





Message from the Minister

British Columbia is experiencing a mountain pine beetle outbreak beyond any beetle epidemic recorded in North American history. This infestation is killing unprecedented numbers of lodgepole pine, the province's most abundant commercial tree species. It is also threatening the well-being of about 180 B.C. communities.

Over one year ago, after witnessing the effects of the mountain pine beetle, Prime

Minister Stephen Harper made a commitment of \$1 billion over ten years to address the infestation. This is the largest commitment ever made by any government. It will ensure that sufficient resources are in place to deal with this epidemic.

In our first budget, we began delivering on this commitment. In January 2007, I unveiled the Mountain Pine Beetle Program, a \$200-million investment for controlling the spread of the beetle and improving economic infrastructure in key regions in B.C. In addition to the important science work underway, it is a priority for our Government to ensure that communities facing economic challenges caused by beetle infestation remain strong, healthy and safe.

I believe that, by working together with the Province of British Columbia, local communities and industry, we will successfully battle the beetle. We will build stronger communities, a strong economy and a very strong future for the people in British Columbia and for forest communities across Canada.

The Honourable Gary Lunn, P.C., M.P.

Minister of Natural Resources



The Mountain Pine Beetle

Part of the forest ...

The mountain pine beetle has always been a part of the natural way of things in the great pine forests of western North America. In fact, by preying on the oldest or sickly trees, the beetle was one of the ways nature ensured the ongoing vitality of the forest.

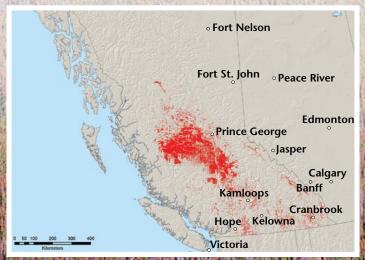
Historically, the beetle's numbers have been controlled naturally by a combination of predators—such as woodpeckers—wildfires and cold winters that made sure relatively few beetle larvae survived to adulthood.

Since the latest outbreak first began to intensify in the northern part of British Columbia's Tweedsmuir Provincial Park in 1993, the province has had a long series of mild winters, allowing the beetle population to grow from year to year. In addition, a near century of successful fire suppression has provided the beetle with an ample supply of the tree it likes best, the mature lodgepole pine.

An unprecedented attack...

Although the current infestation of mountain pine beetle in Western Canada is not the first time the beetle population has grown past its usual limits—a major infestation in British Columbia's Cariboo–Chilcotin region in the late 1970s and early 1980s was the most recent big outbreak—it is by far the worst. In fact, the current outbreak is the biggest ever recorded in North America.





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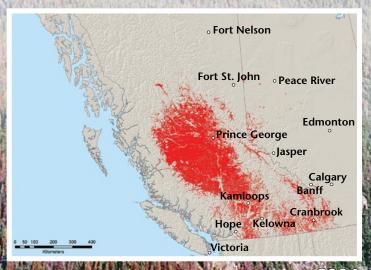
The beetle has cut a massive swath through the lodgepole pine forests of B.C., destroying huge numbers of the province's most abundant commercial tree species. In addition, the large numbers of dead and dying trees have increased the risk of wildfires, endangering communities and healthy forest alike.

If the beetle continues to spread at its current rate, scientists predict that as much as 80 percent of the mature pine in B.C. will be dead by 2013. There is no question its impact on the physical and economic landscape of the region will be seen and felt for decades.

A growing threat...

The beetles generally move with the prevailing winds, so the infestation has been spreading from west to east and from north to south. Mountain pine beetles are being found in increasing numbers in the lodgepole pine forests of Alberta, and there is concern that the beetle infestation will spread eastward into the jack pine stands of Canada's northern boreal forest and other pines in Eastern Canada.

Because of the vital role the forest industry plays in Canada's economy as a whole, and the growing threat the beetle poses to forests throughout Western Canada, the Government of Canada has identified the infestation as an issue of national importance and is leading a national response.





The Federal Mountain Pine Beetle Program

The Government of Canada announced the federal Mountain Pine Beetle Program in January 2007, with a commitment to invest \$200 million in measures to address both the short-term and long-term impacts of the beetle infestation.

