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HEILTSUK ECONOMIC DEVELOPMENT CORPORATION

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IN THIS ISSUE

Gladstone Reconciliation

Forestry Recovery

Planning and Marketing

Lama Pass Fuel

Pacific Coastal Airlines

Kitasoo Economic Development Corporation

New BoD Members

Coast Opportunity Fund

Borex a New Player on the Central Coast

In the early 1980s, Bernard Lemaire, one of the three brothers who created Cascades Inc. a packaging, fine and tissue paper company based in Kingsey Falls, Quebec in 1964, visited the shutdown Ocean Falls pulpmill. He ended up purchasing one of the tissue making machines and moved it to his plant in Quebec where it continues to produce for the company. Alain was impressed with the Ocean Falls operation and noted the large power generating facility sitting idle and thought one day he would be back to the site. Recently that prediction became reality!

Over the year Cascades created another company Borex whose core business is the development and operation of power stations that run on renewable energy. Cascades owns about a third of the company. Borex is distinguished by its diversified expertise in three power generation segments, wind, hydroelectric and thermal. Currently the company has

ownership in more than 30 power stations, mostly in Quebec, NE US and France with plans to double future power production. It is one of the largest private power producers in Canada.

In April 2009 Borex purchased the Ocean Falls tenures and power facility



Ocean Falls from air

from Central Coast Power Corporation and will assume full control at the end of 2010. Currently the power plant supplies power to Ocean Falls, Shearwater and Bella Bella with up to 8 megawatts of surplus power available for other uses. This amount of power is sufficient for 800 homes. There is only one industrial power customer, Marine Harvest, in Ocean Falls. BC Hydro purchases power from the

Ocean Falls plant for distribution to local residential customers. Rates are regulated by the BC Public Utilities Commission. That won't change under Borex.

Recently, HEDC was contacted by Borex to review opportunities for joint ventures that might generate employment and utilization of the surplus power. Several meetings have been held to blue-sky several potential projects ranging from biomass energy production, land based aquaculture to large greenhouse operations. A meeting was recently held with Borex, HEDC and Heiltsuk representatives in Vancouver. Borex representatives included Patrick Lemaire- President, Richard Lemaire- General Manager Western, Hugues Girardin- GM Development and several others including Pierre Boulay- Manager Hydro development and new technologies.



Ocean Falls Dam and Power House

Continued on next page

Boralex Looking for New Customers for Surplus Power

We hope HEDC can identify several development options to utilize the surplus hydro power from Ocean Falls

Pierre Boulay, Manager Boralex Hydro Development

"We had a good meeting and outlined our interest in working with HEDC on new projects that could utilize the current surplus power from Ocean Falls. We hope HEDC can identify several options for such development" noted Mr. Boulay.

A special task force led by FP Innovations at UBC is looking at the underutilized coastal hemlock-balsam forestry resource from a biomass and energy perspective. One

unique product resulting from a process of "torrefaction" involving heating wood up to 300 degrees C results in something called "biocarbon and biochar", a sort of wood based coal/charcoal that can be used for pellets and other energy products.



Ocean Falls Water Powered Generators

Heating wood to such high temperatures without combustion would involve utilization of a lot of power which Boralex has. Heating wood to even higher temperatures

(350 to- 500 degrees C) would produce pyrolysis oil which could be used as a replacement for crude oil. The Germans used a similar process during WWII to replace crude oil with wood based pyrolysis when oil supplies were cut-off by the Allies.

In June this year construction started in Holland on one of the world's first modern commercial torrefied wood pellet plants. It will produce 60,000 tons of pellets to generate power by early 2011.

Jim Richardson, HEDC CEO said "Our recent meeting with Boralex executives was positive and the first of many steps in developing a solid business relationship with this family-based energy company. It's now up to us to present viable business options for their consideration."

Gladstone Reconciliation Process Frustrating and Slow for Heiltsuk

In April 1988 Bill Gladstone Sr. and his family were in their car just pulling up to the then Nelson Place Hotel (now the Comfort Inn) in downtown Vancouver. Several Canada Department of Fisheries and Oceans enforcement staff drew their revolvers and stopped Bill and seized a bucket of roe on kelp product from Bella Bella in the back seat that he had been marketing at various sites in Vancouver. They charged him with selling a fisheries product that he had no right to have.

