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**NLRB DISTRIBUTES \$10 MILLION TO FORMER ALASKA  
PULP CORP. WORKERS UNDER BACKPAY ACCORD**

National Labor Relations Board General Counsel Arthur F. Rosenfeld announced today that the Board is distributing more than \$10 million in backpay, severance pay, medical reimbursements and other benefits to 95 former employees of the Alaska Pulp Corporation (APC) of Sitka, Alaska, pursuant to a settlement reached with the company in [May 2003](#). Checks totaling approximately \$6.8 million were distributed to 53 claimants, in person, on March 3, at the Board's Regional Office in Seattle, WA (Region 19), and on March 5 and 6, at the Centennial Building in Sitka, AK. Other former employees entitled to share in the settlement proceeds will receive their distributions in the near future.

In announcing the distribution of backpay, General Counsel Rosenfeld stated:

The fulfillment of the terms of this settlement agreement implements the Board's earlier decisions in this case and brings to an end a lengthy dispute. I commend the parties for their cooperative efforts in reaching this agreement that provides tangible and significant benefits to 95 employees.

The settlement concludes nearly 16 years of litigation and is one of the largest ever reached by the NLRB. It resolves monetary obligations arising from a series of unfair labor practice charges filed by the Paperworkers International Union (PACE) and five individuals against APC beginning in 1987. The settlement provides for payment by APC of in excess of \$11.75 million in backpay and retirement benefits.

APC's liability for backpay and retirement benefits arose from an October 10, 1989, Board decision, *Alaska Pulp Corp.* (296 NLRB 1260), in which the Board held that APC violated the National Labor Relations Act by, among other things, failing and refusing, at the end of an economic strike in 1987, to offer qualified strikers reinstatement to their appropriate pre-strike positions. Specifically, the Board found that APC offered those strikers who sought reinstatement only entry-level positions, regardless of their previous seniority. The Board held that this arrangement unlawfully created a subordinate class of employees -- strikers who opted to remain on strike for its duration -- and thus punished the strikers by ensuring that they would be relegated upon return to jobs that paid lower wages, were more onerous, and were more

susceptible to layoff (296 NLRB at 1265). APC closed its Sitka mill in 1993. At the time of the settlement in May 2003, the case was pending before the Board pursuant to a Nov. 6, 2000 judgment of the U. S. Court of Appeals for the Ninth Circuit. The court remanded certain aspects of the Board's Supplemental Decision and Order [326 NLRB 522 (1998)] liquidating the precise amount of backpay and retirement benefits owed by APC.

Under the terms of the settlement, APC agreed to pay backpay, severance pay, medical reimbursement, and interest to the 95 claimants. In addition, APC paid its share of Social Security and Medicare taxes on all backpay and severance pay awarded; established an account in the company's 401(k) plan for each eligible claimant; made direct contributions to the 401(k) accounts of 42 eligible claimants; and granted each of 71 eligible claimants additional pension credits for the time they should have been employed by APC, but were not. Additionally, under the terms of the settlement, APC's pension plan has credited eligible claimants for all lost pension benefits, with APC assuming responsibility for any pension plan shortfall that may have resulted from the granting of such additional credits.

In recognizing the efforts of various NLRB employees who worked on this case, General Counsel Rosenfeld also stated:

I applaud the outstanding work of the late James Sand and retired Field Attorney Patrick Dunham of the Board's Seattle Regional Office, who successfully prosecuted the complex initial litigation in this case, as well as that of Field Attorney Jo Anne Howlett and Compliance Officer James E. Lorang in Region 19, whose subsequent untiring efforts on this case resulted in the effectuation of this outstanding settlement.

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