

Tales of how 3 manufacturers managed to thrive during the Great Recession

The following text was excerpted from "Tales of how 3 manufacturers managed to thrive during the Great Recession" by Melissa Powell- SeattleTimes.com, July 16, 2011

Cosmo

Specialty Fibers

Refurbished and reopened

Cosmo Specialty Fibers is just getting started — or restarted — in Cosmopolis, Grays Harbor County.

The mill produces cellulose fiber, which is used in a wide variety of household and industrial goods, including cellophane, LED screens and in rayon fabric clothing production.

The former mill, owned by Weyerhaeuser, closed six years ago, causing the city to lose 40 percent of its revenue and 200 jobs.

"At the time it closed, the market wasn't what it is today so they had some difficulties," says Robert Buchan, vice president of governmental relations for Cosmo, who came to the mill when it reopened. Buchan was previously the vice president of external relations and CEO of the foundation for the University of Fraser Valley in Canada.

"Weyerhaeuser made a corporate decision that this was the only mill of its kind they owned so it was an outlier," he says. "It wasn't making a ton of money, and it was a chemical mill so there's risk with that."

Buchan said several companies looked at the mill after Weyerhaeuser announced its closing. The Gores Group, a private-equity firm in Los Angeles, saw the potential investment opportunity and led the acquisition of the mill from Weyerhaeuser.

Under new financing and a new name, Cosmo Specialty Fibers began the restoration process in September 2010.

Buchan said getting the mill up and running cost tens of millions of dollars in repairs and electrical and mechanical work.

"We've been able to come in and put together an aggressive, lean and motivated team," mill manager Jim Smith says. Smith was the general manager at three mills in Florida and California before starting at Cosmo. "We think the market was right to come in at this time."

Smith said the mill is focusing on producing feedstock for rayon fabric because the product is popular at the moment. Everything the mill produces is exported to various companies in China and Indonesia.

"The price of cotton, a competitor, has skyrocketed," Smith says. "And oil skyrocketed, a component of polyester, which is the other competitor, so that's helped."

The reopening of the mill replaced those 200 lost jobs — 35 percent of the new employees worked at Weyerhaeuser; 96 percent are from Washington.

Steve Avery, 61, started working full time at the Weyerhaeuser mill in 1970. When the mill shut down, Weyerhaeuser gave him a "good buyout package and retirement," but he wasn't ready to stop working. He got a job in construction but that company shut down, too. The reopening came at the perfect time, he said.

"I heard the mill was starting up, and I wanted to help get the old girl back up," Avery says. "She's a great place to work and really produces a good product."

Avery was able to come back as a contractor, working as an environmental technician, as he had before the mill closed. He applied when the company began hiring full time, and he now works as a senior lab technician.

"The community had been beaten up pretty hard, and now it's a glimmer of hope that [the mill] is back," Avery says.

Buchan said the mill's grand opening May 21 brought out 800 community members and Gov. Chris Gregoire. He said the attendance is a testimony to how much the mill and its employment opportunities mean to the community.

"The nuclear plant went down, the sawmill went down, four or five mills on harbor closed over decade," Buchan says. "This was the first uptake in the other direction."

In the month that Cosmo Specialty Fibers has been reopened, the company has seen production steadily increase as the mill works out all of its kinks. Buchan said he estimates the mill will be back to its previous production by the end of the year, producing around 140,000 tons a year.