
From: Nachbar, Nick

Sent: Monday, February 22, 2010

To: PS WA L AllWallulaUsers

Subject: Update

Attachments: Implementation Details for Employees Jan Offer_022210.pdf; Pension-Healthcare Strategy Feb 19.pdf

Attached is a message from me detailing what parts of the last contract offer will be implemented at 1 pm PST today as well as a document from Virginia Aulin, Vice President of Communication and Corporate Affairs, with information about our company's strategic direction regarding pension and health care. These documents will also be mailed to your home address. If you have questions about any of this information please contact John Perez. Please continue to remain focused on your and your coworkers' safety. Thank you.

Nick

2/22/2010

February 22, 2010

To my fellow employees:

I was disappointed to learn that the members of Local 69 voted down the company offer that the union leadership had unanimously recommended. The union and the company have been working diligently to reach an agreement. But after 11 months of meetings, the efforts of a federal mediator, and the company making ongoing changes in three offers, we have still not been able to reach an agreement.

Because of these facts, we believe we are unable to propose an offer that would be voted in by Local 69 members. The company notified Ken Smith of the union negotiating team that we are at impasse with our negotiations and that we intended to implement our offer of January 28, 2010 – effective at 1 p.m. Pacific time on February 22, 2010. We asked Ken to share with us any reasons that we are not at impasse. We have not received a response that leads us to believe we are not at impasse.

When we made the offer that was voted down in February 2010, we clearly stated at the table that if the offer was voted down, the items contingent upon ratification would not be available and that we would declare impasse and implement the offer from January 28, 2010. The union's bargaining team indicated that they understood and appreciated everything that the company had done. The company also expressed appreciation for the efforts of the union negotiating team. Unfortunately, it was apparently not enough.

I want everyone to understand what implementation means. The details on the attached pages outline what goes into effect when we implement our January 28 offer. **It is important to note that the items contingent upon ratification will still be available if the union decides to ratify our January 28 offer.** I hope that you consider this option.

We have been working hard to reach an agreement that is fair to employees and that will help ensure the long-term viability and competitiveness of Wallula and Boise Inc. We remain committed to bringing this to a mutually-beneficial resolution, with your help.

Nick Nachbar
Mill Manager

Wallula Implementation effective February 22, 2010

These are the items that **the company is now implementing**:

- The general wage increase schedule:
 - 2.0% increase effective March 15, 2010
 - 2.0% increase effective March 15, 2011
 - 3.0% increase effective March 15, 2012
- The pension freeze, which means that each employee retains all pension benefits accumulated up to April 30, 2010, but will not get any additional pension benefits for future service;
- The new healthcare deductible of \$350 per person with a \$700 cumulative cap (which we will make effective April 1, 2010, following an open enrollment in March). Under the aggregate family deductible, eligible healthcare expenses from any covered family member will apply toward the family deductible cap.
 - The deductible increases to \$500 per person with a cumulative cap of \$1,000 effective 2012.
- The new health care plan (including dental, vision, and prescription drugs) effective January 1, 2011;
- The disability language on life insurance. If disabled at age 61 or under, coverage continues only to age 65. Over age 61, benefit duration is subject to the schedule detailed in our item 7;
- The language changes but not the wage adjustments detailed in our item 10;
- The changes to lay-off status detailed in our item 11;
- The change to Section 8 wages regarding new hires to \$13.29 for 3 months; and
- The 14 tentative agreements that we have agreed to during the bargain detailed in our item 14.

These are the items that will not be implemented because they were contingent on the contract being ratified. These will still be available IF our January 28 offer is ratified:

- The additional 3% company contribution to the 401(k). All eligible employees would receive the contribution regardless of whether they contribute to the 401k plan. Increases to the 401k match;
- The 401k savings plan changes:
 - \$0.50 match on first 6% of pay contributed effective January 1, 2010
 - \$0.50 match on first 5% of pay contributed effective January 1, 2011
 - \$0.50 match on first 4% of pay contributed effective January 1, 2012
 - \$0.50 match on first 3% of pay contributed effective January 1, 2013;