The federal program is already supporting efforts to control the spread of the beetle, recover as much economic value as possible from timber destroyed by the beetle, and protect forests and communities from the risk of wildfire. Recognizing that the impacts of the beetle will be felt for many years, the federal Mountain Pine Beetle Program is also investing in measures that will help diversify the economic foundation of forest-dependent communities and contribute to their long-term stability.

A comprehensive, integrated strategy is being developed to combat the beetle infestation on federal, provincial, municipal and First Nations lands. The Government of Canada is working closely with the Province of British Columbia, other provinces and territories, and communities to ensure an effective response.

In addition to the \$200 million committed to the federal Mountain Pine Beetle Program over three years, the Government of Canada is investing a second \$200 million in measures to strengthen the long-term competitiveness of the forestry sector and support worker adjustment. These funds are being allocated to measures that will:

- promote the forest sector innovation and investment that are needed to position the sector for the future;
- expand market opportunities for Canadian wood-product producers;
- develop a national forest-pest strategy in consultation with provinces and territories, industry, communities and First Nations; and
- identify and address sectoral skills and adjustment issues, in collaboration with Human Resources and Social Development Canada (HRSDC), including implementation of the Targeted Initiative for Older Workers.

The federal Mountain Pine Beetle Program is led by Natural Resources Canada in a federal partnership with Western Economic Diversification Canada and Transport Canada. The program delivers federal support in three key areas:

- Communities
- Infrastructure
- Forests

GOVERNMENT OF CANADA FINANCIAL COMMITMENT

Mountain Pine Beetle Program	
Community Economic Diversification	\$36.6 million
Infrastructure	\$63.4 million
Forests	
Controlling the Spread	\$72.0 million
Recovering Economic Value	\$11.0 million
Protecting Forest Resources and Communities	\$17.0 million
TOTAL	\$200 million



INVESTING IN COMMUNITIES

The economic well-being of scores of communities in British Columbia has been put at risk by the beetle's impact on the forest and the forest industry. To strengthen the long-term economic stability of these communities, Western Economic Diversification Canada will deliver the Community Economic Diversification Initiative (CEDI) on behalf of the federal government. This initiative will invest in projects designed to diversify the economic foundation of forest-dependent communities, creating new opportunities for economic growth and jobs.

The Government of Canada has committed \$36.6 million to CEDI. These funds will support a wide range of projects, including:

 community economic diversification opportunities that capitalize on regional strengths in tourism, value-added resources, manufacturing, high technology and innovation;

- community capacity building through skills training and development, and other programs;
- community economic infrastructure, including industrial park development, downtown revitalization and improving access to high-speed Internet; and
- supporting activities such as new and expanded businesses and increased wealth generated by high value-added wood products.

For more information on CEDI, please contact Western Economic Diversification Canada at the location listed in the Contacts section of this brochure.

INVESTING IN FORESTS

The Government of Canada has committed \$100 million to the forest section of the federal Mountain Pine Beetle Program. These funds will be dedicated to three priorities: controlling the spread of the beetle; recovering economic value and protecting forest resources and communities.

Controlling the Spread

Slowing the spread of the beetle, especially its eastward movement, is a key part of ensuring a strong future for Canada's forest sector and the communities that depend on it.

Scientists and other experts from Natural Resources Canada's Canadian Forest Service will continue to work closely with provincial and territorial experts to improve our understanding of the beetle and how to manage its impacts. Investments in this area will be used to track the beetle so new areas of infestation can be detected as early as possible, and options available to slow the spread to healthy trees can be considered.

In an effort to contain the beetle infestation, control measures are being focused in key areas, such as the major mountain passes between B.C. and Alberta. Depending on the future movement of the beetle, measures may be taken in other areas of Alberta as well.

Most of these activities are being carried out on provincial Crown forestlands, but also include control measures in federal forestlands and First Nations' lands, as well as private woodlots.

Government of Canada Funding for Controlling the Spread of the Beetle:		
2006–2007	\$20 million	
2007–2008	\$26 million	
2008–2009	\$26 million	
Total	\$72 million	

Recovering Economic Value

The impact of the beetle infestation will be felt for decades. For forest-dependent communities, it is important to get as much value as possible from trees that have already been affected by the beetles. It is just as important to find ways to broaden the economic foundation of forest-dependent communities for the long term.

