

Minister
of Natural Resources



Ministre
des Ressources naturelles

Ottawa, Canada K1A 0E4

AUG 13 2019

AUG 22 2019

Her Worship Lyn Hall and Co-signatories
Mayor of the City of Prince George
1100 Patricia Boulevard
Prince George, British Columbia V2L 3V9

Dear Mayor Hall and Co-signatories:

Thank you for your letter of July 31, 2019, regarding the impact of sawmill closures and curtailments on forest sector-dependent communities across British Columbia. The forest sector has been central to the province's economy for decades and supports thousands of workers and their families.

During my time as a City Councillor, I saw firsthand the impact a struggling industry can have on a local community, and as Canada's Minister of Natural Resources, I can assure you we stand with your communities during this challenging time. Many workers and families are feeling uncertain about their livelihoods and way of life.

Since day one, the Government of Canada has shown that we will always stand up for Canadian workers, and that is no different for the women and men in the forestry sector. Supports are available today as we continue to focus on long-term solutions. Employment and Social Development Canada offers a number of services and programs, from immediate income measures and work sharing options, to longer-term transition training such as employment counselling, skills assessments, job search assistance, and skills training.

The Temporary Special Work Sharing measures announced under the 2017 Softwood Lumber Action Plan also remain accessible to all forest sector firms in British Columbia. These measures, which extend the duration of work sharing agreements, were designed to keep more hard-working Canadians employed by helping firms retain skilled workers when there is a temporary reduction in business activity. We encourage employers in your communities to explore these measures with Employment and Social Development Canada, which stands ready to assist.

Canada

Our top priority remains getting those who have been laid off back to work, and doing so by supporting a strong and healthy forest sector in Canada. Our government is looking to the future of the forestry sector and we are working to strengthen its competitiveness and growth for tomorrow's economy. In Budget 2019, we allocated \$251.3 million to extend all four Natural Resources Canada's Action Plan programs, which have seen significant uptake and interest from B.C. and right across the country. These programs will continue to promote the development and adoption of innovative technologies, help diversify products and markets, and support forest-based economic development for Indigenous communities across Canada. Many of these programs have previously supported great projects. From Prince George to Dawson Creek, Smithers to Terrace, Williams Lake to Abbotsford — we are investing in B.C. forest sector companies so they can continue to support good jobs for hardworking British Columbians. I encourage firms and industry associations interested in accessing funding under these programs to consult www.nrcan.gc.ca/science-data/funding-partnerships/funding-opportunities/forestry-funding-programs/13123 as information on applications becomes available.

Beyond these programs, the 2018 Fall Economic Statement announced a new investment of \$100 million dedicated for the forest sector as part of the Strategic Innovation Fund (SIF). This fund supports the ongoing advancement of the industry through innovative investments in new technologies and product diversification. These investments are on top of our existing \$867 million Softwood Lumber Action Plan, through which B.C. workers can access skills development and other employment services. This action plan is also helping local businesses diversify their export markets, develop innovative products, and stay competitive.

We are also monitoring the cumulative impact of pests, wildfires, increasing log costs, and punitive United States (U.S.) duties on the competitiveness of the forest industry, and on workers and families.

Our government continues to defend our industry against the unwarranted U.S. duties, which are contributing to the forest sector's challenges. Canada has initiated five North American Free Trade Agreement Chapter 19 and World Trade Organization challenges related to these duties, and we expect that victories in these forums will encourage the U.S. to come back to the negotiation table. On June 14 2019, my colleague, the Honourable Chrystia Freeland, Minister of Foreign Affairs, held a roundtable discussion with softwood lumber producers and industry associations, during which industry members broadly expressed their support for this strategy. We have also continued to engage directly with senior political leaders in the United States. This was one of the first issues the Prime Minister raised after we formed government in 2015, and both the Prime Minister and Minister Freeland have continued to do so.

Finally, Canada is making investments to address long-term challenges to ensure that our forest sector continues to be a strong source of jobs and economic growth for Canadians in the years to come. For example, Budget 2019 also provided \$88 million to my department through Public Safety Canada's emergency management strategy, "Ensuring Better Disaster Management Preparation and Response," which includes managing for wildland fires. Public Safety Canada is expected to announce details of the strategy shortly, and I welcome your thoughts on how we can use this funding to best support your communities moving forward. My department also invests approximately \$20 million annually to develop scientific solutions that help forest managers and communities respond to damaging pests, and we will continue to focus on science-based solutions.

Our government, in close collaboration with provinces, territories and industry stakeholders, will continue the vigorous defence of Canada's forest sector, and do everything we can to support the workers and communities impacted by recent challenges. The challenges facing the sector have no simple solutions, but our resolve to support your communities and our commitment to work in partnership in order to do so, remain steadfast.

Again, thank you for writing.

Yours sincerely,



Amarjeet Sohi, P.C., M.P.

c.c.: The Honourable Chrystia Freeland, P.C., M.P.
Minister of Foreign Affairs

The Honourable Patty Hajdu, P.C., M.P.
Minister of Employment, Workforce Development and Labour

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

The Honourable Jean-Yves Duclos, P.C., M.P.
Minister of Families, Children, and Social Development