

Industry Trends

Brothers and Sisters, from time to time someone asks about the current patterns in the paper industry and I thought the following info would be helpful for your files and discussions.

In 2009 first year agreement increases averaged (based on region) from zero percent to 2.2 percent, which converts to a range of 0 cents per hour to 52 cents per hour

In New England there were 5 mills that signed contracts averaging 1.1 percent per agreement

In the East there were 7 mills averaging 1.7 percent

In the South there were 15 mills and the average increase was 2.2 percent

In the Pacific NW 5 mills negotiated and the average was 0 percent in the first year.

Overall nationally the average was 1.7%

For Second year increases the average ranged from 1.3 to 2.1 with the national average settling at 1.9%

For Third year increases the averages ranged from 1.4% to 2.2 percent with the national average being just over 2 percent (2.1).

We have tried to maintain a \$1 per month per year increase in pension improvements and have had much success in doing so. But clearly a few companies are unwisely targeting our pension plans and trying to replace them with 401(k) which will be part of a national catastrophe from retirement income in the not too distant future-and we should all draw a line in the sand to any retirement scheme that doesn't provide a substantial chance at a respectable retirement-there is NO WAY that a 50 cent match on five or six percent can provide a living retirement income on the wages of our members.

The standard insurance plan in the paper industry has single/family deductibles ranging from 400 to 500 for single/800 to 1000 for family-and then 80/20 co-pay on major medical. The standard premium sharing throughout the industry is 80 percent employer and 20 percent employee. (compared to 65/35 in non-union places with deductibles being 1500/3500 in non-union places.)

It was a tough year but for the most part our paper program allowed us to maintain our basic industry pattern that is:

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2/2/2 wages

1/1/1 pension

80/20 on a decent health care plan

Language issues-in plants that have work systems that are based on a model from the 1970's or before there is significant movement by companies to gain efficiency by redesigning the work systems. Where this is done in partnership with the union we have created more stability in a number of workplaces-where management has applied a heavy hand and attempted to unilaterally change work design the results have not been so positive. Modernization and efficiency improvement is important given the environment, but that is not an excuse undermine the collective bargaining relationship or resort to unilateral implementation of such initiatives.