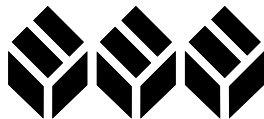




# ONEVoice

2011-2012 Membership Report



**FIBRE BOX ASSOCIATION**



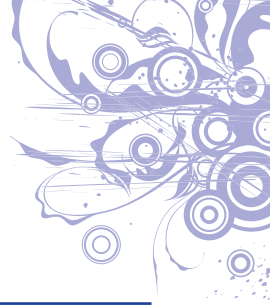
# Fibre Box Association

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# from our **Chairman**



My company, Fitzpatrick Container, joined the Fibre Box Association (FBA) in 2003. Since then, I've had the pleasure of getting to know the association, its programs and services, and had the honor of serving the organization through its leadership positions, most recently as chairman. In this time, I've come to appreciate that my one plant perspective is much broader than the one plant I operate near Philadelphia, Pennsylvania.

My one plant view has grown to one industry, and then to one voice through FBA and the allied organizations that FBA supports.

Shortly after I became chairman, FBA's president Dwight Schmidt announced his retirement. Dwight made many contributions to our industry in his nearly six years of service to FBA. We appreciate the solid position he left the association in. This past fall we welcomed Dennis Colley as our new president and began looking forward to ensure the continued longevity of our 71-year-old association.

Dennis and our Executive Committee used this winter to address strategic planning for the association's next several years. I enjoyed the work with our core leadership group. There was a lot of good discussion about the association's strengths, opportunities and areas for improvement. One of the key messages that came through clearly in our sessions was the strong desire for FBA to act as the voice of the industry in asserting the extraordinary virtues and values of our products.

Through this work, the idea of one voice has taken hold in a renewed vision, mission and focused strategies for the association. The work of the Executive Committee is the focal point of this our 6th annual Membership Report. In addition, the idea of one voice has become the theme for our Annual Meeting.

In 2012, you'll see one voice woven through the work we do in the areas of data services, issue management and networking to build on the



association's already established foundation. Look for new reports, enhancements to current reports, new web site tools and member publications, new segment specific programs, results from completed studies and the renewal of cooperative relationships – all aimed at delivering maximum value that recognizes the diversity of our membership.

Thank you to the Fibre Box Association, my Executive Committee, the Board of Directors and the staff for broadening my perspective beyond one plant. I'm confident that the work we've done over the past year has put us on the right path forward to speak with ONE Voice for the corrugated industry.

Tom Shallow  
Chairman

# FBA Strategic Planning

The Fibre Box Association has a long-standing heritage of serving the corrugated industry. Founded in 1940, the association brought together companies and people with a common interest in the issues, trends, technical challenges, and overall well being of the corrugated industry. Over the years, the purpose has largely remained the same, but more recently, changes in the make-up of the industry and a transition in the association's leadership have caused FBA's core governing body, the Executive Committee, to rethink the association's vision and strategies.

## How does an association rich in history remain relevant in changing times?

This past year, FBA's president Dwight Schmidt announced his retirement and the association welcomed a new president, Dennis Colley. The change in leadership became an opportune time for the Executive Committee to revisit where the association has been, where it is today and where it is headed in the future.

The collective thoughts of our new president and our Executive Committee became the basis for the strategic planning that occurred this past winter.

The committee recognized that strategy and execution play equal roles in ensuring success. Execution without strategy can create inconsistent outcomes, while strategy in alignment with execution can create powerful outcomes. With this in mind, the Executive Committee met on February 1, 2012 to evaluate FBA's strategies. The Committee's process reviewed the historical and current vision, mission and objectives, then moved onto a SWOT (strengths, weaknesses, opportunities and threats) analysis and finally grouped similar ideas in an affinity diagram to identify four strategic statements that could carry the association forward.

