

ASPI NEWS

A Periodic Publication of the Association of Suppliers to the Paper Industry

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ASPI Members Receive Valuable Information at Spring Meeting

More than 50 executives from the key suppliers to the paper industry met March 16-20, 2005, at the Spring Meeting of the Association of Suppliers to the Paper Industry (ASPI). Attendees were rewarded with many relevant presentations, excellent opportunities for networking, and many exciting extracurricular activities at the Sonesta Beach Resort, in Key Biscayne, Fla.

Attendees heard presentations on topics such as leadership and management styles, imperatives for success, effective selling, and a strategic assessment of the steel industry. In addition, members held their Annual Business Meeting and elected new Board Members (see article on page 3).

Members surveyed at the end of the meeting gave the Spring Meeting the highest ratings ever (see article on page 6).

10 Imperatives for Success in the U.S. Paper Industry

Dr. Richard Phillips, International Paper's senior vice president of technology, has overall responsibility for providing manufacturing and engineering services, as well as oversight of

corporate research and development and environment, health and safety. With his experience in industry since 1971, he examined the current state of the U.S. Pulp and Paper Industry.

Phillips noted that there is declining consumption in paper and board in the United States. Further erosion in consumption is indicated and factor costs (wood, energy and medical benefits) are rising faster than inflation. The trend is for private equity financial groups to become the new paper company owners. Given these conditions, Phillips provided his list of 10 imperatives for success in the U.S. paper Industry:

1. Reinvest in people (employees).
2. Do whatever it takes to improve capital and people productivity.
3. Be represented in parts of the world where demand is growing.
4. Create top line growth with new products that improve the customers' bottom line.
5. Enlist the government to level the playing field for corporate tax rates, environmental regulations and tort reform.

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“The Way We See It”

An ASPI News Editorial by David Withers, ASPI Treasurer

Those of us who have been in the paper industry over the last ten to fifteen years have seen huge structural changes and a wide range of operational challenges facing our customers as well as our own businesses. These same structural changes have had a dramatic impact upon the few company and individual associations that service our industry.

TAPPI, PIMA, AF&PA as well as the several educational and research institutions that focus on our industry are all facing very difficult financial challenges and have had to dramatically attempt to modify their “value proposition” while their membership pool has shrunk. The survival of several of these organizations is still in question.

ASPI has faced and will continue to face these very same pressures. Our 70-plus year history provides us no comfort as to the success of the association in the future. Rather, we must quickly and effectively adapt ASPI to the new realities of our industry.

Two years ago, the Board of Directors, established a new strategy for ASPI. It is quite simple and, so far, seems to be working. Essentially it involves:

- Reducing our focus on North America and understanding that our customers and their suppliers must be truly global.

- Understanding that our membership’s common linkage is our customer-base. We are blessed by the fact that our customers are becoming more and more

dependent upon a wide range of suppliers of various products and services.

- The benefits that ASPI provides its members must be truly differentiating. We must quantitatively help our members better understand their customers, reduce costs and/or qualify business risks. ASPI meetings must be invigorating and entertaining for our member executives. “That was a good meeting” is unacceptable. We must have “wow meetings.”

- Our member executives individually and collectively benefit from the intimacy and diversity of our meetings. Our membership meetings must provide a stimulating environment that does not exist at other industry forums.

- Our industry and our individual member companies must improve our financial performance. We believe that ASPI can provide a forum wherein structural change and improvement can be collectively pursued with greater effectiveness than is possible individually.

As we implement our new strategy, the membership of ASPI is growing in size and diversity and our meetings are receiving extraordinary compliments from our attendees as well as our program participants. I, and many of my peer supplier executives, will continue to economically evaluate the financial and time costs of ASPI membership as we do everything else we do at our companies. It is rare to have a return on investment dramatically grow as much as our investment in ASPI is growing today.

Book Today for the ASPI Fall 2005 and Spring 2006 Meetings

Meeting dates are firm for the Fall 2005 and Spring 2006 ASPI meetings. Book your rooms today!!

