

# Gateway to the **FUTURE**

2010-2011 Membership Report



**FIBRE BOX ASSOCIATION**



# Fibre Box Association Annual Membership Report

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# from our **Chairman** & **President**

For many of us in the corrugated industry, 2010 was a year of renewal. Industry shipments began to recover with a 3.5 percent year-over-year increase. As individual companies, the work we did independently to streamline our operations began to take hold and our personal spirits were re-energized.

For Fibre Box Association (FBA), 2010 marked the association's 70th Anniversary. The FBA staff and Board of Directors took this milestone opportunity to rededicate their resources to the core elements of member benefits – data services, networking and issue management.

We reorganized and consolidated our growing list of objectives to create alignment with our dues allocation and to deliver enhanced programs and services.

Since its founding in 1940, data services have been a cornerstone of the association's work. Our networking opportunities, the Annual Meeting, Independent Sheet Plant Workshop and Independent Corrugator Executive Conference, continue to be highly-valued events.

The third and largest body of our work lies in issue management. Working through an organization of standing committees, FBA works to identify, understand, prioritize and address key issues that impact our industry ranging from technical to environmental, safety & health to communications. The committees bring together the knowledge, resources and expertise needed to establish industry positions and proactively address common challenges.

Last fall, to reaffirm our commitment to issue management, we began an initiative to help build the bench strength of our committees, broadening the conversation, adding diversity and new perspectives to create better informed actions on issues of importance to our industry.

In the pages of this, our fifth annual membership report, we've chosen to feature issue management



along with a report on highlights of the annual accomplishments of the association.

We recognize that member engagement through committee participation is an essential component of an effective association. We thank those who have volunteered their service and leadership to our committees and we encourage and welcome others who have an interest in participation.

Together, we are poised to enter the "Gateway to the Future" for our industry.

A handwritten signature in black ink, appearing to read "C. Fischer".

Christian Fischer  
Chairman

A handwritten signature in black ink, appearing to read "Dwight C. Schmidt".

Dwight Schmidt  
President

# Issue Management

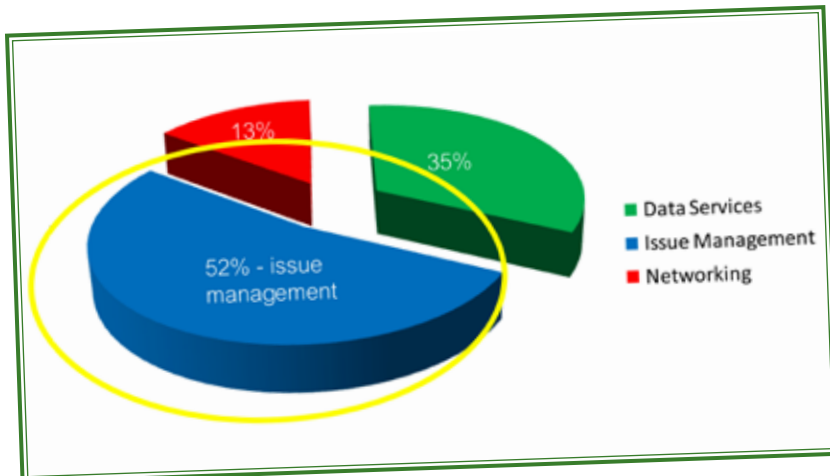
## Defining Issue Management

*At FBA there are three core areas of membership benefits – data services, networking and issue management. Data Services have been a hallmark of the association since our founding in 1940 and networking opportunities allow members to interact with industry peers. But what is Issue Management and what does it mean to the association and its members?*

## What is Issue Management?

Issue Management is the largest area of association work. From technical responses to regulations and standards development to sustainability and the environment, government relations, safety and health, FBA manages an ever-increasing number of key industry issues through our organization of standing committees. These committees and the work they do, is how we define issue management.

Currently, FBA has several standing committees. Committees include highly-visible groups like the Data Services Committee and less visible, yet just as important committees, like the Audit Committee. FBA committees include Audit, Communications, Corrugated Packaging Alliance, Data Services, Environmental, Independent and sub-committees for Independent Corrugators and Independent Sheet Plants, Legal Advisory, Nominating, Safety and Health, Sustainability and Technical. In addition, from time to time the association may create ad hoc committees to address an issue for a short-period of time. Recent examples of ad hoc committees include the Modularity Standard Committee and the RFID Task Group.

