“Building a Leaner, More Focused IP”

International Paper’s Mark Sutton
Executive Papermaker of the Year
The PT2X™ rotary joint and stationary syphon system is designed exclusively for high-performance paper dryers. Its high-visibility seal wear indicator, protective shroud, and optional 200 psig capability enables dryer sections to run longer and faster.
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Containerboard (corrugated medium and linerboard) production in the U.S. reached an all-time high in 2021, according to the American Forest and Paper Association (AF&PA), and it doesn’t look as though there will be a let up in demand for the sought after sheets of board any time soon.

“The preliminary data indicates total containerboard production in 2021 increased 5.6 percent compared to 2020, the ninth increase in the past 10 years,” AF&PA said.

In fact, demand for boxes in e-commerce applications will grow at a double-digit pace to over $3 billion in 2021, the fastest rate of any market, says industrial research company Freedonia Group.

“Corrugated boxes will account for nearly all demand in this market due to their predominance as shipping containers,” Freedonia said.

In step with production, OCC demand also reached a record level in 2021, with mills consuming 24.3 million tons, a 6.8% increase over 2020, according to AF&PA.

With the past year’s surge in e-commerce and its dependence on corrugated boxes, coupled with an out of whack supply chain and pandemic related labor shortages, fulfilling the demand for boxes has become a challenge to the industry.

But it’s not so much a situation of mills’ production capacity unable to keep up with demand, it’s a matter of getting containerboard tonnage from the mills to the converting plants and then having enough labor in the box plants to make the boxes.

Fastmarkets published an article online in January authored by Greg Rudder titled “US box demand continues to outrun containerboard supply.” In it Rudder writes, “North America’s containerboard market ended an ‘unprecedented’ year (2021) with the same unresolved, nagging dynamics: corrugated box demand outrunning containerboard supply, and high-cost transport with labor shortages that delay shipments.

“At the end of December, buyers and sellers of linerboard and boxes reported no discounting for linerboard or corrugating medium in the open market in North America, mostly four- to six-week delivery time for boxes, and a smoother flow of containerboard to corrugated converting than during the first half of 2021.”

Rudder says packaging markets are facing ‘a new reality.’ A company official who works in the US and Mexico packaging markets commented about the US box market dynamics. “This is unrecognized territory. And COVID is not over. We have a new reality in boxes today.”

And a boxmaker in the Northeast told Rudder, “We keep thinking (a box demand decline is) coming but we don’t see it.”

PaperAge had the opportunity (see page 22) to ask International Paper’s Chairman and CEO, Mark Sutton, about the measures IP is initiating to position itself to meet the growing demand for boxes.

“We have exciting plans to invest in our U.S. box system to enhance both our capabilities and capacity in response to the growing needs of our customers. We anticipate adding three to five box plants in the next few years. We also will continue to invest in adding equipment inside existing IP locations that have the physical room and are in the right geographies to effectively serve our customers,” Sutton said.

He also provided an uncomplicated take on the intensifying demand for boxes.

“The products we make have strong links to important consumer trends – our boxes promote convenience and sustainability.”

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Bio Pappel – McKinley Paper Acquires Midwest Paper Group

Bio Pappel, through its subsidiary McKinley Paper Company, on Feb. 4 announced the acquisition of 100% of Midwest Paper Group, a privately held manufacturer and distributor of recycled containerboard and natural kraft packaging grades.

Terms of the deal were not disclosed.

Midwest Paper’s corporate headquarters and paper mill are located in Combined Locks, Wisconsin. The company has about 320 employees and operates three paper machines. According to Bio Pappel, the mill has an annual production capacity of 500,000 tons.

Bio Pappel said the acquisition doubles its paper production in the United States and ensures the supply of packaging paper grades for its network of packaging facilities that support the growing e-commerce packaging market.

Miguel Rincon, Chairman of the Board of Bio Pappel, said, “The acquisition of Midwest Paper Group is consistent with our business strategy to continue building a competitive T-MEC paper company, with the conviction that the North American bloc (Mexico-United States-Canada) is the best region to invest and create long-term shared value.”

McKinley Company, part of Bio Pappel, is made up of two U.S.-based businesses: McKinley Paper and McKinley Packaging. McKinley Paper operates two paper mills in the United States — one in Prewitt, New Mexico and the other in Port Angeles, Washington. The mills have the combined capacity to produce 450,000 tons per year of 100% recycled packaging grades, such as liner and corrugated medium. McKinley Packaging has facilities in California, Georgia, Indiana, and Baja California, Mexico.

Menasha Packaging to Acquire Georgia-Pacific’s Color-Box Business

Menasha Packaging Company, LLC has signed an agreement to acquire the assets of Color-Box, a business unit of Georgia-Pacific, LLC.

Terms of the transaction were not disclosed.

Like Menasha Packaging, Color-Box is a corrugated packaging manufacturer specializing in high-graphic boxes. Founded in 2000, Color-Box employs 550 and operates plants in Richmond, Indiana; Pelahatchie, Mississippi; and Madera, California.

“Menasha Packaging and Color-Box are a great fit, and we are excited about the opportunities ahead,” said Mike Riegsecker, President, Menasha Packaging Company. “Color-Box will expand our geographic footprint and provide additional graphics, design, and structural packaging options for our customers.

“Color-Box's business culture also strongly aligns with Menasha Packaging’s, with a priority on safety and employee wellbeing, excellence in serving customers, and a focus on innovative solutions,” Riegsecker added.

The acquisition is expected to close in early summer 2022.

WestRock to Construct New Corrugated Box Facility in Longview

WestRock Company announced plans to build a new corrugated box plant in Longview, Washington to meet the growing demand from WestRock’s regional customers in the Pacific Northwest.

“WestRock’s corrugated packaging business in the Pacific Northwest continues to perform well, with strong relationships with customers in attractive growth markets,” said David B. Sewell, WestRock’s CEO. “Our new corrugated packaging plant will enable our team in this region to serve these customers even better in the future, with a state-of-the-art manufacturing facility that will provide new capabilities and efficiencies for our customers.”

The new plant will serve all industry segments and markets in the Pacific Northwest. When completed, this new plant will replace the company’s existing corrugated operations in Longview.

The new plant will be co-located with the Longview paper mill operations and will increase the integration of the mill’s containerboard.

Ox Industries Acquires Tube and Core Producer York Industries

Ox Industries has acquired York Industries based in York, South Carolina. The company is a leading producer of green protective packaging and paper tubes and cores, converting over 16,000 tons of uncoated recycled paperboard.

Terms of the deal were not disclosed.

Founded in 1989, York Industries is traded under Customer Paper Tube SE and Edgeboard SE brand names and is a regional supplier servicing customers in the Southeast US.

Ox Industries’ CEO, Kevin Hayward, commented, “This acquisition further expands our geographic footprint of providing niche products that vertically integrate into our mill network.

We look forward to working with the York team members and expanding the service and products for our customers.”
5 Ways an OEM partner helps mills achieve their goals

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The most fundamental benefit of an original equipment manufacturer (OEM) is expertise, and OEM partnerships are built around trust. Below are 5 ways your OEM partner builds trust and helps you achieve your goals.

1. **Process Audits & Studies**
   Many variables impact Pulp & Paper mill operations. In the woodyard, on the Fiberline, and throughout the liquor cycle, Valmet OEM experts understand optimal process conditions for pulp production, and help customers identify opportunities to improve efficiency.