- The increases to Accidental Death & Dismemberment and Life Insurance:
 - \$1,000 increase to \$41,000, effective upon ratification
 - \$1,000 increase to \$42,000 effective March 15, 2010
 - \$1,000 increase to \$43,000 effective March 15, 2011
 - \$1,000 increase to \$44,000 effective March 15, 2012;
- The increases to Accident and Sickness coverage:
 - Eliminate the current schedule upon ratification and move all eligible employees to \$405
 - Increase to \$415 effective March 15, 2010
 - Increase to \$425 effective March 15, 2011
 - Increase to \$435 effective March 15, 2012;
- The wage adjustments for various positions:

Position	Job Code	Current	Proposed Increase	Proposed Rate
Environmental Tech II	105808	22.490	1.00	23.490
Pulper & Wtr Trt Oper	101751	22.595	1.00	23.595
Additive Coordinator	101764	21.050	2.11	23.160
Pulp Mill 2 nd Assistant	101735	23.405	0.25	23.655
Paper Machine First Helper W-3	101761	22.650	2.00	24.650
Paper Machine Backtender W-3	101758	30.985	2.00	32.985
Paper Machine 4 th Hand W-3	101760	23.795	1.00	24.795
Paper Machine Furnish Tender W-3	101757	32.235	1.00	33.235

- The \$1.00 Mechanical adjustment for all mechanical trades (excluding PC&E Technicians);
 - The \$1.00 Tour Mechanic adjustment including PC&E Technicians;
- The increase of \$10.00 in the safety shoe allowance.

A note from Virginia Aulin, vice president of Corporate Affairs, on the rationale behind changes to pension and healthcare benefits

In its two-year existence, Boise Inc. has faced intense challenges. As a company, we proved in 2009 that we can meet these challenges head on and be successful.

While the worst of the recession might be behind us, risk remains in both the domestic and international markets. The challenges for our industry are particularly great given that there is reduced demand for many of our products. To remain competitive, we must continuously improve our performance -- which means increasing productivity and managing costs. When we prove we are successful at this continuous improvement over the long term, we will have more flexibility to grow the company and make it stronger.

We are a medium-sized company competing with much larger organizations. We all need to work together and head in the same direction, regardless of where in the company we work. Tough changes are required, and we are all being asked to make them. Our strategy is centered on the need to balance providing fair and competitive employment practices with positioning the company for future success.

As part of this strategy, we have proceeded with two major initiatives that we have already completed with salaried employees and some of our union employees: freezing the defined benefit pension plan and making changes to healthcare benefits.

These are difficult steps. But the reality is we need to manage all of our costs if we are to continue to thrive as a company.

Defined benefit pension

Imagine your family has an expense you have to pay every month -- let's say \$100. But some months you have to pay \$200, \$300, or even \$500, based upon factors you can't control or predict. That would make it very difficult for you to manage your budget or to forecast when you can afford to make new purchases or to take on more debt.

That is very similar to what a company faces when funding defined benefit pension plans.

A defined benefit pension plan, by its very nature, introduces additional financial risk to the company because of market volatility and government regulations that impact funding each year. These forces combine to make it an unpredictable, uncontrollable, and growing cost that adds unacceptable risk to our finances. This volatility hampers our ability to chart the best plan for the company's future. For example, an unexpected pension funding requirement could interfere with our ability to spend money for capital improvements, which improve our ability to compete in business.

More specifically, this is how pension funding works:

- The pension plan is funded entirely by Boise; no employee contributions are used.
- The company invests the money now in order to pay for current and future benefits. If earnings on investments are good, the company can put in fewer dollars to meet the funding goal. But when investments do poorly, as has been the case over recent years because of how the market in general is performing, the company has to contribute more.

- To determine how much money is required to fund the plan, we make assumptions about how much the plan will need to pay in benefits each year in the future and how our investments will perform.
- Pension costs have increased as people in the U.S. live longer and as a larger percentage of the employee base retires.
- Further, recent federal legislation, the Pension Protection Act (PPA) of 2006, has changed how some of these assumptions are made and increased the amount of money most pension plan sponsors like Boise need to contribute.
- While the intent of the legislation – to strengthen the financial health of pension plans – was a good one, the new rules have come on top of a very difficult investment climate, and leave very little flexibility for companies on the timing and amount of contributions.
- Because pension funds are invested in the market, when the market falls dramatically, so can the value of the pension funds. The decline in the values, operating in conjunction with the complex funding rules in the Pension Protection Act of 2006, requires many plan sponsors to make sizable contributions precisely when the company can least afford them. Given recent market volatility – as much as 10% gained or lost in a day – funding requirements can change dramatically by the end of a given year. Companies might have to divert funds they otherwise would invest in critical business operations in order to make the contributions required under the PPA.
- Freezing the pension plan is an essential step to preserve cash flow and reduce financial risk.

