

This cmte never met

Sue Ryan

From: Sue Ryan
Sent: Monday, July 08, 2019 10:19 AM
To: Sue Ryan
Subject: Thursday - July 11 - WestRock meeting cancelled

6/9/20 SR

Hi all,
Mayor Rogers has cancelled this meeting on Thursday, July 11th.
It will be rescheduled at a later date.

Sue Ryan
City Recorder/Elections Officer
City of Newberg
414 E. First Street/P.O. Box 970
cityrecorder@newbergoregon.gov
(503) 537-1283

OREGON PUBLIC RECORD

Messages to and from this email address may be subject to the Oregon Public Records Law.

From: Sue Ryan
Sent: Tuesday, July 02, 2019 4:17 PM
To: Sue Ryan <Sue.Ryan@newbergoregon.gov>
Subject: July 11 Council subcommittee on Closed Paper Mill (WestRock) site

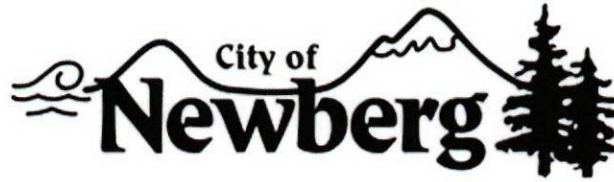
To: WestRock Council subcommittee –
The agenda for the July 11 meeting has been published online. See below for link

<https://www.newbergoregon.gov/citycouncil/page/westrock-council-subcommittee-july-11-2019>

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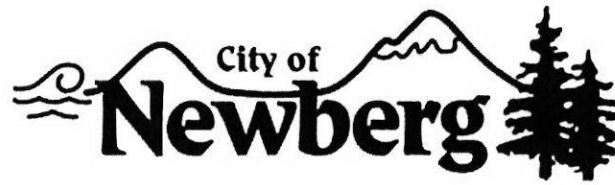
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WestRock Council Subcommittee
July 11, 2019 - 5:30 PM
Newberg City Hall, 414 E. First Street

1. CALL TO ORDER
2. WESTROCK DISCUSSION UPDATE
 - a) WATER TREATMENT PLANT EXPANSION
 - b) WATER RIGHTS
 - c) RODGERS LANDING
 - d) REDEVELOPMENT
2. REVIEW OF WESTROCK COMMUNICATION
3. POSSIBLE SUBCOMMITTEE ACTIVITIES
4. HOUSEKEEPING ITEMS - MEETING SCHEDULE
5. ADJOURN

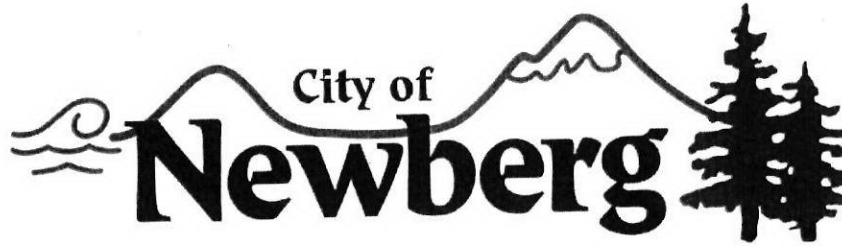
CANCELLED



WestRock Council Subcommittee
July 11, 2019 - 5:30 PM
Newberg City Hall, 414 E. First Street

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Mayor's Office
503-537-1276



Mayor's Fax
503-537-5013

414 E. First Street · P.O. Box 970 · Newberg, OR 97132

Louis Hengen
Government Relations
WestRock
1000 Abernathy Road
Athens, GA 30328

March 18, 2019

Dear Mr. Hengen,

Thank you very much for your letter dated March 1, 2019.

One item that we would like to clarify involves WestRock's changing intentions for the property. A log of our discussions with your broker and others is attached. As you can see, prior to a call in December and our January meeting, we understood that the site was being actively marketed.

Imagine our surprise when we were informed that WestRock's plans for the property had changed. No longer would a sale be pursued. Instead, the property would sit idle until, as your letter states, "we (will be able to) restart the facility at some point in the future."

So above the banks of the Willamette River sits a 100 year old mill rusting into the bluffs. A community with limited multifamily residential lands and even less industrial land (per Oregon's unique land use laws) now lives with a derelict mill that was idled 15 days after purchase. A purchase that took place more than three years ago and cost us over two hundred local family wage jobs.

The recent selection of a Riverfront Master Plan option by a citizen's advisory committee, underscores our interest in seeing the site become active again. As you know, the community supports mixed use redevelopment of the site.

With this, a few questions:

What can we do to encourage you and the other leaders at WestRock to sell the property?

Can we work together to make a sale happen?

Is there a public private partnership that will serve both our interests?

Would WestRock be willing to redevelop the property?

Can we help you look into the environmental condition of the site?

You sold your property in Coshocton, Ohio (which, as you know, was purchased at the time of the Newberg sale) to a scraper and it is now being redeveloped.

Why not do the same here in Newberg?

We look forward to hearing your thoughts on our questions and to working together to improve the lives and surroundings of the lives of 24,000 Newberg residents. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to be 'Rick Rogers', with a horizontal line extending to the right.

Rick Rogers
(503) 997 – 6094 (cell)

WESTROCK COMMUNICATIONS LOG

3/1/19 - Email from Louis Hengen to Mayor Rogers in response to Mayor's letter of February 4, 2019

2/12/19 - Rux and Sarah Curtiss (Stoel Rives) discussion on Mayor Rogers letter and WestRock concerns stated in the letter.

2/8/19 - Hengen email on Curtiss attending CAC meeting.

2/4/19 - Mayor Rogers Letter to WestRock expressing City's concerns and issues from January 3, 2019 meeting.

1/15/19 - Curtiss letter to City on Mill site and WestRock's position on Waterfront Plan and issues.

1/14/19 - Letter from Hengen on Mill site and WestRock's position on Waterfront Plan and issues.

1/14/19 - Emails and phone call Rux/Hengen/Bert Collins. Summary - Hengen thanked for meeting, Stakel liked conversation, will send letter on what can/cant do, outside Counsel will send letter, a lot of good things can do but not what city may expect, hope to restart mill, can't do residential with conflicts of noise, dust and odor. Property near Wynooski could potentially serve residential or commercial. Rogers Landing area could work on easement on slope, willing to discuss longer term lease of \$1 a year. City Water Treatment Facility possible sale or lease of acreage, will entertain options, willing to discuss 2 MGD of water rights. Access off of Dog Ridge Road ok to work to make that happen. Inquiry about wetland determination and if valid or not, Rux not a regulatory only background information. Rux - What about a communication piece?

1/16/19 - Rux email on summary notes of 1/3/19 meeting and concept drawings.

1/4/19 - Email from Rux to Hengen, John Stakel, Collins on Riverfront concepts.

1/3/19 - Email from Hengen on 1/3/19 meeting.

1/3/19 - Email from Rux to Hengen/Stakel/Collins on Power Point slides.

1/3/19 - Rux email on wetland determination information to Hengen, Stakel, Collins.

1/3/19 - Email to Sara Curtiss on OWRD contact.

1/2/19 - Email on coordination for 1/3/19 meeting and who will be attending.

12/30/18 - Hengen email to conform January 3, 2019 meeting to Federal/State delegation.

12/20/18 - Hengen email to Federal/State delegation on follow-up meeting for January 3, 2019.

12/31/18 - Email Rux to Hengen on meeting background information.

12/30/18 - Email Rux to Hengen on meeting agenda.

12/20/18 – Email Paul Breuer (Colliers) to Rux on WestRock locations to have dinner.

12/18/18 – Conference call WestRock (Hengen/Stakel/Federal Delegation staff representatives/Mayor/Rux. Summary - Hengen – looking at site for all uses, hired team of consultants to evaluate, could be paper mill or redevelopment, special property, No change in status at this time due to market conditions. Stakel – WestRock is a paper based company of paper board and consumer paper. 2018 Chinese impacts on recycle material, been tough financial year with less stock value, over capacity of product into market on container, \$150 ton down to \$70 ton on recycled fiber, 20% of new capacity into supply chain over next three (3) years, trade war fears, recession, best way to establish value is to set on property for a long term. Hengen – site is on hold. Discussed scheduling an onsite meeting Jan 3, 2019, face to face meeting.

11/26/18 – Breuer call to Rux. Summary – R-2/R-3 comps \$4,30 - \$4.50 square foot residential, mixed employment or mixed commercial, 10 acres commercial, 1-2 acre parcels, river docks, land south of Wyooski, future water rights, water plant expansion, Schwabe-Williamson working for WestRock.

11/19/18 – Phone call Breuer/Rux. Summary of discussion – WestRock asked Breuer for opinion on the plan operations and what price points maybe. Question on who will pay for public infrastructure. Rux options are urban renewal, Local Improvement District, Private development, Vertical Housing tax abatement program, State Special Public Works Fund and Federal Opportunity Zone. Breuer noted concern on location of affordable housing along river, need to have property rail served, doing cost estimates for WestRock on three scenarios. Rux questions on ponds and on-site environmental.

10/12/18 – Email Rux to Hengen and Collins on Master Plan documents summaries from Open house #1 and community input and online open house.

11/6/18 – Summary of comments for Design Workshop #2 (from Breuer/Rux phone call Sept 28). Real Estate Broker for WestRock (Paul Breuer, Colliers International) - Prefer option that would leave about 50% of the land east of S River Street for industrial, Unknown what market conditions will be in the future but this approach would allow flexibility. Alternatives B and C or a hybrid in-between them would get to the 50% industrial desire.

10/11/18 – Steven Voorhees letter to Bonamici, Blumenauer and Governor Brown.

9/20/18 – Hengen email to Rux on status of Hess Creek tunnel inspection.

9/19/18 – Rux email to Hengen City taking steps to talk with Federal Congressional delegation.

9/18/18 – Rux email to Hengen on status of July 25 email and status of outreach to Federal delegation. Hengen email to Rux.

9/27/18 – Rux call to Breuer. Summary – Colliers does not think WestRock knows enough to weigh in on Riverfront Master Plan.

8/31/18 – Jay Harris email to Collins: “Bert:

Our Community Development Director, Doug Rux, has been talking with the real estate folks at WestRock about some of the City future needs, which you may not have been updated on. Below is a brief description of some of the items that Doug has under discussion:

1. Our current water master plan that was completed last year shows that the City has adequate 20-year capacity at our current water treatment plant and at the wellfield (located on the south side of the Willamette River) to serve the community with potable water. The master plan does identify a project to develop a secondary source of water for the City located on the north side of the river. One potential option is to acquire Willamette River surface water rights and to expand the existing water treatment plant to also process surface water. To expand the water treatment plant we would need to purchase several acres of property from WestRock. We would also like to discuss the potential to purchase some of the WestRock Willamette River surface water rights.
2. Our existing water treatment plant and the north side of the wellfield waterline bridge are located on the outside bank of the Willamette River, which is subject to down cutting/erosion. The city has repaired the river bank multiple times in the past. Building an expanded/new plant located away from the bank over time would be in the best interest of the City.
3. In 2015, the City had a preliminary survey completed of the City/WestRock site. The attached unrecorded survey identifies several easement issues for existing pipes which should be resolved.
4. The deed for the purchase of the east side of the City water treatment plant site was not recorded in the 1960's, we recently found the signed copy of the unrecorded conveyance paperwork.
5. The City has an access easement to the water treatment plant from Dog Ridge Road. It would be desirable to install fencing and electric card lock gates to move the City access from the WestRock main gate to the access on Dog Ridge Road.
6. The WestRock site is part of the Riverfront Master plan. Planning work is underway to revise the plan to incorporate the recently constructed Newberg-Dundee 99W bypass. The WestRock site is a very large part of the Riverfront Master plan and WestRock's involvement in the master plan discussion/revisions is encouraged.

Call or email me back with any questions.

Thanks,"

8/8/18 – Rux email Hengen on Newberg Graphic newspaper article.

8/8/18 – Collins email to Harris, Kaaren Hofmann, Rux on Hess Creek tunnel.

8/1/18 – Hengen email to Rux on Hess Creek tunnel.

7/31/18 – Rux email to Hengen on Hess Creek tunnel.

7/26/18 – Rux email to Hengen recap of July 25 meeting.

7/25/18 – Phone call Hengen/Mayor/Hannan/Rux. Summary of topics discussed included Federal delegation, Governor, Hengen had not seen Riverfront Master Plan, Rux emailed link and requested feedback. Pot holes, status of letter from Senator Wyden's office. See summary of 7/26/18.

7/18/18 – Email from Mayor Andrews to Hengen to schedule a conference call, scheduled for July 25.

7/16/18 – Hengen/Rux call. Summary – Hengen will be reaching out to Federal delegation to brief Merkley, Wyden and Governor Brown.

6/14/18 – Rux phone conversation with Breuer, (Cheryl Caines - City) forwarded draft stakeholder interview summary for his review and comment from interviews held on May 25, 2018.

6/14/18 – Phone call Breuer/Rux. Summary – Blade did not close, unwrapping transaction. WestRock on hold in selling. Have a list of 30 people interested in site. On hold for 2-3 months. Breuer inquired about location of fiber in area, site currently served by microwave link. Data center in paper machine building – 2 interested parties.

5/30/18 – Breuer Rux call. Summary – Blade selling LLC to another party and Blade may be scraper. Will know more next week and will be able to share who the party is. They are a developer and interested in Riverfront.

5/24/18 – Rux call to Breuer. Summary – Property did not close. Rux, have people interested in property of 30-40 acres, Breuer noted not interested in 2-3 acres sites, Rux, interested in water rights and water plant expansion. Breuer noted interest in data centers.

5/24/18 – Rux email to Ham to see if property closed on May 23.

5/23/18 – Stakeholder Interview Breuer (WestRock)

- The Site. This is the largest property on the Riverfront by a large margin. It is about 218 gross acres, but the actual "useable" acreage is considerably smaller. Some acreage is outside the UGB and some acreage is not useable because it is sloped, used as ponds, etc. The useable area may be 160 acres of flat land, which would be hard to find elsewhere in the region. The site is served by a rail line.
- WestRock is actively marketing the site and looking to sell it. Colliers' Portland office is representing WestRock.
- The site is expensive to maintain. WestRock makes a monthly payment to PGE to maintain the potential for electricity at the site.
- The site has rights to 19 million gallons of cool water from the Willamette River, which is unusual and valuable. This is of particular interest to heavy industrial users and data centers.
- Some buildings and machinery on the site are likely to be more valuable than others and therefore are more likely to remain. This includes the Warehouse (a five-plus-acre building on west side of the site); a series of buildings and machinery along the north-south spine road, including the co-gen plant and main office; and the hog fuel boilers just west of the co-gen plant. The co-gen and hog fuel facilities can be used to generate energy for future uses.
- There are a series of ponds/lagoons at the east end of the property that are unlikely to change.

- By contrast, the paper production building (about 100 feet east of the Warehouse) likely will not remain. The paper production machines are likely to be removed. This will open up huge holes between the first and second floors, and it would be less expensive to demolish the building and rebuild than renovate. Some users, however, might retain this building.
- Any future development should stay about 75 feet away from the bluff. The bluff could erode.
- Most or all of the property is outside of City limits. Future users may or may not want to annex. Large industrial users would be less likely to seek annexation. Smaller industrial uses would be more likely.
- WestRock does not believe that environmental issues on the site will present a major problem for potential buyers or future users of the site. [Note that the intent of this memo is not be authoritative on environmental matters.] A newsprint paper plant such as this one creates fewer if any environmental issues compared to making magazine paper, which uses slick finishes. WestRock believes that the ponds on the site could be encapsulated, and a No Further Action (NFA) issued. The hog burners burn fast and hot enough that the fuel burns well and did not leave contaminants.
- A “waterline bridge” runs across the Willamette River near the WestRock property, however, WestRock does not own this bridge and does not output water or anything else across this bridge. The bridge is owned by the City.
- Potential Future uses.
- There are interested parties, but due to the confidential nature of discussions around a potential sale, some information about these parties cannot be disclosed.
- The planning team primarily discussed two (broad) potential uses for the site with WestRock’s representative: Industrial; and primarily industrial, along with a part of the site transitioning to a mix of uses, potentially including commercial and light industrial. Thoughts on these uses are summarized below.
- **Industrial**
 - o Buyers are likely to want to use the site for industrial uses, at least in the near-term.
 - o Industrial buyers are interested in the land, equipment, buildings, water rights, etc.
 - o There is also value in scrapping (selling to other third parties) the materials in many of the buildings and equipment onsite today.
 - o While the land value is likely to be higher for a mix of uses than for industrial alone, the time and cost required to transition some of the property may be viewed as prohibitive. For example, it took more than 10 years to change the designated use of an industrial property in Woodburn—this is far longer than most buyers would consider waiting.
 - o WestRock is looking to sell the entire property as-is. However, a future owner could divide the property into smaller (e.g. two to five acre) industrial parcels for smaller industrial users.
 - o A data center is a potential buyer.
 - o Much of the site is flat, so would be good for additional buildings/warehouses.
- **Industrial, with part of the site allowing a mix of uses:**
 - o Remember that the future owner gets to decide how the property will be used.
 - o Absent any past development on the property, it would be worth more as non-industrial land than industrial. Using part of the site for light industrial or commercial uses could increase the value. The non-industrial land value could be three to six times the industrial land value.
 - o There has been interest from the wine community. Part of the site could be used for wine storage, production, and tasting... a range of light industrial and commercial.
 - o Having industrial and non-industrial uses in immediate proximity can cause conflicts. For example, Stanley Tool built a warehouse in an industrial part of Milwaukie, Oregon. The noise caused by this facility caused conflicts with nearby park and residential uses.