2. **Maintenance, Troubleshooting & Shutdown Support**
   In a recent survey, 3 out of 4 Field Service customers chose Valmet specifically for its OEM resources and expertise. Valmet Field Service experts cover everything from fast, on-call troubleshooting to planned, practical, and strategic maintenance carried out on a continuous basis at your production site. Our experts plan, execute, manage, and develop maintenance activities according to your specific needs, serving mills locally in-person and remotely via Industrial Internet capabilities at Valmet Performance Centers.

3. **Spare Parts Planning**
   Proper planning means being prepared. Whether for planned outages or unexpected emergencies, careful evaluation and procurement of key equipment parts can keep downtime at a minimum. Valmet Field Service experts work with customers every day to develop spare parts plans and customized solutions to meet the needs specific to their mill.

4. **Re-manufacturing Capabilities for Existing Equipment**
   The equipment and service needs of each mill depends upon its unique goals and processes. Valmet helps mills improve equipment availability and maximize efficiency of existing machinery through workshop services including repairs, rebuilds and exchange programs. With 5 Fiber Workshops and 6 Roll Service Facilities in North America, Valmet restores equipment to original OEM specifications & warranty conditions.

5. **Product & Process Training**
   Since November 2020, nearly 3,000 members of the Pulp & Paper community have attended Valmet product or process trainings, webinars, or virtual customer events in North America. Regardless if you are online, at the mill or touring one of our shops, Valmet experts have resources and experience to introduce the next generation of engineers and future mill leaders to today’s technology and the OEM legacies of the past.
Columbia Pulp, LLC has idled its Lyons Ferry pulp production facility in Starbuck, Washington. The pulp plant, which has the capacity to produce 140,000 tons per year of wet lap pulp from wheat straw, was idled on Feb. 18.

The decision affects approximately 80 employees that work primarily in Columbia Pulp’s headquarters in Dayton, Washington, and at the Lyons Ferry production plant.

“We made this very difficult decision while continuing to evaluate our strategic options,” said Terry Ryan, Columbia Pulp’s Interim CEO. “We are acutely aware that this has wide-reaching impacts on many people — our valued employees and their families, farm suppliers, and the communities in which we operate. The Columbia Pulp team is talented and dedicated, and we are committed to assisting them through this transition.”

More than a decade ago, Columbia Pulp was founded with a vision to utilize wheat straw to create an alternative fiber pulp that would leverage opportunities for paper and packaging applications.

“Being a first of its kind application with this type of technology has not been without challenges,” Ryan explained. “And while this is normal for a company at the forefront in developing a product like this, to continue on we must make these hard choices while we evaluate our options going forward.”

Columbia Pulp said the majority of the plant production is expected to pause in the second quarter with a small staff that will remain to handle daily business operations. Support will be provided to employees in terms of transition and employee assistance.

“We know that the work of all of our employees helped pave the way for an alternative fiber option in our target markets and will have a lasting impact,” Ryan said. “We believe in this vision and what it means for the future of sustainability in the pulp and paper industry.”

Willamette Falls Paper Company Cuts Waste with Energy Trust of Oregon Program

Willamette Falls Paper Company (WFPC) completed participation in Energy Trust of Oregon’s First Year Strategic Energy Management program (First Year SEM).

Starting in October 2020, the facility participated in a SEM program resulting in total energy savings of 290,318 kWh, equivalent to 25 homes powered, or 203 metric tons of CO2 saved.

WFPC created an Energy Team and carried out a slate of First-Year SEM practices under the mentorship of a SEM coach. These significant efforts resulted in the implementation of seven energy-saving projects, including:

• Reduction of boosted water pressure
• Repair and shutoff of a process water pump to effluent pump
• Compressed air leak repair throughout the facility

“Last January, we performed a ‘Treasure Hunt’ and identified 56 potential energy-saving projects. Twelve were prioritized as low-cost, high-return opportunities, and we’ve already completed seven of them,” said Engineering Manager, Robert Hart. “We will continue the process, looking for opportunities and executing more projects in the coming year as conditions stabilize.”

Facility Manager, John Ottnes, noted, “Our goal for this first year was to save 5% energy across the plant and to implement the tools, procedures, and organizational culture to save 38% over five years on an energy per ton production basis.”

Willamette Falls Paper has committed to another year of the SEM program with identified goals to develop and implement energy management plans, practices, policies and standard operating procedures that promote greater efficiency.

Dave Hall, SEM Coach with Energy Trust of Oregon, said, “It’s been a pleasure working with the Willamette Falls Paper team, and we are excited to continue the partnership for another year of SEM. Beyond the projects completed in their first year, the groundwork was laid to complete even more impactful projects this year.”
Green Bay Packaging (GBP) announced plans to construct a new 600,000 square-foot corrugator plant in Fort Worth, Texas. Construction on the site is set to begin in the first quarter of 2022 and startup of the operation is scheduled for the second quarter of 2023.

The new “super-plant” will be replacing GBP’s current 200,000 sq. ft. corrugator plant in Fort Worth. GBP has operated a plant in Fort Worth for over 50 years. The new plant will be equipped with a new 110” Fosber corrugator and all new state-of-the-art high-speed flexo folder gluers and rotary die cutters.

The Fort Worth announcement is in line with GBP’s strategy for continued growth and expansion.

“The Fort Worth operation is an important part of GBP, and the leadership and employees of this division are second to none,” said Will Kress, President, and CEO of GBP. “We believe in investing in our people and our loyal customers, and we are looking forward to the next phase in Fort Worth.”

Bryan Hollenbach, Executive Vice President of GBP, added, “We are committed to this industry, our employees, and customers. We continue to invest at a high level and work hard to make GBP a great place to work and build a career.”

Essity has acquired Legacy Converting, Inc., a manufacturer of sanitizing and disinfecting wet-wipes, chemical-ready wipes and dry wipes located in New Jersey.

The purchase price amounts to $40 million with a potential additional earn-out amount of $10 million on a cash and debt-free basis.

Legacy Converting was founded in 2004 and manufactures the Everwipe™ brand of roll and folded wipes in a variety of formats, including pop-up canister, bucket and resealable packs.

“As a leading global hygiene and health company, we are committed to offering innovative sustainable hygiene products and services,” said Don Lewis, President Professional Hygiene, Essity. “With the acquisition of Legacy Converting, Inc. we will expand our wiping and cleaning product offering and further strengthen our presence in key customer segments in the North American market.”

During the first nine months of 2021, Legacy Converting reported net sales of $15.1 million, Essity said.

Congratulations to International Paper’s CEO Mark Sutton on being PaperAge’s 2022 Papermaker of the Year.
Smurfit Kappa has announced an investment of over US$33 million to expand the capacity of its plant in Fortaleza, Brazil, to meet the growing demand for sustainable packaging.

“Almost 30% of the total Brazilian population resides in the Northeast region, and Fortaleza offers the perfect platform to strengthen our presence in this attractive and fast-growing part of the country,” said Laurent Sellier, CEO of Smurfit Kappa the Americas.

The expansion, which includes the installation of a new corrugator, will significantly extend the plant’s Shelf Ready Packaging capability for FMCG customers in a range of sectors including fresh fruit, home appliances and pharmaceuticals.

Several high-end printers will also be installed to provide the high level of precision and quality that is required for eCommerce packaging.

