Targeting Paper Products: EPR, Paper Bag Fees and Chemical Legislation in the States

Conversations around product recyclability and the “cost to recycle” dominated many state legislatures in 2019 and into 2020. Media reports on failing recycling systems and viral videos of sea creatures ensnared in litter led many state environmental agencies and environmentally-inclined legislators to ask questions about what is and is not working when it comes to recycling.

Single-use products and materials that are not widely recycled or easily composted were a common target for bans and fees in coastal legislatures including California, Maine, Vermont, Washington, Rhode island, North Carolina and Florida. Meanwhile, municipalities throughout the country that are struggling to pay for their recycling programs lobbied together with environmental groups in favor of extended producer responsibility (EPR) legislation, which would make paper manufacturers or brand owners fund their recycling infrastructures. EPR for packaging and printed paper is a common refrain in the northeast, while recycling programs were simply suspended in some other parts of the country. Washington, Maine, Vermont and New York are taking a serious look at EPR in 2020 and other states are paying attention to how those programs are taking shape.

There was a great deal of action on the carryout bag front in 2019, with the number of statewide bag laws growing from two — in California and Hawaii — to eight. All eight states have banned plastic bags in some form, while the treatment of paper bags varies greatly. Vermont joins California in charging 10 cents for paper bags while Maine and Oregon set their statewide fees at five cents. New York took a unique approach: plastic bags are banned statewide and counties may opt in to charge a five-cent fee for paper bags. Connecticut and Delaware round out the group with bans on plastic and no impact on paper at all.

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Sustainability: Industry Leadership in a Changing Realm

When sustainability first became a common term, our industry’s emphasis lay on sustainable forest management and recovered fiber content in products. AF&PA’s Better Practices, Better Planet 2020 sustainability initiative, launched in 2011, was established in part to ensure sustainable production patterns along the entire industry value chain.

Supply and demand, consumer preferences, marketing and market competition are all factors that play into changes in the sustainability realm, which have occurred at an ever-faster rate over the past decade. Inherently sustainable, our industry is well-positioned to offer solutions in any sustainability scenario.

When the United Nations released its Sustainable Development Goals in 2015, we noted significant overlap with the Better Practices, Better Planet 2020 goals. This alignment is evidence that our industry is working on some of the most pressing sustainability issues of our time.

In more recent years, concepts such as the circular economy, serious injuries and fatalities and science-based targets have shifted and expanded the focus of sustainability efforts. As in other arenas, our industry has been quick to adapt

(continued on page 6)
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Whether providing tangible goods or “go to market” strategies, we help enhance operational processes and improve business metrics. And we employ the most advanced technologies — from predictive market analytics to real-time dashboards — to optimize profit opportunities and drive future growth.

Today, sustainability is not only a noble goal, but also factors into cost-benefit considerations. We offer approaches to reducing costs while helping the environment by reducing waste, monetizing excess overstock, and improving the recycling and disposal of materials.

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Sappi North America recently promoted Tom Radovich to Managing Director of Sappi North America’s Cloquet Mill in Minnesota (effective Dec. 1, 2019). This news follows the appointment of Mike Schultz, former Managing Director, as Vice President of Manufacturing for Sappi North America.

Radovich has served as interim Managing Director of the Cloquet Mill since September 2019. “I am proud to be given the opportunity to lead Sappi’s Cloquet Mill. We continue to remain a bright spot in the community because of our strong commitment to employee safety and education, sustainability, and giving back. I look forward to strengthening these efforts further in the years to come in my new role,” said Radovich.

The Cloquet Mill is an integrated pulp and paper mill with an annual production capacity of 340,000 metric tons of coated woodfree paper and 340,000 metric tons of dissolving wood pulp.

Radovich has been a part of Sappi’s Cloquet Mill for 25 years beginning in the Technical Department in 1994. After Sappi’s acquisition of the mill in 2002, he was named Paper Operations Superintendent then again promoted to Operations Lead in 2005.

Radovich’s work at the Cloquet Mill has included the upgrade of the PM12 coater, leading the pulp mill conversion project for the new dry fiber building and the PM4 former upgrade. After his promotion in 2017 to Paper Mill Manager, his direct leadership was instrumental in achieving the mill’s record efficiency performance.

Radovich holds a Bachelor of Paper Science and Engineering degree from the University of Minnesota. (continued from page 1)
Paper Beyond The Limits

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The most creative ideas for paper
Fastmarkets RISI Sessions on Global Market Trends for Printing-Writing Papers, Paper-based Packaging and Recovered Fiber

The paper industry is going through a period of dynamic change. Today, March 17, experts from Fastmarkets RISI will give consecutive seminars on the global trends that are affecting the markets for printing-writing papers, paper-based packaging and recovered fiber. Subject matter experts from Fastmarkets RISI will explore and explain the factors that are driving change across the globe, and provide their perspective on what is to come. Senior Economist Derek Mahlburg will give a presentation on supply and demand shifts, external factors affecting the industry and printing-writing papers. Economist Abdulla Zaid will share insights on market trends for paper-based packaging and recovered fiber.

