

Pulp truth

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Please copy Pulp Truth front and back and distribute it during non-work time using your Contract Action Teams, steward system or Rapid Response network. Be sure to leave copies in lunchrooms, break rooms, etc.

We want to hear what's happening in your workplace. Send your news to lbaker@usw.org

Contracts that Reopen in March

If the re-opener date for your local contract is not listed here, please contact PT editor Lynne Baker at lbaker@usw.org to have your contract listed. (The re-opener date is not the expiration date.)

Madison Paper Co., Madison, ME, 3/1/09
Bancroft Bag, Inc., West Monroe, La., 3/1/09
Smurfit-Stone Cont., Tyler, TX, 3/1/09
U.S. Corrugated, Inc., Cedar Rapids, IA, 3/1/09
Katahdin Paper, Millinocket, ME, 3/1/09
Katahdin Paper, E. Millinocket, ME, 3/1/09
Georgia-Pacific, Neenah, WI, 3/1/09
Interstate Container, Reading, PA, 3/2/09
Georgia-Pacific, Milan, MI, 3/3/09
Berlin & Jones, Carlstadt, NJ, 3/5/09
P.C.A., Salisbury, NC, 3/10/09
Packaging Holdings, Inc., Canton, NC, 3/15/09
Packaging Holdings, Inc., Waynesville, NC, 3/15/09
Evergreen Packaging, Athens, GA, 3/15/09
Evergreen Packaging, Olmstead Falls, OH, 3/15/09
Menasha Corp., Coloma, MI, 3/15/09
Sappi Fine Paper, Cloquet, MN, 3/15/09
Packaging Holdings, Inc., Clinton, IA, 3/15/09
Temple-Inland, Glendale, AZ, 3/15/09

Success! Paper RAP (Research Action Project) Survey Makes its Goal

Thanks to all local union leaders and other activists for pushing to get your Paper RAP (Research Action Project) surveys in. We aimed for 70% of mills to respond, and we've made it over that line!

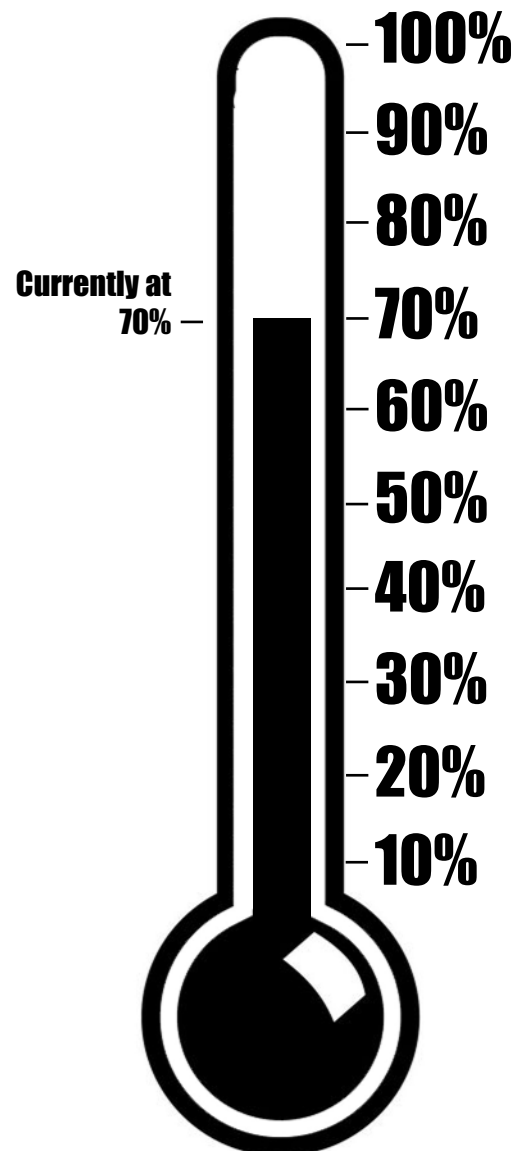
If you haven't turned in your survey, please still do—more mills means stronger findings. Contact John Scardella (315-529-2652; jscardella@usw.org) in the Health, Safety and Environment Department with questions or for more information.

