



## Media Release

July 7, 2010

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### **City responds to Catalyst Elk Falls closure announcement**

"It's not the kind of news the community hoped to hear, and our first thought is for the employees and their families whose lives are most affected by this announcement," said Mayor Charlie Cornfield after learning that Catalyst Paper had confirmed its intention to permanently close its Elk Falls mill.

"Council agrees we can't take the loss of a major employer lightly, especially when we factor in the economic spin-off created by that employment and the multi-millions of dollars they've paid in tax revenue over the years," the Mayor added.

The company was clear that a combination of factors led to its decision to close the mill.

"Council is confident that between a steady reduction in taxation for major industry since 2002, and efforts to work with the company and the provincial government to keep the mill viable, the City did everything reasonable to prepare for this day," the Mayor affirmed.

"While it's difficult to reach the end of an era, the company's decision opens the door for new initiatives at the site, and we can now move forward with certainty," the Mayor concluded. "We live in a resilient community, and we look forward to working with Catalyst to explore other options for the mill site."

At last night's meeting, Council passed a resolution directing staff to provide a report on anticipated taxation implications of the mill closure.

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