

Joint Standing Committee Meeting Minutes January 24, 2007

USC: Rick Erickson, Larry Reandeau, Curt Ollila, Stu Potter, Ron Jones, Mike Bouse

MSC: Maury Shipper, Shawn Wood, Frank Walsh, Ross Procter

JSC: Both

AGENDA

Grievances: 06-33, 06-34, 06-35, 06-36, 06-38, 06-40, 06-41, 06-42, 06-43, 06-44, 06-45, 06-46, 06-47, 06-48, 06-49, 06-50, 06-51, 06-52, 06-53, 06-54, 06-55, 06-56, 06-57, 07-00, 07-01, 07-02, 07-03, 07-04, 07-05, 07-06, 07-07, 07-08, 07-09

Information Sharing – Joe Ertolacci

Other Items:

1. New Converting Equipment
2. Hourly Performance Pay
3. Inappropriate Use of Company Computers
4. Vacation Restrictions for Annual Shut-Down
5. Hourly Retirement SPD's
6. Stop Smoking Provision – Labor Agreement
7. Scrap Sales
8. Safety Coordinators – 180 Day Extension
9. Crane Operators
10. 205 Maintenance Grievance Settlement
11. ABT Converting
12. Steam Plant Pool
13. Work Review Sheet
14. Employee Discipline Form
15. Employee Discipline Upgrade
16. Vacation Sign-up

06-33: MSG Employee Displaced

USC: Wants to know if this has been paid? MSC had agreed to pay 1 hour OT and a Call Time.

MSC: Will follow-up and make sure that the Senior Operator gets paid.

06-34: Converting Rolled Crew – Violation Section 1

USC: Going to 4th Step. Need to verify date in February.

MSC: Will double check the date.

06-35 & 06-36 Converting Rolled Crew – Violation Section 1

MSC: Still working on settlement.

06-38: MSG Employee Displaced

USC: This had been referred back to 1st Step to be resolved.

MSC: This has been combined with grievance # 06-33.

USC: Will this grievance also receive 1 hour OT and a Call Time?

MSC: Will double check to see if both of these have been paid.

06-40: Contracting Out

USC: Had sent a letter requesting that this grievance be taken to 4th Step, but we did not hear this when Curt Christianson was here.

MSC: Will check to see if we received this letter.

06-41 & 06-42: Contracting Out

USC: Company has agreed to resolve this grievance. Would like a timely conclusion.

MSC: Agreed.

06-43: MIS – Salaried Employees Performing Hourly Work

USC: 4th Step. Scheduled for February.

06-44: Employee Call Time Removed

USC: If the MSC will agree to note on the schedule “Quarterly meeting, no Call Time payable” when a meeting is to be considered a Quarterly Meeting, we will withdraw the grievance.

MSC: Agreed.

06-45: Contracting Out

USC: 4th Step. Scheduled for February.

06-46: Contracting Out

USC: 4th Step. Scheduled for February.

06-47: MIS – Salaried Employees Performing Hourly Work

USC: Waiting for answer.

06-48: Improper Discipline

USC: Withdrawn

06-49: Ladder Change in ABT.

USC: Asked for proper pay for operators in ABT whose job titles changed but were doing the same duties, until job analysis can be conducted. Hopes that employees are being properly paid. Waiting for an answer.

Joe Ertolacci: Believes that Craig has paid this. Will eliminate Skill Builder position and replace with Work Process Leader position. Now that this has been determined, their duties and responsibilities will change. This will be communicated.

06-50: Improper Call-In

USC: Joe was supposed to communicate with the crews. Jim Ford had agreed to pay this grievance. We do not know if this has happened.

MSC: Management will respond.

06-51: Employee Called-In on Floating Holiday

USC: Employee was on a Floating Holiday. Employee was called-in for to come in 4-hours early. Claimed he told the CR Attendant that he was on a FH. CR called him 2nd time and he came in. Employee was not paid the penalties. Management was supposed to investigate with the Clockroom and respond. USC wants to see the Clockroom's call-in sheets/records.

MSC: Will hold timely and will investigate.

06-52: Contracting Out

USC: Contractor (Kynsi) painted speed bump without authorization from anyone. USC requesting 1 hour pay for two Paint Crew employees contending that Union employees should have been the ones to paint the speed bump.

MSC: If we had a contract for a vendor to do the work, then we would be liable. If we didn't and someone painted it without our knowledge and not at our request we cannot be held liable.

USC: Union holds management responsible for the contractors brought in to the mill.

MSC: Will pay 1 hour pay to 1 painter.

USC: Agreed. Would like the pay to go to the Senior Painter. Grievance resolved.

06-53: Contracting Out Notification Violation

USC: Maintenance work contracted out without notification to the Mechanic's Committee.

