

# COULSON GROUP OF COMPANIES

## LOG TALK

VOLUME 10-154

APRIL 2010

As we continue to discuss business with foreign customers and partners, we clearly see that the world financial distress is far from over.

We have bid contracts in Greece for firefighting with the S-61s and are having daily status reports with our partners about their current situation and sadly the fact that they have been experiencing rioting and deaths in the streets based on the "mandated" financial cuts by government.

It is becoming clearer every day that countries belonging to the European Union are in a deep financial crisis and no one seems to know where this is going to lead.

Out of all the industrialized countries in the world, we see Canada as being the most stable primarily because it has a very good banking system and the lenders are much more advanced in the financial due diligence process they go through in order to lend money to clients.

The US housing market continues to struggle as there is another round of houses being turned back to the banks causing continued unrest in the housing marketplace.

Over the past several decades the second quarter has traditionally seen an upswing in cedar log prices followed by a brisk lumber market for cedar products, and this year so far the upswing has not materialized.

Most lumber manufacturers are operating at 50% of capacity or less and we are in the best market we will see this year, so unfortunately there will be further overall curtailments as the year deepens.

We continue to monitor both the controllable and uncontrollable variables that surround us daily and continue to put all our focus and efforts into finding solutions for our Group of Companies.

Wayne

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# Corporate News

By Susan Merivirta, Chief Financial Officer

The Deloitte auditors have finished most of their field work and we should be able to leave Year 2009 behind us shortly and concentrate on the opportunities being presented to us in 2010. While 2010 is proving to be challenging, we continue to keep positive and put our time, effort and energies into positioning the Companies for change.

I thought that the following article was insightful and wanted to share it with our readers.

## Reprogram your vending machine:

Think about a vending machine that dispenses candy and snacks. You insert your money, input the displayed product code, and the machine dispenses your treat. If you selected a chocolate bar, then you'd expect that chocolate bar, and if you selected a bag of potato chips, then you'd expect that bag of potato chips. And normally, because the vending machine has been programmed to deliver a product according to the code you input, that's exactly what happens. But what if a vending machine manufacturer accessed the inner workings of that vending machine overnight and reprogrammed it so that the code and product selections were all mixed up? Now keying in a specific code for a chocolate bar results in a roll of breath mints, and inputting the code for a bag of potato chips results in a package of cookies! What would happen in such a scenario? If you're like most people, your first reaction would be to question whether you made an error typing in the required code. You might even be fearless enough to try it again! When you realize that the machine is not operating as expected, you may well get angry. But sooner or later, you'd come to the inevitable conclusion that pushing these buttons just will not get you the result you want, and therefore you'd walk away and either not use the invalid code again, or perhaps even never use that vending machine again.

Now imagine for a moment that you are this vending machine. Over time, the people around you have come to understand your programming; they know that when they push certain buttons, they get specific outcomes, and some of them have probably used this information to their advantage. Some of them may have even used it to drive you crazy! What if you were to reprogram *your* vending machine? What would happen if you drastically changed your response to a common situation? Well, first, you would likely surprise the other people involved, so much so, that they might even be willing to try it again. At some point, it may annoy the other person because he is not getting the reaction he expected. But eventually, just like you would stop using the invalid code on a vending machine, these people would stop pushing your buttons; because they now know that it does not result in the outcome that they expect. A notion worth considering!

*Merge Gupta-Sunderji turns managers into leaders. Through engaging keynotes and facilitated workshops, she gives people specific and practical tools to achieve leadership and communication success. Contact her at [www.mergespeaks.com](http://www.mergespeaks.com) or 403-605-4756.*

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# Operations

By Jim Messer, Chief Operating Officer

## SAFETY

Most of us either drive rural roads to and from work everyday, or use these roads on week-ends. As our spring weather *slowly* arrives, the abundance of wildlife is noticeable. Deer-vehicle crashes continue to be a major concern for motorists. The majority of deer-vehicle collisions occur during the months of October and November when deer are most active during the breeding phase. However, many collisions also occur during spring fawning, when yearling deer are seeking out new home ranges. Regardless of the time of year, motorists should be aware of the potential for deer to cross roads at anytime. Taking proper precautions like driving slow during evening and night time hours and scanning roadsides for deer can prevent many of these accidents from occurring.

