in the Kootenays and now nationally with the United Steelworkers for the past eight years. The first 18 years, I was a worker within a sawmill in southeastern British Columbia that is still there to this day.

I have to say, though, that of the 26 years I've been in this industry, the last few have been some of the most turbulent to our industry and most impactful to workers in the forest industry.

The forest industry remains very important, obviously, to Canada's economy, the community it supports and the cultural fabric and history of our country. In total, it employs almost 210,000 Canadians across Canada. It directly contributed \$23 billion to Canada's GDP in 2019. More than 600 communities rely on the forest industry. Of those, 300 communities rely on forestry for almost 50% of household income. About 160 communities are solely reliant on forestry, and much of that in the more rural sectors of our country.

Our industry is increasingly under pressure from the U.S. softwood duties, forces of nature such as the pine beetle epidemic and the forest fires, fibre access issues and producer cash liquidity issues.

The sector exported over \$36 billion in forest products globally. Of those exports, 68% are usually destined to the United States. To date, Canada has paid approximately \$4.6 billion in softwood duties since 2017 when the devastating duties were implemented upon expiry of the last softwood lumber agreement. Of that \$4.6 billion, \$2.4 billion was from British Columbia, \$500 million from Ontario, \$800 million from Quebec, and the balance from the rest of the nation.

Since 2017, the job loss has been extensive. Almost 11,000 jobs have been lost industry-wide, over 1,000 USW jobs particularly at eight operations in British Columbia alone. There has been a 15% decrease in market access to the U.S. since the implementation of those duties. However, that gap has not gone away. It's not a vacuum. That gap has been filled, tariff free, by European nations.

Despite those challenges, the forest industry has a bright future in Canada. It just needs the federal government to help us get through this tough and difficult time. The world still needs wood products; we just need help to address these unfair duties that are reducing our competitiveness.

In terms of the future in the forest industry, products such as cross-laminated timbers, or CLT, and mass timbers have very good potential for value-added manufacturing. As opposed to concrete, construction with wood is a carbon net benefit to the planet, acting as a carbon sink, while forests are replenished following harvest by reforestation.

As the election results in the U.S. are finalized, it's time for Canada to focus on ending the softwood lumber dispute. Our Canadian industry needs a fair trade deal to provide certainty for industry and certainty for workers and the communities in which they live.

For different reasons than a change in U.S. administration, now is also the time to make permanent reforms to employment insurance, reforms for forestry workers and indeed all workers. Our written submission goes into much more detail, but the key points are that severance packages for those laid-off workers from closures and vacation entitlements for those who want to access their vacation pay during a layoff period should not impact or provide a barrier for their access to EI. Eligible hours must be lowered to allow for second EI claims in an industry that experiences extreme peaks and valleys. These initiatives, though approved by our current government on a temporary, one-year basis, need to be made permanent.

• (1130)

Canada also needs to be prepared to provide loan guarantees to companies that have paid duties. As part of a sustainable economic strategy, loan guarantees to forest companies must be made available equalling 75% of the amount they have paid in duties. Despite recent increases and the success of larger forest product companies, many small mills are still suffering from weak cash flow.

However, I must clarify that any government support in this regard must be contingent upon supporting Canadian workers in Canadian communities. While the duties are earned from the lumber manufacturers and paid by the lumber manufacturers, support from the Canadian government in the interim must not enable multinational companies to invest any support anywhere else but in Canada and the provinces and communities they reside in.

That concludes my remarks, but I'm happy to answer any questions you have. I also encourage the members of the committee to visit our campaign website, forestryisforeveryone.ca.

Thank you.

The Chair: Thanks very much, Mr. Bromley.

First up is somebody from the Conservatives, and I don't....

• (1135)

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): I have it.

Thank you very much, Mr. Chair.

I'm going to begin with Tina Rasmussen. It's always great to see a fellow Saskatchewanian in committee, so thank you for being here.

Thank you to the other people for joining us as well.

Ms. Rasmussen, I want to touch on a few points here. Your tribal council has a diversifying industry. It owns companies that deal with different kinds of energy, ranging from biomass to oil delivery.

This committee is taking a closer look at forestry, obviously, so I'd like you to tell us how your forestry sector's economic output and employment levels compare to your other types of energy development.

Ms. Tina Rasmussen: MLTC has owned NorSask Forest Products for probably the longest of most of its companies, and it is the most developed in our organization, so of course it is the most organized and provides the best outputs for our communities in terms of employment development.

As I was saying in my statement, we've had the opportunity to take a by-product of the sawmill and turn it into a new development project in the whole bioenergy field in the form of a cogeneration plant where we're feeding 6.6 megawatts of energy directly into the SaskPower grid from pulp fuel waste that is currently being burnt in a 50-year-old beehive burner at NorSask.

To answer your question, we are finding that the forestry industry has created a multitude of gains for our MLTC in comparison with any of our other corporations, in oil and gas or any other type of energy.

Mr. Jeremy Patzer: Along with COVID restrictions, there have been years of softwood lumber disputes with the U.S. Back in February, in his remarks to the international trade committee, your colleague Al Balisky, as president of industrial investments, described the situation as a "softwood lumber lack-of-agreement." He also noted that the federal government is uniquely responsible for resolving these disputes and negotiating deals.

Has this situation changed for you at all since February?

Ms. Tina Rasmussen: No, it absolutely has not. We continue to suffer the impacts. Many larger corporations have diversified their portfolios by opening up plants in the U.S., thereby avoiding those tariffs, but with a small single corporation like NorSask Forest Products, we—MLTC—only have one plant, so we feel the full brunt of those tariffs. I think the last numbers provided by our gen-

eral manager were somewhere in the neighbourhood of \$14 million lost on revenue since 2017 due to the tariffs.

Mr. Jeremy Patzer: Yes, that's a pretty substantial impact.

What community and social impacts does that have for the first nations who are part of the Meadow Lake Tribal Council?

Ms. Tina Rasmussen: Like any other first nation's economic development corporation, our goal is to provide revenue back to our home community. In our home communities, all of that revenue is used to support education, health care and economic development at a local level and for improvement to services. Every dollar that we're not able to keep, process and bring back to those home communities directly impacts those communities and the level of services in them. The chiefs and their councils make the decisions on what is developed on reserve, but they hire and invest in economic development opportunities to create those opportunities for their communities or to create those benefits for their home communities. It has a huge direct impact on communities.

Mr. Jeremy Patzer: Yes, absolutely.

Has there been any concern about the workforce being shifted from forestry to the other sectors that you provide employment for? Are you losing workers in forestry because of these tariffs? Is that a concern?

Ms. Tina Rasmussen: At NorSask we've been very tenacious and managed to stay afloat. It is our main focus and our largest employer in northern Saskatchewan. I don't know how many of you have visited northern Saskatchewan, but we're very remote and isolated and very sparsely populated. The forest industry creates an opportunity where the people live. The trees grow where we live. They don't grow in the prairies of southern Saskatchewan; they grow up in northern Saskatchewan where we live. It's about taking advantage of a natural resource that grows in our community.

The opportunity that has been created by NorSask Forest Products is that first nations have influence. It is not non-aboriginals or multinationals or companies from southern Saskatchewan or Alberta or B.C. that are coming in and providing harvesting or providing trucking. It is an opportunity for us to create these opportunities in our own backyard based on our own natural resources.

I don't think there is going to be a big move away from forestry. If anything, in the case of the bioenergy centre, we're looking for ways to create more synergies with the forestry sector.

• (1140)

The Chair: Thanks, Ms. Rasmussen.

Mr. Lefebvre, we'll turn it over to you for six minutes.

Mr. Paul Lefebvre (Sudbury, Lib.): Thank you, Mr. Chair. Thank you to all the panellists for coming today.

I also have questions for Ms. Rasmussen, but I'll let my colleagues ask those.

