

CANFOR PULP INCOME FUND
Fourth Quarter Results 2007 Conference Call
February 20, 2008 - 8:00 AM (PST)

COMPANY REPRESENTATIVES:

Paul Richards - President and Chief Executive Officer
Terry Hodgins - CFO and Secretary
Joe Nemeth - Vice President Sales and Marketing

Operator:

Good morning ladies and gentleman. Welcome to the Canfor Pulp Limited Partnership fourth quarter results 2007 conference call. Please be advised that this call is being recorded and webcast live at www.canforpulp.com. A recording of the call and a transcript will be available on Canfor Pulp's website. Also, the Company would like to point out that this call will include forward-looking statements, so please refer to the press release for the associated risk of such statements. I would now like to turn the meeting over to Mr. Paul Richards, President and Chief Executive Officer of Canfor Pulp Limited Partnership. Please go ahead Mr. Richards.

Paul Richards - President and CEO:

Thank you operator. Good morning and welcome to Canfor Pulp Income Fund's fourth quarter 2007 conference call. Also available to answer questions on the call are Terry Hodgins our CFO and Joe Nemeth, from another location, our Vice President Sales and Marketing. Our comments today, unless otherwise noted, relate to the operating entity Canfor Pulp Limited Partnership of which Canfor Pulp Income Fund owns 49.8%.

Fourth quarter overview -- yesterday we reported for the fourth quarter sales of \$250 million net income over \$12 million, adjusted distributable cash of \$0.19 per unit and EBITDA of nearly \$28 million. Commenting on our operations, the fourth quarter, like the previous three quarters, was strong operationally. We took scheduled maintenance down time during the quarter which was 17,000 tonnes more than the third quarter and no issues arose from that maintenance shut down. For the year 2007, it was a record production year as we produced 1,176,000 tonnes of pulp, this bettered the previous year's level by 31,000 tonnes and the previous year itself had been a record. Both the Prince George and Northwood mills had record production for the year and over the last two years our production increases have been about 51,000 tonnes.

Cash conversion costs during the quarter were higher than the prior quarters partially due first of all to expected seasonal increases in maintenance spending and this was slightly over \$3 million and again expected seasonal increases in energy cost and usage which was in the same kind of level. When we compare Q4 2007 to Q4 2006 the unit cost in these two years are very similar.

Paper operations also performed well during the quarter meeting expectations and also had a record production year in 2007.

Talk a little bit about fibre. In the quarter, sawmills took extended down time. We had anticipated this might occur and increased the amount of whole log chips. In the third quarter, approximately 15% of chip deliveries were from whole log chipping and that increased to approximately 21% in the fourth quarter. Fibre costs were flat quarter-over-quarter with lower freight and other costs on residuals offsetting the increase in costs from the higher percentage of whole log chip. Therefore, again chip costs for quarter-over-quarter were relatively flat.

In Q4, we expanded the capacity of our PG chipping facility and had been ramping up its production level. Currently we are sitting on about three weeks of chip inventory which is higher than planned, due primarily to the Prince George mill being down as a result of fire, which we will talk about later. The whole log chipping program can be adjusted to meet market conditions as warranted. We expect to see modest inflationary chip prices in Q1-2008 and hopefully in Q2. We do expect to see maybe a 2% to 3% rise in residual chip prices in Q1-2008 and moving into Q2. If our mill net revenues go higher than that then we would expect to see that number run higher and that's to our advantage.

I'll turn the call over to Terry now and following his financial summary I'll return with some additional comments.

Terry Hodgins – CFO and Secretary:

Thank you, Paul. I won't take you through all the details of yesterday's press release but I would like to highlight several areas and provide comments on how the Partnership performed in the fourth quarter. Before I start, I remind you that the annual comparative figures in the press release provided for 2006 represent the NBSK business of Canfor Corporation for all periods prior to July 1, 2006 when the Partnership commenced operations.

Net income for the fourth quarter of 2007 was 12.1 million compared to 33.2 million in the third quarter. EBITDA in the 2007 fourth quarter was 27.9 million compared to 48.8 million for the third quarter. The most significant factor in the quarter-over-quarter change was the 6% rise in the value of the Canadian dollar from an average of \$0.96 in the third quarter to a \$1.02 in the fourth. This change accounted for approximately 12 million of the 20 million difference in EBITDA. Pulp list prices increased during the quarter but lagged the currency movement and although list prices were at US \$880 by January 1, 2008 they averaged only US \$857 in the fourth quarter. The impact of US list price improvement during the quarter was offset by lower sale volumes from third quarter levels.