The pension has been frozen at St. Helens, Salem corrugated plant, and for all salaried employees.

When a pension plan is frozen, it is important to note that no one forfeits what they have earned to that date in time – that is still available to the employee when he or she retires. The change is that no additional benefits will be added above that amount.

Healthcare program changes

Healthcare costs continue to escalate dramatically. In 2008, Boise Inc.'s healthcare costs were \$38.62 million. In 2009, despite the fact that our employee base got smaller, Boise Inc.'s healthcare costs still went up to \$38.66 million. Of these total healthcare costs, the company paid approximately \$30 million and employees paid approximately \$8.6 million. Given that Boise Inc. now has about 3,850 covered employees, the basic math is that the average healthcare cost for each Boise employee is approximately \$10,000 per year.

- The company pays more for union healthcare programs than it does for the salaried healthcare program, and that will be the case even with the changes we have proposed (or will make) to the union programs. In fact, in 2008 the per-employee per-year healthcare cost for union employees was about \$400 more than for salaried employees.
- As a result of skyrocketing healthcare costs, in 2007 we introduced a higher-deductible consumer-driven healthcare program to salaried employees. The objective was to find a way to better manage rising healthcare costs, not to achieve cost savings for the company.

- A consumer-driven healthcare program is aimed at addressing the core weakness of traditional healthcare programs. With a traditional healthcare program, most consumers have no idea what the actual cost of medical treatment is because they pay the same flat amount no matter what the cost is. As a result, consumers have little reason to ask about price or treatment alternatives, and the healthcare industry is under little pressure to offer better prices or lower-cost alternatives. Traditional healthcare programs also tend to offer few, if any, rewards for healthy individuals who are infrequent users of the healthcare system. Instead, the benefits are directed to frequent healthcare users, and the focus is on treating disease rather than preventing it. Changing this scenario is the heart of the consumer-driven approach.
- When we introduced a consumer-driven healthcare program to salaried employees, we said we needed to begin moving union employees to a similar healthcare program when contracts came up for negotiation. We are following through on this and increasing deductibles for union employees, but at a slower rate than we did for salaried employees.
- The changes to the union healthcare programs are being proposed for several reasons, including management of cost increases. But the other critical side of the healthcare equation is prevention, and we want to engage our union employees in our efforts to improve employee health with our wellness program.
- Several of the changes we are proposing actually increase Boise's healthcare costs in the short-term in an effort to decrease healthcare costs in the long-term. For instance, we are leaving the co-payment for office visits for union employees at \$20, so it is not cost-prohibitive for employees and their families to see their doctor when they need to, and we are providing a \$500 preventive services benefit to help pay for things like annual physicals.
- Boise's health plan is self-insured. We do not make money on the plan, and we pay the overwhelming majority of the costs of the plan. For example, if the employee contribution is at 20%, the company still pays for the other 80% – or four times as much as the employee pays. Plus, when healthcare costs increase each year, the company portion increases alongside the employee portion – this should be a shared responsibility.
- A key part of our benefits package has not changed. Employees still have a \$2 million lifetime maximum to protect them and their family in the event of a serious medical event. This is the origin of healthcare benefits. We want to always be able to provide that; however, if healthcare costs continue to rise 10% per year, it may become difficult to do so.

The salaried family healthcare plan has a \$1,100 deductible, which two different people each have to meet (for a total of \$2,200). Union employees are not being singled out.

I understand employee concerns about changes to our defined benefit pension and healthcare programs. Our healthcare proposals do require more out-of-pocket costs for employees, but the company continues to fund the vast majority of these costs. It is also important to note that while freezing the pension was a very difficult and emotional decision to make, we are offering enhanced company 401(k) contributions to help employees continue to build for their retirement.

The environment we are in means we must continuously find ways to remain competitive. We are looking across our businesses to find ways to improve our long-term viability.