MSC: MSG did the excavating work. Harder Mechanical did the pipe work. This is as stated on the Wauna Mill Maintenance Work Review Sheet. Proper notification was given.

USC: Still believes that there were problems with notification. Will do more investigation, and respond. Would like a copy of the Review Sheet, the PO, and when the contract was signed with Harder. USC appreciates the mill using the MSG crew to do the excavating. Hold timely.

06-54: Contracting Out

USC: Work was being done in the old Goundwood Mill. Contracted out as #7 Paper Machine Project work. Would like the effected maintenance employees be made whole.

MSC: Denied.

USC: Will take to 3RD Step.

06-55: Contracting Out

USC: Work being done on bollard between Unitizing and #6 PM. Contracted out as #7 Paper Machine work. USC doesn't feel this was #7 PM work. Would like a copy of the Review Sheet, the PO, and when the contact was signed with contractor.

MSC: Denied.

USC: Will take to 3rd Step.

06-56: Contracting Out

USC: Withdrawn

06-57: Contracting Out

USC: MIS Maintenance work contracted out without review. Cameras installed for #7 Paper Machines.

MSC: Questioned if this falls under the #7 PM Project.

USC: The real issue is notification. We don't argue that the mill can do this; we just want to be notified and have the opportunity to respond.

MSC: Need to investigate. Hold timely.

07-00: Senior Employees to Work on Holidays

USC: Napkin area wants to be scheduled for holidays strictly by seniority.

MSC: No. As per the JSC minutes on August 23, 2006, we will staff by seniority, by classification as we do in all parts of the mill.

USC: Understands. Withdrawn.

07-01: Contracting Out

USC: The original removal of this piece of equipment was brought to the Mechanic's Committee. The machinery was supposed to go to Muskogee. The equipment was not shipped but stored in Converting. Then the mill decided to keep the equipment, but we were not notified of the work to reinstall the equipment in Converting.

MSC: Disagrees. Believes proper notification was made.

USC: Reviewed copy of the Work Review sheet. Everything seems to be in order. Grievance withdrawn.

07-02: Contracting Out MSG Work

USC: Outside Landscape Crew doing the grounds maintenance work are not members of Local 1097. There are no provisions in the Labor Agreement to contract out operations work. MSG is considered operations work. Clear violation of Section 1. Also, violation of A-2, Q –

Notification: that section of the contract does not apply to operations. We have an agreement in our Contract that all work done within the gates of the Wauna Mill, with the exception of maintenance work we have negotiated, is the work of Local 1097 employees.

MSC: Will review. Hold timely.

USC: We pointed out this issue in November. Would like to know who made the decision to go ahead with this?? We were clearly told when RT started that our Labor Agreement would be honored.

MSC: Wants to know what the Union wants.

USC: Protection of our work in the Wauna Mill. We want settlement made to Labor Pool employees for work already done, and members of Local 1097 doing the grounds maintenance work.

MSC: Would the Union entertain negotiations around contracting out the grounds keeping work?

USC: The USC cannot enter into negotiations on this or any other issue. We have a binding contract through March 31, 2010. As a point of interest, this work can be done on an as needed basis by the Labor Pool and not necessarily by a particular crew.

JSC: Neither party is will to open the contract for further negotiations.

USC: Still wants to know who made the decision to contact out this work.

MSC: Will discuss with other management personnel. Hold timely.

USC: Also have concerns that the contracted employees do not speak English, and do not have an interpreter with them.

07-03: Contracting Out

USC: Had a work order for our people to do the work. When they went out to do it, the work was already done.

MSC: If you look at the clean list it says “glass replacement, except plexi-glass.” There was no ill-intent. Thought we were working in good faith. Sat down in Mechanic’s Committee last Friday to clarify the language.

USC: This should go to the Standing Committee, not the Mechanic’s Committee. If it comes to any interpretation of language or what is on the clean list it should come before the JSC.

MSC: Should we bring the suggested revisions to the clean list to the JSC?

USC: Yes

USC: Even if an item is on the clean list, each job should go before the Mechanic's Committee for notification.

MSC: Disagrees. When items are on the clean list, a blanket notification is given quarterly for work to be done. Believes that proper notification was given. Grievance was denied.

USC: Will take to 3rd Step. Still wants to know why a work order was written?

MSC: Will need to investigate.

07-04: MSG Work

USC: Have concerns that other MSG work will be contracted out, i.e. Kynsi trucks doing hauling instead of our employees doing the hauling, etc...

MSC: This has not happened.

USC: This is more of a concern than a grievance. As you are aware of these concerns we will fold this grievance in with 07-02. This grievance will be withdrawn.

07-05: Contracting Out

MSC: This falls under #7 PM Project. Telephone line and cable that was pulled out for PM 7 Project.

USC: Was this reviewed? Had initial review when they sat up the big trailer. This was not reviewed.

