

ASPI NEWS

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

Volume 2 Number 2
September 2005

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Chuck Reaves Headlines Stone Mountain Program *Make Your Reservations Today!*

Ask yourself these questions.

- Is the market shrinking and is my sales force part of the problem or part of the solution?
- Are my customers or my competitors commoditizing the market?
- Am I personally and directly engaged with a cross-section of my key customers?
- Do I treat my sales process and sales force as a key asset? Do I invest for breakthrough efficiency and productivity improvements?
- Does my sales force believe that our products and services can uniquely benefit our customers?

Register today to attend the constituents that positively ASPI Fall Meeting, October 19-21, motivates them.

2005, at the Marriott Evergreen Resort in Stone Mountain, Georgia, for real world answers and direction from Chuck Reaves. This dynamic author and speaker, with 21 Associates, Inc., will give attendees a new perspective on how to develop a forum with customers and/or

“Chuck Reaves’ presentation will be worth the price of admission. His insight into the selling process and his ability to communicate in an entertaining yet thought-provoking style will provide a great ROI for attendees.”

Tom Vaughn
Vice President - Sales & Marketing
Kadant AES

You will leave this session with new ideas for empowering your company’s sales force. You will be invigorated with new opportunities to differentiate your company with your customers and to finally start tapping into the financial returns

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ASPI Fall Meeting

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from your portfolio of products and/or services.

Chuck Reaves has been teaching and motivating a wide range of executives, sales executives and sales managers for more than 22 years. In the past, he was a highly awarded AT&T sales professional.

The ASPI meeting will conclude with a lunch where Chuck Reaves will lead a discussion on the sales challenge for attendees who wish to participate.

Speaker Presentations Relevant to Your Business

In addition to Chuck Reaves, the program features seven speakers qualified to speak to the issues relevant to the industry.

■ Asko Hyttinen, Senior Vice President, Stora Enso, North America, will address how a large, successful European paper company characterizes North American pulp and paper operations and markets.

■ Larry Kotler, Attorney, Duane Morris LLP, will provide attendees with practical experience to help suppliers manage the financial risks of selling to customers who might be approaching or operating under Chapter 11 bankruptcy protection.

■ Bob Dresser, Vice President of Business Development, AMEC Industrial & Infrastructure, will provide an overview on AMEC, a very large global supplier of engineering and construction

services that serves many industries and markets. Attendees will learn about AMEC's observations in the



Chuck Reaves

differences and lessons learned in serving markets other than the pulp and paper industry.

■ Willis Potts, Chairman of the Board of Directors, TAPPI and past senior executive with Union Camp Corporation and Inland Containerboard, will provocatively stimulate you with his narrative on

“The Way I Believe It Is, But Wish It Wasn't.”

■ Stephen Atkinson, Managing Director, Bank of Montreal/Nesbitt Burns and a *Forbes Magazine*-recognized industry financial analyst will share his forecast for the industry and the logic for such.

■ Klaus-Guenther Strack, Vice President of Strategic Marketing, Voith Paper, will explain how one of the world's largest suppliers of pulp and paper technology, systems and machinery uses analytical market research to penetrate new markets with new products.

■ Marcus Pillion, ASPI Director and Director, John Crane Safematic, will briefly describe his company and lead the audience through a motivating and participative exercise to better understand improving the impact of

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Book Today for the ASPI Fall 2005 Meeting and Reserve Spring 2006 Meeting Dates

ASPI Fall 2005 Meeting

October 19-21
Marriott Evergreen
Conference Resort
Stone Mountain, Georgia
Oct. 19 – 20 \$259 single / double
(includes breakfast, lunch, dinner & break)
Oct. 18 - \$139 single/double
Call for reservations: (800) 831-4004
or (770) 879-9900
Visit [www.aspinet.org/
2005_Fall_Mtg.htm](http://www.aspinet.org/2005_Fall_Mtg.htm)

ASPI Spring 2006 Meeting

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

Schedule and details to follow.

www.aspinet.org

ASPI Fall Meeting

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interpersonal business communication.

Concurrent Sessions Planned

On Thursday, October 20, two concurrent sessions will be offered. Attendees are asked to register quickly for these sessions. Experienced attorney Matthew D. Jacobson, of Swanson, Martin & Bell, will provide an update on tort reform legislation as well as share his experiences in defending capital equipment manufacturers and suppliers to the paper industry. In the other session, John Emens, Deputy Manager of the Export Finance Group at Export Import Bank of the United States, will highlight government programs to reduce risk when importing.



