

NIPPON PAPER INDUSTRIES



NIPPON PAPER PORT ANGELES, WASHINGTON



NIPPON PAPER PRODUCTS

- PORT ANGELES, WA
- 152,000 TONS PRODUCTION
- LIGHT WEIGHT MECHANICAL PAPERS

CHANGES IN CONSUMPTION

- 1992
 - 40% RECYCLE
 - 60% ONP
 - 20% OTD
 - 20% OMG

- 2012
 - 20% RECYCLE
 - 98% ONP
 - 2% OTD
 - 0% OMG

CHANGING PUBLISHER REQUIREMENTS

- RECYCLE CONTENT
- SUSTAINABILITY PROGRAMS
 - SFI
 - PEFC
 - FSC

QUALITY CONCERNS

- NON PAPER IN THE BALE – LESS ONP
- GLASS
- PLASTICS
- METAL

COLLECTION CONCERNS

- GOAL TO “RECYCLE” MORE TONS IS DEGRADING THE TONS SOLD
- RECYCLING IS NOT PUTTING MATERIAL IN THE RECYCLE BIN – IT IS MAKING SURE THE MATERIAL IS REUSED.

MILL CHANGES

IMPACT ON ONP CONSUMPTION

NIPPON

- REDUCING RECYCLE FIBER CONSUMPTION
- EVALUATING “NON” ONP GRADES FOR FIBER

SP FIBER - DUBLIN

- CONVERT TO BAG / LESS ONP

SP FIBER - NEWBURG

- CONVERSION TO BAG UNDER REVIEW

IF FIBER QUALITY IS SO POOR – WHY BUY IT?

- WE NEEDED IT!

– THAT WAS THEN – NOT NOW

GM MOTORS / KODAK

- GM MADE WHAT THEY WANTED TO MAKE – NOT WHAT THE CUSTOMER WANTED.
- KODAK DID NOT CHANGE WITH THE DEMAND OF THE CUSTOMER

MUNICIPALITY

- WHO IS YOUR CUSTOMER?
 - RATE PAYER
 - END USER

MUNICIPALITIES

- YOU ARE IN THE MANUFACTURING BUSINESS!

QUALITY

- IMPACT OF “GREEN FENCE”
- GLASS
- PLASTIC



DECISIONS FROM A FIBER BUYERS PERSPECTIVE

- HOW MUCH FIBER DO I NEED?
- WHAT IS THE FIBER WITH THE HIGHEST YIELD?
- WHAT IS THE LOWEST PRICE FIBER?
- WHAT FIBER IS THE CLEANEST?
- IS IT A CONSISTENT SUPPLIER?

MESSAGE

- QUALITY WILL BECOME MORE IMPORTANT
- DOMESTIC END USERS ARE REDUCING THE DEMAND FOR ONP
- CITIES WILL COMPETE WITH OTHER CITIES
- CHINA QUALITY STANDARDS ARE NOT GOING AWAY

WHY MAKE THIS PRESENTATION

- CONCERNED ABOUT QUALITY
- NEED GOOD SUPPLIERS