



FPA HOSTS TOUR OF ORACLE FACILITY FOR U.S. EPA

The Flexible Packaging Association has a long history of participating in projects and rule development efforts by the U.S. Environmental Protection Agency. FPA and its Environmental Committee provide relevant data and technical information to EPA, assisting the Agency in its mission to develop appropriate guidance and regulations for protection of human health and the environment. These partnerships have afforded FPA the opportunity to provide EPA officials with a comprehensive view of the industry

and various manufacturing processes unique to the flexible packaging industry.

Recently, FPA hosted a tour of Oracle Packaging's Winston-Salem, N.C., plant to provide EPA officials with a greater understanding of how adhesives are used in flexible packaging manufacturing. Oracle Packaging is an FPA member and manufacturer of flexible and paperboard structures.

"Oracle Flexible Packaging was honored to serve as host to EPA and FPA representatives during their visit," said Ernie Holley, chief operating officer for Oracle Flexible Packaging. "Face-to-face dialogue combined with on-site production tours promote a clearer understanding of the specific processes relevant to our industry."

FPA organized the tour in response to a request from Eastern Research Group (ERG), a contractor for the EPA's Office of Pollution Prevention and Toxics, for assistance with the development of potential "generic toxic exposure scenarios" in adhesive use within flexible packaging manufacturing. Initially, FPA provided data to EPA officials on various types of adhesive application methods utilized in the flexible packaging industry. After several discussions with EPA officials on information supplied, FPA suggested that Agency officials would greatly benefit from a visit to a flexible packaging facility to view all manufacturing phases.

EPA officials expressed their gratitude to FPA and Oracle Flexible Packaging for organizing the tour. They found the overview of the flexible packaging process "very informative" and were impressed with "Oracle's commitment

to minimizing plant emissions." EPA officials also noted that the "opportunity to see the flexible packaging process first-hand provided invaluable information."

The "Generic Scenarios" for Adhesives Use in Packaging

The EPA "generic toxic potential exposure scenarios" in adhesive use within flexible packaging manufacturing seeks to summarize the typical processes and unit operations for industries that use adhesives and develop "risk-screening tools" for assessing environmental and occupational risk associated with introduction of new chemicals under the Toxic Substances Control Act (TSCA). Under Section 5 of the TSCA, Pre-manufacture Notifications (PMNs) for new chemicals must be submitted to EPA at least 90 days prior to commercial production (including importation) of a new chemical substance. Under Section 6 of TSCA, EPA has the authority to suspend the manufacture or importation of a chemical if, among other findings, it determines that an existing chemical poses an "unreasonable risk" to public health or the environment. Thus, while the development of generic scenarios would most directly impact "the manufacturers of chemicals used in adhesives," FPA's Environmental Committee felt that understanding "end uses and applications" was vital to those assessments.

For more information on the FPA Technology and Environmental Strategy activities and initiatives, contact Ram Singhal, vice president, at (410) 694-0823 or rsinghal@flexpack.org.

2009 FPA ENVIRONMENTAL COMMITTEE

FPA would like to give thanks to the 2009 Environmental Committee for their dedicated hard work and time. Special thanks are given to the following Committee members for their participation in the General Scenarios for Adhesives Use in Packaging Project:

- Bobby Cullom, Sealed Air Corporation
- Nicola Davey, Amcor Flexibles Inc.
- Dave Ellison, Alcan Packaging
- Glenn Goering, Master Packaging
- Howard Hofmeister, Bemis Company Inc.
- Bob Kendrick, Sun Chemical Corporation
- Bernie Medwith, Exopack, LLC
- Mark Pederson, Rollprint Packaging Products Inc.
- Todd Wiederhold, Printpack Inc.
- John Yeganeh, Bryce Corporation
- Dave Yount, Oracle Flexible Packaging Inc.