Mr. Roberts, you mentioned a few things about the potential, and what we need to do as we go forward. You talked about two things: a flexible regulation and the solid wood sector. Let me talk about the first one.

You talked about compliance and credit trading, but you also mentioned the clean fuel standards we have in Canada. From your perspective, as we move forward with regulation.... You've obviously done a lot of studies internationally as well. You've worked with New Zealand. I'm assuming that you've done a lot of comparative analysis of what is going on in the world. Why do you think it is important that Canada continues down this path with the clean fuel standards? And what are the opportunities for the bioeconomy because of these regulations?

Mr. Don Roberts: That's a good question.

What is the good news? We're not in this alone. The global forest sector is undergoing some real challenges. Right now, particularly in the temperate climates, whether in northern Europe, Canada, or Russia, one of our challenges is that there are some structural changes occurring. The paper and pulp industry—the paper industry in particular—is going soft. There is nothing we can do about it; it's technologically driven. That is the primary use of the lower quality biomass that we produce. The good stuff we can put into lumber, and if we can get it to the U.S. market, that's great.

But we need to get a way to get value out of the lower quality biomass. That's why our focus—at least a lot of our emphasis, a lot of people are focusing on this—is on what you can do to create value out of the low-quality stuff. A lot of it is going into energy. We're hearing this in Meadow Lake. That's electrons, electricity. That's good in some areas, but unfortunately it's also relatively low-valued energy. It doesn't create a lot of jobs or value or revenue. But, it's good in some situations. We need to create other ways to do it.

Our challenge is that in the whole energy and chemical space, we're competing with very low-cost fossil fuels. That's just the way the market is, and it's going to stay that way, in our view. We need a way to say, how do you then close that gap and put a value on carbon? That's really the issue. How do you put a value on carbon?

We talk about carbon prices. Yes, that's one way, but in reality, everywhere in the world there is a political limit on what you can do on an economy-wide carbon price. Fifty bucks? I'm not sure. The reality is that it's not strong enough. What we're finding is that by putting in these flexible regulations, with which you can target big-emitting sectors, and then putting in these trading systems, you can really send a strong enough price signal to get steel in the ground here. That's what we have to do, get steel in the ground.

I gave the example of a joint venture that Canfor is looking at with their Arbios joint venture in Prince George. That would not be occurring in Canada, period, if it were not for the B.C. low-carbon fuel standard.

• (1145)

Mr. Paul Lefebvre: Basically, these are creating business opportunities for the private sector as well.

Mr. Don Roberts: Absolutely, they are, and it's a way to diversify what we're doing with our God-given advantage with a lot of biomass.

There was a theme that came up in all three presentations, and that was the softwood lumber agreement. I tied in to it as well.

To expand this, the key is to put in the value of carbon in our buildings. Right now we don't recognize it, but by looking at expanding this concept to the built environment, we really could expand well beyond the residential sector and get a good alternative in Canada, because as I said before, regardless of whether we like it, we have had the softwood lumber agreement under both Liberal and Conservative governments in Canada and Democrats and Republicans in the States. This ain't going away. We have to find a way to look at alternatives.

Mr. Paul Lefebvre: Agreed.

Mr. Bromley, you've talked generally about the value-added products we're seeing now and their importance. I think that's what Mr. Roberts was also mentioning.

Some people will say that value-added products are going away from our traditional sector and will ask whether we are going to lose jobs from this change. I was pleased to hear and want to hear more of your perspective on the potential for jobs to be created by these value-added products—the solid wood and possibly the biomass and bioenergy. What would these mean for your members and for potential jobs?

Mr. Jeff Bromley: In terms of finalizing the softwood lumber agreement—and to address the comments of my counterpart Mr. Roberts, you're right, it's not going away—it's to the point that there are pundits and commentators who now, I believe accurately, characterize the billions in dollars of duties as a dividend for those southern producers who have so much influence in Washington.

I take affront at their taking revenue from our country and our industry and classifying it as a dividend.

That aside, and to your question, the solid wood sector is the basis. It is not going away. Has it eroded somewhat? Yes. Does it evolve? It does, obviously.

That solid wood sector base needs to be there, however; they need to have that base whereby 65% to 68% of our products go into the U.S. This needs to happen, or else we don't have the residual products that the whole industry relies upon.

To your point about the next generation of value-added products, the cross-laminated timber or CLT and mass timber constitute a massive market. We have members in Penticton in a company called Structurlam, which employs almost 300 members—I think it's 275 now—in Penticton and is still looking for more workers, because the product is labour-intensive, but the demand for it is strong.

The Chair: Thank you, Mr. Bromley. I'm going to have to interrupt you and stop you there, unfortunately.

Ms. Michaud, you are next, for six minutes.

[*Translation*]

Ms. Kristina Michaud (Avignon—La Mitis—Matane—Matapédia, BQ): Thank you, Mr. Chair.

I'm going to address you, too, Mr. Bromley. You mentioned that the last few years have been quite turbulent for workers in the industry and that there have been several job losses. I also know that you met with my colleague Mr. Simard about the awareness campaign you're currently conducting, particularly on several claims related to employment insurance.

In this regard, what do you think the federal government should do to ensure better working conditions for employees in the industry?

[*English*]

Mr. Jeff Bromley: One thing that is about as predictable as the weather is the lumber industry. It is very cyclical, very “peaks and valleys”. That's just the unfortunate nature of the beast. We have layoffs and we have closures, but the employment insurance system is important for the base support of workers, which the employers and the workers all pay into. It is important that there not be barriers when workers need this support most. Any benefits that are negotiated or provided shouldn't be barriers to access to EI.

I believe the federal government is on the right track with the measures it has instituted on a temporary basis, but as I said in my opening remarks, making access to EI permanent when people are in fact laid off and/or suffer a closure is paramount.

In terms of what the federal government should do to continue to help, I think that all the aspects—making sure there is a fair trade environment, making sure that there is a competitive tax environment, making sure there is support for workers—all those things are paramount to ensure that the industry is vibrant and that it thrives in the future.

It's going to take some work: all the things we've talked about today concerning other products from the forest, and what we've talked about in B.C., whereby we can get more value out of the timber in the forest so that nothing is left behind and so that everything is extracted and used for different products. I think those kinds of programs are important to make sure that the industry thrives.

• (1150)

[*Translation*]

Ms. Kristina Michaud: Thank you.

Support to the industry can also be financial. From 2017 to 2020, the federal government invested \$24 billion in the hydrocarbon sector, while for the same period, Quebec's share, with its sustainable forest management strategy, was only \$70 million, 75% of which was in the form of loans.

What can the federal government do to support industry in the energy transition? Among other things, it could provide loans, loan guarantees and support for research and development. There's an excellent research sector in Quebec, and it could be put to good use for the forest industry.

What can or should the federal government do in terms of investment?

[*English*]

Mr. Jeff Bromley: I think that's a good segue to the topic that we've been leading. There is that value, in terms of those tariffs that are out there.... We sincerely believe that at some point there's going to be a deal. There's going to be a measure of those duties that they've paid. My counterpart, Ms. Rasmussen, mentioned that NorSask Forest Products, a relatively small company, has paid a monumental amount of money, \$14 million, that could go back into investment in their communities. It could go back to the workers. It could go back to making the company a more competitive operation.

With that amount of money, that capital that's out there, if we could have the federal government play a role in terms of ensuring that smaller operations have access.... Indeed, you'd have to be fair and offer it to all operations, but the bigger players have to be restricted in what they invest in. I don't think they should be able to take advantage of federal government programs to further invest in the U.S. south, let's say, as they did last time, after the beginning of the 2006-07 softwood agreement. They got the money back and they then invested abroad into other markets. I don't think that benefits Canadian workers or communities in any way, shape or form.

I think a robust investment or loans program by the federal government to the industry, based on those duties, would go a long way to helping, especially these smaller players. As much as we talk about the CanFors and the West Frasers, and the Resolutes, the bigger players in the industry, there still are the so-called mom-and-pop industries, the smaller players that employ 30, 40, 80 workers at good-paying jobs.