So began a lengthy legal and mediation process that still remains unresolved after 22 years but provided a victory for Bill and the Heiltsuk in Canada's Supreme Court in 1996 called the Gladstone case. This famous case has been cited in many subsequent court judgements. That judgement in Canada's highest court ruled the Bill Gladstone had an aboriginal commercial fishing right that permitted him to sell his roe on kelp without seeking a license from DFO. Further that DFO had infringed on his



Heiltsuk Meet with Fisheries Minister in Ottawa-Dec. 2009

Left to right: Cameron Brown-HTC, David Balfour-ADM DFO, Randy Kamp-Tory MP Pitt Meadows, DFO Minister Gail Shea, William Gladstone-Sr. Chief Negotiator GRI, Reg Moody-Executive Assistant GRI

Gladstone Reconciliation Still Unresolved

It's been several decades of frustration and delay in resolving the Gladstone Reconciliation issues. These are critical to Heiltsuk interests

Bill Gladstone Sr.

aboriginal rights by arresting and charging him on that fateful day. But that court victory was hollow and as of today there has been no significant settlement as that court win has led to years of negotiation and frustration.

While the court ordered DFO to address its infringement of Bill's aboriginal rights it was eventually determined that DFO had no political or legal mandate to correct this injustice. The current situation is that the federal politicians must amend DFO's mandate to permit it to address the infringement, presumably through a cash settlement and policy changes regarding access to fisheries sources

in the Heiltsuk Traditional Territory. While there have been some interim measures over the years such as additional roe on kelp licences for Heiltsuk people there remains a significant outstanding debt to the Heiltsuk for past infringement by DFO. How significant remains confidential during the current negotiating process that has consumed Bill and his legal team for many years. Fortunately, the Heiltsuk legal costs have been covered by the Federal government.

Bill noted in a recent interview "We won in court but the delays in implementing what is now called the Gladstone Reconciliation have been frustrating and painfully slow. What my case did prove beyond a doubt is that Section 35 of the Constitution Act does give aboriginal people a commercial fishing right". However, the lack of political will and concrete action means it's

before a substantive settlement is reached that will benefit the Heiltsuk people. What's truly remarkable has been the tenacity and commitment of Bill to seeing a resolution of this matter. "I have hung in there for many years and remain committed to seeing this resolved for the Heiltsuk people" remarked Bill. With the desperate economic and unemployment situation currently in Bella Bella that final settlement could provide local stimulus and funding for all sorts of economic development opportunities in the community. Jim Richardson, HEDC CEO remarked "getting access to new capital through Gladstone Reconciliation would facilitate projects to aid our local fisheries business and other new economic initiatives. We are ready to help find quality investment opportunities for any funds that might become available. We would like to see a timely resolution of this matter".

Some Key Questions about New Businesses You have to Ask *From the National Post - June 2010*

What is your value proposition? If you can't explain — in three jargon-free sentences or less — why customers need your product, you do not have a value proposition and, thus, you do not have a business. Period.

Does your product address a viable market? Seinfeld's Kramer was convinced that the Mansierre (a bra for men) was his ticket to riches. Not that he did any research to confirm that there was a viable market, let alone one large enough to attract investment capital. Never assume you can create demand where it hasn't already been expressed. Don't hawk the next Mansierre.

What differentiates your product from the competition? It's true that Starbucks made people believe they wanted US\$4 caffeinated concoctions, and Louis Vuitton lulled people into shelling out US\$1,500 for denim handbags. But marketing alone won't cut it. If you want to win in business, you need to deliver tangible value where other companies don't. Examples: rock-bottom prices (Wal-Mart); ingenious product design (Apple); extreme convenience (FedEx). Find your edge and hammer on it.

Does the business scale? The difference between modest wealth and obscene riches is "scale." Scalable businesses are those that can produce the next widget at a fraction of the cost. Think software: Once Microsoft shelled out to develop the code for its Windows operating system, the incremental cost of printing each additional copy was next to nothing. What models don't scale? Think service businesses, where the need for people grows with revenue.

How committed are you to making this happen? You have a family and two kids. Are you ready to burn 100 hours a week for the next two years to get your startup off the ground? Fair warning: If you want to run the show, get ready to give everything — -and then some.

