

P2 and the Paper Industry

According to the United States Pollution Prevention Act (PPA) of 1990, “there are significant opportunities for industry to reduce or prevent pollution at the source through cost-effective changes in production, operation, and raw materials use.” This is the basis of pollution prevention (P2) policies adopted by the U.S. Environmental Protection Agency (EPA). The agency defines P2 as “reducing or eliminating waste at the source by modifying production, the use of less-toxic substances, better conservation techniques, and re-use of materials.” The policies are the result of an evolutionary process that has seen a shift from top-down command regulations to market-based incentives, to voluntary pollution prevention and waste reduction programs. Such evolution became possible only with firms’ recognition that voluntary programs can help reduce long-term compliance costs, rebrand their public image, and enhance their long-term competitiveness. P2 activities include such measures as improved operating practices, spill and leak prevention and process modifications. The agency began collecting data on such activities following passage of the PPA.

CPBIS researcher Aselia Urmanbetova has recently been analyzing the data to characterize the paper industry’s response to P2 policies and how it compares to that of six benchmark industries. In a new CPBIS report entitled “Pollution Abatement and Prevention: Cross-Industry Benchmarks,” she presents the results of a region-by-region and industry-by-industry analysis of the data.

Among the report’s key findings:

- The number of the facilities that report new P2 activities by state appears to correlate more with the size of the state than whether the state has P2 and P2-related policy adoptions.
- The South has the greatest number of reporting facilities.

- The chemicals, plastics and rubber, and food industries have the highest number of facilities that report P2 activities.
- The number of P2 facilities in the chemical industry is much higher than in the rest of the industries.
- Compared to the benchmark industries, the paper industry is more consistent in its P2 efforts and year-to-year reporting.
- The paper industry has shown the highest growth in P2 facility reporting, followed by the food, textile and plastics industries.
- All industries show the same pattern of reporting high counts of P2 modifications in the 1990’s, steadily decreasing towards early 2000’s, and increasing again after 2010.
- The plastics and rubber industry remains the leader in all three types of activity modifications: (process, product, and raw material).

The full report will soon be available on the CPBIS web site.

Trend Indicators from Industry Intelligence Inc.

[Industry Intelligence Inc.](http://www.industryintel.com) has provided market intelligence to more than 600 companies worldwide since it began as Forestweb in 1999. Industry Intelligence delivers a daily report featuring news of the paper and forest products industries. For your subscription visit: <http://www.industryintel.com>

Below is a sampling of recent Industry Intelligence headlines, chosen to mirror significant trends and other interesting developments in and around the paper and forest products industries.

West Fraser in Vancouver, British Columbia, to receive C\$6.1M from Canada's clean technology program to build country's first LignoForce

commercial demonstration plant, which will recover pulp mill lignin and use it in various applications

The grant was the largest of 10 government investments in clean technology projects in British Columbia totaling 27.3 million dollars.

Paper bottle manufacturer Ecologic Brands provides recyclable paper jug and plastic-free recyclable cap for Purina's Pro Plan Renew cat litter; jug consists primarily of recycled molded pulp treated with heat and pressure

The bottle is completely recyclable in most communities.

North American newsprint producers finding stiff competition in export market from Russian newsprint, which is being offered at prices reflecting ruble's 50% drop against the US dollar and Ukraine sanctions

In January, total North American offshore newsprint shipments fell 18.4% from a year ago, with Asia (excluding Japan) down 29.3% and Latin America down 10.5%, according to industry statistics.

Canadian forest products industry now has 43% of world's independently certified forests, or more than 160 million hectares, which is four times more than any other country; Canadian companies can certify to FSC, SFI or CSA standards: FPAC

Certification of forests means that companies follow progressive social and environmental forest management practices as assessed by an independent third body. Having certified forests is a requirement of memberships in the Forest Products Association of Canada (FPAC). Canadian companies can certify to one of three standards: Forest Stewardship Council (FSC); Sustainable Forestry Initiative (SFI) and Canadian Standards Association (CSA).

Recycled paper mills in Finland being forced to adapt to shrinking supply of recovered paper, says purchasing manager at Mänttä mill of Metsä Tissue; recovered paper quality also diminished, partly due to shifts in grades collected

Reduced paper consumption means diminished flows of recycled fiber. However, the paper recovery rate in Finland reached a record level. In 2013 80% of the paper and board consumed in Finland was recycled, as against the European average of 72 percent.