- o The Old Mill District in Bend is one industrial property that transitioned to non-industrial use. The developers had the patience to hold it, change applicable regulations, etc.
- o It is possible that a pedestrian/bicycle trail could run across the WestRock site (perhaps via easement), either at or below the bluff, even if active industrial uses continued.

5/11/18 – Conference call Hamm City (Mayor/Hannan/Rux) – Discussed Collins leads real estate, property under contract since January, May 23, 2018 closing date, discussed easement for rail under Bypass, federal inquiry, environmental issues and information on the site, Riverfront Master Plan and requested City be informed if property closes or not.

5/7-8/18 – Rux emails with Ham to schedule conference call for May 11.

5/4/18- Ham email to Mayor: “Mayor Andrews,

Thank you for your note and update on the progress of development negotiations related to the Newberg Mill property. I have not been apprised of the most recent discussions but will speak with Bert Collins and others that are involved in this project.

I’d like to follow up with you next week on the phone. Do you have availability to speak with me next Tuesday or Wednesday?

Thank you,
Emily”

5/4/18 – Email Mayor Andrews to Ham: “Emily,

Greetings from the City of Newberg, your attention and assistance is needed. The City of Newberg has been actively engaged with various parties that have inquired about potential purchase of the Newberg mill site. It is our understanding that WestRock is in discussions with one or more of these parties. I was hoping for yours or Bert Collins assistance in these discussions. Communications have reached my office that that some of the discussions have been tenuous and difficult between interested parties and WestRock in the two plus year effort to find a buyer for the site.

I would like to share the Newberg community hopes for the site. Newberg has been awarded a Transportation Growth Management grant from the Oregon Department of Transportation to prepare a master plan for our Riverfront area that encompasses 400 acres of land. The study area includes roughly 115 acres of the WestRock mill site that is within our Urban Growth Boundary. We have shared our planning activities with Colliers International, represented by Paul Breuer, on numerous occasions and hope that these communications have been delivered to WestRock. The community is encouraged on the potential to re-envision its riverfront for the benefit of the community overall with jobs, housing, commerce and recreation opportunities.

As we understand the discussions between WestRock and private entities, one of the entities is interested in repurposing certain aspects of the site for industrial activities while others are focused on scraping the site for salvage purposes. From Newberg's perspective we would be interested in a private entity that has a vision to repurpose certain aspects of the mill site infrastructure that would attract other industrial development to bring back jobs to our

community that were lost when the mill closed 28 months ago. To make this happen it takes open communication between all of the parties. Newberg is poised to be an active participant with WestRock or other entities in these discussions as noted above with our efforts and success in obtaining the planning grant for the Riverfront Master Plan.

I request the opportunity to discuss with you and/or Bert Collins where Newberg is at in our master planning process and our steps forward. In that conversation, I plan to include our City Manager, Joe Hannan and our Community Development Director, Doug Rux.

I look forward to hearing back from you.”

4/3/18 – Phone call Breuer/Rux. Summary of discussions - environmental is a big concern, WestRock bought without any environmental investigation, Blade due diligence ends May 7 and has 20 days afterwards to close. David would like to have facility scraped in 3-4 months. WestRock may put a deed restriction on site near River Street to limit residential mixed use. If David does not purchase have two other scrapers to buy and demo facility. How long can someone hold before starting re-development.

3/29/18 – Meeting IRG/Breuer/Mayor/Hannan/Rux/Caine – Summary of meeting discussed IRG and redevelopment of site. Rux provided overview of Waterfront Master Plan. Critical issue for IRG is rail line and having authority to operate on that line.

3/29/18 – Phone call Breuer/Rux. Summary IRG coming up from California, site clean-up, reuse of buildings. IRG contacted by Blade who is under contract with WestRock. Next Thursday afternoon meeting for 45 minutes. Will be touring in morning.

3/29/18 – Breuer call to Rux, will be 10-15 minutes late.

3/27/18 – Breuer/Rux phone call. Summary – Blade has contract, salvage. Industrial Reality Group interest in Riverfront Master Plan, Mitch Jansen (WestRock) person to talk to about a tour of site.

1/9/18 – Project Eagle, Breuer submitted information to Business Oregon, excluded City input.

11/15/17 – Rux call Breuer on Project Eagle, left a message.

11/14/17 – Breuer call to Rux on Project Eagle. Rux called back and left message.

11/13/17 – Rux call Breuer on Business Oregon looking for large sites, is WestRock a possibility.

10/24/17 – Email from Chad Burnett (Citizen) and request for contact, gave Breuer contact information

8/7/17 – Email to Hamm and Collins on stabbing at mill site. Collins email bounced back as undeliverable. Hamm indicated she would talk with the appropriate internal people.

5/1/17 – Breuer call to Rux. Summary – Inquired if Rux has spoken with Katz recently, May 8th last day for due diligence. Breuer has several backups.

1/25/17 – Breuer call to Rux on warehouse use in existing building of approximately 200,000 square feet, discussed City consultant site tour opportunity.

1/17/17 – Phone Call Breuer/Rux – North American Recovery Management LLC discussion.

1/16/17 – Breuer call to Rux on mill site, left message.

12/29/16 – Phone call Breuer/Rux. Summary – Biofuels company out of Canada has investors, 70% efficient no noise or smell. Have buyer under contract, contingent on demolition and scape group taking apart, Purchase & Sale signed on 12/28/16, due diligence starts on Jan 3 or 4 and runs for 60 days. There are 4-5 other people who have an interest in the site, alternative fuels group is interested in ponds, data center because of river water cooling, WestRock drawing water from river to keep water rights

12/14/16 – Email Breuer and Rux on weather conditions for showing of mill site.

11/22/16 – Phone call Breuer/Rux. Have buyer and purchase & sale agreement. Working on a clause indemnification on environmental, hope to have agreement next week. Looking at closing in 2017. Encapsulating settling ponds, experienced in development.

9/12/16- Rux email to Breuer on TGM grant and WestRock desires. “Paul,

We are in discussions with ODOT on our TGM Grant Scope of Work. There are a number of questions that have come up from ODOT on what our intent for redevelopment is to be included in the Scope of Work. It would be beneficial if I and Jessica Pelz on my staff could meet with you to talk through Scope of Work elements given WestRock’s desires verses the City’s desires. Would you have any time next week (September 19th) to come out and meet with Jessica and myself to talk through Scope of Work issues? We have open slots on Monday (9/19/16) from 3-5 PM and on Tuesday (9/20/16) from 2-5 PM. I am out the balance of the week.

If next week does not work do you have any time the week of September 26th?”

9/16/16 – Meeting Breuer/Plez/Rux. Summary – had three offers, 7-8 tours provided, ponds looking at encapsulating and capping, Title 5 is still open and need DEQ approvals, east of office industrial and west of office mixed use. Cogen needs to have someone under contract before they will talk about co-gen based on direction from Collins. May be willing to donate Rogers Landing for some type of concession.

9/15/16 – Breuer call Rux. Summary – Has been showing site, shown property last three days and takes about 1.5 – 2.5 hours. Need higher and better use.

8/25/16 – Rux email to Breuer on aerial from 1952 and fill in old log pond.

8/19/16 – Response to Newberg Graphic for contact for WestRock broker is Paul Breuer - Colliers

8/19/16 – Email from Rux to Breuer: “Paul,

Thanks for the response. The reporter may inquire about the co-gen facility.

In regards to your inquiry about parcels 24, 25, 26, 28, 29 and part of 19 here is what I can share. All of these parcels are outside of the Urban Growth Boundary (UGB) and outside the City limits. Parcels 25 and 26 are designated as urban reserves by Newberg which means they might be

brought into the UGB in the future. Newberg has looked at parcels 25 and 26 in the past as possible industrial land.

The County Comp Plan designation for parcels 24, 25, 26, 28, 29 and part of 19 is I (Industrial). Parcel 28 is VLDR (Very Low Density Residential).

The County Zoning designation for parcels 24, 25, 26, 28, 29 and part of 19 is HI (Heavy Industrial). Parcel 28 is VLDR 2.5 (Very Low Density Residential 2.5 acre minimum lot size).

There are also floodway and 100 year flood plain designations on portions of parcels 24, 25, 26, 28, 29 and part of 19. The Flood Zone designation is AE. Parcel 28 also has floodway and flood plain designations on a portion with a Flood Zone designation of AE.

You would also want to investigate what was placed on parcels 24, 25, 26 historically. Old timers around town have informed me this area was used as an old dump site for unknown waste material. Some have said it was sludge.

Because all of the parcels you referenced are outside of the City's jurisdiction you would want to talk with the County about your idea of residential. It would take comprehensive plan and zone changes to try and convert the land to residential. The contact at the county is Ken Friday, Planning Manager, (503) 434-7516, fridayk@co.yamhill.or.us

8/18/16 – Email from Breuer on WestRock site. "Doug

Great job on getting the grant. I am sorry I was not more help with that process. It is OK to give my information to the reporter. My response will need to be quite vague. I will say that we have several prospects and that we look forward to participating with the City in the Riverfront Planning process.

Please let me know if there is anything else you want me to mention.

I have attached an aerial that shows the parcels owned by WestRock. Do you think there is the ability to separate parcels 24, 25, 26, 28, 29 and that portion of parcel 19 that is east of NE Dog Ridge Road and adjacent to parcels 24 and 29 from the rest of the site and create a residential sub-division? I will call you tomorrow (Friday) to discuss.

Thank you again for your continued support."

8/18/16 – Rux email to Breuer that City received TGM grant.

6/22/16 – Phone call Breuer/Rux. Summary – Kenneth Katz Hackman Capital Partners (Developers and scrapers). David Like Environmental consultant. Property not officially on market, no price set, met on site with Ken Katz. Cogen - Stripped out some equipment (boilers) and would need to replace with new turbines and boilers. Collins – Hackman will talk with Jeff Cole (City consultant).

6/8/16 – Rux call Breuer to check on status of support letter from WestRock on TGM grant, no feedback yet.

6/6/16 – Rux Email to Breuer on acreage calculations.

6/2/16 – Rux response to Breuer inquiry: “Paul, Did a quick calculation on possible industrial redevelopment area on the eastside of the site based on assumptions and is was about 60 acres. Would say a range of 50-60 acres at this time would be a starting point for discussion. This does not include the ponds, steep slopes, Rogers Landing and land outside of the UGB. The balance of the site within the UGB could be discussed as mixed use based on our previous discussions with an acreage estimate of 32 acres.” Email to consultant that Breuer ok with him reaching out to talk about co-gen facility.

6/2/16 – Phone call Breuer/Rux. Summary - Breuer noted Steve Pfiffer may be local attorney to work through Master Plan, telling WestRock it would 18+ month process. Ok for Jeff Cole (City consultant) to contact Breuer to talk about co-gen facility. Rux noted blurb in TGM grant on co-gen and eco-district. Breuer noted he has no data points on value, etc. Rux noted Waste Management interest in ponds. Breuer noted WestRock does not know what they have like assets of buildings, infrastructure, etc. Limited detail on buildings. Discussed how many acres for industrial – 50 – 60- but would need to calculate.

5/6/16 – Phone call Breuer/Rux. Breuer - Changing from industrial to mixed use is more complex than anticipated, have higher value with mixed use, WestRock has not given go ahead to go after a master developer yet, co-gen not being dismantled at this time, looking at warehouse whether to save or not as columns are oddly spaced, about 70,000 could be a temporary building as mixed use develops. Working to set up meetings with WestRock next week to get more direction. Rux noted TGM grant process, went over TGM timeline and could have funds in place early 2017 then 1 year planning process. Noted again looking for partnerships

5/5/16 – Rux call Breuer, left a message.

5/2/16 – Rux call Breuer, left a message.

4/26/16 – Rux call Breuer, left a message.

4/20/16 – Rux call Breuer, left message.

4/13/16 – Phone call Collins/Mayor/Steve Rhodes/Rux. Summary –Collins manages real estate, sending parts and pieces to other locations, have not determined at this time if reuse or as other manufacturing, could sell. Have agreement with Colliers International on offer package, Paul Breuer in Portland, contact will be through Paul Breuer and he will reach out. Rux raised rail line issues. Rhodes noted not sure City can do anything to assist WestRock at this time. Collins noted to call him if you hear things in the community. Mayor noted City is interested in the highest and best use of the site to generate jobs and economic benefits, interested in redevelopment (industrial, residential, commercial) and the co-gen facility.

4/5/16 – Ham email to Mayor redirecting contact to Bert Collins.

3/30/16 – Phone call between Mayor Andrews/City Manager/Rux with Ham.

3/28/16 – Rux phone call from Breuer (Colliers) on representing WestRock, shared Master Plan documents for grant. Summary – 1990 Phase 1 environmental is most recent, was not updated during WestRock purchase, dismantle co-gen facility, keep big building and office building (maybe), scrap metal, grind concrete pads and leave pads as gravel, don't want to sell equipment, don't want competition, data center is it allowed in industrial?, WestRock may not be the right group to talk to they just want to sell the land, discussed mix of uses 35% light industrial, 30% residential, 10% commercial, open space., may consider annexing site but how long does that take (Rux 4-6 month), concerned if too much open space, thinks housing for apartments may be an opportunity, mixed use development, was not aware some of land was outside of the urban growth boundary, was not aware land south of Wynooski may have been an old dump site but he will check that out, discussed connection of downtown to Riverfront and idea of trolley that Breuer noted he liked that idea, likes discussions directly with Breuer and not with WestRock, inquired if city is open to ideas (Rux – yes), was aware Rogers Landing is leased to County, was aware water treatment plan is south of mill facility, asked for copy of Riverfront Plan (Rux sent link), discussed shortage of industrial land, Breuer noted concept of some light industrial space on the site, Breuer concern might miss the market swing and have to wait for next upswing, asked about urban renewal as a tool to assist with infrastructure (Rux something that can be talked about), Rux -future zoning is unknown.

3/21/16 – Hamm (WestRock) response to Mayor Andrews phone call, schedule March 30 phone call.

1/28/16 – Email from Stace Gordon on update WARN Act Notice closing mill.

12/7/15 - Email from Stace Gordon redirecting contact to Stan McKinley (WestRock).

10/30/15 - Jessica Pelz email to Kyle Chrisman (WestRock) on Enterprise Zone and abiding by agreement.

10/22/15 – Jimmie Phillips (WestRock) sends WARN Act notice to City.

10/22/15 – Rux call Gordon. Gordon requested calls be directed to him, coordinating with WorkSource Oregon, Goodwill, Trade Act, keep mill in viable setting, 3-4 people on site to maintain equipment and fire watch, third party will provide security, City will have access to Water Treatment Plan, Enterprise Zone WestRock is aware of, WestRock corporate will contact City at appropriate time, WARN Act notice will be sent to Rux.

10/20/15 – Rux call Stace Gordon, left message.

10/19/15 – Rux call Stace Gordon, left message.

10/16/15 - Rux email to David Walsh (WestRock) who is out and redirects to Stace Gordon.

10/15/15 – Rux Call Stace Gordon, left message.

8/11/15 – SP Fiber (Scott Wagener) contacts City on WestRock purchase.

Rick Rogers

From: Rick Rogers
Sent: Tuesday, March 19, 2019 1:11 PM
To: 'louis.hengen@westrock.com'
Cc: 'john.stakel@westrock.com'; 'bert.collins@westrock.com'; 'sarah.curtiss@stoel.com';
Doug Rux; Joe Hannan
Subject: City of Newberg - Note dated 3-18-19
Attachments: WestRock Letter City of Newberg 3-19-19.pdf

Louis:

Greetings. Attached please find a note that I hope might further our discussion of the WestRock mill site here in our fair city.