Tullie Smith Farm



Swan House Mansion

the Robert Smith family. The Tullie Smith Farm is listed on the National Register of Historic Places. A visit to the Swan House Mansion with

lunch at the Swan Coach Restaurant follows. The Swan House Mansion was built in 1928 for Edward and Emily Inman, heirs to a cotton brokerage fortune. The house was designed by well-known and influential Atlanta architect Philip Trammell Shutze. The day will conclude with a shopping trip to the Lennox Square Mall in the fashionable Buckhead district of Atlanta.

On Friday, companions may choose between three events: Summit Skyride; Presentation by Chuck Reaves; or Morning at the Spa. The Summit Skyride is on a high-speed Swiss cable car and provides a stunning view of the Confederate Memorial Carving on the solid rock face as it takes riders up more than 825 feet above ground to the top of Stone Mountain. Those choosing a Morning at the Spa will experience the Marriott's marvelous spa.

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ASPI Executive Committee Continues to Strongly Support ASPI Initiatives

During this summer's ASPI Executive Committee meeting, the leadership of ASPI strongly supported continued efforts in developing the ASPI Initiatives. The Executive Committee, however, expressed concern with the lack of membership participation in the Customer Characterization survey, thus rendering any data analysis as statistically invalid. As such, the Executive Committee directed the ASPI Staff to "re-engineer" the Customer Characterization survey into a form which is more easily usable by the membership.

With increased participation, the Customer Characterization Initiative survey results will be statistically valid. At that time, ASPI will publish the results. This will be done in a manner that does not criticize any one customer or group of customers, yet conveys ASPI member views concerning best practices.

Following successful completion of the Customer Characterization Initiative, the Benchmarking Initiative, Terms & Conditions Guidelines Initiative and Safety Training Initiative will be introduced to the membership.

A full update of the various ASPI Initiatives will be presented and discussed at the upcoming ASPI Fall Meeting at Stone Mountain, Ga.

Active Companion Program Offered

Thursday's Companion Program includes a visit to the Atlanta History Center where attendees can visit some of the current exhibits: "Turning Point: The American Civil War;" "Metropolitan Frontiers;" "Shaping Traditions: Folk Arts in a Changing South;" and "Down the Fairway with Bobby Jones."

There will also be a tour of the Tullie Smith Farm, a plantation-style house built in the 1840s by

Membership Diversity Is A Unique Benefit and a Core Characteristic of the Association

An *ASPI News* Editorial by Carl Howe, ASPI Secretary

My company has been an active member of the Association of Suppliers to the Paper Industry (ASPI) and its predecessor associations for more than 25 years. Bill Monroe, Roger Wiedenbeck and Bruce Monroe, all past senior executives of The Johnson Corporation, are past presidents of this association. I am very proud to continue this tradition by currently serving as the secretary of ASPI.

We all know that there have been extraordinary changes within our industry during these last 25 years. Our customers, and how they relate to their suppliers, have gone through huge structural changes. Furthermore, the great majority of companies that were members of PPMMA (one of the prior names of ASPI) 25 years ago no longer exists as such and/or have been through major ownership changes and consolidation.

The types of structural changes that have affected the paper industry and its suppliers have had a dramatic impact upon ASPI, as it has upon any company or individual association focused on the pulp and paper industry. Twenty-five years ago, our membership was exclusively composed of machinery and component manufacturers physically located in the United States that primarily served the domestic marketplace. Membership was dominated by the likes of Beloit Corporation, Sprout-Waldron, Black Clawson, IMPCO, Eimco,

Dorr-Oliver, Goslin-Birmingham, Combustion Engineering, Bird Machinery, Bauer Brothers, Kamyr and other successful, market leaders in North America. The focus of the group was on nationalistic market issues, machinery manufacturing and some exporting.

Today, were ASPI not to have dramatically changed, we, as is the case with the above list of past members, would no longer exist. The focus of ASPI is no longer on the nature of our membership, but rather, on the common, dramatically changing customer base we are attempting to serve. Today, our pulp and paper customer is under tremendous pressure. In order to survive, the typical operating mill has dramatically reduced their cash manufacturing costs, reduced their in-house technical staffing levels and must operate at high sustainable production levels while absolutely maintaining final product quality. As a result, they have become much more dependent upon a wide range of diverse suppliers of products, components and/or services. Their increasing justification for all purchases is defined only by the resulting change upon their income statements and their balance sheets with little latitude for risks.