Paul has already discussed the seasonal increase in conversion costs. Two other items I would like to mention separate from EBITDA but reduced operating income were charges of 2.2 million or non-cash one time charges for loss on write off of non operational capital assets of 1.1 million and a one million dollar increase in amortization of the asset retirement obligation relating to the Intercon Mill's ash pond.

Other items I want to highlight as you know, an addition to the reduction in earnings, distributable cash is also impacted by the level of capital expenditures of the period. Capital expenditures including cash spending and accruals in the quarter were 14.7 million bringing the total capex spending to 29.5 million for the year. This annual spending amount is in line with our estimates of annual spending to maintain the mills in

good working order and retain a competitive cost structure. For 2008 we expect capital spending to be in the \$25 million to \$30 million range.

These comments on capital exclude any provisions that may be made for asset retirement obligations and those obligations refer specifically to land fills or other areas where there is some remedial action will be required sometime in the future. At this point it looks like 10 to 25 years and we provide for those obligations as we identify them. Also excluded from those capital numbers is the replacement of the PG chip processing system which was destroyed in the fire and the funding for that replacement is expected to be funded from insurance proceeds.

Adjusted distributable cash generated in the quarter was \$0.19 per unit while their partnership distributed \$0.38 per quarter. Our distribution policy is to manage our cash distributions on an annual basis. With that in mind, for 2007 we reported adjusted distributable cash available of \$1.96 per unit and after allowance a 4 million for future capital and a provision for future contingencies. We distributed \$1.84 per unit or approximately 94% of the cash available. This approach is consistent with the stated distribution policy announced with the spin out of the business in July 2006.

Another element of our distribution policy is when possible to pay out sufficient cash to cover the taxable income allocated to the unit holders for the year. In 2007, the payout of a \$1.84 per unit is slightly more than the taxable income allocation to unit holders, which has been calculated at \$1.81 per unit or stated another way, of the \$1.84 per unit cash distribution, a \$1.81 will be taxable and \$0.03 per unit will be a return of capital for income tax purposes. Our tax information slips will be distributed before the end of February.

Yesterday based on a review of expectations for 2008, the Board approved cash distributing for the month of February of \$0.12 per fund unit to be paid on March 14 to unit holders of record at close of business on February 29, 2008.

Thank you and back to you Paul.

Paul Richards - President and CEO:

Thanks Terry. A little bit about the markets current list price delivered to the United States is \$880 a tonne, in Europe it's also \$880 a tonne and in Asia it ranges from \$760 to \$810 but on a net basis and these prices again are in US dollars. We currently see the markets to be in balance with the global fibre supply environment limiting NBSK growth and operating rates. We believe this balance in environment will remain though the first half of 2008. As such we expect the pricing will be in a narrow range during that period.

In 2008 on our production -- I'll talk about a little bit about the production and maintenance schedule. As I previously mentioned in the last two years we have been able to see substantial internal growth and while we will continue to run at these higher production levels on a daily basis in 2008, we are expecting to take extra down time in 2008 - a little bit longer than normal. In Q1 we don't expect to take any schedule maintenance down time. In Q2, Northwood will be down for slightly over 14 days, which is at least three days longer than normal and is primarily due to modest capital and recovery boiler and digester work. Also in Q2, we expect to take Intercon down for a slight shut down for about three and a half days. Straddling Q3 and Q4, Intercon will

take a major outage of 12 days. This is primarily to do capital work around the digester and pulp machine. Again this is about three days longer than normal. Prince George will take a mini shut down in Q4 of about 4 days. Again these capital projects are primarily around de-bottlenecking and we would expect to see 2009 production levels to show growth rates similar to what we've seen in 2006 and 2007.