## FBA Executive Committee Members



John Davis  
Great Northern



Christian Fischer  
Georgia-Pacific



Bill Hoel  
International Paper



John Mayol  
Pacific Southwest Container



Dennis Mehiel  
U.S. Corrugated/Mannkraft



Jim Porter  
RockTenn



Tom Shallow  
Fitzpatrick Container



The activity produced a lot of good discussion about the association. One of the key messages that came through clearly in the session was the strong desire for FBA to act as the voice of the industry in asserting the extraordinary virtues and values of our products.

The outcome of that meeting, a follow-up conference call with the group and some additional staff work has led to a vision, mission, core values, operating principles and strategies aimed at carrying FBA over the next several years and maybe even 72 more.

**Vision:** To be the most trusted voice in the North American corrugated packaging industry.

**Mission:** The Fibre Box Association (FBA) is a non-profit trade association that represents North American corrugated packaging manufacturers and strives to improve the overall well-being of the industry by providing member-valued programs and services.

**Core Values:**

- Conduct our business in a lawful manner through strict adherence to FBA's bylaws and antitrust guidelines.
- Conduct our administration and financial affairs with high ethical standards and integrity.
- Serve our members as both customers and as the purpose for our work.

**Operating Principles:**

- Provide FBA sponsored programs and services when FBA can conduct the activity more effectively, and/or at less cost, than individual member companies or when the service can only be accomplished by collective action through the association.
- Provide programs and services that are accurate, of high quality and delivered on a timely basis.
- Review and question the association's activities to assure they are meeting or exceeding member needs.
- Enhance and grow the association's success through active member participation.
- Commit to protecting our core competencies and our competitive advantage.
- Build alliances with allied organizations that further support FBA's mission and benefit other participants.
- Provide a staff which is professional, well-trained and knowledgeable.

**Strategic Thrusts and Objectives:**

1. Maximize use of the Fibre Box Association's (FBA) data services by continually ensuring data is accurate, consistent and comprehensive to tell a compelling story about the industry.
2. Generate communications that voice the extraordinary benefits of corrugated packaging to external stakeholders.
3. Create value by providing a range of programs and services that recognizes the diversity of our membership.
4. Enhance member benefits and eliminate duplication through alignment with other North American and global corrugated packaging associations.



# Networking

## Defining Networking

At FBA there are three core areas of membership benefits very simply referred to as data services, issue management and networking. But, these areas of work and the simple words used to define them are not simple at all. There's a lot behind them.

Take data services as an example. Statistics have long been a hallmark of the association. Since the association's founding in 1940, FBA has collected and published shipment data. But, our data services programs reach well beyond just gathering data, adding up numbers and distributing the information. The association takes care to ensure that we're providing the corrugated industry with meaningful information

**Networking is defined as a supportive system of sharing information and services among individuals and groups having a common interest.**

about shipments, containerboard production, consumption and inventory. Over the years, we've added to the monthly data with valuable benchmarking reports and like the numbers, our reports don't remain static. We're continually working to enhance our programs.

Similarly, there's a lot of depth to the association's issue management. Highlighted in last year's edition of the Membership Report, issue management is the largest area of association

work. From technical responses to regulations and standards development to sustainability and the environment, safety and health, FBA manages an ever-increasing number of key industry issues through our organization of standing committees. When an issue is identified either through members or association staff, it's routed to the proper committee that then tries to understand it and its nuances. Then a plan is put in place to address it. The work of our committees is how we define issue management.

Then there's networking. Some might say it's our easiest area of work to define. But, like the others the scope is much broader than the three events we hold each year – the Annual Meeting, the Independent Sheet Plant Workshop and the Independent Corrugator Executive Conference.

As a trade association, networking weaves its way through all that we do. Networking is defined as a supportive system of sharing information and services among individuals and groups having a common interest.



FBA serves as a community and a supportive system to facilitate information sharing for North American corrugated manufacturers. So, it becomes more than just the events. It's the continuing dialogue we have with members through our recently upgraded and updated website, it's our outreach through participation in trade shows and speaking engagements, and it's visits and phone conversations that we conduct with consumer product goods manufacturers, environmental groups and retailers. It is the forum that FBA creates for ongoing conversation about corrugated packaging. In some instances, it's education or lively debate and at the end of the day it raises the bar on the collective wisdom about the products made by our members.

