



Changing gears in B.C. coastal logging

B.C. coastal logger Bob Lee has had to change gears with his logging operations in recent years, and this involved some big time changes, with a move to second growth wood, and purchasing and operating bunchers and processors.

By Paul MacDonald

Since many logging contractors started out their careers by operating a skidder or buncher, they are good at changing gears on equipment—but in recent years, they have also had to be very good at changing gears with their logging contracting businesses.

Vancouver Island logger Bob Lee knows all about that.

Through the mid-1990s to the mid-2000s, Lee operated a logging camp operation for harvesting western red cedar on the mid-B.C. coast. Then the downturn came, and due to a drop in U.S. housing construction, the demand for cedar wood products dried up.

“It was like the switch went off—it was that quick,” says Lee.

The switch in gears came when they received work from Vancouver Island forest company, TimberWest, for harvesting work on the Island. They went from harvesting old growth wood to second growth.

With the camp operation, the focus had been on traditional old growth harvesting equipment, such as yarders.

“We did bring some of that equipment down from the camp and we work with it, but we also had to get a lot of expensive equipment—bunchers and processors—and we did not have a background in that type of equipment,” explains Lee.

“It was a major shift in equipment and logging techniques, to move to second growth wood, and it was totally new to me—I had no experience in that type of equipment. It was a bit of a leap of faith. Fortunately, we were able to get people in the seat of equipment that belong there.”

For the TimberWest work, Lee’s company, Nanaimo Lakes Logging, took on some of the company employees who, fortunately, knew a lot about operating mechanical harvesting and processing equipment.

“There were a lot of good guys,” says Lee. “They were able to hop into the machines, and go straight to work.”



Lee now has an operations manager, Chris Flynn, overseeing the Island operation who has a strong background in mechanized logging and a broad equipment background. The 40-year-old Flynn can run every machine on site, and oversees the Vancouver Island work.

“So we had a good crew, we had the work, and we were able to get the equipment—the rates were low, but we were able to put the new operation all together,” says Lee.

These days, Nanaimo Lakes Logging and associated company Bear Lake Logging, which still operates the logging camp, share an office and shop in Parksville on Vancouver Island with Black Diamond Mechanical and Welding, which does large repairs for the two logging companies, along with doing work for other logging firms. Lee’s partners in both Nanaimo Lakes Logging and Bear Lake Logging are David Pope and Timber Johnson.

Bear Lake Logging has also been able to keep its logging camp operation busy. It has done work on the coast in the region around the town of Bella Bella, and the former mill town of Ocean Falls. The town of Ocean Falls used to be home to a large pulp and paper operation, with a population that peaked at 5,400, before it was shut down in 1980.

“We’re basically trying to establish a home in that general area of the mid-coast with our camp barge and all our old growth remote logging equipment,” explains Lee. The mid-coast work was for the Heiltsuk First Nation/Western Forest Products joint venture managed by A&A Trading Ltd, in the Bella Bella area. It is currently working for forest company Interfor, near Ocean Falls.

“The challenge for the mid- B.C. Coast area is that through the lean years, cedar demand and prices just dropped off the charts, so there really hadn’t been much going on up there,” says Lee. “But now the cedar market has improved dramatically, so it’s a situation of getting all the infrastructure and contractors—ourselves included—set up and working up there again.

“The companies wanted us to go up there, which is great, but the challenge is in getting the work all lined up and getting roads in place, after such a dry spell. But it seems to be coming together now. The last few moves we’ve made, we’ve been able to go from one job to the next without missing a beat. We’re hoping we can build on that and keep things going—with the camp operation and our barge, we’re pretty much geared for that type of work.”

Loggers in the camp operation work on a two weeks in/one week out shift.

There used to be many logging camps scattered along the B.C. coast, but these days they are far fewer in number. And they are quite an upgrade from the logging camps of the past.



Lee wants to keep the loggers who work in camp—who are a different breed from the loggers who want to stay close to town—happy.

So, what are the challenges of running a logging camp in 2016?

“Number one is you have to have good accommodations for them,” he says. “The guys who go to camp want to have a nice place to stay. And you need to create a fairly consistent schedule for them, so they know when they are going to be working, and when they are going to be home. That’s part of the bigger challenge of making sure you have the logging work in front of you, and you don’t have too many delays.

“What’s really important is you want to have the right machinery and the right people to make it all work, so you can have a safe and continuous operation, with people coming and going from camp.”

At one point, perhaps in the 1970s, having satellite TV, or even a large choice of movies on tape, would have been sufficient at logging camps.

“Now, communication is important, so we have satellite phones and we have the Internet,” says Lee. This all helps to attract and retain people. “I think we’ve got a really good group of people at the camp, who are dedicated to making a remote operation work.”

Their logging camp can accommodate 29 people, two-thirds of whom are Bear Lake employees, with the balance being contract fallers and other forestry related people. The Bear Lake crews, who are from all over the Island, and some from the Lower Mainland and B.C. Interior, are flown in to camp aboard Turbine Single Otters, from the Campbell River Spit.