US print book unit sales fall 5% during week ended Feb. 22, compared with similar week in 2014, with mass-market paperback down 14%, trade paperback down 4%, hardcover down 2%, according to Nielsen BookScan data

But audiobooks show the largest drop in sales, down 23%.

Liuzhou Liangmianzhen to add two tissue lines at its site in Liuzhou, Guangxi, China, slated for H2 2015 startup; Toscotec will supply the 65 tonnes/day Modulo-Plus ES tissue lines, configured for substantial reduction in energy consumption

Start-up is scheduled for the second half of 2015.

US paper and paperboard output edges up 0.1% year-over-year in January, on a 91.9% operating rate, with production of paper down 4.1% while production of paperboard rises 2.8%: AF&PA

In January 2015 there was a 3.5% year-over-year increase in tissue output but for all of 2014, there was a 0.9% decline compared to 2013. Newsprint output sank 28.1% in January 2015 compared to January 2014. For all of 2014 the production of newsprint fell 22.1% from that of 2013.

Gorham Paper and Tissue in Gorham, New Hampshire, developing plan for future based on team approach, aims to run two tissue machines full out, develop higher-end products, and eventually set up tissue converting onsite

The at-home tissue business is strong for the company.

Fox River Fiber offers its facilities in De Pere, Wisconsin, for shredding providers and others to fulfill secure document destruction requirements, notes that its unloading bay is secure area, and cargo goes directly into deinking and pulping operations

The company holds certification through the National Association for Information Destruction, the standards-setting body for the information destruction industry.

Domtar's pulp and uncoated freesheet paper mill in Kingsport, Tennessee, nearing its 100th year in operation, finds its biggest challenge now is replacing retiring workers, has set up training program to help newly hired workers prepare for mill jobs

Domtar has partnered in a regional center where new hires go through maintenance and operator apprenticeship programs developed by the company.

IP's Coosa linerboard mill in Rome, Georgia, changes way it hires, trains new workers, with eye to filling about 150 maintenance and operations jobs over next decade, as about half its workforce reaches retirement age

To attract future employees, the company has been reaching out to technical schools and high schools.

AF&PA Statistics

Since our last reporting of American Forest and Paper Association statistics releases, the Association has issued its February printing and writing and paperboard reports.

Printing and Writing

Total shipments decreased 5 percent in February compared to February 2014, with inventory levels essentially unchanged from January. Uncoated free sheet (UFS) paper shipments in February decreased 7 percent compared to February 2014. Imports of UFS decreased 10 percent year-over-year in January, following 14 consecutive months of increases. February coated free sheet (CFS) paper shipments decreased 1 percent compared to February 2014. Imports of CFS papers increased 10 percent in January compared to January 2014, the ninth consecutive year-over-year increase. Uncoated mechanical (UM) paper shipments increased 1 percent in February, the second consecutive month increase. Imports of UM papers were down 14 percent in January. Coated mechanical (CM) shipments in February decreased 8 percent relative to February 2014, with the lowest level of shipments since 1995. Exports of CM increased 16 percent in January, the first increase in the past four months.

Paperboard

Total boxboard production decreased 1.8 percent when compared to February 2014, and decreased 9.0 percent from January. Unbleached kraft boxboard production decreased over the same month last year, and decreased compared to January. Total solid bleached boxboard and liner production increased when compared to February 2014, but decreased compared to January. The production of recycled boxboard decreased compared to February 2014, and decreased when compared to January.

Purchase the full reports by contacting Caroline Nealon, Statistics_Publications@afandpa.org or 202-463-2448.

Paper Quotes

"Greenpeace's ill-founded attacks misrepresent the company's forest management practices and cast unwarranted doubt on Resolute's compliance with Quebec's Loi sur l'aménagement durable du territoire forestier and our sustainability leadership." – *Richard Garneau, CEO of Resolute Forest Products, in announcing the permanent closure of a 75,000 tpy specialty paper machine at Resolute's Alma, Quebec mill. The closure was attributed to market weakness, fiber costs and effects of adverse campaigns by Greenpeace and other environmental groups.*

