

Rep. Krug: New “Mill Bill” clears first hurdle for passage

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MADISON, WI – A new legislative proposal to assist with the sale and reactivation of two paper mills in Central Wisconsin received a big boost this afternoon at a public hearing on the proposal. Action on the bill is expected next week.

Assembly Bill 682 (AB 682) was introduced by Rep. Scott Krug (R-Rome) and Rep. Mursau (R-Crivitz) on October 29 and had a public hearing today in front of the Assembly Committee of Forestry, Parks and Recreation.

“I can’t recall the last time a hearing laid things on the line like this one did,” said Representative Krug after the meeting. “The entire committee now knows exactly how important it is to get these mills back into operation, and how urgent a deadline we are on with this bill to help make that happen.”

Paper mill closures in Wisconsin Rapids and Park Falls have reduced employment in papermaking and devastated the entire rhythm of the timber industry across Wisconsin and beyond.

“With these two locations closed, the way forward for these mills – and their communities – is to find buyers for the mills,” said Rep. Krug. “There is interest but the deals are complex. We need a little more time to get these deals done. I see a way for the state to help make it happen.”

Buyer interest in both mills is strong. However, with the Park Falls mill scheduled for auction before the end of November and with oncoming cold weather threatening to

damage equipment at the mills, Krug felt the state needs to step in and make sure the mills can be viable going forward.

AB 682 would authorize the Wisconsin Economic Development Corporation (WEDC) to award a grant of up to \$1,000,000 to an eligible recipient to maintain operations at the Verso Paper Mill in the city of Wisconsin Rapids. The bill would also authorize the Wisconsin Economic Development Corporation (WEDC) to issue a loan guarantee of up to \$15,000,000 to an eligible borrower to purchase or make infrastructure improvements to the Park Falls Pulp and Paper Mills in the city of Park Falls.

“The bill would incentivize the seller of the Rapids mill, Verso, to keep the heat on in the facility,” said Rep. Krug, “and without that we know that winter cold could ruin the papermaking machines for any potential buyer. This is about making sure Verso does the right thing and preserves the mill for the future.”

Krug noted that at least two buyers have expressed strong and serious interest in the mill at Wisconsin Rapids. “We are this close to a deal,” Rep. Krug noted. “I want us to do absolutely everything we can to make sure that there is still a viable mill to do a deal on.”

Until mid-2020, The Verso mill in Wisconsin Rapids was the buyer for around a quarter of the pulpwood cut in Wisconsin every year. With the mill closed, Rep. Krug noted, small lumbering operations have nowhere to sell the wood they cut when they are hired by landowners, who need to thin and manage forest land. “Our forests are central to tourism in Wisconsin,” Krug said. “Without healthy forests all of us in Wisconsin are in a real fix.”

AB 682 also addresses the issue of substance abuse in our communities, and provides abuse prevention requirements for those working on transportation projects for a local government. The provision was part of the Governor’s proposed 2021-23 state budget earlier in 2021 but was removed from the budget by the legislature.. “I added this to the (new) mill bill to attract support,” said Rep. Krug. “It’s just that simple.”

“I am excited to see all of the support for this bill from communities and business owners throughout the state, and from members of the committee during today’s hearing.”

It is announced today after the committee hearing that the Assembly Committee on Forestry, Parks and Outdoor Recreation will vote on AB 682 on Monday, November 8 in a meeting at 1.30 PM in the State Capitol.

“I am confident that my colleagues on the committee will recommend AB 682 to be voted on by the Assembly and we are able to move this legislation forward to the Senate and Governor’s office.”