ASPI Fall 2005 Meeting

October 19-21
Marriott Evergreen
Conference Resort
Stone Mountain, Georgia
Oct. 19 – single \$259 / double \$404
(includes breakfast, lunch, dinner & break)
Oct. 20 - \$139 single/double
Call for reservations: (800) 831-4004
or (770) 879-9900

ASPI Spring 2005 Meeting

March 15-19
Amelia Island Plantation
Amelia Island, Florida
\$199 single/double
Call for reservations: (888) 261-6161
or (904) 261-6161

New Board Elected at ASPI Annual Meeting

During the Annual Business Meeting of ASPI, March 18, 2005, in Key Biscayne, Fla., members elected the Class of 2008 to the Board of Directors. Three of the four members of the Class of 2008 are returning board members, previously in the Class of 2005.

Marcus Pillion, director, John Crane Safematic Bearing Lubrication Division, was elected to the class of 2008 and is new to the Board of Directors. Pillion is responsible for the North American market. He has more than 10 years experience in the implementation and management of European based solutions into the North American market – primarily focused in the pulp and paper market segment.

Pillion has been involved in all facets of the business including sales, marketing, engineering, supply, installation and service. He is committed to fostering the development of a much-needed strategic alliance between local customer support channels, engineering, supplier, contractor and owner to successfully increase the reliability of North American mills and plants. The results increase the opportunity for North American mills and plants to be more competitive in the global marketplace. He holds a Bachelors degree from the College of Wooster.

Returning members of the board in the Class of 2008 are: Rodney Fisher, president, Fisher International, Inc.; Ed Ryan, president, Sandusky International, Inc.; and Thomas E. Vaughn, vice president, sales & marketing, Kadant AES.

ASPI welcomes Marcus Pillion to the board and appreciates the continued support of Rod Fisher, Edward Ryan and Tom Vaughn.



(L to R) Tom Vaughn (Kadant AES) awards certificate of appreciation for dedication and service to Dale Libby (Sulzer Process Pumps (US) Inc.) upon his retirement from the ASPI Board of Directors.

ASPI Board of Directors

Class of 2008

(term expires 2008 Spring Meeting)

Rod Fisher
President
Fisher International Inc.

Edward Ryan
President, Sandusky
International, Inc.

Marcus Pillion
Director
John Crane Safematic

Thomas E. Vaughn
Vice President of Sales &
Marketing, Kadant AES

Class of 2007

(term expires 2007 Spring Meeting)

Robert Harrison
President
Rharrison, Inc.

Kari Nettamo
General Manager & Vice
President, Paper & Board
Metso Paper

Carl Howe
Vice President, Corporate
Sales, The Johnson
Corporation

John Ollech
Vice President & General
Manager, Johnson Foils

Class of 2006

(term expires 2006 Spring Meeting)

Otto Heissenberger
President, Voith Paper Inc.

David Withers
President
Coldwater Group Inc.

David Peschell
Director, International
Marketing, ITT Goulds
Pumps Inc.

Chuck Wunner
President, Vooner FloGard

ASPI Members' Forum

Bob Harrison, ASPI Consultant, Staff Support-ASPI Members Forum, Rharrisoninc@aol.com

Editors Note: The ASPI Members' Forum is an ASPI News feature which was introduced in the August 2004 issue. It is designed to stimulate a written dialogue openly or anonymously among ASPI members on subjects of collective interest to the industry. In each issue, ASPI staff will pose several questions on a general industrial subject. Member companies are encouraged to respond to these questions, either authored or anonymously. Likewise, members are encouraged to submit topics for examination.

The December 2004 issue of the *ASPI News* featured questions regarding **Customer Partnering**. The following are responses received from the membership to the questions.

■ “We have found that large customers with multiple mills and a centralized, corporate purchasing function are approaching us about exclusive or preferred blanket orders on high volume consumable products. So far, we have yet to develop any new business with these “opportunities” and are spending a lot of time responding to the RFQ’s and making presentations. Perhaps this trend will lead to more and/or better business from certain customers, but, so far, we are skeptical.”