I look forward to your thoughts and to working together on the closed mill.

Many thanks.

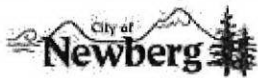
Rick

Rick Rogers

Mayor

(503) 537-1276 Fax (503) 537-1013

Rick.Rogers@newbergoregon.gov



414 E. First Street · P.O. Box 970
Newberg, Oregon 97132



1000 Abernathy Road
Atlanta, GA 30328

office: 470.328.6328
www.westrock.com

March 1, 2019

VIA EMAIL: RICK.ROGERS@NEWBERGOREGON.GOV

Mayor Rick Rogers
City of Newberg
414 E. First Street
Newberg, OR 97132

Dear Mayor Rogers:

Thank you for your February 4, 2019 letter related to the Newberg Riverfront Master Plan and the future of WestRock's mill site located within the Master Plan Area. We appreciate the time you have devoted to this issue. As you know, we consider the mill property and its improvements valuable assets, and are hopeful that we will be able to restart the facility at some point in the future. To that end, we feel it is important to respond in writing and point out some misinformation contained in your letter.

The letter incorrectly states that, prior to our January meeting with City staff, WestRock was "open" to utilizing 20-30 acres of the mill site for mixed-use development. The letter also incorrectly states that WestRock supported a Riverfront Master Plan configuration that would designate approximately 50% of the mill site industrial and designate the remainder of the mill site mixed-use. To be clear, WestRock has never supported a re-designation of any portion of the mill site to mixed-use, and we are concerned that the City has made these claims. Although utilizing a portion of the mill site for non-industrial uses was discussed in January in the context of certain draft Riverfront Master Plan alternatives, the WestRock team did not indicate any support for such a plan.

We were understandably alarmed to read these statements in your letter and immediately followed up with our local real estate broker. He confirmed that he never had any conversations with City staff regarding WestRock's "openness" to the re-designation of a portion of the mill site and certainly made no commitments on behalf of WestRock. It is possible that city staff is recalling conversations they had with potential purchasers and their brokers about our site and unintentionally attributed these conversations to us. Thus, you can understand that we were surprised and confused by your claims that we somehow "duped" the City.

We have worked with the City in good faith and have outlined several ways in which WestRock may be able to support the City's priorities. As we continue to engage with the City on the Riverfront Master Planning process, we expect the City to extend the same courtesy to WestRock.

We look forward to continuing to work with you and City staff on the items we discussed in January. Please let us know if you have questions or would like to discuss any of these issues further. Thank you.

understand the city's position, which included redevelopment of the mill site. The recent pivot 180 degrees in the opposite direction is very concerning.

From the beginning of the Riverfront Master Plan process, the City has been open and transparent about the source of the funding through the Transportation Growth Management program which consists of federal and state funds and shared that with WestRock's representatives. We are also providing a 10% match of in-kind resources for a total project cost of approximately \$225,000. To get to this late stage in the plan development and have such a position reversal from where we had been for 3 years is highly problematic and not in the best interest of the city of Newberg.

Prior to our meeting we had received initial feedback that WestRock was open to 20-30 acres of land being identified for mixed use types of development. More recently feedback conversations were to have approximately 50% of the mill site be retained as industrial and the balance to be identified as mixed use. The community also provided feedback which we shared with you on three possible development scenarios. These scenarios reflect the community's desires as well as the feedback we had received to date from WestRock. I think you can see that we feel duped.

As you explained at our meeting there is an oversupply globally in paper products. When we inquired when the mill might reopen based on your comments, there was no identified date, but acknowledgement that it would take several years to get the appropriate permitting and to install the millions of dollars of equipment that have been removed from the mill. We would be interested in exploring with you other mill options such as a corrugated box plant or sale of the site to a redevelopment entity similar to what you did in the City of Coshocton, Ohio at a former WestRock facility.

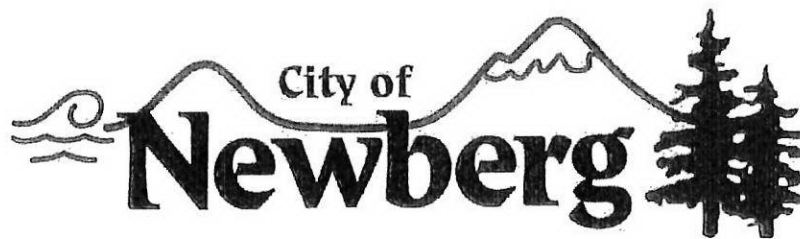
I requested that my staff talk with the Chair and Vice Chair of the Riverfront Master Plan Advisory Committee (CAC) to get feedback on what we should do with the feedback we received on January 14. My staff has completed that outreach and briefed me that they have been directed by the Chair and Vice Chair to come back to the CAC on February 12 with two Preferred Alternatives. Alternative D would reflect the WestRock preference noted in your letter of leaving the mill site as industrial, removing roadway connections, taking the land west of S River Street and leaving it as commercial, and retaining the trail concept along the Willamette River. Alternative E would take the area of the waste paper building and de-inking building down to the top of the bluff and identify it as Mixed Employment, identify a roadway system through the mill site, identify the area west of S River Street as Mixed Commercial and High Density Residential and keep the more comprehensive trail system reflected in the draft Alternatives A-C. The CAC will discuss the merits of both of these Alternatives and provide direction to staff and our consultant team on a final preferred alternative to conduct our required infrastructure analysis per our grant contract with the State Transportation Growth Management program.

Needless to say this should be an interesting meeting and discussion. My hope is that WestRock will join in supporting our community's desires for its riverfront area so that we are not left with an abandoned mill that is closed for years that will negatively affect our economic opportunities, and ability to provide needed housing which is a major issue in Oregon at this time. Doug Rux, Community Development Director is our point of contact for the Riverfront Master Plan.

My request is that WestRock reconsider its position concerning your real estate holdings and future of the mill the site. The site is a key economic driver for our community. We are aware of several interested and financially capable parties who are willing to redevelop the site based on the past three years of communications covering dozens of inquiries. We are also open to you or a joint partnership that includes WestRock redeveloping the site. You likely had inquires beyond what we are aware of as well.

Mayor Rogers
503-537-1276

Mayor's Fax
503-537-5013



414 E. First Street · P.O. Box 970 · Newberg, OR 97132

February 4, 2019

John Stakel, Senior Vice President and Treasurer
WestRock
1000 Abernathy Road
Atlanta, GA 30328

Louis Hengen, Director Government Relations
WestRock
1000 Abernathy Road
Atlanta, GA 30328

Bert Collins, Director of Facilities
WestRock
1000 Abernathy Road
Atlanta, GA 30328

RE: Newberg Riverfront Master Plan

John, Louis and Bert:

I wanted to thank you for your visit and discussion about the Newberg Riverfront Master Plan on January 3, 2019 and your follow-up communication on January 14. WestRock's mill has been an important part of our history and economy and we appreciate the mill's contributions. We hope we can find a path to continue the mill's positive contribution to Newberg's future.

We have had the opportunity to digest the conversation and your communication and I wanted to provide some follow-up perspectives.

Riverfront Master Plan

I must express my disappointment on WestRock's position concerning the mill site and use activities. As we shared at our meeting Newberg has been losing industrial businesses and its employees due to the lack of industrial land and vacant building space. We have also lost recruitment possibilities for new companies because of these same dynamics.

We have spent the past three years working with WestRock and its representative, Colliers International, in its efforts to find a purchaser of the mill site. Two entities, North American Recovery Management and KBD Enterprises LLC, spent considerable time asking city staff questions to better

Gate Access

The City looks forward to the ongoing discussions about securing gate access off of Dog Ridge Road so that the City can access our Water Treatment Plant and property. Jay Harris our Public Works Director, jay.harriss@newbergoregon.gov, 503.537.1211 will be our point of contact for the discussions and I know he and Bert have already been in discussion. This access point will be mutually beneficial for both parties.

Land Acquisition for Future Expansion of the Water Treatment Plant Facility

As we indicated in our meeting the City is interested in discussing with WestRock the acquisition of approximately 2 acres of land for expansion of our Water Treatment Plan facility. With a growing population we are taking steps and putting forth effort to position our community to ensure we have water facilities for 50 years plus into the future. Jay Harris our Public Works Director will be the main point of contact for these discussions.

Water Rights

Thank you for being open in discussing the possibility of acquiring approximately 2 Million Gallons a Day of WestRock's existing water rights. Again this is an essential component as Newberg evaluates options to provide water for our community in the future. I have been briefed by Doug Rux, our Community Development Director that he shared his contact at the Oregon Water Resources Department with your legal counsel, Sarah Stauffer Curtiss from Stoel Rives, shortly after our meeting. We would encourage you to make that connection concerning your water rights to ensure they stay viable. Again, Jay Harris our Public Works Director will be the point of contact on these discussions.

Rail Line and Trolley

The City is encouraged on WestRock's supportive nature on utilizing the privately owned rail line on the WestRock property south of E Ninth Street for industrial and/or tourism support. The trolley concept is embedded in our Strategic Tourism Plan and Downtown Improvement Plan as a way to attract tourist, enhance our downtown and continue our economic development activities. The trolley concept is also a draft component of the Riverfront Master Plan.

As we discussed the rail line from the Portland & Western mainline to E Ninth Street is within a public right-of-way. The franchise agreement to operate that line has expired. The franchise agreement to operate within the right-of-way will need to be renegotiated. The Newberg City Council has the ultimate authority on approving a franchise agreement. Jay Harris our Public Works Director will be the point of contact on these discussions.

We are still waiting for the written feedback from the Oregon Department of Transportation Rail Division on summary meeting notes for the rail crossing of S College Street and S River Street. Once we have that information we will forward it.

Rogers Landing

During our discussion WestRock had indicated the opportunity to modify the terms of the lease agreement with Yamhill County. The discussion focused on modification to a 100 year lease at \$1 a year. We have shared that information with one of our County Commissioner's who sits on the CAC and he will share this information with the other Commissioners.

Urban Renewal District

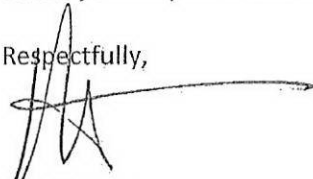
At our meeting we discussed that the City was about to embark on a process to evaluate the feasibility of an urban renewal district (Tax Increment District) for our downtown and the Riverfront Master plan area. We were scheduled to go out for a Request for Proposals for consultant services in February. With your verbal and written comments that process has been placed on hold. Without the WestRock site in the mix, this economic development tool to revitalize our downtown and riverfront area is uncertain and further encumbers the community's ability to have a strong and vibrant economy.

Trails

We are supportive in continuing the discussion on trails along the Willamette River with you. We envision trail access to the waterline bridge could be a trail across the Willamette River to the French Prairie area. A connected trail system is a key component of the Master Plan process allowing outdoor recreational opportunities for our citizens.

Thank you for your consideration.

Respectfully,

A handwritten signature in black ink, appearing to read 'Rick Rogers', with a long horizontal stroke extending to the right.

Rick Rogers

Mayor

rick.rogers@newbergoregon.gov

cc: Joe Hannan City Manger
Doug Rux, Community Development Director
Jay Harris, Public Works Director

SUSMAN GODFREY L.L.P.

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E-MAIL ESARGENT@SUSMANGODFREY.COM

May 8, 2018

Via email and U.S. Mail

Jill Maguire
Antitrust Division
U.S. Department of Justice
450 Fifth St. NW
Washington, DC 20530
jill.maguire@usdoj.gov

RE: WestRock and Kapstone merger

Dear Ms. Maguire:

I represent the Association of Western Pulp and Paper Workers (AWPPW), the largest labor union for mill workers in the pulp and paper products industry in the Pacific Northwest. We understand from news reports that the Department of Justice is investigating the proposed acquisition of Kapstone Paper and Packaging by WestRock Company. The union believes that this merger poses serious threats to full and fair competition in the market for certain paper products as well as the related labor markets for paper mill workers. As discussed more fully below, our concerns relate in part to a paper mill in Newberg Oregon currently owned by WestRock which is scheduled to be sold for scrap on May 29, 2018. *To prevent the permanent destruction of this mill, we request that you investigate the allegations in this letter as expeditiously as possible.*

Our general concern is that WestRock will use its increasing share of the cardboard and container markets to increase profits by artificially constricting production. We are aware that the Department of Justice has previously challenged mergers of containerboard manufacturers with significant market share on this basis, and has alleged potential harm to competition through artificial restrictions on output. See Competitive Impact Statement, *United States v. International Paper Co.*; 12-cv-00227 (D.D.C. Feb 10, 2012) at 6-8 (Exhibit 1).

We believe that WestRock's market share will reach dangerous levels as a result of the Kapstone acquisition, if it has not done so already.

Even more important than its market share, WestRock has a demonstrated willingness to increase prices by restricting cardboard production. In particular, WestRock's conduct with regard to a mill it acquired in Newberg, Oregon in 2015 raises serious concerns. At the time of WestRock's acquisition, the owner of the Newberg mill, SP Fiber Technology, was in bankruptcy but was operating the mill to manufacture newsprint. In early 2015, SP Fiber announced plans to convert at least one of the two newsprint machines at the mill to cardboard in order to increase profitability. See "Mill Retools for Cardboard, Adding Jobs", *Yamhill Valley News Register*, Feb. 10, 2015 (Exhibit 2). Before that conversion could be completed, WestRock paid \$300 million to acquire the Newberg mill from CC along with two other mills. See "Mill Will Have Another New Owner", *The Newberg Graphic*, August 19, 2015 (Exhibit 3). WestRock announced that it wanted the Newberg mill in order to diversify its offerings by adding "kraft and paper bag" products. *Id.* Despite these claims, WestRock shut the mill down almost immediately and has not operated it since. See "New Owner Shutting Down Newberg Mill", *Yamhill Valley News Register*, October 19, 2015 (Exhibit 4).

WestRock has now entered into an agreement to sell the Newberg mill under terms that ensure it will never be used to compete with WestRock's cardboard operations. Indeed, WestRock's January 9, 2018 contract to sell the mill to an industrial scrap business for only \$8.25 million *requires* the manufacturing equipment to be "destroyed and sold for scrap and not sold as operational Equipment." See Agreement of Sale, dated January 9, 2018, at Exhibit D (Exhibit 5). At least one other bidder who intended to operate the mill and who offered financial terms equivalent to those offered by the scrapper was rejected by WestRock. This potential buyer was told by WestRock that, "[t]he paper machines in the mill must be destroyed and not put back into use as a condition of sale." See email from Albert Collins, Director of Facilities for WestRock to Rahul Kejriwal, April 16, 2018 (Exhibit 6).

It is difficult to imagine any justification for WestRock's plan to destroy the Newberg mill other than an attempt to foreclose competition with WestRock's cardboard operations. Industry analyst reports contemporaneous with WestRock's acquisition of the Newberg mill discuss the profitability of cardboard manufacturers who were managing to avoid "compet[ing] away strong returns." See "Far From Dead, Paper Products Industry Finds New Life", *Investor's Business Daily*, March 7, 2014 (Exhibit 7). The same article specifically identifies

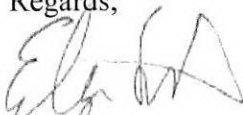
May 8, 2018
Page 3

the conversion of newsprint mills (such as the Newberg mill) to cardboard as a potential threat which might “spoil the party” for the cardboard manufacturers. *Id.*

In addition to increasing prices by constricting output, WestRock’s plan to destroy the Newberg mill would cause the permanent loss of a substantial number of manufacturing jobs in this region. This threat is real and it is imminent. By the terms of the sale agreement, ownership of the Newberg mill will transfer to the industrial scrapper on May 29, 2018. Presumably, destruction of the manufacturing equipment will commence at that point. We ask that you consider intervening in this sale in conjunction with your investigation into WestRock’s acquisition of Kapstone and that you require WestRock to sell the Newberg mill under terms that would allow it to continue operating, including potentially producing cardboard after conversion of its machines.

Thank you for your attention to this letter. If you would like to discuss any of these issues or have any questions, please feel free to call me at my office, 206-516-3895. Gregory Pallesen, president of the AWPPW, would also be happy to answer any questions that you have.

Regards,



Edgar Sargent

United States Senate

WASHINGTON, DC 20510

January 17, 2018

The Honorable Cui Tiankai
Ambassador Extraordinary & Plenipotentiary
Embassy of the People's Republic of China
3505 International Place, NW
Washington, DC 20008

Ambassador Cui:

We write today concerned by China's recent implementation of an import ban on 24 types of waste materials, including paper and plastic. Instead of immediately halting these imports, we urge China to work with the United States to develop a multi-year transition plan so that this mutually-beneficial flow of materials does not come to a complete end.