Those smaller industries need our support and need the federal government's support. I think this addition would go a long way in helping that.

The Chair: You have 30 seconds.

[*Translation*]

Ms. Kristina Michaud: Slightly less mention is made of by-products, in other words, secondary and tertiary processing products in the sector.

Could these products play a role in the economic recovery of the forest industry? Post-pandemic economic recovery is being talked about a lot these days. The industry could play a big role in that. Could secondary and tertiary processors do well?

[*English*]

Mr. Jeff Bromley: I agree. I don't think that any restriction.... The problem we'll find, though, will be fibre availability and then making the best use of that fibre. It's a good point.

The Chair: All right. We'll stop there.

Mr. Bachrach, we'll go over to you, for six minutes.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Thank you, Mr. Chair.

I'll perhaps pick up where my colleague just left off, on the topic of value added.

I'll ask Mr. Bromley this question. You mentioned cross-laminated timbers. That's a product I have some knowledge about.

I'm wondering, in looking at other jurisdictions in the world that are leading in the development and manufacturing of those kinds of value-added products, are there any particular jurisdictions you look to for policy ideas or incentives that we should be incorporating here in Canada?

• (1155)

Mr. Jeff Bromley: I don't know that I look to any particular jurisdictions. I know they do some good stuff in Europe. I still believe firmly that Canada is the leader or is certainly one of the leaders in value-added product manufacturing, specifically on the mass timber and CLT front.

I truly believe that if the timber side of the equation wasn't so restricted or so tightened in terms of supplies, to try and take a piece of that supply part of the equation that isn't occupied by the solid wood sector is difficult. The bigger players, to my knowledge, aren't as involved in the CLT portion as of yet, and they haven't jumped wholeheartedly into it because the timber supply situation is so tight. That is a dynamic that needs to be...through regulation, through government incentives. I know that a lot of the jurisdictions have different controls or a different way they control the land base in terms of tenure and access to the forest. You have to enable supply, to give them the ability to look into these products such as CLT.

I think where the federal government plays a strong role, in conjunction with the provincial government, is in trying measure out whether there's an ability for the re-allocation of tenure to these companies that are innovative and have the ability to provide these mass timber products that are value added. They provide more value to our sector, provide more jobs, and obviously sink more carbon. We can use the CLT; we know there are building codes that are now up to 12 storeys and higher. There's a real demand for this product that we can take advantage of through proper regulation.

Mr. Taylor Bachrach: Thanks, Mr. Bromley.

My next question is for Mr. Roberts.

Mr. Roberts, you talked about carbon sequestration through the use of wood as a construction product. I know that in British Columbia, in particular, there have been "wood first" policies for a number of years now. I wonder if you can speak to the efficacy of those policies. Have we seen a really measurable increase in the use of wood as a building product in the construction sector, and in what magnitude?

Mr. Don Roberts: In terms of direction, it's the right direction. It has been effective. We've seen a number of good examples. I would say that Canada has been second in the field there. This was really developed out of Scandinavia initially, and Stora Enso, the Swedish company, is the biggest in the world in this. The "wood first" policy has been good.

Let me say something controversial here. Let's focus on what we care about. What we care about is reducing carbon and getting economic activity. It's worthwhile to set a target and then let the private sector figure out how to do that.

A "wood first" policy says that we have to use wood. Well, tell that to the steel and concrete folks. They also have ways to be innovative here; for example, you can create concrete by storing CO₂ in it.

As the people who are looking at true innovation are saying, let's widen the door, set a target—we want to reduce carbon intensity—and then go at it, folks. I think the CLT is a great alternative, but you'll also see other people try to use other products and other innovations as well. So we can get a race to the top here in terms of what we really want. I think a flexible regulation is more effective, economy-wide, than just a single "wood first" policy.

That probably sounds like blasphemy to the forest sector, which I work in, but I'm just pointing to what we care about and the end result.

It has been effective. We are seeing it, especially in the construction happening in Sweden and Finland right now. I've mentioned the work we're doing with the Government of New Zealand. This is going to be one of their focal points. Put a value on stored carbon in construction. That's their target.

The good news is that there are also other things we can do in this whole construction area. For example, with wood insulation, we're seeing some really interesting technologies out of Germany, the Dieffenbacher and Sempelkamp technologies, which you can use for the lower quality wood. That's key to getting good demand for our low-quality wood, which still comes out of our sawmills. Fifty percent of your saw logs typically go to lumber. We have to find a home for the other 50%—it has some value—and that's a challenge when you don't have a strong new paper or pulp industry. This is where some of these new value-added products are going to come in.

• (1200)

The Chair: Thanks, Mr. Bachrach. I'm going to have to stop you there.

We're moving into the five-minute round. We have time for two more. The Conservatives are next.

Ms. Harder, you have five minutes.

Ms. Rachael Harder (Lethbridge, CPC): Thank you, Chair.

My question is for MLTC.

You talked a lot about the benefit of forestry in particular, as well as other industries, for indigenous communities. About 6% of participation is by indigenous folks, which is very cool. You talked about investments being made in health care, in housing, and in infrastructure, which is huge for indigenous communities. When I read through your website, it looks as though you folks are doing some tremendous work in terms of the benefits that are being added.

Now, my question is this. The imposition of a clean-fuel standard is going to result in a significant cut to profits. Of course, some of that expense can be passed down to the consumer, but I would imagine that as a producer you're going to have to take on some of that cost. What impact is that going to have on the benefits, then, being offered to indigenous communities?

Ms. Tina Rasmussen: In the same way as the tariff, it's going to have a direct impact on the communities. It's going to mean that much less money going directly back to our stakeholders, to our shareholders, to our member communities. We're making every effort we can to look at all potential new ideas, new options, and new ways in which we might create opportunity to diversify and create things that might reduce that impact on us.

I think somebody else mentioned it as well. Somebody mentioned concrete. With the new facility we're building for the bioenergy centre, it's important for us as aboriginal people to move the tree from the forest directly through to the end of its life and to leave no waste. For us, the bioenergy centre means all of that waste that's currently just being burned and expelled into the air as smoke and ash will now go through a bioenergy facility.

Even more than that, we're investigating, with the concrete industry, opportunities to create another by-product in terms of the fly ash that comes out of that bioenergy facility.

All of those things are going to be created in a renewable manner with a renewable fuel, so that's going to help reduce the effect on us. At MLTC we're looking at every opportunity there is to move into the bioenergy or renewable-energy markets. As I said before, it's difficult, though, when you are one of one, and it's very much an area where we need government support, especially as indigenous people when we're really starting to move into economic development, coming into our own in some communities. We're definitely in need of government support in those areas.

Ms. Rachael Harder: Very good.

Perhaps you could comment further on the impact that foreign investment or foreign purchases are having on the industry. Would you have a comment to make with regard to that?

Ms. Tina Rasmussen: I'm probably not the best one to comment on that because I don't work directly with NorSask Forest Products, but just in general it makes it more difficult for us to ride the ebbs and flows of the market. If you're a multinational company with investments in the United States, you're not paying tariffs on a portion of the material you're producing, whereas for us, 100% of everything we sell into the United States has tariffs on it, so I think the ebb and flow is not quite as good for us as it might be for a larger corporation that's able to have its company spread over two countries.

• (1205)

Ms. Rachael Harder: Finally, could you just provide a brief comment with regard to the opportunities for autonomy that the forestry industry and other natural-resource industries offer you as indigenous communities?

Ms. Tina Rasmussen: That's a huge one for us: 31% of the people working in the forestry industry are either first nation or Métis. The number of people and families it is impacting is tremendous. That includes the people who are working in the harvesting companies and the trucking companies. The forestry industry in northern Saskatchewan and the ability of MLTC to participate in it has created a pathway for first nations communities.

