

Pulp truth

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Shift Differential Pay Correction Results in Almost \$250,000 to International Paper Members

Thanks to the efforts of Local Union leaders and the International, International Paper (IP) members will be getting a supplemental payment worth hundreds or thousands of dollars this holiday season.

Local union leaders brought to the International's attention IP's miscalculation, determined that there was an inadvertent error in the method for calculating the overtime regarding shift differential pay. Specifically, in some cases the shift differential paid to some employees was

not included in the calculation of the time-and-a-half overtime premium. As a result, some employees were underpaid.

The International approached IP about the problem and the company investigated the issue. The end result was a payout worth almost a quarter million dollars.

Members at these six IP facilities will receive the payout: Anaheim, Calif., Courtland, Ala., Manitowoc, Wisc., Mt. Vernon, Oregon, Pensacola, Fla., and Valliant, Okla.

Europeans Impose Tariffs on Chinese Coated Paper Producers

Coated free sheet (CFS) prices in November were static, and reports suggested producers had implemented \$40/ton of the \$40-60/ton price increase announced for mid-Sept./early-October. Preliminary October shipments increased 3.5% year over year, but the increase is the weakest since December 2009.

CFS is becoming the center of a global trade war. After the U.S. imposed tariffs on CFS from China and Indonesia, the European Commission imposed provisional anti-dumping duties of 39.1% on coated fine paper (CFP) imports from China. Brazilian producers are making similar claims.

All of this suggests that China's oversupply of CFS will get worse.

After conducting an investigation, the European Commission ruled that the European Union (EU) mills had "suffered material injury" from the Chinese CFP. Dumped imports from China rose while the average price of those imports declined 8%, undercutting EU mills' prices by 5.6% on average. The EU mills were not able to raise their CFP prices above the cost-covering level, despite their restructuring efforts and productivity improvements, because of the undercutting by Chinese exporters.

MeadWestvaco Sells Envelope Business to Cenevo, Inc.

The envelope business is undergoing cyclical and structural changes, so the announcement of MeadWestvaco's sale of its Envelope Products Group to Cenevo, Inc., was not a surprise to analysts.

About 910 employees in the U.S. work in MeadWestvaco's envelope sector and all of them are expected to transition to Cenevo. Labor agreements will remain in place at Envelope Products Group locations. The sale is expected to close at the end of 2010.

Severe cyclical and structural pressures are plaguing the envelope sector. National Envelope filed for bank-

ruptcy earlier this year and in late-2008, MeadWestvaco closed its Enfield, Conn., facility and restructured second facility. Analysts believe MeadWestvaco could not have avoided the pressures facing the rest of the sector.

Analysts say that Cenevo has a very large position in the consolidating envelope market. The company says it "provides its customers with low-cost alternatives within its core businesses of labels and forms manufacturing, packaging and publisher offerings, envelope production, and printing; supplying one-stop solutions from design through fulfillment."

IP, USW Work Jointly in Pensacola Accident Investigation

IP and the USW joined forces this past fall to investigate an incident where an IP worker was burned Sept. 14 while cleaning an ash hopper in the recovery boiler department at the Pensacola mill. It was the third burn accident that had occurred in this department.

Prior to this accident, IP placed an emphasis on personal protective equipment (PPE) to protect workers from the hazards. Unfortunately, the PPE didn't protect the victim.

This time around IP agreed to work with our union to review the accident, find out what factors contributed to it and develop recommendations based on the Hierarchy of Controls—the most effective to least effective controls—to prevent reoccurrence. A core team was formed that reviewed existing documents, boiler operations and the arrangement of the hoppers on the boiler. The physical surroundings of the accident site were assessed.

The team discussed salt cake formation and its physical characteristics, mud drum hopper geometry, liquor chemistry and the cleaning sequence. Boiler physical and design changes and its recent operating history were reviewed. There were interviews with hourly employees and attendance at a crew information/brainstorming meeting.