Update on the fire we had at Prince George on January 15. The fire at the Prince George pulp and paper mill was confined to the chip processing and chip in feed facilities. The mill has not operated -- the system has not operated since the fire losing about 28,000 tonnes of production. We are currently working on a temporary facility to restart operations and we hope to begin that this week. It's -- we are ironing out the bugs right now - it is installed. With the temporary facility we hope to operate the mill at full capacity, but until we get up and running we are not quite sure. We are focused on getting it running at a maximum rate as quick as possible. We expect modest cost increases not substantial at all, but do not expect to see an impact on the quality of pulp or paper coming out. At the same time, we are proceeding with procurement of the permanent system and we expect that it would be up and running in place by Q4. Beside from the deductible we expect the cost -- operation, capital and business interruption - to be covered by insurance and we are working diligently with our insurer on this matter.

Finally a couple of points. Yesterday we announced the appointment of Terry Hodgins as Chief Financial Officer, I'm very pleased to have him on board and I've worked with him before and Terry is a great guy and we are looking forward to continuing the relationship. Yesterday we also announced the continuation of the monthly distribution of \$0.12 unit for the month of February which will be payable on March 15th.

Finally, aside from the production record that we achieved in 2007 we also achieved a record year in safety, considerable improvement over the best year we have ever seen before and this is a great tribute to the dedicated work force we have at Canfor Pulp. So both the production and safety records -- we are really, really pleased with that. So with that Chris, that wraps up our comments and we are ready to take questions.

Operator:

Thank you. We'll now take questions from the telephone line. We will first take questions from the finance analyst followed by the media.(OPERATOR INSTRUCTIONS) The first question is from Mark Bishop from RBC Capital. Please go ahead.

Mark Bishop -- RBC Capital:

Thanks and good morning Paul and congratulations Terry on the announcement.

Terry Hodgins - CFO:

Thank you.

Mark Bishop -- RBC Capital:

Paul just a couple of questions on fibre, First, I understand the, I guess the guidance on chip pricing. Just wondering what you expect to see in the first quarter average and may be the 2008 average for whole log chipping as a percent of your supply.

Paul Richards - President and CEO:

Good question. We have the ability probably to get to the 25% to 30 % level. Two things are going to happen in the next several months. First of all the PG mill still hasn't started up so our growth in inventory is higher than anticipated. I would also say that with the shutdown that we are going to see in April, we will see another pop in inventory and our inventories will actually be higher than I normally would be comfortably with. We'll get well in excess of four weeks. We have not decided to -- well, put it in a different way, we decided not to reduce our volume of round wood chips at this point. We are expecting another round of sawmill curtailments, so we'd rather error right now on the side of higher inventories. So we are going to let them continue to go up, if we have to reduce them we will. So the direct answer to your question is we will continue to run at current rates with the end second line at our PG chipping facility we have increased the capacity from about 250,000 tonnes to over 400. In fact, we keep getting better than the expectations, so we could be easily in the 25% to 30% range if we need to be.

Mark Bishop – RBC Capital:

Okay and so that would be on an ongoing as well as first quarter.

Paul Richards - President and CEO:

Yeah and we have other facilities that are providing chips, we will reduce those chips if we feel that the inventories are getting too high.

Mark Bishop – RBC Capital:

Okay, great. What's been the source of the efficiencies at your chip facilities? You mentioned that you said that you were getting more efficient at making those chips.

Paul Richards - President and CEO:

In Q4 we spent some capital at that facility. We actually put in a second line, it allowed us to run smaller log diameters, the originally it was really more for higher ones, so and there was a lot more [inaudible] with log and small log available for that, so we've been bringing that in and so it's really made me a capital change putting in a second line and that's allowed the increase in volume. It's not a large capital expenditure, it was between \$1 million and \$1.5 million.

Mark Bishop – RBC Capital:

So do you expect to see further efficiency gains as well going forward or do you think you've sort of reached the level you will be at?

Paul Richards - President and CEO:

Might be a modest amount. I think we are -- there are running quite well enough. It's hard to say we can get much better.

Mark Bishop – RBC Capital:

So looking at incremental cost for whole log chipping I think the last couple of quarters, you've been sort of guiding towards I think about a \$30 incremental. Are you still around that level or would it be lower than that?

Paul Richards - President and CEO:

Well that's getting to high side now. I think as we go forward I think I guided that we would expect to see modest residual chip increases. So I would say that \$30 is starting to shrink.

Mark Bishop – RBC Capital:

Okay, great. Just on your operating costs for fourth quarter '07 versus '06 it was about \$70 per tonne differential in your cash cost per tonne. You mentioned in your introductory comments that quarter -- year-over-year quarters, the maintenance and energy unit costs were effectively flat, so would \$70 be all fibre?

