



MARITIME LUMBER BUREAU

Background, Accomplishments and Future Goals

The following outlines the HIGHLIGHTS of the activities of the MLB since it was founded in 1938. The full list of accomplished is greatly expanded from those included in the outline below. This historical account of the selected activities underscores the value provided by the MLB to its members and the Atlantic Region.

History

1938 The Bureau was founded on September 7, 1938, at a joint meeting of the Forest Products Associations of Nova Scotia and New Brunswick.

At this meeting interested individuals spoke strongly in favour of an organization which would **point the way toward better merchandising practices.**

1939 **On April 1, 1939 the first office of the Maritime Lumber Bureau opened in Amherst.** Its original purpose was to coordinate both large and small units dispersed throughout the region into a more orderly plan of action. In addition the Bureau was responsible to disperse information to the industry and to act as government liaison on behalf of the industry.

1942 MLB undertook the administration of standard grading rules for Eastern Canadian Spruce in respect to New Brunswick and Nova Scotia.

1943 The "MLB Grading Rules for Eastern Canadian Spruce" were developed. Training was completed for district representatives **which was the birth of the MLB "Quality Control Department" as we know it today.**

Between
1945/49 **Prince Edward Island joined the Maritime Lumber Bureau. MLB developed and gained acceptance for the "MLB Export Grading Rule".** Volumes of **graded** lumber grew from 0 at the beginning of 1945 to 93 million in the year 1949. During this period MLB Office staff hit their highest levels as every off-shore shipment required individual certification. There were 7 secretaries employed for this purpose.

Between
1965/69 As a testimony to the fact that the Maritime Lumber Bureau was an established and permanent organization, the Members and Directors began planning for the erection of its' own building to house the MLB

offices. **The MLB Training and Administration Building was formally opened on May 25, 1967.** The Federal Government contributed 65% of the building costs and the Members of the Maritime Lumber Bureau paid the rest. By the Spring of 1969 the Building was completely paid for, the mortgage burned and solely owned and operated by the Members of the MLB. **Also, during this period, the Province of Newfoundland requested services from the Maritime Lumber Bureau.**



1971 **The National Lumber Grades Authority rules came into effect.** On August 1, old stamps were picked up and the members were issued new stamps under the NLGA Rules. These rules replaced 6 regional rules previously utilized in Canada. The development of the NLGA Grading rules was the first standardized national grading system.

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1982 **MLB was notified that its' Grading Supervision services were no longer required in Newfoundland with the creation of the Newfoundland Lumber Producers Association.** The NLPA requested membership in the MLB under the Associate category, and requested assistance with representation on all International issues.

1986 Under the Maritime Lumber Bureau, the Coalition Against Unfair Lumber Taxes was created. **They were successful in obtaining an exclusion for the Atlantic Region from the 15% excise tax applied to Canadian shipments of softwood lumber to the USA** under the terms of the Memorandum of Understanding - the then applicable agreement between the two countries.

- Between
1990/95
- The Maritime Lumber Bureau partnered with the Ontario Lumber Manufacturers Association, the Canadian Lumbermen's Association and the Quebec Lumber Manufacturers Association to create the BPIB. The BPIB was a prominent and technical support office dedicated to Eastern Canadian softwood lumber utilized in Europe. During this period the MLB became officially recognized by the British Standards Institute as an Accredited Agency. A designation it maintains today.
- 1991
- The Maritime Lumber Bureau made representations in the U. S. Government's self initiated Countervailing Duty Case. This self initiation was a result of Canada's termination of the 1987 Memorandum of Understanding between the two countries. Efforts of the Maritime Lumber Bureau were again successful. The United States authorities deemed that there was no need to include the Atlantic Canadian softwood lumber producers in their Countervailing Duty Investigation against Canada. This was the first time in the United States history that a political sub-division of a country was not investigated in a Countervailing Duty suit. **Again, Atlantic Canadian producers were exempt from a 17.0% duty charged against shipments of Canadian softwood lumber destined to the United States.**
- Between
1991/2000
- The MLB was contacted by several mills in the Province of Newfoundland and Labrador, requesting MLB Grade Marking and Supervision services. The MLB resisted accepting these membership applications for several months, in recognition of the existence of the NLLPA Services and potential costs to the MLB organization. After months of negotiations and arguments from those mills seeking MLB services which pointed out the advantages of the full range of services provided by the MLB organization, we established a policy to service mills in Newfoundland and Labrador provided that our transportation costs were recovered. **We continue to have two member facilities operating in Newfoundland today.**
- 1993
- Plantation of Norway Spruce in N.S., N.B., and PEI** were reaching maturity and interest in processing this product into lumber was being expressed. Unfortunately as a non-indigenous species, there were no design values available and the product was prohibited from being processed as SPF lumber. **MLB and the Governments of N.S. and N.B. funded a feasibility study with the intent of establishing appropriate design values to improve utilization of this resource.** (See further work in 2002 and 2003)
- 1995
- The Committee now known as the U.S. Market Access Committee made representations to the United States officials during the Canada-U.S. softwood Lumber Consultations between the two countries. These consultations eventually led to negotiations in an attempt to advert yet

