



Katahdin Paper Prepares to Restart Millinocket's #11 Paper Machine

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MILLINOCKET -- Katahdin Paper Company has completed the callback of employees needed to restart its Number 11 paper machine. According to company officials, those employees who will be called back have already been notified, and the company does not intend to call back any additional employees unless someone quits, dies, or retires.

The exact number of employees called back is not yet known, but company officials have indicated that they intended to call back no more than 130 employees. While most employees have been recalled based on their seniority with bankrupt Great Northern Paper Company, others were called back because they possessed skills that were needed by the company.

Furloughed Great Northern Paper employees will remain in a six-year pool of potential employees for Katahdin Paper Company, which purchased the GNP mills in Millinocket and East Millinocket.

Rather than investing in a Bleached Chemical Thermo-Mechanical Pulp (BCTMP) plant at the Millinocket site, as Katahdin Paper had earlier said they would do, the company intends to purchase pulp from a BCTMP plant in Quebec, Canada, shipping it to Millinocket, where it will be repulped for use in making supercalendered paper.

The Millinocket mill has been closed since late December of 2002, following the transfer of company properties to Inexcon Maine, the sale of much of the paper company's forest land to The Nature Conservancy, and prior to GNP filing for bankruptcy protection in January of 2003.

Unemployment rates in Millinocket have reached the 30-percentile, reduced only by residents, unable to find work in the area, putting their homes up for sale and moving.

130 jobs will be a welcome respite for the people of Millinocket, particularly those who are fortunate to be called back, but hardly a replacement for the thousands who were employed by Great Northern Paper Company.

The East Millinocket mill employs more than 300 but fewer than 400 employees.