MSC: Was part of the #7 PM Project as presented by Price Howard.

USC: Will investigate. Hold timely.

JSC: Will conduct a special JSC meeting after the Wauna Council meeting on February 13, 2007 to further discuss all grievances around the #7 PM Project to see if these can all be resolved.

07-06: MSG Crew Work

MSC: Maintenance employee operated the tele-handler because MSG operators were busy. Special certification is not required to operate this equipment. MSG employee instructed the maintenance employee how to operate it. Maintenance employee has a hyster operator license and a crane license.

USC: If employee has the right certification to operate the machinery will withdraw this grievance.

MSC: Will investigate what licensing is involved and respond.

07-07: Call-in Procedure for Maintenance

MSC: There was some confusion around who to call-in after the East Side Maintenance crews were combined.

USC: The call-in procedure has been in place and refined in the JSC, and we have been working under that process. We were told that once the crews were combined that we would be notified how the call-ins would work. This has not been done.

MSC: In this particular case we did call in two of the three members from the old crew, but missed the third one before we started calling in others. It is in our best interest to call-in people from the areas in which they work, but we don't want to be bound to this.

USC: We are agreeable to work with the MSC on what works best, but once it is run through the Standing Committee we consider it binding, and we will communicate those changes to maintenance personnel.

USC: Would like to offer a resolution to this and other similar grievances. Pay those grievances that we now have in process that pertain to violations of the current call in procedure. We will then lend you Mike Bouse and Ron Jones to work through getting the call-in process fixed before anymore grievances are filled.

MSC: This particular grievance will be brought back to 1st Step and paid, as well as the Jim Carver grievance that was answered at 1st step and will be paid also. Resolved.

Grievance 07-08: Progressive Discipline

USC: First time Union has filed a grievance under the Code of Conduct. Disciplining an employee for an environmental excursion, when the employee was following supervisor direction, is not acceptable. The employee was a junior employee, moved up to the next step in the ladder. The SOP requires that this task be performed by the Recovery Operator, Assistant Recovery Operator and the Junior Assistant. While he had done the job before, it had been under the guidance of a trainer and the Recovery Operator and/or Assistant Utility Operator. No communication also led to the events that eventually caused the excursion. Had the supervisor communicated the fact to his whole startup team that he had instructed an employee to de-isolate the system, the excursion wouldn't have happened. Union feels that this is a violation of the Code of Conduct. The Supervisor in this case did not complete an investigation, nor did he report that the employee was working under his direction. If the supervisor had involved all the appropriate operators, this situation would have never occurred. Requests that the discipline be removed from the employee's file.

MSC: Violation of an Air Permit is very serious matter for Koch Industries. Taking immediate action to modify/reword/clarify procedures is necessary when something like this occurs. The employee admits to the mistake. Does not think the discipline should be removed.

USC: We clearly understand the importance of staying in compliance. The problem is not that the employee made a mistake, but that he was working under the direct supervision and direction of a manager. The employee followed the manager's direction and the existing SOP - and because of this incident the SOP has already been rewritten. If the manager had done his job and involved the appropriate employees and communicated to everyone the work that needed to be performed, this would have never happened. It's not right to discipline the employee and then not hold the manager accountable for not following the SOP and the lack of communication and the error in direction.

MSC: Employee did not follow the SOP.

USC: Didn't the SOP say that this was a three person job? He had not done the job alone. The chain of command was broken by management. If everyone had been communicating, this probably would not have occurred. Also, this is not the first time this particular supervisor has instructed an employee to open a valve without communicating the fact to the startup team.

USC: In this area of the steam plant, we are very disappointed that the safety conditions have not been taken care of in a timely manner. Will take this to 3rd Step.

USC: Who conducted the investigation of this matter?

MSC: Nils Roehne conducted the investigation under the direction of Frank Walsh. Nils met with employee. Employee declined a shop steward.

USC: Requests Nils Roehne's notes from the investigation.

MSC: Can we require that a shop steward be present?

USC: No, but we highly recommend the employee ask for a shop steward; and you can get an additional supervisor/manager in the room to take part in the discussion.

USC: In addition, any time we have an environmental excursion, the Union wants to be involved or wants to be able to conduct our own investigation of the matter.

Grievance 07-09: Remove Employee Name from All Investigation Materials

USC: Wants the employee name removed from any and all documentation from this excursion.

MSC: Curious what the 1st Step answer was. Won't be able to change anything that has already been filed with the state. Can remove from any internal documentation. Will follow-up.

USC: O.K. Resolved.

Information Sharing - Joe Ertolacci

Wants to share some things he has been working on.