■ “All of this corporate contract mumbo-jumbo is just another name for volume discounts. Our best business is that which we earn at the mill level with the ultimate end user.”

■ “Yes, we have some longer term preferred (where we are one of three suppliers of a given service across a large grouping of mills) supplier contracts. However, it seems as though these contracts are ones where the customer expects much more than the norm in service and response time. Any time there is a question on scope with these customers, we always find ourselves providing more, without a price adjustment”.

■ “We have negotiated some limited gain-sharing contracts with

two North American customers. In both cases, we have been hit with the penalty-side several times, but have yet to earn our first bonus dollar”.

■ “We are a multi-product line company. We have found it is a big-mistake to attempt to enter into corporate contracts for anything other than individual high turnover products. The market conditions, buying influences and economic consequences are too different from product to product. As such, a common contract across multiple products has proved impossible to manage....from both our perspective as well as our customers.”

■ “Our company tried three corporate contracts with three different North American customers over the last five years. In each case, both we and our customers quickly concluded they did not cut costs or improve value for any one. The integrity of the typical supplier/customer relationship in this part of the world is not ready for true win/win relationships.”

■ “When we entered into a large (for us) exclusive supply contract with our largest US customer, we really upset their individual operating mills. This was quite a surprise because, prior to the corporate contract, we had most of the business from the mills anyway. It seemed as though the mills now thought they would be getting so much more from us because of corporate mandates. It

was almost as though the mills wanted to now prove that corporate involvement was wrong and they were taking it out on us”.

ASPI Questions

The Members' Forum subject for this issue of *ASPI News* is **The Pros & Cons of Direct Sales to the Paper Industry**. We would encourage you to address any and all of the following questions. Your responses will be provided in the next issue of *ASPI News*.

1. What product characteristics require the use of a direct sales force in our industry versus those product characteristics that are effectively sold by commissioned representatives or agents?
2. As mills move more and more away from “relationship” buying, are agents and/or manufacturing representatives becoming less and less effective?
3. Have you used any new and unique methods to pay your direct sales organization recently?
4. What do you think about a combination of direct and purely commissioned sales? Can you manage the friction over business cycles?
5. What has your experience been in converting from direct to commissioned manufacturer’s reps and visa versa?

What do you think? What experiences have you had with the

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ASPI Recognizes Larry Green of Bowater

More than 50 executives from key suppliers to the paper industry met March 16-20, 2005 at the Spring Meeting of the Association of Suppliers to the Paper Industry. At the meeting, Larry Green, vice president, procurement and logistics, Bowater Incorporated, was honored as ASPI Executive of the Year.

The award was presented to Green by Kari Nettamo, general manager and vice president, paper and board, Metso Paper and Jay Miele, vice president, sales, Andritz, Inc. Green received this award in recognition of his ongoing efforts with suppliers to increase the benefits of supplied products and services to Bowater's operating mills.



Larry Green accepts award presented by Jay Miele (L) and Kari Nettamo.

Green joined Bowater as director of purchasing in 1990, and was named vice president of purchasing and transportation for the newsprint division in 1998. During his tenure, Green has been instrumental in developing a strategic approach for the coordinated procurement of

materials, equipment, and services throughout the supply chain. This buying effort has focused on cross-mill, cross-functional sourcing teams that operate in an empowered environment.

Green began his career with Weyerhaeuser Company in 1971 and held increasingly responsible positions in the materials and logistics areas at four different locations. His last assignment was as regional purchasing manager in southwest Washington, Weyerhaeuser's largest operating division.

Green, a native of Little Rock, Ark., holds a Bachelor of Science Degree from the University of Arkansas and also attended the College of William and Mary.

Editor's Note . . .If you have ideas, suggestions, news updates or corrections for ASPI News, or if you would like to write an article for a future issue, please contact the editor, Dawn Shiley-Danzeisen, at (703) 538-1787 or dshiley@aspinet.org. Information also may be mailed to the address on the first page.