“In addition, a new innovation center will promote customer collaboration and enhance the development of sustainable packaging solutions.

“Brazil is an essential market for Smurfit Kappa and we are excited to dedicate significant resources of the company’s global investment plan to expand our presence in the Northeast,” Sellier added.
With its digitalization and automation portfolio Papermaking 4.0, Voith Paper is an international pioneer and innovation driver in paper production. The technology company now has more than 300 digital installations worldwide. The numerous references prove how digitalization continuously optimizes the production process in terms of efficiency, sustainability and quality.

Discover the Papermaking 4.0 solutions on voith.com/paperisON
EUROPE

**Mondi to Divest Its Personal Care Components Business for EUR 615 Million**

Mondi has entered into an agreement to sell its Personal Care Components business (‘PCC’) to Nitto Denko Corporation for an enterprise value of EUR 615 million, which is also the approximate cash consideration payable to Mondi at completion of the transaction.

Mondi’s strategic focus to grow in packaging and the limited overlap of PCC with the rest of its business has led Mondi to conclude that the next phase of PCC’s development will be better undertaken outside of the Group.

“By simplifying our portfolio, the transaction will enable us to focus on our core packaging and paper businesses and enhance our ability to pursue our strategic priority to grow in sustainable packaging,” said Andrew King, CEO of Mondi Group.

PCC, part of the Group’s Engineered Materials business unit, manufactures a range of components for personal and home care products needed in everyday life such as diapers, feminine care, adult incontinence and wipes. In 2020, PCC generated underlying EBITDA of EUR 42 million.

Following the planned completion of the deal, the remaining portion of Mondi’s Engineered Materials, namely Functional Papers and Films, will be merged into Mondi’s Flexible Packaging business unit.

**Arctic Paper and Rottneros to Invest EUR 15 Million in Moulded Fiber Tray JV**

Arctic Paper and Rottneros have decided to invest EUR 15 million in a production plant that will produce moulded fiber trays. The plant will be located on the site of Arctic Paper’s paper mill in Kostrzyn, Poland.

Arctic Paper is a majority stakeholder (51%) of Rottneros, a producer of market pulp.

According to the Sweden-based companies, the new plant will be operated as a separate legal entity and as a 50/50 joint venture, in line with the LOI that was signed by the parties on October 22, 2021.

In a joint statement, the CEOs of Arctic Paper and Rottneros, Michal Jarzynski and Lennart Eberleh, respectively, said, “We are seeing a rapidly growing demand for moulded fiber trays, and we are pleased to announce that we are now ready to move forward with our plan to launch the first industrial scale production of high barrier fiber-based packaging.”

The companies noted that the production of moulded fiber trays will be suitable for high barrier packaging, modified atmosphere packaging with extended shelf life, as well as for packaging with lesser functional demands, all based on Rottneros’ fresh fiber.

The start-up of the new production plant, which will produce around 80 million trays per year with an estimated annual revenue of EUR 9-11 million, is planned for the end of 2023.
Stabilize your recycled packaging process. And do it with less effort.

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EUROPE

Stora Enso May Convert Idled PM at Oulu Mill to Folding Boxboard

Stora Enso is starting a feasibility study for the possible conversion of an idle paper machine at its Oulu mill in Finland for a high capacity consumer board line. On a successful completion of the feasibility study, an investment decision could be made by the end of 2022 with start-up in 2025.

Stora Enso estimated the annual capacity of the converted machine would be 750,000 tonnes of folding boxboard (FBB), coated unbleached kraft (CUK) and liner grades.

Stora Enso’s potential investment in Oulu would target packaging segments for frozen and chilled food and beverages, as well as for non-food applications such as pharma and cosmetics.

Based on full ramp-up, the potential top line sales impact of the conversion would gradually reach an annual level of EUR 800 million. Capital expenditure is estimated to be EUR 900-1,000 million during 2023-2026.

The investment would include the conversion of the former paper machine and the sheeting facility. It would also include investments in wood handling, the bleached chemi-thermo mechanical pulp (BCTMP) plant, the biomass boiler and the effluent treatment plant.

Sappi Plans Significant Investment to Expand Carmignano Mill

Sappi has announced plans to make a significant investment during the next two years in its Carmignano paper mill in northern Italy. The investment, which the company said will be in the “low double-digit millions”, will increase production capacity to support further growth in its existing dye sublimation business.

In February of 2018, Sappi acquired the specialty paper business of Cham Paper Group, which included the Carmignano and Condino mills in Italy.

The Carmignano mill is a non-integrated paper mill with two paper machines. Currently, the plant produces up to 100,000 tons per year of specialty paper. Paper grades include C1S FlexPack, C1S label papers for wet glue, and self-adhesive applications and base paper for metallization.

Sappi expects to complete the expansion project by the end of 2023.
BillerudKorsnäs and Viken Skog to Explore Pulp Production Partnership

BillerudKorsnäs and the Norwegian forest owner group Viken Skog are forming a joint venture to explore the possibilities of working together to establish production of bleached chemi-thermomechanical pulp (BCTMP) at Viken Skog’s Follum mill in Hønefoss, Norway.

BillerudKorsnäs and Viken Skog plan to initiate a feasibility study, which will be completed during the first half of 2023, to establish a production line at the Follum mill with the capacity to produce up to 200,000 tonnes per year of BCTMP.

“This initiative forms part of BillerudKorsnäs’ strategy for sustainable and profitable growth and supports our ambition to grow in paperboard,” said Christoph Michalski, President and CEO of BillerudKorsnäs. “To cover the increasing need for BCTMP for our growing board operations, we want to explore the possibilities of producing this pulp quality in Follum together with Viken Skog. As part of this partnership, the intention is also to enter into a long-term wood supply agreement with Viken Skog.”

BillerudKorsnäs pointed out that the Follum mill already has much of the infrastructure needed to establish such a production line and is located in an area with competitive and sustainable wood supply and good transports to BillerudKorsnäs’ board mills.

If the project should proceed after the feasibility study is complete, the investment for BillerudKorsnäs is estimated to be in the range of NOK 600-800 million.

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IndustriAll European Trade Union, representing the interests of the sector’s workers, and Cepi, the Confederation of paper and pulp producers, have jointly called on the European Parliament to revise a number of aspects of the EU’s ‘Fit for 55’, the Union’s flagship legal package aiming to cut Europe’s emissions of CO2 by 55% until 2030.

In a joint statement, IndustriAll and Cepi said, “Fit for 55 represents an opportunity for the paper and pulp industry, as its materials, based on forest fibers, are meant to displace sources of CO2 emissions by substituting less sustainable products. While its production processes can be energy-intensive, pulp and paper producers are frontrunners of the European industrial energy transition, having made substantial investments in green technologies and clean energy. Cepi members have also pledged to support the EU’s massive tree planting effort.

“The social partners of the paper sector fully support the EU objective to reach climate neutrality by 2050, but insist that the ‘Fit for 55’ package must promote stable, predictable and effective protection for European industries. The package must strike the right balance between imposing economic burden on ‘made in Europe’ industries and rewarding investments in decarbonisation.”

