



Individual Highlights:

Message from S. Rousseau	1
Help After Igor	1
Safety Incentive Program	2
PM7 Winder Hydraulics	2
Wood Fibre Investigation	3
BPI Initiative	3
5S Carts	4
Christmas Party	4
Staff Changes	4

Congratulations DLP!!!

As of December 31, 2010, the Deer Lake Power team has worked 471,000 safe hours since October 1, 2002!! An achievement to be proud of! Here's to your next 29,001 safe hours worked so you can reach the 500,000 milestone!

Well done!

CBPPL Communicator is an initiative of our Communications and Engagement Team,

A Message from Our Mill Manager

Happy year 2011

Since the end of 2008 the US and world economies have been hit hard. Although the housing crisis has been a key target cause for this mess, it is actually a much more complex sequence of events that brought us into this major storm. A key driver was the environment where anybody could borrow money at low interest rates and with no, or very loose, conditions. When banks saw that the economy was naturally slowing down a bit, they restrained the loan conditions, which always mean higher interest rates. Thousands could not pay for their houses, their cars, etc. anymore, and the chain reaction was violent.

This all impacted the newsprint demand. A typical newspaper in the US in 2008 had 85 pages. It only had 65 pages in 2009. Most of the reduction was in advertising because of a slowdown in the economy. Our customers like Gannett, Dow Jones, and NYPost suddenly had an oversupply of newsprint, which created a collapse in the selling price and major losses for all newsprint mills in North America, including CBPPL.

The future:

Although we are hopeful of an improved economic environment which should result in more advertising and more newsprint to be consumed, unfortunately the new generation is using electronic media instead of newspapers to get their information. We have to admit that it gives fast, very recent, worldwide information, so our business model MUST change. To date our key competition has chosen the way of bankruptcy to restructure their debt and shave share holders and banks among others. Kruger has, as of today, decided to try a different approach.

Mobilization:

Kruger believes that by changing our culture, showing flexibility, and addressing key elements relevant to Health and Safety, efficiency and costs, we can have a competitive level that will enable us to compete worldwide without going through the bankruptcy process that our competition went through. But this does not happen by putting our heads in the sand and hoping that profitability will come by magic. For any aspect of management, production or service, we can't keep doing things (inefficiently) today like we did for the last 85 years where a job needing one pair of hands is often done with three or four pairs of hands. A profound change of mindset throughout our mill is urgently needed in this regard for us to become competitive. Most of our competition is FAR AHEAD of us in this regard. The key rule shall be: "Be efficient using common sense".

We are undertaking key initiatives (see other articles in this edition) to generate value quickly and position ourselves aggressively for the world markets. This is not a one person, not a one team thing. These are initiatives that require 100% of the employees buy-in and participation. I am very encouraged by the initial response of all stakeholders in the mill to make the projects successful and ultimately make our mill profitable and ready to fight for the emerging markets. WE CAN DO IT ...IF WE ALL DO IT TOGETHER

Stephane

Corner Brook Pulp and Paper Lends a Helping Hand after Hurricane Igor

On September 21st, 2010, flooding and wind from Hurricane Igor devastated many areas in eastern Newfoundland.

Following the hurricane, many communities were left with a lot of problems, including what to do with all the woody debris from damaged and uprooted trees. St. John's and Mount Pearl, the two largest cities in the Province asked Corner Brook Pulp and Paper (CBPP) to assist them in disposing of this material in an environmentally responsible manner. They had stockpiled broken and uprooted trees and other woody material at five sites within the two cities but had no practical way to clean it up.

CBPP agreed to help by sending out the mobile wood grinder that we normally use to generate hog fuel for the mill's boiler. During November, Majors Logging Limited, who is contracted by CBPP to operate the grinder, moved their operation to St. John's and Mount Pearl. They spent ten days grinding the woody debris and turning it into wood mulch and several additional days loading and moving the mulched material as required. In all, 70 tractor trailer loads or 2,000 green metric tonnes of material was processed. The City of St. John's took approximately 1,000 tonnes to use as cover material at their waste landfill site and for mulch around flowers and

trees in their parks. A local waste treatment plant took 250 tonnes and the remaining 750 tonnes was trucked back to Corner Brook to be used as hog fuel at our mill.