ASPI News welcomes news items of interest to the ASPI membership. News items should be brief and to the point, with information on how to obtain additional information. Perhaps you would like to share a short "how to" tip, offer a new resource, or summarize a successful program. Feature articles should run no longer than 750 words. Member company news and press releases are also welcome.

Were you unable to attend the ASPI 2004 Spring Meeting?

You missed several relevant presentations!

"10 Imperatives for Success in the U.S. Paper Industry - And Implications for Suppliers"

"Changing World of Global Competitiveness"

"Effective Selling...As Seen from the Other Side of the Desk"

"Financial Outlook for the Global Paper Industry"

"Growing Market Share with Lower Tier Products"

"Leadership & Management Styles for Success in the Paper Industry of Today"

"Steel: Current Trends Affecting Pulp and Paper"

"Wall Street Perspectives on the Paper Industry"

Key Biscayne Meeting Receives Rave Reviews from Attendees

The recent membership meeting at Key Biscayne, Fla., received reviews from more than 75 percent of the attendees. On a rating system of 1=poor to 4=superb, the program content, program structure and meeting length averaged 3.59 on the reviews received. This result is the highest rated program of any meeting in ASPI's history.

Program modules receiving the highest ratings were "Leadership & Management Styles for Success" by Willis Potts (3.73), "Effective Selling – from the Other Side of the Desk" by Larry Green (3.50), "10 Imperatives for Success and Implications for Suppliers" by Dr. Richard Phillips (3.47), and "Steel: Current Trends Affecting Pulp & Paper (3.45) by Mark Redding.

In addition to the very high rating of the overall program, attendees also were very pleased with the interchange opportunities

and atmosphere at the meeting. The group social functions, informal information exchanges and mix of business and social were all rated between 3.33 and 3.50.

The Program Committee also was pleased to receive more than 50 very specific individual suggestions for future meetings from our attendees. These suggestions carefully will be considered as we select future meeting venues and develop the programs for our upcoming meetings. There is no question that ASPI member companies are now expecting ASPI meetings to have both unique program content as well as provide a forum for meaningful industry dialogue.

Our sincere thanks to the Program Committee, ASPI Staff and the eight individual program participants for making the Spring 2005 Meeting of ASPI an unprecedented success.

ASPI Fall 2005 Meeting Plans Develop

The ASPI Program Committee is finalizing the schedule and program for the Fall 2005 Meeting. The meeting will be held at the Marriott Evergreen Conference Center at Stone Mountain, Ga., October 19-21, 2005. Stone Mountain is located approximately 20 miles from the Atlanta Hartsfield-Jackson International Airport and about 12 miles from downtown Atlanta.

This meeting, like the very successful Spring Meeting just held at Key Biscayne, Fla., will begin with a welcoming dinner on Wednesday evening, October 19. For those arriving early or staying late, there is a very inviting golf course and other recreational activities available at the Marriott Evergreen Conference Center. There also will be a spouse/guest program available in conjunction with the meeting program and business session.

The actual program will take place during the day on Thursday, October 20 and the morning of Friday, October 21. Approximately 80 percent of the program is fully committed at this press time.

Program participants are expected to include: two pulp and paper company executives; leading institutional analysts following the global paper industry; two speakers discussing innovative selling techniques; a bankruptcy lawyer discussing the management of customer collection risks; an expert in strategic marketing to the

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Did you miss the ASPI Spring Meeting?

The speakers were some of the best!

Christopher Chun
Associate Analyst, North America
Equity Research Deutsche Bank

Dr. Richard Phillips
Senior Vice President
International Paper

Larry Green
Vice President, Purchasing
& Transportation
Bowater, Inc.

