

IMPLICATIONS OF VERSO MILL CLOSURES

RUSK COUNTY

TO THE RUSK COUNTY BOARD OF SUPERVISORS

| ROLL CALL<br>Board Members | AYE<br>(Yes) | NAY<br>(No) | Abstain<br>/ Excused |
|----------------------------|--------------|-------------|----------------------|
| 1. TERRY DUSELL            | X            |             |                      |
| 2. JERRY BILLER            |              |             | X                    |
| 3. ALAN RATHSACK           | X            |             |                      |
| 4. TONY HAUSER             |              |             | X                    |
| 5. TIMOTHY MILLER          |              |             | X                    |
| 6. ROBERT STOUT            | X            |             |                      |
| 7. RANDY TATUR             | X            |             |                      |
| 8. LYLE LIEFFRING          | X            |             |                      |
| 9. BILL MCBAIN             | X            |             |                      |
| 10. KEN PEDERSEN           | X            |             |                      |
| 11. PHIL SCHNEIDER         | X            |             |                      |
| 12. JIM MEYER              | X            |             |                      |
| 13. MARK SCHMITT           | X            |             |                      |
| 14. LISA DOBROWOLSKI       | X            |             |                      |
| 15. TOM HANSON             | X            |             |                      |
| 16. JOSH UNTERSCHUETZ      | X            |             |                      |
| 17. DAVE WILLINGHAM        | X            |             |                      |
| 18. MICHAEL HRABAN         | X            |             |                      |
| 19. KEN BROWN              | X            |             |                      |
| TOTAL                      | 16           |             | 3                    |

**BOARD ACTION**

Vote Required: Majority Vote of a Quorum

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Motion to Approve Adopted  Defeated

1st Lieffring 2nd Schneider

No: 0 Yes: 16 Exc: 3

Reviewed by: \_\_\_\_\_, Corp. Counsel

Reviewed by: \_\_\_\_\_, Finance Director

**FISCAL IMPACT:** (Note if there is any fiscal impact or not)

**Certification:**

I, Loren Beebe, Clerk of Rusk County, hereby certify that the above is a true and correct copy of a resolution that was adopted on the 23 day of June, 2020 by the Rusk County Board of Supervisors.

Loren Beebe  
Loren Beebe  
County Clerk, Rusk County

1 **WHEREAS**, On June 9, Verso announced idling of their Duluth, MN and  
 2 Wisconsin Rapids, WI pulp and paper mills by the end of July 2020 for an  
 3 indefinite period, and  
 4  
 5 **WHEREAS**, the idling of these mills will directly impact 1,000 workers and  
 6 indirectly affect thousands more across the entire state of Wisconsin that support  
 7 the mills through related forestry work such as logging and transportation, and  
 8  
 9 **WHEREAS**, the prolonged closure of these mills will negatively affect national,  
 10 state, county and private landowners financially and has the potential to affect the  
 11 ability to continue proper silviculture techniques on those lands to maintain a  
 12 healthy forest structure, and  
 13  
 14 **WHEREAS**, the Wisconsin Rapids, WI mill utilizes over 25% of all pulpwood  
 15 produced in the state of Wisconsin, and  
 16  
 17 **WHEREAS**, the forest products industry is the number 1 employer in Rusk  
 18 County based on number of employees, and  
 19  
 20 **WHEREAS**, 58.7% of total pulpwood on active sales in Rusk County is  
 21 hardwood pulp, of which over 90% would be consumed at the Wisconsin Rapids  
 22 mill, and  
 23  
 24 **WHEREAS**, timber revenue from the Rusk County Forest reduces the County  
 25 levy by 15-20% and the loss of this income will financially affect the 14,000+  
 26 citizens of Rusk County and the public services available to them, and  
 27  
 28 **WHEREAS**, a similar impact will be felt by nearly every County operating a  
 29 County Forest for timber production.  
 30  
 31 **NOW, THEREFORE, BE IT RESOLVED**, The County Board of Supervisors  
 32 of the County of Rusk ask that the Governor and Legislature direct that  
 33 assistance be provided in any way possible to allow continuation of mill  
 34 operations and/or financial assistance be considered to support the direct loss of  
 35 jobs, as well as assistance for other industries impacted by the closure.  
 36  
 37 **BE IT FURTHER RESOLVED**, that the State of Wisconsin work with  
 38 Counties to identify new markets for forest products and provide flexibility and  
 39 assistance to replace lost revenues  
 40  
 41 **BE IT FURTHER RESOLVED** That the Rusk County Land and Forestry  
 42 Committee has directed to forward this resolution to Wisconsin Counties  
 43 Association (WCA), Wisconsin County Forests Association (WCFA) and all  
 44 local, regional, state and federal representatives.  
 45

## Verso paper mill idling

**Drafted By:**  
DNR Forest Products Services

6/9/2020

### Overview:

On June 9, Verso announced idling of their Duluth, MN and Wisconsin Rapids, WI pulp and paper mills by the end of July 2020, leading to a loss of approximately 1,000 jobs at the two facilities. The Wisconsin Rapids Mill has the capacity to make 540,000 tons of graphic paper used in commercial printing, media and marketing applications. This mill is a major user of hardwood and softwood pulpwood. The mill is being idled indefinitely with potential plans to reopen in better market conditions or sell the mill. This announcement follows a recent change in species mix from hardwood to softwood in April due to COVID-related decline in market demand and internal sourcing needs across sister mills. Furthermore, graphic paper demand has steadily declined since the mid 2000's. Recently, demand has fallen 38% since April 2019, and producers are expected to operate below 70% capacity through the second quarter of 2020 (RISI markets).

In 2018, the Wisconsin Rapids mill employed 900 workers, with media outlets suggesting at least 700 layoffs. This mill represents the largest employers in the community of Wisconsin Rapids and in Wood County. Conservatively, it is estimated that the mill represents 10-15% of the total roundwood consumption in the state, and 25% of over two million cords processed by pulp mills in Wisconsin. This idling will negatively impact the regional economy, pulpwood suppliers (i.e. loggers), and both public and private forest owners will face challenges with marketing pulpwood.

### Other Information:

**Market Watch:** [Verso to lay off more than a quarter of its employees as it idles mills in Minnesota, Wisconsin](#)

**Verso Press Release:** [Verso Announces Necessary Actions to Offset Unprecedented Market Decline Due to COVID-19](#)

**Verso Supplier Letter:** [C:\Users\buntrc\Desktop\Supplier Letter Contino 6.9.20.pdf](#)