



111 Duke Street, Suite 5000
Montréal, Québec, H3C 2M1 Canada
T 514-875-2160 resolutefp.com

December 18, 2015

Mr. Kim Carstensen
Executive Director, FSC International
FSC International Centre, Gemeinnützige Gesellschaft mbH
Charles-de-Gaulle-Straße 5
53113 Bonn
Deutschland / Germany

Sent by email: k.carstensen@fsc.org

Dear Mr. Carstensen:

I have read the letter you sent on December 16, 2015 as well as the press release issued yesterday morning (December 17, 2015).

As we've consistently stated, we are committed to responsible and sustainable forest management carried out under government leadership with the collaboration of First Nations, local communities, unions, relevant and responsible environmental groups and other interested parties with legitimate standing. As such, we would certainly support an equitable consultative mediation process involving fair representation from each of these groups. However, it is our firm belief that in order for such a process to be successful, every effort must be made to ensure neutrality, inclusivity, transparency and accountability.

As such, we strongly believe that the provincial governments of Quebec and Ontario would be the only appropriate overseers of a mediation process. They are the stewards of public forests. The leadership of the government of Quebec would have been especially crucial given your suggestion that the process focus on only two areas – Lac-Saint-Jean and Mistassini – where the key issues at play (caribou conservation, and a dispute between two First Nations) fall squarely under the government's responsibility, as you are well aware. We fail to understand how the process you have described could move forward without their oversight. Unfortunately, as mentioned in an article published this morning in *Le Quotidien* (attached in the original French), Minister Laurent Lessard, Quebec's Minister of Forests, Wildlife and Parks, would be unwilling to participate in the process since he is not a member of FSC. His reaction suggests that governments were not even consulted prior to your announcement, and we consider this to be highly problematic.

However, in the event that government participation were to be secured and the process were to move forward, we offer several suggestions.



Ensuring the appropriate parties are involved

First, due to distance, language issues, jurisdiction and appurtenance to the territory, we submit that two processes would be appropriate – one for each province.

Input from First Nations would also, of course, be essential. In both provinces, it would be appropriate to rely on the provincial government for recommendations on which First Nations communities should be involved.

In addition to the recommendations provided by government, we would suggest that the discussions include the following First Nations leaders in Quebec, whose territories are either directly linked to a suspended certificate, or who have indicated that they plan to use FSC as a bargaining chip in their negotiations with government:

- Christian Awashish, Chief, Conseil des atikamekws d'Obedjiwan (has stated that he would engage in improper use of FPIC to oppose six certificates)
- Gilbert Dominique, Chief, Pekuakamiulnuatsh Takuhikan Innu First Nation
- René Simon, Chief, Conseil des Innus de Pessamit (has refused to provide consent to Arbec, leading to two certificate suspensions)
- Marcel Happyjack, Chief, Cree First Nation of Waswanipi (has threatened to oppose at least two certificates)
- Matthew Coon Come, Grand Chief, Grand Council of the Crees
- Konrad Sioui, Grand Chief, Nation huronne-wendat

A group which you failed to mention in your letter (although did mention in your press release) is the local communities whose very livelihoods depend on the health of the boreal forest. It is absolutely imperative that their perspectives be included in this process.

Other companies operating in the boreal forest must also have a role in the process. We are not the only company to encounter issues with FSC certification – in fact, as you well know, there have been a number of voluntary certificate terminations across Canada, including even the 850,000 hectare Great Bear Rain Forest certificate, a development which transpired as recent as this past October. Additionally, you state in your letter that most certificate suspensions are related to the issue of obtaining consent from First Nations. As you know, this requirement is not specific to Resolute alone, and other companies have seen their certificates suspended due to issues relating to FPIC. Therefore, we believe that any dialogue on the matter in Quebec should include other certificate holders who face similar issues, such as Arbec, Chantiers Chibougamau, Barette Chapais and Produits forestiers Petit-Paris.