Vice President Jon Geenen commented on this success: "The data that we have gathered from a vast majority of the USW-represented paper mills in the United States represents the completion of the first phase of the most comprehensively broad safety related undertaking in the history of the paper industry. This initiative is ultimately designed to halt the extraordinary number of serious injuries and fatalities in the paper industry. Even a single catastrophic injury or fatality is one too many.

"The massive amount of data that we have collected will be scoured by our research team, staff, and local union activists to establish a foundation of knowledge to begin to build systems of health and safety that will ensure that our members will be safer at work. We will not and cannot accept that serious injuries and fatalities are merely collateral damage for working in complex, process-intensive industries like the paper industry."

Well done, everyone.

Percentage Obtained Goal Health and Safety Survey



USW Health & Safety Training Written into OSHA Settlement Agreement

While requiring worker training is common in OSHA settlements, it isn't everyday that an employer recognizes that the training can be best provided by the union to our members as part of the settlement agreement, said Mike Wright, director of the USW Health, Safety and Environment department.

OSHA and Appleton Papers Inc. wrote the USW into the settlement agreement surrounding a lack of machine guarding at the company's Appleton, Wisc., facility. OSHA said "points of operation of machinery were not guarded to prevent employee(s) from having any part of their body in the danger zone(s) during operating cycle(s)." The agency issued a "serious" citation to Appleton.

USW Local 2-469 member Grady Olson was seriously injured July 11, 2008 when his right arm was caught between a roll of paper and a powered "paster roll" in a paper coating machine at the Appleton facility.

Since the accident, interlocked barrier guards, among other interim protective measures, have been installed on the coating machine. The company is correcting all 11 coater machines so that the same or a similar hazard will not result in serious injuries or death to someone else.

Steve Sallman of the HSE department assisted the local union

and stayed with the case through the OSHA citation and the company's appeal. He and Local 2-469 negotiated the settlement agreement. Sallman credited the presence and strength of the local union for getting the USW written into the training requirement. He thanked Local 2-469 President Rick Bahr and Local 2-469 safety representative Nancy Smith for their hard work at the shop level in getting this accomplished.

"This is another example of what a strong local union can do to build the union around health and safety," he said.

The USW will provide safety and health training for union and management safety representatives through an OSHA 10-hour course in general industry standards. Hazards will be identified and other potential OSHA compliance issues, such as machine guarding, will be discussed.

Brother Olson has had two surgeries, and doctors expect a few more in an effort to save his right arm. Last fall, Local 2-469 members volunteered to help with fall chores for him. Using leaf blowers and ladders, the members raked leaves, cleaned up the yard, washed the windows and cleaned his garage.

Duronda Pope of the USW's Emergency Response Team also assisted Brother Olsen and his family.



General News

Labor Board Judge Overturns MeadWestvaco Covington Election

National Labor Relations Board (NLRB) Administrative Law Judge Eric M. Fine overturned a March 2008 union representation election that the Covington Paperworkers Union (CPU) won by 14 votes over the USW, and ordered a new election to be held for nearly 1,000 workers at MeadWestvaco's paper mill in Covington, Va.

Judge Fine issued his decision Jan. 30, 2009. He determined that the CPU and its officers engaged in three types of conduct that were in violation of Federal law and created a coercive atmosphere that interfered with the holding of a free and fair election.

At a meeting with International President Leo Gerard held before the election, the CPU had one of its representatives videotape and photograph workers entering and exiting the meeting despite numerous requests by USW officials to turn off the camera. The CPU's action was ruled to be intimidation.

By covertly sidestepping the international union while they were still officials of USW Local 8-675, negotiating with MeadWestvaco management, and relaying assurances from the

company concerning its last contract offer at a disaffiliation meeting, CPU leaders further interfered with the NLRB election, said the judge. They had decided to launch a disaffiliation campaign as a result of their negotiations with the company.

By publicizing its solicitation of contributions from businesses that had contractual relations with MeadWestvaco, CPU interfered with the election, according to the judge. The group's actions implied that it was not acting as an independent labor organization because area employers that dealt with MeadWestvaco favored the CPU, he said.

"We've been saying all along that the election was flawed," said USW Local 8-675 President Bobby Harrison. "The election process was tainted. People did not have a fair opportunity, free from intimidation, to determine who their bargaining representative would be."