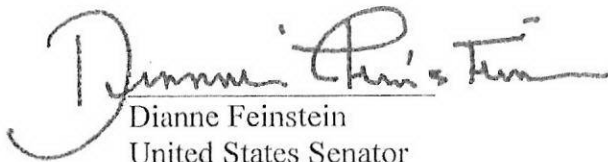
As you undoubtedly know, China is the world's largest producer of paper and plastic materials and post-consumer products are an important part of that manufacturing process. The United States is a large contributor of recycled materials for Chinese production, exporting nearly 8 million tons in 2016 alone.

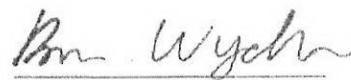
We understand that one reason China banned the importation of paper and plastic is due to environmental concerns. Exporters in our states are also sensitive to environmental concerns and have worked with China since 2013 to reduce contamination rates of exported recycled materials in order to meet Chinese regulations.

In order to preserve this flow of materials, we ask that China work with the United States to develop a multi-year transition period with attainable contamination levels for importers of recyclable materials. American recyclers maintain some of the lowest contamination rates in the world, and are therefore capable of supporting China's goal of sustainable environmentally-friendly manufacturing.

We believe that it is in the best interest of both the United States and China to work together to implement a transition period that allows for American recyclers and Chinese manufacturers to continue this important commerce. Thank you for taking the time to review this matter.

Sincerely,


Dianne Feinstein
United States Senator


Ron Wyden
United States Senator

RON WYDEN
OREGON

RANKING MEMBER OF COMMITTEE ON
FINANCE

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WASHINGTON, DC 20510
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United States Senate
WASHINGTON, DC 20510-3703

COMMITTEES:
COMMITTEE ON FINANCE
COMMITTEE ON BUDGET
COMMITTEE ON ENERGY & NATURAL RESOURCES
SELECT COMMITTEE ON INTELLIGENCE
JOINT COMMITTEE ON TAXATION

July 24, 2018

Ms. Jessica Hart
Liaison, Office of Legislative Affairs
U.S. Department of Justice
Antitrust Division
950 Pennsylvania Avenue, NW
Room 3322
Washington, DC 20530

Ms. Jeanne Bumpus
Director, Office of Congressional Relations
Federal Trade Commission
600 Pennsylvania Avenue, NW
Room 404
Washington, DC 20580

Dear Ms. Hart and Ms. Bumpus,

I am writing to request the U.S. Department of Justice, Antitrust Division, and the Federal Trade Commission increase oversight of mergers and acquisitions in the paper industry, and in particular call upon the Department and Commission to investigate reports that Westrock Co., the owner of a paper mill in Newberg, Oregon, included as a condition of sale of the paper mill a requirement that the mill equipment be destroyed by any purchaser. Such a provision, which was first identified by the Association of Western Pulp and Paper Workers, appears on its face to be highly anticompetitive. It is also particularly troubling that Westrock may have included this provision at a time when key markets for U.S. recyclables have closed, leaving the United States with a glut of recyclable paper, plastic, and post-consumer products in need of processing, and when U.S. consumers of paper are facing escalating prices, two problems that could be mitigated if the Newberg mill were to reopen. Yet, also two conditions that lead to higher prices from which WestRock would profit.

As recently as 2015, over 200 Oregonians were employed in good-paying jobs at the mill in Newberg, Oregon, processing as much as 330,000 tons per year of recycled paper. Another American paper and packaging company, WestRock Co., purchased the facility in October, nominally to diversify its product offerings. The company changed course almost immediately and shuttered the plant effective November 15, 2015, resulting in a loss of 200 good-paying jobs in the community. In negotiating the terms of the layoff, the union found the company opposed to selling to anyone who would open the mill. When a buyer was announced in January of 2018, it became clear they were chosen because they were willing to comply with the condition that the buyers destroy the existing equipment despite evolving marketing conditions.

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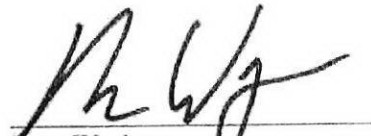
[HTTP://WYDEN.SENATE.GOV](http://wyden.senate.gov)

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Eliminating existing capacity for processing paper would have severe negative consequences for Oregon's recyclers and consumers. By limiting the number of domestic buyers of recyclable materials, WestRock may be effectively controlling prices that curbside and sorting facilities receive for their services, and at the same time increasing the cost of paper for consumers. Given market conditions, WestRock may be using the sale to pinch these struggling industries to increase their bottom line.

Recycled paper has been among the products hardest hit by recent actions by foreign governments to restrict U.S. recyclers' market access. The Newberg paper mill represents Oregon's best opportunity to create additional demand for mixed paper and alleviate the glut of recycling building up on the West Coast. I urge you to closely monitor the sale of this mill to ensure that it proceeds without anticompetitive provisions designed to undermine the functioning of West Coast paper markets.

Sincerely,



Ron Wyden
United States Senator



THE CHAIRMAN

FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

August 29, 2018

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator Wyden:

Thank you for your letter to the Federal Trade Commission and the U.S. Department of Justice requesting further oversight of mergers and acquisitions involving the paper industry and, in particular, an investigation of a sale of a paper mill in Oregon. We appreciate receiving your views and hearing your concerns about competition in the paper industry.

As you know, the Commission and the Department have shared jurisdiction over many aspects of antitrust enforcement. In order to avoid duplication of effort and to maximize the effectiveness of federal antitrust enforcement, the Commission and the Department's Antitrust Division have developed, and for many years maintained, a liaison arrangement through which we divide responsibility for antitrust review on the basis of agency authority and expertise. Pursuant to that arrangement, the Commission has reviewed mergers in certain markets that relate to the paper industry but has deferred to the Antitrust Division reviews of mergers and acquisitions involving paper mills.

Thank you again for your letter. If you have any questions, please feel free to have your staff call Jeanne Bumpus, the Director of our Office of Congressional Relations, at (202) 326-2195.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph J. Simons".

Joseph J. Simons
Chairman

cc: Adrienne M. Hahn
Counsel for Legislative and Intergovernmental Affairs
Antitrust Division
U.S. Department of Justice
950 Pennsylvania Ave., N.W.
Washington, D.C. 20530



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

AUG 29 2018

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senator Wyden:

This responds to your letter to Jessica Hart of the Department of Justice (Department) and Jeanne Bumpus of the Federal Trade Commission (FTC) dated July 24, 2018, regarding increased oversight of mergers and acquisitions in the paper industry. The Department appreciates your interest in this matter.

The Department is strongly committed to protecting and promoting competition in the paper industry through enforcement of the federal antitrust laws, including Section 7 of the Clayton Act, 15 U.S.C. §18, which prohibits mergers and acquisitions that may substantially lessen competition. While the Department cannot comment on active investigations, please be assured that the Department's Antitrust Division will carefully assess all facts, including WestRock Company's proposed acquisition of KapStone Paper and Packaging Corporation, and will take whatever action is appropriate to protect competition in the paper industry and consumers of paper products.

Please do not hesitate to contact this office if we may provide additional assistance regarding this or any other matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen E. Boyd".

Stephen E. Boyd
Assistant Attorney General



U.S. HOUSE OF
REPRESENTATIVES

SUZANNE BONAMICI, UNITED STATES REPRESENTATIVE
EARL BLUMENAUER, UNITED STATES REPRESENTATIVE
KATE BROWN, GOVERNOR



STATE OF OREGON

October 2, 2018

Steven C. Voorhees, CEO
WestRock
1000 Abernathy Rd NE
Atlanta, GA 30328
United States

Dear Mr. Voorhees:

We are writing to express our concerns about the status of the WestRock-owned mill in Newberg, Oregon and to encourage an open dialogue with local stakeholders about its eventual dispensation.

When the mill closed indefinitely in January 2016, shortly after being acquired by WestRock, over 200 workers lost their jobs. Since then, the mill has sat idle while WestRock has sought a buyer for the facility. Communities across Oregon, particularly the City of Newberg, have a significant stake in the future of this site. We understand the City has been in communication with WestRock since the closure, sharing information with interested potential buyers in addition to preparing a new Riverfront Master Plan for the Newberg Riverfront area that includes the WestRock mill site. The details of WestRock's disposition of the mill site will have a significant impact on the City's ability to establish long term plans for the area, which is key to the city's overall development. This master plan process has been shared with WestRock and the City of Newberg has been seeking your input and feedback.

Since the mill's closure, a nationwide recycling crisis has resulted in a glut of waste paper products in the United States. China's decision to stop accepting certain mixed recycling eliminated a major market for U.S. exporters – with distressing results. Massive amounts of recyclable waste are accumulating at facilities around the state and across the country - or being sent to less expensive landfills for disposal, jeopardizing years of environmental progress. We believe potential solutions to the crisis in Oregon should include consideration of existing recycling capabilities, which could be harnessed by a buyer possibly interested in modifying and re-opening the Newberg mill.

According to newspaper reports, WestRock initially conditioned sale of the mill on the purchaser's willingness to destroy the existing paper machines and mill equipment, a proposition that appears aimed at reducing competition in the industry. This is problematic and, as our colleague Senator Wyden has noted in a recent letter to the U.S. Department of Justice and the Federal Trade Commission, possibly illegal. Manipulating competition erodes confidence in our markets and can result in artificially high prices for consumers. We understand that WestRock may currently be open to selling to buyers with an interest in re-starting the mill and we encourage ongoing good-faith negotiations, especially in light of evolving conditions in the paper market and global supply chains.

We cannot ignore the consequences for Oregon communities and a potentially productive mill site sitting idle for an extended period of time. A decision regarding the future of the site needs to consider the local community's desires being developed through the Riverfront Master Plan process and the full range of possibilities for the site, in consultation with Newberg leaders and other stakeholders.

We urge you to consider the following questions. How will WestRock continue engagement with the City of Newberg as it pursues sale of the site? Has equipment at the mill been salvaged for other WestRock operations to the point that it no longer makes it viable as a mill operation? On what timeline will WestRock pursue sale of the mill? Please clarify whether WestRock is considering offers from all prospective buyers, including those reluctant to destroy the existing paper mills and equipment?

We stand ready to engage with you and other stakeholders to further discuss the future of this site, including through briefings, meetings, and updates with our staff. We would appreciate the opportunity to have a dialogue with you about this issue and how it affects Oregonians.

Sincerely,



Suzanne Bonamici
Member of Congress



Governor Kate Brown
State of Oregon



Earl Blumenauer
Member of Congress



Steven C. Voorhees
Chief Executive Officer
1000 Abernathy Road NE
Atlanta, Georgia 30328
Phone: (678) 291-7540

October 11, 2018

Dear Representatives Bonamici and Blumenauer, and Governor Brown:

Thank you for your letter of October 2 expressing your concerns about the status of the WestRock-owned mill in Newberg, Oregon. I can assure you that we appreciate the importance of the Newberg mill to various Oregon communities and, specifically, the City of Newberg.

I understand and agree with you that the current availability of recycled fiber may make it economically feasible to modify and re-open the Newberg mill.

I can confirm that we would be willing to sell the mill to a purchaser that intends to operate the mill so long as we receive a price that accurately reflects the current market conditions. We continue to carefully evaluate the best use for the mill in light of the significantly changed market conditions for paper, pulp and recycled fiber over the past three years. To that end, we are supplementing our internal resources with the expertise of consultants to help us with this evaluation.

You also asked me to consider the following questions.

- 1) **How will WestRock continue engagement with the City of Newberg as it pursues the sale of the site?**
 - a. As described above, we continue to evaluate the best use for the mill considering the significantly changed market conditions over the past three years. We anticipate completing this evaluation by the end of 2018.
- 2) **Has equipment at the mill been salvaged for other WestRock operations to the point that it no longer makes it viable as a mill operation?**
 - a. Because we have moved a substantial amount of parts and equipment from the mill to other WestRock operating locations, we believe it would be impractical to start up the mill's existing paper machines. However, the site has the installed infrastructure that may make it practical to invest incremental capital to produce recycled paper, recycled pulp or potentially steam and/or power at the site, depending on business considerations.
- 3) **On what timeline will WestRock pursue the sale of the mill?**
 - a. Once we complete the evaluation referenced above, we will determine the appropriate use of the facility and whether to pursue a sale.
- 4) **Please clarify whether WestRock is considering offers from all prospective buyers, including those reluctant to destroy the existing paper mills and equipment.**
 - a. Subject to our completion of the evaluation referenced above, we would expect to consider offers from all prospective buyers.

Finally, I want to address the mill sale transaction that was never consummated but has been cited in newspaper articles referenced in your letter. You should know that the condition of the sale that required the potential purchaser to dismantle the mill's existing paper machines and equipment was predicated entirely on the intended use of the site by the potential purchaser, who was a scrap dealer. This particular buyer intended to sell the contents of the mill for scrap, and we valued the sale accordingly.

We look forward to working with the various stakeholders involved to identify the best long-term solution for the Newberg site. If you have other questions, please contact Nina Butler or Louis Hengen from our Government Relations team. You may contact them at nina.butler@westrock.com, her phone number is (770) 326-8130, or louis.hengen@westrock.com, his phone number is (470) 328-6328.

Thank you again for your letter. I appreciate your concerns about the future of the Newberg facility.

Best regards,



Steven C. Voorhees
Chief Executive Officer

Contact Information:

760 Chestnut St.
Coshocton, OH 43812
Ph. 740 622-1465
Fax 740 623-5933

Steven D. Mercer

Mayor

Max Crown

Safety-Service Director

Cherry Wilson

Executive Assistant

Tom Scott

Safety Coordinator

Jeff Corder

Property Code Investigator

Click on the contact name
to send them an email.

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Connie Malchiodi, *Administrative Assistant*

Montville Town Hall
Uncasville, CT 06382

Phone: (860) 848-6701 | » [Email Connie Malchiodi](#)

PERSONAL
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e - CONNIE
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Closed WestRock Mill

Rick Rogers

Sat 1/26/2019 3:49 PM

To: economicdevelopment@charlottenc.gov <economicdevelopment@charlottenc.gov>;

ph. 704 336 - 3380

722 7750 m 1/31/19
m 2/5/19

AC Shull
Economic Development
City of Charlotte, NC

AC:

Greetings. This note comes to you from scenic Newberg, Oregon - the gateway to Oregon wine country.

I am writing as I believe we have something in common - a closed WestRock mill.

If you have a chance I would love to speak with you about your experience.

Our mill here closed in October 2015 and remains shuttered.

I will try by phone as well. Many thanks.

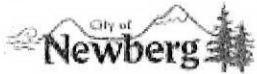
Rick

Rick Rogers

Mayor

Direct (503) 537-1276 City Hall (503) 537-1240 Fax (503) 537-1013

Rick.Rogers@newbergoregon.gov



414 E. First Street · P.O. Box 970

Newberg, Oregon 97132

Local and company leaders say WestRock plant will close

Joe Williams, Reporter Published 3:47 p.m. ET Oct. 16, 2015 | Updated 10:27 p.m. ET Oct. 16, 2015



(Photo: Michael Lehmkuhle/Tribune)

COSHOCTON — Corporate leaders of WestRock have confirmed the company's local plant on Third and Fourth streets will close Nov. 28, affecting 225 employees.

Tucker McNeil, director of communications for WestRock, said Coshocton's upcoming plant closing will affect 180 hourly workers and 45 salaried employees.

The former Rock-Tenn plant at 500 N. Fourth St. makes medium, part of the corrugated board in packaging. Company leaders decided to shut Coshocton's plant "to balance our overall supply of container board with our customers," McNeil said Friday night.

Company officials notified the Coshocton facility Friday of the upcoming closing.