These structural changes in the pulp and paper marketplace have directly and positively impacted the membership of ASPI. The membership of ASPI is no longer dominated by North American machinery manu-

facturers. Rather, today it is focused on the integrated supply of economic benefits to producers of pulp and paper. As such, ASPI membership is very diverse as characterized below:

- Small privately held regional suppliers to very large international suppliers;
- Pure professional services suppliers to focused consumable parts suppliers;
- Suppliers who exclusively captive manufacture to those that totally outsource;
- Suppliers that only direct sell to those that only use industrial distributors;
- Suppliers that sell large engineered capital systems on a EPC, turnkey basis to those that only sell to OEM's for resale; and
- Large publicly held companies to small, privately owned companies.

This membership diversity, combined with membership participation usually being through a company's owner, president, CEO and/or general manager has become a key component of ASPI's membership benefits. Every supplier executive participating in ASPI knows that his company must structurally improve the value they bring to their customers. Furthermore, what is of value to the industry today must be improved upon tomorrow. As such, ASPI membership provides participating executives very diverse views of the economic opportunities and risks within our common pulp and paper marketplace.

Clay D. Tyeryar Named ASPI Executive Director

Clay D. Tyeryar, CAE, has returned to ASPI and has been reappointed as the Executive Director. Clay serves as President of the



Clay D. Tyeryar, CAE

Trade Associations Division at Association and Society Management International, Inc. (ASMI), an association management firm located in the Washington, D.C. suburbs. He is a seasoned association executive with more than 19 years experience with ASMI and capital equipment association clients. He was APMA/ASPI Executive Director until the end of 2004. ASMI has served ASPI and its predecessor organization, APMA, since 1987.

Clay's experience with ASPI leadership in shaping and delivering programs will assist greatly in ASPI realizing its objectives: to provide educational and networking opportunities, grow membership base and implement initiatives that provide value for the industry. In addition to Clay,

ASPI Fall Meeting

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Every possible spa program is available. There is an extra fee for the Summit Skyride and the Morning at the Spa. There is no additional charge for companions that wish to hear Chuck Reaves and participate in the luncheon.

Book Your Hotel Room Today!!

The cutoff date for room reservations is September 20,

2005. Contact the Marriott Evergreen Resort directly at 770-879-9900 to reserve your room. Be sure to note the ASPI room block in order to receive the special ASPI rate of \$259 single/double, which includes breakfast, lunch, dinner and breaks. A pre-conference rate of \$139 single/double is available for rooms booked for October 18. The pre-conference rate does not include any meals.

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 May 2005 issue of the *ASPI News* featured questions regarding *the pros and cons of direct sales to the paper industry*. The following are responses received from the membership to these questions and other issues related to the sales of products and services to the pulp and paper industry:

■ "It is impossible to generalize on this subject. Over the course of the industry downturn and consolidation during the last ten years, my company has moved twice from a direct sales organization to a combination of direct sales and manufacturing representatives. There is no question in our mind that if our product is technically differentiated and requires true application expertise to properly position its economic value from customer mill to customer mill, that we must sell through direct employee sales engineers. Such a sales effort is consultative and strategic. However, such a sales effort must generate a sales volume at a significant margin to cover the higher sales costs involved. Our direct sales force must be businessmen and allocate their time and effort where there is a financial return."

■ "Unfortunately, the pulp and paper industry is hell-bent on commoditizing everything they purchase. In spite of the fact that they are becoming tremendously dependent upon their suppliers as being the only avenue through

which they can out perform their competitors. Such hypocrisy can, at best, justify a contingent sales organization focused on the primary method of obtaining orders being through just-in time, lowest transaction pricing. The day of the manufacturers' representative has arrived and will be the next step toward the sales of paper machines through Ebay."

■ "Don't worry about what you call them. We have distributors, company cooperative sales agreements, direct sales, agents and manufacturers reps that can move our products as the marketplace contracts and as our customers refuse to recognize unique benefits. It is scary how dependent we are upon a small group of extremely knowledgeable and hard working road warriors. Furthermore, the best of these are not primarily motivated by money. However, we live in fear of inadvertently not compensating them fairly and equitably."