We have two first nations communities: Canoe Lake and Waterhen Lake. Both have very large timber harvesting corporations and run their own trucking companies. That wouldn't have happened, I don't believe, if a multinational owned and was running NorSask Forest Products.

I think about 38% of our population working in our sawmill is aboriginal. We can't influence those things. As an aboriginal shareholder owning a company, we have direct influence over those things so we're able to make tremendous strides.

Even in the new bioenergy facility, right now we have—

The Chair: I'm going to have to ask you to wrap up again, Ms. Rasmussen. I apologize for interrupting, but that's my job.

Ms. Tina Rasmussen: Sorry.

Ms. Rachael Harder: Thank you.

The Chair: Thanks, Ms. Harder.

Mr. Sidhu, you are the last up in this round.

Mr. Maninder Sidhu: Thank you, Mr. Chair.

Thank you to our guests—Mr. Roberts, Ms. Rasmussen and Mr. Bromley—for taking the time to be with us today.

I'm sorry, Ms. Rasmussen, that you keep getting cut off, but I know you briefly mentioned the bioenergy centre. I was hoping to hear more about that centre that is currently under construction. I understand that you may be nearing completion within a year's time and that federal funding has accounted for more than half the total project costs—so \$52 million has accounted for more than half your total project costs.

Can you please tell us more about this bioenergy centre, the types of technologies being deployed here and the economic potential the centre represents, not only for your nine-member first nations communities, but also for Canadians?

Ms. Tina Rasmussen: Yes, the bioenergy centre will be completed probably by December 2021. I invite you to check it out. You can watch it go up completely online at www.mltcbioenergy.ca.

Yes, the government contributed \$52.5 million. That equates to about 75% of the overall cost of construction of this facility and, quite frankly, if they hadn't contributed, there would be no facility. There are not enough dollars in the coffers of MLTC and in our first nation communities to be able to take on this type of endeavour.

As most of you, and in particular Mr. Roberts, will attest, the sale of energy is very low cost and has very little return. At the end of the day, we're only going to end up returning probably about three-quarters of a million dollars to our nine first nations communities, so the revenue is not a lot, but to us as first nations people, it's important to see that timber product from the beginning to the end and to get the absolute most use, the most revenue and most jobs, we can out of that product.

I'm sorry. I missed what else you wanted to know about the energy centre.

Mr. Maninder Sidhu: I know it's a very impressive project. Do you see potential for future projects similar to bioenergy centre for other indigenous communities?

Ms. Tina Rasmussen: We would hold it up as an opportunity for all indigenous communities, but as I said earlier, the issue is how do you afford to do it? Selling the energy doesn't make it economically viable; it has to be supported by governments.

This went through a grant process. We received \$52 million. As I said, it wouldn't have happened if we hadn't received that, simply because these projects are not economically viable on their own.

I think as Canadians we need to work on that, and as a government we need to focus on ensuring that if this is the way we're going we're supporting this.

• (1210)

Mr. Maninder Sidhu: Thank you, Ms. Rasmussen.

Powering homes with greener energy is definitely critical. We have heard that NRCan's indigenous forestry initiative has been widely popular and is often oversubscribed. It is a program that provides financial support for indigenous-led economic development projects in the forestry sector.

Have you been able to take advantage of this program? What type of feedback for the program would you have going forward?

Ms. Tina Rasmussen: Yes, we have. We are currently using the grant program to the tune of about \$3.4 million. For NorSask Forest Products it has been very, very helpful. I think if you look at the program itself, you will see that a lot of the aboriginal communities or indigenous groups that have been accessing it have done so for relatively minor amounts of money. The grant program, although helpful, is more about doing studies and gaining better understanding of land use and a lot less about building infrastructure and creating economic development.

If there was anything I'd say about it, it would be that it's definitely a needed program but it really needs to have more flexibility

added to it in terms of what the revenue and the grant program are actually used for. The amounts of money could also be looked at. I mean, this is not an industry that takes a little bit of money to get into, even when you're talking about new potential....

Mr. Maninder Sidhu: I appreciate that. Thank you so much, Ms. Rasmussen. You were very, very helpful—

The Chair: Mr. Sidhu, rather than my having to interrupt witnesses again, I'll interrupt you this time.

I think that's all the time we have in this round. Thank you to—

[Translation]

Mr. Mario Simard (Jonquière, BQ): Would I have time to ask a very quick question, Mr. Chair?

[English]

The Chair: Well, I extended the hour already to account for the technical difficulties we had at the beginning, and we do have a second panel waiting, so we really are beyond our time. Unfortunately, we'll have to move into the next hour. I apologize for that, but we are somewhat limited. We have some time at the end, which we'll make up in the next panel.

I'd like to thank all three witnesses for joining us today. We really appreciate your taking the time to offer your contribution.

We'll suspend while the next panel gets ready.

Thank you.

• (1210)

(Pause)

• (1215)

The Chair: All right, everybody, we can resume. Welcome back.

I want to welcome our three new witnesses and thank them for joining us today. From the Alberta Forest Products Association, we have Jason Krips; from the British Columbia Council of Forest Industries, Susan Yurkovich; and from the Quebec Wood Export Bureau, Sylvain Labbé.

Thank you to the three of you for taking the time to be here. I will give each of you up to five minutes to deliver opening remarks. Then I will open the floor to questions from around the table. You are free to speak in either official language. Translation services are available.

I will warn you in advance that my job is to be the chief interrupter. If people go on longer than they're supposed to, I will be rude and interrupt and kindly ask you to wrap things up.

On that note, I will go in order of your names on the schedule.

Mr. Krips, why don't you start? Thank you.

Mr. Jason Krips (President and Chief Executive Officer, Alberta Forest Products Association): Great.

Thank you very much, Mr. Chair and committee members. I really appreciate this opportunity.

In the forest industry we're proud of the work we do and the products we make. Forestry is vitally important for our lives, whether it's building materials for a safe place to live; pulp for essential services and products like PPE, laboratory filters and food packaging; and sustainable energy to keep the lights on in the cold Canadian winter, even in cloudy Vancouver.

I'd like to add to that: a secure and sustainable livelihood for 230,000 Canadians who work in our industry, not to mention the additional 370,000 Canadians whose jobs are created by our economic activity. That's 600,000 jobs in total, dependent on forestry in Canada. People can feel good about those products and jobs. They're contributing to the management of the most sustainable forest resource in the world, a resource that's part of the solution for our climate change and a vehicle to get us to net zero.

In terms of the economic side, our forest industry is key to the recovery right across the country, but in Alberta it's even more acute. We've seen our economy decimated by the downturn in the energy industry. Rural communities have been hit especially hard with many resource jobs disappearing. Forestry communities, though, have fared much better. Our industry supports 40,000 jobs throughout the province, and they're stable, well-paying jobs. For many families, forestry has been a harbour in the storm.

Our industry is stable, but we do have real needs to maintain our vibrant future.

First, I'd like to look at the positive steps. I think that governments, both federally and provincially, have taken positive steps for forestry in Alberta, and indeed right across Canada. Minister O'Regan announced nearly \$70 million to support pine beetle control work in Alberta. This work is absolutely essential to the forest health nationwide. I know that Ms. Yurkovich and our colleagues in British Columbia know all too well the destruction of the mountain pine beetle from both an environmental and economic perspective. By helping us to hold the line in Alberta you're helping to prevent the destruction that is occurring in forest communities across this country. We really want to acknowledge Minister O'Regan and his excellent departmental officials at Natural Resources Canada for this important funding.

Second, we are appreciative of the Government of Canada's recognition that forestry is part of the solution to climate change. We are encouraged that the throne speech identified foresters as the key personnel in this fight, and committed to planting two billion trees. We will partner with you on these initiatives every step of the way.

On the need side, the first and most pressing item for our industry is to maintain access to the land base. Without that land base and a stable supply of wood, nothing happens in the forest. Invest-

ments don't happen, jobs don't get created and products that the world needs won't get manufactured.