Fastmarkets RISI will sponsor a coffee break between the sessions. All Paper2020 registered attendees are welcome to attend.

Catalyst Launches Electrabrite Book Lite

Catalyst has launched Electrabrite Book Lite, an uncoated hybrid lightweight for books and publishing papers. Electrabrite offers high brightness properties and excellent caliper, making Electrabrite Book, Book Cream and Book Lite a desirable uncoated paper choice for printers. Electrabrite Book Lite excels when it comes to its strength, runnability and print performance.

With decades of papermaking experience and exceptional service and delivery, the Catalyst team is enthusiastic about providing a lightweight book paper tailored to customers’ needs. Electrabrite Book Lite adds to the growing portfolio of this product line that offers various printing options and on-press performance.
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DS Smith Opens New Box Manufacturing Plant in Lebanon, Indiana

DS Smith announced that it has opened a new state-of-the-art box manufacturing plant in Lebanon, Indiana with the capacity to produce more than 17 million square feet of lightweight recyclable packaging per day.

According to DS Smith, the opening of the corrugated plant positions the company to keep pace with increasing demands by consumers and retailers for fully recyclable boxes and fit-to-product packaging that reduces costs, waste and “packing air” of irregularly shaped items. The facility can produce about 30,000 boxes an hour and 2 billion square feet of recyclable packaging a year.

In addition to the plant’s boxmaking capabilities, it also features an underground scrap conveyor system to drastically reduce dust and noise.

The new plant is expected to result in 170 new jobs in Lebanon in engineering, machinery, production, sales and management positions. The location, a strategic decision based on existing and future customer growth, will serve customers and brands with distribution centers in markets such as, Chicago, Columbus, Cincinnati, St. Louis and Nashville.

Gould Paper Acquires McGrann Paper in North Carolina

Gould Paper Corporation, a company of Japan Pulp and Paper, operating under the group brand OVOL USA, in January announced that it acquired McGrann Paper Corporation, a merchant, distributor and converter based in Charlotte, North Carolina.

McGrann Paper is one of the largest stocking merchants of first-line, web-printing grades in North America.

Terms of the deal were not disclosed. "McGrann, founded in 1974, brings decades of experience bringing suppliers to markets that were uneconomical," said Michael Trachtenberg, President and CEO of JP Gould. "Led by Mark Sovie in Charlotte, NC, they will continue to utilize the network of strategically located warehouses and distribution facilities that is the heart of the value proposition.”

Adam McGrann, President and CEO of McGrann Paper, commented, "Becoming a part of OVOL USA brings the significant size and scale to grow the business beyond our traditional specialties and brings new opportunities for our suppliers, customers and employees."

According to McGrann’s website, the company has a network of more than 25 company-owned-and-operated, third-party logistics (3PL) warehouses and converting facilities across the U.S., making it one of the largest stocking merchants of first-line, web-printing grades in North America.
Marcal Paper hosted an event in January to commemorate the official restart of tissue production in Elmwood Park, New Jersey and thank those across New Jersey who aided in its recovery, one year after a ten-alarm fire destroyed the company’s iconic mill and shut down operations.

Chief Executive Officer Rob Baron and dozens of company associates were joined by dozens of workers, Governor Phil Murphy, Congressman Bill Pascrell, Jr., first responders, the United Steelworkers, state legislators, local officials and many community partners.

"Marcal Paper is officially back in business," Baron announced to a cheering crowd inside the mill on Jan. 31. "Today we officially announced the restart of regular papermaking operations in Elmwood Park, one year to the day after a ten-alarm fire destroyed the iconic Marcal Paper mill," said Baron. "The prospect of such an announcement — of restarting a viable paper manufacturing business at the site — seemed impossible to any of us who were there one year ago.

"We are thrilled to welcome back dozens of good people into full-time jobs, and work to restore customer confidence. We will start the long journey of creating a great company from the ground up, once again. Thanks to the remarkable support we've received and the determination of our team, the Marcal story will have another chapter."

New Jersey Governor Phil Murphy added, "One year ago, I toured what remained of the historic Marcal factory only hours after a devastating fire. What a difference a year makes. Today, I am proud to be here for the reopening of Marcal in Elmwood Park, and thankful that this factory will again bring jobs and opportunity to this community. I wish those at Marcal nothing but the best as they restart operations and look forward to following this new chapter in the history of one of New Jersey’s truly iconic companies."

Baron said he and others at the mill were determined to rebuild the operation. "The team would come into my office and say, ‘I’m staying if you’re staying; let’s do this’. . . I never thought about walking away.

"Our goal is to continue to grow this business. But we lost in eight hours; we lost eighty years of customers."

— Rob Baron, CEO, Marcal Paper.

Graphic Packaging Holding Company at the end of January acquired a folding carton facility from Quad/Graphics, Inc. for $40.0 million.