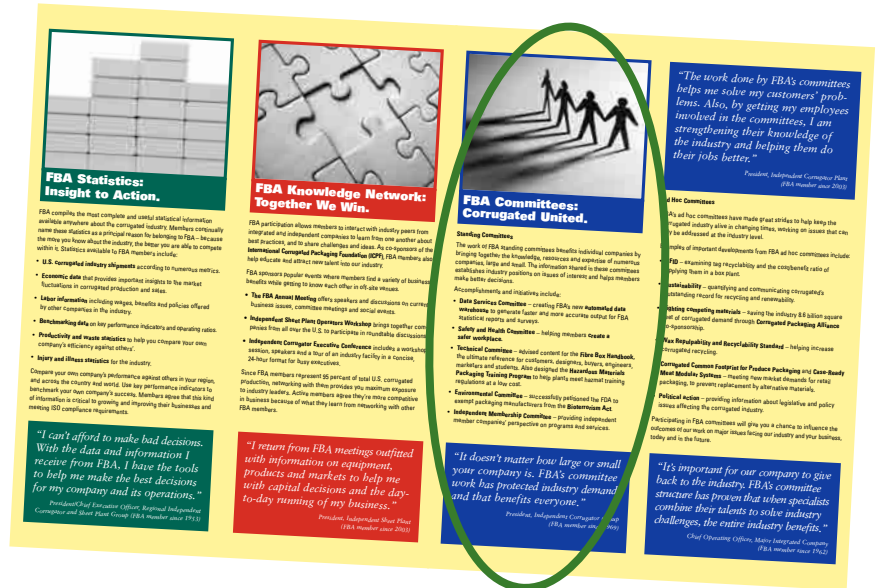


prioritize and address important issues impacting the corrugated industry. Member companies, large and small benefit equally from participation.

Most committees meet one-to-two times a year in person with online and conference call options for participation. The goal of the committees is to ensure and maintain a viable position for corrugated products in the marketplace.

# Building our Bench Strength

Recently, the Independent committee acknowledged the significant membership value of Issue Management and recognized that member engagement through participation in FBA's committees was a key to member retention. Working with the FBA staff, the committee initiated an effort to help build the bench strength of our committees, broadening the conversation, adding diversity and new perspectives to create better informed actions on issues of importance. The committee generated several ideas for strengthening member awareness of committee activity and participation. One idea identified the Technical Committee as the logical starting point for added member engagement.



## Technical Committee Pilot

FBA's Technical Committee is the largest and most active association committee. It includes representatives from fourteen member companies, with seven alternate representatives and more than 100 member company representatives receiving information copies of their ongoing work. Early in 2010, the committee independently recognized their own need to better define their role and seek new committee members who could provide added insight and breadth to their technical expertise. The group drafted a vision and mission statement that was approved by the FBA Executive Committee.

### Vision:

*The FBA Technical Committee is intended to be the action group for technical issues in the corrugated industry.*

### Mission Statement:

*The FBA Technical Committee stays abreast of industry developments and regulations, and addresses all technical aspects to corrugated container manufacture, shipment, and usage. This includes design and*

**The work done by FBA's committees helps me solve my customers' problems. Also, by getting my employees involved in the committees, I am strengthening their knowledge of the industry and helping them do their jobs better."**

**President, Independent Corrugator Plant (FBA member since 2003)**



## Issue Management Cont'd

*development of relevant projects, trials, and studies, as well as production and publication of associated technical literature, brochures, and publications. The Committee also works with regulatory and legislative agencies, promoting corrugated container usage and cooperating on development and dissemination of mutually beneficial packaging requirements.*

They also created communications tools that could help them stay on top of the large list of issues they were managing. Finally, they asked FBA's staff to create a one-page recruiting document that could be sent to all FBA member companies. With this foundation in place, the Technical Committee became the perfect pilot test case for expanding member participation on all other FBA committees.

FBA staff has been working with the technical committee to complete a recruitment document that can be later expanded for use with other committees. It is expected that the recruitment document, the committee's adoption of a vision, mission and communications tools like an active project slate can be shared across other committees to engage more members in committee participation.

## Why Get Involved?

There's an old saying that two heads are better than one. In this case, it's the combined wisdom of subject matter experts that serve on our standing committees that are able to develop industry positions or

***“It's important for our company to give back to the industry. FBA's committee structure has proven that when specialists combine their talents to solve industry challenges, the entire industry benefits.”***

***Chief Operating Officer, Major Integrated Company  
(FBA member since 1962)***

proactively respond to common challenges that can only be addressed at the industry level.