One of the real challenges to maintain that access and those jobs is the Species at Risk Act. This is a prescriptive piece of legislation that often calls for drastic steps. The real challenge is that there doesn't seem to be much of a 30,000-foot approach present. One day you're forced to take drastic measures that help one species but may not be beneficial to another. A year later a different species comes up for review and a whole different set of measures are on the table. It's a tunnel vision approach, and for our industry it's really damaging. It's difficult to know where we're going, and many of the measures restrict access to the land base. It's difficult to make investments and plan for growth.

We need an approach that looks at the land base and our species holistically and drives toward the broader goal of healthy landscapes and forests that support a diversity of species. It's time to end the prescriptive, one-off approach and move to something more sustainable for both the environment and our economy. It's time to consider overhauling the Species at Risk Act and transitioning to a multi-species approach.

It's also time for a firm commitment to a working forest. By that I mean forests that are managed collaboratively by government, communities and foresters.

We need to recognize that sterilizing our land base by excluding forestry and other resource industries is not a tenable solution. It will lead to unhealthy landscapes that are susceptible to forest fires and pest infestations. These events will not support species biodiversity and will harm recovery efforts. It will also hurt communities and undermine Canada's economic recovery. It will take the greatest tool on the fight against climate change out of our hands: That tool is sustainably managed forests.

● (1220)

We know that forests that are carefully planned and managed through harvesting and replanting are much more effective carbon sinks than those that are left untouched. Harvesting older forests and sequestering carbon in our homes, buildings and products that we use every day allows for planting of new forests. These new forests capture carbon as they grow, and that growth and sequestration is the best way to achieve our net-zero goals.

By committing to a working forest, we're doing the right thing for our communities. We're doing the right thing for our economy, and we're doing the right thing for our planet.

Thank you very much for your time and attention this afternoon.

• (1225)

The Chair: Thank you very much, sir. That's right on time.

Ms. Yurkovich, maybe you can go next.

Ms. Susan Yurkovich (President and Chief Executive Officer, British Columbia Council of Forest Industries): Thanks very much, Mr. Chair.

We appreciate the opportunity to be here this morning, or this afternoon, and while much uncertainty remains as to the health and economic crisis and what it holds for Canadians in the months ahead, what is certain from our perspective is that the forest industry, like industry here in British Columbia, like across Canada, is well-positioned to help Canadians get back to work, to lift communities up and to deliver low-carbon products that the world wants.

The pandemic initially forced mill shutdowns, but operators were able to put safe work practices in place to get back up and running much more quickly than consumer-facing industries. Strong demand fuelled by home renovations and rising housing starts also helped, allowing many families to get back up on their feet and demonstrating how our sector's deep roots and resilient supply chain are critical to our collective economic recovery.

As Jason said, B.C.'s forest industry also has a huge economic impact here. It accounts for a third of B.C.'s exports. It's \$13 billion in GDP and about \$4 billion in taxes annually that fund important health and social services; and in 2019, our companies at COFI purchased \$7 billion worth of goods and services from 10,000 suppliers in 340 communities across our province. While many people will think of that as just being rural and remote communities, it will be interesting to know that Vancouver had the highest spend for the forest sector last year. All of this is to say that our industry is going to be the cornerstone of the economy and critical to our economic recovery, whether you are in Prince George, Campbell River, Victoria or Surrey.

However, while we have weathered this crisis in the short term relatively well, we face foundational challenges that predate the pandemic, including rising costs, regulatory complexity, trade volatility and growing global competition. Therefore, as your committee here today considers the important role that our sector can play in our collective economic recovery, we'd urge you to focus on the following five key actions.

First, as Jason said, it's critically important that we invest in and protect our working forest land base. In British Columbia, about 52% of the land base has some form of conservation value on it. That's a huge commitment. It makes B.C. a great place in which to work and it's a model for sustainable development, but in addition to the conservation values, we also value our renewable forest resource for the jobs and opportunities it provides to families and communities.

Secure access to fibre at a reasonable cost is the single biggest factor that can help attract new investment and contribute to economic recovery. That's why we think that, just like parks and protected areas, we should decide on the size of the working forest and

then lock it in. Once we've done that, we need to explore innovative ways to manage the forest resource.

We are already an industry leader in forest certification. We're employing new technologies and are ready to roll up our sleeves on the two-billion tree initiative, but managing in a world of climate change is going to require us all to take a fresh look. There are new ideas that need to be explored to improve the health of our forests, our industry, our communities and our country.

Secondly, we want to have good rules that protect our environment, but right now, forestry in B.C. is governed by close to 60 federal and provincial legislative statutes and regulations: layers of complexity that create uncertainty, add costs and impair our ability to compete. We need to increase coordination and eliminate redundancies without jeopardizing environmental protection, and we'd welcome the opportunity to work collaboratively to make changes where it makes sense.

The third critical priority is our partnership with first nations. In B.C. today, we have 5,300 indigenous people who are directly employed in our sector, with many more in business-to-business relationships, joint ventures, forest management, and so on. We're very proud of the relationships established over many years, but we know there's a lot more work to do. As we work towards reconciliation and the implementation of the UN declaration, it's critical that we do this work together to make sure we get it right, to make sure the outcomes are clear, and to make sure that we create the conditions where all can prosper.

Fourthly, as we look to the future, we need to double down on both market and product diversification. Over the last couple of decades, working with the provinces and federal governments, B.C. has led the charge to expand our market, particularly into Asia where we now sell 30% of our products. That reduces our reliance on the U.S., where we continue to face punishing tariffs.

Our partnership with NRCan really can be seen as a gold standard on how to create partnerships and get results. However, developing new markets and products is not a short-term game. It requires years to develop product familiarity, codes, standards and market acceptance. We believe that must continue.

• (1230)

Finally we would say that the time is absolutely right to aggressively build on our reputation as a green leader, a world leader in building with wood. There are incredible examples of low-carbon wood construction across our country. We have people, resources, know-how and the ability to lead the world. We can be the place that the world looks to for the next big idea on how to use the resources that come from the forest in a way that has a lighter climate impact. We need to pursue opportunities to grow demand for our home-grown products, incent the development of mass timber, help builders navigate the building codes and create more awareness about the incredible benefits of building with wood. By doing that, we will also create new kinds of jobs for the next generation of forest workers, which is something I think we're all excited about.

There's a big task ahead for you all. Lifting our economy up after this unprecedented blow will be hard, but the forest industry can and will play a significant role. You can help magnify that positive impact by helping to address some of the fundamental challenges we face, and, importantly, by championing this industry as we work to leverage our low-carbon forest products as a climate-change solution for the world.

Thank you. I look forward to the questions.

The Chair: Thank you very much.

Mr. Labbé, we will go over to you, for five minutes, please.

[*Translation*]

Mr. Sylvain Labbé (Chief Executive Officer, Quebec Wood Export Bureau): Thank you, Mr. Chair.

I would like to thank the Standing Committee on Natural Resources for this opportunity to talk about the economic recovery.

The Quebec Wood Export Bureau represents an industry association of approximately 200 companies in five sectors of the wood industry: softwood lumber, hardwood, flooring, energy pellets, and the manufacture of wood constructions and building products.

I'm going to talk about the importance of our industry. According to a recent PricewaterhouseCoopers study conducted in Quebec, our industry represents 142,000 jobs, contrary to the figures that were previously reported. It's made up of three sectors: forestry operations, which represents about 20,000 jobs; pulp and paper, which represents about 55,000 jobs; and wood products, which represents about 65,000 jobs. What's interesting is that the wood products sector represents about 970 companies. However, two-thirds of the jobs in the wood industry come from the secondary manufacturing value-added products sector in Quebec, which accounts for 63% of the companies in the sector.