Both cities were extremely grateful for the assistance provided by CBPP. Our willingness to assist, the speed with which the project was completed, and the quality of the work performed left everyone impressed.

This article and/or the information contained within was kindly supplied by Bruce Coombs.



Food Bank Support

Spurred on by the ladies in our Accounts Department, CBPPL employees generously donated a total of \$855 to the local Food Bank Network's Christmas drive. Above Wanda Mercer, Elaine Clark, and Alice Keough present our donation to Rex Ford of the Food Bank Network. Thanks ladies, for taking the initiative and for your efforts in collecting, and also a heartfelt thanks to all who gave. Your generosity was very much appreciated!

Did you know... the recent lack of snow and cold weather has been causing great havoc for our Woodlands operations? Without snow and cold weather, we are unable to build or maintain winter roads which we depend on to truck our pulpwood to the mill.

Safety Incentive Program 2010 Draws to a Close

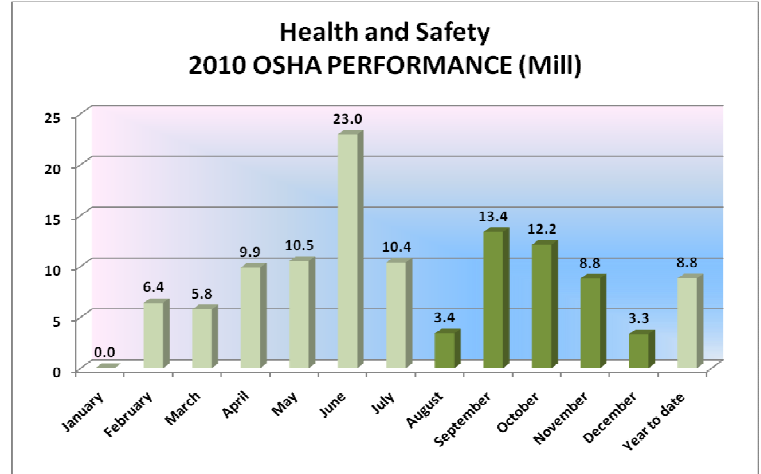
In August 2010, we initiated a Safety Incentive Program in an effort to improve safety awareness in the Mill. The ultimate goal was to positively affect our safety performance, reduce injuries, and improve our OSHA rate.

The program was two-fold. Weekly prizes were awarded when the Mill achieved a week of work (Sunday to Saturday) without having a recordable injury. Winners of the weekly prize were awarded a \$50 gas card and a safety-related item. As a second incentive, monthly draws (August to December) were held upon achieving a Mill monthly OSHA rate of less than 5.0. Monthly prize winners received a prize of their choosing, up to a maximum value of \$500.

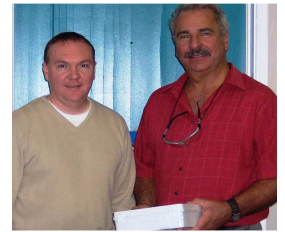
Below is a weekly summary of the program outcome:

DATE	PRIZE WINNER	COMMENTS
Aug 15 th – Aug 21 st	James Marks, Oiler	No recordables!
Aug 22 nd – Aug 28 th	No draw held	Aug 26 th – medical aid
Aug 29 th – Sep 4 th	No draw held	Sep 3 rd – lost time & medical aid
Sep 5 th – Sep 11 th	No draw held	Sep 8 th – medical aid
Sep 12 th – Sep 18 th	Shannon Park, Casual L242	No recordables!
Sep 19 th – Sep 25 th	No draw held	Sep 24 th – medical aid
Sep 26 th – Oct 2 nd	Warwick Buckingham, Paper Mill	No recordables!
Oct 3 rd – Oct 9 th	No draw held	Oct 1 st – lost time Oct 4 th – medical aid
Oct 10 th – Oct 16 th	Wayne J. Martin, Mill Stores	No recordables!
Oct 17 th – Oct 23 rd	No draw held	Oct 17 th – lost time
Oct 24 th – Oct 30 th	No draw held	Oct 26 th – lost time Oct 27 th – restricted work
Oct 31 st – Nov 6 th	No draw held	Nov 3 rd – lost time
Nov 7 th – Nov 13 th	No draw held	Nov 13 th – restricted work
Nov 14 th – Nov 20 th	No draw held	Nov 15 th – restricted work
Nov 21 st – Nov 27 th	Doug Ayers, Paper Mill	No recordables!
Nov 28 th – Dec 4 th	Glenn Fisher, Engineering	No recordables!
Dec 5 th – Dec 11 th	Brian Ruth, Inward	No recordables!
Dec 12 th – Dec 18 th	No draw held	Dec 18 th – lost time
Dec 19 th – Dec 25 th	Adam Rideout, Casual	No recordables!
Dec 26 – Jan 1 st	Mark Ellsworth, Tech Services	No recordables!
AUGUST 2010	Wanda Mercer, Accounts	Aug 2010 OSHA = 3.4
SEPTEMBER 2010	No draw held	Sep 2010 OSHA = 13.4
OCTOBER 2010	No draw held	Oct 2010 OSHA = 12.2
NOVEMBER 2010	No draw held	Nov 2010 OSHA = 8.8
DECEMBER 2010	Kevin O'Brien, Engineering	Dec 2010 OSHA = 3.3