■ "We have found that a direct sales force is the only way to go in this industry if you really think you have a product that can benefit your customer. Furthermore, we have also learned that sales commissions in this rough and tumble industry are a constant source of problems. We pay our direct sales organizations very competitive base salaries only and they know it as does our entire company. Our direct sales personnel are the fighter pilots of our war effort. Without the orders

that they uniquely create, we have nothing."

■ "You state that the industry is moving more and more away from relationship buying. That might be the case for the pure commodity products. However, it damn sure isn't the case for professional services and/or products that have any differentiation; be it real or perceived. This industry buys people first; and then their products."

■ "We only sell service and have no products. As such, we have found that the best way to sell service is with the actual people who will do the work. On paper it might look as though we do not have a sales organization. However, in fact our sales organization is a wide coordinated group of key lead service providers who personally really care about their backlog and the customers with whom they will be working. Our compensation for such people is tied to the inclusive process of identifying good projects, booking them and then completing them profitably."

ASPI Questions

The Members' Forum subject for this issue of *ASPI News* is *the most effective way to introduce a new product to the pulp and paper industry*. We would encourage you to address any and all of the following questions. Your

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European Union Adopts Energy Using Products Directive

The European Union framework directive promoting eco-design for energy-using products (EUP) became law on August 11, 2005, following its publication in the EU's Official Journal on July 22.

The new legislation was agreed by national ministers and members of the European Parliament (MEPs) in April. Member states now have until August 11, 2007, to transpose the EUP directive into national law. The Commission must review the directive by July 6, 2010.

The EUP directive is a first step towards setting tough environmental design requirements for a range of common appliances.

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.

It commits the European Commission, helped by a stakeholder forum, to drawing up by July 2007 a three-year working plan of "implementing measures" setting specific standards for priority products.

The directive also contains a list of "products...offering a high potential for cost effective reduction of greenhouse gases," for which implementing measures could be agreed sooner. This list includes: lighting, office equipment, heating equipment, domestic appliances, air conditioning and consumer electronics. The Commission also could separately publish measures to cut stand-by energy losses before July 2007.

To be considered for implementing measures, a product must sell more than 200,000 units per year in the European Union, "have a significant environmental impact...(and) present significant potential for improvement." The Commission may however decide that other EU legislation or a voluntary agreement better promotes a particular product's eco-efficiency.

The directive also states that implementing measures must not have a "significant negative impact" on a product's price or performance, or on the competitiveness of the EU industry.

The directive sets out labeling requirements for appliances covered by implementing measures. Before qualifying for a "CE" label, the product must be assessed according to rules laid out in the directive.

A copy of the directive is available at http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l1_191/1_19120050722en00290058.pdf.

ASPI Member Forum

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responses will be provided in the next issue of *ASPI News*.

1. Is there a place for advertising, trade shows and other marketing techniques in introducing new products today?

2. How valuable might it be to introducing a new product to have a strong "gain-sharing" relationship with a key customer initially?

3. Are you concerned about intellectual property protection for new products in today's market?

4. Is it more effective to introduce a new product through its inclusion in a major new mill or retrofitting it into an existing operation?

5. How do you deal with a customers' perception of the high risks inherent with new products?

What do you think? What experiences have you had with 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
Association of Suppliers to the Paper Industry
- Since 1933

House of Representatives to Consider Legislation That Would Help Stop Lawsuit Abuse

The Lawsuit Abuse Reduction Act of 2005 – H.R. 420 (LARA) was reintroduced in the House of Representatives on Jan. 26, 2005, by Representative Lamar Smith (R-TX). The House passed the Lawsuit Abuse Reduction Act (H.R. 4571) on September 14, 2004, by a bipartisan vote of 229-174.

In June, LARA was amended by the Committee on Judiciary and reported out of committee. It has been placed on the House Union Calendar and next will be taken up by the full House. There are 57 cosponsors for the bill. Currently, no related bill has been introduced in the U.S. Senate. However, in June the Senate Republican Conference published its “Legal Reform Agenda” that includes meaningful solutions to many problems that plague America’s civil justice system.

What Does the Bill Do?

LARA is common-sense legislation that would help millions of small businesses that have been or are potential victims of frivolous lawsuits and forum shopping. Specifically, LARA:

expenses and attorney’s fees, if warranted; and (4) authorize courts to impose Rule 11 sanctions that include reimbursement of a party’s reasonable litigation costs in connection with frivolous lawsuits.