Company Best & Final Economic Proposal
January 28, 2010
Wallula Paper Negotiations

1. Term of agreement: 4 years -- Effective March 15, 2009 through March 14, 2013.
2. \$1,000 ratification bonus paid to all active employees on the payroll as of the date of ratification.
3. Wages: *Effective March 15, 2009 increase 0%*
 Effective March 15, 2010 increase 2.0%
 Effective March 15, 2011 increase 2.0%
 Effective March 15, 2012 increase 3.0%

4. Pension: Effective 12-31-09 Pension freezes: no additional increase in dollars per year of service and no more years of service added. Existing pension language will be replaced with:

Effective January 1, 2010, employees will be eligible only for the company's defined contribution plan as described below and will not be eligible for the company's defined benefit plan. The defined contribution plan will operate as follows:

Effective upon ratification, the Company will make a contribution of 3.0% of eligible W-2 wages as defined in the savings plan (minus such things as any allowances for safety boots or imputed benefit costs) earned that year into each employee's 401k account providing that the conditions outline below are met. The contribution will be made to the employee's 401k in January of the following year. For example, in January/February of 2011, the Company will contribute 3.0% of the employee's general W-2 wages earned in 2010.

To be eligible for this contribution, an employee must meet the following conditions:

1. The employee must be on the payroll on the respective December 31 (except as described below)
2. The employee must have worked at least 1000 hours during that year; and
3. The company contribution may not exceed any statutory limit (if the 3.0% would take the employee over the maximum, the contribution may be limited to the maximum).

Employee's that die or retire prior to December 31 will be paid a pro-rata sum at the time of their death or retirement (providing that they meet the other requirements)

All eligible employees will receive the contribution regardless of whether they contribute to the 401k plan.

Wallula employees on the payroll as of December 31, 2009 who are not yet vested in the pension plan will continue to gain vesting credit as long as they remain employed at the Wallula Paper Mill.

5. Savings Plan: Effective upon ratification:

- Effective 1-1-10, 401k match is a \$.50 match on the first 6% of pay contributed.
- Effective 1-1-11, 401k match to a \$.50 match on the first 5% of pay contributed.
- Effective 1-1-12, 401k match to a \$.50 match on the first 4% of pay contributed.
- Effective 1-1-13, 401k match to a \$.50 match on the first 3% of pay contributed.

6. Health Care:

- 1) Effective 1/1/10, under the existing plan the deductible is changed to \$350 per person with a \$700 cumulative cap.
- 2) Effective 1/1/11 the PPN Health Plus medical plan.
 - a. 25% contribution level with the following caps:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Employee:	\$115	\$115	\$132	\$152	\$175
Em & Spo:	\$210	\$210	\$242	\$278	\$319
Em & Child:	\$175	\$175	\$210	\$231	\$266
Family:	\$270	\$270	\$311	\$357	\$411

- b. \$20 co-payment for in-network office visits (no deductible)
- c. \$500 wellness benefit
- d. \$350 deductible per person – two (2) family member with a cumulative cap of \$700.
 2012 - \$500 deductible per person - two (2) family member with a cumulative cap of \$1,000.
 2013 - \$500 deductible per person - two (2) family member with a cumulative cap of \$1,000.
- e. In network out-of pocket of \$2,000/\$4,000
- f. Out of network out-of pocket or \$4,000/\$6,000
- g. Eligibility for medical plan on the 1st day of the month following 90 days of employment.
- h. Effective 1/1/ 2013, Tobacco use surcharge equal to 20% of the medical contributions.

b) Dental/Vision: No change as it exists today.

c) Prescription Drug Program: Effective 1/1/11 move to a 4 tier benefit program.

7. Life Insurance: Effective upon ratification, increase \$1,000 to \$41,000, increase \$1,000 to \$42,000 on 3/15/10, increase \$1,000 to \$43,000 on 3/15/11, increase \$1,000 to \$44,000 on 3/15/12.

Add following language: "If disabled at age 61 or under, coverage continues only to age 65. Over age 61, benefit duration is subject to following schedule:

61 & under -- To age 65 (but not less than 42 mos.)

62--42 mos.

63--36 mos.

64--30 mos.

65--24 mos.

66--21 mos.

67-18 mos.

68-15 mos.