Paul Richards - President and CEO:

A lot of its fibre, some of its chemicals for sure. There might be a few other things. We really didn't go into the detail. We knew that there would be some questions around the energy and maintenance which is what we want to focus on but fibre would be definitely the biggest piece of that and if you want you can follow up with the question with Terry to get into more detail but fibre is the biggest.

Mark Bishop – RBC Capital:

Okay, I'll get back in the queue. Thanks.

Operator:

Thank you the next question is from Patrick Yung from Raymond James. Please go ahead.

Patrick Yung - Raymond James:

Good morning Paul and Terry. A quick question on the maintenance program in 2008. Once that's completed in '09 do you have any sort of guidance in terms of capacity creep percentage perhaps?

Paul Richards - President and CEO:

Well I think what I commented on is about as far I'd like to go today, will be in '06 we grew production by a little over 20,000 tonnes, in '07 it was over 30,000 tonnes. I would be disappointed if we weren't able to match those kinds of levels.

Patrick Yung - Raymond James:

Okay, so that's helpful and the other question is on pulp price dynamics. First question is wondering whether the US\$ 880 is fully implemented right now.

Paul Richards - President and CEO:

Yes it is. It's fully implemented.

Patrick Yung - Raymond James:

Alright and the second question is what are you seeing in terms of the Asian pulp markets right now.

Paul Richards - President and CEO:

May be you could, I'll ask Joe to answer that question.

Joe Nemeth - Vice President Sales and Marketing:

Certainly this is Joe Nemeth speaking, could everyone here me okay.

Paul Richards - President and CEO:

Yeah, they can hear you.

Joe Nemeth - Vice President Sales and Marketing:

Right now we are seeing in Asia pretty steady demand and there is two, I guess two pieces I would characterize as on the hardwood side, it's very tight and on the soft wood I characterize it in balance, but we are seeing regular order inflow each month.

Patrick Yung - Raymond James:

Alright that's helpful. That's all I had thanks a lot.

Operator:

Thank you the next question is form Vic Kumar from Soundpost Partners. Please go ahead.

Vic Kumar – Soundpost Partners:

Hi guys I just wanted to cross check. You had said for cash numbers and costs the increases were, were they 3 million for energy and maintenance? Did I hear that right?

Paul Richards - President and CEO:

No, no separately each in that range. For the energy side there [inaudible]the usage factor because of the weather conditions and pricing and so it's in that range and maintenance would also be in that range, it's separate.

Vic Kumar – Soundpost Partners:

And do energy usage and maintenance continue at that level seasonally in Q1 or how do they slow...

Paul Richards - President and CEO:

Yeah Q1 and Q4 are the highest, so you'll see that and of course you need to take pricing into account. Q2 will defiantly be lower than Q1 and Q3 is always the lowest.

Vic Kumar – Soundpost Partners:

Okay

Paul Richards - President and CEO:

And by the way you would find that virtually -- certainly I found it in virtually every location I've ever worked in.

Vic Kumar – Soundpost Partners:

Okay well what drives that?

Paul Richards - President and CEO:

Its temperature and its not just driven by air temperature, its driven by water temperature and so your water temperatures will change over that time frame and so really what your doing in many cases is you are heating up water through the process and that's really the main drivers the water temperatures.

Vic Kumar – Soundpost Partners:

Can you -- is your energy cost primarily through the natural gas or is it something else as well?

Paul Richards - President and CEO:

Well it depends on which factor, but energy cost for natural gas is mainly in line counts but also use energy of course driving our boilers and so it's a part of it will be around how much heat we have to use so we generate steam, there is a little bit of natural gas in there also accrued, also be a factor in how our recovery boilers running, because you generate, use a lot of energy from black liquor but natural gases are biggest external component and other will be how well we run our generator and how much power we product internally and how much we buy externally.

Vic Kumar – Soundpost Partners:

Can you give me any sense of your cost structure, how much of energy is it. 10%, 20% or is it?

Paul Richards - President and CEO:

I don't have that number right away, we'll try to look that up for you here.

Vic Kumar – Soundpost Partners:

Okay and then the other thing I just wanted to check was the capex you're expecting for 2008 was 25 million to 30 million system somewhere just slightly lower than this year is that right?

