

Re: Page 7, line 3-4

Q. Please provide the evidence relied on to state that: "The Stephenville mill is one of the most efficient mills in North America. The items that are mill controllable are in line or better than average".

A. Confidential commercial information of the ACCC mills is available on a regular basis. This information illustrates that the Stephenville does better than the average mills in such controllable areas as manhours per tonne, maintenance costs per tonne, chemical costs, operating supplies and discretionary spending.

In addition, the North American Newsprint Producers Association prepares confidential cost studies comparing the various participating mills in North America. This report also provides data to support the statement that the mill controllable costs are in line or better than average.

The reports referred to are confidential commercial information.