

June 27, 2019

Ministry of Natural Resources and Forestry
Whitney Block, Rm 6630,
99 Wellesley Street West,
Toronto, Ont, M7A 1W3

Attn: Hon. Minister Yakabuski

Dear Minister Yakabuski:

Re: EBR Posting 019-0132 for Bonfield Sawmill Facility License

Rayonier Advanced Materials (RYAM) would like to offer the following comments on a proposed new forest resource processing facility in Bonfield, Ontario. We understand it is the intent of the proponent to consume more than 400,000 m³/year of softwood and hardwood species (pulp and sawlog) sourced from surrounding Crown Forests and private lands. As a major forest sector employer in the region, RYAM is concerned with the availability of this volume and the potential risk to the economic viability of existing operations that we believe MNRFP should consider before issuing a new facility processing license to the proponent.

RYAM currently operates a hardwood sawmill in Huntsville with an MNRFP acknowledged consumption level of 138,000 m³/year of hardwood sawlogs. In addition, the MNRFP acknowledges a further hardwood pulp log consumption of 164,000 m³/year used at the Temiscaming facility – 60 km east of North Bay (this does not include additional coproducts from other nearby production facilities). It has been our experience that there is a chronic shortage of affordable hardwood sawlog fibre in the Nipissing Region to support existing facilities, coupled with an abundance of forest stands of low quality. This has resulted in a substantial underutilization of areas available for harvest as compared to targets in approved Forest Management Plans (FMPs) for Sustainable Forest Licenses in the region.

FMP indications of available timber significantly overestimate volumes that are commercially viable to operate – largely because of the lack of markets for low quality fibre. Further, we are observing more disease concerns in the region that are putting downward pressure on both wood supply and quality such as beech bark disease, gypsy moth, white pine weevil and emerald ash borer.

Recognizing the mixed forest conditions and abundance of low quality fibre, we believe the tolerant hardwood areas are being well utilized today. Therefore, we are concerned that additional hardwood sawlog quality material included in a new request for 400,000 m³ of fibre is not available in the long term. Further, in our experience, we observe that those operators who have tried to saw lumber from

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pulp quality logs have had limited success. This then puts pressure on the current consumers of these higher quality sawlogs.

Another consideration is the general downward pressure on wood supply for a variety of reasons in the region – especially in Algonquin Park. Recent changes to the Park plan identified in “Lightening the Footprint” illustrate this concern by reducing the area available for harvest by 23% and increasing costs on the remainder by adding restrictions which limit operational flexibility.

A final consideration for this proposal is the need to respect existing wood supply commitments for processing facilities in the Region. These commitments need to be respected with their corresponding facility licenses and business plans first. While we understand the proposal does not include a request for a formal wood supply commitment, we are concerned the desired wood supply exceeds the realistically available volume of fibre in the area from an open market.

Thank you for the opportunity to offer these comments.

Sincerely,



Alan Thorne, RPF, P.Eng
Chief Forester, Ontario