

Date: January 18, 2010
To: Bryon Branstrom, Sally Feistel
From: Bill Smith
Copy: Mike Entz

Subject: Escanaba Negotiations

Due to the ongoing difficulties NewPage is experiencing in the current economic climate, it has become clear that the economic offer presented to Local 21 in negotiations no longer fits the changing realities of the economy. The offer, as extended to you on June 12, 2009, but rejected, has remained open for your acceptance.

In a final effort to settle the contract and move ahead in Escanaba, the Company is willing to keep this offer open for three additional weeks, with the following attached changes:

- CP1 Line of Progression proposal dated January 18, 2010 replaces CP1 proposal in the June 12, 2009 Final Offer.
- CP2 Flexibility proposal dated January 18, 2010 replaces CP2 proposal in the June 12, 2009 Final Offer.
- Benefits Notes letter dated January 18, 2010 is added to the Company offer.

However, as of February 5, 2010 at 5:00 pm, this offer will be withdrawn if it has not been accepted by then. At that time, the Company will be interested in continuing negotiations from the perspective of the existing economic conditions and, hopefully, concluding with an agreement that is acceptable to, and which meets the needs of, both parties. Mindful of a different economic proposal, we will be open to revisiting any tentative agreements the union would like to renew discussions on.

**NewPage Escanaba - USW Local 21 Negotiations
(Revision) CP1: Company Proposal – Lines of Progression
January 18, 2010**

Summary

Provide management the right to move work between jobs in separate departments or lines of progression. This proposal vacates the Mediation Ruling dated December 18, 1995.

Modify Article 11. Seniority as follows:

Section 9. Lines of Progression

The Company and the Union have agreed upon lines of progression, Exhibit "D" within departments where applicable. ~~Changes will be negotiated in these lines of progression as the need arises. The Company has the right to re-assign work from existing jobs to other jobs in any department or line of progression, subject to the provisions contained in Article 14.~~

If the re-assignment of work results in a modification to the line of progression (i.e. moving an entire job from one line of progression to another), the Company and the Union commit to using the interest based process for the purpose of reviewing proposed modifications. The parties agree to meet two times if necessary to resolve any disputes regarding the modification. The process will involve input from the employees who will be impacted by the proposed change. If a successful conclusion is not achieved through this process, the Company shall have the right to initiate the proposed change. The parties have agreed that the utilization of this process will not exceed six months.

**NewPage Escanaba - USW Local 21 Negotiations
(Revision) CP2: Company Proposal – Flexibility
January 18, 2010**

Summary

Expand flexibility and modify temporary transfer language

Eliminate Article 33. Productivity/Flexibility in it's entirety:

Replace Article 33 with the following:

Article 33. Flexibility and Utilization

This new Flexibility and Utilization concept is designed to maximize the efficiency of the Escanaba Mill, improve productivity and protect the employment security of employees, with full regard to all safe work practices.

*An employee's basic work assignment will be to perform duties normally associated with their classification and department. However, in order to achieve efficiency of mill operations, employees will be expected to perform **other duties as part of their regular job**. This will include performing **duties from** other jobs, lines of progression, or departments either independently or with other craft or operational personnel. Employees performing **other duties as part of their regular job** will maintain their regular job rate.*

Employees will not be asked to perform any duties that would jeopardize their safety or the safety of a co-worker. Proper instruction or training will be provided, as necessary.

The language in this article shall prevail over prior agreements and past practices regarding Productivity/Flexibility. In applying this new Flexibility and Utilization concept, neither party sets precedent by a particular application or failure to make an application when a situation presents itself. Flexibility and Utilization applications will vary based upon the circumstances and resources available at any given time.

No active employee as of the date of ratification will lose permanent employment as a direct result of the implementation of this article.

Addendum

The parties will conduct joint training/communication on flexibility to clarify and encourage use of the flexibility concept. (Includes 90 day post ratification planning/training/communication period before launch)

The use of any flexibility task lists during training/communication activities will be examples only and not considered an all inclusive list.

The parties may, by mutual agreement only, use a joint advisory committee to review and give input on specific applications of flexibility.

NewPage Escanaba - USW Local 21 Negotiations
(Revision) CP2: Company Proposal – Flexibility (continued)
January 18, 2010

Modify Article 12. Temporary Transfers

Eliminate Exhibit I

Article 12. Temporary Transfers

The temporary transferring of employees between jobs, shifts and departments in order to maintain efficient and/or economic operations is the sole responsibility of management. *When employees are **temporarily transferred** from their regular job to fill a vacancy, they will be paid as follows (this does not apply to transfers as a result of job bidding or bumping):*

1. *An employee **transferred** to a lower rated job shall continue to receive their regular job rate in conformity with the Company's current wage schedule.*
2. *An employee who is **transferred** to a lower rated job when work is not available on their regular job, or an employee who is offered and works overtime on a lower rated job shall receive the rate of pay which has been established for the lower rated job in conformity with the Company's current wage schedule.*
3. *An employee **transferred** to a higher rated job and who performs the job duties and responsibilities of the higher job classification, or they are offered and work overtime on a higher rated job, will be paid the rate which has been established for the higher rated job in conformity with the Company's current wage schedule for each hour worked in the higher rated job..*

Addendum

When a job has been shut down, the employee can be temporarily transferred to fill other job vacancies anywhere in the mill, for any length of time, provided no one else perform's their job while they are transferred elsewhere.

There will be a 4 hour limit on transfers when the employee's job is still running and the remaining crew is covering their vacated duties.

When the job is still running, only the junior qualified employee(s) in a progression will be transferred to fill job vacancies outside of their department. (Clarification: there are no area concept boxes)

Management will not add an additional person to the crew to backfill the employee's position while they are transferred elsewhere.

Clarification: This Article applies only when employees are transferred off their regular job to fill a vacancy elsewhere. It does not apply when employees perform other duties as part of their regular job as described under Article 33. Flexibility and Utilization.

Date: January 18, 2010
To: Bryon Branstrom, Sally Feistel
From: Bill Smith
Copy: Glenn R. Grill, Mike Entz
Subject: **Benefits Notes**

Here are some clarifications on the Company's benefits offer:

Medical:

- The new medical/Rx platform will be effective January 1, 2011 as described in the final offer.
 - Open enrollment for the new platform will be held in the fall of 2010. The company will provide on-site meetings to review new plans and provisions, costs and the enrollment process to all local 21 members.
- The Healthcare Premium Adjustments will be effective in 2010. Since 2010 will be the first year of this agreement, the implementation may take up to 60 days following ratification.

Pension:

- For union hourly employees who have transferred from or will transfer to Escanaba from the Niagara facility, they will receive the higher benefit of 1) or 2) as follows:
 - 1) The benefit is a + b as follows:
 - a. The pension benefit earned in Niagara based on the Niagara pension plan and the pension service earned in Niagara; plus
 - b. The pension benefit earned in Escanaba based on the Escanaba plan and the pension service earned in Escanaba; or
 - 2) The pension benefit earned in Escanaba based on the Escanaba plan, considering all pension service accrued in Niagara and Escanaba.