Willis Potts
Retired Vice President
Inland Container
Chairman, TAPPI

Jamie Monat, Ph.D.
Consultant & Management Professor
Worcester Polytechnic Institute

Mark Redding
President
Banner Service Corp

David Null
Principal
Jaakko Pöyry Management Consultant

Dan Temple
Director of Sales & Marketing
PaperLoop Benchmarking Services

ASPI Members Receive Information at Spring Meeting

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6. Enlist customers to help level the playing field with all suppliers meeting equal standards.
7. Level the playing field on tariffs.
8. Become superior in supply chain management.
9. Make more profit from recovered waste.
10. Translate sustainable raw materials into top line impact.

Phillips noted that for growth supplier strategies must excel in three of four keys of excellence. Those keys are superior technology, customer focus, engaged workforce, and efficient assets. In addition, the supplier must be part of an industry that is strategic to the nation and relocate to where the business is growing.

Effective Selling

Larry Green is vice president for procurement and logistics at Bowater, Inc. He provided attendees with a perspective on effective selling from the other side of the desk. He outlined the characteristics of effective selling, the perfect salesman and effective buying.

Green outlined the characteristics that he values during a sales transaction. Some of the highlights are:

- The seller should be a partner and not a stranger.
- Negotiation is not a sin and may be expected.
- Price is always important.
- Sellers should know the buyer.

Green noted that the characteristics he outlined are what he looks for personally and may or may not work when selling to others.

Growing Market Share with Lower Tier Products

Jamie P. Monat is the president and co-founder of Business Growth Specialists. He has more than 25 years of sales, marketing, manufacturing, and R&D management experience in the medical device, environmental, chemical process, energy, separations, and filtration industries. His consulting firm helps companies turn around flat or declining sales; reverse negative profits; increase market share; optimize sales, marketing, and product development; and remove organizational, personnel, and financial objectives to growth.

Monat's analysis of ASPI members indicated that ASPI members:

- Provide high value (not low-cost) products and services.
- Have done well historically.
- Have seen increased competition and market share erosion in the recent economy.
- Have low-priced competitors.

Monat's presentation concentrated on market bifurcation. In order to determine if the market is bifurcated, the following questions should be asked.

- Are there competitors who provide functionally equivalent

products or services at substantially lower price?

■ Are there many "non-customers" (competitors' customers) who pay substantially lower prices than you charge?

■ When polled, do customers claim that you are overpriced and they don't see the value or they see the value but cannot afford our prices?

Monat concluded that suppliers to the paper industry can grow business with lower-tiered products or services in a bifurcated market. In doing this, the product tiers really must be different and lower tier must not mean lower quality. He also recommended that companies use service agreements.

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ASPI Members Forum

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above issues? Send your responses to the ASPI Members Forum Staff Contact Bob Harrison at Rharrisoninc@aol.com. Authored and anonymous responses are welcome. Confidentiality of anonymous responses will be maintained. The editor would also like to hear from members regarding questions and issues for future newsletters. The Members' Forum subject for the next issue of *ASPI News* will be the pros and cons of direct sales to the paper industry.

ASPI Members Receive Information at Spring Meeting

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Changing the World of Global Competitiveness

Dan Temple is the director of sales and marketing at Paperloop Benchmarking Services. He has more than 30 years of experience in sales, project management, market research, and product development in the pulp and paper industry.

Temple examined whether the weak U.S. dollar will save the U.S. pulp and paper industry. U.S. facilities continue to gain competitive cost position versus Canada, Europe and Asia. Even with a weaker dollar, imports into the United States stay high and the U.S. cost competitive position has only marginally improved the U.S. trade balance. New, low cost, Brazil and Chile softwood and hardwood pulp mills have contributed to closures in North America and more will come. Canadian facilities continue to lose competitive cost position against the rest of the world and are becoming the high cost producers on a global basis.

Temple concluded that tighter markets and the weaker dollar are restoring the U.S. producer profit margins, while Canada and Europe are taking a hit from the stronger Euro and Canadian dollar. Regional trade balances will be affected by over supply, increasing costs, particularly ocean shipping rates, as well as continued changes in exchange rates. U.S. producers need to think globally and invest in new technology and “low” cost capacity in order to maintain and improve their facility value and

regain lost market share from European and Asian producers.

