

Assembly approves using federal ARPA funds for loans to purchase paper mills in Wisconsin Rapids, Park Falls

Posted on Wednesday, Jun 23, 2021

The Assembly passed a bill that would spend \$50 million of federal American Rescue Plan Act money on a loan to a cooperative buy the Verso paper mill in Wisconsin Rapids.

Lawmakers voted 63-35 on AB 367, which would allow the Wisconsin Economic Development Corporation to loan Consolidated Cooperative \$50 million to purchase the shuttered Verso Paper Mill in Wisconsin Rapids.

The bill also authorizes WEDC to award a loan of up to \$15 million to Park Falls Mill Multi-Stakeholder Cooperative cooperative to purchase the idled Park Falls Pulp and Paper Mill in the city of Park Falls.

According to a release from Reps. Scott Krug, R-Nekoosa, and James Edming, R-Glen Flora, the Board of Commissioners of Public Lands will also provide matching loans to the cooperatives.

>> WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)

The loans would have to be repaid by the end of 2024 and the legislation requires private investment to be part of the purchase arrangements.

The bill now heads to the Senate.

Gov. Tony Evers included a similar measure in a list of proposals that sought to get GOP lawmakers on board with expanding Medicaid. That would have been funded

with part of a \$1 billion sweetener the federal government is offering to encourage states to expand the program. Republicans quickly gaveled in and out Evers' May special session on expanding Medicaid without taking up any legislation.

Bill author Rep. Scott Krug, R-Nekoosa, said the bill would help the state hold onto its aging paper industry, but he said it shouldn't be a partisan issue.

He said he has been working on a task force to figure out how to keep the Verso mill from failing, which included at least some talks with Evers.

However, Krug said Evers and the Wisconsin Economic Development Council stopped answering their phones once his bill came out.

He said the task force was "working with everybody possible. Up until the point where our bill came out everybody was answering the phone and then all of a sudden, they quit picking up the phone."

"It was like it was a blackout, nobody wanted to hear anything anymore," he added.

Dem. Rep. Katrina Shankland, of Stevens Point, criticized lawmakers for using federal dollars instead of state funds for the project.

"I'm concerned about the American Rescue Plan Act always being a funding source when I thought earlier today that we had agreed that we could use sum-sufficient state funding from WEDC," Shankland said.

Shankland, however, was one of three Dems who voted in favor of the bill. The others were Reps. Beth Meyers, of Bayfield, and Nick Milroy, of South Range.