Transformation Rather than Disruption

IndustriAll and Cepi are proposing to EU policymakers a set of measures aiming to ensure regulatory stability, competitiveness, and a socially fair transition:

• Promote the frontrunners of the European industrial energy transition by ensuring a level playing field in the internal market and guaranteeing investment security.
• Provide clear and stable rules for a carbon-neutral production in Europe.
• Provide effective carbon leakage protection.
• Limit the impact of energy costs on the industrial production.
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INDUSTRY SUPPLIERS

Valmet Acquires U.S.-Based Coldwater Seals

Valmet on March 1 acquired North American-based Coldwater Seals, Inc., a global provider of consumables and services to the pulp and paper industry. Coldwater operates manufacturing facilities in the United States and Sweden.

The value of the acquisition will not be disclosed.

Coldwater manufactures and supplies paper process parts, including suction roll seal strips, ceramics, plastics, doctoring products and other specialty products. It is the global market leader for suction roll seals and plastic dewatering elements.

In the last twelve months the company had net sales of approximately EUR 15 million.

The acquired operations employ about 60 people located in Atlanta, Georgia; Appleton, Wisconsin; and Kil, Sweden.

Coldwater operates globally and has technical service representatives in more than 70 countries.

Sun Paper Starts Up Voith XcelLine PM 2

Sun Paper recently started up PM 2 at its site in Beihai in Southeast China. The XcelLine paper machine, supplied by Voith, produces high-quality white folding boxboard in basis weights of 170 to 350 gsm.

With a design speed of 1,400 m/min and a wire width of 8,900 mm, PM 2’s planned annual capacity is over 1 million tons.

“The high-speed plant uses the latest technologies. In combination with the visionary industrial design, the plant sets the highest standards in terms of efficiency, safety and sustainability,” said Dr. Michael Trefz, President Projects at Voith Paper.

According to Voith, the entire project from initial contracting to start-up in December 2021 took only 18 months. This is the third paper machine that Voith has started up for Sun Paper in the last 12 months.
Appvion, LLC has appointed Laurie D. Andriate as Chief Executive Officer, succeeding George Wurtz upon his retirement. Prior to joining Appvion, Andriate led Henkel AG & Co.’s global coatings, sealants and treatment business unit. Andriate earned a Bachelor of Science degree with concentration in textile chemistry from the University of Tennessee and holds a Master of Science degree with concentration in textile engineering and polymer physics from North Carolina State University.

Dunn Paper in December appointed Brent Earnshaw as Chief Executive Officer. With a Ph.D. in Paper Science, Earnshaw has extensive experience in the paper industry and founded Dunn Paper in 2003. The company also announced that Wade Kemnitz has been promoted to President. Kemnitz has served as Chief Operating Officer for Dunn Paper since January of 2016.

Graphic Packaging Holding Company announced that Maggie Bidlingmaier has joined the company as EVP and President of the Americas business unit. Bidlingmaier was most recently President, Performance Solutions for Invista, a subsidiary of Koch Industries. Also, Joe Yost, previously EVP and President, Americas, has been appointed EVP and President of the International business unit, based in Brussels.

SCA has appointed Andreas Ewertz as its new CFO, effective May 1. He replaces, Toby Lawton, who is leaving his position for personal reasons. Ewertz has worked at SCA since 2017, where he has been responsible for investor relations and served as head of business control for business areas Publication Paper and Pulp, respectively.

Sustana has appointed Jeffrey Crawford to the position of Vice President of Sustainability. Crawford holds an M.A. in International Relations from the International University of Japan and a bachelor's degree in Marketing from Georgia State University.

Andreas Ewertz

Jeffrey Crawford

Industrial Shredders announced the addition of Nick Beiter as Solutions Engineer. Beiter will oversee new business development, serve as the main point of contact for customer inquiries, work with the engineering department on system design and assist with marketing strategy. Beiter joins Industrial Shredders from Viking Forge, where he was technical sales engineer for the precision metal forging company.

Precision Roll Grinders announced that Deborah S. Smalley has been named Corporate Controller. Prior to joining PRG, Smalley worked as controller and then regional finance manager for Blue Triton Brands.

Voith Paper recently appointed Dr. Michael Weiss as Chief Technology Officer and member of the Management Board. Dr. Weiss previously held the position of Vice President Business & Research for Voith. He succeeds Frank Opletal, who is retiring after 38 years at Voith Paper.

The American Forest & Paper Association (AF&PA) elected Christian Fischer, President and CEO of Georgia-Pacific LLC, as AF&PA Board Chair. Fischer succeeds Mike Doss, President and CEO of Graphic Packaging International, who will serve as Immediate Past Chair.

TAPPI announced that Peter Hart, Ph.D., Director-Research and Innovation, WestRock, has been named winner of the prestigious Gunnar Nicholson Gold Medal Award. First presented in 1985, the prestigious Gunnar Nicholson Gold Medal Award is TAPPI’s highest technical honor in recognition of an individual’s exceptional industry contributions. The award will be presented at TAPPICon, April 30-May 4, in Charlotte, North Carolina.
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JUNE 12-15, 2022
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Pulp and Paper Safety Association
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JUNE 29-JULY 1, 2022
ZELLCHEMING-Expo 2022
ZELLCHEMING
RheinMain Congress Center
Wiesbaden, Germany
www.zellcheming.de

APRIL 4-6, 2022
BLRBAC 2022 Spring Meeting
Black Liquor Recovery Boiler Advisory Committee
Sonesta Hotel (formerly the Crowne Plaza)
Atlanta, Georgia, USA
www.blrbac.net

JUNE 12-14, 2022
International Pulp Week
Pulp and Paper Products Council
Fairmont Hotel Vancouver
Vancouver, BC, Canada
internationalpulpweek.com

JUNE 12-15, 2022
PPSA Safety and Health Conference
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JUNE 29-JULY 1, 2022
ZELLCHEMING-Expo 2022
ZELLCHEMING
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APRIL 10-12, 2022
FBA Annual Meeting
Fibre Box Association (FBA)
The Montage Laguna Beach
Laguna Beach, California, USA
www.fibrebox.org

APRIL 26-27, 2022
Converters Expo
BNP Media Packaging Group
Lambeau Field
Green Bay Wisconsin, USA
www.packagingstrategies.com/converters-expo

SEPTEMBER 18-20, 2022
PPI Transport Symposium 24
IFPTA and Fastmarkets
Sawgrass Marriott Golf Resort & Spa
Ponte Vedra Beach, Florida, USA
www.ifpta.org

SEPTEMBER 19-21, 2022
Corrugated Week 2022
TAPPI and AICC
Henry B. González Convention Center
San Antonio, Texas, USA
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OCTOBER 4-6, 2022
Specialty Papers US
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The Westin Milwaukee
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Leading on Sustainability, Recycling, and More in 2022

The paper and wood products industry has remained at the forefront of innovation to make sustainable products for a more sustainable future.

By Heidi Brock, President and CEO, American Forest & Paper Association

The American Forest & Paper Association and our members play an active leadership role in contributing to our nation’s continuous progress on sustainability.

In the past year, we have seen firsthand how our industry has remained at the forefront of innovation to make sustainable products for a more sustainable future. Importantly, we have much to celebrate.

Through innovations in manufacturing processes and products, our industry has helped create more value for people who rely on our sustainable products every day, while being good environmental stewards.

And here’s some good news — the vast majority of Americans, 94 percent, have access to community paper and paperboard recycling programs. Our 2021 AF&PA Access to Recycling Study indicates that more Americans, 79 percent, have access to residential-curbside programs making it easier to recycle paper at home — an increase of more than 14 million people since the 2014 study.

