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## ***Shut Down***

By Paperitalo Staff

Last week, International Paper announced the permanent closing of its Franklin, Virginia; Pineville, Louisiana; and Albany, Oregon mills as well as a machine shutdown in Valiant, Oklahoma. This is not the end of this round of North American closures, for Smurfit Stone is still working through bankruptcy as is AbitibiBowater. On top of this, the Black Liquor Tax Credit is coming to a close (which probably contributed to the IP announcement) and may affect other mills.

It is not as if Nip Impressions has not been warning you as to what to do if your mill faces closure. Columns dated 23 March 09 (Serious Advice), 23 Feb 09 (Pragmatic Reality), 25 Feb 08 (Failure is an Option) and 2 July 07 (Personal Buy-Out Preparation) have all been primers for various ways others may choose to change your employment situation. They offered signs of impending trouble and suggestions for personal career success.

I spent some time last week scanning the personal opinion sections of the newspapers in the towns affected by the IP announcements. There was a lot of bitterness, sadness, and anger, especially about making such announcements as the holiday season approaches. There were the usual misconceptions about big business, big government, foreign competitors and so forth. But through all of this came a sense of helplessness and loss of control.

We have covered many of these items before--shutdown decisions are not made because it is the holiday season, they are made because it is the end of the fiscal year as well as the calendar year. Big corporations do not operate business because they need a tax loss. And on and on. You faithful readers know why businesses shut down--they cannot spin the invoice printer faster than they spin the check writer. There can be many and complicated reasons for this, but in its simplest form these are the facts.

What concerns me more than anything now is what happens in the future, for what is done is done--the die was cast long ago for these mills and their useful life is over.

For the people involved, some will see this as an unwelcome opportunity. They will move to other places, within our industry or in other endeavors. The unfortunate ones will be those that cannot get themselves mentally past these conditions and living rigor mortis sets in--they become comatose in place, going through the motions of living all the while not really living. For some, this will last the rest of their lives.

For the sites involved, my concern is how much money, government money as well as private investor money, will be wasted in false promises to restart these sites as rejuvenated paper mills, energy plants, biorefineries and whatever else. Governments can't resist any "carpetbagger" that comes along and promises to bring back the old jobs at these sites. The reality, however, is that these old sites, if not already deteriorated, deteriorate very rapidly and the costs to rejuvenate them is often more than going to a greenfield site and starting over afresh.

The travels and travails of Governor Bobby Jindal of Louisiana in just the last few months within his own state are quite instructive on these matters. First, he was in St. Francisville for the restart of the old mill there (one rumored to be crawling with rats who ate the insulation off the wiring and were then followed by poisonous snakes that wanted to eat the rats). There have already been local newspaper stories that this mill is again about to shut down (denied by the Owners). On 15 September 09, Gov. Jindal was in Shreveport for the grand opening of the new greenfield Pratt Mill (a very happy day for him indeed, one which I witnessed personally). And then last week he was in Pineville consoling the town and promising funds to help those losing their jobs in the IP shutdown there. The good Governor Jindal has learned more about the pulp and paper industry this year than he probably ever expected he would, in fact, he may not have given it much thought before. And this does not even include his education a year ago when IP announced the shutdown of the Bastrop, Louisiana mill.

My concerns on these matters are closely related to my anti-biorefinery stance of which I spoke so sharply last week. Simply, these old sites have many, many hidden costs, even if one acquires the "assets" for free. It is a travesty for outsiders to come to town with some grand scheme and offer false hope to the local residents. These mills are much more expensive to rejuvenate than just starting on a greenfield site (a greenfield site which also has the advantage of being located in a logistically advantageous area). About the only time the sites are worth remediating and rejuvenating is when they can be converted to a much higher use. Sites like this which come to mind include Port St. Joe, Florida and St. Marys, Georgia where high-priced ocean-front condominiums are in the works. Yet even in these cases, the sites still await full development due to the current real estate recession.

The personal help we can offer here at Paperitalo Publications is to continue to help you prepare your résumé if you have been displaced. I spent last Saturday morning doing this and I'll continue to spend all the time necessary at no cost (as another example, recently I was at a mid-south trade show and spent much of my time counseling those out of work). And, this is not limited to "professionals" only (although it is limited to the pulp and paper industry worldwide)--if you are a crew leader, backtender, or in any other position and want to try to continue to work in our industry, I'll help you with your résumé. Send it to [jthompson@taii.com](mailto:jthompson@taii.com) with "Résumé Help" in the subject line (Microsoft Word format only, please).

Whatever you do, be safe. Part of the desirability you can create for being hired is by having a perfect safety record.

Be safe and we'll talk next week. ##