

**From:** [Kent Vasby](#)  
**To:** [Undisclosed-Recipient:](#)  
**Subject:** Lincoln High Newsletter - 12/27/07  
**Date:** Thursday, December 27, 2007 2:49:15 PM

---

## *Lincoln High Newsletter*

---

**Address changes:**

**Pat Barton (64)** - [patal@solarus.net](mailto:patal@solarus.net)

---

### Scandinavian Jokes

<http://www.llund.com/yokes.htm>

---

### **Domtar to close Port Edwards paper mill, cutting 500 jobs**

By BARRY ADAMS 608-252-6148

[badams@madison.com](mailto:badams@madison.com)

Community leaders in the Wisconsin Rapids area have been preparing, but the impact of losing hundreds of jobs will still be a difficult pre-Christmas pill for many to swallow.

Montreal-based Domtar announced Thursday that its paper mill in Port Edwards will close in the second quarter of 2008, resulting in the loss of 500 jobs.

"Certainly there is an awareness that the paper industry has had an amount of global competition that has made it a different landscape," said Connie Loden, executive director of the Heart of Wisconsin Business & Economic Alliance in Wisconsin Rapids. "With that understanding, there has been a shift in the last four years that has moved toward expanding our base and exploring new alternatives."

Loden said the community has job training programs in place and, over the past four years, her organization has teamed with the Community Foundation of South Wood County to develop entrepreneurial and new industry opportunities.

The mill, just south of Wisconsin Rapids, about 100 miles north of Madison, produces uncoated paper and has an annual production capacity of 165,000 tons. Domtar also announced it is reducing capacity and reorganizing production at its mill in Dryden, Ontario.

Combined with the Port Edwards closure, the measures will result in a permanent reduction of Domtar's annual production capacity by about 342,000 tons.

In August, Domtar announced it was shutting down one paper machine at the Port Edwards mill. "In spite of years of sustained efforts from our dedicated employees as well as from the company, high costs posed significant challenges to these facilities," said Raymond Royer, president and chief executive officer of Domtar. "These measures were necessary to make Domtar an even stronger company. They also reflect our commitment to our customers and stakeholders to be the most efficient producer in North America."

Company spokesman Craig Timm said employees were notified on the floor of the facility and in organized meetings on Thursday. Employees who were not scheduled to work Thursday received the news in a telephone call

from human resources.

It was not made clear Thursday how the closing would happen. Timm said the closing process was a "detail that's to be determined."

It was also unclear how many employees with union positions would be able to bump other people out of similar union jobs at the company's paper mill in Nekoosa, just downstream from Port Edwards on the Wisconsin River. That facility employs about 430 people.

"There are certain bumping rights," Timm said. "Depending on the contract language, that is a possibility."

In 2001, Georgia-Pacific Corp. sold the two Wisconsin mills, along with two other mills, to Domtar in a \$1.65 billion transaction. G-P acquired the mills when it took over Great Northern Nekoosa Corp. in 1990.

There is an additional element of uncertainty in the Wisconsin Rapids area as the community awaits a new owner for the Stora Enso paper mills, which are concentrated in central Wisconsin.

In September, European-based Stora Enso announced an agreement to sell its North American division to NewPage Holding Corp., an Ohio-based coated paper producer. NewPage is owned by the private equity firm Cerberus Capital. Stora Enso will retain nearly 20 percent ownership in the mills.

The deal, expected to be completed in the first quarter of 2008, involves papermaking operations in Biron; Kimberly; Niagara; Stevens Point; Whiting; Wisconsin Rapids; Duluth, Minn.; and Nova Scotia, Canada.

Stora Enso acquired Wisconsin Rapids-based Consolidated Papers in 2000.