Participating in FBA committees gives member companies a chance to work on issues that could impact their business today and into the future.

To read more about the responsibilities of some of FBA's standing committees and their current activities, see the pages that follow.

To become a member of one of FBA's standing committees; simply contact any one of FBA's staff members.

The work of FBA standing committees benefits individual companies by bringing together the knowledge, resources and expertise of numerous companies, large and small. The work of these standing committees establishes industry positions on issues of interest that can and should be addressed at the industry level.



## Technical

The Technical Committee monitors industry developments and regulations, and addresses all technical aspects of manufacturing, shipment and usage of corrugated containers. FBA members look to the association and the committee for answers to questions in a variety of technical areas. The committee responds to inquiries on hazardous materials, test methods, standards development and certification requirements.

The Technical Committee actively participates with a wide variety of organizations including the US Department of Transportation (DOT), the Chemical Packaging Committee of the Institute of Packaging Professionals (IoPP), Packaging Machinery Manufacturing Institute (PMMI), American Society of Testing Materials (ASTM), International Safe Transit Association (ISTA), Technical Association of the Pulp and Paper Industry (TAPPI), and the American National Standards Institute's Material Handling Committee (ANSI MH10).

Current activities include:

- Work with PMMI to update four jointly published Voluntary Guidelines that will become ANSI registered "Technical Reports"
- Work with PHMSA to transition the HazMat packaging basis weight tolerance from an "association" authorization to an individual FBA member authorization
- Participation on ASTM packaging committees to get language favorable to the corrugated industry in their packaging standards
- Provide significant input to the GPI Edition X GCMI Color Guide
- Provide guidance to the NMFTA on their revision of how their "Numbered Package" certification system will work
- Ongoing Frequently Asked Questions (FAQ) revisions and postings to the member side of FBA's website

## Environmental

Working with organizations such as the Environmental Protection Agency (EPA) and local agencies, the Environmental Committee helps members interpret environmental regulations and monitors the impact on the industry.

In the fall of 2010, the Environmental Committee, working with AECOM Technical Services, developed an **Environmental Training Workshop**.



## Standing Committees Cont'd

A small target group of members participated in the pilot program which was held in October. The purpose of the workshop was to provide introductory environmental compliance information on common applicable environmental regulatory requirements to FBA members. The workshop covered everything from waste management to storm water, material safety data sheets (MSDS) to air permitting and SARA. The pilot proved to be a successful learning experience for participating members and paved the way for additional future workshops.

## Safety & Health

The Safety and Health Committee provides a forum for the sharing of best practices, allowing members to get expert opinions in areas such as OSHA compliance and plant safety.



Working with the American Forest & Paper Association (AF&PA) and the National Council for Air and Stream Improvement, Inc. (NCASI), the committee began an update to the industry's Proposition 65 Study this past year. In addition, the committee sponsored a Combustible Dust Study to examine combustible dust hazards associated with corrugated box production facilities and to provide guidelines for practical measures to eliminate and/or control dust hazards.

### Safety Awards

Each year, FBA compiles the Fibre Box Association/Association of Independent Corrugated Converters Corrugated Container Industry Annual Report of Occupational Injuries and Illnesses. Based on report data, the associations have honored 390 plants for safety achievement in 2010.

At the highest level, Safety Awards were presented to five sheet plants and nine corrugator plants from nine different companies. Awards were presented to plants with the fewest reported injuries or illnesses related to number of hours worked. Each winner had the greatest number of hours worked with the fewest recordable cases or lost work days within their category.

Winning plants were recognized during the FBA Annual Meeting in Montreal.

## Data Services

FBA members recognize data services as a hallmark of FBA membership. Under the guidance of the Data Services Committee, FBA provides members with valuable statistical information and efficient methods of submitting data for a variety of reports.

The committee continually evaluates our reports in an effort to enhance each report with added information

to help member companies remain competitive. In addition to the annual committee review, a full legal review of all reports was conducted this past year. Reports include:

### **Production:**

- Industry Annual Report  
(includes regional supplement and end use supplement)
- Monthly Statistical Report
- Statistical Bulletin
- Industry Forecasts
- International Statistics & Global Forecasts