We agree that ENGOs should also have a voice in the process, and we are curious as to which groups you propose to involve. It is important that such organizations have credibility and legitimacy, as well as a track record of constructive and responsible engagement in the public policy discourse. Interestingly, you only mention Greenpeace. We are sure that you are well aware



that they have been waging a campaign of demonstrable misinformation about the Canadian boreal and have also been specifically targeting Resolute with inaccurate, irresponsible and defamatory allegations. Rewarding that behavior at the expense of others seems not only unfair but also unwise and short-sighted. Other ENGOs, such as Ontario Nature and Nature Québec, should also be considered as participants in their respective provinces.

Recognizing that there are several major issues at play

Your letter places considerable emphasis on the issue of obtaining First Nations consent, However, two other major issues remain to be resolved: caribou conservation, and intact forest landscapes. With regards to the latter issue, we understand that the new proposed indicators and modalities, as well as for the “Indigenous Cultural Landscape” proposal, will be released by FSC Canada for public consultation in the near term. While we acknowledge the efforts to address these issues, it cannot be overstated that they must *all* be resolved if FSC certification is to remain viable in Canada’s boreal forest. Solving two out of three will simply not be enough.

I must mention that we were pleased to read in your letter that you are committed to “credible, clear standards and their stringent verification”. Considering that our benchmarking exercise, shared with you on June 19, 2015, clearly indicated a lack of consistency in interpreting some of the requirements of the FSC standard in Canada by various registrars or by the same registrar auditing different certificate holders, we would hope that this mediation process would result in greater certainty for forest management certification as well as controlled wood certification, and equity among all certificate holders in the boreal.

Defining the objectives and expected outcome of the mediation process

To ensure the success of the process, the parameters for success must be established. We would request that the objectives and expected outcome of the process be clearly defined at the outset. We believe that these objectives should be measurable and that progress must be publicly reported throughout the process.

Acknowledging that these issues are complex and will take time to resolve

As you are well aware, the issues at hand are complex and involve varying perspectives from a multitude of diverse interests. In our view, it is highly unlikely that just one meeting will result in solutions to even one of the three major issues at play; we imagine that several meetings will be necessary before significant progress can begin to be achieved. As well, we believe that considerable preparatory work should be undertaken by all parties, including the mediator. In contrast, discussions on the issue of the ILO (International Labour Organization) core conventions are still ongoing after two years, despite your direct involvement.



Having outlined these recommendations, we must express an additional concern. After sending your letter requesting my input, which had clearly been reviewed with others in advance, your announcement to the media was made just a few hours later. This is not, in our view, an appropriate way to begin a dialogue in good faith with all parties. It is also of interest to us that many of the ideas and indeed the precise wording contained in your letter and press release echo an email exchange earlier this year between Seth Kursman, Vice President, Corporate Communications, Sustainability & Government Affairs at Resolute, and Matt Daggett, Global Forest Campaign Leader for Greenpeace. Given that Greenpeace has strongly criticized FSC in the past and received praise from your organization for doing so, while Resolute's expression of legitimate concern has been met with a decidedly less positive reaction, we wonder whether we are being unfairly targeted. We hope you will agree that when it comes to sustainable forest management, neither FSC nor Greenpeace should be arbitrarily picking winners and losers.

That said, we hope you will consider this feedback as you move forward in planning this process. Ensuring that the process is neutral, inclusive, transparent and accountable will be instrumental in securing the "good will and mutual trust amongst stakeholders to find viable solutions", as you mention in your letter. Let's not forget that this process would be perceived as setting a precedent for other certificate holders in the boreal, and that the outcomes of this process will likely result in changes in how registrars interpret certain criteria and indicators.

Once the process has been clearly defined and our recommendations taken into account, and assuming that the respective governments agree to take the lead, we would be pleased to participate fully in a process of mediation.

Sincerely,

A handwritten signature in black ink that reads 'Richard Garneau'.

Richard Garneau
President and Chief Executive Officer
Resolute Forest Products

c.c.: François Dufresne, President, FSC Canada
Hon. Laurent Lessard, Minister of Forests, Wildlife and Parks, Government of Quebec
Hon. Bill Mauro, Minister of Natural Resources and Forestry, Government of Ontario
André Tremblay, President, Quebec Forest Industry Council
Jamie Lim, President, Ontario Forest Industry Association
First Nations leaders, Mayors and chambers of commerce of various communities affected by the issues addressed in this letter