Paul Richards - President and CEO:

Well, we target -- our fundamental target is \$30 million and so in 2006 we were a little but under that and 2007 we were a little bit over that and in 2008 we have a capital plan and its really driven by - we must maintain and we do the sustainable portions and we look at really good discretionary items - we have a lot in the queue we keep working on those. We do expect to spend in that same \$25 million to \$30 million in 2008 and we will if we have the projects that get us the kinds of returns we are looking for.

Vic Kumar – Soundpost Partners:

Great, actually one last question I wanted to ask. Were there any other -- so your EDITDA sort of looking quarter-to-quarter was down about 20 million. I understand, the largest chunk of that was the Canadian dollar and then there were these one time charges and you mentioned maintenance energy, anything else that sort of changed your report quarter-over-quarter or which we should expect going forward.

Paul Richards - President and CEO:

Not quarter-over-quarter, not major. I don't think.

Vic Kumar – Soundpost Partners:

No, okay.

Paul Richards - President and CEO:

There is always little bits here and there but you get -- there is way too much little fog in there, no main thing, no major things in that.

Vic Kumar – Soundpost Partners:

Okay, great.

Terry Hodgins - CFO and Secretary:

Just to respond to your question regarding energy cost, the represent just under about 10 % of our total manufacturing cost.

Vic Kumar – Soundpost Partners:

Which includes fiber as well?

Terry Hodgins - CFO and Secretary:

Which includes fiber, that's right.

Vic Kumar – Soundpost Partners:

Yeah, okay. Thank you. That was it. Thanks guys.

Operator:

Thank you. Your next question is for Sean Stewart from TD Newcrest. Please go ahead.

Sean Stewart - TD Newcrest:

Good morning, thank you. A lot of my questions have been answered. One question on your freight; quarter-over-quarter, your freight cost per tonne were actually a little bit lower than we would have expected and just wondering Paul, if you can comment on how your geographic mix might have shifted and how that's helped your average freight cost per tonne.

Paul Richards - President and CEO:

The main reason that's down is the currency. Most freight is in US dollars so that the big driver in there is while we see higher cost on the Canadian dollar for some things, freight is the one that is offset on that. I think from a geographic location, there's been modest shifts. We are always making little changes. I think that would be – I'm not sure if it's slightly positive or if it's slightly negative to the norm but what you are looking is the impact of the Canadian dollar.

Sean Stewart - TD Newcrest:

And can you just comment further so that what you are seeing across ocean shipping availability to Asia right now and anecdotally, we are hearing about severe restrictions but wondering if you can just speak anecdotally to that as well.

Paul Richards - President and CEO:

We are also hearing that anecdotally. We don't have any issues. We manage to lock in a contract just before some of these things came through as a big issue, so we are fine for the next two to three years, so we are covered with all of our needs. I don't see that as an issue for us but I do recognize -- there has been, there was a price increase to us on that and so, and everybody is seeing that same price increase but at the very least, we have covered our volumes.

Sean Stewart - TD Newcrest:

Okay, that's great, thanks.

Operator:

Thank you (OPERATOR INSTRUCTIONS) The next question is from Mark Bishop from RBC Capital.

Mark Bishop – RBC Capital:

Thanks, Paul two additional questions. One is just I'm wondering if you could give us an update on your work around potential energy project investment which I guess would be in partnership with Canfor Corp, but is that still something that's in our sites?

Paul Richards - President and CEO:

Absolutely. We continue to move forward in that. Now it's a bit of a moving target but what we have done is we have actually hired a project manager from this external consultant to which he's going to try to bird dog this. It is in conjunction with Canfor Corp so we are working very closely with them. The part that's up more difficult to narrow down is with the changing environment of the housing situation in the United States which is driving a change in the amount of hog fuel availability either by what saw mills are running or what volumes or how much has to be brought in directly through harvesting, it's changing the dynamics and the economics and so it is a moving, little bit of a moving target but we are still very interested, we are still focused on it, and we hope to be able to step up to the plate and to meet the call for power.

Mark Bishop – RBC Capital:

And any more progress on narrowing the scope of the potential project or because I think you were talking a fairly broad range of potential scale?

Paul Richards - President and CEO:

Thanks for reminding me. We are still out there a little bit. My own desire would to be bigger than smaller but I'm being reigned in a little bit, so we are looking at potentially for example another co-gen facility but there are other options that we are looking at as well.

