

## Paper industry troubles cast long shadow in 2015 (<https://bangordailynews.com/2015/12/28/business/paper-industry-troubles-cast-long-shadow-in-2015/>)



Gabor Degre | BDN

Expera Specialty Solutions announced it would shut down the mill in Old Town, Sept. 29, 2015.

By Darren Fishell (<https://bangordailynews.com/author/dfishell/>), BDN Staff  
Posted Dec. 28, 2015, at 6:23 a.m.

PORTLAND, Maine — The loss of two more paper mills and about 800 papermaking jobs delivered blows to Maine's legacy industry in 2015 as more signs of the state's changing economy emerged.

The past year showed continued declines in employment (<https://www.google.com/url?q=https://research.stlouisfed.org/fred2/graph/?g%3D2YJo&sa=D&usg=AFQjCNHCi89r-wIeNh7CF3I-wFQgCBmYCA>) for paper manufacturers, with the year-end closure at Expera's mill in Old Town (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F09%2F29%2Fnews%2Fbangor%2Fowners-announce-closure-of-old-town-pulp-mill%2F&sa=D&usg=AFQjCNGUA-uaT-nm4TLUdYO5FuPrZNMtEQg&ref=inline>), the Lincoln Paper and Tissue mill's recent sale ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F20%2Fnews%2Fpenobscot%2Flincoln-mill-sold-to-liquidators-for-5-95-million%2F&sa=D&usg=AFQjCNFHFse\\_Ac\\_YU33Guyzr8FhQBBu4FA&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F20%2Fnews%2Fpenobscot%2Flincoln-mill-sold-to-liquidators-for-5-95-million%2F&sa=D&usg=AFQjCNFHFse_Ac_YU33Guyzr8FhQBBu4FA&ref=inline)) and 300 layoffs at the Verso's Jay mill (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F08%2F20%2Fbusiness%2Fverso-to-lay-off-300-at-jay-paper-mill%2F&sa=D&usg=AFQjCNEiAQnnGuY33TPoTxcdoFsfDSVCBw&ref=inline>) through early next year.

The trouble for the paper industry comes as manufacturers generally (<https://www.google.com/url?q=https://research.stlouisfed.org/fred2/graph/?g%3D2YGr&sa=D&usg=AFQjCNGOIRAfupicomUA2cJqifNZJBmbuw>) held employment steady since the major losses during the Great Recession. The closure of UTC's plant in Pittsfield (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2014%2F03%2F19%2Fnews%2Fmid-maine%2Funcertainty-reigns-in-wake-of-announced-utc-plant-closure-in-pittsfield%2F&sa=D&usg=AFQjCNEoWch-OotjwryeUg5AKs6rWO96BA&ref=inline>) was another blow to Maine's tally of manufacturing jobs.

At the same time, service sectors, including health care and social assistance, continued to grow in importance to the state's economy and employment (<https://www.google.com/url?q=https://research.stlouisfed.org/fred2/graph/?g%3D2YGy&sa=D&usg=AFQjCNGRkCE9wl-bXVo3VKIGaoAFwuxYuQ>) last year, overtaking the wages paid by government employers at all levels.

Those general trends are a backdrop for some of the biggest business stories of the year.

## Big transactions

The last year wasn't a particular outlier in the number or scale of business transactions, but amid a still recovering economy there were several major deals done and moves made — including the Bangor Daily News' sale of its Hampden printing plant (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F28%2Fnews%2Fbangor%2Fgood-shepherd-food-bank-buys-former-bdn-printing-plant%2F&sa=D&usg=AFQjCNF-GKcUpquolCCv4EMzZnaTuqD02Q&ref=inline>), Main Street office building ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2014%2F05%2F02%2Fbusiness%2Fcross-insurance-to-buy-bangor-daily-news-building%2F&sa=D&usg=AFQjCNF1ierLJ8ELVoZ\\_DQNiMZnbtvku8g&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2014%2F05%2F02%2Fbusiness%2Fcross-insurance-to-buy-bangor-daily-news-building%2F&sa=D&usg=AFQjCNF1ierLJ8ELVoZ_DQNiMZnbtvku8g&ref=inline)) and move to a downtown (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2014%2F11%2F12%2Fbusiness%2Fbangor-daily-news-moving-to-downtown-office-building%2F&sa=D&usg=AFQjCNHpoc2EYE8FOrlgbztACJBjGRE3pA&ref=inline>) off (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2014%2F11%2F12%2Fbusiness%2Fbangor-daily-news-moving-to-downtown-office-building%2F&sa=D&usg=AFQjCNHpoc2EYE8FOrlgbztACJBjGRE3pA&ref=inline>) ice space (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2014%2F11%2F12%2Fbusiness%2Fbangor-daily-news-moving-to-downtown-office-building%2F&sa=D&usg=AFQjCNHpoc2EYE8FOrlgbztACJBjGRE3pA&ref=inline>).