Heiltsuk Economic Structure and Roles

Heiltsuk Tribal Council

Chief Councilor Marilyn Slett, Rhoda Bolton, Frances Brown, Vanessa Gladstone, Marilyn Hall, Harvey Humchitt, Maria Martin, Earl Newman, Medric Reid, Don Vickers, James White, Mavis Windsor

- * Establish economic development vision
- * Appoint Bare and Reversionary Trustees
- * G to G dealings on business opportunities
- * Review HEDC Strategic and Business Plans

Bare Trust

Alvina Duncan, Connie Newman, Pat Housty, Leona Humchitt

- * Create a stable, competent board
- * Recruit and Evaluate HEDC Directors
- * Hold HEDC shares in trust
- * Express Shareholder's Expectations to HEDC
- * Review HEDC Strategic Plan

Reversionary Trust

Stephen Hunt Jr., Gilbert Jackson

- * Hold HEDC surplus funds in trust
- * Distribution of surplus funds on HTC direction
- * Review HEDC Strategic Plan
- * Serve as a limited partner for each LLP

HEDC Board of Directors

Saphire Humchitt, Larry Jorgenson, Lois-Anne Arnold, Kelly Brown, Michael Reid, Cecil Reid, Wilfred Humchitt

- * Corporate and Business Governance
- * Strategic planning for economic development
- * Recruit and oversee CEO

HEDC Chief Executive Officer

Jim Richardson

- * Business and Human Resource Management
- * Business planning and cost control
- * Implementation of Strategic Plan

HEDC Business Managers

- * Operate effective and efficient businesses
- * Business Plans
- * Generate profits and surplus funds
- * Customer Service

Heiltsuk Fisheries Management
Allan Reid

Waglisla Post Office
Marilyn Hall

Bella Bella Airport Authority Ltd
Glenna Singleton

Waglisla Band Store Ltd
Pat Housty

Waglisla Hardware Ltd
Charles Gladstone Sr

Heiltsuk Coastal Forest Products
John McLaughlin

Waglisla Cablevision Ltd
Victor Jackson

Lama Pass Fuel Ltd
Mike Wilson

Waglisla Freight Ltd
Ted Abery

First Nations Business Advisory
Saphire Humchitt

Good Planning and Marketing are Keys to Business Success



Jim Richardson, HEDC CEO

A recent trip to Port Alberni caused me to reflect a bit on my first article about taking an idea for a business through the various steps to make it happen. While I was in Port Alberni I visited a business that was having a liquidation or going out of business sale. Always wanting to learn...I asked the owner why the business was closing!!

The answers I got to the various questions I asked brought me back to the various steps required in starting a business and making it a success. In response to my question about why she was going out of business, the owner responded that being an entrepreneur was not all what she thought it would be. The owner had a perception about being an entrepreneur that did not reflect what she was experiencing. She told me about all of the paperwork and Government bureaucracy that she had to deal with and worrying about paying her staff and other bills which all made it very frustrating. These are things that are normal for

entrepreneurs to deal with. You have to have the right stuff and understand that every day may see a new challenge or problem surface. It is important to fully understand what you are getting into by becoming an entrepreneur. Yes, you have independence and can reap the benefits of all your efforts...but it is not easy. There are various tools that contain questions pertaining to becoming an entrepreneur. Check on-line for these tools by simply googling "Questionnaires to become an entrepreneur" and go through this important step to know what you are getting into!

Careful planning may not guarantee business success but it is a critical factor

Jim Richardson,
HEDC CEO

The most surprising response that she gave me to the series of questions that I asked was that the location was terrible. "*The location was terrible*"...why did she choose this location in the first place!! Everyone knows that "*location, location, location*" are the words associated with the important factors of marketing. Her business catered a bit to the tourist clientele and she was located near a stop light with limited parking out front. She obviously overlooked this important factor in her preparation and business planning process. Traffic patterns, the availability of parking, the number of tourists passing by, etc. were important information to determine

where she should locate but her enthusiasm to start the business dominated. Remember the Elder's saying. "*The longest journey that you will travel in your life is between your heart and your head.*" You cannot let emotion cloud your perception of reality. You must do your homework if you want the business to succeed even if it means you will not like the answers! When I asked her about how long she was in business, she responded "two years this month". This was no surprise to me as statistics show that about 65% of the businesses that start today are no longer around at the end of two years. Careful planning for your business may not guarantee against failure but it is an important step toward ensuring that you just may make a success of it!!!

If you would like me to write about a particular issue around getting into business or being in business, please feel free to call me at (250) 977-2217 or write me by email at james.richardson@healtsukdevco.com. I value your feed-back!

Bits and Pieces

The ice man is coming...no that does not mean Chuck (the ice man) Liddell for you UFC fans. Our ice plant at the Fish Plant is operating and we are now selling ice. The next goal is to get the Fish Plant operating again and we are working hard on that goal and we will have more to say on that in the Fall. HEDC has hosted a number of visitors to the community over the past 3 months and there will be more to visit as we work toward joint venture and investor interest on a number of projects. Our forestry company is holding a two day slashing course starting in July and we have had 25 people sign up. People taking the course will receive a certificate which will allow them to do such work as line clearing for hydro, etc.