The USW is still the certified representative of the 950 production and maintenance workers and had filed objections to the election.



Smurfit-Stone Files for Chapter 11 Bankruptcy

At the end of January, Smurfit-Stone filed for chapter 11 bankruptcy protection in the U.S. and Canada to restructure its debt, reported *Reuters*. The integrated manufacturer of paperboard and paper-based packaging has total assets of approximately \$7.45 billion and total debt of about \$5.58 billion as of Sept. 30, 2008.

The company has received financing to continue its normal, day-to-day operations without interruption, and said all of its operations outside of the U.S. and Canada are excluded from the bankruptcy process. This funding will include the payment of employee wages and benefits. Smurfit-Stone assured its customers that its plants would continue to operate.

PPI Pulp & Paper Week (PPW) reported that the two-edged sword of having high debt levels and plummeting demand for its products in the fourth quarter of last year led the company to file for reorganization. The frozen credit markets also prevented the

company from obtaining financing of its capital structure outside the court system.

This is the biggest bankruptcy filing in the history of the North American paper and forest products industry. Smurfit-Stone is the second largest containerboard and box producer in North America, based on capacity. Over 6,000 USW members are employed by the company.

Will more bankruptcies follow?

Smurfit-Stone's creation involved \$6.5 billion in debt as a result of the merger in 1998 between Stone Container and Jefferson Smurfit Corp., said *PPW*. This debt included \$3.9 billion from Stone Container; the company had used junk bonds to finance a buying spree in the 1980s. The company has not been able to get rid of this debt since.

Smurfit-Stone is not the only paper company to use mergers,

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acquisitions and plant shutdowns to control prices and market share instead of innovation, research and development of new products and markets, and high productivity.

PPW reported that analysts say that more paper/forest products companies may be facing bankruptcy in the current global recession, due both to its severity and the high debt loads many companies carry from earlier industry consolidation. Companies have had trouble in the last year paying off this debt because revenue failed

to grow as fast as forecast due to structural changes in demand and recent hikes in costs such as oil and gas. Even with prices near cyclical peaks, these companies are having a hard time staying in business.

Of 13 North American companies that entered bankruptcy protection since 2006, five were in packaging, four in tissue and pulp, two in uncoated freesheet and fine papers, and two printers, PPW reported.



Obama Team Chose USW Paper for Inauguration Invitations

The Obama team chose Neenah Fine Paper to provide the stock for the official invitation to the Jan. 20 inauguration. The company bills the grade of paper—Classic Crest Recycled 100 Natural White—as the “greenest premium paper in the world.”

“The certifications carried on the line and its unmatched print

performance are very likely what led the Obama team to choose it,” Neenah President John O’Donnell wrote in a press release.

Neenah Paper employs about 515 people in Neenah and Appleton, Wisc., as well as another 245 at its Whiting mill near Stevens Point, Wisc.

Settled Contracts

MeadWestvaco Envelope Locals Ratify 3-year Contract Extension

MeadWestvaco envelope locals ratified a three-year contract extension by an overwhelming margin. Those voting included the Envelope Multiple locations in Atlanta, Dallas, Indianapolis and Kenosha, Wisc., as well as the Williamsburg, Pa., location. The Enfield, Conn., location that has been part of the Multiple is being shut down. Since this was a pool vote, 50% plus one passage was needed across all units.

The proposal, which met the parameters laid out by the envelope locals, included wage increases, pension improvements and life insurance improvements in each year of the extension.

All the locals received a 2 percent general wage increase each year of the three-year agreement, a \$1 increase in the pension

multiplier each year and a \$1,000 increase per year in life insurance and accident and disability insurance. For the Multiple, the pension multiplier was improved from \$32.50 to \$35.50 by the end of the agreement. The Williamsburg plant’s pension multiplier was improved from \$28.50 to \$31.50 by the end of the agreement. Life insurance and AD&D for the Multiple increased from \$29,000 to \$32,000 during the life of the contract; for the Williamsburg plant it increased from \$28,000 to \$31,000 during the contract term.

The extension includes vision coverage for all locations. The four-plant multiple also will have access to the company’s flexible spending account.