I'll come back to the diversification strategy we discussed. As you all know, we've been dealing with the softwood lumber dispute for over 20 years. This is our sixth conflict. There are two ways to diversify the Canadian industry: either we sell our softwood lumber products to other foreign markets or we sell our softwood lumber products to make new value-added duty-free wood products. Both options have the same result: reducing the pressure of the conflict with the United States.

For the industry in western Canada, the Asian solution was ideal. Our friends in British Columbia have done a fantastic job over the last few years developing the market in Asia. For eastern Canada, the solution is more difficult geographically, and will instead be to create value-added products, which will then be exported both to the United States and overseas. It must be said that this production creates four times more value added than lumber. In addition to increasing our exports, we create more jobs. The American and global demand for this type of value-added product is growing strongly, due to the scarcity of labour and the increased use of wood in construction for reasons of fighting climate change.

This strategy was established in Quebec in 2016. The objective was to increase exports of value-added structural products from \$400 million to \$3 billion by 2030. In 2020, exports are worth \$400 million; in 2014, they were worth \$200 million. So exports have doubled, and we want them to increase to \$3 billion.

Lumber industry exports to the United States are approximately \$1.5 billion. By taking one-third of that, or \$500 million, and making structural products, we get four times that value. We get \$2 billion worth of exports. That's the strategy we've been employing for the last three years. There's a lot of work ahead of us, but the outlook is excellent.

Construction in North America will be a key component of the recovery. According to economists, it will be a V-shaped recovery. The fundamentals are all in place in the United States for a very strong construction recovery. With housing starts lower than historical averages, there is room for growth. There is also a new craze for single-family homes outside urban centres. COVID-19 is creating a phenomenon: everyone wants to get out of the cities. It's a new trend.

Measures to combat climate change are also being refined around the world, mainly in Europe, creating additional demand for wood construction, which is preferred over other more energy-intensive materials. In this regard, I fully agree with Mr. Roberts, who spoke this morning. We have gone to great lengths to develop policies for materials or technologies to increase wood construction.

• (1235)

I think we need to move to a performance stage and stop talking about materials and technologies. Instead, we need to put in place policies that include performance obligations in terms of carbon emissions in kilograms per square metre and energy expenditure in kilowatts per square metre, and let industry do its job. I am telling you that the wood industry will win hands down and our market share will grow.

This is more noble than trying to impose prescriptive measures. In the long term, as Europe has shown, when performance measures are put in place and everyone has the right to achieve this performance, the results in terms of growth in wood demand are greater than those of a prescriptive policy.

In terms of the drivers of success for this industry, there are four—

[*English*]

The Chair: I'm going to have to ask you to wrap up very quickly, sir.

[*Translation*]

Mr. Sylvain Labbé: Okay.

There are two elements to achieve this: marketing and exporting. There is the program—

[*English*]

The Chair: Mr. Labbé, you're going to have to wrap up very quickly.

Mr. Sylvain Labbé: Yes, thank you.

[*Translation*]

The market development program needs to be enhanced to develop the value-added products industry in terms of exports. Currently, the focus is on overseas exports, and it is imperative that this program be redesigned to increase the export of value-added products

[*English*]

The Chair: Thank you, sir.

First up is either Mr. Zimmer or Mr. McLean, I'm going to guess.

Mr. Greg McLean (Calgary Centre, CPC): Thank you, Mr. Chair.

Let me start by thanking our guests today.

Ms. Yurkovich, Mr. Krips and Monsieur Labbé, thank you for coming and enlightening us on our decisions and our study that we have to do here.

I'm going to start my questions with Mr. Krips.

Mr. Krips, can you talk to me about the proposed clean fuel standards and how you see them affecting your stakeholders in Alberta?

Mr. Jason Krips: With the clean fuel standards, we are watching that very closely, MP McLean.

We feel that if, done right and set up right, these would be a benefit to our industry, but we are working very closely with other industries that may be impacted by the clean fuel standards and trying

to make sure that these are done in a way that's measured and appropriate for multiple industries, not just the forest industry.

We think it is something that, if done right, not only society but also our industry will benefit from it. It has to be done in a very measured way that doesn't cause over-harm to a number of our industries.

Mr. Greg McLean: Thank you.

Can you talk about some of the bioenergy plans? I noticed on your website that Millar Western has an investment in an anaerobic bioenergy platform that I believe was funded by Alberta's TIER program or its predecessor. Is that correct?

• (1240)

Mr. Jason Krips: That is correct.

We do see lots of benefit to the use of bioenergy, and it's something we are working with. It's not only the TIER program, but also ERA, Emissions Reduction Alberta, that has both industry and government funding that looks to take advantage to move the needle on reducing the carbon footprint. Biomass certainly is something that we are working with our industry on to make sure that we are taking advantage of it. I really feel that the whole bioenergy side of the equation for forestry is just getting started.

Mr. Greg McLean: Can you talk about the contribution from the TIER fund into this type of facility you have at Millar Western?

Mr. Jason Krips: I will have to get back to you on that specific fund, MP McLean, in regard to the Millar Western operation. We can certainly get some additional information for you in writing.

Mr. Greg McLean: Thank you.

Is there any federal assistance for that program as well?

Mr. Jason Krips: That I'll have to get back to you on as well. My apologies.

Mr. Greg McLean: As far as the different levels go, you look at the TIER application and Emissions Reduction Alberta, where your members are important contributors to efficiency in your industry and are benefiting from the dollars that come from the large emitters that are recycled into reducing emissions in your industry. Do you see the pancaking of legislation between the federal and provincial governments in how they're approaching the situation with different types of tax, or is there a more efficient way of doing it?

Mr. Jason Krips: I'll pivot to the programming that is available. I know ERA in particular works very closely with federal agencies to ensure that.... I'm going to go more on the funding side than I am on the legislative side of the pancaking.

I do know there is benefit in multiple leverage points between the province and the federal government when it comes to funding for reducing the carbon footprint. We do very much benefit from that. In working closely with ERA in a previous role, I know there are good synergies between the provinces and the feds when it comes to the program side. In terms of the legislative side, we can always find ways to reduce redundancies and streamline, whether it's red tape, managing a forest or for reduction of carbon.

Mr. Greg McLean: There are two different approaches to carbon reduction. One is the TIER program, which actually has a cost of carbon, if you will, on large emitters, a price for carbon, and the other is a carbon tax at the federal level, and you don't see the two impacting each other in any significant way. Now you'll have the clean fuel standard as well, so effectively, there are three that will affect your industry one way or another—some positively, some negatively. You don't see these being a lot of, as you called it, red tape to weed through at the end of the day?

Mr. Jason Krips: Certainly our industry is very concerned with the stacking of potential regulatory impediments as well as with trying to move the needle on carbon, and that is something we are watching very closely. I would say that, yes, our industry would be concerned about layering and tiering of different rules and different models.

We have had members who have benefited from the TIER programming and who certainly very much appreciate working with ERA to leverage some of the dollars they receive with respect to that funding.

Mr. Greg McLean: As an industry, do you know how much money you've actually received from the TIER funding for these technology projects?

Mr. Jason Krips: I don't know offhand, MP McLean, but that's something we can dig into and can provide a written response on.

Mr. Greg McLean: Would you say that your industry has been the main beneficiary of the TIER programming for the large emitters in the province by getting more carbon offsets, if you will, plowed into your industry than into any other industry in the province?

Mr. Jason Krips: No, I wouldn't say that. In fact, I would say the energy sector has probably benefited more from the TIER programming. We're working with ERA and others to try to leverage additional funding for us. Yes, we're working to get whatever we can, but to answer your question, I would say the energy sector has benefited more from the TIER funding than the forestry sector has.

Mr. Greg McLean: Yet the energy industry is also the main contributor to the TIER program. There's a net benefit—kind of money in, money out, I'd say—probably more so for forestry than for the oil and gas sector. Is that correct?