Plum Creek also announced plans to sell its holdings to Washington-based timberland investment trust Weyerhaeuser for about \$8.4 billion (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F08%2Fbusiness%2Fweyerhaeuser-to-buy-plum-creek-creating-23b-timber-company%2F&sa=D&usg=AFQjCNEYALoSA5Y1Sio6qHRSUkjwmyM9wQ&ref=inline>), based on the company's share prices at the time.

South Portland-based payment processor WEX scooped up a competitor (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F19%2Fbusiness%2Fwex-to-buy-competitor-in-fleet-fuel-payments-for-1-1-billion%2F&sa=D&usg=AFQjCNGIqN5vvR-dOupjqJaTTjYL4MP9w&ref=inline>) and other companies outside its core fleet fuel card business, and Cam ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F16%2Fbusiness%2Fcamden-national-bank-completing-takeover-of-bank-of-maine%2F&sa=D&usg=AFQjCNFMoCb2seUad\\_Gom6ZCFOiW8aFgnA&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F16%2Fbusiness%2Fcamden-national-bank-completing-takeover-of-bank-of-maine%2F&sa=D&usg=AFQjCNFMoCb2seUad_Gom6ZCFOiW8aFgnA&ref=inline)) d ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F16%2Fbusiness%2Fcamden-national-bank-completing-takeover-of-bank-of-maine%2F&sa=D&usg=AFQjCNFMoCb2seUad\\_Gom6ZCFOiW8aFgnA&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F16%2Fbusiness%2Fcamden-national-bank-completing-takeover-of-bank-of-maine%2F&sa=D&usg=AFQjCNFMoCb2seUad_Gom6ZCFOiW8aFgnA&ref=inline)) en National became the largest Maine-based bank ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F16%2Fbusiness%2Fcamden-national-bank-completing-takeover-of-bank-of-maine%2F&sa=D&usg=AFQjCNFMoCb2seUad\\_Gom6ZCFOiW8aFgnA&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F16%2Fbusiness%2Fcamden-national-bank-completing-takeover-of-bank-of-maine%2F&sa=D&usg=AFQjCNFMoCb2seUad_Gom6ZCFOiW8aFgnA&ref=inline)) through its purchase of the Bank of Maine.

The utility world also had several major transactions. SunEdison completed its \$2.4 billion purchase of First Wind (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F01%2F29%2Fnews%2Fportland%2Fsunedison-finalizes-2-4-billion-purchase-of-first-wind%2F&sa=D&usg=AFQjCNFq7iGI1gHA6uh4YeILqPVmuFv5zg&ref=inline>) in January and in December announced plans to sell its Bingham and Oakfield projects (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F12%2F10%2Fbusiness%2Fsunedison-to-sell-maine-wind-assets-to-terranova%2F&sa=D&usg=AFQjCNHxiG5ZzAF6KEECekuFxoXSjb4tw&ref=inline>).

Central Maine Power Co. became part of a new publicly traded regional utility company ([https://www.google.com/url?q=https%3A%2F%2Fbangordailynews.com%2F2015%2F12%2F16%2Fbusiness%2Fiberdrola-to-list-18-5-percent-of-us-grids-renewables-unit-avangrid%2F&sa=D&usg=AFQjCNExKUS\\_hqWPbDrpQ55GEGUes63Fag&ref=inline](https://www.google.com/url?q=https%3A%2F%2Fbangordailynews.com%2F2015%2F12%2F16%2Fbusiness%2Fiberdrola-to-list-18-5-percent-of-us-grids-renewables-unit-avangrid%2F&sa=D&usg=AFQjCNExKUS_hqWPbDrpQ55GEGUes63Fag&ref=inline)), Avangrid, earlier this month,

after parent company Iberdrola's purchase of utility UIL Holdings Corp., announced in February (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F02%2F26%2Fbusiness%2Fcmp-parent-company-iberdrola-to-buy-another-new-england-utility-for-3-billion%2F&sa=D&usg=AFQjCNFpSmO2kjinJynVzqBewwqPObwW1CA&ref=inline>). Emera Maine's parent company also struck out for a little M&A, buying utility Teco Energy Inc., which operates in Florida and New Mexico, for \$6.44 billion.

