



Communications, Energy and Paperworkers Union of Canada

Chinook Local 630

Paper Break

Elk Falls, Campbell River, BC

Local 630 1st Vice—Brent Reid

I have been in Prince George and Vancouver sitting at the main wage table for the last three weeks. As usual bargaining started off slow as both the C.E.P and the employer went through their wish lists for this contract. It soon became apparent that CPLP (Canfor) was embarking down a road with the PPWC that differs from our agenda. We have made it clear to the employer that pensions and severance issues are at the top of our agenda. The employer is asserting that any changes to the agreement will be at no cost. Meaning, we can have gains in severance, and health and welfare if we fund them from things like but not excluded to the trigger bonus, banked time, selling of vacation time, and call time. They also demand that the code of ethics be amended to make it less restrictive to have non union contractors in the mill. As most negotiations go, talks broke off and the local unions have gone home to take a strike vote in hopes of moving the process along.

The week of June 16 is scheduled for bargaining with the Howe Sound (Canfor) group. Previous discussions with this group have followed a surprisingly similar process as that of CPLP in Prince George.

Back at the mill more doom and gloom is the message. However we have tabled a couple of suggestions to allow the training of displaced members and get the most junior people out of the mill first. We also want to work in a plan that runs all the mill assets. The company's response to this is that's a good idea but first we need to work on this. The company continues to dampen any attempt to look at anything other than a two machine mill. We will continue to push and not give up.

The company has shown us their first brush at a mathematical version of a two machine, \$80 per ton sight and it is very lean. Quite frankly it is scary. I hope that with the two locals working together with our management group we can change the road that the board seems to be on. We think that some of the decisions being contemplated right now are a mistake and more value could be ascertained for both the company and the union if we take a different road. It is my belief that if we shut down quality assets now, in just a short time we will be sitting around saying that damn we shouldn't have done that. As we say about the sawmill, cogen, our fibre supply the list goes on. With any luck we will work through this difficult time.

In Solidarity, Brent Reid

Paper & Forest Products Industry

Barking Up the Right Tree

Investment Thesis

Canada's forest products sector has underperformed for more than five years. The cumulative effects of significant cost pressures (fibre, energy, chemical and transportation), the high Canadian dollar and the recent U.S. housing collapse are only partially offset by a rise in some forest product commodity prices. While we do not see an immediate reversal of these negative fundamental factors, we believe there are good investment opportunities in select paper & forest product companies. In essence, the "negatives" appear to be well priced into current levels. In our view, a number of forest product companies are attractive not only on a relative basis, but also on an absolute basis. We anticipate attractive short-term returns for newsprint-leveraged companies and substantial upside potential for many of our companies looking beyond the next 12 months. But you have to pick your tree stocks carefully!

Stock Picks

- **Outperform:** We recommend investors buy **Acadian Timber, Fortress Paper, Mercer** and **TimberWest**. In the short term, we also like the risk/reward ratio of **AbitibiBowater, Catalyst Paper** and **Norbord**, based on our expectation of significant commodity pricing momentum.
- **Underperform:** We believe **Canfor, Louisiana Pacific** and **West Fraser** are overvalued at this time, given the weakness expected in the U.S. housing market and their high relative valuations.
- **Sector Perform:** We rate **Domtar, Cascades, Canfor Pulp** and **Interfor** Sector Perform.
- **Preferences:** On a risk-adjusted basis, we prefer the following names within their respective sub-sectors: Catalyst Paper over AbitibiBowater in newsprint; Norbord over Louisiana Pacific in panels; Domtar over Cascades in paper products; and West Fraser over Canfor in lumber.

Sector Outlook

Over the next 12 months, the combination of: 1) significant cost inflation; 2) weak economic conditions, precipitated by the collapse of the U.S. housing market; and 3) continuation of a high Canadian dollar is likely to keep pressure on the industry's weak fundamentals. We are not forecasting a quick rebound for the U.S. housing market; in fact, we expect falling home prices and rising foreclosures will lead to another drop in housing activity and that the eventual recovery is more than 12 months away. As bad as building material markets are, the substantial capacity rationalization is setting the industry up for a stronger recovery when it does occur. In



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Articles appearing in the Local 630 Paper Break express the views and/or opinions of the authors. They are not necessarily the policy of the CEP or views shared by the Editor or Local 630 Executive officers. In submitting copy or photos, contributors should note if they wish material to be returned. The Paper Break attempts to give coverage to Local, Regional, Provincial and National matters, pertinent material will be held for the future if space is unavailable in the current issue.