### **Benchmarking:**

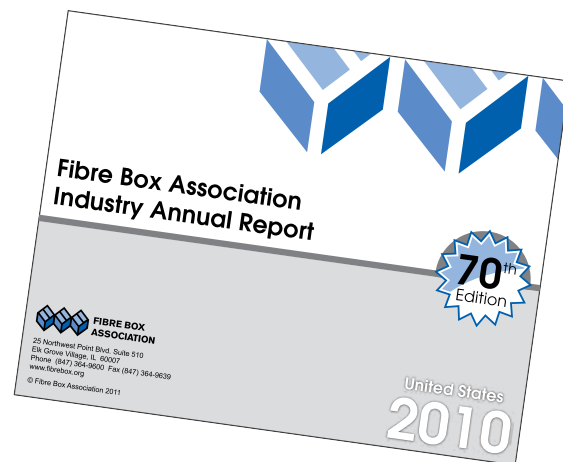
- Key Performance Indicators Survey (KPI)
- Independent Sheet Plant Operating Ratio Survey (SPORS)
- Productivity and Waste Survey

### **Safety:**

- Occupational Injury & Illness Report

### **Labor:**

- Labor Report
- Labor Database
- Wage & Fringe Benefits Study



The data services group also addressed the need for enhanced labor reporting by asking member companies to review their participation. Participation in the FBA's Labor Program is voluntary and yields beneficial labor information that can be used in a variety of ways. Information is available for wages, fringe benefits and insurance and is delivered through the Monthly Labor Bulletin, FBA's online labor database and the annual Wage & Fringe Benefits Study. Due to the work conducted by the data services group in September, the number of plants participating in the program has doubled.

## **Sustainability**

The FBA Sustainability Committee is responsible for defining and articulating the corrugated industry's sustainability position.

Over the past several years, the committee has been the work team for the development of the Corrugated Packaging Alliance's Corrugated Packaging Life Cycle Assessment. Scope, system boundaries, functional units, data analysis and results of the study were overseen by the committee which is expected to continue to play an integral role in the 2010 study. The committee has reviewed the data requested in 2006 and made recommendations for 2010 data collection.

In 2010, the committee began work on a Compostability Study to explore certification of corrugated as a compostable product. A decision to pursue certification will be based on data collected through a sample set screening process.

The committee also provides support for FBA participation in the Wal-Mart's Sustainable Value Network (SVN) and Steering Committee with input into the development of Wal-Mart's Packaging Scorecard.



*FBA unites the corrugated industry. Independent and integrated members have an equal voice at FBA. Throughout the year, the association offers its members meetings and workshop opportunities to interact with industry peers.*

*The association hosts two annual events, the Independent Corrugator Executive Conference and the Independent Sheet Plant Operators Workshop, aimed at specific segments of our independent membership.*



In October, twenty-eight attendees from nineteen member companies met in Cleveland, Ohio for the high-quality, widely-applauded 2010 Independent Corrugator Executive Conference. The event featured a workshop session and a tour of Packaging Corporation of America's Ashland, Ohio corrugator plant. Highly informative, the workshop session featured small presentations by prominent industry professionals and open roundtable discussions covering a wide variety of topics chosen by attendees.

All FBA independent corrugators are encouraged to join us this fall for the next Independent Corrugator Executive Conference to be held September 15 – 16, at Advance Packaging in Grand Rapids, Michigan.



It was the Big Easy, New Orleans, Louisiana, that drew sixty-four participants from thirty-two member companies to the Independent Sheet Plant Operators Workshop held in February just prior to Mardi Gras. The successful event included twelve new participants, and provided learning, problem-solving, networking, and a little fun and relaxation for all members and spouses who attended. Highlights included engaging presentations from prominent industry professionals spread over three days of workshop sessions, a welcome reception, and a VIP city tour.

The 2012 Independent Sheet Plant Operators Workshop will be held February 12 – 15 at the Westin Mission Hills Resort in Palm Springs, California.



This spring, the FBA held its 71st Annual Meeting in conjunction with the ICCA/WCO 2011 Global Summit. Together, the three associations created an integrated program that explored “The Gateway to the Future” for the containerboard and corrugated industries. Four general sessions began with world views on our fiber raw material base and progressed through containerboard production to converting capabilities. Then FBA narrowed the focus to our North American industry with an economic forecast, impacts of world trends, and a North American Leadership Panel whose panelists highlighted best practices for individual member companies striving to prioritize the customer, implement new models, optimize manufacturing, and achieve financial goals.

Please plan now to attend the 2012 FBA Annual Meeting March 18 – 20, in Laguna Beach, California.