Mr. Jason Krips: It is money in, money out, but I would also say that we have a huge potential within the forestry sector to be that carbon sink, and that can't be undersold. The fact is that a healthy forest, a managed forest that takes advantage of the technologies, can actually benefit the economy as a whole. One of the industries that can benefit from that is the energy sector.

• (1245)

The Chair: Thanks very much, Mr. McLean.

I gave you a little bit of extra time, in part because we're not going to make it to a second round. I wanted to make sure the witness had a chance to answer your question.

Thank you.

Mr. Weiler, we now go over to you.

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Mr. Chair.

I'd also like to thank the witnesses for joining us today.

I'd like to ask my first question to Mr. Krips.

You mentioned in your opening remarks efforts in regard to the mountain pine beetle. You mentioned the \$68 million in funding from NRCan.

I'm wondering if you could speak a little bit to how important this funding is to ensuring that we have the tools to combat the outbreak of the mountain pine beetle. Also, are there ways we can support the industry to better use these products made from wood infested with mountain pine beetles and market them going forward?

Mr. Jason Krips: Thank you very much for your question on mountain pine beetle funding.

Members of our industry very much appreciate the joint efforts of Minister O'Regan federally and Minister Dreesen provincially to obtain that funding. It is critically important. We don't need to look much farther than Susan's jurisdiction and the devastation the mountain pine beetle had in British Columbia.

The fact that we can try to stem the tide is extremely important. When you take a look at Jasper National Park, there's still lots of red there. Our hope is that we can stem the tide on the amount of pine beetle devastation that is starting to move into the Hinton-Edson area. It cannot be understated how important that money is. The collaborative effort between the province and the federal government is, I think, a really good example of our jurisdictions working together.

In terms of the products themselves, we work with a number of our research institutes to try to maintain and enhance the ability to use the wood that has been damaged by the mountain pine beetle. We could always use some additional funding in that regard. The intent, though, and the more important thing is trying to stop and get rid of or reduce the impact of the mountain pine beetle. Really, the fact that this money has been made available is very much appreciated.

Mr. Patrick Weiler: Thank you, Mr. Krips.

I'd like to ask my next question of Ms. Yurkovich.

In your opening comments, you mentioned some of the figures. I understand that COFI recently had a study commissioned called "The 2019 Regional Supply Chain Study". Could you share some of the major highlights or, more importantly, the implications of that study for our work?

Ms. Susan Yurkovich: I mentioned in my comments that it's a very significant spend. People tend to think that this is just jobs in rural communities and outside the Lower Mainland. In terms of B.C., 42% of all the forestry jobs are in the Lower Mainland and southwest part of the province. Our spend is huge in Vancouver, in fact. Those are jobs that people don't traditionally see as being linked to the forest sector. They're jobs in technology, marketing and logistics, etc. I think that's really important.

There are jobs and economic activity in B.C. in absolutely every region. When you're thinking about something to help lift our economy up—which is what you are thinking about in your committee—this is a place where we have been able to get up and running more quickly. It's devastating for restaurant owners and tourism operators. We have, though, largely been able to operate safely.

When you're picking some Clydesdales of the economy—some big horses that can pull very strongly—this is a sector that's very strong in British Columbia, as it is in many other parts of this province. It can deliver a significant lift if we can get some of the foundational challenges met.

There are some. We operate in a global context. We don't operate within the borders. We have three people from different parts of the province, but we actually don't compete against each other. We're competing against companies in the world—in Sweden, Finland, Russia, etc. That's who our competition is. Making sure we are able to compete and making sure we have good fundamentals is really important, so that this industry can lift communities up.

• (1250)

Mr. Patrick Weiler: I couldn't agree more.

In the key actions for the federal government to take, you mentioned doubling down on market and product diversification and expanding markets into Asia by B.C. as being a really good example.

Could you comment a little bit about the relationship NRCan has with COFI, the ability of NRCan and what it should do to help support more market and product diversification going forward?

Ms. Susan Yurkovich: As a result of the pine beetle epidemic in the early part of the 2000s... There's nothing like a burning platform to help you move, diversify and change the way you do busi-

ness. B.C. really did lead the charge into Asia. Sylvain says we do have a logistical advantage into Asia, but there are other markets in Europe and other places that are looking for low-carbon solutions.

It's really hard to do this. There are things the government can do, in terms of opening up markets, that industry can't do. As well, there are things industry can do, in terms of the commercial relationships, that the government can't do. It's really important that it's a partnership. It has been a strong partnership. To Sylvain's point, there's more work to do and there is more room for us to double down on that.

Industry-government partnerships are not always successful and do not always deliver results. This isn't perfect, but I would say that, in our view, this is a very good example of an industry-government partnership working very well and delivering results.

However, I think there's more work to do. There's an opportunity for Canadian forest products right now, when people are looking for low-carbon alternatives and things made from fibre, whether it be packaging for your food, two-by-fours to build your house or some value-added products that are being produced in Quebec, Ontario or elsewhere. This is the time for us. It's really important that we take advantage of this opportunity.

Mr. Patrick Weiler: Great.

You mentioned building on our reputation in building with wood. I'm just wondering if your membership has been able to take advantage of some of the programs that were announced in budget 2019, like the forest innovation program and the investments in the forest industry transformation program, to support this and other types of innovative products for the forestry sector.

Ms. Susan Yurkovich: We have, but I would say that the first thing we could do is use more of our products at home. We have a ton of headroom for that. There are a lot of five- and six-storey buildings being built across this country that we should be championing and that we should be building with wood. However, we have to work with developers, specifiers, architects and engineers to get them more comfortable building with wood, just as we have in Asian markets.

We've done a really good job of starting to turn people's attention to wood in some of our export markets, but we have work to do at home. There's nothing like demonstrating your leadership by doing what you can do at home.

I think there's a lot of opportunity for us to do that, but we need government in all forms and we need all members to be championing this important industry that can not only lift up the economy, but also is perfectly positioned to take advantage of a world that's looking for a carbon solution.

The Chair: Thanks very much.

Thanks, Mr. Weiler.

Okay. Up next, we have the representative from the Bloc. I'm not sure who's here now.

[Translation]

Mr. Mario Simard: I'm back, Mr. Chair.

[English]

The Chair: Okay. You have six minutes.

[Translation]

Mr. Mario Simard: I'd like to thank the witnesses.

Mr. Labbé, during your presentation, you placed a lot of emphasis on market diversification.

Recently, we did the calculation for the federal government's market development program. I'm not telling you anything new when I say that when you look at jobs related to the forest industry, 31% of them come from Quebec, 27% from British Columbia, and 21% from Ontario. The largest job pool is in Quebec.

In reviewing the market development program, I realized that 78% of the budget envelope had been allocated to British Columbia. I wondered if that was because Quebec was not applying. What is the reason for this distortion?

You probably know this, but for your information, it was still a \$64-million program in 2019.

Why is it that Quebec receives such a small share of the market development program? Do you have any idea?

• (1255)

Mr. Sylvain Labbé: Thank you, Mr. Simard.

[English]

I will say this in English for the benefit of my friends from Canada.

I think the idea here is not just to search for something, such as what should we do regarding the east and west? I think we have to do both: developing our export market and developing new products for diversification.

The idea here is not to reduce the existing effort we have developed with Canada Wood, COFI and the rest of team, but that we now see a good opportunity for developing more diversification of products, with Quebec, Ontario and the Maritimes mainly, on the value-added side. We probably need to improve and *bonifier* this

program for this value-added sector, without touching the effort of what we're doing now in diversification of markets.

Therefore, it's a double effort. The amounts are not that big. I think it's a strategic move that we need to decide on right now, because the option for the east will also to create value and lessen our dependence on the U.S.

[Translation]

Mr. Mario Simard: Thank you for your answer.

I fully understand that it isn't your job, but that of a politician, to point out this distortion.

In your presentation, you said that the benefits are four times greater when you focus on value-added products. If I understand correctly, you've just told me that the market development program may not be looking specifically at value-added products.

Have I understood that correctly?