■ (Sec. 3) Makes Rule 11 applicable to state civil actions where the state court determines, upon motion, that an action substantially affects interstate commerce.

■ (Sec. 4) Requires personal injury claims (defined to exclude class actions) filed in state or federal court to be filed in the county or federal district in which: (1) the person bringing the claim resides at the time of filing or resided at the time of the alleged injury; (2) the alleged injury or circumstances giving rise to the injury occurred; (3) the defendant’s principal place of business is located; or (4) the defendant resides, if the defendant is an individual. This section also directs the trial court to determine which county or federal district is the most appropriate forum in those situations where the alleged injury occurred in more than one county or district.

■ (Sec. 2) Amends Rule 11 of the Federal Rules of Civil Procedure to: (1) require courts to impose sanctions on attorneys, law firms, or parties who file frivolous lawsuits (currently discretionary); (2) disallow the withdrawal or correction of pleadings to avoid Rule 11 sanctions; (3) require courts to award parties prevailing on Rule 11 motions reasonable

expenses and attorney’s fees, if warranted; and (4) authorize courts to impose Rule 11 sanctions that include reimbursement of a party’s reasonable litigation costs in connection with frivolous lawsuits.

■ (Sec. 3) Makes Rule 11 applicable to state civil actions where the state court determines, upon motion, that an action substantially affects interstate commerce.

■ (Sec. 4) Requires personal injury claims (defined to exclude class actions) filed in state or federal court to be filed in the county or federal district in which: (1) the person bringing the claim resides at the time of filing or resided at the time of the alleged injury; (2) the alleged injury or circumstances giving rise to the injury occurred; (3) the defendant’s principal place of business is located; or (4) the defendant resides, if the defendant is an individual. This section also directs the trial court to determine which county or federal district is the most appropriate forum in those situations where the alleged injury occurred in more than one county or district.

■ (Sec. 6) Requires a federal district court to suspend from the practice of law for one year (or for an additional period at the court’s discretion) an attorney who is found to have violated Rule 11 three or more times. It also grants such attorney a right to appeal a suspension and permits reinstatement after suspension

under procedures and conditions prescribed by the court.

■ (Sec. 7) Establishes a rebuttable presumption that an attempt to litigate, in any forum, an issue that has been previously litigated and lost on three consecutive prior occasions is a Rule 11 violation.

■ (Sec. 8) Imposes additional sanctions for intentional destruction of documents sought in, and highly relevant to, a court proceeding.

New Coalition Formed to Help Stop Lawsuit Abuse

A new coalition has been formed to support the LARA. The new Lawsuit Abuse Reform Coalition (LARC) includes more than 70 organizations that represent the broadest spectrum of American businesses. The membership list is available at www.atra.org.

LARC was formed in partnership among the American Tort Reform Association (ATRA), the National Association of Manufacturers (NAM), the National Association of Wholesaler-Distributors (NAW), the National Federation of Independent Business (NFIB), the National Restaurant Association (NRA), and the U.S. Chamber Institute for Legal Reform (ILR).

“Lawsuit abuse has become an increasingly serious topic nationwide,” said LARC Chairman and ATRA President Tiger Joyce. “The coalition represents millions

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ASPI Membership Grows in Size and Diversity

Over the last few years, the corporate memberships in ASPI have grown substantially. This growth has taken place during a period of dramatic industry supplier consolidation and an overall shrinkage in the size in industrial associations. In addition to growth in membership, ASPI has been successful in diversifying its membership, mirroring the structural changes taking place with the supplier segment of the industry.

Recent new membership additions include:

Jaakko Pöyry Group

Jaakko Pöyry is one of the world's leading suppliers of professional engineering and consulting services to the pulp and paper industry. The company is headquartered in Finland and its stock is traded on the Helsinki Exchanges. Jaakko Pöyry Group has more than 5,300 employees located in 42 countries. Jaakko's pulp and paper activities directly involve 2,100 employees throughout 19 countries and have annual revenue exceeding \$200 million in professional service fees. The company also is active in the energy and infrastructure market segments. During the last two years, Jaakko Pöyry has been deeply involved in state-of-the-art pulp and paper capital projects in Australia, Spain, Sweden, South Africa, China, Brazil, Portugal, United States, Germany and France. The majority of the world's fastest paper machines, largest single line mills and largest

recovery boilers have been engineering with Jaakko Pöyry.