Retailer L.L. Bean also named its next CEO, former Wal-Mart and Hannaford executive Stephen Smith, indicating a focus on global growth (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F03%2Fbusiness%2F1-l-bean-names-new-president-ceo-with-global-retail-experience%2F&sa=D&usg=AFQjCNGZoOVKDoY9FFSRiTtj5E1k44bLYA&ref=inline>) for the Freeport retailer.

And in distressed asset sales, a consortium of liquidators bought the Lincoln mill in a bankruptcy auction.

#### Transportation upgrades

Construction continued on a rail connection to Portland's International Marine Terminal, linking with the Icelandic container shipper Eimskip. The port of Eastport also started rebuilding (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F04%2F05%2Fnews%2Fdown-east%2Freconstruction-of-collapsed-eastport-breakwater-under-way%2F&sa=D&usg=AFQjCNENq8akGrSfTEhGYx6VaRbag-mKgUA&ref=inline>) a breakwater that collapsed in December, with the help of a federal grant.

That major project was joined with perhaps the biggest transportation news of the year: that Maine would get \$20 million from a federal grant ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F26%2Fbusiness%2Fmaine-lands-20-million-federal-grant-to-support-rail-upgrades%2F&sa=D&usg=AFQjCNGlh5SHoAoaovuN7Ov3U\\_oilBOAOQ&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F26%2Fbusiness%2Fmaine-lands-20-million-federal-grant-to-support-rail-upgrades%2F&sa=D&usg=AFQjCNGlh5SHoAoaovuN7Ov3U_oilBOAOQ&ref=inline)) to upgrade many of the bottlenecks in the state's freight rail system.

The state still faces a shortfall in its budget for road and bridge improvements (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F28%2Fnews%2Fstate%2Freport-15-percent-of-maine-bridges-found-structurally-deficient%2F&sa=D&usg=AFQjCNEoFlblcQl6YEuHSF6u3oml6PxuQ&ref=inline>), but the rail upgrades stand to speed up the shipment of goods throughout the state and connect the rail system to a port with regular access to markets across the North Atlantic.

The state's trade office has focused much attention on that region of the world, leading a mission to Iceland in October. ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F13%2Feducation%2Fmaine-officials-to-visit-iceland-to-build-education-trade-ties%2F&sa=D&usg=AFQjCNHunCJ-rAEAlD1O3KL4-tg\\_JAXVqA&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F10%2F13%2Feducation%2Fmaine-officials-to-visit-iceland-to-build-education-trade-ties%2F&sa=D&usg=AFQjCNHunCJ-rAEAlD1O3KL4-tg_JAXVqA&ref=inline))

Elsewhere in transportation, the Nova Star luxury ferry left Maine for good ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F12%2F09%2Fbusiness%2Fas-nova-star-departs-dispute-with-portland-lingers%2F%3Fref%3DrelatedBox&sa=D&usg=AFQjCNH\\_6WRJ4aUOniS2Fv8okaLrYTxUog&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F12%2F09%2Fbusiness%2Fas-nova-star-departs-dispute-with-portland-lingers%2F%3Fref%3DrelatedBox&sa=D&usg=AFQjCNH_6WRJ4aUOniS2Fv8okaLrYTxUog&ref=inline)) after sailing for two years between Yarmouth, Nova Scotia, and Portland, with the help of millions in subsidy funds from the province of Nova Scotia.

#### Early and late resolutions

FairPoint workers ended a 131-day strike in February after conceding some ground to the struggling telecom company that turned around losses before and during the strike, posting in November profits for the second quarter ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F03%2Fbusiness%2Ffairpoint-posts-profits-for-second-quarter-in-a-row%2F&sa=D&usg=AFQjCNFXLNqa7rMd\\_ep26TukZENoDocRaQ&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F03%2Fbusiness%2Ffairpoint-posts-profits-for-second-quarter-in-a-row%2F&sa=D&usg=AFQjCNFXLNqa7rMd_ep26TukZENoDocRaQ&ref=inline)) in a row, fueled by lower post-retirement benefit costs.