[English]

Mr. Sylvain Labbé: The program was started almost 20 years ago. I think it started in 2000. I was one of the founders of the program. I think that at the beginning the idea at the time was to expand into new markets, mainly into the emerging markets such as China, Southeast Asia and the Middle East. That was the idea. We were afraid of including the U.S. because of the potential risk of the softwood lumber agreement.

This risk is now clear. For value-added products like housing kits or engineered wood, there's no tax, there's no duty and there's no blockade in the U.S. Slowly the program switched to include, two years ago, value-added in the U.S. It's just the first step. I think we need more funding and more openings for the SMEs in Quebec, Ontario and the Maritimes to develop this specific value-added potential.

[Translation]

Mr. Mario Simard: I'd like to come back to what you just said about better financing for value-added products.

What might the federal government's strategy in this regard look like?

[English]

Mr. Sylvain Labbé: I think there's not only the market, but that the strategy here should have a lot of different aspects. The first is the market development regarding the program of Canada Wood and EMO, but there's also a big effort that we need to make in innovation and new product development.

We are in the process of establishing a numeric world, like wood construction 2.0. As you know, we are still doing our buildings here like Noah's ark. We just change the hammer for an electronic hammer.

But a new industrialized technology is in development and it's growing very fast. We can feel it. We have big companies like Katerra or Polcom in Poland. The Germain Hotels just built two hotels, one in Calgary and one in Newfoundland. The Germain Hotels used Polcom, a Polish company, to do those prefab hotels here in Canada. What's that? They told me they were not ready to quote for it because they were not structured enough with the new numeric system. Wait a minute: What is our role here in the future? Do we want to sell 2x4s to Poland to make them ship housing kits back to Canada?

We need to wake up fast because this growing demand for wood frame construction because of carbon regulation in the world will create a big demand for these structural components and value-added products. We need to act now.

• (1300)

The Chair: Thank you. I'm going to—

[*Translation*]

Mr. Mario Simard: I would have a quick little question to wrap up, Mr. Chair.

[*English*]

The Chair: If it can be asked and answered in about 25 seconds, I'm going to say yes. I will cut you off otherwise.

[*Translation*]

Mr. Mario Simard: Mr. Labbé, wouldn't it be essential to have a carbon footprint criterion in the awarding of government procurement contracts? It seems to me that this could support the forest industry.

[*English*]

Mr. Sylvain Labbé: Absolutely. In the world, the systems with more results are not the “wood first” policy or “please use wood”. The system is a performance-based carbon with mandatory fixed numbers. This pushed everyone to use wood without saying the word “wood”. Wood becomes the material of choice because of the benefit and the performance.

The Chair: Thank you, sir. I'm going to have to stop you there. We are behind schedule.

Mr. Cannings, you're last up for six minutes.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Okay, thank you.

I'll let Monsieur Labbé finish that thought about government procurement and setting targets—and thank you to Monsieur Simard for asking about government targets for using wood in buildings by making it a carbon sequestration target in building supplies. That's what my private member's bill, introduced in the last Parliament, was all about. It's in the Senate now, and hopefully coming this way.

Perhaps I'll wrap all of this up by asking Monsieur Labbé and Ms. Yurkovich about where we are in Canada with engineered

wood, mass timber construction. I have two big plants in my riding, Structurlam and Kalesnikoff, and more are probably on the way. You mentioned Katerra, which is just across the border from us in Spokane, Washington.

Where are we in providing government supports for that industry and technology, in terms of codes and looking for markets and government procurement? How are we stacking up? I was concerned to hear about this Polish company doing business in Canada when we should be leading the way here in the world.

Perhaps Monsieur Labbé could respond, and then Ms. Yurkovich could jump in.

Mr. Sylvain Labbé: Ladies first, I think.

Ms. Susan Yurkovich: Thank you, Sylvain.

Sylvain is right that we have a lot of work to do in this area.

In British Columbia, there's an initiative under way to focus on building and advancing manufactured mass timber components. That's really important. However, the first thing you have to do for that is to grow demand. You must have demand. The market is actually quite efficient: If you have demand for a lot of mass timber buildings in your province, you are going to get more people producing.

It's unusual. You have to have a cost advantage to send these structures which are...I have two boys. They're older now, but I played a lot with Lego. These are sending Lego blocks to construct buildings on site. These are very heavy. If the transportation costs are going to be high, you're better off utilizing the product close to where it's produced. We have the opportunity to do that, but we have to actually grow demand.

The first thing we need to do is to grow demand for those buildings and those products here, because that will send a signal to the market to put more of those manufacturing plants in place that deliver significant jobs.

I have to go back to what I said in my remarks. The single biggest deterrent to people making those investments is this uncertainty that we have around access to fibre at a reasonable cost. If people are making a significant investment decision, they're going to be making that with a 20- or a 25-year payback period. They have to be able to know that they're going to have access to fibre at a reasonable cost for a long period of time to justify making significant investments.

That's really critical. It's why some of these fundamental challenges around access to fibre, regulations and the ability to compete are so critically important.

I have one last comment to make before I turn it back to Sylvain. Value-added manufacturing in all of its forms is not just mass timber. We produce a whole bunch of things that people don't even know about, everything from mass timber to guitar tops. It's a big long list. Sylvain said we've got this opportunity. We've got everybody looking to fibre as a way to make products that have a lighter touch for the planet, but there's a whole range. We need to double down on those efforts. I could not agree more with Sylvain.

• (1305)

Mr. Sylvain Labbé: Regarding the performance, the procurement policy of the federal government has a key role here. If your procurement policy on federal buildings is funded by the federal government, it's time to put mandatory performance regulations on energy consumption or carbon, as it is done in Europe.

The Americans were probably behind us, but following the new election in the U.S., they might go fast and catch up on those carbon regulations soon. Therefore, it's good timing to do that, because in Zurich, Switzerland, they test this performance carbon calculation per square meter regulation. They then increased wood construction in two years by 50%. It's much better than a technology prescriptive policy or a "wood first", "please use wood" policy because wood is good.

Let industry decide what is better by fixing strict mandatory performance and we, the industry, are confident that we will win the war on this. It's also a question of legality. If you set the mandatory material to be used, you will face some legal problems from our friends from the concrete, steel and other industries. So the trend is there. Some examples from the federal departments would be very key here.

The Chair: Mr. Cannings, you have about 20 seconds.

Mr. Richard Cannings: I'll turn to Mr. Krips.

I was a former species-at-risk biologist in my previous life. I would like him to expand on that multi-species approach, because the simplest way to do that would be to use umbrella species like cariboo and spotted owl. I know those words cause heart palpita-

tions in the forest industry. I'm wondering how he would think that would be simpler to move to a multi-species approach for the forest industry.

Mr. Jason Krips: That's a great question.

I don't think it's going to be simpler, but we feel we're being layered one species at a time. The intent would be to stand back and take a holistic approach. Let's make sure we have a working landscape with a multi-species approach, as opposed to cariboo, multi-species of trout, and then bull frog on top of that.

The concern is that... Our forests are managed in a very holistic way from a mill side, working with the government on Crown lands. We'd like to see species at risk take that similar approach.

If I can just turn back to the demand side on the mass timber conversation, Mr. Chair, I wanted to—

The Chair: We've already run out of time, so if you can be really efficient, that would be very helpful.

Mr. Jason Krips: I'll be very quick.

Enabling pieces of legislation, such as moving building codes from six to 12 storeys provincially in the National Building Code is critically important—I couldn't agree more with Susan and Sylvain on that—as is growing the demand for mass timber and other value-added products. I'll leave it at that.

Thank you for your time.

The Chair: Thanks very much to all of our witnesses.

I apologize that we are chronically under time here, but we are very grateful that you took the time to be here today.

We are going to have to suspend the meeting.

Everybody will have to sign off and then sign back on. We're going to have some very brief committee business.

[*Proceedings continue in camera*]

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