Recording Secretary — Adam Swain

First off, I would like to thank the Local for sending me to Provincial Area Council in Kamloops. I had the opportunity to meet with Locals from all sectors of the CEP and discuss issues that affect us all. These brothers and sisters work in a wide range of industries ranging from oil refineries, television, secretarial, pressrooms, and of course pulp and paper.

Our 1st Vice President Brent Reid didn't waste any time during the "Bear-Pit" session criticizing the Rank and File members present for resolutions made in the past regarding progress in developing the National's moving policy. Brother Reid will be running for Rank and File this October at the National convention.

Mark Cameron (Council President) gave a presentation of CEP's new media capabilities. With the aid of a new high end video camera, Mark plans on documenting CEP events and distributing them through outlets like you tube and facebook. Links to these videos can also be found on the Nationals website.

Local 601 gave a presentation regarding the dispute between Local 175 and Petrocan in Montreal. Petrocan is spending over a million dollars a month in security for that site. Also the Gateway and Keystone pipelines (under construction) coming out of Alberta directly to the U.S will cost over 18,000 Canadian refinery jobs. Same scenario as raw log exports, under the NAFTA. Lastly, the members of CEP Local 10-B in Kamloops did a great job hosting Area Council. Be sure to stop by their hall if you are even rolling through Kamloops (they have a bar).

Canada wants public services — CUPE/CALM

A new study shows a majority of Canadians trust their municipal government more than private corporations to deliver public services.

Respondents to the survey—conducted by Nanos Research for the Canadian Union of Public Employees—were given nine public services and asked who they would trust more to provide the service: their municipal government and its employees or a private corporation.

A majority said they trust their municipal government more for all nine public services: sewage treatment (75.8 per cent), drinking water treatment and delivery (75.5 per cent), community and social services (75.1 per cent), maintenance and upkeep of parks (69.4 per cent), public transit (68.6 per cent), road maintenance (64.7 per cent), garbage and recycling services (64.6 per cent), recreation facilities such as rinks and swimming pools (64.5 per cent), and electricity generation and distribution (60.6 per cent).

73.7 per cent of the respondents said they believe municipalities should provide and operate public services on a not-for profit basis over for-profit corporations providing and operating municipal services.

The same study found the vast majority agreed (87.6 per cent) or somewhat agreed (9.0 per cent) that public services like drinking water, sewage treatment, garbage and recycling services, road maintenance, and recreation facilities play an essential role in their community.

Support generally cut across all regions. The intensity of support was notably high in Ontario, Western Canada, and Atlantic Canada

Standing Committee—Nevin Marsh

Being a part of the E1 Restructuring Committee has been the most difficult task I have encountered in my 15 years here. For those who get laid off in the coming weeks I wish you well and remember that your career at Elk is not over yet. It would be wise that you retain your recall as long as you can and refer to your collective agreement for specifics.

This process was not easy for anyone and I can assure you that your executive has been in your corner every step of the way.

For those around or below the cut line you run the risk of simply running out of work once everyone displaced is trained and jobs are eliminated. This is going to take some time and effort to make sure it is done with respect to seniority rights and safety. Your clock for your recall and benefits starts on your last day worked and restarts for every shift you get thereafter. Your executive is distributing information about opportunities pertaining to laid off forestry workers in the area of government funded education and retraining. I wish you all the best.

I want to make it very clear what your executives' role is in this process. It HAS NEVER and WILL NEVER be the unions' role to downsize. Everyone knows that these cuts go beyond E1s labour costs, however, if management wanted to try and run with 200 less people that is THEIR RIGHT. Our role is to make sure that they downsize by the book with dignity and respect. We also want to ensure that productivity is not compromised and the operation is still viable for our members that remain. Time will tell if this restructure works or not. This round apparently only gets us back to 106\$/ton and Richmond wants 80\$. It's my belief that the only way to get to 80\$/ton labour is to start E1 up. As I write this I see a glimmer of hope. Pulp and Paper prices are rising most likely due to consolidation. This makes it harder for them to idle production.

Respectfully, Nevin Marsh

Cont... Canada wants public services — CUPE/CALM

the interim, we believe that the share prices more than reflect the fundamental picture and there are attractive investment opportunities in selected forest products stocks.

