

Rioux, Luke MUNI:EX

From: Parmar, Ravi JEDI:EX
Sent: December 15, 2022 4:52 PM
To: Bain, Don PREM:EX; Smith, Matt PREM:EX
Subject: FYI - PE Request

Hello Don and Matt,

I wanted to provide you both an update on the Crofton/Paper Excellence file. Please see the attached BN for the latest. Happy to chat if you have any questions.

Cheers,

R

Ravi Parmar | Senior Ministerial Advisor

Honourable Brenda Bailey | Minister of Jobs, Economic Development and Innovation

Phone: 1-250-356-2771

E-mail: Ravi.Parmar@gov.bc.ca

INFORMATION NOTE

Cliff #: 160988

Date: Dec 13, 2022

PREPARED FOR: Fazil Mihlar, Deputy Minister, Ministry of Jobs, Economic Development, and Innovation

ISSUE: Paper Excellence Request^{s.13; s.17} at Crofton Mill Site

BACKGROUND:

Historical Acquisitions

Paper Excellence (PE) purchased Catalyst Paper Corporation (Catalyst) in 2018, including mills in Crofton, Port Alberni and Powell River. Operations at the Powell River Mill were permanently curtailed in 2021, and paper production at the Crofton Mill was partially curtailed in 2022.

Other recent acquisitions by PE include Domtar in 2021 for \$2.8B USD, and an offer expected to close in Q2 2023 for Resolute Forest Products for \$2.7B USD. Both acquisitions were funded by cash on hand.

Proposed PE Investments at Crofton

Since 2018, PE received approximately \$12M in funding from the Province including \$8M through CleanBC and \$4M from the Forest Enhancement Society of BC to support various projects.

PE are currently proposing a \$47M investment at their Crofton Mill site to create an alternative to single use plastics and to reduce GHG emissions by:

1. Converting their idled paper machine in Crofton to produce stronger water-resistant paper to address increased market demand for take-out containers, and
- 2.^{s.17}

s.16; s.17; s.21

s.13; s.17; s.21

s.13; s.17

s.13; s.17; s.21

DISCUSSION:

s.13; s.17; s.21

Recommended Path Forward

JEDI and MoF staff recommend that the province communicate:

1) s.13; s.17

2) s.13; s.17; s.21

3)^{s.13; s.17}

4)

This would ensure that the province maintains a level playing field for all applicants to the funding program. and it will still likely address^{s.13; s.17}
s.13; s.17

ATTACHMENTS: Appendix 1 – E-mail from PE to Province Regarding Crofton Investment

ADM Contact: Paul Pawlowski, 778-873-7037

Prepared by: Tully Campeau, Senior Policy Analyst, Major Investments Office

Reviewed by			
Dir: RW	ED: SD	ADM: PP	DM:

Appendix 1 – Sent Friday December 9 2022

Dear Chris, Melissa and Paul,

Happy Friday and thank you very much for your time yesterday.
s.17; s.21

“Earlier this year, Crofton has announced the indefinite closure of its paper mill operations starting in early December 2022. Paper markets in China served by the mill have significantly weakened while there have been substantial cost escalations for chemicals, energy and wood fibre used at Crofton. The intersection of these pressures has materially impacted the financial viability of the paper operation.

s.13; s.17; s.21

s.13; s.17; s.21

Please let me know if you have any questions or would like to have a follow up call to clarify any of the items above.

Best regards,

Davis

Rioux, Luke MUNI:EX

From: Pawlowski, Paul JERI:EX
Sent: January 13, 2023 8:53 AM
To: Kirby, Kyla JERI:EX; Courser, Abigail JERI:EX
Subject: FW: Quick call/chat

FOI Request – Mo Sihota

From: Pawlowski, Paul JERI:EX
Sent: October 11, 2022 8:42 AM
To: 'Moe Sihota' s.22
Subject: RE: Quick call/chat

Hi Moe – sorry my inbox got away from me on Friday as I was off-site. I have some time today between 4-5 pm if there is a slot that works there on your end?

Best Regards,



Paul Pawlowski, P.Eng, MBA
Acting Assistant Deputy Minister – Investment and Innovation

Ministry of Jobs, Economic Recovery & Innovation
Government of British Columbia
Suite 730-999 Canada Place, Vancouver, BC V6C3E1
☎ 778-873-7037 | ✉ Paul.Pawlowski@gov.bc.ca

From: Moe Sihota s.22
Sent: October 7, 2022 10:39 AM
To: Pawlowski, Paul JERI:EX <Paul.Pawlowski@gov.bc.ca>
Subject: Quick call/chat

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Paul - lots happening on a couple of my files. I'd like to update you and require no more than 10-15 minutes of your time. Could you call me at your convenience - I'm reachable on my cell at s.22 - let me know of a time that works for you.
Thanks,
Moe

Rioux, Luke MUNI:EX

From: Pawlowski, Paul JERI:EX
Sent: January 13, 2023 8:53 AM
To: Kirby, Kyla JERI:EX; Courser, Abigail JERI:EX
Subject: FW: Paper Excellence needs more time

FOI Request – Mo Sihota

From: Harvey, James JERI:EX <James.Harvey@gov.bc.ca>
Sent: February 11, 2022 3:49 PM
To: Plecas, Bobbi JERI:EX <Bobbi.Plecas@gov.bc.ca>
Cc: Mihlar, Fazil EMLI:EX <Fazil.Mihlar@gov.bc.ca>; Manwaring, Richard G FLNR:EX <Rick.G.Manwaring@gov.bc.ca>; Sanderson, Melissa FLNR:EX <Melissa.Sanderson@gov.bc.ca>; Pawlowski, Paul JERI:EX <Paul.Pawlowski@gov.bc.ca>; Wood, Robert B JERI:EX <Robert.Wood@gov.bc.ca>
Subject: FW: Paper Excellence needs more time

Just FYI – thanks.
James.

From: Moe Sihota ^{s.22}
Sent: February 11, 2022 10:53 AM
To: Harvey, James JERI:EX <James.Harvey@gov.bc.ca>
Subject: Paper Excellence needs more time

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi James. Trust all is well. I chatted with Fazil yesterday and advised him that in my opinion,^{s.13}
^{s.13} would anticipate that they will be in touch with you to reschedule their upcoming meeting.
As always, I appreciate your team’s willingness to help them navigate through their challenges.
Talk soon,
Moe

Rioux, Luke MUNI:EX

From: Pawlowski, Paul JERI:EX
Sent: January 13, 2023 8:53 AM
To: Kirby, Kyla JERI:EX; Courser, Abigail JERI:EX
Subject: FW: Could you call me

FOI Request - Mo Sihota

-----Original Message-----

From: Moe Sihota ^{s.22}
Sent: July 13, 2022 12:59 PM
To: Pawlowski, Paul JERI:EX <Paul.Pawlowski@gov.bc.ca>
Subject: Could you call me

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Paul - I have two quick questions for you. Could you kindly call me whenever you have 5 minutes. It shouldn't take more time than that.

I can be reached on my cell at ^{s.22} .

Thanks,
Moe Sihota

Sent from my iPhone