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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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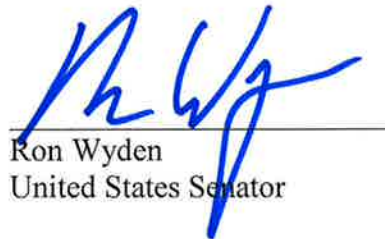
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Eliminating existing capacity for processing paper would have severe negative consequences for Oregon's recyclers and consumers. By limiting the number of domestic buyers of recyclable materials, WestRock may be effectively controlling prices that 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