



January 18, 2016

The Honourable Bill Morneau  
Minister of Finance

Delivered via email to: [fin.2016pbc-cpb2016.fin@canada.ca](mailto:fin.2016pbc-cpb2016.fin@canada.ca)

Dear Mr. Morneau:

**RE: 2016 BUDGET SUBMISSION**

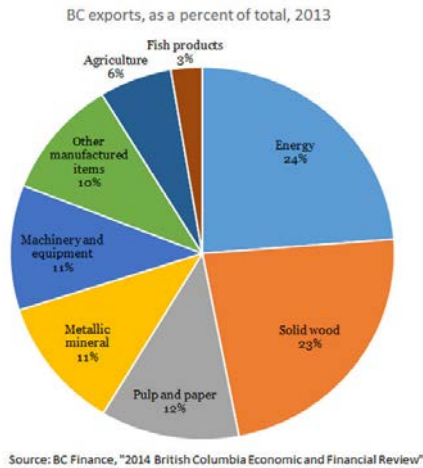
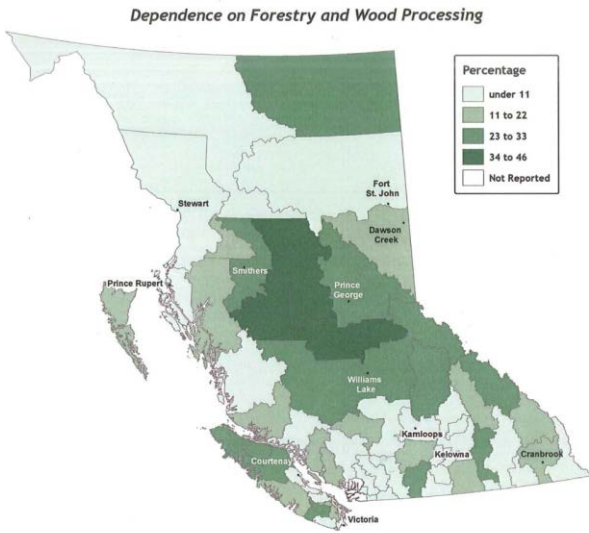
The Omineca Beetle Action Coalition (OBAC) thanks you for the opportunity to make this formal submission to the Liberal’s 2016 budget consultation process. The OBAC region spans more than 18 million hectares from Smithers to Valemount, and includes two regional districts and their rural constituents, 12 municipalities, and more than 20 First Nations communities. The members of the Coalition are:

- The Village of Burns Lake
- The District of Fort St. James
- The Village of Fraser Lake
- The Village of Granisle
- The District of Houston
- The District of Mackenzie
- The Village of McBride

- The City of Prince George
- The Town of Smithers
- The Village of Telkwa
- The Village of Valemount
- The District of Vanderhoof
- The Regional District of Bulkley - Nechako
- The Regional District of Fraser - Fort George

**BACKGROUND**

Communities in central British Columbia rely heavily on forest resources for their economic and cultural wellbeing. The region’s forest products industry is an important contributor to provincial and national revenue, and to Canada’s international trade.