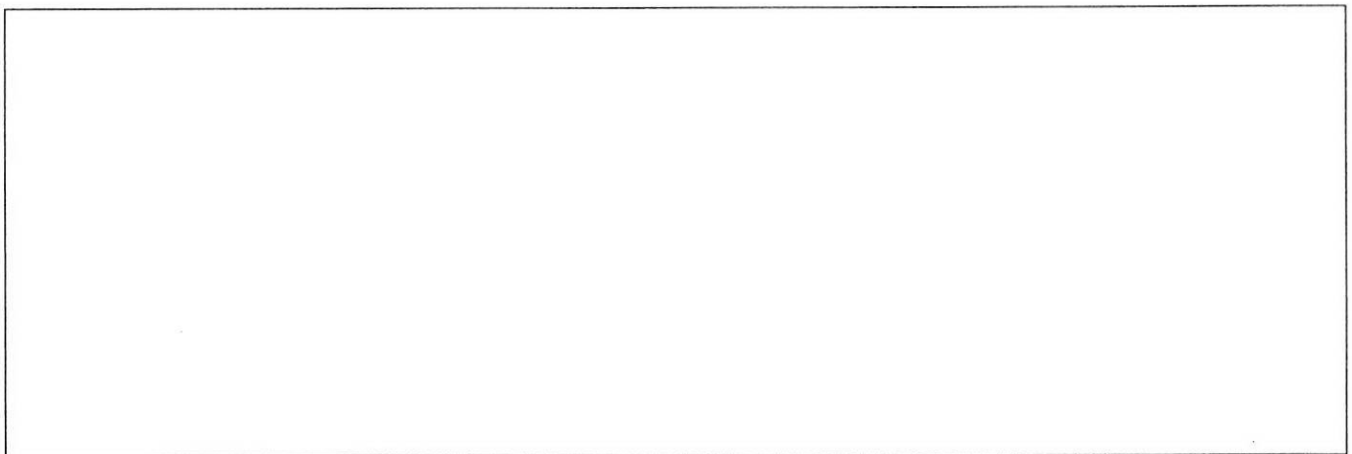
"I think there will be an orderly closure. I don't have any information about the production schedule between now and then," McNeil said.

McNeil said the company has taken similar actions at other plants recently.

"Not today, but recently," he said.

Mayor Steve Mercer had announced the upcoming closure Friday afternoon after receiving a phone call from the company's corporate office in Norcross, Georgia.

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"There's a lot to closing a plant," Mercer said, "so their winding-down operations will be full-tilt till then. You can't just close the doors and walk away."

Mercer said a corporate spokesperson told him WestRock is examining its operations companywide to meet the demand for its products, which serve the global packaging market.

"It is a very sad day for our community," said Dorothy Skowrunski, executive director of the Coshocton Port Authority. "WestRock is a major employer in our community, and this plant closing will have a ripple effect locally as well as regionally, affecting not just the plant and their workers but all the support services associated with the plant."

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"I consider this a major hit to the entire community and to all the employees affected," Mercer said. "I certainly hope that in Coshocton's current

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closing-

employment-hiring status that those employees who want to stay in the local community can."

Mercer said he was surprised by Friday's announcement, given recent changes by the company.

The local plant has undergone two mergers in the past five years. The last one, announced in January of this year, eventually merged Rock-Tenn Co. and MeadWestvaco Corp. into WestRock, a \$16 billion company, to compete with the International Paper Co.

In 2011, Rock-Tenn purchased the Smurfit-Stone Container Corp. for \$3.5 billion. After that acquisition, the local plant was Rock-Tenn's 14th highest-producing plant.

Rock-Tenn was the 10th largest employer in Coshocton County in February 2014, according to the Coshocton Port Authority.

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WestRock Paper Mill shuts down

Staff report Published 8:53 a.m. ET Dec. 16, 2015 | Updated 6:25 p.m. ET Dec. 16, 2015



(Photo: Michael Lehmkuhle/Tribune)

COSHOCTON - Tuesday was the final day of work for employees at WestRock Paper Mill, leaving more than 200 workers without jobs.

According to a 10TV report (<http://www.10tv.com/content/stories/2015/12/15/coshocton-ohio-hundreds-impacted-by-closure-of-coshocton-plant.html>), a difficult day was made a little easier thanks to the generosity of the community.

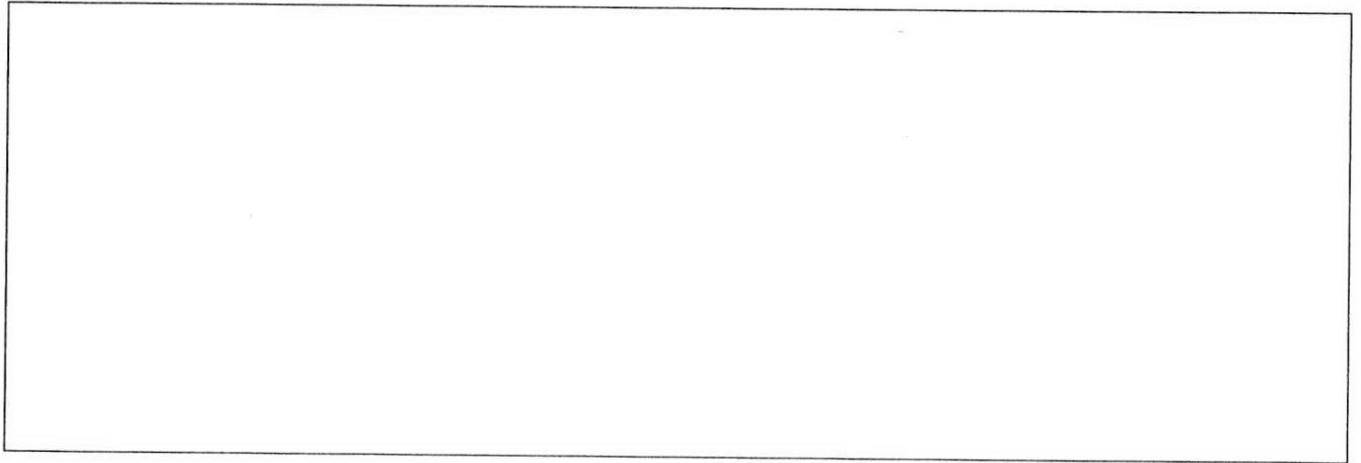
Lynn Jacobs and his team at Coshocton County Job and Family Services stepped in to help dozens of people get back to work.

"From the mayor's office, port authority, chamber of commerce, everybody, what can we do to help, what can we do to help, and they really rallied for the men at WestRock," Jacobs said.

Churches, businesses and neighbors also offered up anything they could, according to the 10TV report.

After WestRock officials confirmed in October that the Coshocton facility would close, local leaders lamented the loss of one of the area's top employers. It was the 10th largest employer in Coshocton County in February 2014, according to the Coshocton Port Authority.

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The former Rock-Tenn plant at 500 N. Fourth St. made corrugated board used in packaging. Company leaders decided to shut Coshocton's plant "to balance our overall supply of container board with our customers," Tucker McNeil, director of communications for WestRock, said in October.

The closure affects 180 hourly workers and 45 salaried employees, McNeil said in October.

The local plant has undergone two mergers in the past five years. The last one, announced in January of this year, eventually merged Rock-Tenn Co. and MeadWestvaco Corp. into WestRock, a \$16 billion company, to compete with the International Paper Co.

In 2011, Rock-Tenn purchased the Smurfit-Stone Container Corp. for \$3.5 billion. After that acquisition, the local plant was Rock-Tenn's 14th highest-producing plant.

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Greg Pallesen elected president of AWPPW

🕒 Oct 27, 2016 📁 Union Democracy

In ballots counted Oct. 26, Greg Pallesen won election as president of Association of Western Pulp and Paper Workers (AWPPW).

AWPPW, headquartered in Portland, represents 4,500 workers at pulp and paper mills in Oregon, Washington, Idaho, California and Virginia. Formerly independent, it's now an autonomous division of the United Brotherhood of Carpenters. It's a union that's been hit hard by the steep decline of the pulp and paper industry in the Pacific Northwest.



Greg Pallesen

Pallesen, 61, has been vice president and political director at AWPPW for 13 years. He's an outspoken critic of NAFTA-style trade policy, which he holds responsible for multiple closures of pulp and paper mills.

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Pallesen first became a member of AWPPW Local 580 in 1986, as an electrician at Weyerhaeuser's Longview pulp and paper mill. That mill was sold earlier this year to Japan Nippon Paper Industries.

In the race for president, Pallesen outpolled AWPPW Local 153 president Kurt Gallow, a millwright at the Kapstone paper mill in Longview.

Pallesen succeeds John Rhodes, who's retiring after 14 years as president.

Members also elected a new vice president, Bill Spring of Local 5 in Camas, Washington; a new secretary-treasurer, Rick Craft of Local 747 in Nampa, Idaho; and area reps, relief reps and trustees. All new officers will be sworn in to five-year terms at the union's Jan. 26 general membership meeting.

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ASSOCIATION OF WESTERN PULP AND PAPER WORKERS

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Association of Western Pulp and Paper Workers

The **Association of Western Pulp and Paper Workers** (AWPPW) was established in September, 1964, when West Coast rank-and-file members of the International Brotherhood of Pulp, Sulphite, and Paper Mill Workers became dissatisfied with the conduct of wage negotiations by international vice-presidents and those of another international union, the United Papermakers and Paperworkers, with whom a Uniform Labor Agreement had been negotiated. The dissatisfaction was a result of the international Vice Presidents announcing that they were taking over the United Labor Association bargaining session. They established a new union, the Association of Western Pulp and Paper Mill Workers, in 1964. Litigation followed, a NLRB election was conducted in October 1964, and the Western organization was certified as the Uniform Labor Agreement bargaining agent.

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Culture and symbolism

The AWPPW places a premium on democracy and independence. This is not surprising, given the conditions under which it was founded. For instance, its newsletter, in publication since 1964 is called *The Rebel*. Its seal is a gavel surrounded by the slogan "Guard Well the Democratic Rights of Your Members." The seal and slogan were created by Bill and Lucille Riggs, inspired by Bill's study of *Robert's Rules of Order*. Bill "saw the chairman's gavel as a tangible symbol of a member's rights."^[1]

Governance

The AWPPW was born out of the perceived dictatorial practices of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers and the United Papermakers and Paperworkers unions. Consequently, it proclaims itself to be "the most democratic union in the world." [2]

The structure of union governance according to the 2006 AWPPW constitution is as follows:

- President
- Vice-president
- Secretary Treasurer
- Union Organizer
- Area Reps
 - Northern Washington
 - Southern Washington
 - Oregon, Idaho, Utah
 - California
- Relief Area Reps
 - Northern Washington
 - Southern Washington
 - Oregon, Idaho, Utah
 - California
- Trustees
 - Northern Washington
 - Southern Washington
 - Oregon, Idaho, Utah
 - California
- Lobbyists
 - Washington
 - Oregon, Idaho, Utah
- Staff - Accounting
- Staff - Member Services

Elections and conventions

The Association of Western Pulp and Paper Workers use a directly democratic process for election of their officers. Nominations for association officers are done at the convention by seated delegates. Once nominations are accepted, voting for officers is done on a local level by each member in good standing. Every member in good standing is eligible to vote and run for all offices.

Conventions happen every five years, the length of the officers' terms. Special conventions can be called by a 40% call from members in good standing. The members of the executive board (president, vice president, secretary-treasurer, and four elected trustees) do not have power to overrule votes by delegates at convention.

Local contracts are bargained by local officers. Strike votes and contract ratification votes are of a simple majority by the local members in good standing.

The number of delegates from each local is based on the number of members of that local. Delegates, along with all other local officials, are elected locally by members in good standing at that local.

Provisions exist in the constitution for recall of all elected officials.

The split

On April 23, 1964, a majority of 21,000 workers from forty-nine paper mills, owned by eighteen companies, rebelled against the two oldest established unions that had been representing them. The International Brotherhood of Pulp, Sulphite, and Paper Mill Workers (IBPS&PMW) and the United Papermakers and Paperworkers (UPP), along with affiliate Pacific Coast Pulp and Paper Mill Employees Association (PCPPMEA), bargained collectively with twenty-nine manufacturers.

The PCPPMEA had always negotiated with a certain amount of autonomy. Various issues had arisen over the years that created dissension. Significantly, it was the matter of secrecy and lack of democratic rule that was most chafing. The International unions elected their VPs by a majority of votes cast at the convention. Even 100% of the PCPPMEA delegates were not enough to choose their own representation. Rank and file members of the PCPPMEA didn't believe the Internationals were giving sufficient effort to settle their grievances.

During pre-wage negotiations the Internationals were seen to have thrown out thirty years of negotiating practice when they replaced PCPPMEA delegates with International VPs. It was this act that prompted Bill Perrin, acknowledged leader of the PCPPMEA, to walk out. He said he just planned "to go do a little fishing." He was astonished to find that he had been followed by seventy-three of the 138 delegates.

The two International unions appointed replacement delegates and continued to negotiate without the PCPPMEA. Pacific Coast delegates were denied admittance when they attempted to return. Legal action before the Oregon Circuit Court sought to reinstate Pacific Coast delegates. The court ruled against the PCPPMEA and a peace committee was proposed but not well received by any of the parties. An attorney for the International unions argued before the court that NLRB action, rather than a court hearing, was the appropriate venue to decide the issue. It was this statement that sparked the idea to establish a new union.

On May 9, 1964, several leaders of the rebellion met in Olympia, Washington to form the AWPPW. Bargaining between the International unions and the companies had concluded on May 5. They had received an offer of about \$0.16³/₄ an hour. This represented the best offer labor had ever received. The fledgling union was faced with two tasks simultaneously: it had to convince the membership to reject this offer and get enough cards signed to demand NLRB recognition. 9,500 northwest pulp and paper workers, well above the 30% necessary, signed cards requesting representation by the AWPPW. The contract was rejected and nearly 15,000 members had refused to vote. These vote totals represented a serious embarrassment and threat to the International unions.

The International unions moved quickly to issue a second referendum offering members an opportunity to reconsider the offer. They asked Pacific Coast mill owners to implement the contract. The employers refused, citing the pending NLRB ruling on the representation petition by the AWPPW. On July 12 the NLRB's Regional Director granted the AWPPW request for a bargaining rights election. The election was held during the week of September 14 and forty-nine mills gave the AWPPW a victory over the Internationals 10,653 to 8,130. The AWPPW was certified as the exclusive bargaining agent for Pacific Coast pulp and paper workers on October 1, 1964.

The first contract

The first order of business for the new union was to negotiate a contract with the manufacturers' association. The untested, inexperienced AWPPW faced an array of forces. They were unsure how vigorously their membership would back them. Taking the membership out on a strike would not be the most auspicious beginning. President William Burnell of

the IBPS&PMW and President Paul L. Phillips of the UPP issued a joint statement declaring the intention of their unions to fight to regain bargaining rights for all the mills they had lost. George Meany of the AFL-CIO denounced the AWPPW and gave his support to the Internationals.

However, the new union had support as well. The national AFL-CIO may not have supported them but the Oregon State AFL-CIO named Bill Perrin, President of the AWPPW, Oregon Labor Leader of the Year. The AWPPW received support and pledges of financial assistance from the International Longshore and Warehouse Union, the Teamsters, the International Woodworkers of America, and the Lumber and Sawmill Workers.

On October 25, 1964 the AWPPW engaged in its first pre-wage conference. They elected a bargaining board, established procedures, and drafted the demands they would present at the joint wage conference. Present were 140 delegates from fifty-eight locals in Washington, Oregon and California. It was important to bring back a contract competitive with those signed by the International unions. The AWPPW felt it was important to settle a contract quickly.

Negotiations began on October 28, 1964. They followed procedures that had been established in the past. The first critical issue to be negotiated was language stipulating that all employees would be represented by the AWPPW. The manufacturers' association resisted this demand. The bargain reached an impasse on the very first issue. On November 3, the management called for the Federal Mediation and Conciliation Service (FMCS).

On November 11 the AWPPW called for the first strike pacific coast mills had seen in thirty years. Some employees who remained loyal to the old International unions crossed the picket lines. Employers claimed that thirty-three of the mills continued to operate. Emotions ran high and there was some violence. Contempt of court proceedings were started. Restraining orders were issued and charges of unfair labor practices were lodged. The FMCS in Washington D.C. monitored continued negotiations. With their aid, an agreement was reached on November 23 and the strike came to an end.

The Constitution

February, 1965 saw the first constitutional convention of the AWPPW. The primary constitutional consideration was democratic rule. History of democracy in unions made it clear that a certain amount of authority needed to be vested in the AWPPW to make decisions in the best interest of the membership. The balance fashioned into the Constitution presented concerns to both rank and file and officers of the AWPPW.

The balance that was struck provided that all representatives and officers had to stand for election. Officers would be permitted to attend and give voice at committee meetings but only the elected regional representatives were allowed to vote. Addressing the issue of equal voice for small locals, it was decided that locals would be provided elected representation that balanced all locals. Thus, smaller unions would be granted more delegates to be given equal voice.

Bill Perrin, who had led the original rebellion, became the first constitutionally elected president of the AWPPW.

Regional representatives had to be re-elected by the membership of their region. The Constitution provided for recall of any elected official. Each region elected a trustee plus one trustee at large whose job it was to monitor the Secretary-Treasurers reports and to make certain that the elected officials were fulfilling their obligations.

