

**February 5, 2020**

Joe Maure  
Ministry of Natural Resources and Forestry  
70 Foster Drive, Suite 610  
Sault Ste. Marie, Ontario  
P6A 6V5

Submitted Online Via the [Environmental Registry of Ontario](#)

**RE: Comments in Support of Ontario's Forest Sector Strategy (draft): ERO# 019-0880 (draft)**

Dear Mr. Maure:

Thank you for the opportunity to comment on the draft *Ontario Forest Sector Strategy* posted on the Environmental Registry of Ontario number 019-0880.

Rayonier Advanced Material's (RYAM) is a leading manufacturer of forest products – lumber, paper pulp, paper and specialty cellulose pulp. Our operations in Ontario include sawmills in Cochrane, Kapuskasing, Hearst, Chapleau and Huntsville and a newsprint mill in Kapuskasing. We employ over 1,200 Ontario residents directly and utilize the services of dozens of small and medium-sized businesses across the province.

Our operations are integral to the Northern Ontario economy and have a long history of creating jobs, growth, and prosperity for the communities in which we have operated, in some cases, over 90 years.

The development of a Forest Sector Strategy (FSS) for Ontario is an important and timely initiative for our sector. Punishing tariffs on lumber sold to the United States, rising costs of fuel, difficulties in accessing affordable timber and duplicative government regulation and shortages of skilled trades impact industry competitiveness and investment.

We strongly support the development of the strategy, recognizing it is the starting point for re-aligning the activities of government, industry and the broader forestry community in a new and innovative way to create a new foundation for the growth and prosperity of the forest sector. Representatives of RYAM participated in several consultations in winter 2019 and at municipal outreach sessions in winter 2020. We have had the opportunity to review the Ontario Forest

Sector Strategy in detail and offer our comments for each of the four major themes (pillars of action) and conclude with general comments.

### **Putting More Wood to Work**

- *Opportunities for under-utilized wood:* We strongly support the objective of increasing opportunities for underutilized commercial timber species on Crown land in a manner which reduces costs for existing forest sector users. In the majority of RYAM operating areas, the absence of a low grade fibre market creates significant challenges in sourcing softwood for RYAM sawmills. In central Ontario, an abundance of low-quality hardwood is an obstacle to undertaking silviculture in mixed hardwood stands that, if operated, would provide hardwood sawlog volume to RYAM's Huntsville sawmill.

- *Enhanced forest inventory:* We strongly support Ontario's commitment to enhanced forest inventory using LiDAR. RYAM was an early adopter of this technology (2005 – Romeo Malette Forest) and believes that over time, estimates of forest growing stock and marketable fibre supply will be improved. To maximize the value of LiDAR data acquisition, we urge Ontario to ensure critical ground-truthing occurs the year following LiDAR acquisition by expediting the selection of qualified service providers through the OPS procurement process.

Delays in ground-truthing reduce the accuracy of the forest cover layer. A strong data foundation, once established allows Ontario to move towards a continuous forest inventory, creates opportunities for the inventory to serve multiple purposes and reduces the number of survey efforts required. The government must also support the creation and use of forestry applications in order to fully leverage the operational benefits of using LiDAR as soon after its acquisition as possible.

### **Improving our Cost Competitiveness**

RYAM products containing Ontario wood fiber are highly regarded in markets in Canada, United States and globally. In our northern climate, the growing season is short, forest access on public roads must be constructed or maintained and Indigenous community and stakeholder expectations are high. In recognition of these unique operating conditions in a global context, we welcome initiatives that ensure administrative processes are value-added, to government, industry and the public.

- *Administrative Streamlining:* Numerous administrative processes have been in place since the early 1990's and would benefit from evaluation and streamlining. We support the initiatives in place to find efficiencies and reduce unnecessary duplication in Forest Management Planning and

modernize approvals process. Experienced forest management professionals from RYAM have been made available to participate in working groups established for these purposes. It is our intention to respond in detail to proposals outlined in ER Postings *019-0715 Proposed revisions to the Forest Manuals regulated under the CFSA* and *019-1006 Proposed revisions to Ontario's Independent Forest Audit Regulation under the CFSA*.

*- Energy costs:*

Energy costs remain a key input for the forest sector. In summer of 2019, Ontario completed a consultation with industry stakeholders about the design and effectiveness of industrial electricity pricing and programs, culminating in a report issued in November of 2019. We commend the consultation initiative in its scope and breadth and many stakeholders participated with excellent suggestions and testimonials of the importance of specific energy programs to their economic viability and wish to ensure that MNR forest policy personnel review this important document. The collaboration of multiple ministries in the consultation was especially noteworthy; working as a coordinated team will ensure that we make the right decisions for our sector.

The Industrial Conservation Initiative (ICI) and the Northern Industrial Electricity Rate Program (NIERP) are two lifelines that must be maintained. The Forest sector provides the largest demand response of any industry sector to the ICI, shedding load that helps to keep peak Ontario demand and electricity prices in check. The NIERP supports the increased cost of doing business in the North and helps to maintain critical anchor jobs in rural Ontario.

Inexpensive, sustainable and predictable energy choices and costs are essential to enabling long term capital investment in all industrial sectors. Without stability, capital is lost to other jurisdictions with more attractive operating costs.

Energy solutions should focus on choices for industry that allow them to unlock their unique potentials. There are so many differences in raw materials, processes, products, technologies, geography, cost structures, markets, etc. that it is essential to provide competitive rate options to help make Ontario more business friendly.