While the contract dispute at FairPoint found a late and hard-won resolution, union members at Bath Iron Works hopped into negotiations early and narrowly approved a contract (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F12%2F13%2Fnews%2Fmidcoast%2Fbiw-union-in-narrow-vote-oks-new-labor-contract%2F%3Fref%3DrelatedBox&sa=D&usg=AFQjCNFXmNT-PmysmaVVg4xbUtZetj4Cvw&ref=inline>) in advance of a big year for the shipyard ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F01%2F09%2Fbusiness%2Fbeing-a-cut-above-might-not-help-bath-iron-works-avoid-future-job-cuts%2F&sa=D&usg=AFQjCNFBHUx96QGv-7DxA\\_EETW-DZHNSwA&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F01%2F09%2Fbusiness%2Fbeing-a-cut-above-might-not-help-bath-iron-works-avoid-future-job-cuts%2F&sa=D&usg=AFQjCNFBHUx96QGv-7DxA_EETW-DZHNSwA&ref=inline)), when it will bid on a contract to build a new class of U.S. Coast Guard cutters.

The company estimates it would lay off about 35 percent, or 1,200, of its manufacturing employees if it doesn't win that contract.

In another perhaps late resolution, the University of Maine's offshore wind project Aqua Ventus stayed in the running for a major federal grant, getting another \$3.7 million to design a full-scale demonstration project ([https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F16%2Fbusiness%2Ffeds-to-give-umaine-offshore-wind-project-3-7-million-more-for-research%2F&sa=D&usg=AFQjCNGYxpU\\_P3McWnRI1dPNEU7kHbF-Vg&ref=inline](https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F16%2Fbusiness%2Ffeds-to-give-umaine-offshore-wind-project-3-7-million-more-for-research%2F&sa=D&usg=AFQjCNGYxpU_P3McWnRI1dPNEU7kHbF-Vg&ref=inline)) that could end up competing for a \$40 million in federal funds.

#### Energy costs avoided shock

Standard offer electric rates stayed flat (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F18%2Fbusiness%2Felectricity-costs-to-stay-flat-for-bangor-households>

in-2016%2F&sa=D&usg=AFQjCNHCrVLwQw9JJGB1v15acisPY3U1Gw&ref=inline) or dropped (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F17%2Fbusiness%2Fpower-prices-drop-for-basic-cmp-home-business-customers%2F&sa=D&usg=AFQjCNFzybOzSGQoBeI8RTRSbl2Htl3wrA&ref=inline>) for Maine residential customers, contrary to experts' fears as New England faces power capacity constraints and the loss of major generators, including the nuclear power plant Vermont Yankee that went offline at the end of 2014.

Maine and most other states also benefitted from gas prices that have remained low (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F11%2F27%2Fbusiness%2Fheating-oil-price-hits-10-year-low-in-maine%2F&sa=D&usg=AFQjCNHRswTLAlB1OGYTmMgiDAd8oaCFKA&ref=inline>) as output stayed steady from the Middle East and U.S. producers.

The drop in crude oil prices is a disproportionate economic boon for Maine, where the majority of homes still use No. 2 heating oil in the winter.

Bigger issues around energy still loom in the background for Maine and the region. A state group has started work this year on a new scheme for compensating small-scale solar generators (<https://www.google.com/url?q=http%3A%2F%2Fbangordailynews.com%2F2015%2F06%2F30%2Fbusiness%2Fstate-to-study-new-way-to-reimburse-small-scale-solar-power-generators%2F&sa=D&usg=AFQjCNG4dx6J6c47UboeM4H5gKOMFw9AeA&ref=inline>), creating a plan legislators are set to consider when they reconvene in January.

In New England, regional proposals for natural gas pipeline expansions took shape and the announcement of a request for proposals for new renewable power capacity from Massachusetts, Rhode Island and Connecticut will have a large impact on development of new transmission and renewables projects that come out next year.

Meanwhile, demand continues to rise for transmission projects that would bring Canadian hydropower onto the New England grid and for wind projects in Maine that could require separate transmission upgrades to get its power into the regional ISO-New England system.

<https://bangordailynews.com/2015/12/28/business/paper-industry-troubles-cast-long-shadow-in-2015/>  
(<https://bangordailynews.com/2015/12/28/business/paper-industry-troubles-cast-long-shadow-in-2015/>) printed on December 31, 2015