A ten-person executive board, consisting of the trustees, the president, two vice presidents and the secretary-treasurer, was formed. Rank-and-file members comprised a majority of the board, so they were able to control board action. They acted as a trial and appeals board. They oversaw charges brought against members under rules of the constitution. Therefore, a member charged with an infraction could appeal to a board that was made of by a majority of rank and file members. This was a distinctly democratic feature of the AWPPW. A member had one more step beyond this board. The

decision of the executive board could be appealed to a three-member board called the Public Review Board. It was composed of people not associated with the AWPPW. The Public Review Board had the power to reverse, modify or uphold executive board decisions.

The AWPPW created another distinctly unique, democratic constitutional regulation concerning dues. A modest \$2 a month per capita was charged to each local to maintain the management of the union and pay legal bills incurred by the union. If the local, for any reason lost its charter, even by voluntary resignation, all funds and properties would remain with the local. This represented a significant difference from the 'reverter' clauses by which the international unions punished locals if they considered withdrawing. The AWPPW viewed these reverter clauses as blackmail.

Numerous problems faced the new union. The authors of *The Pulp and Paper Rebellion: A New Pacific Coast Union* offer the opinion that there is little doubt that the AWPPW will continue to operate in a democratic manner. The major concern facing the AWPPW is that it might be too democratic.^[3]

Women in the AWPPW

The 1968 agreement between the AWPPW and west coast pulp and paper mills was historic according to Clifford Alexander, Jr., Chairman of the federal Equal Employment Opportunity Commission(EEOC). The union had been pressing since 1966 for equal pay for women performing the same jobs as men. This language represented the first time equal pay language was included in a major contract in the paper industry.

Locals 183 and 644 had won this concession in a thirty-six-day strike of the Scott Paper mills in Everett, Washington. It brought women's pay up by 7% and set the standard for the equal pay demand throughout the industry. The membership approved this one issue resolution with a vote of 5,568 to 1,150. It represented an increase in the base rate of \$0.13½ per hour for 2,000 women. Manufacturers would say it represented a wage increase over \$500,000 per year.

This marked the beginning but certainly not the end of the crusade by AWPPW women for redress and reform of various discriminations against women. In 1969 Nancy Weber of Local 672 began an action against Kimberly-Clark that went on as a class action suit all the way to Federal District Court. The court ruling levied \$66,800 plus legal fees against Kimberly-Clark. That was the largest Title VII settlement to date but, more importantly, Kimberly was forced to amend its policy.

A group of AWPPW women banded together into a group called Women Inc. to fight the pulp and paper industry on many Title VII issues. They filed thirty to thirty-five cases of discrimination with the EEOC. The manufacturers defended themselves by citing antiquated laws that permitted their discriminatory behavior. In 1969 Women, Inc., with the aid of other women's groups, struck the San Francisco fiberboard plants. They forced the management of these plants to go beyond the strict, legal language to examine all company policies in light of Title VII of the 1964 Civil Rights Act. The burden of proof fell upon the state. This historic legal victory by AWPPW women changed not only the shape of pulp and paper manufacturers' behavior, but set the standard for industrial adherence to Title VII of the EEOC across the country.

The AWPPW and politics

The AWPPW has two primary political interests: preserving jobs, and protecting both current and retired workers.^[4] Key issues recently have been environmental measures, international trade agreements, and the Employee Free Choice Act. In the 2008 presidential election, the union wholeheartedly endorsed Barack Obama for his stance on labor issues ranging from minimum wage to the Central American Trade Agreement.^[5]

In the early 1970s the AWPPW fought for—and won—improved safety codes for the pulp and paper industry in Washington and Oregon, but was not so successful in trying to enact log export bans.^[6]

Organizing

The constitution mandates that the executive board of the association must create an organizing plan to "maintain the strength of this organization". The president of the association has the ability to hire one or more organizer. The local area representatives can also be utilized to do organizing work.

Wages

Listed below are current and real AWPPW wages of a journeyman mechanic from 1964 to present. The current wage information for 1964 to 1984 has been reproduced from the special 20th Anniversary edition of the Rebel,^[7] while current wage information from 1994 to present has been compiled from AWPPW contracts. The real wage (in bold) was calculated using the inflation calculator at the Bureau of Labor Statistics website.^[8]

1964 Wage: 3.49 -> **24.01**

1974 Wage (Low): 6.43 -> **27.81**

1974 Wage (High): 7.46 -> **32.27**

1984 Wage (Low): 12.325 -> **25.30**

1984 Wage (High): 17.205 -> **35.31**

1994 Wage (Low): 19.265 -> **27.72**

1994 Wage (High): 21.525 -> **30.97**

2004 Wage (Low): 21.83 -> **24.64**

2004 Wage (High): 29.35 -> **33.13**

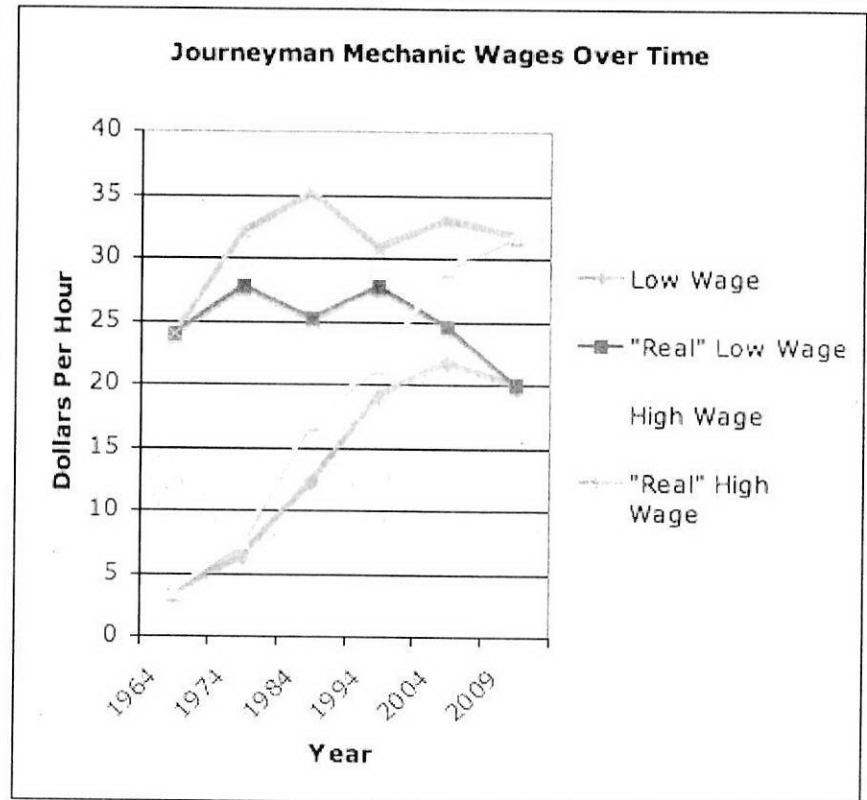
2009 Wage (Low): **19.94**

2009 Wage (High): **31.865**

Historically workers in the pulp and paper industry have enjoyed relatively high wages. According to the Bureau of Labor Statistics, this is due both to "the many skilled workers in both production and maintenance occupations" and to an unusually high union density: at the time of the 1982 survey, 96% of pulp and paper production workers were employed by union mills.^[9]

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4. "O'Sullivan Urges Members to Vote." (September 26, 2008). *The Rebel*. p. 5.
5. John Rhodes, "A Few Words from Your Officers." (September 26, 2008). *The Rebel*. p. 2.
6. "Decade of AWPPW History Detailed." (September 23, 1974). *The Rebel*, Special Edition AWPPW Tenth Anniversary, p. 24.
7. "1964-74-84 AWPPW Contract Comparison." (September 28, 1984). *The Rebel*, Special 20th Anniversary Edition, p. 24.
8. [Inflation calculator \(http://www.bls.gov/data/inflation_calculator.htm\)](http://www.bls.gov/data/inflation_calculator.htm), Bureau of Labor Statistics.
9. David Larson. "Wages in the paper industries among highest in manufacturing." *Monthly Labor Review* (March 1984). p. 52.

Archives

- [Association of Western Pulp and Paper Workers Records \(http://www.lib.washington.edu/specialcoll/findaids/docs/papersrecords/AssociationofWesternPulpandPaperWorkers2052.xml\)](http://www.lib.washington.edu/specialcoll/findaids/docs/papersrecords/AssociationofWesternPulpandPaperWorkers2052.xml), circa 1960-1970. 14 cubic feet. At the Labor Archives of Washington, University of Washington Libraries Special Collections (<http://www.lib.washington.edu/specialcoll/laws>).
- [John H. Eyer Papers. \(http://digital.lib.washington.edu/findingaids/view?docId=EyerJohnH3932.xml\)](http://digital.lib.washington.edu/findingaids/view?docId=EyerJohnH3932.xml) 1951-1970. 19.21 cubic feet (20 boxes).

External links

- <https://web.archive.org/web/20090107015657/http://www.awppw.com/>
 - <http://www.awppw.org>
-

Retrieved from "https://en.wikipedia.org/w/index.php?title=Association_of_Western_Pulp_and_Paper_Workers&oldid=790099561"

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So much for antitrust? Government approves merger of paper mill giants

🕒 Dec 4, 2018 📁 Jobs



Together with the Oregon Fair Trade Campaign, members of AWPPW held a picket outside the mothballed mill in Newberg calling on WestRock to reopen the mill or sell it to someone who will.

By Don McIntosh

Northwest paper mill workers, by now used to painful disappointments, got another one in November: Federal anti-

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monopoly regulators stood aside and allowed the nation's second largest paper producer to gobble up the nation's fifth largest paper producer. The \$3.5 billion acquisition of Chicago-headquartered KapStone by Atlanta-headquartered WestRock is the latest in a decade-long spree of mergers and acquisitions that have reduced competition and restricted supply in the U.S. paper and cardboard packaging industries — and led to a wave of job-killing mill closures.

“WestRock has set a pattern: Buy competitors, close mills, reduce supply, and drive the price up,” says Greg Pallesen, president of the Association of Western Pulp and Paper Workers (AWPPW). Headquartered in Portland, AWPPW represents workers at pulp and paper mills in Oregon, Washington, Idaho, California and Virginia. Since 2000, AWPPW has lost over 6,400 members and suffered the closure of at least 15 mills. Today it counts just 4,300 members.

Pallesen says there's no better example of WestRock's buy-it-and-shut-it-down strategy than the 2015 closure of a paper mill in Newberg, Oregon, that had been in operation for 120 years. Before it was closed, the Newberg mill had been turning as much as 330,000 tons of recycled paper a year into newsprint and light-weight containerboard, which is used in making corrugated cardboard boxes.

On Oct. 2, 2015, WestRock finalized a \$288.5 million acquisition of SP Fiber Holdings, the company that owned the Newberg mill and a paper mill in Dublin, Georgia. Two weeks later, WestRock announced the “indefinite” closure of the Newberg mill. About 200 people, most of them AWPPW members, lost their jobs — even though the market for cardboard has been growing steadily thanks to the increase of online shopping.

Pallesen had a hunch the closure was intended to reduce supply in the market, but had no proof. Union members and supporters protested the closure with pickets outside the mill, but the company didn't budge, and the mill stayed shut.

Then on Jan. 29, 2018, WestRock announced plans to buy KapStone, which employs AWPPW members at its paper mill in Longview, Washington. The announcement rekindled Pallesen's hopes for the restart of the Newberg paper mill, because the acquisition would require federal approval. A series of federal statutes known as “antitrust” laws are supposed to prevent companies from becoming monopolies or otherwise manipulating markets or restricting competition. Because of those laws, the government in the past has

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Trump's shutdown is 'un...
Dan McCabe, representati...
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required merging paper companies to divest some of their holdings to preserve competition in the marketplace. Surely they'd do that this time as well, Pallesen thought. Maybe the government would order WestRock to sell the Newberg mill to someone who'd reopen it and put AWPPW members back to work. Or if not, at least some of KapStone's mills might be kept out of the clutches of a company with a record of closing mills.

Then (he won't say how) Pallesen came into possession of a secret company document: a Jan. 9, 2018, sales agreement between WestRock and KBD Enterprises, an industrial scrap business. WestRock, having paid nearly \$300 million to acquire two paper mills, now proposed to sell one of them for just \$8.25 million ... with some highly unusual conditions: The buyer would have to destroy the plant's valuable machines, and promise not to sell them intact or use them to manufacture paper.

That seemed to Pallesen like "smoking gun" evidence of an intent to destroy productive capacity and reduce supply in the market. He got in touch with Edgar Sargent, a Seattle commercial attorney who previously represented the Bakers union during the Hostess bankruptcy and successfully defended Seattle's minimum wage ordinance. At AWPPW's request, Sargent presented the leaked sales agreement and other evidence alongside a letter to the Antitrust Division of the U.S. Department of Justice, calling on them to investigate.

"The union believes that this merger poses serious threats to full and fair competition in the market," Sargent wrote in the May 8 letter. "Our general concern is that WestRock will use its increasing share of the cardboard and container markets to increase profits by artificially constricting production.... It is difficult to imagine any justification for WestRock's plan to destroy the Newberg mill other than an attempt to foreclose competition with WestRock's cardboard operations."

In June, WestRock told the Portland Tribune newspaper the planned sale to the scrapper had fallen through. But the evidence of the sales agreement spoke for itself, and U.S. Senator Ron Wyden decided to weigh in. In a July 24 letter to the U.S. Department of Justice and the Federal Trade Commission, Wyden called on them to investigate the report that WestRock had ordered the mill equipment destroyed.

"Such a provision, which was first identified by the Association of Western Pulp and Paper Workers, appears on its face to be highly anticompetitive," Wyden wrote. "By limiting the number of domestic

buyers of recyclable materials, WestRock may be effectively controlling prices that curbside and sorting facilities receive for their services, and at the same time increasing the cost of paper for consumers.”

In an Aug. 29 reply, the Department of Justice thanked Wyden for his interest. “The Department is strongly committed to protecting and promoting competition in the paper industry through enforcement of the federal antitrust laws,” wrote assistant U.S. attorney general Stephen Boyd.

WestRock declined to comment for this story, but has said repeatedly that it’s continually assessing what to do with the Newberg mill.

“That’s a line of bullshit, in my opinion,” Pallesen told the Labor Press. “They’re a multibillion corporation. They know exactly what they’re doing. They don’t want competition.”

Pallesen said he’s heard from at least two potential buyers who’d be willing to reopen the mill, but WestRock has been unwilling to talk with them, he said.

As a result, the Newberg recycled paper mill remains idle, all while Oregonians pay top dollar to collect recycled paper curbside — and have it sent to landfills because there’s no facility to take it.

WestRock picked up four more paper mills with the completion of its KapStone purchase, including the AWPPW-represented mill in Longview. Because it’s a large enough capital investment, Pallesen thinks the Longview mill is safe from closure for now. But if the company’s strategy is indeed about limiting production, other mills might be at risk.

“We certainly expect around 12 months from now, maybe 18 months, you’ll see mill closures,” Pallesen said.

MARCH TO MONOPOLY?

- 2011: Rock-Tenn buys Smurfit-Stone
- 2015: Rock-Tenn merges with MeadWestvaco to form WestRock
- 2015: WestRock buys SP Fiber Holdings

- 2016:
WestRock
buys Cenveo
Packaging
- 2017:
WestRock
buys Silgan
Holdings
- 2017:
WestRock
buys MPS
- 2017: WestRock buys U.S. Corrugated
- 2017: WestRock buys Island Container
- 2017: WestRock buys HannahPak
- 2018: WestRock buys Plymouth Packaging
- 2018: WestRock buys KapStone

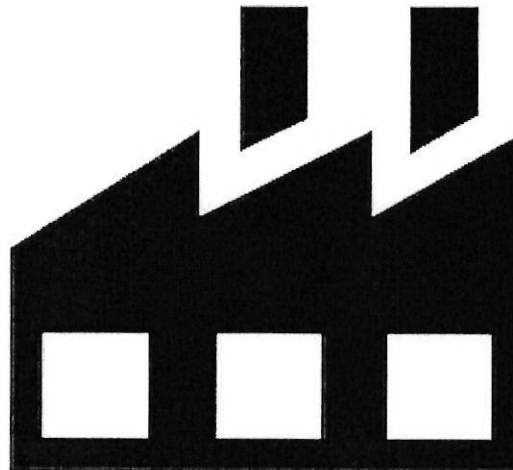


PAPER TRAIL OF DESTRUCTION

Below is a list of paper mills closed since 1998, just in Oregon in Washington, and in one union (AWPPW). It doesn't include partial closures, like the Georgia-Pacific mill in Camas Washington where all but one paper machine have been shut down.