8. AD&D: Effective upon ratification, increase \$1,000 to \$41,000, increase \$1,000 to \$42,000 on 3/15/10, increase \$1,000 to \$43,000 on 3/15/11, increase \$1,000 to \$44,000 on 3/15/12.
9. Accident & Sickness: Effective upon ratification eliminate the current schedule and move all eligible employees to \$405, increase to \$415 on 3/15/10, increase to \$425 on 3/15/11, increase to \$435 on 3/15/12.

10. Wage Adjustments:

Position	Job Code	Current	Proposed Increase	Proposed Rate
Environmental Tech II	105808	22.490	1.00	23.490
Pulper & Wtr Trt Oper	101751	22.595	1.00	23.595
Additive Coordinator	101764	21.050	2.11	23.160
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Paper Machine 4 th Hand W-3	101760	23.795	1.00	24.795
Paper Machine Furnish Tender W-3	101757	32.235	1.00	33.235

All wage rate listed above are effective upon ratification and will receive retroactive pay back to 3/15/09.

- b. Mechanical adjustments for all mechanical trades (excluding PC&E Technicians) will be an additional \$1.00 per hour upon ratification.
- c. Tour Mechanics adjustment of an additional \$1.00 an hour including Tour PC&E Technicians effective upon ratification.
- d. Leads - Add to Section 34 Mechanics B.

An employee may volunteer to be upgraded to a Lead for a minimum period of one (1) day or shift, if fully qualified, and assigned to and given the full responsibility of the higher rated job.

Seniority will normally be considered in upgrading to the Lead classification, but ability will be the major factor in selection as the individual must be deemed fully qualified to perform the temporary work assignment.

The lead is responsible for taking the lead and providing direction to other workers in the group while performing the same duties as performed by the work group. The need for the lead and the duration in which the employee is classified as a lead will be dependent upon the work to be performed. Management will have the sole responsibility to determine if the work to be performed requires a lead and the number of leads. The employee(s) to be selected and to be retained in this job assignment must demonstrate overall job and mill knowledge and have the added ability to lead and direct other employees.

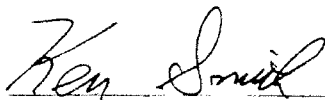
The wage rate of the lead classification will be 5% above the lead rate.
(Union #2 & #3 "Duties" will be enclosed in a letter of intent).

- 11. Section 22 Seniority: 5 Status of Laid Off or Terminated Employees; Paragraph c (page 31): Benefits will be maintained for one (1) year on disability. Company withdraws this language stays as is in current CBA.
- 12. Section 8 Wages:
CLASSIFICATION AND RATE TABLE
New Hire Rate \$13.29 – 3 Months
Mid level Rate \$16.14 – 3 Months
Base level Rate \$18.98
- 13. Safety Shoe allowance will be an additional \$10.00 effective upon ratification.
- 14. Thirteen (13) Tentative Agreements to be included in this proposal.

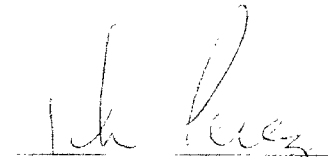
Tentative Agreement Between
AWPPW Local 69 and Boise Paper Holdings LLC Wallula Mill
September 9, 2009

Maintenance call-in procedure

1. The Company will post an emergency call in list for each major mill area (paper machines, pulp mill, power and recovery) for mechanical and process control and electrical departments (six postings in all). Employees will be able to volunteer on any or all area call-in list in their department.
2. The on-call supervisor will call in maintenance mechanics based on the area that requires assistance. The supervisor will call in this order:
 - a. The area call-in list (volunteers) by seniority
 - b. The area crew by seniority
 - c. Non area crew by seniority.



Ken Smith
AWPPW Local 69



John Perez
Boise Paper Holdings LLC

Tentative Agreement Between
AWPPW Local 69 and Boise Paper Holdings LLC Wallula Mill
Removed the seven day language that both parties missed on 4/16.
April 22, 2009

Section 22 B 3.b. Transfers Outside of the Bargaining Unit
Change to Read. Changes are in bold.