1. Communication. It is clear that Union employees want more communication from Senior Management. Will be attending JSC Meetings.
2. Additional communications during safety meetings.
3. Will be relocating office out in Converting area to be closer to employees.
4. We had resolved the issues by stationing employees to pull bad paper towels off the lines. Now had an employee complain of soft tissue injuries. Addressed immediately. Are going to 4 people per line, rotating 2 on, 2 off every 30 minutes. If we cannot do this safely, we will cull the paper.
5. Very pleased that we have made significant progress with CHEP.
6. Sinclair Group – Have done numerous Town Hall meetings and have gathered a lot of information around the work processes and the gaps. Will be getting together tomorrow

to put all the issues on the board and get a plan together to prioritize the issues and get improvements made.

7. Have been given approval to keep the position of “Work Process Leaders”. However, we will have to achieve the headcount reductions that we have committed to.
8. Converting Transformation team has identified 28 initiatives to further enhance Converting Operations. Will share these with the Union, and discuss how we can communicate.

USC: Again, believes that the Wauna Council was the best venue to discuss these types of things, and to get the communications out.

Other Items:

1. New Converting Equipment

- **MSC:** Shared Organizational Update from James Jordan address new equipment coming in to the Mill.

2. Hourly P-Pay

- **MSC:** Clarification on p-pay as it pertains to absenteeism and discipline. The mill will run reports showing all employees absenteeism on 12/31/2006 (rolling calendar year 1/1/2006 – 12/31/2006). Those with absenteeism over 1.6% will not receive p-pay. Those with a written reprimand or above during the six month period of time (7/1/2006 – 12/31/2006) will not received p-pay. This process will be reviewed for 2007.

3. Inappropriate Use of Company Computers

- **MSC:** Have had issues with people who have accessed the inappropriate sites on the company computers. Just to reiterate, this will not be tolerated.

4. Vacation Restrictions for Annual Shut-Down

- **MSC:** Vacations will be restricted the week of May 14th, for Maintenance, Storeroom and East Side Operations.

5. Wauna Hourly Retirement SPD's

- **USC:** Have requested Wauna hourly SPD's in every way we can think of. Under ERISA the company has 30 days from the time the request is made to supply the document or they could be fined \$110.00/day for every day that it is not received beyond 30 days.
- **MSC:** Will take this concern to Atlanta the week of February 5th and try to find why we haven't received it.
- **USC:** Feels that this is a violation of the Code of Conduct and we expect the company to comply with the law.

6. Stop Smoking Provision – Labor Agreement

- **USC:** Some employees have been told that the Stop Smoking benefit has ended.
- **MSC:** Have reviewed and agree that this was not negotiated out of the contract.

7. **Scrap Sales**
 - USC: Scrap sales were eliminated for employees. However, we believe that contractors are helping themselves to scrap. We would like to have this perk back.
 - MSC: This is a Koch policy. If contractors are taking materials off the mill site, they are stealing from all of us.
 - USC: The Company needs to monitor this more closely.
8. **Safety Coordinators – 180 Days**
 - USC: Agrees to extend 180 days to 1 full year.
9. **Crane Operators**
 - USC: Would like to bring the crane operators into the A-2 package.
 - MSC: Agrees to work toward this.
10. **205 Maintenance Grievance Settlement**
 - USC: The Company still owes the Union some concrete work at the Union Hall. Would like to get that done.
 - MSC: Will get this scheduled.
11. **ABT Converting**
 - USC: Terminated a Head Adjuster in ABT and have not Blue Slipped the employees below him up.
 - MSC: Will discuss with Kay.
12. **Steam Plant Pool**
 - USC: What is the status?
 - MSC: Has not been completed yet. Will bring to the JSC before it is implemented.
13. **Maintenance Work Review Sheet**
 - MSC: Made a few minor adjustments to the flow chart. See items 8 – 12 in attachment. Also added page 4 for clarification.
 - USC: Reviewed. Looks like a good upgrade.
14. **Discipline**
 - USC: Have seen the word “insubordination” in disciplinary notices as of late.
 - MSC: This was added to the form when the standardized form was created and we plan to keep it there.
 - USC: Whose responsibility is it to pull employee discipline after 1-year?
 - MSC: The employee is responsible.
15. **Employee Discipline - Automation**
 - MSC: Currently working with Mike Huff to automate the employee discipline process so that a form will be filled out on line, printed and signed by the supervisor, a copy given to the employee and Shop Steward if appropriate, the original will be filed in the employee’s file, and all appropriate parties will be notified via e-mail. This will facilitate continuity of the discipline process, and timely notification to all parties.

- USC: Sounds like a good upgrade.

16. Vacation Sign-Up

- MSC: Kay Crist will standardize the vacation sign-up process so that it is uniform throughout the operations work force.
- USC: O.K. With that.

Special Joint Standing Committee Meeting:

Next Joint Standing Committee Meeting: February 21, 2007 - Personnel Conference Room

for the Union

for the Company

Date

Date