## CML

Coulson Manufacturing is currently on a small (2000 M3) cedar cut for internal customers. The key focus and measurables for this cut are:

- Simplified order file
- High volume over timber deck for reduced costs
- Pre selling bulk of the cut items
- Focusing on only producing what is either pre sold or will compliment existing inventory to make shippable volumes.

We will be evaluating our costs and inventory at the conclusion of this cut and will use this information to evaluate any future possibilities.

## AIRCRANE

Two helicopters remain slated for Greek contracts, **C-FMAY** is currently on a vessel to Hamburg, and **C-GBSF** undergoes conversion to a firefighter including heavier hard points, tank installation and utility interior. We are hopeful to hear on these contracts this first week of May.

**C-FXEC** will remain servicing Exxon offshore of Melbourne, Australia. The drilling work she has been servicing has had some good results which has turned into some contract extensions. News on “Gippsland Drilling” can be found at <http://www.businessweek.com/news/2010-04-21/exxon-studies-oil-find-in-australian-venture-with-bhp-update1-.html>

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## Airplane Con't

**C-FCLM** has now arrived in Jalalabad, Afghanistan. John Currie, Jim Tarnowski and Harry Schlientz did a great job of working their way across 9 countries. Routing map below.



## COULSON FLYING TANKERS

Our Cessna amphibious **C-FHWI** has been sold and will be delivered to Ontario by Pete Killin and the new owner this week.

**Hawaii Mars** winter maintenance continues. NDT was completed last week while engine and airframe inspection work continues. We met with the Province of BC last week and worked on a possible framework for inclusion in the provincial program this summer.

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# Log Harvesting

By Gary Collinge, Manager

Coulson Forest Products is currently on its final 100,000m3 of logging in TFL54. To be in our highest cost area with a very tight market and its current mediocre condition requires careful planning and a review of all budgets. We have a large road component in our remaining areas, and roads will set more of our logging schedule than I like, so we are working hard at reducing road meters.

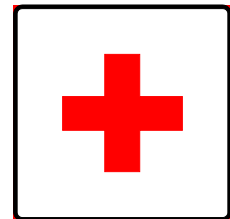
The mill sort yard is working to maximize value return to the log in a highly selective market. As with all things getting our sorts right for existing customers is a fleeting thing. Producers try to give the customer what they ask for but sometimes miss the mark. Good luck.

I have been walking all our prospective blocks looking for the best way to maximize volume and value. We have some very nice cedar ahead but we will have to patient until the road is built.

The final TFL54 block is Matlisset, heavier to hemlock. It will be a challenge to make it work with today's market.



## Safety Stats



CURRENT 20 Feb – 24 Apr 2010				YTD 2010			Accident Free Days
DIVISION	WORKERS	MED	LTA	MED	LTA	2010	
CML	37	0	0	01	0	01	285
CSL	16	0	0	0	0	0	725
HMP	03	0	0	0	0	0	1390
MILLWORKS	0	0	0	0	0	0	996
AIRCRAVE	15	01	0	01	0	01	828
CFT	06	0	0	0	0	0	291
RIMROCK	43	0	0	0	0	0	321
CFP – OFF	19	0	0	0	0	0	5327
CFP – HELI	0	0	0	0	0	0	616
CFP-CONV	02	0	0	0	0	0	750
KLITSA	01	0	0	0	0	0	254
<b>TOTAL</b>	<b>142</b>	<b>01</b>	<b>0</b>	<b>02</b>	<b>0</b>	<b>02</b>	

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# Forestry & Engineering

By Ken Matthews, Manager

Coulson has recently received approval for our last road building application in TFL 54. Our final cutting permit application has been submitted to the Ministry of Forests and is expected to be approved shortly.