With such a high rate of collection, Americans can feel confident knowing that paper products, whether it’s the shipping box that lands at your doorstep or the box delivering your next pizza, can and should be recycled. Those recycled paper fibers can then be reused five to seven times to make new paper and cardboard products.

Earlier this year, AF&PA members announced they met or exceeded most of the Better Practices, Better Planet 2020 sustainability goals with significant progress achieved within each of our goals. For today, in 2022 and beyond, we are committed to doing even more. With the launch of Better Practices, Better Planet 2030: Sustainable Products for a Sustainable Future, we are reaching even further on sustainability goals.

We are also renewing our focus on our people, who are the heart and soul of our sustainable U.S. manufacturing industry. Last year AF&PA’s board adopted an industry statement of principles on diversity, equity and inclusion. I believe that part of what knits AF&PA members together are the shared values and partnerships that aim to strengthen our industry. Communicating these values and sustainability goals allows us to successfully deepen and build our trusted relationships with policymakers, members of Congress and President Biden’s administration.

This is an industry that proves time and again it can advance policy issues forward. And we recognize that we are stronger and more successful when we speak with one voice. The paper and wood products industry has an impressive track record of leadership across several policy areas, including:

Sustainability: Sustainable practices are the foundation of the paper and wood products industry. Our Better Practices, Better Planet 2030 goals build on our sustainability successes. Last year, AF&PA announced five new goals for the industry to achieve by 2030. These include goals to further greenhouse gas emissions, increase production of renewable and recyclable products, reduce serious injuries and fatalities in the workplace,
sustainability matters

expand water stewardship and advance more resilient forests.

**Paper Recycling:** Paper is one of the most widely recycled materials in the United States and an environmental success with a positive impact on the broader circular economy. In 2020, two-thirds of paper consumed in the United States was recovered for recycling, including over 88 percent of cardboard. Not only is recycling policy under active discussion in state legislatures, but it is also receiving attention at the federal level as well.

**Marketplace Sustainability and Product Stewardship:** Policies should recognize our industry’s actions and success in paper recycling. Packaging materials can vary considerably and policies must consider the disparate recycling systems and needs of different materials.

AF&PA members believe in producer responsibility and take an ownership stake in the recycling system. Our industry has completed or announced around $5 billion in manufacturing infrastructure investments from 2019-2023 to continue the best use of recycled fiber in our products. These investments will help increase the amount of recovered paper used by U.S. paper and paperboard mills by approximately 8 million tons — a 25 percent increase over 2020 levels.

**Energy and the Environment:** The forest and paper industry is a crucial part of the climate solution and can help the United States achieve its carbon reduction goals. We’re working with the Administration and policymakers, including the EPA and USDA, to achieve ambitious goals for the future of the United States and our planet.

Our use of renewable, carbon-beneficial bioenergy to power paper mills reduces greenhouse gas emissions, preventing about 181 million metric tons of CO2 emissions from entering the atmosphere each year. That’s roughly equal to removing 35 million cars from the road.

**Business Impact:** AF&PA supports policies that promote efficiency, safety and shippers’ concerns within rail, maritime and highway freight transportation, along with policies related to international trade, tax and sustainable regulation to allow our industry to compete in a global marketplace.

For our industry to stay globally competitive today, we need our nation’s roads, railroads, ports and mail systems to function properly to get paper and wood products where they need to go.

**Safety:** AF&PA remains engaged during the pandemic to address critical issues as they develop and will take proactive measures to ensure workplace safety.

AF&PA members are committed to the safety of the industry's essential workforce. The forest products industry includes nearly 950,000 hardworking individuals who have been continuously working during the COVID-19 pandemic.

Included in our 2030 goals is a commitment to strive for zero workplace injuries overall with an emphasis on identifying and preventing serious injuries and fatalities. In 2019, AF&PA established a voluntary program for member companies that focuses on identifying and preventing SIFs.

Your continued engagement and partnership with our association will be key to our success, as we work to address these policy priorities in the year ahead. I am reminded of the African Proverb: ‘If you want to go fast, go alone. If you want to go far, go together’. Through our work at AF&PA our remarkable industry is charting a course for a strong sustainable future — together.

The American Forest & Paper Association (AF&PA) serves to advance U.S. paper and wood products manufacturers through fact-based public policy and marketplace advocacy. The forest products industry is circular by nature. AF&PA member companies make essential products from renewable and recycle resources, generate renewable bioenergy and are committed to continuous improvement through the industry’s sustainability initiative — Better Practices, Better Planet 2030: Sustainable Products for a Sustainable Future.
International Paper’s Chairman and CEO, Mark Sutton, says IP is in a much different place than it was just 12 months ago. The recent spin-off of its global printing papers business, now operating as Sylvamo, was completed on Oct. 1, 2021. The separation has transformed IP into a corrugated packaging-focused company that is significantly less complex with a narrower geographic footprint.

As part of the company’s “Building a Better IP” initiative, Sutton and his team plan to increase capital investments at existing mills and box plants as well as invest in new box plants in the next few years to build needed capabilities and capacity. A new box plant in eastern Pennsylvania is expected to be up and running in 2023.

The initiative also includes on-going commercial changes within IP’s Global Cellulose Fibers (absorbent pulp) segment designed to optimize the business and drive long-term improvement.

Last, but certainly not least, IP employees have been challenged with accomplishing their work safely and staying healthy in a difficult COVID operating environment. “I’m really proud and appreciative of the commitment of our employees to continue to take care of each other and to take care of our customers,” Sutton said. “Our employees’ health and safety is our most important responsibility.”

Considering the significant changes and strategic initiatives taking place at IP, PaperAge has selected Mark Sutton as our 35th Executive Papermaker of the Year.
International Paper (IP) has narrowed its portfolio through the spin-off of its Printing Papers segment, which was finalized Oct. 1, 2021 (Sylvamo). What are the advantages you expect to achieve through this separation?

International Paper will celebrate 125 years in January 2023. Evolution has been an important part of our history as we adapted to changing markets and the needs of our customers. Our focus on building a better IP reflects that same strategy. We’re a corrugated packaging focused company with less complexity, which enables us to take meaningful actions to materially lower our cost structure and accelerate profitable growth. That growth will come from providing our customers with sustainable products that are made from renewable resources, which at the end of life are largely recycled and made into new products. Our commitment to providing sustainable solutions hasn’t changed — our products are essential to our customers’ business models, their sustainability commitments and value chains, and are an important part of everyday life.

IP is doubling its capital spending this year, from $550 million in 2021 to about $1.1 billion in 2022. Could you highlight a few of the more prominent areas within IP’s operations where these funds are being utilized?

The products we make have strong links to important consumer trends — our boxes promote convenience and sustainability and our absorbent pulp is the primary ingredient in personal care, “quality of life” products that support health and wellness. When we talk about our box business, most people think of a plain corrugated box, but we make roughly two million different box designs for more than 20,000 customers around the world. Some of those designs are elegantly simple, while others are sophisticated, customized and an extension of our customers’ brands.

We have exciting plans to invest in our U.S. box system to enhance both our capabilities and capacity in response to the growing needs of our customers. We anticipate adding three to five box plants in the next few years. They will be geographically placed where we are low on capacity, can fully integrate with our containerboard mill system and have customers that want to buy more from IP. Our new box plant in eastern Pennsylvania, which will be up and running in 2023, is an example of this type of investment. We also will continue to invest in adding equipment inside existing IP locations that have the physical room and are in the right geographies to effectively serve our customers.