# Introducing the new Fibre Box Association Website!

The screenshot shows the homepage of the Fibre Box Association website. At the top left is the logo, which consists of three blue cubes and the text "FIBRE BOX ASSOCIATION". To the right is a tagline "Helping you Grow your Corrugated Business" next to an image of an open cardboard box. Below this is a navigation bar with links for HOME, ABOUT FBA, DATA SERVICES, ISSUE MANAGEMENT, NETWORKING, and MEMBERSHIP. The main content area features a large banner for the "FBA ANNUAL MEETING" with a cityscape background and text inviting users to join in Montreal, Quebec, Canada from May 24-25. To the right of the banner are four vertical menu items: SPECIAL EVENTS, REPORTS & SURVEYS, FBA COMMITTEES, and INDUSTRY NEWS. Below the banner are three columns of featured content: "Data Services" with a bar chart icon, "Issue Management" with a clipboard icon, and "Networking" with a globe icon. Each column includes a brief description and a "Learn more" link. At the bottom, there are three sections: "QUESTION OF THE WEEK" with a question mark icon, "News/Announcements" listing several industry updates, and "Special Events" featuring a graphic for the "2011 GLOBAL SUMMIT".

Check it out at [www.fibrebox.org](http://www.fibrebox.org).

## Allied Orgs.

*FBA actively co-sponsors organizations whose mission and objectives complement our core initiatives. Through our sponsorship we're able to provide member companies with added services and benefits. At the same time, our cooperation ensures that the industry speaks with one voice across broad-based issues.*

# ICCA

The International Corrugated Case Association (ICCA) celebrated its 50th Anniversary and the 10th Anniversary of the World Containerboard Organization (WCO) with their third joint ICCA/WCO Global Summit in Montreal, Quebec, Canada in May 2011. As a member of the association and the operations management group for ICCA, the FBA joined the celebration by holding their 2011 Annual Meeting in conjunction with the Global Summit. By co-locating the events, the organizations put together a program that exposed FBA members to worldwide containerboard and corrugated trends, issues and commentary. Held only once a decade in North America, the Global Summit also became a unique opportunity for FBA members to network with their peers from around the globe.



The next ICCA/WCO Global Summit will be held in Paris, France in the spring of 2013.



INTERNATIONAL CORRUGATED  
PACKAGING FOUNDATION

FBA proudly co-sponsors the International Corrugated Packaging Foundation's (ICPF) mission to generate a stream of increasingly qualified students to enter the corrugated industry, now and into the future. FBA annually supports ICPF's Teleconference broadcast from Michigan State University by providing industry fact sheets and speakers for the events. In addition, FBA is using collected sustainability information to build a sustainability module for the ICPF corrugated curriculum used in affiliated universities and colleges. In addition, FBA contributes to ICPF's Circle of Distinguished Leaders and the foundation's annual fundraiser in New York.



## Allied Orgs. Cont'd

FBA provides operations management and staff to the Corrugated Packaging Alliance (CPA) which is co-sponsored by the American Forest & Paper Association (AF&PA – [www.afandpa.org](http://www.afandpa.org)), the Association of Independent Corrugated Converters (AICC – [www.aiccbox.org](http://www.aiccbox.org)) and the Fibre Box Association. CPA's mission is to foster the growth and profitability of corrugated in applications where it can be demonstrated, based on credible and persuasive evidence,

that corrugated should be the packaging material of choice and to provide a coordinated industry focus that effectively acts on industry matters that cannot be accomplished by individual members. Charter areas of activity include competing materials, wax alternatives, RFID and sustainability.



In 2010, the CPA published the corrugated industry's first-ever life cycle assessment (LCA). The LCA studied the life-cycle impacts of a 1-kilogram U.S. industry-average corrugated product. The study was conducted according to the International Organization for Standardization (ISO) 14040/44 standards and it plays a key role in documenting the

industry's sustainability story. Along with additional communications materials available on the CPA web site ([www.corrugated.org](http://www.corrugated.org)), the study helps corrugated manufacturers respond to inquiries from customers, retailers, NGOs and other interested stakeholders about the sustainability of our products.