Forestry Recovery Still Slow but 2011 Looking Better

John Mohammed of A+A Trading provided an update recently on Heiltsuk Coastal Forest Products operations. His report follows:

HCFP is currently harvesting 28,000 m³ in Briggs Inlet. The helicopter logging is complete and we are just finishing the sorting of the logs. A&A Trading is marketing the logs to a broad cross section of customers. The cedar is sold domestically to custom cut customers, sawmills, utility pole companies and house log builders. The spruce is being sold to Japan and Korea. The high grade spruce is being cut for the interior of the traditional Japanese home for items like shoji screen doors and clear posts called Hashira. The hemlock and balsam is being sold to the Korean market.

A&A has been planning and engineering more volume in the Johnson channel for conventional harvesting. The goal is to develop road in this area this summer so that we can have viable conventional blocks for harvesting this fall and next season. There will also be another heli-logging opera-



Heiltsuk cedar logs loaded in Briggs Inlet

tion in Breakwater this summer.

During the four years ending March 31, 2010 HCFP has harvested a total of approximately 173,000 m³. With markets continuing to improve ever so gradually we are hoping to increase annual harvest

We are hoping to increase our production from less than 50,000 cubic metres annually to around 100,000 m³ when the recovery is complete

John Mohammed, A&A Trading

levels to around 90,000 to 100,000 m³.

The current log market conditions overall have been stable. The cedar market has not shown the seasonal upswing in demand that we normally witness in spring or early summer. This is dependent on the US market and so far that market is recovering very slowly. The shingle market is weak due to the number of housing starts in the US this spring being slow. The demand for cedar saw logs has been stable and we do not foresee a fall in prices this summer. There has not been

an oversupply of cedar this season and that has helped to maintain prices. The spruce market is very strong due to the lack of supply from Alaska this season and last season. Japan is counting on B.C. spruce for this year.

The hemlock market is very poor domestically but the export market for Japan, Korea and China has improved. A significant factor for this was less production out of Europe this winter and the Chilean earthquake. Chile is a large supplier of Radiata pine logs and lumber to these countries and the earthquake shut down their forest industry for the next while. This has also been favourable for the pulp market. The price of northern bleached softwood pulp is up \$US179/ton from the beginning of the year. This has been supply driven and mainly due to the production downtime in Chile due to the earthquake. This has not been reflected in pulp log prices. Although we feel pulp log prices will hit \$45/m³ plus this summer. The China demand has been increasing as we successfully gain market share from Russia. The cost structure for mid coast logs still does not match the average selling price but the gap is narrowing. The economy in Korea is healthy and their GDP for this year should be 6%, China 10% and



Japan 2.7%. Japan is still in a long recovery mode so housing starts in this country will not improve much over last year, less than 10%.

This season we are seeing prices increase or holding due to supply driven shortages. We will not see a true increase demand i.e. increased housing starts driving demand, until 2011. We are still in the storm from last year but we are sailing smarter.



Small barge protects cedar utility pole and house logs during transport to market

We are still in the storm of poor markets over the past few years but we are now sailing smarter

John Mohammed
A&A Trading

New Developments Coming for Heiltsuk Fuel Business

Mike Wilson has been in the fuel business for many years starting as the fuel coordinator for Waglisla Air at the Bella Bella airport and for the past five years as Manager of the Heiltsuk fuel business, now called Lama Pass Fuel Ltd.



Mike Wilson
Lama Pass Fuel Manager

This is one of the new HEDC companies. It's a big business and responsibility handling more than 1 ½ million litres of furnace, diesel, gasoline and stove oil each year worth more than \$1.8 million. Profit margins are very tight at less than 2% of sales. At that level even minor problems can be the difference between profit and loss. There's nothing more basic than the energy required to heat local homes, and diesel and gas for boats and vehicles. It's what keeps the community in business. And there are many changes coming in this business.

A new fuel facility at the government dock is in the final design and planning stages for implementation later this year. Plans include toilet facilities as well as a small convenience store and upgrading of all the business systems with greater focus on customer service, safety and convenience.

"We need to make it more convenient for our customers to fuel up both their boats and vehicles and we are going to do that" said Mike in a recent interview. Safety is also a key concern

We are planning many improvements for our customers including a new facility and better customer service

Mike Wilson, Manager Lama Pass Fuel

when fuel and environmental protection issues are at stake. Federal regulations regarding fuel management are getting tougher all the time and Heiltsuk must comply with the new regulations by changing the way the fuel business is operated and being more diligent about complying with regulations.

