

**April 6, 2026**

Mayor and Council  
Municipality of North Cowichan  
7030 Trans-Canada Highway  
Duncan, BC V9L 6A1

**Re: Council Resolution on Fibre Security and Local Forest Jobs**

Dear Mayor Douglas and Council,

I am writing in response to North Cowichan Council's recent resolution regarding fibre security, forestry employment, and raw log exports. As President of Coastland Wood Industries, a long-standing coastal manufacturer that employs local families and depends on BC logs, I share Council's concern about job losses and the long-term health of the coastal forest sector. I would, however, like to provide important context on how log exports actually function within the system and how they relate to fibre availability for domestic manufacturers.

Log exports are not a bypass of domestic processing. British Columbia's export framework is built on a long-standing domestic-first principle: logs can only be exported if they are surplus to the needs of BC mills. Before any log can be exported, it must be publicly advertised and offered to domestic manufacturers at regulated domestic pricing. If any valid offer is made, export is prohibited. Only logs that no domestic mill chooses to purchase — the true "surplus" or "orphan" logs — are eligible for export.

This framework already prioritizes domestic processing and ensures that any log a BC manufacturer wants stays in BC. It applies to Crown timber and operates through a transparent system with independent oversight. As a result, exports do not reduce fibre availability for domestic mills.

The ability to export surplus logs, including from private managed forest lands, is not a loophole — it is a critical part of what makes coastal forestry economically viable. Harvest areas produce a mix of logs, many of which domestic mills cannot process due to species, size, grade, or recovery. Exporting the portion domestic mills do not need helps offset the high costs of harvesting and enables enough volume to be brought to market to supply domestic manufacturers.

If access to export markets is restricted or weakened, harvesting quickly becomes uneconomic. When that happens, contractors leave the industry, harvest volumes decline, and fewer logs reach domestic mills. In practice, restricting exports would not increase fibre availability or protect jobs — it would reduce both.



The curtailments and closures referenced in Council's resolution are not the result of log exports. They are driven by broader challenges, including regulatory complexity, high operating costs, permitting delays, market pressures, and the transition to smaller second-growth logs. Removing export revenue would intensify these pressures and further weaken the coastal forest economy.

If the objective is to support local jobs, value-added manufacturing, and long-term fibre security, policy efforts should focus on improving the overall economics of harvesting and manufacturing, while maintaining the domestic-first surplus test that already protects BC mills.

Thank you for considering this perspective. I would welcome further discussion and remain available to provide additional insight from the standpoint of a domestic producer operating on the BC coast.

Sincerely,

A handwritten signature in black ink, appearing to read "DP", with a long horizontal line extending to the right from the end of the signature.

**Doug Pauze**

President

Coastland Wood Industries Ltd.

Cc Ted Swabey, Chief Administrative Officer, North Cowichan