Biomass is an excellent sustainable raw material for our processes replacing fossil fuel as energy and keeping forest sector waste products out of landfills. We take pride in using all of the tree; it's quite simply the right thing to do. We continue to be vigilant for further opportunities to develop new economical bio-economy solutions that will support overall climate change targets. We believe that nature's perfect sustainable, recyclable raw material is growing in our forests and we have the best management plans to foster new and existing developments.

- *Forest access road program:* Accessing fibre on public land in Ontario requires roads. As the Strategy states we agree that once constructed, roads serve a diversity of resource users including other commercial operators and natural resource sectors (ie mining and exploration). The Forest Access Road program is critical to the competitiveness of our business in Ontario. We strongly support the on-going investment of Ontario and request that Ontario restore the Forest Access Roads Program to \$75 million annually in the 2020 budget.

### **Fostering Innovation, Markets and Talent**

-*Making Strategic Investments:* Attracting and retaining workers in the skilled trades is an on-going challenge across our operations. We encourage a review of wage subsidy programs to streamline the application and review process. The ongoing support of Ontario for the Ontario Youth Employment Program (OYEP) in collaboration with many natural resource, education and academic sector partners is recognized. Youth applications to the program are 4 times greater than the space available. With further investments, the program should be expanded to offer more opportunities to Indigenous youth to build the necessary skills to participate in the forest sector of the future.

-*Increasing Wood Use:* As a major producer of building materials close to Canada's largest construction market, we welcome the efforts of Ontario in increasing the use of wood in construction. We recognize the positive carbon footprint of forest products and support the recognition of the importance of outreach to the construction industry, developers, architects and municipalities about the benefits of building with wood.

### **Promoting Stewardship and Sustainability**

-*Recognition for Ontario sustainable forest management practices:* Partnerships with Forests Ontario to educate the public, youth and educators about Ontario's forests is essential, especially targeting the growing urban population. Customers are increasingly global in perspective and evaluating products derived from Ontario's forests against various international standards for human rights, labour, sustainable forest management and the environment.

-*Forest Certification as an opportunity for Ontario:* Forest certification is a key tool for companies such as RYAM to reach an international audience in a transparent and timely manner with information about the sustainability of forestry practices. The strength of Ontario's sustainable forestry framework supports numerous PEFC- certified forests (SFI, CSA) and the largest contiguous area of FSC certified forest in the world. We welcome the interest of Ontario to collaborate with independent, third-party certification systems.

In Canada and globally, governments are collaborating with these systems to support training, information exchange and research initiatives. Many diverse interests (conservation groups, labour, Indigenous communities, forest sector) with a shared interest in the sustainable management of Ontario's forests find the vehicle of forest certification serves to address conflict and identify local solutions to forestry challenges (woodland caribou conservation, alternatives to herbicide use, conservation planning, Indigenous community engagement).

*-Resource Revenue Sharing:* Completing Resource Revenue sharing agreements with three tribal councils in 2019 represents a significant accomplishment for Ontario in sharing the economic benefits from forestry with Indigenous communities. We fully support any actions to expand the participation of more Indigenous communities in this significant initiative.

## **General Comments**

*- Set intermediate targets:* The Strategy should have additional targets set at 2025. While 2022 targets are good to build momentum, 2030 is over-cautious and too distant to be relevant given the pace of change in technology, markets and global competitiveness. Key areas such as "A cost competitive forest sector", "Improving estimates of quality and quantity for unused wood supply", "Enhancing private land harvesting" and "Adopting new technologies" are examples of areas which can be and must be advanced prior to 2030.

*- Indigenous consultation support:* Indigenous communities are growing in capacity, forest sector engagement and ability to be strong partners with the forest sector. At the same time, communities are burdened with on-going forest sector consultation processes on their territories and inadequate funding to engage. Ontario should explore other provincial approaches to providing capacity support for forest planning consultation (ie Quebec Ministry of Forests, Wildlife and Parks). When funding is provided to Indigenous communities consistent with the level of effort required to undertake consultation and engagement, industry and Indigenous business collaboration increases, and economic development is expedited and enhanced.

*- Resources for MNR Engagement:* Engaged MNR Opportunities to streamline and improve forest management approaches requires the engagement of professional practitioners. While use of technology serves to reduce travel costs, we encourage the MNR allocate appropriate resources to allow field personnel to work collaboratively as a part of the forest sector. The engagement of MNR staff and forest managers in the field, visits to neighboring provinces to view innovative practices and membership in professional associations (ie Ontario Professional Forestry Association) are essential to implementing the strategy effectively and efficiently on behalf of the people of Ontario.

- *RYAM support for strategy implementation:* RYAM is committed to working with Ontario and the Ministry of Natural Resources and Forestry to finalize and implement the Forest Sector Strategy for Ontario. We are open to participate in implementation of the strategy and welcome the opportunity to play a key role through membership in the Forest Sector Advisory Committee.

We look forward to continuing constructive dialogue with government, Indigenous groups, local communities, resource professionals and all stakeholders as the strategy transitions from draft to final to implementation in the months ahead.

Sincerely,



Michel Lessard  
Vice President, Forestry Operations, Canada  
Rayonier Advanced Materials

Cc Minister John Yakabuski, Ministry of Natural Resources and Forestry