2009 STATE OF THE INDUSTRY REPORT EXAMINES INDUSTRY PERFORMANCE, STRUCTURE

The 2009 State of the Flexible Packaging Industry Report, recently published by the Flexible Packaging Association, is a key source of information for flexible packaging converters, suppliers, stakeholders and industry investors. Information and data included within the report is gathered through the annual FPA State of the Industry and Industry-Wide Converter Surveys.

This issue of the FPA Update examines the Industry Performance and Industry Structure sections of the report, and provides key information and data from those featured sections.

INDUSTRY PERFORMANCE

Annual sales for the flexible packaging industry in 2008 were an estimated \$25.9 billion. This includes the "value added" segment of the industry, which had estimated annual sales of \$20 billion (2008). FPA members significantly contribute to the "value added" segment by performing multiple processes, including extrusion, lamination and printing.

From 2007 to 2008, the U.S. flexible packaging industry grew at an estimated annual growth rate of 1.5 percent. The industry has grown at a compound annual rate of 3.4 percent per year (1998-2008) and has a favorable

comparative performance to the U.S. GDP compound growth rate of 2.9 percent (1998-2008).

The report notes that 62 percent of converters (participating in Report surveys) experienced better sales revenue performance in 2008 versus 2007. Fifty percent of converters indicated that they experienced better volume performance in 2008 versus 2007, and 75 percent of suppliers (participating in State of the Industry Report Survey) noted better performance in 2008 versus 2007.

INDUSTRY STRUCTURE

Flexible packaging's share of the total U.S. packaging industry remains between 16 and 18 percent (expressed as percent of dollar value) despite industry consolidation and polarization over the past 10 years. The average flexible packaging company is "small to medium" in size with annual sales totaling approximately \$55-60 million.

The report details that there are approximately 420 flexible packaging manufacturers within the United States. Of those, the top 100 flexible packaging companies account for approximately 85 percent of total industry revenue, and the top 10 flexible packaging companies represent approximately 50 percent of industry revenue. ■

FPA WELCOMES A NEW MEMBER

The Flexible Packaging Association is pleased to welcome new associate member Tredegar Film Products to the association. Tredegar Film Products is a leading supplier of plastic films, non-wovens and laminates for the packaging,

personal care and surface protection market segments. Tredegar's FPA official representative is Fernando Grilo, general manager, Packaging and Specialty Films. Tredegar's FPA alternate representative is Richard Baker, finance manager. ■

2009 FPA Fall Executive Conference

Online Registration Now Available on www.flexpack.org

Join FPA members and guests for the 2009 Fall Executive Conference on September 24 at The Ritz-Carlton Hotel in Chicago. Open to FPA members and non-members, this single-day conference combines industry-focused educational programs with valuable networking opportunities.

This year's conference agenda will include a presentation by David Hale, a global economic advisor to Fortune 500 companies, Doug Lawson from BMO Capital Markets, a panel discussion on legislation that could impact the flexible packaging industry, and the roll-out of the FPA Sustainability Education Campaign.

Special thanks are given to several FPA members, including DuPont Company, Flint Group, NOVA Chemicals, Incorporated, P&O Packaging, Pliant Corporation and Tredegar Film Products, for their enhancement and sponsorship of the 2009 FPA Fall Executive Conference Networking Events.

Registration information and agenda details for the 2009 Fall Executive Conference are available on the FPA website, www.flexpack.org. Hotel reservations for the Fall Executive Conference can be made by contacting The Ritz-Carlton Chicago directly at (312) 266-1000.

For more information, contact FPA at (410) 694-0800 or fpa@flexpack.org.

You're Known By Your Association!

The Flexible Packaging Association Thanks Our Supplier Members.



To learn more about these FPA members and their flexible packaging supply capabilities, contact FPA at (410) 694-0800 or visit www.flexpack.org.

The Flexible Packaging Association recognizes and gives special thanks to the Associate Members for their continuous support of, and contributions to, the flexible packaging industry.