"This is extremely frustrating and unacceptable. The fact that marketers in some of the most high profile corporations in the world are still using unsubstantiated and misleading environmental claims to persuade consumers to switch from paper-based to cheaper electronic communication is outrageous. Many consumers want a paper option but they are being manipulated by a lack of clear and accurate information. Paper is based on a natural, highly renewable and recyclable resource and can be a sustainable way to communicate, especially when compared to electronic media." - *Martyn Eustace, Founder of the Two Sides initiative*

"Despite the best efforts and ongoing support of our people at Shoalhaven over a number of years to remain competitive, the market for specialty and security papers such as check and watermark papers has continued to experience a significant and sustained drop in demand." – *Peter Williams, Australian Paper's Chief Operating Officer, announcing the impending closure of a specialty and security papers mill*

"Over the next several months, we hope to introduce more people than ever before to the PaperNuts biodegradable alternative to traditional packaging fillers like polystyrene foam "peanuts" that are causing irreparable damage to our environment." – *Tyler Pearson, CEO of PaperNuts*

Statistics Corner: Industry Productivity

Figure 1, below, shows data on the productivity of the paper and converted paper product manufacturing industries. Both industries have exhibited marked

gains in productivity during the ten-year period, with the paper manufacturers achieving somewhat higher gains than the converters. ■

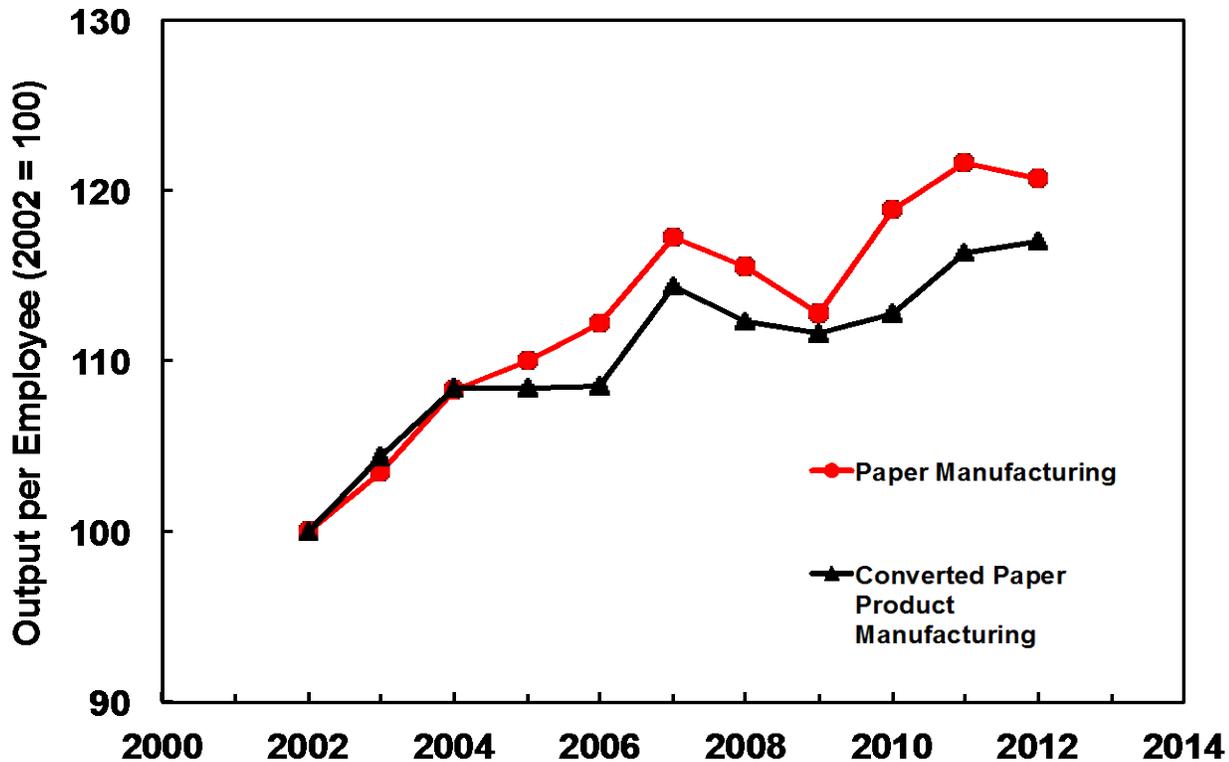


Figure 1. Productivity of Paper and Converted Product Manufacturers, 2002-2012 (Source: Bureau of Labor Statistics)