Some of the logging equipment, such as log loaders, hoe chuckers, used at the camp operation could be shared with the Nanaimo Lakes logging operation, on Vancouver Island. But to keep both operations efficient, they pretty much have their own equipment set-ups.

With both operations, Lee works to have good equipment for employees. “They want to show up in the morning, hop on a machine that is going to start and run properly—they don’t want to be fighting their equipment to have it work,” he says. “We do our best to keep the equipment maintained.”

Lee noted that some coastal camp operations opt for large yarding equipment, like a 7280 Cypress. But they have chosen to go with more mid-sized equipment, like the Madill 122 and Cypress 6280. The Nanaimo Lakes operation, in addition to the mechanical harvesting equipment, has Madill 120 and Madill 122 yarders.

The yarders are fairly versatile in that they could be used in either operation, but because of the logistics and distances involved in moving equipment, the equipment pretty much stays put in the respective operations. ‘We



do a little bit of sharing equipment, but we try to keep them separate operations, and keep them busy at each operation,” says Lee.

For Nanaimo Lakes Logging, the logging equipment line-up includes a Link-Belt 350 with a Waratah 624C head and a Tigercat LS855C tilter with a Waratah 623C head.

“We also have a new Hitachi 370 with a Pierce grapple processor (GP) head—we bought the first one on the Island,” says Lee. “It’s working really well,” he says. “We’re really happy with it. Our intention is to be able to use it as a loader, as well. It’s tied with a yarder, and that way we don’t need to have both a loader and a processor.

“We can get to situations where the yarder is off on its own, and it needs equipment to support it. A loader can’t process the wood, and a processor can’t load wood. So we went with the Pierce GP head, and now we have the ability do both.

“It’s really versatile—I can’t see any compromise when it comes to the processing. As a loader, perhaps it’s a bit of a compromise in second growth wood, but not that much.”

One of the most recent purchases was a Hitachi 290 log loader, from dealer Wajax Industries.

The equipment line-up includes a couple of older Komatsu log loaders, but their focus recently has been more on Tigercat, from B.C. dealer, Inland, formerly Parker Pacific Equipment, and Hitachi equipment from dealer Wajax Industries.

They have a Tigercat 870C tracked feller buncher, a Tigercat LS855C hoe chucker with a Waratah FL85 directional felling head, a Tigercat H855C processor with a Waratah 624C and a Tigercat 880 loader, which does some log loading, but which is mostly used for hoe chucking. “We get good service from Inland,” says Lee.

As mentioned, they use the services of Black Diamond Mechanical and Welding for major maintenance work. One of their Madill 122 yarders received a major upgrade, and is now back in camp. The day to day repairs for both Nanaimo Lakes and Bear Lake Logging are done on site, with their own heavy duty mechanics.

“My thinking generally with equipment is that it’s really important to have a mix of equipment in age,” says Lee. “We have some new equipment, and some mid-cycle equipment, and some older equipment.

“The new equipment is great, but it’s really expensive, and the depreciation is really high in the first two years. If you had all new equipment, you’d never make it financially. And if you had all old equipment, you’d never make it because you’d be plagued with breakdowns.



“There seems to be a sweet spot for equipment about mid-cycle, where depreciation has dropped off, the loan payments are gone, and it is still productive, reliable and current. I guess the ideal would be to have all mid-cycle equipment, but of course the equipment gets old.

“It seems like you need to have a blend—you need to be thinking about bringing new equipment in and selling off or parting out the older equipment, and mixing it all together.”

This plan sees them buying one or two new pieces of equipment each year.

With the high cost of investing in equipment—and the general cost of operations—the financial sustainability of the coastal contract logging sector has been an ongoing issue as the industry recovers. Rates have increased, but logging contractors say there needs to be more recognition by the licencees of their costs, and responsibilities.

“There really has been a shift in responsibilities to the contractor,” says Lee. “Being a logging contractor is a lot more demanding than it used to be—it is a lot more involved from the safety and environmental aspects.

“It’s a totally different business than it used to be,” he added. “We have much higher overhead than a contractor had 25 years ago.”

There have been ongoing discussions about rates between contractors and the licencees, both individually, and through the Truck Loggers Association, which represents the coastal contractors.

“I think it’s critical that the licencees and the contractors work together to come up with a longer term plan and stronger working relationship that has a future to it, rather than simply bidding on logging jobs,” says Lee. “To go from job to job—particularly in remote locations, and not have the long term certainty of the rate or work—is very difficult. There needs to be more of a partnership.”

That partnership ideally would include a rate structure that acknowledges and reflects the history and experience that contractors bring to the table—and the huge investment they have in their businesses, their people and their logging equipment.

These days, Lee works hard to keeping both Bear Lake and Nanaimo Lakes operations busy. But market conditions are kind of mixed. The Chinese market for lumber has cooled off. “The U.S. market is coming back, but it’s gradual.”

At this point, Lee is a bit sceptical about all the talk there has been done about a super cycle in lumber prices.

“I think we might have been through the super cycle already—and it really wasn’t that super,” he says.