another Countervailing Duty investigation. **Efforts of this Committee led to the signing on May 1, 1996 of a separate agreement covering the 4 Atlantic Provinces. Obtaining this agreement is thought to be one of the most valued accomplishments of the MLB.** The agreement recorded in a legally defensible method, the history of why the MLB was exempted from duty in the previous two disputes and provided for continued un-restricted Market Access. With the signing of the Agreement, the MLB accepted the responsibility to create a program which would ensure that softwood lumber from affected provinces was not being mis-represented as Atlantic Canadian production for the purpose of circumventing the Canadian Agreement which prescribed a determined Quota for shipments originating in the provinces of BC.,ON.,PQ.,and AB. **Under this agreement the MLB created and maintains the Certificate of Origin program which records every softwood lumber shipment,** originating in the 4 Atlantic Provinces, from logs which originate in the 4 Atlantic provinces or the State of Maine and is destined for the United States of America.

Between
1997/98

The Maritime Lumber Bureau was recognized by the Japanese Ministry of Construction for acceptance of structural lumber produced under the NLGA Rules and supervised by the MLB Organization. Early in 1998, the MLB was again recognized by the Japanese Ministry of Construction for acceptance of **finger-jointed lumber produced and supervised by the organization.**

1998

Received Registration under ISO 9000. The scope of registration applied to: **The provision of administration, inspection/grading and training services, certification programs and information dissemination, associated with the production of solid wood products and market access requirements.**

Between
2001/02

MLB responded to the needs of Members who obtained raw material from the State of Maine. **The design values established for U.S. SPF(S)** were substantially reduced from those assigned to Canadian SPF. The MLB, QFIC and NeLMA contracted with UNB Wood Science and Technology to conduct testing of Eastern Spruce and Balsam Fir, in an attempt to obtain non-prejudicary design values and improve the competitive position of these products. The initial results demonstrated an improvement but somewhat reduced from established values of SPF. No decision has been taken to date.

Between
2001/09

MLB has been active in responding to the detection of Brown Spruce Longhorn Beetle in Nova Scotia. Initially, MLB assisted (as a member of the BSLB Task Force) with obtaining Bait Logs for placement

in Point Pleasant Park, as part of an eradication plan. In more recent years MLB accepted the leadership in developing a program with the stakeholders, that would focus on only products considered of medium and high risk. This was a substantial win for the region as previously all products located within the "Ministerial Order" zone had restricted movement. This was a stakeholder developed plan to "Mitigate the Risk of Spread of the BSLB".

Between
2001/06

Upon expiry of the 1996-2001 Softwood Lumber Agreement, the United States Industry filed a Countervailing Duty and Anti-Dumping Case against Canada. **Within the first 60 days, the United States Department of Commerce amended their initiation of the CVD Case to exclude the Maritimes (4 Atlantic Provinces).** Of the initial 18.8% CVD subsidy margin and applicable duty, shipments originating in Atlantic Canada produced from logs originating in the 4 Atlantic Provinces of the State of Maine were excluded provided the shipment was accompanied by an original MLB Certificate of Origin. Unfortunately, the exclusion did not extend to the Anti-Dumping portion of the litigation. Atlantic shipments were subject to the Anti-Dumping duties, (as outlined below).

ANTI-DUMPING DUTY RATES	
May 22, 2002 - Dec. 20, 2004	8.43%
Dec. 20, 2004 - Jan. 24, 2005	4.03%
Jan. 24, 2005 - Dec. 11, 2005	3.78%
Dec. 11, 2005 - Oct. 12, 2006	2.11%

During the Administrative Review process of the Countervailing Duty Litigation, the U.S. Department of Commerce determined that the Provinces of New Brunswick and Nova Scotia could be used as an appropriate benchmark in determining the subsidy margins for the rest of Canada. In December of 2004, the Commerce Department established a new subsidy rate of 16.4%. This was the rate of duty deposits collected on Canadian softwood lumber imports other than those originating in the Atlantic Provinces.

2002/03

The NLGA responded to the MLB request and added Norway Spruce to the NLGA Rule Book. Until the specific design values are assigned, Norway Spruce could be grade marked with the "N" species designation. In 2003, the NLGA assumed the technical work of establishing design values for Norway Spruce and funding the work under the National Grade Rule. In addition to NS, NB, and PEI, it was determined that quantities of Norway Spruce Plantations existed in Ontario and Quebec. Work continues on this project.