Mike was trained at the Shell Aerocentre at the Vancouver Airport on basic fuel management many years ago and the 10 years he spent with BC Ferries at McLaughlin Bay also helped his education in this specialty. "We have been training our 3 staff in oil spill prevention and things like WHIMIS that relate to handling special and toxic materials in a safe manner" Staff employed by Lama Pass include Mike as Manager, Kim Gladstone and Mel Wilson, the two fuel truck drivers and a part time fuel station attendants Louisa Hill and Marina Shearing. Mike was born in Campbell River and grew up in Vancouver and Bella Bella. He spent 2 years working for the Heiltsuk salmon enhancement program and three years with BC Packers and was a heavy duty equipment operator in town. He helped to clear a lot of land in Bella Bella for housing lots and build the airport. He also had a stint running the Timberline Air office at the airport.

Some of the big challenges for the fuel company are dealing with all the organisational changes and higher expectations for improving fuel delivery in the community. Every aspect is being looked at.



Bella Bella government dock and Lama Pass Fuel station

Chris Hild of the MITAC program is working with Mike on some of these issues. Currently fuel is purchased on a wholesale basis from North Arm Transportation but other options are always being assessed including rental of the excess fuel storage capacity that Lama Pass has currently. "I like the challenge of working with our new boss Jim Richardson and all the new ideas for improving services to our customers."

Lama Pass Fuel
Phone: (250) 957-2440
Fax: (250) 957-2622



PCA Looking Forward to Future with Bella Bella

Quentin Smith is Pacific Coastal Airline's president and he is bullish on the regional airlines future. "We have developed from a mostly float plane operation providing service to a few coastal communities in 1987 to a major regional airline serving the coast and interior employing almost 300 people on 13 bases with a fleet of 23 aircraft. Because we are a family owned operation we can respond fairly quickly to new opportunities and developments". There is a long list

We focus on things we can control such as competitors and customer service

Quentin Smith,
PCA President

of failed small BC airlines that never made it but PCA is the exception. "Our strategy is to focus on the customer, their needs and expectations" says Quentin in a recent interview. 2009 was a "lousy year for us, but other than through the Olympic period, we have seen steady improvement since last fall" he noted. In spite of the challenging economic times PCA is a survivor facing all the uncertainties of the airline business head on. "There are many issues and costs we face that are out of our control-fuel pricing, the recent wild ride of the US\$ which is the basis for most of PCA's parts and engine purchasing, fees and taxes imposed by airports and government

and a continuing increase in administrative burden by the many regulators affecting airlines. We focus on the things we can control and our competitors such as Air Canada, Jazz and Central Mountain Air."

PCA sees community relations as critical to its success especially in markets where they are the only airline serving the community. "For example we want to work closely with Bella Bella to address improvements needed to the airport such as a new terminal, extended runway and other issues." Mr. Smith sees major benefits in partnering and cooperating to source senior government funding for new developments. "I am not a big fan of Airport Improvement Fees as they tend to focus the burden of new



PCA SAAB 340A at Bella Coola airport

investment on the travelling public rather than the larger community which benefits. I guess a balance is needed to find funding through various sources to improve facilities. We'd like to work with HEDC to upgrade Bella Bella". Pacific Coastal provides two scheduled flights to the

community from Vancouver daily through the summer months and one flight year round, all via Port Hardy. Bella Bella is an important hub for travellers to and from Klemtu and Ocean Falls. "We don't plan any big changes to our current operations into Bella Bella which has seen service and aircraft improvements transform from float planes to the larger Shorts S360 and SAAB 340A based on ever increasing passenger loads. We currently fly more than 5000 people annually out of Bella Bella. There is an expectation from our customers of a relatively low fare model and to do that we need to focus on load factors in excess of 50%. We are planning some new marketing strategies to address that ". How will the new HST affect customers and PCA? Quentin said "we have never remitted to government a lot of Provincial Sales Tax in the past. Now all passenger fares will have 7% added for a 12% HST for all flights on and after July 1 this year. This is one of those cost increases for our customers that is beyond our control"

The charter business represents about 15% of PCA operations. In the past PCA provided charters for many of the

lodges and recreational fisheries operations out of Bella Bella but "we found the wheel based charters are very competitive and the large amount of capital required for the 2 month operating season detracted from our scheduled services and put



PCA has hundreds of employees serving 13 communities in BC

extra stress on responding to the charter business.

