

Tembec Mills: New Hope For Pine Falls

Language	English
Provider	Tembec Mills
Location	Western Canada
Highlights	<p>The Pine Falls newsprint mill opened in 1926 and had been the major employer in the community of 1300 people.</p> <p>In 2009, in the face of declining North American newsprint sales, Tembec sought wage and contract concessions in excess of 35 percent from its employees. Unable to reach an agreement with the United Steelworkers Local 3-1375 and the Canadian Office and Professional Employees Union, in September 2009, Tembec locked out almost 300 workers. It was the first labour-dispute based work stoppage at the plant since it opened in 1926.</p>
Overview	<p>In January 2010, Tembec shut down its newsprint mill in Pine Falls Manitoba, resulting in layoffs for almost 300 workers. After failed attempts to sell the mill to investors and a union led groups, the mill closed permanently in September 2010. Beginning in December 2009, the community of Pine Falls, and the federal and provincial governments committed \$4.7 million to help the community adjust and to upgrade a local learning centre to train laid off workers in skilled trades.</p>
Issues Targeted	<p>The news of the lockout was devastating to the small town, located about 120 kilometers from Winnipeg, though it was not the first time the paper mill workers had faced the prospect of their workplace being sold. More than a decade earlier, then-owner Abitibi Paper, put the mill up for sale. Workers and some community members purchased the plant to keep it operating before selling it to Tembec.</p> <p>In December 2009, the company ended the lock out and laid off the workers and announced it was looking for a buyer.</p>
Key Features	<p>In December 2009, the Manitoba government provided the community with \$1 million to help the region adjust, and to assist in finding new economic opportunities. Shortly thereafter, the Town of Powerview-Pine Falls, Rural Municipality of Alexander, Sagkeeng First Nation, Edgewater Economic Development Corporation, Bluewater Chamber of Commerce, St. Georges Community Development Corporation and local mill workers set up the Winnipeg River Community Adjustment Corporation. In January 2011, the Powerview-Pinefalls created the Edgewater Economic Development</p>

	<p>Corporation, looking for tourism opportunities to bring to the area.</p> <p>Entrepreneurship Training and Trade in Beausejou Manitoba (provincial government) contracted Options for Success, a private firm, to provide a series of transition workshops to a group of 20 workers from Tembec. The workshops helped them deal with the job loss, and provided them with current information on the labour market, employer expectations, job search techniques and sample marketing tools. In addition to the change and transition workshops, Options for Success provided resume development services and one-on-one employment coaching.</p>
<p>Key Results</p>	<p>In March 2010, a local training organization Winnipeg River Learning Centre (WRLC) successfully applied for \$2.7 million from the federal government and \$600,000 from Manitoba, to begin the development of electrical and carpentry labs in its facility. With the upgrades, the WRLC could become a training centre for Red River Community College. Most of the workers doing the upgrades to the WRLC were former Tembec employees.</p> <p>When the announcement came that no buyers existed for the mill, the focus of attention shifted to worker retraining. In September 2010, the Province of Manitoba announced that it was investing a further \$400,000 to complete the expansions and upgrades at the WRLC. It would develop new training programs for former workers at the Tembec paper mill in construction electrician and carpenter. The first programs were offered starting in November 2010.</p> <p>More training started in March 2011 in the newly designated trade of construction craft worker. This program began with two months of essential skills testing and upgrading courses. The main program began in May and would carry through to September 2011. All training programs delivered by the WRLC and RRC partnership are accredited to prescribed apprenticeship training standards and graduates will be eligible for credit towards an apprenticeship in the respective trades.</p>
<p>Contact Details</p>	<p>Tembec Mills, Powerview – Pine Falls, Manitoba</p>
<p>Sectors</p>	<p>Manufacturing</p>
<p>Projects</p>	<p>Worker Adjustment</p>
<p>Sponsors</p>	<p>Business: medium sized (between 100 and 499 employees)</p>
<p>Target</p>	<p>Workers</p>

Audiences	
Target Audience Details	The 300 workers laid off as a result of the closure of the Pine Falls newsprint plant.
Initiative Types	Practice
Funding Mechanisms	Funding came from the Federal Government and Manitoba Entrepreneurship, Training and Trade, \$2.7 million from the federal government (Economic Action Plan) and \$1 million from Manitoba.
Challenges	<p>Starting in January 2010, various groups organized to try to buy the mill. These groups included a combined group of USW workers and former Tembec management employees, a former Tembec executive and the Sagkeeng First Nation, which sought to be involved in any purchase. The Adjustment Corporation carried out a feasibility study.</p> <p>The Manitoba government had announced it would supply up to 30 per cent of the financing for a buyout if a viable plan was in place. New owners, however, would require about \$100 million to purchase the mill, get it up and running and support it until it could be profitable.</p> <p>In August 2010 the employee-led buyout group informed Tembec that it would no longer pursue the idea. "We're finding that some of the goals we set for our business plan we just can't achieve," buyout group chairman Henry Dube said. (Career Fair, 2010)</p> <p>In September 2010, Tembec announced the permanent closure of the mill.</p>