



LIFE IN THE BIG CITY

A Toronto paper machine startup sets stage for long-term mining of the vast urban forest

Going against the grain and conventional industry wisdom may not be everyone's cup of tea, but bucking trends and defying odds is something of a long-enduring, and richly-rewarding, *modus operandi* for the Toronto-based corrugated producer **Atlantic Packaging Products Ltd.**

Just coming off its 60th anniversary last year, the fiercely-proud, family-owned business was one of the first Canadian paper producers to embrace the manufacture of paper products from recycled wastepaper and OCCs (old corrugated containers) and, unlike most of its major Canadian-based competitors, has never felt the need to bet its future on the U.S. export markets—preferring to cultivate meaningful customer relationships within the Canadian client base to earn its bread-and-butter.

In keeping up with its feisty maverick competitive spirit, the company last year turned many heads in the Canadian paper industry—beleaguered in recent years by chronic overcapacity, frequent mill closings and massive layoffs—by starting up a spanking-new, multimillion-dollar paper machine within the city limits of Canada's largest population center.

The sheer nerve and audacity of this mega-bucks investment is arguably matched only by the enthusiasm of management and mill workers employed at the **New Forest Mills LP** plant in Toronto's east end, where a state-of-the-art, 200-inch-trim **Voith** paper machine has been running flat-out, on 24/7 basis, since startup—cranking out its daily rated capacity of 700 metric tonnes of high-quality corrugated medium and linerboard, and then some.

Operating as a joint venture of Atlantic's Corrugated Division business and its Quebec-based strategic partner **Mitchel-Lincoln Packaging Ltd.**, the new mill represents some of the best news Canada's paper sector has had in years, while also providing a compelling example of first-class manufacturing excellence in the modern-era global economy.

"When the first roll came off on April 23, 2006, we immediately shipped it to our Brampton boxmaking plant, where they used it on their corrugator," recalls paper mill director of sales John Pepper, a 24-year veteran of Atlantic Packaging. "The mill has been running 24/7 ever since it opened up, apart from regular scheduled machine maintenance, about once a month, for general upkeep and to make sure we're on top of our game.

"We take occasional shutdowns to allow us replace a few things on the machine to make it better, like core insertion, to use a recent example," says Pepper, adding that such ongoing improvements have enabled the machine to routinely exceed its rated output capacity.

"The machine is designed for output of 700 metric tonnes per day, but in the last 11 months we have surpassed that number on several occasions already," he notes with pride.

"One day last November we actually hit 800 metric tonnes in a day," he states, "so it has been a very good machine startup on many levels."

Not least of all, Pepper told *Canadian Packaging* on a recent visit to the mill, is the galvanizing effect this investment has had on the mill's employees and throughout the entire **Atlantic Group of Companies** organization, which currently employs about 2,400 people at some 23 different locations across Ontario and Quebec.

"This investment has been really good for the company morale," Pepper confides. "Atlantic and Mitchel-Lincoln consistently do a lot of investing, updating and upgrading throughout all of their divisions, and every time you see an investment of this magnitude being made, it gives you a tremendous encouragement to see that the company is continuously reinventing itself, always progressing.

GOOD VIBES

"And that's the key: you want to feel good about the place where you're employed," Pepper states. "You don't want to be nervous all the time about staff downsizing, right-sizing or whatever you want to call it, when times get a little tough."

While the paper business in general has been plagued by stubborn overcapacity in recent years, every roll of medium and linerboard coming off New Forest's Voith machine is virtually guaranteed to be used up in short order to construct corrugated boxes at one of Atlantic's boxmaking plants, one of Mitchel-Lincoln's two plants in Quebec, or by one of the vertically-integrated company's outside clients.

"The product made on this machine is excellent; there are no better words to describe it," Pepper states. "We get consistently positive feedback from both Atlantic and from Mitchel-Lincoln's owner, David Garfinkle, about how great this paper is.

"Before this machine came online, Mitchel-Lincoln used to buy their paper out in the open market, so they are very happy about having invested in this secure supply of product to take care of their production needs."

For New Forest mill manager Ed Stapleton, the Voith machine startup represents an exciting new personal and professional chapter in a 30-year career with Atlantic Packaging.



New Forest Mills LP mill manager Ed Stapleton strikes a pose at the dry end of the massive Voith paper machine started up in the spring of 2006 at a greenfield plant in east-end Toronto.