We still do some but it is not a major focus anymore" remarked Quentin. Safely and efficiently operating an airline is much more complex than most people recognize or acknowledge. "Pacific Coastal is sensitive to the fact that for many communities we are the only airline. Since deregulation of the domestic sector in the 1980's there is no overall protection from competition and Transport Canada maintains strict standards and requirements for us to operate wherever we fly."

Kitasoo Development Corporation Creating Employment and New Opportunities in Klemtu

Klemtu is the closest First Nations community to Bella Bella and home to 400 Kitasoo/Xaixais people. Another 100 live off reserve. There are also lots of family ties and connections to Bella Bella including employment of Heiltsuk. The Kitasoo set up a development corporation around the same time the Heiltsuk established HEDC. "It's taken a long time to get the Kitasoo Development Corp. up and running and we still have to get our governance settled – Good governance is absolutely key to success in business for us" says Ben Robinson, Chairman of the Kitasoo Development Corp. and its current CEO. The governance model for the Kitasoo Development Corp is very similar to HEDC and was developed with the assistance of MNP

We believe good governance is absolutely key to the success of our development corporation
Ben Robinson,
KEDC CEO

who also designed the HEDC structure. "We have two trusts – the Bare and Reversionary- and a board of directors. Our board includes outside experts in forestry and fisheries as well as community representatives with solid business background. It's important to have business experts helping guide our

business interests" noted Mr. Robinson.

"Our basic philosophy has been to develop gradually, starting small and funding development through past successes and profits. This has en-



Klemtu's new Spirit Bear Lodge

abled us to develop the skills required as we go and avoid large debt load and associated funding costs."

Kitasoo Development Corp owns many businesses, the largest of which is Kitasoo Seafood Ltd, employing over 50 people producing salmon for the U.S. market. Other businesses include a forestry company, a tourism enterprise and the Spirit Bear Lodge Ltd. There is also the Kitasoo Aquafarm Ltd which hold various tenures and licenses and the Band Store and First Nations Fuel Ltd. In all, the 7 current businesses employ almost ¼ of the community and new developments are underway that will create even more jobs in Klemtu. New construction is underway to accommodate

the sea cucumber fishery to meet the CFIA requirement for processing plants. Like all isolated coastal communities shipping product is a big challenge. Right now we ship our salmon on ice in refrigerated containers three times a week by barge via Kitamat. The new ferry terminal is going to make a huge difference for our farm business and the sea cucumbers. We will be able to ship 53 foot refrigerated containers by BC Ferries weekly and get our production to the market quicker—that's key for the fresh market we supply which can take all we produce -more than 12 million pounds annually" said Mr. Robinson. The Kitasoo hold several forest tenures which haven't been viable or operating for



Klemtu Community
Doug Neasloss photo

some time now due to the poor world markets for forest products. "We are hoping for some recovery soon to create more jobs for us in that sector. We work with skilled partners in most of our businesses such as Marine Harvest and Capacity Forest Management" noted Ben. But thinking about a

sustainable future focussed less on extracting resources and more on knowledge or producing things is a long term goal. "Our community has been doing the same things that our fathers and grandfathers have

Our seven businesses employ almost a quarter of all the people in Klemtu
Ben Robinson
KEDC CEO

done-harvesting and selling natural resources. We have fishing licences and other resource licences but those don't produce the wealth they did in the past. We have to engage into ventures that are not so volatile like commodities that can provide stable income and employment for our people. We have good water, good workers, good hydro and a good track record in working with suppliers and processors. The opportunities are bright for new developments but it won't be easy. " He noted "we are transitioning to a younger leadership by developing their skills and abilities to keep our community in the forefront of economic development."

KEDC Working to Improve Community

“Human resources are essential and we always find it challenging to reward our employees and workers adequately with benefits like secure pensions and good salaries. A long term objective is to increase benefits for everyone from successful business ventures. ”

“The Kitsoo and Heiltsuk work together at Turning Point and some other initiatives but there have not been a lot of discussion or joint developments at the regional and local level. Maybe the two development corporations can learn from each other and work together on mutually beneficial projects” said Mr. Robinson. Ben concluded “the long term goal of our development corporation is to improve all aspects of our community”.

Ben Robinson was born in Prince Rupert and spent his early years in Klemtu with education in Alert Bay and Penticton. Like many people from Klemtu he worked for JH Todd & Sons Ltd. which had a seafood processing plant in the community and he also fished commercially for thirty plus years.

Cecil Reid and Wilfred Humchitt Sr. Join HEDC Board



Cecil Reid, Director HEDC

The Bare Trustees have made several appointments to the HEDC board to fill two vacancies due to the retirement of Bill Dumont and Allan Edzerza. They were welcomed at the June Board Meeting.