OREGON

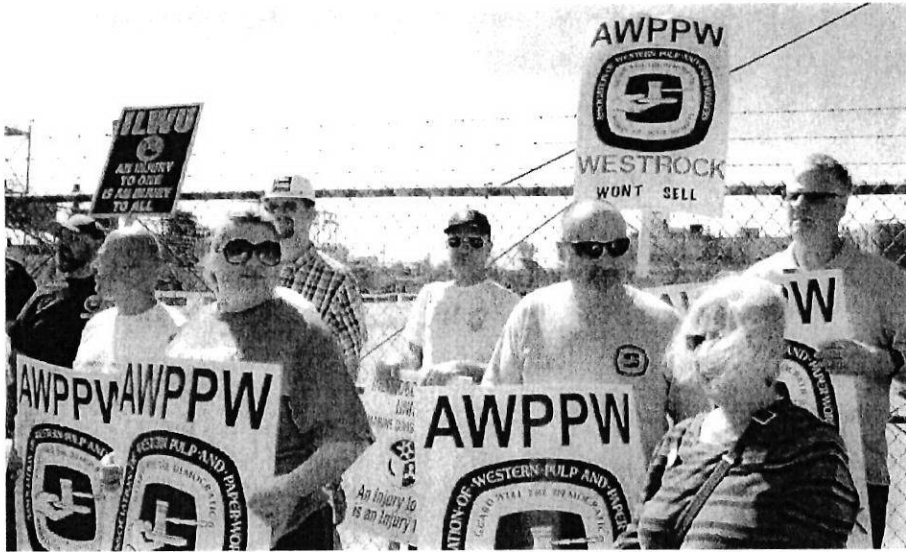
- Albany
(International
Paper)2009
- Gardiner
(International
Paper)2005
- Newberg
(WestRock)
2015
- Oregon City
(Blue Heron)
2011
- North Bend
(Weyerhaeuser)2003



WASHINGTON

- Bellingham (Georgia-Pacific) 2007

- Cosmopolis (Weyerhaeuser) 2006
- Everett (Kimberly Clark) 2012
- Hoquiam (Grays Harbor Paper) 2011
- Longview (Weyerhaeuser) 2001
- Steilacoom (Abitibi) 2000



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Other WestRock mills feeling some relief

 Colin Staub  Wednesday, November 11, 2015

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Industry — Union files petition seeking assistance for displaced workers, cites foreign trade as factor in closure

<https://pamplinmedia.com/images/artimg/00003529996609.jpg>) While other WestRock Co. workers around the country experience some relief at reopening facilities, plans remain to close the Newberg mill indefinitely in the coming weeks.

WestRock held a quarterly earnings call Nov. 5, during which communications director Tucker McNeil said the same message was reiterated.

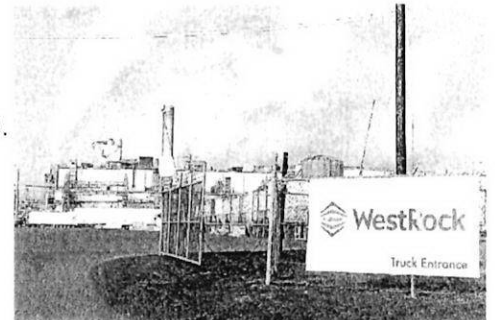
The mill will be idled “due to the unprofitable nature of the newsprint business and an inadequate order book on containerboard and bag grades,” McNeil relayed. “We retain the optionality on the two excellent paper machines at Newberg in the event west coast demand warrants a restart.”

It’s a familiar message and process that has played out at four facilities across the country.

Company background

WestRock Co. was formed over the summer when packaging and paper manufacturers RockTenn and MeadWestvaco merged, creating the new company with \$15 billion in annual revenue.

WestRock, which has its executive offices in Richmond, Va., and its operating offices in Norcross, Ga., operates 35 paperboard mills or similar facilities. In all its 275 locations it has 42,000 employees across 30 countries.



FILE PHOTO - No change in plans -- As other WestRock mills begin operations after about a month of idling, plans for the Newberg facility remain the same: closure in the coming weeks.

Just one month old in August, the newly formed company purchased SP Fiber Holdings Inc. for \$288.5 million, acquiring both the Newberg mill and another in Dublin, Ga. Through the sale WestRock also acquired a 48 percent interest in a renewable energy venture in Georgia called Green Power Solutions.

The sale went through regulatory approval and closed Oct. 1, the first day of the new fiscal quarter and year.

At the same time that sale closed, WestRock was announcing plans to cut back production at other facilities. In the first week of October WestRock said it would idle a corrugated packaging mill in Uncasville, Conn., which produced about 166,000 tons per year.

The company also said it would idle a 520,000 tons per year kraft paper machine at its mill in Fernandina Beach, Fla.

Between those two closures about 215 workers were off the job.

Two weeks later, WestRock announced it would idle operations in Newberg and Coschocton, Ohio. The additional closures meant nearly 450 more workers laid off from their positions.

Overall in October the packaging company idled machines that together could produce 1.15 million tons per year of containerboard, in addition to the Newberg newsprint machine, industry trade publication RISI reported.

Since then there have been a few positive developments, though they haven't yet reached Newberg.

Reason for optimism?

Some WestRock facilities in the east have recently "restarted" in the manner McNeil described.

On Nov. 3, the Fernandina Beach News Leader reported a Florida WestRock mill that had "indefinitely idled" one of its paper machines in early October has started operating again, bringing 130 workers who were laid off back to their jobs.

In Montville, Conn., another WestRock facility may be resuming activities in the coming weeks after idling for about a month, the Norwich Bulletin reported.

RISI reported last month that "WestRock reportedly plans to reopen Newberg after further capital spending and changes in its grade mix which will likely include the phase out of newsprint production," but attributed the information to an unnamed contact.

Official sources say in Newberg the plan is still for indefinite idling to begin in mid-November and at this point there haven't been changes to what the closure means for workers.

The Association of Western Pulp and Paper Workers Local 60 recently held some workshops for the mill workers, which state unemployment agency Worksource Oregon attended and offered workers help with their needs in finding new employment.

The union also recently submitted a Trade Adjustment Assistance petition on behalf of the displaced workers, AWPPW Local 60 area representative Bill Martello said. The federal program assists those who have lost their jobs due to foreign trade and aims to help laid-off workers become employed again.

"It could provide them an opportunity, for those that want to, to get schooling into another career and at the same time there's all kinds of benefits (such as) extended unemployment benefits while they're going to school, subsidies with helping with medical insurance, that kind of thing," Martello said.

In its application the union laid out the case for how foreign trade contributes to the closure of the Newberg facility.

“The paper industry faces significant global competition from Canada and China and other foreign manufacturers,” the petition states. “The U.S. is the top importer of Canadian converted paper products, such as those produced by WestRock in Newberg ... and the U.S. export market for the products manufactured at the WestRock Newberg, Oregon mill has decreased significantly due to unfair foreign competitors from Canada and China and other foreign manufacturers.”

The petition could take several months to process, Martello estimated.

The Friends of Newberg Mill Support group plans to meet at 7 p.m. Nov. 17 at Newberg Foursquare Church, 113 W. Third St., to share information and resources.

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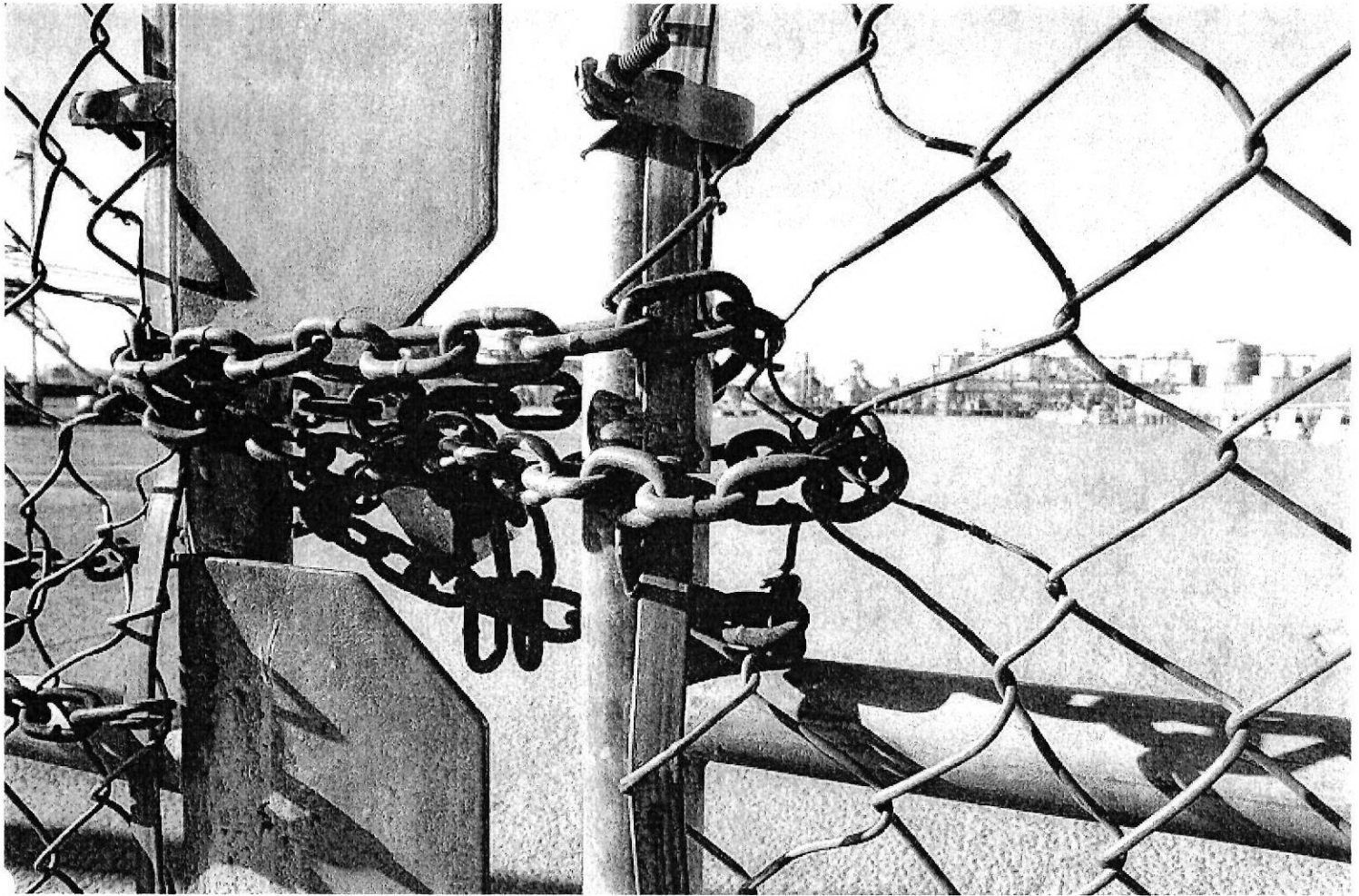
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Owner won't allow Newberg paper mill to reopen

 Steve Law  Thursday, June 07, 2018

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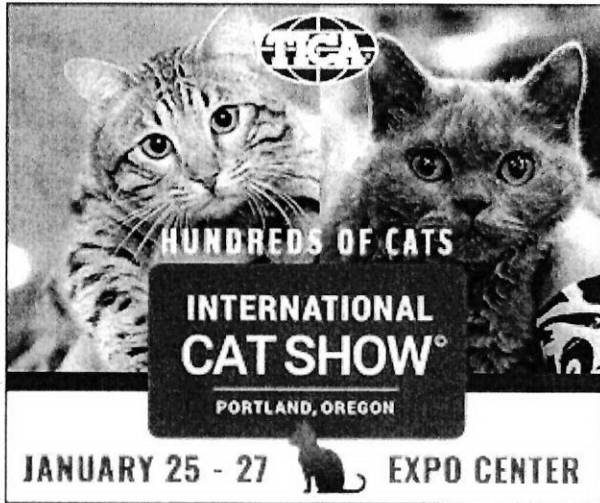
Would-be buyer says he'd reopen the mill and use Oregon's recycled paper as raw material, but mill owner insists on destroying the papermaking equipment to avoid competition. Some recycled paper is now going to landfill because China won't buy it any more.



PAMPLIN MEDIA GROUP: GARY ALLEN - Municipalities and the recycling industry hope to find a domestic use for recycled paper after China stopped buying it last fall. But that may not be feasible at this closed Newberg mill, because the owner doesn't want competition.

(<http://pamplinmedia.com/images/artimg/00003611123664-0645.jpg>) Ever since China stopped buying the recycled paper Oregonians dutifully stow in their curbside recycling bins, there's been hope of reopening one of Oregon's shuttered paper mills to reuse that paper as raw material.

But that doesn't appear likely at the shuttered paper mill in Newberg.



(<https://reach.adspmg.com/ck.php?>

oaparams=2__bannerid=8477__zoneid=739__cb=113e0ca32c__oadest=https%3A%2F%2Fbit.ly%2F2syMlz2)

The Association of Western Pulp and Paper Workers, which represents nearly 4,000 workers, sent a May 8 letter to the U.S. Department of Justice Antitrust Division, arguing the proposed buyout "poses serious threats to full and fair competition." The letter also asked federal authorities to halt the pending "permanent destruction" of the mill equipment in Newberg.

"There's evidence that there's violation of antitrust laws," said Edgar Sargent, a partner in the Susman, Godfrey law firm in Seattle that represents the union in the matter.

"That clause in the contract that the equipment had to be destroyed, it's just bizarre," Sargent said. "Why would you do that?"

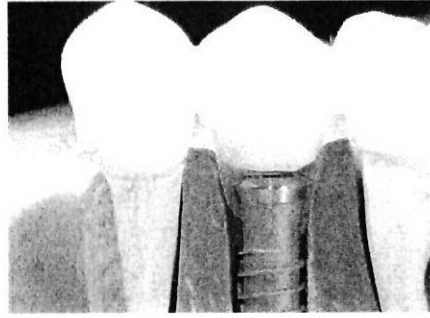
In the leaked purchase agreement for the mill and its equipment, there are six pages of equipment that must be destroyed pursuant to the purchase by KBD Enterprises LLC. The list includes two paper machines, recycling equipment and at least five motors, among other gear.

Some of those motors could be used for non-papermaking purposes and are valued at \$300,000 to \$400,000 each, Pallesen said.

Kimberly Robinson, the KBD manager who signed the leaked sales agreement, could not be reached for comment.

It's unclear now if that sale will go ahead, Pallesen said, as the company may not have been able to come up with the necessary cash.

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The federal Antitrust Division had not returned a formal request for a status update on the complaint as of press time on Tuesday.

The China factor

Historically, Oregon was a world leader in paper manufacturing, boasting an industry that employed more than 10,000 workers in 1980, according to the Oregon Employment Department. But the industry has been gradually shifting overseas, where environmental regulations are lighter and land and labor costs lower.

In the past seven years, Portland-area mills closed in Newberg, West Linn and Oregon City. Last week, one of the divisions of the large Georgia Pacific mill complex in Camas, Wash., owned by Koch Industries, shut down. Plumes from that plant have long been visible from Portland.

When the Oregon City mill closed in 2011, owners blamed China for the lack of supply of recycled paper. China had bid up the price of recycled paper collected at Oregon curbsides so local mills couldn't afford it, then used it overseas for reprocessing there.

But in an abrupt turnaround, China announced last fall it would stop buying mixed paper and plastics collected here, on the grounds there were too many impurities mixed in.

Mixed paper accounts for about 60 percent of the volume put in curbside recycling bins, according to Vinod Singh, operations manager for Far West Recycling Inc., which acquires the recyclables from Oregon haulers and then sorts, bundles and sells them for reuse.

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PHOTOS COURTESY OF ASSOCIATION OF WESTERN PULP AND PAPER WORKERS - Greg Pallesen, president of the Association of Western Pulp and Paper Workers, based in Portland.

(<http://pamplinmedia.com/images/artimg/00003611123730-0645.jpg>)Pallesen said Kejriwal has connections to his native India, a fast-growing market with a voracious appetite to buy pulp and paper.

It still makes good environmental sense to make paper here, Pallesen said. Oregon mills are among the cleanest in the world, and the state has an ample supply of scrap wood, recycled paper and other fiber to make pulp and paper, plus cheap electricity and a skilled workforce. Because of the imbalance of trade with Asia, it's cheap to commission otherwise-empty shipping containers arriving here with Chinese manufactured goods — and send them back filled to Asia.

