



November 5, 2008

To: USW Paper Sector Leadership

Brothers and Sisters:

Recently, a member sent an email to a number of USW local unions in the pulp and paper industry questioning the USW's position on forestry certification and our relationship with the Sierra Club. The email expressed the author's support for Sustainable Forestry Initiative (SFI) certification and urged recipients of the email to ask the USW to endorse SFI.

In North America there are two primary forestry certification programs; SFI that is referred to above and another program called FSC (Forest Stewardship Council). The two certification programs share similar core principles and goals related to sustainability, but there are also key differences.

For example, FSC insists on independent auditing and also demands that companies comply with certain global labor standards and conventions related to the harvesting of timber. Not surprisingly, for the most part the U.S. forestry industry does not support some core global labor standards. Incidentally, SCA Tissue North America stands alone as the single exception while all of the other companies in the industry have traditionally launched vicious attacks when their workers have tried to organize.

SFI, on the other hand, is a certification system that was created by the industry as their response to a growing demand for products that are certified as sustainable. SFI is essentially audited and policed by the industry.

For the record, we obviously support the industry being proactive and developing a rational approach like SFI. We applaud them for their efforts and give this program tacit support. That tacit support could be easily transformed into a glowing recommendation by altering the program in two simple ways. First, recognize that support for workers rights and basic international labor standards are an essential component of sustainability and a critical tenet in ensuring the safe and legal logging of our forests. Secondly, bring some additional independence and perhaps a Union voice to the SFI Board to give it even more credibility.

As one would expect, environmental organizations prefer the program that they view as most stringent, and FSC has a higher bar set for ensuring compliance to sustainability principles. However, that isn't necessarily the USW's position.

While we think that the SFI program can easily fix its shortcomings, we also see flaws in FSC that could be fixed. For example, FSC can have burdensome costs associated with it, especially for small tract owners.

But the truth is, when all is said and done, this debate isn't driven primarily by labor nor is the debate confined to national borders.

Certification arose out of the global sustainability movement and is driven not by the industry or its unions, but rather by consumers, retailers and wholesalers that are under pressure from ecologically and environmentally focused individuals and groups demanding that forest products conform to their preferred sustainability standard.

Home Depot, for example, advertises that it sells more FSC certified products than anyone else. It is not inaccurate to say that if American producers abandoned FSC they would lose shelf preference to the companies that have moved to this standard. Also, Russia, one of the world's largest sources of timber reserves, claims it is moving almost exclusively to FSC certification. Every U.S. paper company has FSC certified products and forests, not because they want to or because we want them to, but because the market demands they do. That is why making an exclusive decision to choose one system over the other is impossible for any paper company and why we, like the industry, have some level of support and endorsement for both systems.

Since 1997, the paper industry in the United States alone has lost 226,000 jobs; about one-third of all the paper industry jobs existing at that time. To our knowledge, and based on what the industry has told us, certification requirements have not been the root causes of any of these shutdowns. With that said, we clearly understand that industry would find it easier to operate with less rigid certification standards, but it also seems that neither we nor the company control that debate. However, we may be able to influence it in a way that improves both systems.

As for the reference to the Sierra Club in the original email, it seems that there is a continuing misunderstanding about our relationship with the Sierra Club. The question is related to this discussion because as one might expect, the Sierra Club supports FSC certification and pretty strong efforts to push retailers and wholesalers in that direction. As a result, some have implied or stated directly, that we should end our very powerful and successful Blue Green Alliance because of Sierra's support for FSC and of organizations that push for FSC as the single standard.

To be clear, we are not a party to the Sierra Club and they are not a party to the USW. We are simply partners in an entity that is called the Blue Green Alliance that cooperates and focuses on three issues: (1) Global Warming and Clean Energy opportunities; (2) Fair Trade; and (3) Reducing Toxics. We do not make policy decisions for the Sierra Club, nor are they involved in our policy decisions. Although we may agree on much in principle, sometimes we disagree as well.

Our Alliance has already benefited our members and could be particularly valuable to the forestry industry because forests as carbon sinks or as a source of renewable energy could be the central benefactors of our initiatives. In fact, some of our early successes include getting pro-forestry provisions attached to the LACY Act, and other joint trade work and research on illegal logging and dumping. To underscore this point, just last week through our BGA, the Sierra Club sat on a stage with the USW, a major mining supply company, and a trade advocacy group in front of 500 citizens to make a case for American manufacturing. This happened in the center of the largest concentration of paper mills in the world. That doesn't hurt paperworkers, it helps them. Likewise, the BGA has brought the members of our diverse organizations together to keep anti-union initiatives off the ballot in a number of states in the past few months.

In any case, we think that we should indeed work to ensure that any standards serve the Union agenda, aren't overly burdensome to the industry or create a competitive disadvantage, and halt illegal and irresponsible logging and worker exploitation.

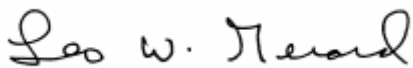
With that said, at a time of extraordinary challenges in the forest products industry, it is important that together we figure out a way to address other major issues that are at the foundation of the loss of hundreds, and sometimes thousands of family sustaining union jobs each month in our paper industry. For example, our efforts on the lightweight thermal trade case that we worked on with Appleton and Kanzaki that compelled the International Trade Commission to impose stiff tariffs on dumped imports that were robbing paper industry jobs from USW members saved hundreds of jobs. That is why it is important that in addition to the issue of certification, we prioritize a plan for dealing with the other factors that have the industry under terrific strain. Much of our ongoing work will be expanded on in coming months and highlighted at the upcoming Rapid Response Conference in February 2009 such as:

- Failed Wall Street/Government economic policies
- Failed trade policies
- The off-shoring of the pulp industry
- A gross lack of real investment in fundamental infrastructure that is required to provide jobs into the future.
- Energy Costs
- Chinese manipulation of markets
- Illegal logging
- South American and U.S. oversupply
- A world-wide recession

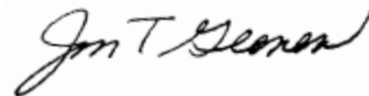
The strength and credibility of the USW is its independence and integrity. The bottom line is that from an integrity standpoint, we can't and won't shill for anyone. For us to have credibility, our positions have to be uniquely based on our values, not the industry's or the Sierra Club's for that matter. As stated previously, both certification systems have merits of their own and both are flawed as well. While we are committed to endorsing certification, we are also committed to improving both systems so they work for our members, the industry, and the environment. This we can do together.

We need to focus and work together on solutions in a constructive manner. We are committed to having a real dialogue about actions and plans to move all of us forward together. In this economy there is simply no room or margin for sitting on the sidelines. Our USW Paperworkers are a great source of activism in our union, and the sector is critical to all of our activist efforts.

In solidarity,



Leo W. Gerard
International President



Jon T. Geenen
International Vice President

LWG/JTG:jmr

c: International Executive Board
U.S. Staff Representatives