

# Newsprint Plant Still Running Despite Steep Declines

Ruth Jensen

GRENADA, Miss. (AP) — The AbitibiBowater newsprint plant in Grenada now employs 181 people — its lowest number on record — but Manager Wade Taylor says they "have been willing to do whatever is necessary to keep the plant going."

Newsprint sales have been shrinking over the years, and this year was difficult, Taylor said.

"We've closed several Canadian mills, and this one has been closed 50 percent of the year," he said.

The Grenada site makes 700 metric tons of paper a day. Taylor said it will run full speed for the rest of the year — but, he added, "nobody talks much about what will happen after that."

Taylor said he hopes the Grenada plant will now have fewer shutdowns as some plants elsewhere have been indefinitely closed. Bowater, the largest publicly traded pulp and paper manufacturer in the world, has been in Chapter 11 bankruptcy protection as it reorganizes.

The Grenada plant is the company's only nonunion site, and Taylor said that has helped the plant keep going.

"Our folks are very flexible. They're willing to do whatever's necessary," Taylor said. "In a union environment, you can't ask someone to do some things."

Grenada has excellent workers, he said.

"The number of people needed to make a ton of paper is the lowest in any of our plants. We've got to excel, do more with less. We've reduced costs at corporate offices and reduced our overhead."

Taylor said the plant's employees get good pay and benefits, averaging \$25 to \$30 per hour, Taylor said. Entry-level jobs start at about \$14 an hour.

"We were worried we could be on the shutdown list, so some of our employees chose to leave," Taylor said. "We've asked others to step up. We may have to shuffle different departments, but we hope to keep everything as is."

The Bowater plant pays about \$1 million a year in taxes to Grenada County, according to Tax Assessor David Melton.

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"They're our top taxpaying entity," he said.

Taylor said that figure alone doesn't tell the whole story of what the mill means to the area.

"When you look at our payroll and our suppliers, the loggers and others, there are at least 500 people and families impacted by our mill."

Taylor said he hopes the demand for newsprint has bottomed out. As U.S. demand has shrunk, world demand has grown.

"Our largest customer is in Mexico," he said. "We have a site in Korea and the U.K., China and India are booming."

In addition to the credit crunch, which hit Bowater's customers hard, this year's weather has also been a hindrance.

Taylor said the plant doesn't like to keep wood more than about two weeks, as the Southern Pine will darken and change colors after a period of time.

"You can't bleach it enough to fix that," he said.

That discoloration problem can also affect the paper itself.

"If we make extra and it doesn't move, we start watching it around three months. We don't sell it after six because of yellowing," Taylor said.

Loggers haven't been able to get to the wood because of the rain, he said. "Then the housing market bottomed, so sawmills are not operating as much. If it rains more than five days in a row, we'd run out of wood."

Cold weather is good for the plant, since wood doesn't darken as much in winter.

Taylor said the company is facing other possible hits should "cap and trade" legislation pass.

Even though the plant uses the steam produced in the pulp-making process to run its dryers, its electricity comes from the TVA, which generates power from coal and natural gas.

"We capture and burn biomass fuel — bark — but indirectly our costs will go up as TVA increases its price for electricity," Taylor said.

Newspaper publishers have choices in the type of paper they buy, so many are using a thinner paper, he said. It's not any cheaper, but they get more on a roll, which helps in controlling their cost of operation.

While the newsprint industry has suffered along with other types of commerce, publishers and newsprint producers hope to do all they can to keep producing.

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"We try to serve our customers well — get them what they need when they need it, and put out a good product that prints well," Taylor said.

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