Kejriwal has said he would use 100 percent recycled paper if he can buy a mill here, and would welcome a unionized work force, Pallesen said.

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Pallesen recently introduced Kejriwal to Gov. Kate Brown's staff, seeking their assistance. "We'd like to see pressure put on WestRock," he said. But no promises were forthcoming.

"My overall impression was I don't know that they're going to do much."

Meanwhile, the Oregon Department of Environmental Quality continues to grant one-time and ongoing approvals for solid waste authorities to bury their recyclables in the landfill.

Since Oct. 1, 10,088 tons of recyclables, much of it collected at Oregon curbsides, has been authorized for the dump instead. That's equal to 5 to 6 percent of all materials collected in commingled recycling bins in Oregon.

Reach Steve Law at 971-204-7866, stevelaw@portlandtribune.com (mailto:stevelaw@portlandtribune.com), or twitter.com/SteveLawTrib (http://twitter.com/SteveLawTrib). To get Sustainable Life news delivered weekly to your inbox: https://bit.ly/2Isfz1F (https://bit.ly/2Isfz1F)

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WestRock

WestRock is an American corrugated packaging company.

History and acquisitions

It was formed in July 2015 after the merger of MeadWestvaco and RockTenn.^[2] MeadWestvaco stockholders received 0.78 shares of the combined company. Rock-Tenn stockholders chose either one share of the combined company or a specific cash amount for each of their shares.^[3]

The new company is currently the 2nd largest American packaging company. It is one of the world's largest paper and packaging companies with US\$15 billion in annual revenue and 42,000 employees in 30 countries. The operating offices are located in Norcross, Georgia and executive offices in Richmond, Virginia.

In October 2015 WestRock purchased SP Fiber Holdings, Inc.^[4]

In January 2016, the company acquired Cenveo Packaging for \$105 million which manufactures folded cartons and litho-laminated display packaging like MiraFoil, coil foil, and low migration ink systems.^[5]

In March 2017 WestRock purchased Star Pizza box, largest US manufacturer and distributor of pizza boxes.^[6]

In April 2017 WestRock completed the sale of its dispensing systems operations for \$1.025 billion to Silgan Holdings.^[7]

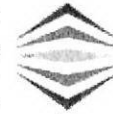
In June 2017, the company acquired Multi Packaging Solutions International (MPS) for an enterprise value of \$2.28 billion. MPS has 59 locations across North America, Europe, and Asia and will enhance Westrock's print, graphics, and design capabilities for more penetration in spirits, confectionery, beauty and cosmetics packaging.^[8]

In January 2018, the company acquired Plymouth Packaging, Inc.^[9] Later that month, WestRock announced that it would acquire rival pulp and paper company Kapstone. The deal is expected to close by the end of the third quarter of 2018.^[10]

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WestRock Company



WestRock

Type	Public
Traded as	NYSE: WRK (https://www.nyse.com/quote/XNYS:WRK) S&P 500 component
Industry	Corrugated packaging
Founded	2015
Headquarters	Atlanta, Georgia and Richmond, Virginia, United States
Key people	Steve C. Voorhees (CEO)
Revenue	▲US\$14.86 billion (2017) ^[1]
Number of employees	44,800 (2017)
Website	westrock.com (http://westrock.com)



Winning together with WestRock

merger). *Post and Courier*. Retrieved September 17, 2015.

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External links

- Official website (<http://www.westrock.com>)
 - Business data for WestRock: Google Finance (<https://www.google.com/finance?q=WRK>) · Yahoo! Finance (<https://finance.yahoo.com/q?s=WRK>) · Reuters (<https://www.reuters.com/finance/stocks/overview?symbol=WRK>) · SEC filings (<https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=WRK>)
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DEALS

JANUARY 29, 2018 / 3:56 AM / A YEAR AGO

Packaging company WestRock to buy smaller rival KapStone



(Reuters) - WestRock Co ([WRK.N](#)) agreed to buy smaller rival KapStone Paper and Packaging Corp [KS.N](#) for about \$3.5 billion as it looks to make the most of strong demand for packaging products in a growing U.S. economy and a booming ecommerce market.

WestRock, the No. 2 packaging company behind International Paper ([IP.N](#)), last year bought Multi Packaging Solutions International Ltd and sold its division that makes soap dispensers and perfume sprayers to focus on its core paper and packaging businesses.

The company on Monday offered KapStone shareholders the right to receive \$35 per share in cash, or elect to get 0.4981 WestRock shares, a premium of 32 percent to Capstone's Friday close.

KapStone's shares jumped about 30 percent to \$34.48 at mid-afternoon, while those of WestRock were down 2.8 percent at \$68.31.

"This is one of the last opportunities to consolidate in an industry that's already becoming very well-structured," D.A. Davidson & Co analyst Steven Chercover said.

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By adding mills, WestRock would be grabbing some of the scarce assets, Chercover added.

WestRock said the deal was valued at about \$4.9 billion, including assumption of KapStone's net debt of about \$1.36 billion.

The equity value is based on 98.7 million diluted outstanding shares of KapStone as of Sept. 30, according to Reuters calculation.

The deal, which is set to close in the quarter ending Sept. 30, is expected to immediately add to WestRock's adjusted earnings and cash flow and generate savings of about \$200 million by the end of fiscal 2021, the companies said.

Norcross, Georgia-based WestRock said the deal would help it expand in the western United States and broaden its portfolio of paper grades, allowing it to tap into the kraft bag market when plastic is being banned.

WestRock, created in 2015 by the \$16 billion merger of MeadWestvaco and Rock-Tenn, said it expects the deal to boost margins in its North American corrugated packaging business, used

in the industrial and consumer end-markets.

Northbrook, Illinois-based KapStone, which produces containerboard, unbleached kraft paper and corrugated products, will be integrated into WestRock's corrugated packaging business.

Wall Street snaps four-session rally

Separately, WestRock said sales in its first quarter jumped about 13 percent on higher price and shipments.

The company said it would fund the deal through issuance of new debt under a fully committed financing package and expects to refinance KapStone's debt.

Lazard and Wells Fargo are WestRock's financial advisers while Rothschild & Co and Moelis & Co LLC advised KapStone.

Reporting by Arunima Banerjee in Bengaluru; Editing by Sriraj Kalluvila

Our Standards: [The Thomson Reuters Trust Principles.](#)

The Bulletin

WestRock to close Uncasville paper mill by end of month

By Ryan Blessing

rblessing@norwichbulletin.com, (860) 425-4205

Posted Jan 19, 2016 at 5:29 PM

Updated Jan 19, 2016 at 5:29 PM

MONTVILLE – After a two-month closure last fall, the WestRock corrugated packaging plant in Uncasville will close its doors permanently by Feb. 1.

The plant's future had been uncertain since late last year. It closed in early October for what the company called an "indefinite idling." But reopened in November.

Montville Mayor Ronald McDaniel said he received word from a company representative that the plant would close by Feb. 1, but WestRock shared no other details about the closure.

"They haven't revealed any immediate plans for the plant or the surrounding property," McDaniel said.

The Depot Road plant, formerly known as Rock-Tenn, employs 87 people, according to the company. There are 70 hourly employees and 17 salaried workers, according to spokesman Tucker McNeil.

But McDaniel said the closure would also have a ripple effect on other vendors that do work with WestRock.

Trade publication PPI Pulp & Paper Week reported in October that WestRock, the second-largest North American containerboard producer, was restructuring its mill system in the face of declining demand for paper products and high inventory.

On Oct. 1, WestRock announced its completion of the acquisition of SP Fiber Holdings Inc. Through the transaction, WestRock acquired mills in Dublin, Ga., and Newberg, Ore., that produce lightweight recycled containerboard.

McNeil said at the time of the October closure there was no indication of when the plant would reopen.

"We are always trying to balance our supply with the demands of our customers," he said.

The company closed a paper mill in Coshocton, Ohio, by the end of November, eliminating jobs for 180 hourly workers and 45 salaried employees. It also shut a plant in Fernandina Beach, Fla. as well as the Newberg mill.

Virginia-based WestRock was formed July 1 with the merger of MeadWestvaco Corp. and Georgia-based Rock-Tenn. The combined company has about 42,000 employees and had about \$15.7 billion in sales last year, second in the paper and packaging industry to International Paper Co.

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From the Atlanta Business Chronicle:

https://www.bizjournals.com/atlanta/morning_call/2015/10/westrock-to-close-two-mills-but-company-offers.html

WestRock to close two mills - but company offers hope for one site

Oct 22, 2015, 6:46am EDT

WestRock Co. (NYSE: WRK) -- the company formed during the summer with the merger of Georgia-based Rock-Tenn Co. and Virginia-based MeadWestvaco Corp. -- says it will close two more mills.

WestRock says it is "idling indefinitely" a Newberg, Oregon, paper mill. The closing, set for mid-November, will endanger about 200 jobs, reports Oregonlive.com.

The company acquired the Oregon mill, and one in Dublin, Ga., in early October with the closing of its acquisition of SP Fiber Holdings, Inc., a producer of recycled containerboard, kraft and bag paper, and newsprint.

WestRock has also confirmed it will close a paper mill in Coshocton, Ohio, by the end of November, eliminating jobs for 180 hourly workers and 45 salaried employees, the paper reports.

Earlier this month, WestRock said it will idle a mill in Uncasville, Connecticut, and that a paper machine would shut down at a mill in Fernandina Beach, Florida.

It is possible the Oregon plant will not close permanently, Oregon.com reported.

An analyst with KeyBanc Capital Markets has said WestRock "is reportedly planning to restart the Newberg mill after some capital investments and changes in grade mix," the paper says.

An analyst with KeyBanc says the plan to idle two containerboard machines is seen as a positive for the North American containerboard industry. Click here to read more of what the analyst says about the company's plans.

Carla Caldwell

Morning Edition Editor

Atlanta Business Chronicle



CLAUDIO DIVIZIA

WestRock says it will close two more mills.

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From the Charlotte Business Journal:

<https://www.bizjournals.com/charlotte/news/2018/08/20/manufacturing-to-close-charlotte-facility-laying.html>

Manufacturer to close Charlotte facility, laying off 170 employees

Aug 20, 2018, 8:40am EDT

WestRock Co. (NYSE:WRK), a manufacturer of paper and packaging products, is laying off 170 employees in Charlotte as it permanently closes a facility later this year.

In a notice to the N.C. Department of Commerce, the company stated that it will begin dismissing employees Oct. 19, or within two weeks after that.

WestRock listed anticipated dates for the firing of employees in specific positions at the facility, all of which fell before the end of 2018. Many of the employees who work in labor-intensive positions, including baler operators and finishing specialists, are expected to be let go in mid-October and early November.

Operations-focused positions, including managers and plant supervisors, are expected to have more time, with those layoffs occurring later in November and at the start of December.

WestRock notified the Department of Commerce of the upcoming layoffs in accordance with the Worker Adjustment and Retraining Notification Act, which requires companies to give a 60-day public notice of mass layoffs.

WestRock, which has its headquarters in Norcross, Georgia, has not stated a reason for the closure and was not available for comment. It has 45,000 employees around the world.

It stated in a filing with the Securities and Exchange Commission earlier this month that it focuses "sales and operations into large well-equipped plants that operate at high utilization rates" and that "we have transferred a substantial portion of each closed plant's assets and production to our other plants."



CLAUDIO DIVIZIA

WestRock will close its Charlotte manufacturing facility this fall.

Employees at the Charlotte facility will not be able to use seniority to bump employees at other WestRock facilities out of their positions. This is because they are not represented by a union.

The company recently announced an agreement to acquire Schlüter Print Pharma Packaging, a Germany-based supplier of leaflets and booklets. Marc Shore, president of the company's multi packaging solutions business, said the deal would expand WestRock's geographical footprint and improve its services to European customers.

North Carolina has seen 7,852 employees laid off through WARN notices in 2018. North Carolina's 2018 WARN summary can be found [here](#).

This story is from the North Carolina Business News Wire, a service of UNC Chapel Hill's School of Media and Journalism



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BUSINESS

Paper manufacturer to close massive Charlotte facility, cutting 170 jobs

BY KATHERINE PERALTA



AUGUST 20, 2018 02:53 PM, UPDATED AUGUST 20, 2018 01:53 PM



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The manufacturer WestRock is closing its massive southwest Charlotte facility, a move that will result in the layoff of 170 local workers.

JEFF SINER JSINER@CHARLOTTEOBSERVER.COM

The manufacturer WestRock is closing its massive southwest Charlotte facility, a move that will result in the loss of 170 full-time local jobs.

To improve efficiency company-wide, Atlanta-based WestRock, which makes paper and packaging products, is moving the manufacturing operations from its Charlotte facility to others in the company's network, spokesman John Pensec told the Observer. Its 185,000-square-foot Charlotte plant is at 2750 Whitehall Park Drive, off Interstate 485.

Employees were informed of WestRock's decision to close in Charlotte last week, Pensec said. Workers are encouraged to apply for positions at WestRock's other locations nationwide, including at its eight other North Carolina facilities, he added.

Layoffs will begin at the facility starting Oct. 19, WestRock said in a recent Worker Adjustment and Retraining Notification Act (WARN) notice. Under federal law, companies must file WARN notices when they make mass layoffs, close plants and change ownership.

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The decision was made from an efficiency standpoint. We have capacity in our network that we're able to consolidate. All employees are strongly encouraged to look at other opportunities within the network," Pensec said.

WestRock has said it employs 45,000 people across North America, South America, Europe, Asia and Australia.

Katherine Peralta: 704-358-5079, @katieperalta

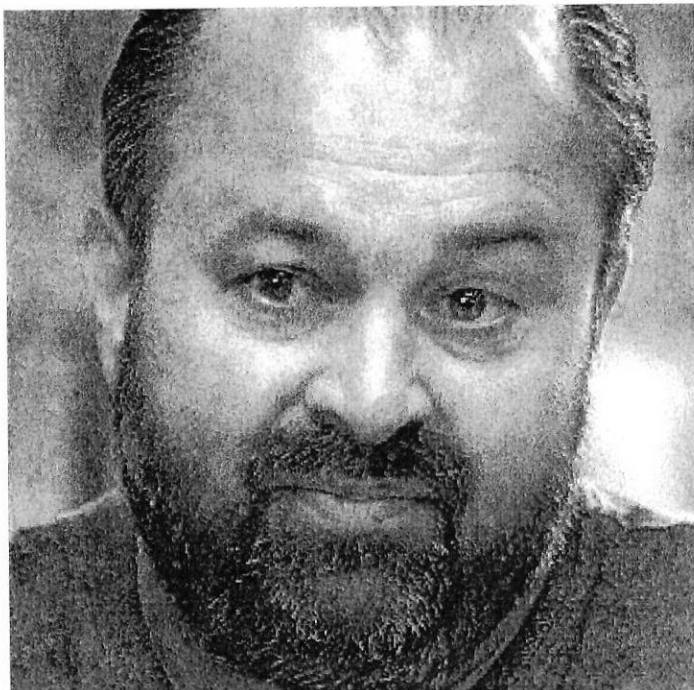
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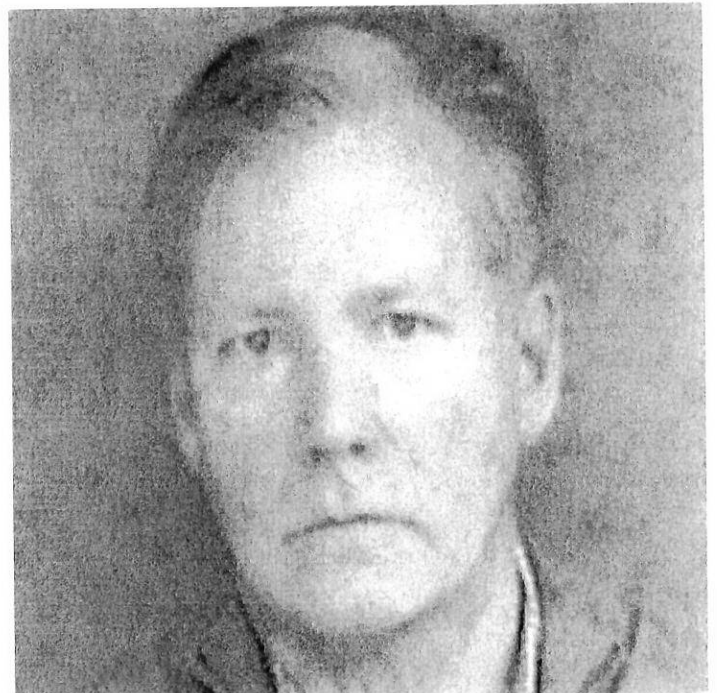
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