Transfers to Positions Outside Bargaining Unit

Permanent transfers of Union members to positions outside of the bargaining unit will be accomplished only after written notification to the chairperson of the Union Standing Committee with effective date of the transfer specified.

a. Employees so transferred will retain their seniority for a period of ninety (90) calendar days from date of transfer providing they remain a member in good standing of the Union.

1) During this ninety (90) calendar-day period such an employee may be returned to the bargaining unit either by decision of the Employer or by decision of the employee.

2) It is the Employer's responsibility to notify the Union if such employee will return prior to the end of the ninety (90) calendar-day period.

b. **The Union Standing Committee will be notified of temporary transfers out of the unit no less than twenty-four (24) hours in advance.** These notifications and requirements shall not apply if the transfer is to cover a supervisor's absence due to an unforeseen cause beyond the Employer's control. So long as the Employer complies with these requirements, the Union, through the Union Standing Committee, will agree to consider ninety-day extensions when employees have reached eighty (80) cumulative days outside the unit; provided, however, the Union Standing Committee may deny such extension only for good cause, as described herein. It is understood that if problems arise which may require discipline, the employee working as a temporary supervisor is to contact a regular supervisor to determine whether discipline is appropriate and the temporary supervisor is not himself to give discipline. It is also understood that the temporary supervisor is not to make written evaluations of employees. If it is believed that a temporary supervisor has disciplined or evaluated employees contrary to this understanding, or that there is other similar good cause to deny an employee's extension, the Union Standing Committee will promptly inform the Employer Standing Committee and give the facts which are the basis of their concern. If the temporary supervisor continues to engage in such conduct, the Union Standing Committee will have good cause to deny an extension. If it is believed that **the Employer may not be complying with the twenty-four hour requirement**, the Union Standing Committee will promptly so inform the Employer Standing Committee so that the matter can be remedied and the extensions will be granted. Employees will not be transferred out of the unit to replace a supervisor who is performing struck work. The ninety

(90) cumulative days is renewed for all employees with 80 or more days upon the execution of the parties' new labor agreement. If the Union Standing Committee is considering a possible refusal to extend, prior to any decision being made, at the request of either party, the local members of the Union and Employer bargaining committees who were present at the time this Memorandum was adopted will be included (if reasonably available) in the considerations.

If the Union does not fulfill its obligations under this Memorandum then the Employer need no longer follow the twenty-four hour requirement and if the Employer does not do so then the Union's obligation to extend will continue only for those employees who have been made temporary supervisors in reliance on this memorandum and have accumulated a total of at least forty-five (45) days.

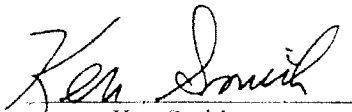
To clarify the E-Rate Memorandum of Settlement the membership will put no restrictions on the Standing Committee that would limit their ability to administer the policy.

Temporary transfers, with notification as above, will be limited to ninety (90) cumulative days for retention of seniority rights and privileges of a member in good standing unless there are mutually agreed extensions of the ninety (90) cumulative days. Each ninety (90) cumulative days extension agreed to will reduce the seniority protection period referred to in paragraph 1 above by thirty (30) calendar days.

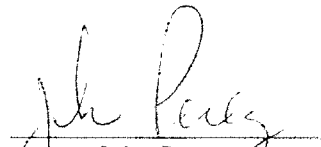
In no case shall these transfers adversely affect those employees remaining in the bargaining unit.

The parties acknowledge that under **Exhibit D-Compressed Work Week Agreement For Tour Employees Paragraph L**, pg 67 will be amended to read:

L. The Union Standing Committee will be notified of temporary transfers out of the unit no less than twenty-four (24) hours in advance. Distance and work transfer will last no less than forty (4) days.



Ken Smith
AWPPW Local 69



John Perez
Boise Paper Holdings LLC

Tentative Agreement Between
AWPPW Local 69 and Boise Paper Holdings LLC Wallula Mill
April 22, 2009

New Language:

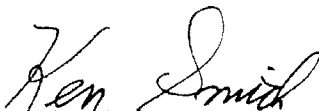
2.A Relief Tour Mechanics

Designated relief personnel for tour mechanics will be utilized for the following:

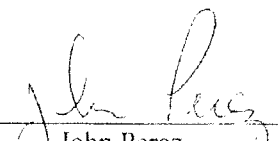
1. All vacation relief, except day at a time.
2. On one of their regular scheduled work days, day shift only, any:
 - a. Scheduled vacancy.
 - b. Unscheduled vacancy when it occurs after the regular tour mechanic has started his/her day shift.

