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United Steelworkers Members Overwhelmingly Ratify Four-Year Umbrella Master Agreement with Domtar

Pittsburgh - Over 2,000 members of the United Steelworkers Union (USW) voted by a 4 to 1 margin to accept a four-year umbrella agreement with Domtar that covers 4,000 members at 10 Domtar facilities.

“This umbrella agreement was a result of unprecedented coordination and solidarity by our local unions,” said USW International President Leo W. Gerard. “While our members’ standard of living is improved, Domtar also has the labor peace it needs to compete in a global economy, providing both of us a valuable foundation for future work together to preserve and promote the North American paper sector.”

Traditionally, the union has bargained location-by-location. With an umbrella agreement, economic and security items that are common to all the Domtar facilities are bargained at one time.

Local issues and non-economic bargaining will be handled at local union bargaining tables, and the local unions will still have their own contract expiration dates. Because neither party is permitted to engage in a work stoppage during the term of the master and subsequent renewal agreements, any changes to the local agreements will be permitted only by mutual agreement, bringing a halt to an era of difficult and hard bargaining.

The umbrella agreement makes the following breakthroughs in wages, benefits and job security:

- Upon expiration of the local union contract, workers receive wages increases of 2.25%, 2%, 2% and 2.25%.
- Health care plans are immediately locked in place in each location and cannot be changed for the life of the current and renewal agreement.
- A shift toward 80-20 percent cost sharing of premiums, with employees paying 20 percent of the cost.

- A \$5 increase in the pension multiplier at the expiration of each current local agreement.
- Standardization of 401(k) contribution opportunities for all Domtar employees.
- Immediate insertion in all local contracts of a contract and job protection clause (successorship) in case Domtar is sold.

USW International Vice President Jon Geenen commented that, “The Domtar agreement, along with the many other umbrella agreements and bargaining frameworks that have been achieved in the paper industry over the past several months by the USW, represent significant progress for our members at a time when security and stability have never been more important for workers.”

“This agreement represents unprecedented progress. The two largest uncoated free sheet producers—Domtar and International Paper—are now both under umbrella agreements that will reopen within months of each other. This will prevent our members at both companies from being pitted against each other,” said Leeann Anderson, USW Domtar bargaining chair and assistant to the international president.

The umbrella agreement covers the following Domtar locations: Ashdown , Ark. ; Hawesville , Ky. ; Owensboro , Ky. ; Woodland , Maine ; Port Huron , Mich. ; Plymouth , N.C. ; Johnsonburg , Pa. ; Kingsport , Tenn. ; Nekoosa , Wis. , and Rothschild , Wis.

The USW is the largest industrial union in North America , representing more than 850,000 members, including some 130,000 paper workers.

Domtar is a manufacturer of business papers, commercial printing and publication, technical and specialty papers.