



Economic and Environmental Impact of Verso Announcement
Over a thousand small businesses put at risk as well as health of Wisconsin's forests

(Rhineland, WI) The Great Lakes Timber Professionals Association (GLTPA) joins our fellow industry partners in expressing extreme disappointment in Verso's announcement that it will be indefinitely idling its Duluth, Minnesota and Wisconsin Rapids, Wisconsin paper mills by the end of July. This historic shutdown will directly impact over 1,000 workers and their families between the facilities.

In addition to the direct impact on the workers, their families and the two communities, this announcement will have a cascading negative impact on the Wisconsin's entire timber and forest product industry as well as the health of Wisconsin's forests.

More than 3,000 loggers and log truckers supply the two mills with a high percentage of the raw material needed to produce paper. These primarily small businesses were not given any pre-notification to adjust their workload or contracting. Logging and log trucking operations were shut down within hours of the announcement. As one of the largest consumers in the Lake States, Verso purchases millions of dollars' worth of round wood annually. That income is no longer available for loggers and log truckers to earn. "Independent loggers and truckers have fixed expenses and payments amounting to thousands of dollars a month which are expected to be paid whether they move a stick or not." said Henry Schienebeck, Executive Director of GLTPA.

GLTPA President Bruce "Sparky" Enstrom, an equipment supplier for the logging and forestry industry, noted that a significant portion of the industry was already at risk of losing their business because of the COVID-19 pandemic. Enstrom stated "The Verso mills consumed approximately 25% of the total fiber cut in Wisconsin. Not having that demand will be devastating to these small business owners who were already trying to make their businesses work in the pandemic economy."

If the economic impact wasn't bad enough, the reduction in harvesting will have an extremely negative impact on the health of Wisconsin's forests. Schienebeck noted, "Because of the volume of wood consumed by Verso, sustainable forest management as we know it in Wisconsin is now at risk. Sustainable forest management is one way to control invasive species, generate wildlife habitat for species such as grouse, helps maintain clean air and water and helps reduce the risk of forest fire." Wisconsin Forests grow two times more trees than what is being harvested. This significant reduction in markets could prove devastating to the regions well-managed forests.

GLTPA supports efforts to get our friends and neighbors who work at and supply the Wisconsin Rapids and Duluth mills back to work as soon as possible. Whether that solution is reopening of the mills, new ownership of those mills or bringing new mills or new forest product industry to the region. Time is of the essence, however, because the 1,000 small businesses that support these mills cannot afford to be idle.

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