Tour mechanic relief for any other vacancy including any emergency situations expected to last for less than one (1) week will be accomplished by the following procedure:

The rest of the language on page 70 stays the same.



Ken Smith
AWPPW Local 69



John Perez
Boise Paper Holdings LLC

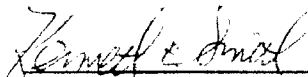
Tentative Agreement Between
AWPPW Local 69 and Boise Paper Holdings LLC Wallula Mill
April 16, 2009

Index-Wallula Local Letters of Intent and Statements of Understanding page 69

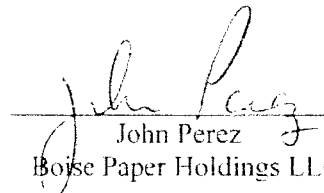
1. Maintenance Crew Overtime Assignment (**Remove date Jan.18,1994**)

Mechanical Area Crews **-(Remove Electrical Crew)**

Remove Instrument Crew and (2) paragraphs at bottom of page.



Ken Smith
AWPPW Local 69

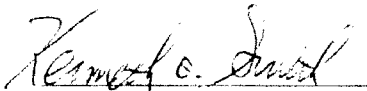


John Perez
Boise Paper Holdings LLC
4-16-09

Tentative Agreement Between
AWPPW Local 69 and Boise Paper Holdings LLC Wallula Mill
April 16, 2009

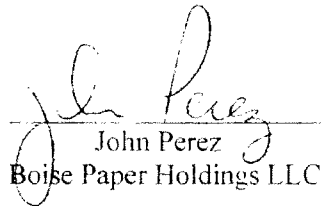
Wallula Local Letters of Intent and Statements of Understanding

Eliminate Paragraph 6. Parking Lot



Ken Smith
AWPPW Local 69

4-16-09



John Perez
Boise Paper Holdings LLC

4-16-09

Tentative Agreement Between
AWPPW Local 69 and Boise Paper Holdings LLC Wallula Mill
April 22, 2009

SECTION – 7 HOLIDAYS

(Page 5)

ADMINISTRATION OF FLOATING HOLIDAYS

A.

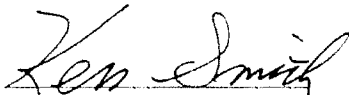
4. ***The floating holidays shall be selected in each contract year by the employee subject to supervisor's approval relative to operational manning requirements.*** When an employee puts in a floating holiday request for a floating holiday, the supervisor will attempt to give notice to the employee as to whether or not his/her request has been granted within 100 calendar days of the request will be considered granted. Floating holidays will be counted as an unscheduled vacancy only when the holiday is granted after the start of the posted weekly work schedule, Monday through Sunday. Whether the floating holiday is scheduled or unscheduled will not be considered by the supervisor as a condition in allowing floating holidays. The Company agrees that employees will not be required to call their foreman at home.


SECTION 24 -VACATIONS

A.

(Page 34)

7. When an employee puts in a vacation request for a desired week, the supervisor will attempt to give notice to that employee as to whether or not his/her vacation request is granted within ten (10) calendar days from when the request was handed in or the request should be considered as granted. If the Company cancels an employees scheduled vacation, and there is no opportunity available for the employee to rescheduled Company canceled vacation(s) during the remaining vacation, (subject to a maximum of two (2) weeks into the next vacation year. Carry over vacation must be used in that subsequent vacation year.


Ken Smith
AWPPW Local 69


John Perez
Boise Paper Holdings LLC

Tentative Agreement Between
AWPPW Local 69 and Boise Paper Holdings LLC Wallula Mill
April 22, 2009

Housekeeping list:

OSHA 200 to OSHA 300 – pg 25. paragraph G.