### **State response**

Gov. Jim Doyle said Thursday night that several steps are being taken in response to the planned closing of the Domtar paper mill in Port Edwards:

- The Department of Workforce Development will send a team to meet with the affected employees to expedite unemployment claims and give workers access to job training and placement services.
- The North Central Wisconsin Workforce Development Board will get a \$25,000 grant to provide services for workers.
- DWD will work with the company and the union to apply for Trade Adjustment Assistance benefits from the U.S. Labor Department, which may allow for the extension of unemployment benefits for two years and additional education and re-training funds.
- DWD will apply to the Labor Department for more money to assist workers through the National Emergency Grant program.
- Department of Commerce Secretary Jack Fischer will meet with Domtar to discuss whether state assistance could keep the plant open.

Workers affected by the plant closing can find their local Job Center by visiting [www.wisconsinjobcenter.org/directory](http://www.wisconsinjobcenter.org/directory) or calling 888-258-9966.

---

## **Mill closing to affect schools**

**By Adam Wise**  
*Daily Tribune Staff*

When a Port Edwards paper mill closes in 2008, Port schools will feel the effect, but the Nekoosa School District could experience an even bigger impact.

Domtar announced this month that it plans to close its Port Edwards paper mill in May or June and will cut a total of about 500 jobs from its Port Edwards and Nekoosa operations.

Although the papermaking tradition is firmly entrenched in the Port Edwards School District, its enrollment is not as tied to the mill as some neighboring communities.

Of approximately 470 students in the district, about 30 will be directly affected by the closure, said Port interim Superintendent Dean Ryerson. Ryerson said it's difficult to gauge the long-term effect on the Port Edwards district.

"Even though the valuation of the mill will affect property values in the total valuation of the village and the district, the equalized (state) aid formula will kick in," he said. "Whatever loss of revenue we have locally will be made up in state aid."

The Nekoosa district, which currently has about 1,420 students, could lose up to 150. That would mean a total loss of about \$1.4 million in state funds, said Superintendent Wayne Johnson, who added that those figures were a worst-case scenario. Even if the district lost 150 students, it would likely occur during the next 18 months, rather than all at once.

Staff from both districts have been advised to be sensitive to students whose families will be affected by the job loss.

"We've already met with our faculty and (have discussed) the effect and the extra stress on families and the need to be understanding and empathetic," Johnson said.

The closure also is likely to affect the Wisconsin Rapids School District, the largest in the area, although it's unknown to what extent the effect would be felt. Superintendent Bob Crist did not return a phone message Wednesday.

Having the mill close will put even more pressure on districts -- which were already projecting enrollment declines -- to develop enrollment strategies, Ryerson said.

"It will be hard to attract people," he said. "There's a huge ripple effect."

---

MIAMISBURG, Ohio (AP) — **NewPage Corp. has completed its \$2.1 billion purchase of eight North American paper mills from Finnish paper company Stora Enso Oyj.**

NewPage, owned by private equity firm Cerberus Capital, said Friday that it had closed the deal announced in September.

The company, which supplies paper to magazine and catalog publishers, will combine the plants with its North American coated paper operations. It estimates the combined operations generated \$4.3 billion in sales for the 12 months ended Sept. 30, 2007.

Stora Enso's North American division consisted mostly of the former Consolidated Papers Inc., which was founded in Wisconsin Rapids more than 100 years ago and sold only seven years ago. The sale to NewPage followed years of streamlining by the Finish company that cut hundreds of jobs in Wisconsin Rapids.

Specifically, the sale involved paper-making operations in six Wisconsin communities — **Biron, Kimberly, Niagara, Stevens Point, Whiting and Wisconsin Rapids — Duluth and Nova Scotia.** The mills produce 3 million tons of paper annually with about 4,350 workers.

Stora Enso has about 44,000 employees in more than 40 countries on five continents.

NewPage currently operates 12 paper mills in the U.S. and Canada with an annual production capacity of 5.5 million tons of paper. It employs more than 4,300 people.

Despite disruptions in the credit markets, NewPage was able to receive \$2.56 billion in financing related to the acquisition and the offering of senior secured notes.