So, how did we do in relation to our objective? In review of our OSHA performance for the final quarter of 2010 (October – December), we do see a significant improvement to our OSHA rate. Unfortunately, the months of September and October were difficult in terms of our safety performance: the number of injuries was high and the severity of injuries was also of concern.



This incentive was brought forth to improve awareness and get everyone talking about safety. To this extent, this program did have positive affects.



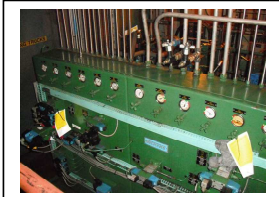
Rod Wiseman presenting winner, Doug Ayers, with the Safety Incentive prize for the week ending November 27th, 2010.

The program came to a close with the end of 2010; however, much effort is being put towards Health & Safety in 2011. A team has been developed and is working on a number of initiatives related to improving our Mill safety performance. Our ultimate goal of a Mill OSHA rate of 2.0 by the end of 2011 is achievable...with everyone's involvement and support!

This article and/or the information contained within was kindly supplied by Jessica Couture.

PM7 Winder Hydraulic Unit

Below are images of the hydraulic unit for PM 7 winder and as a part of the reliability routes for the winder operator. Previous to this project, if an operator was experiencing a problem with a piece of equipment a tradesman would have to be called to investigate the source of that problem, usually this can lead to safety or production issues. So to assist the operator on his daily routine the gauges have been visibly marked with green, yellow and red indicators so when the operator is walking by any particular piece of equipment they (or any person) can see at a glance if his equipment is operating safely within the specified parameters. The goal here is to identify the problem before it becomes a safety or production issue.



This article and/or the information contained within was kindly supplied by Marc Levasseur.

PM7 Operator Routes Justified!

On January 5th or 6th, 2011 while defining and following through our newly developed PM7 winder operating routes we (Rod Maxwell, Mark Ellsworth and Yves Toupin) opened the door to the room containing 744 drum suction fan for inspection. The drum suction fans provide suction to the rear drum to secure the sheet in the winder as the rolls of paper are cut and ejected. When this occurs a damper on the fan opens and allows the suction to increase immediately and closes after the rider roll is down with the nip pressure on to ensure the sheet does not wrap the rear drum. Upon opening the door we found that the air cylinder for the drum suction damper on 744 had broken away from the fan and had fallen against the wall. With further inspection it was found that:

- The damper was stuck in the open position
- One of the instrument air lines was broken and spilling air
- The cylinder was activating in the extend position and driving into the concrete wall which also cracked the fan inlet, fan exhaust, and frame as well as damaging the cylinder, and clevis.
- Linkage and bearing on the damper were worn

We then had to shut the Drum suction fan to secure the damper in the open position and weld the cracked parts of the fan. While the fan was down the winder could not secure the sheet to the rear drum and needed to be rethreaded each set. I will be looking into installing an electric damper similar to the one that I had installed on PM2 winder earlier this year. If this item had not been found at this time we could have had a catastrophic failure and definite machine downtime. A definite justification for the operator routes!!!



This article and/or the information contained within was kindly supplied by Marc Levasseur.