Change WISHA to DOSH –Department of Safety and Health pg 25. paragraph K

Delete date: Effective November 21, 2005 on pg1

Section 20 –Safety pg 24 paragraph F delete Vancouver -Salem

Change Company name to reflect Boise Paper Holdings LLC- Book Cover. pg1. pg 3.

pg 17, pg 21, pg 45, pg 59, pg 62, pg 63, pg 66. pg 73,

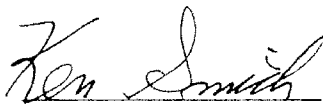
Delete C. Overtime 1. a., pg10

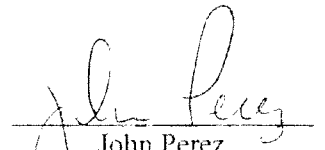
Delete articles relating to: Plumbing, Home Training, Unsmith, Welders, Non-hazardal

toxic work, Piping, Industrial Hygiene, Motor Repair, etc. etc. etc.

**Add PC&E classification: PC&E Tech Training, PC&E Tech Qualified, PC&E
Tech Tour Training, PC&E Tech Tour Qualified, PC&E Tech Qualified Solotour,
PC&E Tech Intermediate Training, PC&E Tech-Intermediate Qualified.**

Add Paper Testers


Ken Smith
AWPPW Local 69


John Perez
Boise Paper Holdings LLC

Add to EXIBIT B
L. Process Control & Electrical Technician
4/22/09

The following illustrates how the Process Control & Electrical Technician program is administered:

- The Technicians will be responsible in fulfilling the training commitment and will have to pass the modules within 12 months. Should a technician fail to pass the modules in the 12 month period, the second \$1.50 will be revoked until a passing score is obtained.
- The Company will also pay an additional \$2 an hour to any PC&E tour mechanic when he/she works a shift alone.

Seniority

- After 5/31/09, PC&E Technicians will be treated as one craft and vacations and floaters will be awarded by area crew seniority.
- Overtime will be managed by the area crew's seniority.
- At the completion of the training program, AFE overtime will be managed by departmental seniority.
- Call-in's will be managed by existing call book procedure with the qualified technician being called in.

T.A. 4-22-09

Ken Smith

[Faint signature]

OK

- This example language becomes obsolete on 5/31/09 - When you become qualified, you are inserted into the seniority list using the department hire date.

Example:

- **Instrument problem in mill:**
 - First name on list is electrician – not qualified – not called.
 - Second name is PC&E technician – qualified called in.
- **Electrical problem in mill:**
 - First name on list is an instrument tech – not qualified – not called.
 - Second name is a PC&E technician – called in.
 - Third name is an electrician – called in to assist the PC&E technician.

<u>Electrician</u>	<u>PC&E Tech</u>	<u>Process Cntl Tech</u>
1E	1PC&E	1PC
2E	2PC&E	2PC
3E	3PC&E	3PC
	4PC&E	
	5PC&E	
	etc...	

Department Seniority List

1E
 1PC
 1PC&E
 2PC&E
 3PC&E
 2E
 3E
 4PC&E
 2PC
 5PC&E
 6PC&E
 3PC
 7PC&E
 8PC&E

Tentative Agreement Between
AWPPW Local 69 and Boise Paper Holdings LLC Wallula Mill
April 21, 2009

Work Rule No.5

Tools lost, stolen or broken while being used by the employee in his/her line of duty will be replaced with tools of equal quality by the Employer. Any tool replacement must be vouched for by the appropriate supervision.



Ken Smith
AWPPW Local 69

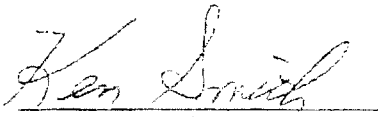


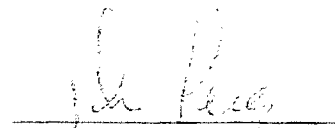
John Perez
Boise Paper Holdings LLC

Tentative Agreement Between
AWPPW Local 69 and Boise Paper Holdings LLC Waitula Mill
May 19, 2009

Paper Tester Re-Bid Process

The Company agrees to re-bid three (3) Paper Tester positions. The positions will be posted and the senior qualified individuals selected. However, due to the importance of the paper testing function for the W#3 Paper Machine, the positions will be filled on an incremental basis every 3 to 4 months. This process will allow for adequate time for training and proficiency. The senior individual will be placed in the first position and the two remaining will be paid the wage rate of the paper tester classification or their current rate whichever is higher for the waiting period.


Ken Smith
AWPPW Local 69


John Perez
Boise Paper Holdings-LLC