Steel: Current Trends Affecting Pulp and Paper

Mark Redding is president of Banner Service Corporation. He is leading a new, high-growth period for Banner and the strategy of this steel processing consolidation venture will include highly responsive customer service, lean manufacturing and aggressive sales force coverage models.

During 2004, global steel consumption jumped 8.8 percent to 935 million tons. In North America the increase was 15 percent. Crude steel production increased 84 million tons to one billion tons. Price increases and shortages occurred in key raw materials: iron ore, coking coal, coke and steel scrap. Prices for cold rolled steel rose from \$375/ton in November 2003 to \$800/ton in September

2004. This occurred because of the potent combination of China’s spectacular consumption, an uptick in global demand, domestic capacity outages, and a weaker U.S. dollar. By the end of the year, cold rolled prices were down to \$780/ton.

Redding provided attendees with predictions for 2005. According to Redding, input costs are unlikely to moderate, consolidation will continue and enhance pricing leverage, carbon prices (flat rolled) will remain steady, and current market conditions will continue. Redding’s “Three Cs” for 2005 are China, currency and consolidation.

Meeting Presentations Available

The speakers were given very high ratings and a CD-Rom of the presentations has been sent to all attendees.



Members appreciate the opportunities to network with other members and speakers at ASPI meetings. L to R: Kari Nettamo (Metso Paper), Otto Heissenberger (Voith Paper) and Antti Vaahto (Vaahto Group PLC OYY).

Report from Washington

This column provides brief highlights of activities at the Department of Commerce, Office of the United States Trade Representative, and other federal departments, which could influence the business climate or assist members to conduct business. In depth analysis is not provided, but links to information on the topics are provided to those that wish to pursue the topic. Inform ASPI News if you benefit from this service, or might benefit more from it.

New Coalition Aims for Tort Reform

– According to “U.S. Tort costs: 2004 Update” by the firm Tillinghast-TowersPerrin, tort costs in 2003 were \$246 billion. The National Association of Manufacturers (NAM) has a long history of support and involvement for product liability and broader legal reform. NAM has launched a ground-up, multi-year campaign to reform the nation’s legal system.

The American Justice Partnership (AJP) is a partnership approach to state legal reform. It brings together leading state and national organizations to provide the first significant coordination of groups in the fight for effective legal reform in the states. NAM serves as chair of the AJP, which will better align state and national organizations and provide the leadership and coordination through an integrated plan and a shared vision of success.

The AJP will work closely with its partners to achieve the following goals in the states:

- Create a climate, state-by-state, in which pro-reform candidates for governor, the state legislature, supreme court, and attorney general are supported by the public;
- Work to enact legislation and adopt court rules in the states to substantially reduce the perverse incentives for junk lawsuits that are hurting American businesses and consumers while mainly benefiting the trial lawyers;

- Enhance public understanding about the importance of legal reform and the need to become more politically involved.

AJP national partners include the American Tort Reform Association, Washington Legal Foundation, Manhattan Institute, Center for Individual Freedom, and the American Legislative Exchange Council. The Council’s Web site is at www.americanjusticepartnership.org.

Four OSHA Reform Bills Introduced To Help Small Manufacturers

– Representative Charlie Norwood (R-GA) has reintroduced four workplace safety reform bills that passed the House of Representatives last year with strong bipartisan support but were subsequently blocked by the Senate. This year, the key Senate Employment and Workplace Safety Subcommittee is chaired by long-time Norwood House colleague and now-U.S. Senator Johnny Isakson (R-GA). Isakson says he guarantees prompt subcommittee hearings and a coordinated effort to move the proposals forward.

The legislation seeks four separate reforms on the Occupational Safety and Health Administration (OSHA). The reforms are targeted primarily to improve workplace safety and reduce red tape for small businesses and their workers. The bills are:

H.R. 739 – The Occupational Safety and Health Small Business Day in Court Act

H.R. 740 – The Occupational Safety and Health Review Commission Efficiency Act

H.R. 741 – The Occupational Safety and Health Independent Review of OSHA Citations Act

H.R. 742 – The Occupational Safety and Health Small Employer Access to Justice Act

For complete bill language or to track the progress of these bills, visit <http://thomas.loc.gov> and query by bill number.