Through April, logging and road building crews have been receiving a training update on our Forest Fire Prevention Program and individual and corporate responsibilities pertaining to reporting and suppressing forest fires. Although our season is still wet and cool, the situation in the forest, especially in logging slash, can change quickly relative to fire spread. Anyone who feels they have been left out of the training updates or who remains unsure of what to do in the case of coming across an uncontrolled forest fire should talk to their supervisor or contact Gary or Ken to ensure their training is updated.

This is also a time when everyone should be checking the machinery, including pick up trucks, and worksites to ensure that they have the correct number and types of fire fighting tools. Ensuring these tools are on site and in usable condition is a key responsibility of individual workers. In the case of a fire, if adequate tools are not on site, Coulson could face severe penalties and be responsible for the costs of controlling the fire for not having shown due diligence by having the correct tools on site.

This year, we are operating on the basis of a reduced harvest and staffing level. If a fire is noticed, the key contact for the Coulson Group of Companies will be the duty officer. The duty officer can be reached at **250 731 7966**. **The Coulson Group duty officer will provide advice for action on any fire and will notify the correct people in the Ministry of Forests and Range and executive staff in the Coulson Group.** In the event the duty officer is not available, it is critical to advise your local supervisor and or Coulson headquarters of the issue by phone or radio as soon as possible.

Normally the duty officer will be Gary Collinge, Ken Matthews, Zolie Schafer, Ron Sorensen or Paul Pashnik.



## **Reporting of Uncontrolled Forest Fires**

**The Coulson Group of Companies will maintain a fire duty officer for the period from April to October 2010.**

**Any Coulson Group employee or contractor who observes uncontrolled wildfire in the forest must notify the Coulson Group fire duty officer or their supervisor immediately. The duty officer will provide advice on required action and will notify government agencies and Coulson executive.**

**Duty Officer Number: 250 731 7966**

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# Environmental Management News

By Paul Pashnik, EMS Manager

## ISO 14001 Environmental Certification

### 1. Coulson Group ISO 14001 Environmental Management System Audits

**The Aviation Annual EMS Surveillance Audit** was conducted on March 29 and 30 and I'm pleased to advise that the audit report stated that both Coulson Air crane Ltd. and Coulson Flying Tankers operations are in conformance with the ISO14001 Standard. A big thanks goes to Wayne Darlington, Jason Beaton, Paul Ryan, Roy Copeland and all staff for ensuring that all operations are conducted to a high environmental standard and in compliance with regulations.

**Timberlands ISO14001 EMS RE-Registration audit** was conducted over a 3 day period - April 21 to 23. I'm pleased to advise that upon completion of the audit, the QMI Auditor advised CFP Management that Timberland operations passed the audit and that the Coulson Group of Companies' Timberland operations would be recommended for re-registration. QMI will be issuing a new ISO14001 registration certificate by the end of May. I would like to thank Gary Collinge, Ken Matthews, Zolie Schafer, Mayco Noel, all CFP employees and contractors for having all phases of the operation in compliance. A job well done!

**Next year's tentative Audit Schedule is set out in the table below:**

<b>Certified Operation</b>	<b>Internal Audit</b>	<b>SAI Global Ext. Audit</b>
<b>Manufacturing Division</b>	<b>December 15, 2010</b>	<b>January 2011</b>
<b>Aviation Division</b>	<b>February, 15, 2011</b>	<b>March 2011</b>
<b>Timberlands Division</b>	<b>April 15, 2011</b>	<b>May 2011</b>

### 2. 2010 Fire Season

It is hard to believe that we are in the second month of fire season. The fire act and regulations was amended a few years ago and set the Fire Season as March 1 to October 31 each year. Although we have had a very wet spring, it won't take many days of dry weather to raise the fire danger to a level where fires could easily start. The Tofino Airport weather station weather readings and Fire Danger calculations will govern our road building and logging operations at Kennedy Lake and Rankin Cove. Ron Sorensen conducted basic fire suppression refresher training during mid April for all crews at Rankin Cove. Emergency fire tools, pumps and water tank trucks are on site at CFP road construction and logging operations at Kennedy Lake and Rankin Cove. The Kennedy road crew will be receiving fire suppression training in the next few weeks. Remember the summer could be hot and dry, make sure there are no lunch fires. Ensure that the CFP Fire Prevention SOP and Fire Prevention regulations are complied with.

