

Pulp truth

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Please copy Pulp Truth front and back and distribute it during non-work time using your Communications and Action Teams, steward system, Unite Chapel Reps and members or Rapid Response network. Be sure to leave copies in lunchrooms, break rooms, Chapel notice boards, etc. We want to hear what's happening in your workplace. Send your news to lbaker@usw.org

Welcome to Workers Uniting Pulp Truth Edition

Back in July 2008, the United Steelworkers (USW), North America's largest manufacturing union, and UNITE, the biggest union in the UK and Republic of Ireland, formed Workers Uniting at the USW's convention. This new global union was formed to challenge global capital and its destructive effect on our members' wages, benefits and working conditions.

Since that time there have been extensive discussions about strategies for saving paper manufacturing capacity in both unions' respective countries; joint collective bargaining efforts with common employers in the paper sector; joint organizing drives; meetings on health and safety

in the paper industry within each country; and participation in each other's paper meetings.

Workers Uniting has a website, www.workersuniting.org, that features information about the collaboration between UNITE and the USW. Check it out!

Workers Uniting Pulp Truth aims to increase communication between paper workers on both sides of the Atlantic Ocean, and will include news and information about the paper sector. UNITE and USW paper workers are welcome to submit material for the newsletter. Please send your stories to Lynne Baker, editor, at lbaker@usw.org.

How a European Works Council Operates

By Craig Foster, Unite Rep on Georgia Pacific European Works Council

The European Works Council (EWC) Directive was adopted on the 22nd September 1994 and finally gave workers across Europe the right to receive information and be consulted on company decisions at the European level. This only applies to companies that employ more than 1,000 workers, with at least 150 workers in two or more member states.

Individual member-state companies elect EWC Representatives to sit and represent their workers at EWC meetings. These representatives are usually, but not exclusively, Trade Union Representatives at their workplace.

In the UK the EWC Directive was implemented into UK law by the Transnational Information and Consultation of Employees Regulations (TICE). Under the original 1994 Directive companies had two years to establish agreement on the forming of a EWC.

Generally, EWC's meet once every year. Many companies have a separate subcommittee that meets more regularly, usually to discuss the agenda, meeting location, etc. Training for EWC Reps is somewhat lacking but many companies do allow training, especially in languages.

Trade Union Officials usually sit on company EWC's as expert advisors.

Don't Let Employers Cap Vacation Time

An unfortunate trend regarding vacation allocation is emerging in the US paper industry.

Some Rock-Tenn locations have agreed to a two-tier vacation system where new hires and existing employees will have their vacation capped at four weeks maximum. Existing employees will have to sell back to the company all time in excess of four weeks.

This issue is troubling on a number of fronts. It affects the ability to retain and attract workers and puts US paper workers even further behind the rest of the world in time off for working families.

"We have said for years that taking pay in lieu of vacation is dangerous because it could lead to these kinds of proposals at our bargaining

table," said USW Vice President Jon Geenen. "Further, as we all know, tiered benefits can lead to division."

It is important that USW paper workers develop innovative bargaining strategies on this issue.

"These are concessions that do not save the company money for almost a generation and in the meantime drag our bargaining standards and our children's futures down," Geenen said.

"Companies need to provide hard data on their need for such concessions. Fortunately, this situation has only occurred at a few places and can be stopped," he added.

Pay Raises Mark UNITE Bargaining in UK Paper Industry

By Peter Ellis, Unite National Officer

Industry-wide pay bargaining with the employers' body, the Confederation of Paper Industries (CPI), realised a 1% uplift in earnings in the paper manufacturing sector.

The negotiations, attended by USW Vice President John Geenan, took place in November of last year against a back-cloth of a year-long below zero inflation rate. The increase was applied from 1st February 2010 and follows a pay increase of 3.95% from February 2009. UNITE members voted by a 53% majority for the deal.

Four hundred and fifty-seven UNITE members working for

Kimberley Clark at Barrow and Northfleet, the two plants producing the bulk of the Andrex and Kleenex brand, have voted by 1.5 to 1 to accept an offer of a 2% uplift in pay, plus a 5% increase in productivity bonus. The new deal lasts for one year and commenced 1st February 2010.

The Georgia-Pacific Special Negotiating Body (SNB), representing 521 UNITE members across four GP plants in England and Wales, have negotiated a 2% pay rise from 1st January 2010. The last five years have seen layoffs, a wage freeze and below inflation pay rises, so the achievement of a 2% uplift, without conflict, was overwhelmingly accepted by UNITE members in a 6.5 to 1 ballot result.

Scotland's Tullis Russell's gets £1m eco-centre

Scottish paper makers Tullis Russell has been granted planning consent to build a £1m environmental education centre at its plant in Markinch, Scotland. The building work for the Eco-House project will start shortly and the centre is scheduled for completion in 2011. Once up and running, it will house a series of interactive displays and provide information to encourage visitors to reduce their own carbon footprints.