CBPP Investigates Wood Fibre to Increase Mill Efficiency

Corner Brook Pulp and Paper is currently involved in a "Forest Industry Competitive Advantage Project" in collaboration with Paprican, Forintek, the Canadian Wood Fibre Centre, the University of New Brunswick, and the Newfoundland and Labrador Department of Natural Resources. The three-year project (2009-2011) will cost \$1.74 million, with 65% of the funding provided through ACOA's Atlantic Innovation Fund and the remainder through contributions from CBPP and its partners.



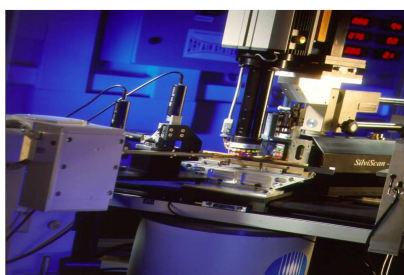
Above: control box
Below: sensor



The project has three key objectives: to determine fibre characteristics in standing trees and in chip streams feeding the CBPP mill, to establish databases of fibre properties that can be incorporated into the province's digital forest inventory, and to develop computer models within the CBPP mill that will lead to fibre feed and process optimization strategies. When completed, the work is expected to help us increase overall mill efficiency and paper quality.

On the mill side of the project, we have installed a new experimental chip sensor on TMP #6 chip bin that provides the fibre characteristics of the chips entering the mill TMP process. This information is being utilized to develop control models that will allow mill personnel to optimize mill processing procedures and fibre input strategies. Work is ongoing but took a large step forward with the completion of our first mill trial during September of 2010. During this trial, we fed different levels of black spruce through TMP #6 and established correlations with pulp samples, data from the chip sensor, and key TMP process parameters.

On the forest side, we have collected 1,930 core samples from standing trees on CBPP limits and approximately 75% have been analyzed to date, by Paprican using their state-of-the-art Silvscan technology. The information generated from these analyses relates to key fibre attributes important to pulp and paper, and the Canadian Wood Fibre Centre, using LiDAR and high resolution imagery, is incorporating it into the province's existing forest inventory map system.



Left: Silvscan

Right: core sample



This article and/or the information contained within was kindly supplied by Tim Moulton.

Overview of L-2 Business Process Improvement Initiative

This initiative is designed to bring focus to three key items:

1. Giving data to the right people at the right time to permit effective decision making.
2. To create a tool that provides focus and communication to/of mill costs.
3. To be production-enabling in the provision of business processes and services.

Key Action Items (Cost Metrics)

1. Build and implement a mill wide tool used for weekly tracking and reporting of cost measures.
2. Implement a weekly practice of governance where explanations for variances are presented.
3. Thoroughly investigate cost metrics that trend outside target metrics.

Key Action Items (Data Provision)

1. Meet with department managers to align cost metrics with important operational level metrics
2. Work with IT department to define current availability of data and identify gaps.

Key Action Items (Service Provision)

1. Map business processes at key juncture points between administrative service provision and operations
2. Identify gaps in terms of services that do not foster production support (as best as possible)
3. Create teams to study chosen issues and develop solutions
4. Implement solutions
5. Determine impact with cost tracking tool (above)

This article and/or the information contained within was kindly supplied by Mark Ignor.

PM's Scheduled Shut-Down Improvements

An important part of the Master Plan is an initiative to improve the performance of our paper machines scheduled shut downs. The main objective of that initiative is to perform those scheduled maintenance shuts without exceeding the targeted time frame.

Here are the deliverables:

- Adherence to the planning process.
- Approval process for Marc and Darren (priority setting by considering criticality of the equipment for both PM2 and PM7) + for beak-in jobs.
- Standard form for PM shut evaluation (post-mortem).
- Role identification for planning process and shut execution.
- Define and agree on what is a good job plan.
- Review tasks that can be performed prior to shutdown while the paper machine is running.

KPI'S:	OBJECTIVES:
• Overrun	• < 1 hour overrun
• % of scheduled work completed	• Gap to 100% reduced by 50% from 2010
• Top 5 reasons for non-compliance to do tasks efficiently for each run.	• Documented after each repair with action plan.
• Top 5 successes of the shut day.	• Identify reasons for those successes to try to repeat them.
• Number of contractors used.	• Reduction of 20% in hours 2011 vs. 2010.
• Number of infantile mortalities during first week after shut.	• Reduction of 50% over 2010 statistics.