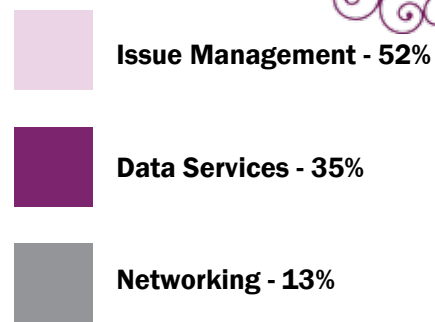
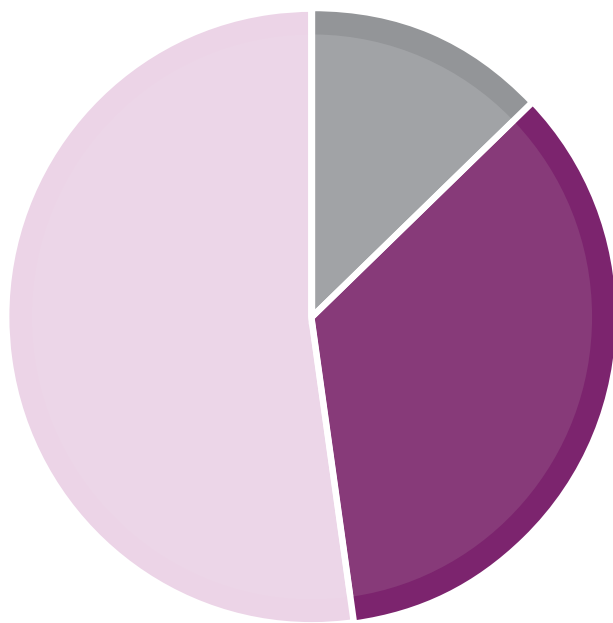
CPA actively promoted the completion of the LCA and the communications tools available to the industry through several trade events including the Wal-Mart Sustainable Packaging Expo, The FMI/GMA Sustainability Summit, Packaging Strategies Sustainable Packaging Forum, ISTA Transport Packaging Forum, and PackExpo.

CPA also supported the development of "The Responsible Package", an industry-wide marketing campaign to promote the versatile and sustainable packaging solutions provided by paper-based products. The campaign is designed to advance the leadership position of paper-based packaging within the broader packaging industry and leverage stakeholder companies' existing sustainable practices and resources to educate and inform packaged goods manufacturers and packagers. The initiative supports paperboard, corrugated and paper bag products by furthering our commitment to providing renewable, recyclable and sustainable packaging that is also reliable and economically viable.



The Fibre Box Association Board of Directors approves the annual budget each year at its fall meeting. FBA is committed to fiscal responsibility, day in and day out, to give members the greatest value possible for dues paid. The financial results for 2010 are shown below. The results were positive, as compared to the budget.

2010 Operating Income and Expense (\$000)		
	2010 Budget	2010 Actual
Income	2,764.5	2,753.9
Expense	2,749.7	2,737.2
Net	14.8	16.7



In alignment with our objectives, the largest portion of FBA's budget is invested in issue management. From technical responses to regulations and standards development to sustainability and the environment, government relations and safety, FBA's standing committee structure is continuously identifying, monitoring, and addressing issues that impact the corrugated industry. Our goal is to ensure and maintain a viable position for corrugated products in the marketplace.

## 2011-2012

Each year the FBA staff works with the Chairman and incoming Chairman to review and affirm objectives for the coming year. This past year, the staff worked with Chairman Christian Fischer to reorganize and consolidate our growing list of objectives to provide additional focus and greater alignment with dues allocation in the three key areas of membership benefits – data services, issue management, and networking along with overall association management.

**Data Services** – Timely compilation and distribution of meaningful industry statistics accurately reflecting industry trends.

**Issue Management** – Identify, understand, prioritize and address key issues that impact the industry.

**Networking** – Enhance the value of membership to individuals and organizations by providing opportunities to interact with other members and allied associations.

**Association Management** – Grow and retain the FBA membership by providing valuable services and resources that meet and/or exceed the expectations of our members.

Together these objectives help us to achieve our vision of being the corrugated industry's information source. The objectives and their underlying detailed tactics, timelines and results are compiled into a working document that the Board of Directors and Executive Committee review at their regularly-scheduled meetings throughout the year. The document provides a quick snapshot of the day-to-day activities of the association and provides the Board and Executive Committee with a high-level oversight of strategies.



## 2011-2012

**September 15 – 16, 2011:** Independent Corrugator Executive Conference  
Advance Packaging  
Grand Rapids, MI

**February 12 – 15, 2012:** Independent Sheet Plant Operators Workshop  
Westin Mission Hills Resort  
Palm Springs, CA

**March 18 – 20, 2012:** FBA Annual Meeting  
Montage Laguna Beach  
Laguna Beach, CA



## **FIBRE BOX ASSOCIATION**

**25 Northwest Point Blvd. Suite 510**

**Elk Grove Village, IL 60007**

**847-364-9600**

**[www.fibrebox.org](http://www.fibrebox.org)**

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