International Paper operates 219 converting facilities that service approx. 20,000 customers and offer some 2 million unique box designs.

International Paper provides packaging customers with professional graphic and structural design services.
And the EMEA region?

In the past few years, we have also expanded our EMEA packaging footprint. Our recycled containerboard mill in Madrid, Spain, which we acquired in 2016 and converted in 2017, serves as the hub of this business. Recent investments in box converting capacity in the Mediterranean region surrounding this mill will enable us to serve customers and capture profitable growth.

Could you give us a few examples of the opportunities around process optimization that IP has been working on?

Continuous improvement is an important part of our plans for Building a Better IP. We have an incredibly talented team with a strong operational DNA, who understand the value of driving cost and inefficiencies out of our system. With our newly focused portfolio, we have a concentrated effort underway to achieve approximately $300 million in structural cost improvements by 2024. IP has a large, integrated system that provides flexibility and scale for our customers. It also provides ample opportunities for process optimization in our purchasing practices and in the way we schedule and maintain equipment and manage the shipment of products. We’ve been investing in additional technology and data analytics, which are generating new insights to significant opportunities, including options for gaining capacity at a faster pace with minimal investments. That’s a great option for us as we work to meet the growing demands of our customers.

Could you tell us about the commercial changes that have been made and continue to be implemented in the Global Cellulose Fibers business?

At the heart of our cellulose fibers business success is our fiber that comes from southern pine trees grown in the U.S. This fiber, or pulp, has absorbent qualities that can’t be matched by trees grown anywhere else in the world. It’s a true “made in America” success story. Approximately 90% of the absorbent pulp we manufacture is exported to produce personal care products like baby diapers and feminine care essentials that are used around the world. In fact, one out of every three baby diapers made globally contains IP absorbent pulp.

One of the positive aspects to draw from the past two years is you now know how IP’s Packaging and Cellulose Fibers businesses perform in the environment of a pandemic — and they performed well. What are the key takeaways from that performance?

It’s impossible to talk about the pandemic without acknowledging the incredible character and dedication of our IP team who kept each other safe and our operations running in the midst of unprecedented challenges. We have a saying across the company, “Proud to be IP,” and I think that pride in what we do and in the essential nature of the products we make, played out in our operations all over the world over the past two years.

Suffice to say that our packaging and cellulose fibers businesses both performed well in the pandemic environment as we found ways to respond to the shifting needs of our customers. Going forward, growing demand in the segments we serve continues to provide a consistent backdrop of opportunity for these businesses. Whatever 2022 holds in terms of the pandemic, we believe, because of our people, what we make, our scale, our capabilities and the geographies and customers we serve, we’re going to continue to be resilient and perform well.

International Paper has the capacity to produce about 2.7 million tons per year of fluff (absorbent) pulp and specialties. At one of its innovation centers (pictured here), IP develops and tests fiber solutions for personal care products.
integration synergies and continue to pursue opportunities to optimize the business. In addition, the commercial changes we are making are producing positive results. In fact, we generated $230 million in commercial improvements last year. I’m confident in our team, our strategy and in our ability to execute on opportunities that will add to this positive trend.

Let’s talk about “Building a Better IP” and where you see this set of initiatives taking the company.

IP is in a much different place than we were just 12 months ago. We are a leaner, less complex, more focused and agile company. We are operating from a position of financial strength that provides flexibility and enables us to pursue the best capital allocation strategy to Build a Better IP. This includes making the most of our focused portfolio, investing in capabilities and scale to generate and capture value in targeted segments, and delivering a broad set of initiatives that drive significant earnings improvement and differentiate IP operationally and commercially.

Building a Better IP is also about further enhancing our culture and strengths. We initiated efforts about 18 months ago to bring the customer to life within our operations as part of these efforts. Our Customer Promise was created to help team members connect their job to the customer experience. Our Vision 2030 goals demonstrate our commitment to building a better future for people, the planet and our company. Through these efforts, we are driving sustainable outcomes for people and communities, the environment and our customers by focusing on healthy and abundant forests, thriving people and communities, sustainable operations and renewable solutions.

IP has a Global Manufacturing Training Initiative (GMTI) in place. What are the elements behind the program?

Talent development has always been an essential element to our strategy. Several years ago, we recognized the wave of attrition we would be facing as baby boomers, who make up a significant part of our employee base, reached retirement age. With that recognition came the birth of GMTI. The objective of this initiative was two-fold — we wanted to take steps to secure the institutional knowledge that was at risk as our most seasoned team members retire, and we wanted to establish a mechanism to successfully onboard, train and develop new and existing talent at a faster pace.

Our GMTI efforts are ongoing and have proven to be essential in the wake of the heightened labor challenges brought on by the pandemic. We have ongoing efforts to improve diversity and inclusion at all levels of the company — from the board room to the manufacturing floor. In 2020, we launched Vision 2030, four goals to build a better future for people and the planet. Our target for Thriving People & Communities includes a commitment to achieve 30% overall representation of women and 50% women in salaried positions. It also includes a commitment to implement regional diversity plans because diversity looks different in every country.

Our Employee Networking Circles (ENC) are one example of how we embrace diversity and inclusion at IP. In the past few years, we have launched ENCs centered on women, African Americans, LGBTQ and their allies, and veterans. These voluntary groups help build employee connections and engagement across the organization and promote an understanding of commonalities and differences.
Protecting Pulp and Paper Mills from Ransomware Attacks

By Apala Ray, Global Cyber Security Manager, Process Industries, ABB

The most powerful tool any engineer can possess in this modern connected landscape is data. Ones and zeros are the foundation for just about everything in modern Industry 4.0 driven operations, including pulp and paper. As a result, digital transformation — underpinned by smart technology — has become the most important operational exercise any business can perform.

Modern paper, board and packaging mills are dependent on sophisticated computer-controlled automation systems and this smart technology is all about delivering agility, flexibility, and efficiency. However, with one eye on recent headlines, it is equally important to also consider security, especially if you rely on legacy technology, which does not have any form of embedded security.

From an infrastructure perspective, to be fully digitally transformed, you must be fully connected. And when you’re fully connected you introduce what the IT industry likes to call threat vectors – potentially open routes/gateways – into your system. With a major part of digitalization being the convergence of operational technology (OT) with IT systems, these gateways can open up a much larger mixed digital ‘playground’ for hackers than they would have done a few years back.

These days, companies who weren’t traditional targets of cyberattacks are making headlines more and more because any industry that is sensitive to downtime is an ideal target for money-making criminals. To make sure you have the proper protocols in place, you need to understand why and where manufacturing is becoming more
vulnerable, what the standards are and how that translates to pulp and paper to prevent it from happening to you.

Are You Interesting Enough?
The pulp and paper industry may not appear to some as a lucrative target, after all it is such an established and historic industry. What intellectual property (IP) is there that’s worth stealing? One of our customers recently exclaimed, “We’re not interesting enough for hackers.” Herein lies the issue. Today’s hackers aren’t after your IP or contact details, they’re just after your money; and one of their favorite tools is ransomware.

It is in this domain that the world has changed with the positioning of “ransomware as a service.” It is exactly as it sounds; a highly unethical practice, which sees malware being leased by hacking groups to criminal organizations. But to use it, you must abide by the rules — only targeting commercial organizations who can afford to pay.

