

THE COMPETITION TRIBUNAL

IN THE MATTER OF an application by the Commissioner of Competition for a consent order pursuant to sections 92 and 105 of the *Competition Act*, R.S.C. 1985, c. C-34;

AND IN THE MATTER OF the acquisition by Abitibi-Consolidated Inc. of all of the outstanding shares of Donohue Inc.

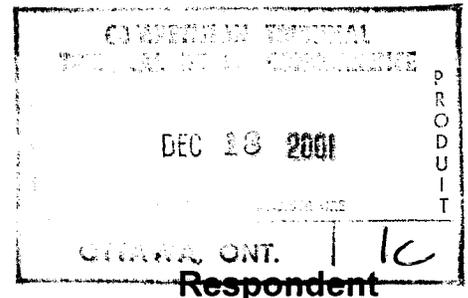
BETWEEN:

THE COMMISSIONER OF COMPETITION

Applicant

- and -

ABITIBI-CONSOLIDATED INC.



Respondent

AFFIDAVIT OF JOHN PECMAN

I, JOHN PECMAN, of the City of Ottawa, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I was a Senior Competition Law officer with the Mergers Branch, Competition Bureau, Industry Canada and an authorized representative of the Commissioner of Competition (the "Commissioner"). In this capacity, I was engaged in a review of the acquisition by Abitibi-Consolidated Inc. ("ACI") of all of the outstanding shares of Donohue Inc. (the "Merger").

2. I was involved in the conduct and management of the inquiry and assessment of the Merger, described in the Statement of Grounds and Material Facts filed in support of the application by the Commissioner in this matter.

3. I conducted research and I analysed the impact of the Merger. During the course of my research and analysis I examined such factors as the product and geographic markets, market shares and barriers to entry. In addition, I reviewed information obtained from the parties and other industry participants on a voluntary basis and pursuant to orders issued under section 11 of the *Competition Act*, R.S.C. 1985, c. C-34. I also reviewed the research undertaken by third parties and economic and industry experts retained by the Commissioner to assist in the review of the Merger. As such, I have knowledge of the information contained in the Statement of Grounds and Material Facts (the "Statement") and I believe that information is true.

4. The Statement describes the transaction and provides a competitive analysis of the Merger. The Statement sets out the Commissioner's conclusion that the Merger is likely to lessen or prevent competition substantially in the Eastern Canadian market for the supply of newsprint, but that the proposed remedies to be put in place pursuant to the Draft Consent Order will eliminate the likelihood of this competitive harm.

SWORN before me at the)
City of Hull in the Province)
of Quebec, this 17th)
day of December, 2001.)

Hélène Chartrand
Commissioner for taking affidavits



JOHN PECMAN



Competition Act, R.S.C. 1985, c. C-34;

AND IN THE MATTER OF the acquisition by
Abitibi-Consolidated Inc. of all of the
outstanding shares of Donohue Inc.

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Applicant

- and -

ABITIBI-CONSOLIDATED INC.

Respondent

AFFIDAVIT OF JOHN PECMAN

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