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TimberWest to transform into forestland management company

TimberWest announced today that it is transforming its business into a more focused land management company by restructuring harvesting operations. Currently, 50 percent of TimberWest harvesting is done by contractors. Now TimberWest will contract out the remainder of its logging to unionized contractors on a competitive-bid basis. The company will continue to manage the growing of the best trees possible on its forestland and sales and marketing. TimberWest will maintain its commitment to environmental performance.

“This is a natural progression of the company’s Operations Excellence strategy because it will give us more flexibility and align our operating structure with industry norms in the rest of North America and Europe. By removing infrastructure, we will also streamline costs,” says Paul McElligott, TimberWest President and CEO.

The company’s 430 hourly timberland employees will continue to be represented by the IWA. As the company moves from managing production crews to the administration of contracts, the roles and responsibilities of some of the company’s 85 timberland salaried employees will change.

TimberWest is committed to its operating communities in terms of environmental responsibility, safety standards and as an economic contributor. By contracting out logging activities, TimberWest is creating opportunities for new contractors to get involved and established. Harvesting will now be in the hands of smaller companies.

“More opportunities for small business is something we committed to providing in the Vision document developed by TimberWest, Interfor and Weyerhaeuser,” says McElligott. “TimberWest’s plan to contract out harvesting activities is an excellent example of how a large forest company can work with community-based contractors as the Coastal forest industry embraces a market-based system.”

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This is also something Don Munroe, who was appointed mediator/arbitrator by the BC government at the request of both coastal forest employers and the IWA, concluded could significantly benefit the industry. That is why he provided the ability for companies to make new arrangements to contract out woodlands operations to “stump-to-dump” contractors in his May 27 award, while providing protection to IWA employees. Contractors must be IWA certified, must recognize seniority and new contracting out arrangements can only be done on a stump-to-dump basis.

“Our experience with competitive bidding and evidence from other jurisdictions demonstrates that moving logging activities to contractors will give TimberWest more flexibility and reduce costs. So we feel this is the best way to improve TimberWest’s competitiveness in a way that is sustainable over the long term,” McElligott says.

The company launched its Operations Excellence strategy in 2002, with the goal of strengthening the performance of its existing business units through streamlining costs, improving safety performance and enhancing forest management.

TimberWest Forest Corp. is uniquely positioned as the largest owner of private forest lands in western Canada. The Company’s 334,000 hectares, providing a sustainable annual harvest of 2.1 million to 2.5 million m³ of logs, are largely located on Vancouver Island and the majority of sites support Douglas fir forests, a premium species used for structural purposes. Third party auditors, KPMG Performance Registrar Inc., have certified that TW, on its private forest land, conforms to the objectives and performance measures of the American Forest and Paper Association’s Sustainable Forestry Initiative (SFI®). TimberWest also owns annual Crown harvest rights within TFL 47, a lumbermill and properties that are progressively being made available for higher and better uses.

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