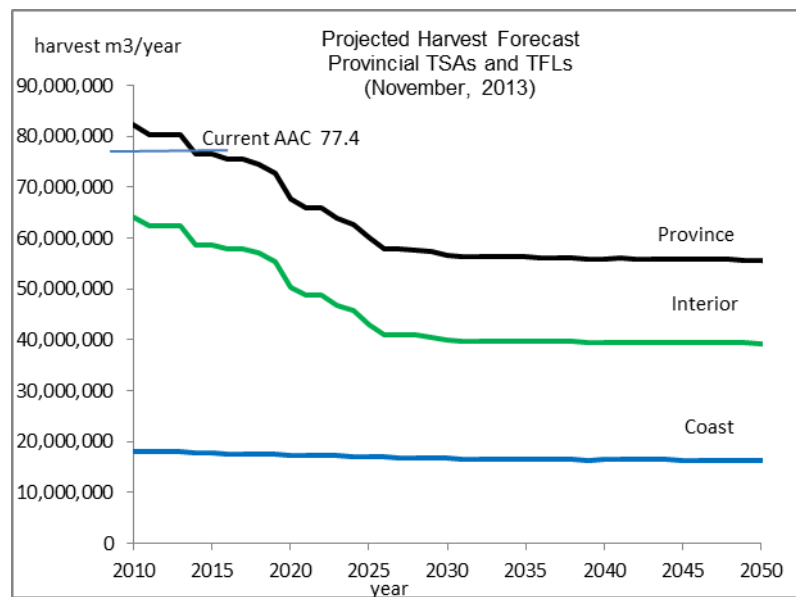
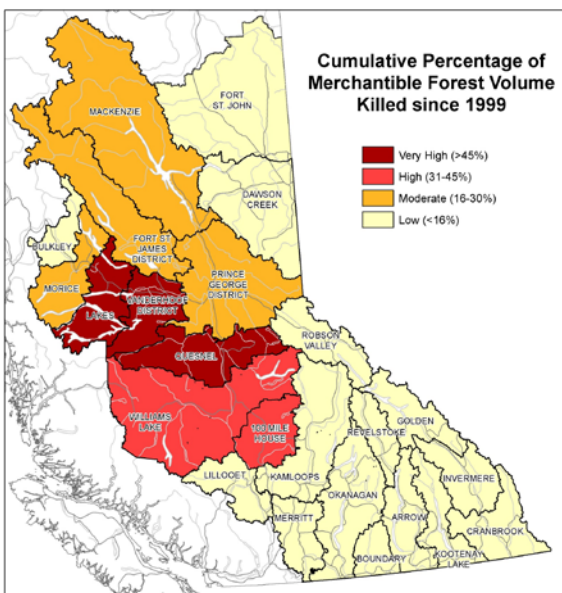


Prepared by BC STATS  
January 2009

Lodgepole Pine is the most widespread and commercially harvested timber species in the region, and since about 2000 it has suffered a massive beetle epidemic. The beetle kills mature trees which if not quickly salvaged, rot and lose their economic value. Some areas have tens-of-thousands of hectares of continuous pine forest that has been radically changed by the epidemic, affecting wildlife habitat, hydrological systems, tourism and many other values. Although the forest industry responded to the epidemic by harvesting the dying pine and planting new trees on many affected areas, large blocks of dead trees remain on the landscape, creating a wildfire hazard that threatens the remaining forest and communities.

## IMPACTS

Every community in the central interior of the province is affected, although not all to the same degree. The impacts vary both spatially and temporally depending on when and how much timber is killed, how much good timber is left to sustain an industry, and how much of the local economy depends on forestry. The Quesnel, Vanderhoof and Lakes areas were the first and hardest hit, and are already experiencing mill closures. The province forecasts a severe shortage of harvestable timber throughout the region will occur soon, and last for several decades.



By 2006, the BC government had already forecast that “25% or more of the present income level in several communities will be lost”. As of 2010, the Central 1 Economic Analysis of BC projected the beetle kill would “...lead to a net loss of 11,250 direct forestry jobs and up to 9,500 indirect/induced jobs in the BC interior through to 2028.” These impacts are no longer a forecast – they have begun to happen.

## OPPORTUNITY

The critical economic impact, and its cascading social consequences cannot be stopped entirely, but it can be mitigated. In about 2005, when the situation became apparent, local communities formed regional coalitions to take action. The coalitions developed collaborative plans and strategies to transform to more diverse regional economies and build more self-reliant, healthy and resilient communities. The province and the federal government have contributed to the mitigation effort so far, but much more needs to be done.

As the epidemic in the forest itself subsides, the transition for communities is just getting underway. It is critical that we find ways to continue our regional collaboration, and to engage the resources of senior governments. The Federal Government has an essential role in this transition.

Two resolutions (three supporting documents attached) was supported in September 2015 by both the Union of BC Municipalities and the Federal Canadian Municipalities.

***OBAC 2016 Federal Budget Recommendations***

***The Government of Canada fulfill its commitment to invest in targeted mitigation programs in the region during the next eight years; and that such investments occur in consultation with the Province, First Nations and local governments.***

Again, thank you for the opportunity to share our budget priorities with you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Miller', is positioned above the typed name.

Bill Miller, Regional District Bulkley Nechako  
Chair, Omineca Beetle Action Coalition