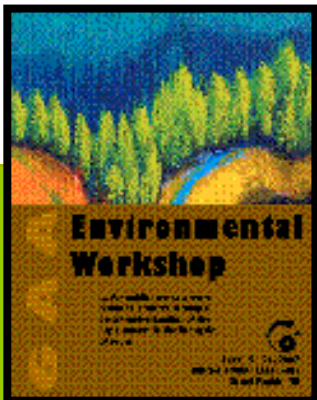


Promoting Forest Certification Verso Paper

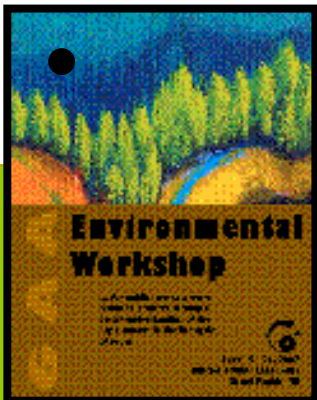
Jim Contino
Fiber Supply Manager



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About Verso Paper

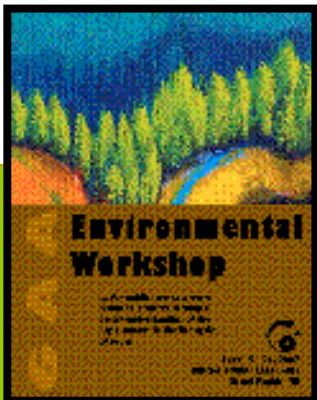
- Upon divestiture by IP, C&SC became Verso Paper on Aug 1, 2006
- Verso is owned by a private equity firm, Apollo
- 4 mills: Jay and Bucksport, ME; Quinnesec, MI; and Sartell, MN
- CFS,CGW,and SC papers



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Verso Wood Supply

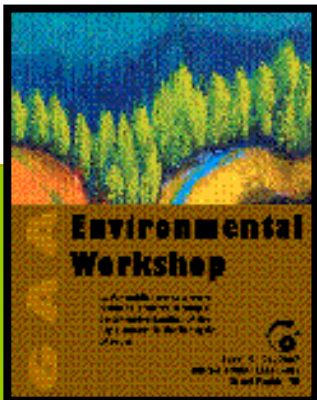
- 4.5 million green tons per year
- 7 different pulp fiber lines – provides markets for just about all species of wood
- Total annual spend greater than \$150 million
- Open market purchases – No timberland ownership except for MN Poplar farm



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Promote and Recognize all Credible Certification Systems

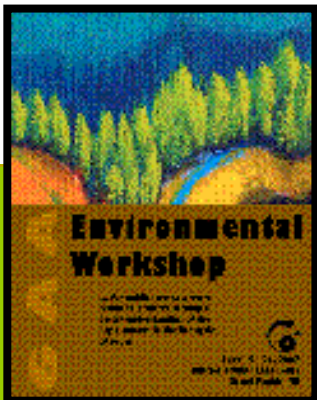
- SFI
- FSC
- Master Logger (Point of Harvest)
- ATFS (Group)
- CSA
- PEFC



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Certification Progress

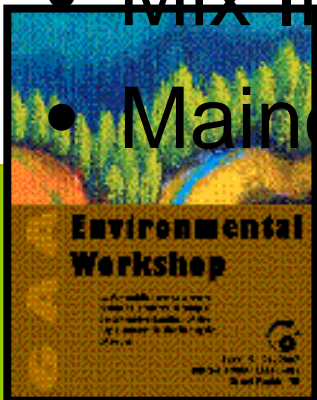
% Certified	2003	2004	2005	2006
All 4 Mills	37%	39%	47%	57%



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Current Certification Initiatives

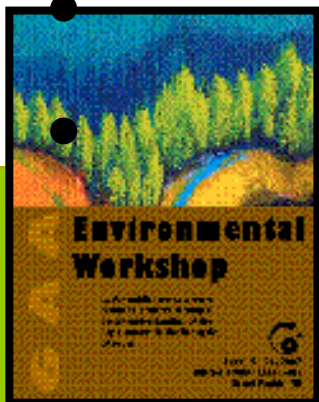
- Master Logger Programs
- SWOAM ATF Group
- FSC Family Forest Alliance
- FSC Chain of Custody system
- Sartell Poplar Farm
- Purchased Kraft Improvements
- Mix Improvements and Market Preference
- Maine Certification Leadership Alliance



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A Closer Look at Maine

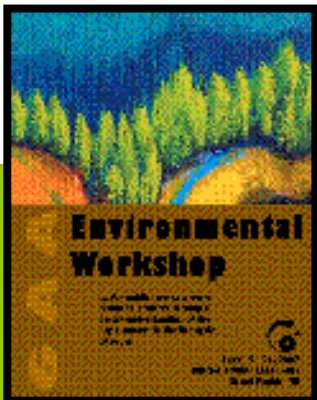
- 17.7 million forested acres – 90% forested
- 37% of acres certified – 50% of harvest
- Forested acres are stable. Development equals reversion to forestland
- Growth equals annual harvest
- 98% natural regeneration
- Well stocked with vigorous in-growth
- 87% more timber than the 1950's