"This is good news for the UK papermaking industry and will help with the UK paper industry green credentials" said Unite

National Officer Peter Ellis.

The eco-education centre stemmed from a desire to mark the 200th anniversary of the company by giving something back to the community.

Tullis Russell will provide the land and maintenance for the proposed building at its Markinch, Fife-based paper mill where it is also due to begin building a £100m 45MW biomass combined heat and power (CHP) facility to replace an existing coal-fired plant this year.

USW Saves Jobs at Bankrupt US AbitibiBowater Mills

Workers from the USW and three other national unions approved April 29 a four-year Master Agreement that covers AbitibiBowater locations at Calhoun, Tennessee; Catawba, South Carolina; Coosa Pines, Alabama; and Augusta, Georgia.

Union negotiators were faced with a tough situation. AbitibiBowater declared bankruptcy last year amid poor economic conditions and a decreased demand for newsprint. As more people get their news from the Internet and ad dollars follow to the new medium, more newspapers are shutting down or decreasing the number of pages they run. As a result, the market for newsprint has dropped by nearly 50%.

Union leaders saw the decline coming before AbitibiBowater filed for bankruptcy. Beginning in 2008, USW financial analysts and leadership met with the company to express concern about its ability to pay creditors. It quickly became clear that the company required short-term relief to avoid falling deeper into debt and a possible liquidation, which could lead to a complete shutdown and loss of jobs.

Protecting Workers' Interests

The USW, along with the Electrical Workers union, Machinists union and the Plumbers and Pipefitters union, initiated a pro-active plan that ensured a successful company reorganization and protection of workers' jobs and long-term interests. The unions applied for and were granted a seat on the Creditors Committee, a body that plays a critical role in the review of the company's reorganization plan. This position allowed the unions to see what was happening during the bankruptcy process and to urge reorganization solutions that accounted for members' interests.

While the agreement requires employees to make sacrifices, it saves their jobs; enhances their job, earnings and retirement security; safeguards their long-term interests; and ensures they have a stronger position at the bargaining table in the future.

Without a union, paper workers at non-union facilities have no one to advocate for them and their interests when their company goes bankrupt. They have no guarantee they will still have their jobs after the company is reorganized and there is no limit on how much and how long they may have to endure cuts in pay and benefits.

Master Agreement

Local union contracts at the Calhoun and Catawba sites are extended to April 27, 2014. The Coosa Pines and Augusta local union contracts are extended to April 26, 2015. When these contracts expire, these local unions will bargain over issues of concern to their own facility.

The master agreement covers key economic and security items. It becomes effective upon ratification and approval of AbitibiBowater's plan of reorganization by the bankruptcy court and expires April 27, 2014.

Under the master agreement, wages are reduced 3% for two years

while the company transforms to new markets and are regained in full by 2013 or 2014 depending upon the facility. A new, improved performance incentive plan allows hourly workers to share in the company's success if certain targets are met. Starting in 2011, workers will receive 12 holidays and if they work those days they receive a holiday premium.

Defined benefit pensions, where the company assumes investment risk, will be closed to new hires, and eligibility for benefit accruals will be determined by years of service and age as of Dec. 31, 2010. Breakthroughs were made in the defined contribution plan—in these plans employees take on investment risk—with more aggressive company funding, establishment of a long-term disability policy and access to investor education programs.

Employees are offered their choice of two different health care plans and pay 25% of the premium cost. Coosa Pines and Augusta workers have the option of remaining in their current plans until a designated date. Workers at all locations pay different percentages of the cost of a prescription drug depending on whether it is a generic drug, brand name drug or drug that is not on the formulary. They also pay 40% of the premium for dental care. Deductibles for mental health care are based on whether or not an employee complies with the employee assistance program.

Both the USW and AbitibiBowater commit to a partnership on health and safety issues. The company will sponsor a Labor/Management Health and Safety conference in 2011 and 2013.

Contracts Protected

In order to protect workers in case AbitibiBowater decides to sell its plants, the USW negotiated a successorship clause, otherwise known as a contract protection clause, which makes the new owner assume all the obligations of the union's contract until its expiration date.

AbitibiBowater agreed to stay neutral during USW organizing drives so the union has a fair chance at bringing the company's non-union facilities under a contract.

Another victory for the negotiating committee was to get the company to commit to investment in its facilities in order to make them more competitive in this difficult paper market. The company agreed to sit down with the union on an annual basis to share its capital spending plan for the next calendar year. In addition, AbitibiBowater agreed to work with the USW on public policy initiatives at the local, state and federal levels that benefit both the company and the workers.

AbitibiBowater agreed to include in its plan of reorganization that the current contracts, as modified by the Master Agreement, will be assumed in full. This means the company will assume accrued obligations such as accrued vacation and sick leave, unpaid medical and other benefits, and unpaid pension obligations.

Retiree benefits for current and future retirees are preserved where the agreements today provide for these benefits.