Cecil Reid, the longest serving Chief Councillor of HTC for more than 22 years, was born in Namu on July 2 in 1930 where his parents worked for the cannery. At age 5 he was sent to residential school in Alert Bay until he was 16, coming home each summer to fish and enjoy his family and friends. He then moved to Langley where he finished high school. “It was a bit intimidating to see so few natives there but we got together and formed a soccer team which beat the pants off all the other teams in the Fraser Valley” Cecil remarked in a recent interview.

“I then went to UBC where I graduated with a BA and took teacher training. During the summers I worked in Ocean Falls at the mill and at Koeye River breaking limestone rock for use in pulp bleaching at the mill to earn money for my education. I swung a 16 lb sledgehammer smashing the rock and developed huge arm muscles as a result!”

After graduation Cecil taught English and social studies for 8 years in Langley where he had gone to high school. He then continued work on his education and obtained his Masters in Education from UBC, one of the first natives to obtain a Masters degree. He then taught at Burnaby North high school for a number of years. Due to changes in DFO policy on fishing licences he returned to Bella Bella in 1968 to become a commercial fisherman and get married. He had been learning the trade since he was 14. He fished with salmon and halibut licenses for more than 30 years and is well-versed in most aspects of fishing.

Cecil also began many decades of contributing to his community by getting involved and elected to Council in 1969. During his term as Chief he oversaw the con

struction of more than 280 new homes in the community.”It was brutal work organising such a huge development to replace almost all the housing in the community,” noted Cecil. At the same time he and his wife Alida raised three children. Even after serving as Chief for so many years he spent 7 years as a councillor working on many land use issues affecting the Heiltsuk traditional territory. Cecil has faced some health challenges in the past few years and is looking forward to being involved again and on the HEDC board. “It ‘s good to see the Development corporation up and running. The fisheries collapse and the tragedy of dire financial straights for many people in Bella Bella have to be addressed through new jobs and income for the Heiltsuk. Maybe a new fishery might help rejuvenate our fish plant and get people working again. We have to look at any viable opportunity”.

Cecil and Alida also enjoy travelling to see their 7 grand children and in Surrey and Kere-meos.

Community Leaders Appointed to HEDC Board

Key Questions Continued
From page 3

Wilfred Humchitt Sr. was born in Bella Bella at the local hospital and lived at home until age 10 when he went to the St. Michael's residential school in Alert Bay for two years. He came home to attend grades 5 to 8 in Bella Bella.



Wilfred Humchitt Sr.
Director HEDC

He then several years in Port Alberni and finished his high school and grade 13 studies in Langley. Wilfred's dad was a commercial fisherman and skipper of a seine boat, troller and finally a gillnetter. He retired in 1956 from fishing to work as the school caretaker. "We used to head for Namu each summer where my mom worked in the cannery and my dad fished. We had a great time and there was always lots of work. I got my first job at 15 in the cannery-we loved the sports and competition there" he said.

Wilfred took over the Ellen H and Jennifer Gail and fished until 1965. During this period he married Vivian from Kispiox and together they raised 5 children. Steady work came available in Ocean Falls and the family moved to the town for the next 15 years or so with some breaks for Wilfred to obtain a diploma in pulp and paper technology from BCIT in Burnaby.

With his diploma Wilfred was promoted to various supervisory and technical positions at the Ocean Falls Mill. "Due to layoffs for poor markets I even spent some time at the new pulpmill in McKenzie-but it was a terribly cold winter and we were glad to get back to the coast" said Wilfred.

When the Ocean Falls mill shutdown in the early 1980's Wilfred and family moved to Powell River and worked at the MacMillan Bloedel pulpmill there for five years. He upgraded his skills by obtaining his 4th Class steam ticket and worked in the power and steam department.

"We returned home to Bella Bella in 1985 and I worked for the school for 6 months and then got hired as Band Manager for HTC. I retired in 2004 after a long career with Council. Our biggest achievements were getting the fish plant up and

running, improving the local roads and a new water system. At one time the water was so acidic and brown you could hardly drink or bathe in it" noted Wilfred.

"I am looking forward to being on the HEDC board and looking for new opportunities for employment and income. It's been tough in Bella Bella and hopefully forestry and some new fishing opportunities will get going again

Things have been tough for many people in Bella Bella and we have to find new opportunities to increase local employment

Wilfred Humchitt
Director HEDC

"he said. "We now have 13 grandchildren and 1 great grandchild that keep us busy and happy. We have also raised two of our teen-aged grandchildren and that's been fun and challenging" said Wilfred. "This new appointment to HEDC will get me back into many things again. Over the past few years Wilfred has helped the forestry company with their administration."