Mark Bishop – RBC Capital:

Okay, great and just one last question. I was wondering if you could comment on your first impressions anyway the impact of BC's carbon tax on your pulp operations.

Paul Richards - President and CEO:

Sorry, a little bit early. I have to make sure I understand exactly what that means then. We haven't done a very good job of analyzing that. So I'm uncomfortable commenting on that yet.

Mark Bishop – RBC Capital:

Okay, that's something that you might be prepared to include in your next quarterly update? I guess, its effective July 1, so...

Paul Richards - President and CEO:

Yeah, certainly, I would hope to be able to do that, yes.

Mark Bishop – RBC Capital:

Okay, great. Thanks very much.

Operator:

Thank you. The next question is from Paul Quinn from Salman Partners. Please go ahead.

Paul Quinn - Salman Partners:

Yeah, thanks. Just a question on the insurance coverage of the outage at Prince George, can quantify that? What do you expect that bill to the insurance company to be?

Paul Richards - President and CEO:

I can't quantify on the number. I can tell you that on the business interruption, it's we have a three day equivalent of deductible. So that's on the business interruption. Property damage we would expect to be rolled into the capital side so it wouldn't affect the P&L.

Terry Hodgins – CFO and Secretary:

Order of magnitude, I guess, we are looking at 28,000 tonnes of production taken out and so it's without being held to a specific number, I mean the BI claim is going to be in the range of 10 million depending on what, what our operation will be after we get the temporary system up and any shortfall in that production would expect to the claiming for also and so the order of magnitude that's sort of what we are looking at in total claim of which the vast majority of that is covered by insurance.

Paul Quinn - Salman Partners:

Great. Thanks very much. That's helpful.

Operator:

Thank you. We will now take questions from the media members. (OPERATOR INSTRUCTIONS) The next question is from Gordon Hoekstra from the Prince George Citizens. Please go ahead.

Gordon Hoekstra - Prince George Citizens:

Good morning gentlemen. A quick question on the fire; has that had any impact on employment at mill there?

Paul Richards - President and CEO:

Not at all. In fact, we have moved some employees over to the Intercon mill to make sure that we are covered for overtime and that kind of thing but every -- parts of the mill are running full out, we are still running the boiler, we are still running the paper

machine, we are taking pulp from Intercon and bringing it over and continued on the pulp machine, so there is no impact on employment.

Gordon Hoekstra - Prince George Citizens:

Second question, on this potential for an energy project. You mentioned a little bit about the scope? Is there any sense of where that kind of project will be located, will it be -- when you say co-gen facility with that be at the pulp mills here in Prince George or potentially saw mills somewhere else or a stand-alone project?

Paul Richards - President and CEO:

Yeah, those are all possibilities. My first choice would be at a pulp mill location though. One of the big benefits you have over co-gen facility is that you can have a heat sink for the steam side to that and the big advantage for having a pulp mill is that there is already a heat sink which allows you to get much higher returns and if you have to just go in and build it somewhere where we don't have that heat sink, so a heat sink location is important, a pulp mill is very good for that.

Gordon Hoekstra - Prince George Citizens:

Is there any sense when you will have the sort of what your plan is fleshed out. I mean I can't remember when they said they were going to put their calls out.

Paul Richards - President and CEO:

Yeah, I think that we are looking, trying to narrow something down in the next quarter or two, but I need to tell you that no matter what we do if today we said we are going to do this project which takes the size of a turbo generator it would be at least 2010 before its running.

Gordon Hoekstra - Prince George Citizens:

Okay thank you.

Paul Richards - President and CEO:

Okay.

Operator:

Thank you. There are no more questions registered this time. I'd like to turn the meeting back to Mr. Richards.

Paul Richards - President and CEO:

Well, okay thank you operator. Again, once again we are very proud of the production and safety performance in 2007, we have a highly dedicated work force that has made considerable accomplishments. We are very proud of them and on behalf of the Board we would like to thank them for their work and their performance.

We would like to thank everybody else on the call for taking time to participate today and if you have any follow up questions please don't hesitate to call.

With that I like to thank you very much.

Operator:

Thank you. The conference has now ended. Please disconnect your lines at this time and we thank you for your participation.