The team looked at the impact of organizational changes, the sequence of events and task preparation. They brainstormed opportunities and ideas to eliminate or control the hazards as they related to this accident in order to prevent this incident from happening again in Pensacola or at another IP mill.

Lastly, the team gave itself deadlines to investigate elimination of the hazards (most effective), engineering controls, administrative controls and personal protective equipment (which is the least effective approach).

SCA Fined \$189,100 after Worker Paralyzed in UK Accident

A UK court fined SCA Hygiene Products Ltd. \$189,100 plus costs after a Unite member was crushed beneath a two-ton paper roll at the Oakenholt mill and left paralyzed from the chest down, the British Broadcasting Corp. (BBC) reported.

SCA was prosecuted after an investigation of the July 29, 2007 incident. The company admitted to breaching health and safety rules and failing to provide a safe system of work at the tissue mill.

Workers used their shoulders to move the heavy rolls at the end of the production line. Although concerns had been raised repeatedly to the company about the manual handling of paper reels, nothing was done, said Judge John Rogers.

He said the accident happened when the worker, an assistant winder, "was attempting to control and slow the descent of a two-ton reel of paper from the table to the floor with his shoulder."

Unite investigated the incident and said the worker was moving one of two reels ready to be wrapped from the winder lowering table to the reel wrapper. His foot slipped on one of the reel stop kickers. As he fell to the floor one of the reels rolled onto him. His head was pushed into his chest and he sustained severe spinal injuries. The man was rendered a paraplegic.

SCA said it recognized the man's "life-changing injuries"

and that regret was felt company-wide.

Unite Investigation

Unite's investigation revealed the machine itself was badly designed and that SCA failed to make alterations even with awareness of the potential problems. The union also found the company accepted working practices which required operators to work in what should have been a prohibited area—this subsequently led directly to the accident—and operated in contravention of industry guidelines.

After the accident, Unite urged its chapels (local unions) to get with their employers to have a risk assessment done of their companies' reel handling systems in order to establish: safe systems of work are in place; any manual interventions are strictly governed by agreed Standard Operating Procedures; all personnel are fully competent in the task; and any slip or trip hazards are addressed.

The union also urged the locals to ensure a similar incident cannot occur in their workplace; that their companies take full account of available information on the safe use of reeling and slitting machines; and that safety representatives are fully involved in activities like investigations and risk assessments.

News Briefs

Pulp Prices: According to Deutsche Bank analysis at the end of November, pulp list prices are off \$30-50/metric ton in the domestic market and down more sharply in markets like China. The bank analysts think the Chinese are sourcing more of their pulp from their domestic mills and from Indonesia. On a tour of China, it appeared to the analysts that Chinese mills were carrying ample pulp inventories and, in some cases, had tremendous excess inventories of finished paper. With shipments down and inventories up sharply, hardwood and softwood prices could go down. The bank said falling pulp prices would reduce earnings at Domtar, particularly, and International Paper (IP). On the other hand, Wausau Paper is a significant net buyer of pulp and could see improved margins for its tissue and paper businesses, said the bank.

Unite Members Reject Pay Offer: Unite members working in the corrugated board industry who are covered by the National Agreement voted by a 9-1 majority to reject a 2.15% pay offer from the employers' association, the Confederation of

Paper Industries (CPI). Now the members are voting on whether or not to strike and get "a far higher settlement than could have been achieved by a continuation of the partnership approach." The union originally asked for a 3.6% pay raise, but Unite national officer Peter Ellis said they would have settled for less if the employers had agreed. He said the employers are making good profits but are trying to use the uncertain employment market as an excuse to pay lower wages.

A Token of Appreciation: USW Local 1086 members from the Interstate Paper LLC plant in Riceboro, Ga., donated five Thanksgiving baskets to families in the Liberty County communities. Local 1086 President Chris Stacy said the membership wanted to give back to the communities, bless the families and show a token of appreciation.

The International and Wausau Council will be meeting with **Wausau Paper** on Jan. 12-13 in Rothschild, Wisc., to discuss the possibility of negotiating a master agreement.