Commodity Pricing: Building products and paper to remain weak, but pulp and timberland are bright spots. Of the main forest product commodities, we like market pulp and timberland. In the short term, we believe newsprint's unprecedented pricing momentum outweighs its medium- and long-term risks. We remain very pessimistic about the potential for any short-term recovery in lumber, OSB and plywood. We are neutral on UFS, groundwood papers, tissue and containerboard, with the view that pricing gains will be offset by rising fibre, energy, chemical, and transportation costs.

Consolidation: Opportunities for take-outs and small asset acquisitions. There exist a number of consolidation or merger and acquisition plays in the forest products sector. Within our coverage, **Acadian Timber**, **TimberWest** and **Norbord** are the most likely takeover candidates. We think that **Canfor**, **Fortress Papers**, **Interfor** and **West Fraser** will all continue to grow through acquisitions.

Local 630 Safety – Ian Creaser

Hello everyone. I'd like to start by apologizing for the lack of contributions to the union News letter. I've been thrown headlong into this position and have been spending a lot of this time learning the ropes. That being said I am hoping to write something on a more regular base from now on.

Since obtaining the position of 630 Safety Rep. a lot has changed in this Mill, as well Timber West, which has changed the culture and atmosphere in the work place. I truly believe there hasn't been a person or aspect of this mill that directly, or indirectly, feel these changes. This Mill has never faced the likes of these situations that are hitting us at this time. Safety has also inversely been affected by these changes. Doing more with less has threatened our ideals of Safety First, and some might even go as far as to say that like everything else in this Mill safety is on a budget. Workers (Staff and Hourly included) are trying to come to terms with rapidly changing duties and job procedures, and while they are stretched tight doing the work loads thrown at them, keeping the focus on safety first is sometimes being lost in the shuffle. At this point I would like to extend my sympathies to the members and families that are being affected by the downsizing. It is something is extremely stressful as well as hard to swallow.

Keeping on top of issues has been aided from all the members that have been willing to speak up to their Safety Reps. This increases our abilities as Reps. to deal with issues, hopefully, in a timely and constructive manner. The members who raise they concerns are a big help dealing with issues that need resolving, as some of the areas I have limited knowledge of the day to day operations. So be it the transfer of SO2 controls, working alone issues in Finishing, roll pushing on #5 PM, any information we get might help in the resolution of these concerns and is appreciated. Please feel free to keep raising concerns to me either in person, on the job, or by email and I will respond to you as quickly as I can.

I would like to thank the membership for the opportunity to attend the Western Region Joint Health and Safety Conference. The 5 days I spent there gave me some valuable insight into the times that this work place shall be facing in the coming years, and also confirmed my thoughts that what we face at Elk Falls isn't an isolated phenomenon. It seems these days the flavor of the times is to do more with less. While the companies have the same, if not higher, expectation of output and higher standards being met. To this all I can say is only time will tell, and good luck with that.

The first half of the conference was spent on the union side of things, and the first day was the reading of reports for all the job sites. After a very short period of time it became clear there was a common themes being brought up time and again. Issues like: Downsizing leading to all sorts of problems with working alone, company responses of lack of funding for safety items, aging work forces becoming more of an issue, downsizing causing training issues, near misses are almost becoming a standard throughout the companies, and most disturbing to me moral and stress levels seem to be at an all time low. 630 was represented by Dave Farrant, who delivered our report with a ton of passion. On the second day we had several speeches from different people. We had

Local 630 Safety – Ian Creaser

a rousing welcome from Jim Sinclair who told us about the way the government has eroded the Forrester Industry in B.C. even though it is still a viable industry, and that we should be campaigning our MLA's to sweep changes back in favor of the workers of B.C..

A keynote address from Sarah O'Leary "How are you doing?" which lead into a great talk from Val Lougheed on "Trauma, Rehabilitation and Recovery". Val's speech was very moving as she had suffered through a very serious car crash, and related to us all the different aspects of what a person goes through after a serious accident. Physical recovery is just the beginning. There are psychological, social and whole other hosts of hurts to survive through. This again was a great lead into a Panel discussion on "Is the WCB working in your Province" where representatives from different provinces related their issues of the eroding organization that is now Work Safe. We ended the day off with a talk about the effects of Shift Work, and let's just say that they keep coming up with information that confirms the ill effects of that type of work.

