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TimberWest tables final offer including signing bonus and a simplified contractor model

Vancouver (BC) – TimberWest Forest Corporation has tabled a final offer with the Steelworkers Union Local 1-80 and Local 1-363 after being served with 72 hour strike notice earlier today. TimberWest’s offer is an effort to avert the strike, renew its collective agreement and provide for a more viable future for the Coastal forest industry.

“We all know the Coastal forest industry is in a period of crisis and we want to emerge from this crisis stronger and better able to secure opportunities for the future,” said Steve Lorimer, spokesperson for TimberWest.

The final vote offer contains three key features:

- An 11% increase in wages over 5 years.
- A \$100,000 signing bonus for each engineer and forester who is eligible to vote on the final offer, if the final offer is ratified.
- A simplified contractor model that creates a better future for the Coastal forest industry and puts TimberWest on a more stable footing with its global competitors.

“The vast majority of our global competitors have much more workable and viable contractor models,” said Lorimer. “Three years ago in bargaining we went part-way but to continue the required restructuring, we need to be able to contract a woodlands operation or any portion of an operation to one or more Steelworker-certified contractors,” he said.

TimberWest says while the Munroe model for contracting out, introduced in 2004, allowed for additional contracting out of operations to unionized logging contractors and steered the industry in the right direction, the Coast model is currently unmanageable.

“The Munroe model as it stands now has proven to be difficult to operate under and is too complicated,” Lorimer said. “The biggest problem is that too much volume is in the hands of too few contractors and it needs to be simplified to allow for safe, competitive and stable logging operations.”

TimberWest believes a more manageable, workable and viable system for contractors would protect the rights of the Steelworkers, create the ability for more operators to enter the marketplace and improve overall safety. Its proposed contractor model would allow the company to sub-divide operations to union contractors, which it says will provide financial stability and allow for the maintenance of existing agreements with contractors, foresters and engineers.

“We are making a significant investment in the future of our company and the Coastal forest industry and we are also recognizing workers’ participation in badly needed restructuring by providing a signing bonus,” Lorimer added.

Should the union not accept the final offer, TimberWest will ask the Labour Relations Board to conduct, in the very near future, a secret ballot vote of eligible employees on the final offer to the union.

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TimberWest Corporate Profile

TimberWest Forest Corp. is uniquely positioned as the largest owner of private forest lands in western Canada. The Company owns in fee simple approximately 334,000 hectares or 825,000 acres of private timberland that, over the previous five years, have provided an annual average harvest of 2.594 million m³ of logs and have an approximate annual growth rate of 8.0 m³ per hectare per year on the productive land base. These timberlands are located on Vancouver Island and the majority of the land base supports the growth of Douglas fir, a premium tree species sought after for structural purposes. TimberWest runs fully-contracted harvesting operations. With almost 80% of the Company's annual private land logging now being done in second-growth stands, TimberWest leads the Coastal industry in the growing and harvesting of second-growth timber.

The Company's independent auditor, KPMG Performance Registrar Inc., periodically certifies that the forest management practices on the Company's private timberland continue to meet all Sustainable Forestry Initiative (SFI®) requirements. SFI requirements specify that forest harvesting is integrated with environmental and conservation goals for soil, wildlife, water quality protection, conservation of biodiversity, protection of special sites and aesthetics in a manner that ensures a sustainable harvest over the long-term.

TimberWest also owns renewable Crown harvest rights to 0.7 million m³ of logs per year and operates a sawmill located near Campbell River, BC.

In addition, approximately 38,000 hectares or 94,000 acres of the Company's private forest lands have been identified as having greater value as real estate properties and will progressively be made available for higher uses over the next ten to fifteen years. The Company reviews its land base on a periodic basis to update the size of its portfolio of higher use properties.

Stapled Units of TimberWest Forest Corp. are traded on the Toronto Stock Exchange under the symbol: TWF.UN

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