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CAPE BRETON POST

Georgia-Pacific indefinitely idles operations in Strait area

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By Nancy King-Cape Breton Post

MELFORD — There is more bad economic news for the Strait area, with an announcement Friday that Georgia-Pacific Corp. is indefinitely idling its Inverness County gypsum mining operations.

The 34 affected employees — 25 hourly and nine salaried — were notified of the decision Friday morning, company spokesperson Eric Abercrombie said. He stressed that the company is not calling the development a closure or shutdown, although there is no projection as to when the mines in Melford and Sugarcamp will reopen. Abercrombie blamed poor market conditions.

The news comes as the region continues to grapple with the closure of its largest employer, the NewPage Port Hawkesbury paper mill. The mill is in creditor protection and efforts are underway to sell it and possibly reopen it.

Earlier this fall, Georgia-Pacific announced the layoff of 27 of its employees at the Inverness County mines. Georgia-Pacific's Cape Breton mines produce gypsum that is used in the production of different types of wallboard.

"We're a market-based company and every day we evaluate our operations and in the building products industry, the current market conditions are dictating what we do with our operations," Abercrombie said. "I want to make sure it's understood that it's not a reflection of the employees or the good work they've done up there." A skeleton crew of eight will remain on the job to maintain the sites, he said.

When the earlier layoffs were announced, Abercrombie noted there are often seasonal layoff as the weather gets colder and that was a contributing factor. The indefinite idling is a new situation for the mines. "We're leaving ourselves room for resuming operations at some point in the future, when that is I wish I could tell you, I just can't speculate on the future," he said.

There are some projects that some employees will continue to work on until they are wound up, including loading of a ship, probably within the next two weeks.

In October, Georgia-Pacific idled a facility in Surrey, BC. Those have been the only mines owned by the company that have been affected.

Georgia-Pacific bought three Cape Breton properties several decades ago — in River Denys, Sugarcamp and Melford. It previously operated a mine in River Denys, before moving on to the Sugarcamp deposit. The company began mining at Melford in 2002.

Georgia-Pacific has been mining gypsum in Cape Breton since 1962.

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THE HAMILTON SPECTATOR

Caledonia drywall plant to be 'idled'

Hamilton Spectator
By [Steve Arnold](#)

CALEDONIA - Another American company is closing a Canadian plant to preserve jobs in the United States. Georgia-Pacific Inc. told the 60 employees of its Caledonia drywall plant Friday morning that the facility is being "idled" because the market for building materials is down and the company can meet all its needs from American factories.

"We are doing this because of market conditions and the fact we've just acquired new capacity through a merger," explained Georgia-Pacific spokesman Eric Abercrombie. "This is not a reflection on the employees at Caledonia or the work they've done, but we had to evaluate our footprint and how we serve our market." The company is also idling a plant in Arkansas. The Caledonia operation will go silent sometime in the first quarter of 2014, after production at the American factories has been ramped up.

In July, Georgia-Pacific acquired four new gypsum plants when it took over Memphis-based Temple-Inland Building Products from International Paper. That deal added 1,800 employees to Georgia-Pacific's payroll and 15 plants making fiberboard, gypsum products, lumber, medium density fiberboard and particleboard. Abercrombie added that a few jobs will be maintained at the plant in security, maintenance and environmental monitoring in case market conditions improve and it can be reactivated.

"If we say we are closing the plant that implies we intend to sell it," he said. "If we say it is idled it leaves us the option to restart it if market conditions improve," he said.

Georgia-Pacific has previously "idled" operations in Nova Scotia, British Columbia and Alberta. A plant in Thorold continues to operate.

In a July, a news release announcing the completion of the Temple-Inland acquisition by Georgia-Pacific said the \$750 million purchase would give it the ability to grow with a recovering market.

"As the housing industry continues its slow recovery, we want to ensure our ability to grow with our customers' needs," the company said. "This investment will create value for our company and the communities where we operate by allowing us to reach new customers and serve existing customers even better." Georgia-Pacific is one of the world's leading manufacturers and marketers of building products, tissue, packaging, paper, cellulose and related chemicals. Its products include Dixie cups and Brawny paper towels.

sarnold@thespec.com