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### 3. Toquaht First Nation Totem Poles

Last week I was in Ucluelet attending a meeting with Chief Bert Mack on forestry matters and had an opportunity to visit the carving of totem poles that Chief Mack plans to erect at the entrance to the Macoah Village near Toquart Bay. The following pictures were taken of the totem pole carving that is in progress behind the Toquaht First Nation's Office in Ucluelet. As reported in the January issue of LognTalk, CFP logging crews assisted the Toquaht First Nation in falling and hauling the cedar logs from Lucky Creek to the Toquaht First Nation's totem pole carving site.



**Above is Chief Mack inspecting a large 9 metre Totem Pole. The pole will be erected at the Macoah Village at the mouth of the Maggie River near Toquart Bay. The totem pole is approximately 90% Complete**



**Welcome Lady – Totem Pole to be erected at entrance to the Macoah Village near Toquart Bay**

# Manufacturing

By John Kuch, Manager

## Safety: expect the unexpected



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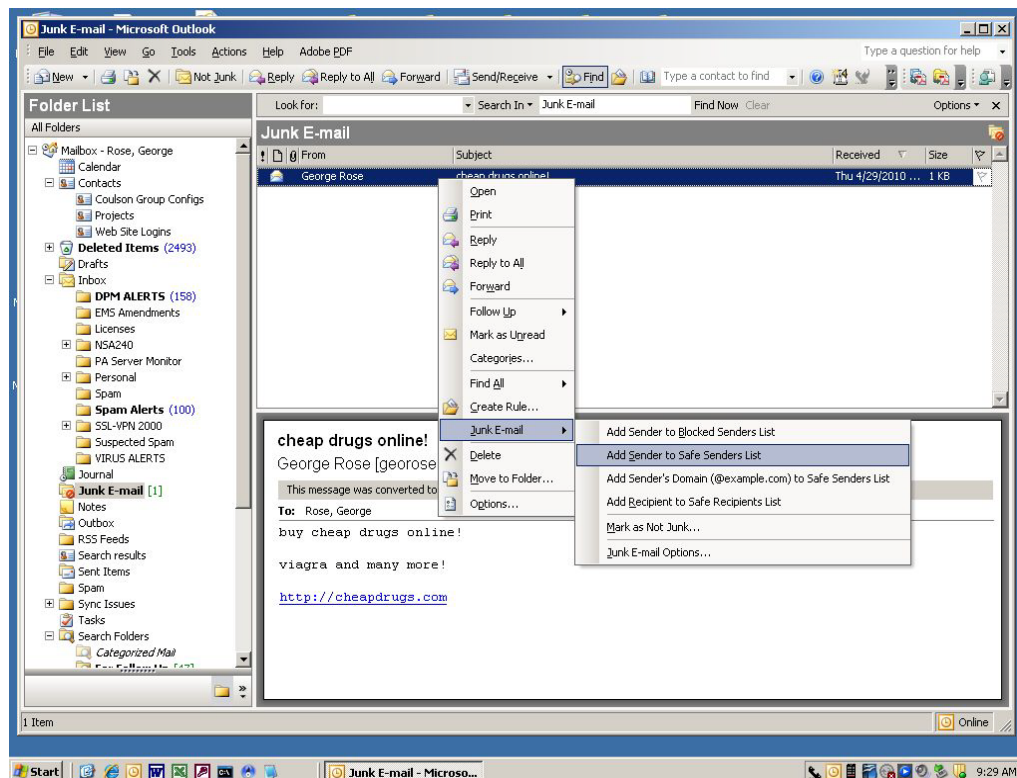
# Information Systems

By George Rose

## Instruction for blocking or allowing emails

As most of you are aware our anti-spam software is integrated with Microsoft Outlook and any emails that are thought to be spam are delivered to your Junk E-mail folder. Unfortunately you will occasionally get valid emails in your Junk E-mail folder and can also still get spam that slips through the filters and goes straight to your inbox.

