

# Pulp truth

Volume 2 • Issue 1



*Workers Uniting is the global union the USW and Unite formed in July 2008. Please copy Workers Uniting Pulp Truth front and back and distribute it during non-work time using your Communications and Action Teams, steward system, Unite Chapel Representatives and members or Rapid Response network. Be sure to leave copies in lunchrooms, break rooms, Chapel notice boards, etc. We want to hear what's happening in your workplace. Send your news to Lynne Baker at lbaker@usw.org*

## Unite Paper Workers Negotiate Wage Increases

Unite negotiated with the employers' organization, the Confederation of Paper Industries (CPI), earlier this year and won national pay increases for its UK members working in the papermaking and packaging industries.

Members ratified a 2.5% wage increase in the CPI Papermaking Sector National Agreement. The raise began Feb. 4 and affects over 2,500 employees across 20 paper mills.

Members approved a 2.5% wage increase that was retroactive to Sept. 1, 2010 in the CPI Corrugated National Agreement. Over 3,500 members received the increase.

Unite members at Georgia-Pacific's four UK plants rejected a company pay offer of 2.5% that was retroactive to Jan. 1, 2011. Following a meeting with Unite, the company decided to refer the wage matter to arbitration and contacted the ACAS, a UK government funded conciliation and arbitration service, to request mediation on the issue. The ACAS's decision is not binding on either party. The union cannot hold any kind of ballot, either consultative or official, until after ACAS makes its decision.

In the newspaper print sector Unite chapels (local unions) accepted wage increases of 2% for the Johnston Press group;

2% for the Trinity Mirror Group, with some local variation; 3% for Archant Press; and 3% for Associated Newspapers.

The British Print Industries Federation, a commercial print employer organization, advised Unite it no longer wants to bargain nationally. The national agreement covers 1,000 chapels. Unite chapels were recommended to bargain for a 5.1% wage increase (current retail price index in the UK). Unite's national officer for the GPM sector, Steve Sibbald, said it was a sad day for the industry and that Unite members in stronger chapels would fight to win a decent pay increase for 2011.

In packaging, Unite members working for the multi-national metal packaging company, Crown, rejected a 3.25% wage increase in favor of getting a higher increase through local negotiations.

Looking at overall pay trends within the UK commercial printing sector, local settlements have been between the 2%-2.5% averages. It is worth mentioning that in the UK health care discussions are not a required component of collective bargaining since, like most other industrial democracies, the UK has a single payer health care system.

## Unite Organizes Polyprint Mailing Films Limited

Unite achieved union recognition at Polyprint Mailing Films Limited in Norfolk. The government's arbitration service, ACAS, determined there was over a 55% majority of union membership in the agreed upon bargaining unit and majority support (by members and non-members) for union recognition under the UK's system for settling disputes relating to union membership.

Polyprint Mailing Films Ltd had been an organizing target

of the union for a number of years. The internal activist committee organized their Chapel and achieved voluntary recognition under extremely difficult circumstances.

"This is a good result for Unite and our members who are a credit to our union," said Tony Burke, Unite's Assistant General Secretary for Manufacturing. "Work will now continue to establish full union structures post recognition."

## European Union Imposes Duties on Chinese Coated Fine Paper

After a European Commission 15-month investigation revealed that Chinese producers of coated fine paper (CFP) exported their products to the European Union (EU) at dumped prices, the EU imposed anti-subsidy tariffs for the first time against Chinese imports.

*PrintWeek* reported in mid-May that the EU imposed anti-dumping duties of 8% to 35.1% and anti-subsidy duties from 4% to 12% on Chinese CFP imports.

The EU's action helps US CFP producers because the Chinese dumping cut into US CFP exports to Europe.

CFP is a high quality paper used for magazines, catalogues and annual reports.

The duties apply to CFP that is paper or paperboard, coated on one or both sides, in sheets and reels with basis weights of 70-400 g/m<sup>2</sup> and with a brightness of more than ISO 84.

