



DATE: January 15, 2008

TO: All Georgia-Pacific Local Unions

FROM: Jon Geenen, GP Council Bargaining Coordinator

RE: CLARIFICATION OF NEW BARGAINING "STANDARDS"

In order to clear up any confusion, I want to take a few seconds to clarify what the framework and standards for bargaining at Georgia-Pacific mills and box plants means. It is important to note that we do not have a master agreement with GP. Each location will have to bargain their contract locally.

As you know, since the inception of National Paper Bargaining we have tried to bring a degree of discipline to the bargaining process by setting standards for contract ratification. We did this because we ALL know that historically when the first local in a bargaining cycle negotiates their agreement, ALL locals, with a few exceptions, have ended up with the same agreement for the rest of the Company's bargaining cycle. For example, when corporations in the industry began demanding that mills operate 365 days a year, almost all locals were eventually exposed to that pattern because the proverbial "genie" was let out of the bottle by the time we were able to have a discussion--it had already become the standard. Our National Paper Bargaining program recognizes that industry essentially bargains nationally, but does it one facility at a time.

In order to combat this practice and get more influence over a bargaining cycle, our locals began meeting as a Conference, both in person and via conference call, to determine democratically the basic standards that would establish a threshold before permitting local unions to vote to ratify an agreement. For example, at our last NPB Conference our local unions said that on an industry level, unless contracts had certain protections, they shouldn't exceed more than three years in term. We also set a standard that prevented ratification of contracts that contained a waiver of rights to bargain over certain benefits like health care. NEITHER OF THESE STANDARDS meant that you couldn't negotiate a two year term or a one year term or a four year term if the contract achieved certain protections or that you couldn't negotiate even more rigid protection around benefits. They really just set the baseline by which agreements would be negotiated.

How does that relate to the new standards with GP that the Council recently unanimously adopted? Those standards are simply the baseline that we will judge to determine whether or

not a local will be permitted to ratify an agreement. For example; in a box plant, if GP shows up at the table and offers 2-1-1-1, GP and our members know ahead of time that we will not permit ratification. If the Company offers 2-2-2-2, a local will be free to ratify a contract.

In summary, the standards are the MINIMUM benchmarks that must be met to allow a local to take a contract to vote. The Company has agreed in principle with the standards and had already started to make movement in that direction as a result of pressure from the local unions (both mills and converters) that have been in bargaining. For example, in mills and converters, wage offers have started to change and GP has abandoned their pursuit of the Consumer Driven Health Care plan as the only vehicle for providing insurance.

All GP Locals will still have to bargain both economics and language items locally. But let's assume, as an example, that a local union is in a very competitive labor market and the local union believes that 2-2-2-2 does not meet their needs. Are they restricted from doing better than 2-2-2-2? The answer is that they are not restricted from bargaining toward a better arrangement, and in some cases, where a compelling case can be made locally at the table that the facility can't compete in a certain labor market, I suspect we will be successful getting wages adjusted to meet those compelling conditions. But the other side of that equation, as discussed on the conference call, is that if all things are pretty equal, it is unlikely that GP will be persuaded to do any better than the pattern.

However, I want to be sure that there are no misunderstandings. Just as the last two patterns that had taken hold at GP were difficult to change, this pattern is unlikely to vary dramatically at a local bargaining table unless there are extenuating circumstances. This does not mean that local creativity should be discouraged and it does not mean that all opportunity for other economic gain is gone either.

Clearly the shift in the pattern shows that our efforts are having an impact on bargaining and show the need and importance of even more coordination. While this cycle will be in place for a few years, we have to begin thinking about what our next objectives are as well and building our solidarity to achieve them through the Regional GP meetings we are conducting. Your efforts have made a difference here.

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