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Maine Forest Regulations

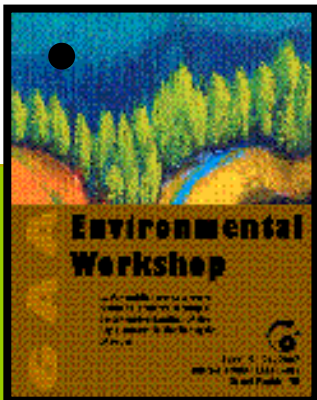
- Comprehensive Forest Practices Act
- Statewide harvest restrictions in riparian zones and certain other sensitive areas
- Prohibition on liquidation harvesting
- Protection of special places and important wildlife habitat



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Maine Harvest Oversight

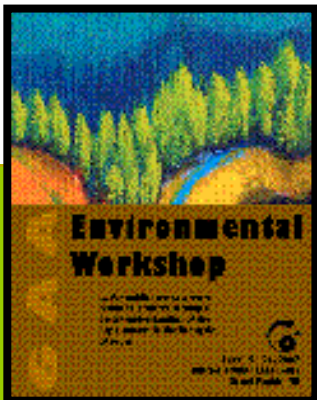
- Substantial SFI forester and logger training program with BMP focus
- Master Logger Certification - 140 companies and growing (62% of harvest)
- Private conservation easements and oversight panels
- Maine Forest Service Rangers
- Inventory and forest health program



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Maine Conditions

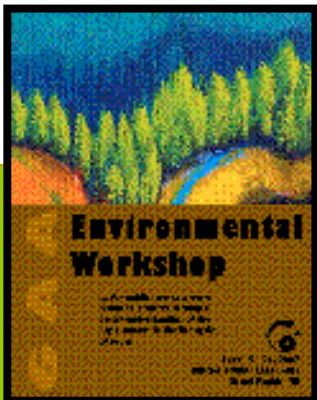
- Stable soils
- Diverse tree species
- Profuse natural regeneration
- Un-fragmented ownership patterns
- Excellent low grade wood markets
- Few RT&E species
- Licensed foresters prepare management plans on 11 million acres



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Barriers to Certification Growth

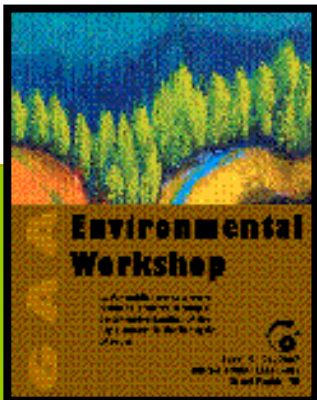
- Less than 1 million acres of public lands
- Yankee heritage of private ownership
- LWC is only sector with market pressure
- Perceived lack of market premium for certified wood – ample other markets
- Forest sustainability in Maine is already being assured by systems that do not require the third party audit



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Barrier Removal

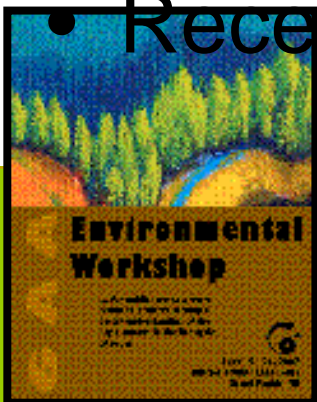
- Certification growth has leveled off and requires some new thinking
- Maine mills are seeking customer acceptance and involvement to certify to the landscape level
- Private landowners will make certification decisions on their own terms. New group systems need to be developed for family forest ownerships.



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Alliance Work Plan

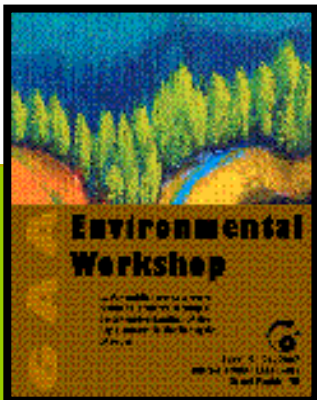
- Solicit customer input to the concept
- Commission sustainability audit to assess:
 - On the ground performance
 - Effectiveness review of ME laws
 - Compare ME against other forested areas
- Demonstrate performance to the landscape level (State)
- Receiving mills certify their individual procurement systems



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Verso Sustainability Report

- First report is hot off the press!
- www.versopaper.com
- Please check us out – We are proud of what we do and how we do it!



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