

This is the 2nd affidavit
of William Robert Brash in this case
and was made on March 27, 2024

No. S-236214
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1392752 B.C. LTD.

PETITIONER

AND:

SKEENA SAWMILLS LTD.
SKEENA BIOENERGY LTD. and
ROC HOLDINGS LTD.

RESPONDENTS

AFFIDAVIT

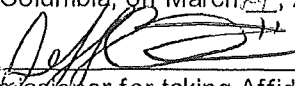
I, William Robert (Bob) Brash, c/o 1133 Melville Street, Suite 2700, Vancouver BC,
Executive Director, AFFIRM THAT:

1. I am the executive director of the Truck Loggers Association ("TLA"), and as such I have personal knowledge of the facts deposed to in this affidavit, except where stated to be based on information and belief, and where so stated I verily believe them to be true.
2. Capitalized terms not otherwise defined in this Affidavit have the same meaning as in the Application Response of TLA.
3. I make this affidavit in response to the 1st Affidavit of Shenwei (Sandra) Wu, sworn March 15, 2024 (the "Wu Affidavit") and the application response of the Petitioner and Cui Family Holdings filed March 18, 2024 (the "Application Response").
4. At the time of the swearing of this affidavit, there are over 320 Bill 13 Contracts existing in various forms in British Columbia.

5. All of these Bill 13 Contracts have been in existence since before 2004, when the Regulations were amended (the "2004 Amendments").
6. The 2004 Amendments removed the requirement for licensees to create new Bill 13 Contracts when existing Bill 13 Contracts were terminated.
7. The overwhelming majority of Bill 13 Contracts are, and have been, working well for the twenty years since the 2004 Amendments came into force.
8. The advantages to a licensee of holding a Bill 13 Contract include:
 - (a) a guaranteed contractor base for log delivery;
 - (b) the ability to direct a Bill 13 Contractor to complete work when and where a licensee deems it necessary, including in areas which are less desirable, more difficult to access, and more difficult to harvest;
 - (c) a means to avoid lengthy delays caused by contract disputes as a result of the required dispute mechanisms of mediation and arbitration, and the mechanisms for the Bill 13 Contractors to continue working at previous rates in the interim; and
 - (d) the availability of a local and professional workforce.
9. Although Bill 13 Contracts are required to be renewed when they expire, they may be terminated in certain circumstances (a "Mutual Termination"). For example, a Mutual Termination may be completed when a licensee offers to buy out a Bill 13 Contract for fair market value and then extinguishes the Bill 13 Contract.
10. I have been involved in a Mutual Termination of a Bill 13 Contract when the licensee wished to offer harvesting contracts to local Indigenous contractors.
11. The Mutual Termination in that case was effected by the licensee paying fair market value for the Bill 13 Contract. The licensee was then able to extinguish the Bill 13 Contract and offer non-Bill 13 harvesting contracts to other contractors. In this case, the primary purpose was to hire local contractors and to significantly increase First Nations participation.

12. Each block within a forest license's area is unique and has its own attributes which affect the fair market rates for harvesting, including but not limited to, among other things:
 - (a) distance from the nearest scale yard;
 - (b) the quality and difficulties of the roads to access the block and whether additional roads must be constructed;
 - (c) whether the block is in a potential snow belt or to be harvested in the winter, which can shorten the time in which it can be effectively harvested and cause other delays due to access and freezing temperatures;
 - (d) the terrain;
 - (e) the quality of the of merchantable logs in the block and the pulp content; and
 - (f) the gross timber volume in the block.
13. Because of these factors and many more, harvesting rates within a forest licence area are not all comparable to each other.
14. In the Wu Affidavit, there is a suggestion that work on the licence can likely be provided at lower competitive rates. This assertion is unsubstantiated by Skeena Sawmills by credible independent evidence.
15. Instead, the material I have reviewed in this matter supports that the Bill 13 Contractors were acting reasonably.
16. For example, I note that:
 - (a) Timber Tracks Inc. ("**Timber Tracks**") is well respected in the British Columbia forestry industry and their rates are widely used and publicized for assistance in determining fair logging rates;
 - (b) Timber Tracks is also used extensively by the BC Wildfire Service;
 - (c) the Timber Tracks figures are quite similar to the rates proposed by Timber Terrace in this matter and not supportive of Skeena's position; and

- (d) it appears from the Wu Affidavit that since Timber Tracks supported the rates proposed by Timber Terrace, Skeena decided to terminate the engagement with Timber Tracks.

AFFIRMED BEFORE ME at Nanaimo, BC)
British Columbia, on March 24, 2024.)
)
A Commissioner for taking Affidavits for)
British Columbia.)

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WILLIAM ROBERT BRASH

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