## USW International Paper Mill Locals Negotiate Second-Generation Master Agreement

The new four-year master agreement negotiated with International Paper (IP) that covers about 7,000 workers at 15 mills creates over \$100 million in new money for USW members. On average this is almost \$16,000 per person, with an additional \$3,000 for workers who are eligible for unreduced retirement pay.

Members ratified the agreement in early May after the union bargaining committee, which had over 80 local union leaders, unanimously supported it. Local unions (chapters) were part of the bargaining process since the beginning. They discussed and created the bargaining agenda through mill-wide meetings and conference calls and mobilized support for the bargaining committee. Members received daily bargaining updates.

The agreement also covers workers represented by other unions at the mills and sets a precedent for bargaining with the rest of the paper industry. It includes wage increases in each year of the agreement, improvements to the pension and 401(k), cost stabilization for health care costs and employment security. The contract addresses wages, benefits and working conditions at the national level. Local issues are addressed separately at each location. The expiration date for the master agreement is Aug. 31, 2015.

On the expiration date of each local union's contract, workers will get a 1% general wage increase. On the first anniversary of the local contract expiration date they will receive a 2% wage increase; on the second anniversary of the local contract expiration date they will get a 1.5% wage increase; and on the third anniversary of the local contract expiration date they will receive a 2% wage increase.

Because there isn't a national healthcare plan in the U.S., workers contribute to the cost of the healthcare premiums.

They also pay deductibles, copayments for office visits and visits with medical specialists, and extra for healthcare providers outside of the network. Under the master agreement, IP workers will continue to pay 20% of the cost of the premiums and split evenly with the company any premium increase above 10%.

IP will make \$1,000 lump sum payments to employees on Jan. 1, 2012 to help with the transition to design changes in the health plan.

Effective Jan. 1, 2016, the parties agreed to increase at a minimum the multiplier for the defined benefit pension plan from \$50 to \$52 for all years of service and from \$45 to \$47 for new hires. The Primary Mill Joint Pension Council will bargain over the pension when it convenes at the current expiration in September 2014.

IP's match on the 401(k) program was improved to 50% and the company will match up to 6% of workers' contributions, effective the first pay date of 2012. The company will also contribute a \$1,000 savings plan lump sum contribution into each worker's 401(k) on the first pay dates of 2012 and 2014. Workers who are 61 and have 20 years of service during the master contract term will be paid \$1,500 on the first pay dates of 2012 and 2013.

The 2007 master contract language on successorship remains intact, but is modified by adding an addendum to local union contracts that says prior to the sale, lease, transfer or assignment of a facility the plant will have continuing successorship protection. Successorship clauses are commonly negotiated in the United States to protect workers in the event that the ownership of a plant changes. Absent this type of clause, in most sales workers are automatically sacked when a plant is sold.

## Indonesia Agrees to Stem Flow of Illegal Timber Exports

Indonesia signed a Voluntary Partnership Agreement (VPA) with the European Union (EU) in May to stop exports of illegal timber and related products. Ratification of the agreement by both parties is expected to take nine months.

Beginning in March 2013 Indonesia will only permit the export of timber products, including paper and pulp, which are licensed. Local companies that are accredited by the International Organization for Standardization (ISO) will audit 4,500 producers, processors and exporters in Indonesia.

International forest stewardship organizations will not be involved in the process. One such organization told PrintWeek that the VPA stipulates transparency of laws and access to information and that a major challenge lies in keeping it free from corruption.

The United Nations estimated that up to 88% of Indonesian timber logged in 2007 was illegally sourced. That's why it's important that the VPA be independently monitored. The VPA is a step in the right direction but the

nature of illegal logging makes it a huge problem with regard to enforcement. International forest stewardship organizations should have been included in the monitoring process.

EU countries import US\$1.2bn (£740m) of timber and paper from Indonesia, around 15% of the country's exports in the sector.

The EU plans to encourage public and private procurement policies that "recognize and ensure a supply of legally harvested timber products."

It will be difficult for producers of illegal products to circumvent the EU rules by routing exports via other countries because all Indonesian exports will be audited regardless of their destination.

Under the VPA, a company's timber exports can be suspended if people discover evidence of illegality, and local groups and individuals will be able to file complaints if they feel audits do not reflect the situation in their areas.