If you get a legitimate email in your Junk E-mail folder you can *white list* that person by adding their email address to your Safe Senders list. Simply right click the email, go to Junk E-mail and click on Add Sender to Safe Senders List. Any email from that email address will now always go directly to your inbox. You can also add the sender's whole domain so that anyone at that company is *white listed*. This is very useful when you are regularly receiving email from multiple people in a certain company. Be careful using that option however, you do not want to *white list* @hotmail.com or @gmail.com for example as those types of domains are used by millions of people, not just the ones from a certain company. If a company has its own email domain it will usually include all or part of the company's name, i.e. @coulsongroup.com. If you are unsure send me the email address and I will let you know if it is safe to do so.



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On the other side of the coin, if you are getting spam or unwanted emails in your inbox, using the same process you can add the sender to your Blocked Sender List. Unfortunately this does not block emails completely from that address; they just always go to the Junk E-mail folder.

If you are constantly getting emails from the same address and forward one of them to me and I will investigate. I have the ability to blacklist email addresses, but it will block that address for all users, which may or may not be acceptable. I am currently working on a system to block emails for individual users.

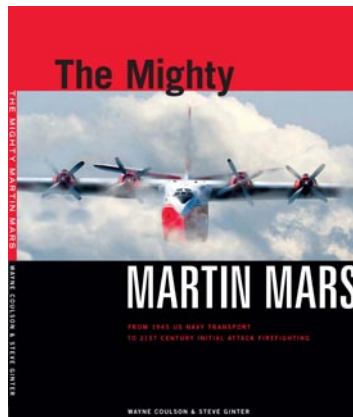
A special note for you Blackberry users: By default email delivered to your Junk E-mail folder is not redirected to your Blackberry. If you are afraid of missing an email that is mistakenly flagged as spam and sent to your Junk E-mail folder, perform the following procedure on your Blackberry:

Open the "Messages" folder, press the menu button and select "Options". From "Options" go to "Email Settings" and then press the menu button again and select "Folder Redirection". Scroll down to your mailbox, press the menu button and select "Expand". From the list that appears tick the Junk E-mail folder.

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Available at Coulson Group Head Office, 4890 Cherry Creek Road, Port Alberni the newly published "The Mighty Martin Mars" (\$22. including taxes) and the new Children's book "Martin Mars" (\$25. including taxes)

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# Happy May Birthday!!

## AIRCRAANE

Steve Kendall 05  
Harold Schlien 11  
Wayne Darlington 16

## CFP

Clint Jackson 02  
Brenda Gauthier 25  
Suzan Coulson 27

Lloyd Billy 08  
George Willie 20

## RIMROCK

Crystal Rossignol 03  
Sherry Bellas 12  
Amanda Deederly 25

## MILL

Jim Plaunt 02  
Scott Antonichuk 03  
Jim Silver 06



*Be Alert, Accidents Hurt!!*

SUN	MON	TUES	WED	THUR	FRI	SAT
						1
2	3	4 Cont'rs Invoices due at office	5	6	7 Payday	8
9 Mother's Day 	10 Cont'rs chqs for pickup after 1:00 pm	11	12	13 Payroll Cutoff	14	15
16	17	18 Cont'rs inv. due at office	19	20	21 Payday	22
23	24 Victoria Day Office closed	25 Cont'rs chqs for pickup after 1:00 pm	26	27 Payroll Cutoff	28	29
30	31 Month end chq. for pickup after 1:00					

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