Let's offer all of our support to the team members so that this initiative is a success.

Leader: A. Whelan
Team Members: C. Pembroke, K. Rowsell, F. Watson, A. Taylor, G. Dimmer, S. Pittman, B. Walters, G. Fiander, W. Dove, M. Torraville

Sponsors: Darren Pelley / Marc Levasseur

This article and/or the information contained within was kindly supplied by Marc Levasseur and Darren Pelley.

Corner Brook Pulp and Paper Limited



Comments?
Suggestions?

Email us at:

Cbcommunications
@kruger.com

Thanks to all who contributed articles and/or information to this month's **CBPPL Communicator!**

Future issues of CBPPL Communicator will be mailed and/or emailed early each month.

Members of the Communication and Engagement Team are:

- Robert Bene
- Lisa Janes
- Rob King
- Brendan Mitchell
- Tim Moulton
- Jenny Rumboldt
- Vicki Stokes
- Roy Temple



Corner Brook Pulp and Paper hosted its annual Christmas Party for employee's children on December 12, 2011. A fun time was had by all, with nearly 300 people attending, including 130 very excited children with their parents. HR would like to extend a thank you to all employees, family members and retirees who helped in any way to make the day a success. It would never be possible without the help of so many people generously volunteering their time, despite busy schedules.



This article and/or the information contained within was kindly supplied by Maureen Mercer.

Staff Changes

Congratulations and Thank You to the following retirees:

- Ken Best, Inward
- Gary Braye, Mechanical
- Ken Gabriel, Mill Stores
- Eugene Hall, Mechanical
- Dave Matthews, Wood Room
- Wayne Martin, Paper Mill
- Rod Oxford, Paper Mill
- Pat Reddy, L64 Casual Pool

Enjoy a happy, healthy retirement!

Welcome to:

Brian Hurley, Co-op Student

Welcome back to:

Bryan Lush, Mechanical
Delano Pittman, Steam Plant

The information contained here was kindly supplied by Maureen Mercer.

Christmas float!



December 4th saw Corner Brook Pulp and Paper participate in the Corner Brook Santa Claus parade after a five-year hiatus. A group of dedicated volunteers pulled together a float themed "A Mummer's Christmas". The float won the prize for Best Commercial Float. Way to go!

Thanks to Sheila LaSaga for the photos!



Santa left a few extra toys at the Children's Christmas party. These were donated to the Corner Brook Fire Department Toy Drive. Jessica Couture is pictured here with Firefighter Alex Chaulk.

Food for thought...

"The world we have created is a product of our thinking; it cannot be changed without changing our thinking."
~Albert Einstein

5S Carts Make Good \$ense!

5S carts save time otherwise lost through having to search through cabinets or drawers, or walking back to your work shop to retrieve necessary items. Carts are stocked with supplies that are functional for maintenance, safety, organization and cleaning. They are designed to have all the tools needed readily at hand.

Pictured at right is a 5S Brush Cart designed and used by the paper mill electrical drive shop employees. Their cart contains all of the carbon motor brushes, and necessary tools needed for brush changes on the paper machines. Safety and cleaning items such as dust masks, gloves, scrub brushes and glass cleaner are also on the cart. A "workbench" surface provides a clean area for working in the field.

This cart has saved a tremendous amount of time for the electrical employees. The pictures above were taken during an unexpected maintenance shut for #7 paper machine. During this particular shut there where two different electrical jobs taking place in relatively the same area. The electricians had placed the cart about halfway between the two jobs, in the span of 5 minutes three different electricians had come to the cart for supplies, each commenting on how good it is to have everything they need right on the job site. Not wasting time and energy to go back to the shop each time an item is needed means the paper machine can be started up sooner. Good job everyone!!!



This article and/or the information contained within was kindly supplied by Kim Moore.

Suggestions and/or feedback can be forwarded to any Communication and Engagement Team member or e-mailed to **the Team at cbcommunications@kruger.com.**

We also encourage employee input on the content of CBPPL Communicator and invite suggestions that will make this newsletter more relevant and meaningful for employees.