Graphic Packaging noted that the approximately 400,000 square foot converting facility is strategically located in Omaha, Nebraska, close to many existing food, beverage and industrial customers. The business generates approximately $75 million in revenue, consumes roughly 40,000 tons of paperboard, and is expected to generate approximately $7 million in annualized EBITDA including synergies over the next 24 months.

Joel Quadracci, Chairman, President & CEO of Quad, commented, “The Omaha plant’s focus on high-volume, low-cost converting for folding cartons is a great fit with a vertically integrated supplier like Graphic Packaging, which operates both paperboard mills and converting facilities.”
Domtar in mid-December donated thousands of brand-new books to Classroom Central in west Charlotte, North Carolina. Classroom Central equips students in need to effectively learn by collecting and distributing free school supplies to their teachers. The program serves teachers and students in nearly 200 schools across six school districts in the Charlotte Region.

Domtar’s corporate office is located in Fort Mill, South Carolina, less than 20 miles from Charlotte. The event offered 40,000 free books for teachers to share with students in Charlotte-Mecklenburg County, North Carolina, and York County, South Carolina.

Domtar donated the books as part of a national nonprofit program called First Book, which provides books to children in need.

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It took a tractor-trailer to get the books into Classroom Central, and it was reported by a local news outlet that the value of all the books, if teachers were to go out and buy them, would be around $300,000. Employees from Domtar and several local businesses volunteered their time at Classroom Central’s Free Store to sort and stack the books provided by Domtar. During the event, more than 200 teachers shopped for free books for their students.

The books are not directly available to the public, but teachers can register through the First Book program to participate.

### Verso Introduces Liberty Coated Paper Promotion

Verso recently introduced a new promotion for its No. 4 coated web printing paper, Liberty, titled ‘Quality of Paper. Quality of Life. That’s Liberty.’

Liberty is a true No. 4 coated web paper that offers a wide range of basis weights in its class, from 38 lb. to 60 lb., and three finishes — gloss, dull and matte. It is designed to perform on web offset printing presses and is ideal for printing applications including publication covers, catalogs, magazines and retail inserts.

“Liberty has a long track record of excellent, reliable on-press performance with commercial and publication printers,” said Verso President Mike Weinhold. “Liberty is made at our Escanaba, Michigan, mill, so it’s close to many major printers in the Midwest. This proximity gives us better speed and agility to get them what they want, when they need it, than other choices.”

Verso Brand Manager Amy Bridges adds, “Liberty is a clean, white sheet that delivers just the right amount of contrast, making images and details really stand out. Exceptional whiteness combined with great print gloss reproduce images with crisp aesthetics, excellent definition and print snap that marketers are looking for to boost their brand’s image.”

### Cartonsa to Hold ‘Open House’ Tuesday Afternoon, 5 – 6 P.M.

Are you looking for a chance to meet Cartonsa and other paper industry professionals?

Cartonsa values making new connections and invites paper industry professionals to Suite 3725 in the Lotte New York Palace, March 17 between 5 - 6 p.m.

Bolkar Adiyaman, President of Cartonsa, said, “Our objective is to widen both supplier and customer bases to create significant value by aligning all stages of the supply chain to perfection. Customer expectations are shifting and we are working diligently with our suppliers to accommodate the growing consumer demand for change. A culmination of these changes is having a direct impact on the packaging of food today and will also impact the future.”

Adiyaman pointed out that new product launches, acquisitions and expansions are the key strategies being deployed by Cartonsa to ensure its growth in the export markets. “Our engineering background and knowledge in the export markets have played a key role in positioning ourselves in food packaging and specialty paper grades. We are proud of Cartonsa’s diversified product lines, custom converting and multiple finished products in specialty paper grades. We are developing solutions for sustainable fiber-based packaging that meets both cost-efficiency and performance.”

Please join Cartonsa to discuss innovative and creative ideas and have the chance to meet in person and discover a world of opportunities.
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- Newsprint
- SBS board grades

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Paper2020 Luncheon

Today’s Paper2020 Luncheon is sponsored by International Paper.

INTERNATIONAL PAPER

Keynote speaker Carla Harris is vice chairman, global wealth management and senior client advisor at Morgan Stanley. During her 30 years of Wall Street experience, she led Morgan Stanley’s Emerging Manager Platform, chaired the National Women’s Business Council and authored two best-selling books, Strategize to Win and Expect to Win.

Drawing on examples from her long and impressive career, Ms. Harris will impart hard-earned wisdom and address the importance and power of perceptions in the workplace, the key relationships in order to ensure success and what it takes to be an impactful and influential leader.

During the luncheon, NPTA will present Mike Graves, president and CEO of Midland Paper, Packaging + Supplies, with the Stanley O. Styles Industry Excellence Award.

The Paper2020 Luncheon will be held Tuesday, March 17 from 12:00 to 2:15 p.m. in the Villard Ballroom on the 2nd floor of the Lotte New York Palace. The luncheon is a separately ticketed event.

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