Under this part of the Mountain Pine Beetle Program, the Government of Canada will invest in research and development projects, including those aimed at finding new ways to make use of salvaged wood in both traditional and new products. This could include, for example, using salvaged wood in panel board, or to produce renewable bio-energy.

These funds will also support projects that help understand the long-term ecological impacts of the beetle. These studies will support new approaches to forest management that take into account the impact of the infestation on timber supply for the future.

Developing other resources in areas affected by the beetle can play a large part in diversifying the region's economic base. Natural Resources Canada's Geological Survey of Canada will invest \$6 million over two years in geoscience surveys in British Columbia. It is estimated that every \$1 million invested in geoscience leads to \$5 million in resource exploration, and \$125 million in resource discoveries.

Government of Canada Funding for Recovering Economic Value:		
2006–2007	\$2.9 million	
2007–2008	\$4.1 million	
2008–2009	\$4.0 million	
Total	\$11.0 million	

Protecting Forest Resources and Communities

One of the most worrying impacts of the pine beetle infestation is the risk of fire. The large numbers of trees destroyed by the beetle have increased the danger of wildfire, raising a serious threat to the safety of communities and endangering healthy forest.

Using the knowledge of forest fire behaviour at the Canadian Forest Service, funds committed to this part of the Mountain Pine Beetle Program will be used to assess the risk of fire in beetle-affected regions, and develop ways to manage the risk to forests and communities. These funds will also support the removal of hazardous trees in provincial recreation areas, and from municipal and school properties.

Natural Resources Canada will also work with First Nations to develop wildfire risk management plans for First Nations communities located on federal forestlands within the affected zone.

Funds will also be available for projects that identify and assess options to improve sustainable use of the forest resource, including non-timber resources such as watersheds, landscapes and wildlife habitat.

Government of Canada Funding for Protecting Forest Resources and Communities:		
2006–2007	\$2.9 million	
2007–2008	\$6.5 million	
2008–2009	\$7.6 million	
Total	\$17 million	

areas affected by the beetle, Transport Canada (TC) and Western Economic Diversification Canada (WD) will invest more than \$63 million over two years to improve the flow of goods through, and originating from, this area via the Asia-Pacific Gateway and Corridor.

As part of the Corridor Initiative, Transport Canada will invest \$44 million to improve transportation links in regions affected by the beetle infestation. The Gateway and Corridor is a network of transportation infrastructure that includes the B.C. Lower Mainland and Prince Rupert ports, their major road and railway connections that stretch across Western Canada and into the United States, as well as key border crossings and major Canadian airports.

Western Economic Diversification Canada will invest \$19.4 million in specific infrastructure projects in the areas affected by the beetle infestation. This will include projects, subject to due diligence, such as the proposed improvements to airports in Prince George, Kamloops and Kelowna that offer economic benefits on a regional scale.

Government of Canada Funding for Infrastructure:		
Airport improvements (WD)	\$19.4 million	
Surface Transportation (TC)	\$44 million	
Total	\$63.4 million	

For more information on Mountain Pine Beetle Program investments in infrastructure, contact any of the Western Economic Diversification Canada or Transport Canada offices listed in the Contacts section of this brochure.

INVESTING IN INFRASTRUCTURE

Efficient transportation is essential to economic growth. As part of the Government of Canada's efforts to strengthen the economic foundation of

THE FUTURE

Forestry and insect experts alike agree that nature will continue to play the primary role in controlling the spread of the infestation. At the same time, action can be taken to try to slow the rate of expansion until the region experiences the two or more cold winters in a row needed to bring about a significant reduction in the beetle population.

Unfortunately, a great deal of damage has already been done, and it will be many years—several decades—before the forest makes a full recovery. That is why a comprehensive approach to the beetle infestation is so important. We must continue to try to control its spread, and deal with short-term impacts such as the increased risk of wildfire. We must try to extract as much value as possible from the trees that the beetle has destroyed, and we must also invest in measures to help forest-dependent communities adapt to the long-term economic impacts of the infestation.

Working with its partners in the provinces and territories and communities themselves, the federal Mountain Pine Beetle Program is protecting the health of our forests and communities today and for the future.

CONTACTS

For more information on the Government of Canada's response to the mountain pine beetle infestation, visit the federal Mountain Pine Beetle Program Web site at www.mpb.cfs.nrcan.gc.ca or contact the following:

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