The union Workshop I attended was 'Is the Workers' Compensation System working for your members" given by Deborah Payment. Let's just say that things have gone south since 2002. In fact since 2002 a lot of things have gone such as: Life time pensions were eliminated, One –third of B.C.'s workplace health and safety regulations were eliminated, along with contracting out of first aid, and rehabilitation services to for-profit companies. These types of things along with a \$65 million dollar automated claims computer program, and other things give indications, despite WCB denial, that privatization could be on the horizon. A clear case for me to see that since 2002 there has been a decided shift in the balance of fairness has slipped onto the side of the employers.

The company half, which was really only a day and a half, was opened by a Key note address from Dr. Graham Dickson "The future is so bright, you gotta wear sunglasses". For the Workshop I attended "The Donut and Potato Theory of Leadership" and I have to say I was able to get more out of this than what my expectations led me to think I would. I will spare the details (I know you're probably saying I've gone into too much detail already) other than to say it was about being an effective leader through caring, cultivating, connecting, creating, and change. Dr. Graham Dickson gave the workshop and was an engaging talker. Also despite the Workshop being 80% staff (Mr. Johnson included) it wasn't at all anal, and was quite a relaxed atmosphere.

So in closing I would like to encourage all our members to work safely and keep their minds focused on the jobs at hand. It's no longer as friendly an environment to be hurt in, and if you happen to be one of the workers that is or could possibly in the future be facing layoffs, it's more than ever important to take the extra time and make sure we do things that much safer. I know most of the front line supervisors feel the same way, and would actually encourage you to take the extra time, so that we stay focused and safe.

Thanks to anyone that actually reads this and take care.

Ian Creaser



For all the latest news, events and information please visit

www.cep630.org

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Canadian Labour Congress: www.clc-ctc.ca

BC Federation of Labour: www.bcfed.com



The Sudoku Corner

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More oil for the U.S.: Canadian needs jeopardized — CEP/CALM

The federal government has turned its back on Canadians' energy needs, and on the potential for thousands of jobs, by approving two more controversial pipelines for unprocessed bitumen to flow to the U.S., says Canada's largest energy union.

The Communications, Energy and Paperworkers Union of Canada petitioned Cabinet to overturn the National Energy Board's (NEB) approval of the Enbridge pipelines in March, based on research that proves the pipelines jeopardize Canada's energy security and economic development. CEP president Dave Coles also met with members of the Standing Committee on Natural Resources, which had tabled a motion calling on the government "to delay rendering a decision on The Southern Lights and Alberta Clipper Expansion Projects until the committee had reviewed all the implications..."

"These pipeline approvals undermine our energy security and make Canada's tar sands little more than a giant open pit to extract bitumen on behalf of American refineries. The NEB is supposed to protect the public interest but is clearly a non-player—a puppet of government and the oil industry."

At issue are two Enbridge Pipelines Ltd. pipeline projects: The Alberta Clipper may send up to 450,000 barrels per day of bitumen to the U.S. midwest with future extensions reaching to the U.S. Gulf Coast, and the capacity of this pipeline can be doubled.



The Southern Lights pipeline, described by some as a "bitumen export machine" brings "diluent" from the U.S. to Alberta to be mixed with bitumen so that it can be piped to U.S. refineries

The Backside — Sean Cramb

Remember June 2007? Gasoline was hovering just over a dollar a litre, the loggers were getting ready to serve strike notice and Paris Hilton was doing hard time. The good old days? Since then the calendar on the fridge has shed 12 pages, the kids have grown a couple of inches and I now have more of my skull exposed to direct sunlight.

Time seemed to pass at a regular pace, until a few weeks ago when Standing Committee began meeting almost daily with management. And out in the mill, fragments of facts floating around lunchrooms, mutating into rumours. Rumours that sound a heck of a lot better than the facts do!

All this talk of \$80/ton, a two machine operation with a skeleton crew of aging baby boomers, I just cannot see this plan working. Management has shown us the big 80t stick, now when are they going to dangle the carrot? Back in December Catalyst rehearsed this show in Alberni, where it debuted to a less than enthusiastic crowd and received a lot of bad reviews. But being the only show in town, they managed to fill the theatre. And now this low-budget production has made it to our side of the island.

So we have sat through Act One, where we saw the villain tie the damsel to the train tracks... is there a steam train coming? Depends. Can they afford the coal?

Support your union, come to meetings!