What price will your customers pay? Why will people pay twice as much for Clorox as they will for generic bleach? Who knows, but nailing the upper limits of what customers will pay, be it for an iPhone or a bottle of bleach, is one of the biggest levers in any business model. Consultants get paid handsomely to help companies arrive at the right price.

How much power do your suppliers have? The fewer number of suppliers, the more sway they have. A knotty-pine grandfather-clock business may sound great, but what if there's only one source of knotty pine? Answer: You're going to pay. On the flipside, beware getting hooked on hungry, low-cost providers who don't keep an eye on quality.

How should you sell your product? Dell Computer bypassed retailers and sold directly to customers, with limited tech support. General Motors and Coca Cola rely on distributors to move their cars and cans. Clothing companies like Ralph Lauren work both internal and external channels. And Apple keeps adding more of its own airy and fashionable outposts, complete with live product tutorials and throngs of geeky customer-service agents. Whatever sales method you choose, make sure it aligns with your overall business strategy.



Continued on page 12

Coast Opportunity Funds Looking Forward to a Busy 2010

The Coast Opportunity Funds (COF) is an important partner for HEDC and has supplied funding for many critical projects. We recently interviewed one of its two CEOs Dave Mannix. Detailed information on COF is available on their website including their 2009 Annual Report – www.coastfunds.ca

In 2007 the Coast Opportunity Funds trusts were established to partner with more than 25 coastal First Nations to develop successful applications that fund sound, high quality projects. The trusts were initially supported by BC, Canada and international conservation organisations. Together the trusts manage almost \$120 million, half of which is committed for economic development for First Nations communities and businesses over the next seven years and the balance in a permanent endowment fund to support conservation science, resource planning, capacity development and related conservation management.

A basic premise of COF was to address challenges to economic development and conservation management that arose out of the land use planning process in the Central and North Coast and Haida Gwaii over the past decade.

“2009 was a transition year for us moving COF from the startup phase to the last stages of becoming fully operational. We dealt with some governance issues and re-organised to make our management process a little clearer” noted Dave Mannix, who is a member of the Snuneymuxw First Nation, had his own forestry company and managed economic development for thirteen years with Snuneymuxw.

COF is run by a board of Directors who provide a small staff with strategic direction and oversight.

The Heiltsuk have been represented by Cameron Brown. The Board is chaired by Don Wright, the current president of BCIT. Dave outlined some of COF priorities for 2010:

- *To continue important capacity development work with partners*
- *To investigate and develop proposals for land based aquaculture*
- *To assist with implementation of Ecosystem based management*
- *To work on the new BC First Nations forestry tenures*

To date COF has supported issued awards of almost \$10 million to partners including \$2.2 million from the Conservation funds and \$7.7 million from the economic development funds. Approved projects range from regional initiatives such as the shellfish aquaculture project to assisting with negotiations to acquire new forestry tenures and stewardship/resource management. About half of the funding for awarded projects has been distributed. HEDC projects include shellfish and strategic planning. HTC projects include negotiations with BC for new forestry tenures and support for the Integrated Resource Management department.

Dave noted “we have several allocation models for the funding to various First Nations and we are committed to clarity about those models”. Jim Richardson CEO said “COF is a critical partner for HEDC, particularly with getting the company established and an operating entity. COF was one of our early supporters and we look

forward to continuing to work with them and deliver concrete results with their support”

Key Questions Continued....

How should you market your product? Getting the word out about your company — without going broke — is no mean feat. In the mid 1990s, America Online spent so much money flooding the planet with free trial software that it tried to mask the bleeding by capitalizing those expenses on its balance sheet. (Regulators later nixed that accounting treatment, wiping out millions in accounting profits.)

How much cash do you need to survive the early years? For those who slept through the previous section: Again, mind your cash. Plenty of entrepreneurs boast hockey-stick-shaped financial projections but turn out their pockets before the good times have a chance to kick in. (Remember all those busted dot-com companies from the tech boom?) Hold back on the Aeron chairs and mongo Mac computers until more cash is flowing in than out — and then add plenty of extra cushion.

What is your end-game? Looking to flip your business to the first guerrilla that comes along? MySpace did, Facebook hasn't. Different end-games require different strategies. Always be mindful of yours. Not sure whether you want to build the next great empire or just make a decent buck?

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