Pacon Agreement Includes Move of Non-Union Jobs to USW Facilities

Local 1822 ratified a three-year contract extension in early February with Pacon—a producer of paper, educational aids and arts & crafts for the school and art markets—that included wage and benefit increases as well as a commitment to shut down the company’s non-union facility and move the work to union sites.

Workers at the Appleton, Wisc., site will receive wage increases of 2.25 percent each of the three years and those at the Neenah, Wisc., site will obtain wage increases of 2.5 percent per year. The raise that is due this Dec. 1 will be granted two months early to Oct. 1

Under the terms of the extension, Pacon workers will not pay a monthly health insurance premium until 2012 and then they pay no more than 5 percent in 2012, 10 percent in 2013 and 15

percent in 2014. There is a formula and a base that if costs decrease, workers could be paying less than those percentages. The deductible is \$300 single/\$600 family.

There are some increases in the 401(k) match. Pacon will contribute 3 percent on W-2 earnings, 15 cents per hour worked, and does a 50-cent match on each \$1 up to 2 percent. Other enhancements include incentive pay and break times.

The best part of the new deal is that Pacon has committed to shut down the non-union facility in Iowa and move the operations to Appleton and Neenah. This will mean 30-40 more union jobs.

The Appleton site was newly organized in August 2007, and membership has grown there from 70 to 80 members.

Plant Closings

Graphic Packaging to Shutter Four Plants

Graphic Packaging Holding Co. announced February 11 that it plans to close four plants, including two USW-represented facilities in Morris, Ill., and Cantonment, Fla.

Our union is planning a campaign to settle its outstanding differences with Graphic Packaging and will help the company put its business on the right track.

Graphic Packaging acquired competitor Altivity Packaging for over \$700 million, and has lost money since the merger was completed in March 2008.

“This closing will devastate our communities,” said Brian Clubb, president of USW Local 7-626, which represents the

workers in Morris. “More than 170 good people will just be put on the street, and the company could care less.”

Shutting down facilities and merging and buying other companies is not a solution for long-term success, said USW Vice President Jon Geenen. He said the key is innovation, research and development of new markets, and high productivity.

USW Local 9-547 President Ronald Williams from the Cantonment plant said his members accepted an agreement for less than they deserved to help the company. “The company is leaving us with nothing,” he said.



MeadWestvaco Closes Enfield Envelope Plant

MeadWestvaco announced Jan. 23 that it is shutting down its Enfield, Conn., envelope plant as part of a restructuring move that will save the company \$125 million and eliminate 2,000 jobs or 10 percent of its global work force. Twelve to 14 manufacturing facilities will either be closed or restructured.

With the closure of the entire plant by the end of March, 16 salaried jobs and 118 hourly positions will end. The hourly workers are represented by USW Local 4-1, otherwise known as Eagle Lodge—the founding union of the Paperworkers union.

Production and equipment at the Enfield facility will be transferred to other MeadWestvaco plants. Workers at the Enfield plant made and distributed envelopes for billing, financial and direct mail companies. More people are getting their bills and

bank statements emailed to them, thus reducing demand for envelopes.

MeadWestvaco laid off workers at the Enfield plant last December and some thought this would buy the plant more time.

“Everybody thought...they’d give us some time to turn the place around, you know, about six months to a year just to see if we could,” an unidentified longtime employee said.

The USW is negotiating separation benefits now for the hourly employees.

MeadWestvaco plans to have layoffs at an envelope plant in Atlanta and restructure the company’s corporate sales unit in Springfield, Conn.

Around the World

UK Print Workers Fail to Obtain Wage Increases

The three classes of workers in the UK print industry will not see wage increases this year since Unite and the BPIF failed to reach agreement during the annual National Agreement pay review, reported printweek.com.

Citing a difficult economic climate and uncertain future, BPIF offered a small increase on the national minimum grade rate for Craft/Class 1 workers. Unite termed the increase “unacceptable” and said it was conditional on the union accepting full cost recovery and ‘a strong inability to pay

clause.’”

In a statement Unite said it had “done all it can during this difficult time to support the printing industry wherever possible and so have our members who are working harder than ever and face increasing living costs.”

Last year much larger wage increases were negotiated, but the negotiations this time are occurring when pay freezes are being introduced by many private companies and many staff are agreeing to accept pay cuts to avoid layoffs.