



Start-up for Skeena Sawmills

Things have been very busy lately at the Skeena Sawmills operation in Terrace, B.C., but you won't hear any complaints as workers re-start the mill, which closed in 2007.

By Jim Stirling

It's just been crazy around here.

That sentiment was heard frequently about a month into the late-2012 re-start sequence of the Skeena Sawmills operation in Terrace, British Columbia. But what made it interesting was all those people making the observation had a smile on their faces as they said it.

The sawmill—closed since 2007—now has a second lease on life under new ownership and operational philosophy. That's good news for those working in the sawmill/planer (all 56 of them on a one-shift basis), for the loggers supplying the mill with raw material and the customers for its products. But it also sparks needed optimism for the economies of both Terrace and northwestern B.C.

The sawmill property, along with its timber cutting rights, was purchased in 2011 by ROC Holdings from previous operators, West Fraser Mills. ROC Holdings, headed by Teddy Cui, is a privately held company based in Vancouver with family connections to major real estate, development and construction groups based in southeast China. It's anticipated up to 65 per cent of lumber produced in the Terrace sawmill will be in metric sizes for export to China.

Skeena Sawmills has the competitive advantage of being only about 150 kilometres from Prince Rupert, with good road and rail transportation links. Prince Rupert is the closest major Pacific terminus to strategic Chinese ports of entry.

For the new owners, there has been much to do since the acquisition, both inside and outside the sawmill. The outside mill activities included cementing past relationships and forging new ones. And, of course, hiring the right people.

What could have been a nightmare turned out early on at least to be a relative breeze. "We were pleasantly surprised," reported Gian Sandhu, a spokesman for ROC Holdings. "It has not been challenging so far and we've got most of the tradesmen we need." That said, in-plant training remains an issue, demanding time and patience.

One factor that's really helped and continues to do so is returnees and a core group of workers with many collective years of experience at the mill. With no access to the mill's past performance and maintenance records or computer programming, the local knowledge about the mill operation is invaluable to the new owners, said Don MacDonald, plant manager.

A key achievement has been the successful negotiation of a new eight-year deal with the United Steelworkers Union for the mills' hourly workers. "We have a new manageable contact," added MacDonald, and a happier crew. He has nothing but praise for the workforce and how it's buckled down to get the job done during the challenges of starting up an older sawmill.



“We try to put the right people in the right position (in the mill). We have those who have worked here in the past who want to make the place run and we’ve got younger people, some of whom have migrated from other mills. We’ve got a really good core group of people.”

Keeping them safe on the job is a priority. “Our safety target is simple: zero incidents, zero loss times,” declared MacDonald. “I tell the new workers especially, if you don’t know how to do something safely, don’t do it. Get help.”

What’s needed to be accomplished inside the mill has to be dovetailed with the external factors. And that, too, involves multi-faceted changes. About \$6 million has been invested in re-tooling. “There was a lot of structural work and engineering to get the mill working, rebuilding and overhauls and resurrecting computer optimization, reported MacDonald.

“We’ve had to really work on alignment. Computer controls are so precise these days you’ve got to have machines working at their optimum performance,” he explained. “We’re a lot more focused on other products (than the old operation) and maximizing the return from each log. This is a traditional 20 foot mill which means we can make longer timbers. We’re going to focus on that niche for longer lengths up to 32 feet.”

That said, it’s an emerging reality that wood for export to Asian countries has to be containerized, he noted.

Some mill upgrades have been undertaken. “We’ve installed an updated state of the art USNR scanning system on the trim/sort line.” It’s fast, with the capability to process up to 150 lugs/minute. “It helps remove potential bottlenecks before any other mill improvements are undertaken,” he said. “There’s a real opportunity for a new optimized small log canter line,” pointed out MacDonald.

The mill owners are thinking in terms of a system that can operate efficiently, at up to 600 f.p.m., with features like slew and skew, auto rotation and curve sawing. And Skeena Sawmills would require the line to operate efficiently on material down to a five inch top. Typically in the northwest region, a “small” log line would accommodate wood down to five to 12 inch top.

Other operational improvements on the wish list include improved lumber drying capability and a biomass system to utilize wood residues for at least process heat. Closure of the Prince Rupert pulp mill has delivered more residue disposal headaches (and lost revenues) for northwest sawmillers.

But the priority right now is to get the optimum returns from what the mill operation offers, “We’ll maximize its experience,” pledged MacDonald. “But our real competitive advantage is in our people.”

The Skeena sawmill now has a second lease on life under new ownership and operational philosophy—which is good news for the 56 people who work in the operation’s sawmill and planer. At left is Ramesh Parmar, planer chargehand.



Timber quality a challenge for Skeena: too much pulp wood

Wood availability isn't the primary problem facing sawmills in British Columbia's northwest. It's more the quality of that timber and the costs involved in harvesting it and delivering it to the mill.

About 40 per cent of the wood supply under licence to Skeena Sawmills in Terrace is pulp grade. "We try to identify areas with the least amount of pulp wood and the highest percentage of sawlogs without the exorbitant development costs," summarized Robert Ziegler, operations superintendent, making a complex challenge sound almost straightforward.

Skeena Sawmills has three tenures. TFL 41 with an AAC of 128,000 cubic metres is in the Kitimat River valley to the south of Terrace. It's mainly hemlock/balsam with a minor cedar component and is primarily cable harvesting ground, said Ziegler. The company has a 26,000 cubic metre forest licence on the west side of Douglas Channel south of Kitimat, again forested in hemlock/balsam but with a higher percentage of cedar. The company's third licence is in the Nass Timber Supply Area to the northeast of Terrace, with an AAC of 162,000 cubic metres in hemlock/balsam, with some spruce. That can be logged with primarily ground based harvesting systems.

The advantage is their tenures are located close to their home base in Terrace, he noted.

Logging related equipment can present an availability issue. For example pipeline clearing projects are planned and underway in the region. However, on the plus side, Skeena Sawmills acquired 14 highway logging truckloads of wood from Kalum Ventures, the forestry division of the Kitsumkalum Band, working on clearing a section of BC Hydro's Northwest Power Transmission line. Purchasing the wood the mill requires from other regional tenure holders, B.C. Timber Sales and private wood holders is also an important part of their timber acquisition strategies, noted Ziegler.