



# **REPEAT OFFENDER**

Doman's environmental record  
Oct. 1995 - Oct. 1996

**a preliminary report**

# Executive Summary

- In a single year, Doman Industries was charged and penalised 16 times for breaking provincial legislation. Including other noncompliances, Doman failed to comply with the law almost 100 times including:
  - 9 infractions of the Forest Act;
  - 7 infractions of the Forest Practices Code;
  - 80 other noncompliances with the Forest Practices Code
- In 1996, CEO Herb Doman was convicted of insider trading along with a former B.C. Premier, which the BC Securities Commission characterised as “deceit and greed and... conspiracy”
- Doman has been fined over \$330,000 since 1990.
- Western Forest Products failed to comply with fish and forestry guidelines in more than 80% of evaluated areas.
- Western Forest Products has plans to log more pristine valleys in the Great Bear Rainforest than any other company, including critical habitat of the rare Kermode bear.

## Doman Industries profile

Doman and its subsidiaries deal in both lumber and pulp markets domestically and internationally. Doman's subsidiaries include Western Forest Products, Doman Log Supply, Eacom Timber Sales, Western Pulp, and Western Pulp Limited Partnership. Together they are responsible for 17 logging operations, 6 sawmills, 2 pulpmills and 1 value-added plant in British Columbia, Canada's western most province. Sales of Doman forest products totalled \$680 million in 1996.<sup>1</sup>

## Doman's environmental record

*Doman has been fined over \$330,000 since 1990.*

Doman Industries is one of Canada's leading polluters of the decade, racking up over \$330,000 worth of fines since 1990.<sup>2</sup>

According to the Ministry of Forests and Ministry of Environment, in the one year period between October 1995 - October 1996, Doman/Western Forest Products was charged and penalised 16 times for breaking provincial legislation. Including other noncompliances, Doman failed to comply with the law almost 100 times.<sup>2</sup>

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### Noncompliance with provincial law, Oct 95 - Oct 96

Provincial Law	Number of noncompliances
Forest Act	9
Forest Practices Code	7
Forest Practices Code, other noncompliances	80 (approx)
Total noncompliances:	96

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#### Data collection methodology

All legal data supplied in this report was obtained through the Freedom of Information and Protection of Privacy Act, and originates directly from the Ministry of Forests and the Ministry of Environment, Lands and Parks.

This is a preliminary report and it is expected that there are many more violations both during this one year period, as well as after October 1996.

## Logging of pristine valleys

Doman's subsidiary Western Forest Products (WFP) is among the largest destroyers of Canada's endangered Great Bear Rainforest. In 1996, WFP clearcut approximately 2,687,000 cubic metres of old-growth rainforest.<sup>3</sup> According to WFP staff, the company has no program to introduce alternative methods of logging.<sup>4</sup>

Over 75% of the large rainforest valleys in B.C. are classified as "developed" by the Ministry of Forests. Western Forest Products holds tenure rights to more of the remaining pristine valleys than any other company. In 1998 and 1999, they are poised to enter some of the Great Bear Rainforest's most ecologically valuable areas, including critical pristine habitat of the rare Kermode or "Spirit" bear.

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### Pristine rainforest areas on the coast of BC with logging by Doman to begin in the next 2 years.

Upper Stafford River	Yule Lake	Green Inlet/River
Ingram-Mooto/Western Ck	Pollalie Creek	Nekite River
Pooley Island/James Bay	Piper River/Rhind Ck	

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### Pristine rainforest areas on the coast of BC with logging by Doman to begin in 2 - 10 years

Ellerslie Lake	Aaltanhash River	Humpback
Sutslem	Neekas	Carter Lake
Nias	Bloomfield Lake	Arnoup
Canoona	Klekane	Kiltuish
Elizabeth	Phinney/Reeve	Khutze

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*Western Forest Products has plans to log more pristine valleys than any other company.*

## **BC Securities Commission (1996)**

In 1996, Herb Doman was convicted of insider trading along with ex-B.C. Premier William Bennett, in relation to the attempted takeover bid by Louisiana Pacific. The men were ordered to pay \$1 million in court costs and are currently banned from trading on the stock exchange and from directing or being an officer in any publicly traded companies<sup>5,6</sup>. An appeal by Herb Doman is pending, but in the meantime he continues to oversee the destruction of large tracts of intact rainforest and globally important wildlife habitat. The B.C. Securities Commission characterised Herb Doman's act as “deceit and greed and ... conspiracy”<sup>5,6</sup>.

*Herb Doman acted in  
"conceit and greed and...  
conspiracy”*

## **Michael Jantzi Report (1995) and Tripp Report (1994)**

A profile of Doman Industries by Michael Jantzi Research Associates<sup>7</sup> commissioned by the Better Business Bureau of Mainland B.C. reports having concerns about the structure and activities of the company in a number of areas, including its environmental record on pollution and waste management and the criminal record of the company's CEO, Herb Doman.

The government-commissioned Tripp Report<sup>8</sup>, which audited the effectiveness of the B.C. Coastal Fisheries/Forestry Guidelines, found that Western Forest Products failed to comply with fish and forestry guidelines in more than 80% of evaluated areas that lead to reduced stability in 71% of the streams.