This is where it gets surreal. Upon full payment of the ransom, these hacker groups will then altruistically offer a customer-service function that will get you back to where you were before the attack. The overriding message being “paying up = minimal disruption”! This is not a stage a company of any size would wish to reach, with prevention always recommended over repair when damage to the organization may have already harmed business, systems and reputation.

Over the past two years, incidents of ransomware have increased by over 500%. In fact, within ABB, we predict that a substantial number of our customers globally will face an attack in one form or another. Of those that have already been attacked, a high percentage could have prevented the incursion with foundational cyber control. Indeed, a few years back the question asked was, “if you will be attacked” whereas now it is more a case of asking, “when will you be attacked?”

You don’t have to go back too far to see a high-profile example of this type of attack. The May 2021 Colonial Pipeline incident saw the company’s IT system frozen out, completely crippling fuel deliveries up and down the east coast of the USA. Although the company acted quickly to try and segregate the malicious code, the damage had already been done and, once publicized, hoarding and panic buying started.

Colonial took the decision to pay the ransom — some $5 million (some of which has been recovered) — almost immediately, with CEO Joseph Blount Jr. explaining to a senate committee that he wanted “to have every tool available to swiftly get the pipeline back up and running,” before adding that “it was one of the toughest decisions of my life.”

Malware Propagation
So, how does this affect the pulp and
paper industry? If you are a commercial company with a profit flow, you can guarantee that you are interesting enough. It really is as simple as that. The chances are you might not even be singled out nor individually targeted. The entire mill IT/automation infrastructure is only as strong as the weakest link. It could be through a USB key, an email link, or an unsecured hotspot, but once compromised only one mission system needs to be taken out to impact the entire enterprise. The Colonial Pipeline incursion was believed to be via a legacy VPN profile, which was not protected by two-factor authentication.

The pulp and paper sector traditionally holds a very low inventory, given there is no value in keeping a year’s worth of tissue/boxes. With paper being a critical infrastructure to the US economy, hacking just one tissue supplier could take out 22 percent of the capacity. Small failures could see huge effects on everything from facemasks, through to pizza and Amazon boxes, and onto building supplies.

Security Over and Above Standards

National and international cyber security legislation and standards are in place, such as the ISA/IEC 62443 series of standards, developed by the ISA99 committee and adopted by the International Electrotechnical Commission (IEC), provides a flexible framework to address and mitigate current and future security vulnerabilities in industrial automation and control systems. But these standards should only be considered as the foundation of any security system. A more holistic approach is required, coupled with a real understanding of what is behind this legislation, especially how systems should be configured, deployed, and maintained.

There is a big difference between best practice and what you actually need to do; a single standard cannot prescribe solutions for such a diverse range of target industries. Process industries customers, and not just those in pulp and paper, are always asking us how they can comply, recognizing that the legislation is not prescriptive enough. Cyber resilience is the ability to plan, respond and recover from cyber-attacks and data breaches, while continuing to work effectively.

Legislation + Actual Intervention

This legislation surrounding your operations needs to be considered, in parallel, with a full security audit, including an inventory of what something is, where it is and most importantly in this instance, what it is connected to. Pulp and paper mills typically have very layered networks with smart components close to the processes. Having a full device inventory is essential, together with an assessment of its current state and knowledge on what should be protected. Network segmentation can also go some way in protecting IT and OT architecture.

Foundation control is by far one of the most efficient measures any company should undertake and is a primary strategy that should be in place to maintain security postures. It can include relatively simple operations such as security patch updates, robust-antivirus installation, regular and structured backups, and network segmentation.

A bit like a mill’s network structure, your approach to cyber security — applicable for both IT and OT assets — can also be layered. Starting at asset level, you need to consider the device-level security, which for a PC would be anti-virus software that is patched and updated to its latest version number. The next layer, which could comprise PLCs or servers, should also be patched to the latest software version, along with any vendor-specific maintenance patches. To control access, you then need to ensure that adequate account management procedures are in place and that staff rigidly follow these. Next would be computer policies and hardware registers — what can and cannot be
attached to the network and to the assets.

Then we get to the firewall level, which is an interesting illustration of the inadequacies of existing cybersecurity legislation. Many documents mandate the existence of firewalls, but then go into very little detail as to their role and operation. Without configuring a firewall correctly, patching it and defining secure pathways all you are doing is box ticking as opposed to securing your network.

Above the firewall should sit the company policies and procedures, which dictate the minimum level of security. A full holistic security program should also mandate what needs to be done in the event of a breach and how operations should be recovered and bought back into action as soon as possible. Finally, above all of this lies physical security, which should prevent any unauthorized access based on site/office entry procedures.

As with any security protocol, the weakest link is often the employees. This is rarely intentional or malicious; they are simply looking at ways of under-complicating their jobs, so can be quite creative when it comes to circumnavigating security policies. All employees must be made aware of the implications, no matter how small the potential security breach. Daily work must be carried out while adhering to fundamental security practices around passwords, data storage and sharing, and with up-to-date awareness of potential risks.

Introducing cyber security management into industrial system operations can seem to be a major change and can be overwhelming. Therefore, early steps must work towards a solid understanding of context-specific risks and their prioritization. Effective collaboration with security capabilities between Enterprise IT and OT from the organization as well as among product suppliers, system integrators and operators is key.

**People, Policies, Procedures**

At ABB, from an overall approach, we recommend using people, policies, and procedures in conjunction with technology. Firstly, you must establish a foundational level of technical and organizational security controls to defend against the majority of the generic threats. Then you must undertake continuous management and maintenance of these controls, possibly adding more sophisticated controls, before finally creating a strong collaborative operation of cybersecurity controls with managed security services.

The primary messaging behind all of this is that you should not shy away from adopting new technologies just because of the potentially higher security risk. There are thousands of companies out there that have invested in new networks, smart automation and edge/IIoT technologies that are secured against threats because they considered and implemented security as part of the overall transformation plan.

**Help is Out There**

While the risk to pulp and paper — and any manufacturing industry — is higher than what may be naturally assumed, my message is simple: do not be intimidated. You do not have to be clever to be secure, you just have to be cyber-hygienic. That means having a layered defense strategy in place.

Tackle the obvious stuff yourself and stay current — patching and applying updates really is one of the most important things you can do. After all, we’re not all car experts, but I don’t need a degree in automotive engineering to check my tire pressure or top up my washer fluid. For the more complicated routines, there are prescribed time-dependent service actions and a network of experts — much like in automation.

In the grand scheme of things, cyber security does not offer any pay-off or payback; it is much like insurance, you keep it current for peace of mind. From a financial perspective the biggest impetus should be: how much will it cost if I don’t have security? Now that’s a sobering thought.

Apala Ray is Global Cyber Security Manager, Process Industries at ABB.
UPM Pulp Takes on North America with New Eucalyptus Pulp Volumes

Powered by a new pulp mill, UPM is poised to make a big play on the North American pulp market.

With a eucalyptus pulp boost from the Paso de los Toros mill in Uruguay, scheduled to start-up in the first quarter of 2023, UPM Pulp is ready to take on a completely new market in North America. Lajos Forster, Sales Director, New Markets, comments that the company started its market entry already in 2021. “With the additional Euca volume, we are ready to develop UPM Pulp into a global market pulp supplier. Therefore, a presence in the third biggest pulp market in the world is just a logical consequence on our journey,” says Forster.