The company's representative to ASPI is David Null, Principal, Jaakko Pöyry Management Consulting, Atlanta, Ga., David.null@poyryusa.com, (770) 993-2622.

Paperchine, Inc.

Paperchine is a leading North American supplier of paper machine services, parts and engineered machine process upgrades. They have more than 100 very experienced engineers, service engineers and skilled field personnel with an average paper industry experience of 27 years. They have the largest dedicated paper machine engineering and service group in North America. Paperchine is headquartered in Rockton, Ill., operating from their dedicated 140,000 square foot facility. Paperchine is the exclusive North American sales agency for the Paper Machinery Division of Mitsubishi Heavy Industries.

Twice since its formation in 2000 with the liquidation of Beloit Corporation, Paperchine has been named one of the fastest small companies in the United States by Entrepreneur Magazine.

The company's representative to ASPI is Laurie Wicks, President, Paperchine, Inc., (815) 389-8200 lwicks@paperchine.com.

Paperloop

Paperloop is the leading information provider for the global forest products industry. This is achieved through industry publications such as the Pulp & Paper and the PPI family of newsletters and magazines; RISI analysis and forecasts; mill intelligence including Paperloop Benchmarking and Lockwood-Post Directories; and the foremost Web site for the paper industry, www.paperloop.com.

Paperloop is represented at ASPI by Dan Temple, (770)373-3020, dtemple@paperloop.com.

Kaarlo Horo Appointed President of Sulzer Pumps (US)

Effective May 15, 2005, Kaarlo Horo was appointed President of Sulzer Pumps (US) and will be located at the Sulzer Pumps operation at Easley, S.C. Kaarlo will be replacing Dale Libby who retired from this position and the company this past spring. Dale Libby was a member of the Board of Directors of the Association of Suppliers to the Paper Industry (ASPI) and a long time participant in association activities.

Kaarlo Horo received his M.S. in Mechanical Engineering from the Helsinki University of Technology in 1970. He was employed at the Ahlstrom Corporation Karhula pump factory with roles in product development, service, sales and marketing management.

In 1987, Ahlstrom Corporation purchased the Warren pulp and paper pump businesses located in the United States. This

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New Report Details Costs of Employee Benefits

A new report released August 18, 2005, by the Office of Advocacy of the U.S. Small Business Administration (SBA) details the cost of employee benefits by firm size. The report specifically examines the cost of health insurance, pension plans, paid vacation, and sick leave.

The report finds that the offering of benefits and their associated costs can vary dramatically with firm size. For instance, the latest data show that the per-participant administrative costs of defined-contribution pension plans (such as 401(k) plans) are as much as 14 times more for the smallest firms than for their largest counterparts.

The authors also examined the share of all private industry employees eligible to enroll in health insurance plans. They found that about 40 percent of employees in the smallest firms were eligible for health insurance coverage while slightly more than 77 percent of the largest firms' employees were eligible for health care coverage.

Joel Popkin and Company authored the study, *Cost of Employee Benefits in Small and Large Businesses*, with funding from SBA's Office of Advocacy.

For more information and a complete copy of the report, visit www.sba.gov/advo/research/rs262tot.pdf.

Lawsuit Abuse

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of small businesses that have been or are potential victims of some of the worst abuses of our civil justice system – frivolous lawsuits and forum shopping.”

“Far too often the system allows, in effect, legal extortion,” observed Joyce. “The threat of costly and lengthy litigation forces businesses to settle frivolous claims that could potentially put them out of business. While it costs the plaintiff only a little more than a small filing fee to begin a lawsuit, it costs much more for a small business to defend against it.”

Visit www.atra.org/reports/larc/ for more information about LARA and talking points to encourage Congress to pass the bill.

Kaarlo Horo

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acquisition resulted in the development of a state-of-the-art process pump manufacturing operation in Easley. Kaarlo Horo served as President of Ahlstrom Pumps, Inc., in Easley from 1994-1996.

In 2000, Sulzer acquired the Ahlstrom pump businesses. Kaarlo Horo served as Vice President of Business Area Europe, Africa and South America for the company's business segments in pulp and paper, food, metals and fertilizers prior to being appointed to his current position.

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**Visit the ASPI
Web site
to complete the**

**“Customer
Characterization
Survey”**

ASPI needs your help. We are targeting 100% response. We will publish the results when we reach a statistically valid level of participation.

www.aspinet.org