## **Waste Management Act (1990-95)**

Doman/Western Forest Products was convicted of violating the Waste Management Act 24 times since 1990. As reflected in the Michael Jantzi report (above), Doman is a well known polluter.

## Waste Management Act, 1990-1995

1-3) 1991

Convicted of THREE COUNTS of introducing business waste, causing pollution, and depositing a deleterious substance  
Fine - \$80,000

4-20) 1991

Convicted of SEVENTEEN COUNTS of failing to abide by the conditions of permits, contravening special waste regulations, and introducing business waste into the environment  
Fine - \$250,000

21) November 22. 1994 Introduction of business waste by conducting industry  
Fine - \$100 Guilty of violating the Waste Management Act, Section 3:1a

22) November 22. 1994 Failure to comply with the terms of permit  
Fine - \$100 Guilty of violating the Waste Management Act, Section 34:5

23) February 7. 1995 Introduction of business waste into the environment  
Fine - \$100 Guilty of violating the Waste Management Act, Section 3:1.1

24) February 7. 1995 Failure to comply with terms of permit  
Fine - \$100 Guilty of violating the Waste Management Act, Section 34:5

## Forest Act

1) October 5. 1995

Retain timber to scale Violation ticket - \$150 Guilty of violating the Forest Act, Section 73:2.2

2) March 15. 1996

Retain timber to scale Violation ticket - \$150 Guilty of violating the Forest Act, Section 73:2.2

3) June 1. 1996

Contract utilization Warning ticket . Guilty of violating the Forest Act

4) June 18. 1996

Contractual obligation Instruction Guilty of violating the Forest Act

5) July 11. 1996

Failure to ensure mark Violation ticket - \$150 Guilty of violating the Forest Act, Section 65:1

6) August 1. 1996

Manufacture/sell/transport/unauthorized Instructions Guilty of violating the Forest Act, Section 73:1

7) August 20. 1996

Failure to ensure mark Violation ticket - \$150 Guilty of violating the Forest Act, Section 65:1

8) September 25. 1996

Retain timber to scale Violation ticket - \$150 Guilty of violating the Forest Act, Section 73:2.2

9) October 23. 1996

Failure to mark timber Violation ticket - \$150 Guilty of violating the Forest Act, Section 65:3

## Forest Practices Code

Only the more serious breaches of the Code are listed below. Approximately 80 additional incidents of noncompliance have been found by Ministry of Forests enforcement staff but are not recorded here.

1) October 26. 1995

Tenure - A116845 Damage to Crown Timber District - Mid Coast Fine - \$1305 Guilty of violating the Forest Practices Code, Section 96:1

2) October 26. 1995

Tenure - A116845 Practices not in specifications District - Mid Coast Fine - \$1305 Guilty of violating the Forest Practices Code, Section 67:1

3) June 12. 1996

Tenure - TFL25 Fire within 1 km District - Mid Coast Violation ticket - \$300 Guilty of violating the Forest Practices Code, Section 76:1

4) June 12. 1996

Tenure - TFL25 Practices not in specifications District - Mid Coast Penalty - Stopwork Order Guilty of violating the Forest Practices Code, Section 67:1

5) June 12. 1996

Tenure - TFL25 Damage to crown timber District - Mid Coast Penalty - \$3 313 Guilty of violating the Forest Practices Code, Section 96:1

6) June 18 1996

Tenure - A19237 Avoidable damage District - Campbell River Stopwork order Guilty of violating the Forest Practices Code, Section 45:3

7) June 18 1996

Tenure - A19237 Avoidable damage District - Campbell River Penalty - \$500 Guilty of violating the Forest Practices Code, Section 45:3

## References

<sup>1</sup> 1996 Annual Report, Doman Industries Limited, Duncan, 1997.

<sup>2</sup> Charges and Penalty Summary for Identified Companies, January 1985 to February 1996. Ministry of Environment, Lands and Parks, Enforcement, Emergencies and Corporate Services, Victoria. 1997; Enforcement Action, Administrative Review and Appeals Tracking System - Ministry of Forests, Compliance & Enforcement Branch, Victoria. 1997

<sup>3</sup> "Rainforest Ravagers", Greenpeace, 1996

<sup>4</sup> pers comm, Doman Industries, Jim Ford, 1997

<sup>5</sup> B.C. Securities Commission, web site: <http://www.bcsc.bc.ca>, August, 1996.

<sup>6</sup> Canadian Corporate News, "B.C. Securities Commission Imposes Orders in Bennett/Doman Matter", August 29, 1996.

<sup>7</sup> Michael Jantzi Research Associates, "Doman Industries Limited Corporate Profile", August 1996

<sup>8</sup> Tripp, D. "The use and effectiveness of the coastal fisheries forestry guidelines in selected forest districts of coastal British Columbia", January, 1994

<sup>9</sup> Forest Practices Code, B.C. Ministry of Forests, 1995

<sup>10</sup> Hagenborg District Ministry of Forests, personal communication, 1996.

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