2003 **MLB was re-registered under ISO 9001-2000.** MLB was the only grading agency in North America to received the ISO designation. (*Note: In 2008 the MLB did not re-register as a result of time constraints due to budgetary cutbacks. However, this item should be recorded as a "future plan"*).

Between
2004/09 **MLB identified growing inequities at the Canadian Wood Council.** The work of the CWC in providing market access through the essential technical support in the areas of support of the NLGA Grade Rule; and North American Building Codes and Standards was being funded by less than 60% of the softwood lumber producers. MLB provided leadership in generating equal funding through NLGA for all activities in support of the NLGA Rule. In addition, MLB continues its efforts to develop improved efficiencies and government structure in order to maintain the superior and essential technical work performed by the CWC. **This has resulted in an overall dues reduction for supporting members.**

2006 After months of negotiations and attempts to resolve the decades old "lumber wars", in April of 2006 a tentative agreement between Canada and the United States was reached. The terms of this agreement were codified and implemented in Canada through legislation which was introduced in September and enacted in December. The agreement was officially signed and brought into force on October 12, 2006. **This marks another significant and tangible accomplishment of the MLB and the U.S. Market Access Committee as both the Softwood Lumber Agreement and Canadian Legislation Bill C-24 specifically recognized the unique circumstances in Atlantic Canada and excluded shipments of softwood lumber originating in the four Atlantic Provinces, provided the shipment was covered by a Maritime Lumber Bureau Original Certificate of Origin.** Other MLB obligations include quarterly reporting of total production and U.S. shipments. The Agreement is intended to remain in effect for 7 years (2013) with a possible extension to 9 years (2016).

2008 With the on-set of a recession, MLB membership was in decline for the first time in more that 20 years. The MLB governance structure was not flexible and responsive to ensuring the organization was positioned to continue to adapt to the changes occurring in the sector it represented. MLB established a "strategic planning process" and engaged Members in determining the most appropriate structure to enable the organization to continue to provide valuable service and leadership. Sessions were held in June and August. New "mission and vision" statements were established to guide the organization's future activities.

Vision Statement:- To be the single multi-service organization to provide a one-stop-shop to access markets easier and quicker worldwide for forestry based products, documentation and certification.

Mission Statement:- To provide superior services, to enable market access, domestically and internationally for the Atlantic Region's forest based products.

2009 New By-Laws were adopted at the Annual General Meeting of Members. In addition, in keeping with the direction provided during the Strategic Planning process, the MLB staff directed efforts towards "new projects" that would improve market conditions and market access both domestically and internationally. During the AGM of Members held in Moncton, NB, the MLB invited every Mayor in every municipality in the 4 Atlantic Provinces in an attempt to develop a "wood first" culture in the region.

Summary

Throughout the years, the MLB has maintained the original objectives set out in 1938. In addition, several other accomplishments have been accredited to the organization that for over 70 years has been devoted to the cause of improving the quality of lumber production, the efficiency of operation, promotion of regional production and market opportunities for its' Members. The Maritime Lumber Bureau has improved the manufacture and quality of all maritime species and has thus raised its reputation and value for local and export markets.

Tremendous accomplishments by committees in transportation, taxation, technical, promotion, White Pine production, marketing and liaison with organizations and various branches of Government have been realized over the past 70 years.

Essentially, the name of the Maritime Lumber Bureau is known domestically and across continents and oceans.

Since 1938, the MLB has provided an administrative nerve centre for the Maritime lumber industry. The organization has been developed to provide faithful service to the lumber industry, in all areas which affect the future of the regional lumber industry, which is not only a benefit to the MLB members but to the economy of Atlantic Canada. With the new direction provided in the 2008 strategic planning process, MLB will now make it's services available to other "forest based products" and at the same time continue to focus on it's core activities of ensuring market access for the region's lumber products.

Membership

- ▶ In 1939 the Bureau started out with 15 members; there were 39 added in 1940 and after that, a few new ones every year.
- ▶ The highest membership at one time is thought to be about 357 in 1944, who together accounted for about 150 million feet of the Maritime lumber production.
- ▶ In 2006, the MLB recorded it's historic largest volume produced on aggregate by it's Members, which totaled 2.3 billion fbm.
- ▶ At present time regular membership is made up of 40 in Nova Scotia; 28 in New Brunswick, one in Prince Edward Island and two in Newfoundland. Collectively, these 72 producers account for 1,315,014,000 fbm in 2008.

Current MLB Organization

Current activities of the Maritime Lumber Bureau staff, as directed by the Board of Directors and Committees, is perhaps as diverse as ever before.