Forster notes that UPM Pulp has successfully established itself as a reliable player in the Asia-Pacific region and Europe during the previous decade and is now using this experience to develop its third strategic market. “Of course, a new supplier in a market always creates some expectations, but we got the impression that there is room for a player that can offer a leading sustainability performance including the most common forest certifications, supply security because of our soon two mills, and our excellent logistics network.”

Logistical Edge
Talking about those logistics — especially rail deliveries — Forster points out that they are quite complex in North America.

“Our experience in the supply chain management for UPM’s Paper and Label materials businesses in North America will also benefit UPM Pulp to provide superior and competitive logistics solutions to our customers. We don’t start from scratch and have been a well-established player there for years,” he says.

Furthermore, UPM’s eucalyptus pulp is coming from Uruguay, a country that has never cut rainforest to establish eucalyptus plantations. “Our trees grow on former grassland,” confirms Forster.

As for UPM Pulp’s goals for the North American market, the answer, and target, is clear: “We aim to become the second largest supplier of eucalyptus pulp to the North American market by 2025.”

The Right Setting for Success
Looking ahead, Forster believes that the market will grow moderately with tissue as one of the drivers. The consumption will still increase, but also the shift from recycled fiber based tissue to virgin fiber tissue will have a positive impact on the demand of eucalyptus pulp.

“We also see a lot of interest in eucalyptus from other end uses that currently use mixed hardwood as their hardwood fiber,” Forster comments.

According to him, the biggest challenge involves building an environment where UPM’s customers see the company as their preferred supplier. “We will be able to achieve this with a very professional sales & logistics team with an outstanding service level mindset and deep knowledge about the pulp market,” he sums up.

Reshuffling the Deck

Brian McClay, Principal consultant at
Brian McClay & Associates, says that UPM’s entry into the North American Bleached Eucalyptus Kraft (BEK) market is a significant development, and will reshuffle the dynamics of the North American market.

“Bleached Eucalyptus Kraft consumption in North America is dominated by the tissue market, and most of the major buyers have contractual relationships and value stability, certification, R&D and strong technical support, all of which UPM is well placed to provide. We expect that UPM will be a welcome addition to this market,” comments McClay, who counts UPM among the industry’s leading companies.

“UPM is innovating, investing in high-quality assets, and effectively reporting on its sustainability performance,” he says.

Better Geographic Balance?

McClay notes that North America has seen growth in the tissue market and decline in the printing and writing market over the last decade, and these trends are likely to continue.

“For BEK, tissue accounts for nearly 90% of demand, so we can expect BEK demand to grow in line with tissue demand growth, which tends to track with GDP growth. The North American tissue consumer prefers soft, high-quality tissue made on through-air-dry (TAD) machines, and BEK is the preferred hardwood fiber.”

North American paper production and pulp demand is heavily concentrated in the eastern part of the US, but McClay expects to see more tissue capacity additions in the coming years in areas of the south and west, as well.

“The North American market can be a challenge for suppliers because customers expect pulp to be delivered to their mill door, and the freight costs are often shockingly high to certain locations, which can present problems to new entrants.”

Increasing Competition

Nevertheless, in the coming years McClay expects Latin American and European producers to gain market share at the expense of domestic integrated and non-integrated suppliers.

“In general, pulp mills in North America are smaller, older, and less consolidated than those in Europe and Latin America, and, as such, tend to be higher on the global cost curve.”

Editor’s note: This story was first published by UPM Pulp and posted to its website (www.upmplup.com) on February 1, 2022.

“We aim to become the second largest supplier of eucalyptus pulp to the North American market by 2025.” Currently, UPM operates a pulp mill in Fray Bentos, Uruguay, which has the capacity to produce 1.3 million tpy of bleached hardwood eucalyptus pulp.

– UPM Pulp. Photo courtesy UPM.

UPM is building a 2.1 million tpy greenfield eucalyptus pulp mill near Paso de los Toros in central Uruguay. The mill is scheduled to start production by the end of March in 2023. Photo courtesy UPM.
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USA BioEnergy to Build $1.3 Billion Advanced Biorefinery in Texas

USA BioEnergy, through its subsidiary Texas Renewable Fuels (TRF), announced a project to build an advanced biorefinery in Bon Wier, Texas. The new plant will convert 1 million green (undried biomass material) tons of wood waste into 34 million gallons per year of premium, clean burning transportation fuel including Sustainable Aviation Fuel, Renewable Diesel and Renewable Naphtha.

“USA BioEnergy performed an extensive site search and analysis to identify the best location for our project,” said Nick Andrews, CEO of USA BioEnergy. “State and local incentives then became the key component of our decision and we’re proud to select Bon Wier.

“Our investment in Newton County will exceed $3.4 billion and will provide significant opportunities for employment,” Andrews added.

Nancy Windham, President & CEO of Texas Forest Country Partnership, commented, “The Texas Forest Country Partnership congratulates Texas Renewable Fuels and Newton County on the announcement of a $1.3 billion advanced biorefinery plant in Bon Wier. The addition of the new business and facility will supply the growing market for sustainable and renewable fuels, create 142 new jobs at completion and generate an estimated direct construction payroll of $219 million.”

USA BioEnergy said future expansion will double the plant’s production capacity to 68 million gallons per year.

In addition, the company has secured fuel offtake agreements with a major trading and logistics company as well as one of the world’s premier airlines and will announce its partners and suppliers in greater detail in the coming months.

According to USA BioEnergy, the biorefinery’s demand for thinnings and wood waste will infuse the forestry industry in the Southeast Texas region with stable long-term revenue. The plant will also capture and sequester approximately 50 million metric tons of CO2 over the life of the biorefinery.

Dr. Robert Freerks, Vice President of Product Development for USA BioEnergy, explained, “Biomass gasification is a well-established method of converting any waste stream into synthesis gas which can readily be converted into hydrocarbon fuels by the Fischer-Tropsch process and upgrading technologies. This approach is being used by a number of projects as it is more feedstock efficient than processes such as cellulosic ethanol production which cannot use all the carbon in wood and waste feedstocks.

“The gasification/F-T process is also easily adaptable to Carbon Capture and Storage (CCS) as removal of CO2 from the process stream is inherent to the basic technology set. Thus, using biomass feedstocks with CCS, USA Bioenergy can produce deeply negative CI fuels which meet all customer requirements.

“The fuels produced using CCS will have at least 3 times greater reduction in GHG emissions than fuels produced using other types of feedstock. And there is vastly more feedstock available for expansion of this technology than there is for other renewable fuel production processes,” Dr. Freerks concluded.

USA BioEnergy expects project completion in late 2025.

USA BioEnergy is a renewable fuels development and integration group based in Scottsdale, Arizona, created to produce drop-in renewable diesel and sustainable aviation fuel from readily available feedstocks including plantation forest thinning.
Managing pulp mixture quality starts with the reliable and frequent measurements from L&W Freeness and Fiber Online. For mills wanting to learn how best to apply these fiber measurements for deeper analysis and tighter control, ABB is offering customers an exclusive, complimentary copy of the ABB Fiber Guide 2.0. Contact your local account manager or learn more at: abb.com/pulpandpaper.
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- Chip Chute Pumps
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- Vat Dilution Pumps
- Top Circulating Pumps
- Upper and Lower Circulating Pumps
- Wash Circulating Pumps
- Fan Pumps
- Thick Stock Pumps

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