National Manufacturing Week Survey Released

– The 2005 National Manufacturing Week Survey (March 2005) shows employers continue to be upbeat about manufacturing in 2005. Two-thirds of survey respondents expect manufacturing to grow as fast as or faster than the overall economy this year. Sixty-five percent said they export their products to foreign markets and three-fourths expect exports to remain at current levels or increase this year. Forty percent of the respondents said they intend to add new workers, up from 31 percent last year. Only 12 percent expect to reduce their payrolls.

The emerging employment problem in manufacturing is not a shortage of jobs, but rather a shortage of qualified applicants. Thirty-six percent of the respondents said they have

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ASPI Welcomes Three New Members

ASPI welcomes three new members to the association. Their profiles and contact information are provided to assist members in future networking and information exchange opportunities.

AFT

AFT is one of the oldest and largest producers of customized screen baskets and screening solutions for the pulp and paper industry. They have full global industry sales and service coverage with dedicated manufacturing locations in Lennoxville, Quebec, Canada; Varkaus Finland and Incheon, South Korea.

AFT is represented at ASPI by:
Michael W. Stephens
Vice President – Sales
(205) 437-3343

michael.stephens@aft-global.com

Jacobs Engineering Group

Jacobs Engineering Group is one of the world's largest and most diversified suppliers of professional technical services. With annual revenues approaching \$5 billion, Jacobs provides a full spectrum of support to industrial, commercial and government clients across a wide range of regional markets. They have more than 70 offices in more than a dozen countries. The company's pulp and paper operations are concentrated in Greenville, S.C.

Jacobs Engineering is represented at ASPI by:

Frederic A. Christiansen
Director – Processing Technology
& Engineering
(864) 676-5995

fred.christiansen@jacobs.com

Douglas Reinke
Director, Business Development
(864) 676-6000

doug.reinke@jacobs.com

Perry Videx

Perry Videx is the world's largest supplier of distressed unused and used industrial process machinery. They maintain an inventory of more than 10,000 items of process machinery available for the chemical, plastics, pharmaceutical, food, sugar and

pulp and paper industry. Perry Videx has facilities in Hainesport, N.J.; Durham, England; Mazowiecki, Poland; Catano, Puerto Rico; and Kralove, Czech Republic.

Perry Videx is represented at ASPI by:

David C. Goodman
Executive Vice President
(609) 267-1600
dgoodman@perryvidex.com



Washington Update

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employment positions unfilled right now because they cannot find qualified workers. The survey also showed that non-wage costs are the biggest concerns of manufacturers. Asked to rank their biggest concerns, the top four choices were non-wage compensation such as health care, cost of materials, energy prices, and taxes.

The survey of 3,000 NAM members of all sizes in diverse industries and geographical areas generated a response rate of almost 33 percent. The survey results are available at www.nam.org/nmwsurvey.

Plan to Attend the ASPI Fall 2005 Meeting

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paper industry; and a new ASPI member company presenting their profile and assessment of selling to the paper industry compared to other major industrial markets.

Program details, meeting registration and hotel reservation information will be available to member companies and invited guests later this summer on the ASPI Web site at www.aspinet.org. Information on the resort is available at www.evergreenresort.com/index.html.

ASPI Board of Directors Strongly Advocates ASPI Initiatives

The ASPI Board of Directors met twice in conjunction with the Spring 2005 ASPI Meeting in Key Biscayne, Fla. The Board continued to strongly advocate the association's investments in developing and continuing the ASPI Initiatives. In developing its position, the Board continued to emphasize that certain industry changes and improvements effectively can be pursued through collective efforts of the membership.

The two preliminary surveys of the *Customer Characterization Initiative* will be modified and simplified and again be available to the membership via a Web-based survey. The ultimate objectives of this initiative is to allow ASPI membership to publicly communicate what it considers to be "best practices" delivering to customers higher economic benefits from their purchased products and services. Ultimately, ASPI members will rate its customers against these best practices and interpret and publish its survey results in the trade press.