"This particular paper machine was definitely engineered to be user-friendly," says Stapleton, beaming with pride of the plant's flawless, injury-free record since the machine's startup, now past 500 days and counting.

"In the old days, people working in mills put themselves at a considerable risk, and had to exert a considerable amount of physical effort, when operating and controlling a paper machine Stapleton recalls. "But with all the monitors and DCS (distributed control system) we have now, a lot of that risk is taken out, so people now have the time to think about what they're doing and to continually work on improving the process."

Stapleton says he is equally impressed with how the plant's 90-employee workforce—all of them members of Local 1894-1 of the **CEP (Communications, Energy and Paperworkers)** union—has also risen to the occasion.

"When we were hiring for this plant, we not only brought in some of our own experienced people, but also tried to assemble a diverse group of people, from all age groups and from many different walks of life," Stapleton recalls. "We looked for people with good work ethic, who would think of this as a good opportunity to be a part of something special and with a good future.

"I'm happy to say that I am ecstatic with their performance to date—these are excellent people we have working here."

As for the Voith machine's technological attributes and capabilities, Stapleton has a hard time coming up with enough superlatives to relate his enthusiasm.

"In practical terms, this machine is as good a fourdrinier machine as you will find out there," Stapleton asserts.

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John, Pepper,
Director of Sales,
Paper Mill.



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“We can run it at up to 1,000 meters per minute, and though there may be machines out there that run faster, this one is doing a really great job for us right now.

“This machine has got all the [papermaking] technologies that have been developed before it down pat, notably the dilution control headbox, which provides superior cross-machine direction profile, and the tandem extended-nip presses, giving us superior sheet compactness and dryness.

“We also have a state-of-the-art wastewater treatment facility, with all the digital controls that a modern mill must have, meaning there’s no dirty water ever leaving the plant,” he expands.

Stapleton adds that the New Forest plant also takes great pride in being a good neighbor to the many typi-

cal big-city commercial businesses in the area—including a massive shopping mall virtually across the street—by operating as inconspicuously as possible.

“Our mill operates very quietly, and we have a system we use in the winter for significantly reducing the visibility of the water vapor steam see rising over the mill,” he notes.

“It’s only water vapor, of course, much like steam from a kettle on a stove, but some people may get the wrong idea and think that it is pollution of some sort, so we do it to avoid such misunderstandings.”

As far as Stapleton and Pepper are concerned, Atlantic Packaging has more than earned its stripes as a good, responsible corporate citizen over the years—in large part thanks to its front-line involvement in the recycling industry.

“This plant fits perfectly into Atlantic’s recycling-oriented philosophy and principles,” Pepper states. “We can’t stress the importance of recycling to Atlantic enough.

“Almost everything we make at this company, corrugated, paper-towel tissue, newsprint ... almost everything has 100-percent recycled content, and all five paper mills owned by Atlantic operate paper machines that work exclusively with recycled fiber.”

INTO THE FUTURE

Illustrious history aside, Pepper is also clearly excited by the future business opportunities he expects the new paper machine to deliver, stressing that despite the industry’s notorious boom-bust cycles, corrugated remains a rewarding business for companies who get it right in the area of customer service.

“I’d be lying if I said that pricing does not play a role in it,” he allows, “but many of the people we deal with do not base their purchases on price alone: they know the value of good customer built on long-standing trust; they know the value of reliable on-time deliveries.

“It doesn’t matter what the price is if your boxes do not arrive on time. There is a huge difference between the quoted price and the actual cost-of-purchase, and most of our customers understand that well. If the product is not there when needed, or if the product fails you by not being good enough, then it doesn’t matter what you paid for it in the end,” Pepper asserts.

As for the long-term prospects for the corrugated business in general, Pepper says there are many underlying fundamentals and ongoing trends that will ensure an important future for this versatile packaging material.

“This is still an excellent business,” he declares. “Corrugated has really proven itself over the years as a reliable packaging alternative, and although there will always be new competition from other materials—including plastic totes and stretch-film, which you now see used for multipacking beverage and water containers—corrugated will itself be pursuing new market opportunities.

“Just take a look at 12-packs of beer: It used to be two-by-six folding cartons before, but now it’s the four-by-three corrugated cases,” he notes.

“I believe that with the greater, more creative use of the new thin microflutes, there is a great opportunity for corrugated to move in on the markets traditionally dominated by boxboard and folding cartons.

“Which is why I’m convinced that the significant investment by Atlantic Packaging and Mitchel-Lincoln into this new mill is money well-spent.” □

For more information on:

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