The ASPI Board of Directors and Staff continue to develop the *Benchmarking Initiative* and *Terms & Conditions Guidelines Initiative* for introduction to the membership later in 2005 and into 2006.

In addition, the Board of Directors directed the ASPI Staff to begin formulating a new, fourth Initiative: the *Field Employee Safety Training Initiative*. The shared customer base becomes more and more dependent upon field professional services purchased from suppliers. This is a direct function of ongoing efforts

to downsize fixed costs and outsource all but key functions. The safety training of supplier field personnel is becoming critical. Unfortunately, currently there is no standardization nor certification processes for operating mills with different types of field service personnel. Therefore, ASPI Member Companies are interested in ASPI developing a "distance learning/Web-based safety training program. Such a program could potentially be menu-based with

different training modules depending upon the mill configuration and the type of field service being supplied. Ideally, all pulp and paper companies would individually endorse this training or collectively endorse it through an industry customer association.

ASPI values input from any of its members as these Initiatives continue to develop.

Complete Your ASPI 2005-2006 Customer Characterization Survey Today

ASPI is launching the 2005-2006 Customer Characterization Survey and encourages all members to complete the survey by August 15, 2005. Results of the survey will be reviewed at the ASPI Fall 2005 Meeting. While the survey is very similar to the 2004-2005 survey, there have been some minor changes to the structure and layout.

Members should complete the survey for each of their customers. Members completing the survey are encouraged to pass the survey link to colleagues in other departments to broaden the input base. Please note that members that completed the 2004-2005 survey in January or February must complete a new survey to be included in the 2005-2006 compilation.

To begin the online survey, visit the ASPI Web site at www.aspinet.org and click on the survey link at the top of the home page.



ASPI Member News

Kadant to Acquire The Johnson Corporation

On April 7, 2005, Kadant Inc. announced that it has entered into a definitive agreement to acquire The Johnson Corporation. "The agreement to acquire Johnson marks the culmination of our search for a company that could extend our technology-based offerings in the paper industry," said William A. Rainville, chairman and CEO of Kadant. "We are excited about adding Johnson's premier brand to our family of high-end products."

Johnson is the leading supplier of steam and condensate systems, hardware, and controls used in the dryer section of paper production. The company is privately held. Johnson's primary products include rotary joints, siphons, and related steam and condensate systems. These products are used to optimize drying in the paper industry, and also have applications in industrial cylinder heating and cooling processes in machine tool, plastics, rubber, steel, and textile production.

Johnson is based in Three Rivers, Mich., and has approximately 575 employees at its operations in North and South America, Europe, and Asia. The Three Rivers facility includes a world-class R&D center that features two commercial-size paper drying cylinders for conducting product research and customer trials, and extensive joint and seal testing capabilities. Johnson has been in business for more than 70 years.

Kadant Inc. is a leading global supplier of a range of products that improve quality and productivity in pulp and paper production, including stock-preparation equipment, water-management systems, and paper machine accessories. Based in Acton, Mass., Kadant employs 950 worldwide.

OASIS Alignment Services, Inc., Announces New Account Manager

OASIS Alignment Services announced the appointment of Larry Kubale to the position of Account Manager for the Midwest Regional office located in Appleton, Wis. With more than 25 years of experience in maintenance and manufacturing management in the pulp and paper converting industries, Kubale brings extensive industry knowledge to current and prospective OASIS customers in this key region.

Prior to joining OASIS, Kubale held the positions of papermaking maintenance manager and mechanical project manager for Wausau Papers in Wisconsin and Minnesota. He also spent several years as a project manager for Beloit MillPro Services and more than 15 years in multiple management roles at Procter & Gamble in Green Bay, Wis.

As the account manager of the OASIS Midwest Region, Kubale will be responsible for developing new opportunities and supporting existing OASIS customers in the Midwest Region.

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