Networking is what connects us. It means that we share a common interest in corrugated packaging and that we're willing to participate in an ongoing dialogue that strengthens the overall well being of our industry.

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## Events

*FBA facilitates an exchange of ideas and best practices. We offer opportunities for both independent and integrated corrugated manufacturers to interact in meetings and workshops throughout the year.*



Thirty-six attendees representing sixteen member companies gathered in Grand Rapids, Michigan on September 15-16 for Fibre Box Association's (FBA) Independent Corrugator Executive Conference. The successful event provided great take-home value for attendees, garnered through one day of roundtable discussions and a tour of Advance Packaging Corporation.

Coni Wolf, York Container acted as moderator for the roundtable discussions. The great representation of FBA members from various facilities provided different perspectives and ideas for the discussions. Topics focused around strategic issues, operations, technology, sales force, business and economic conditions.

A big highlight of the Conference was the Advance Packaging Tour. The tour was extremely informative and very inspirational for all who participated.

The FBA Independent Corrugator Executive Conference takes places each fall.



# Networking Continued



Forty-five attendees representing twenty companies convened at the Westin in Rancho Mirage, California on February 12-15, 2012 for Fibre Box Association's (FBA) Independent Sheet Plant Operators Workshop.

The attendees gathered at the beautiful Westin Mission Hills Resort & Spa for three days of quality presentations, open discussions, reception events and recreation.

A big highlight of the event was the state of the industry overview presented by Jim Porter of RockTenn. Porter provided an excellent overview for attendees giving insight on fiber supply, market structure and global trends that will impact the industry.

Other quality presentations included a briefing on healthcare trends by Sam Hoffman of Foley & Lardner, a presentation on the status of sheet feeder markets and supply by John Klein of Greif and a discussion led by several members of the organizational committee on marketing your firm on the web.

The discussion sessions moderated by Tom Kelly of Kelly Box & Packaging, Bob Landaal of Landaal Packaging Systems, and Tony Schleich of American Packaging had excellent participation. Attendees were engaged in the discussions and appreciated the opportunity to discuss issues and opportunities with their peers.

Please plan now to attend the 2013 FBA Independent Sheet Plant Workshop, February 17 - 20, 2013 at the Marco Beach Ocean Resort in Marco Island, Florida.

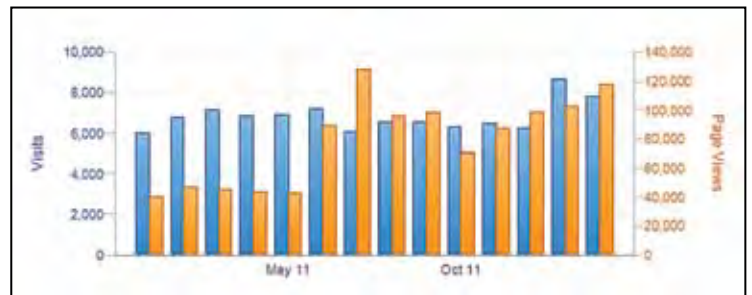


FBA conducts an Annual Meeting each year in accordance with the Association's bylaws. In 2011, FBA members were exposed to global trends and issues while interacting with global corrugated manufacturing peers as FBA helped the International Corrugated Case Association (ICCA) celebrate their 50th anniversary, by co-locating the FBA Annual Meeting with the ICCA/WCO biennial Global Summit in Montreal, Quebec, Canada. In 2012, the FBA Annual Meeting was held at the Montage in Laguna Beach, California.

## Website

In June of 2011, the Fibre Box Association launched our newly designed website at [www.fibrebox.org](http://www.fibrebox.org). The re-designed site embodies our effort to reinforce the core elements of member benefits – data services, issue management and networking. Aimed at creating a better member experience, the site welcomes you with bold colors, a clean and intuitive design and features content centered on our vision to act as the trusted voice of the corrugated industry.

Since its mid-year launch, we've continued to enhance the site with added functionality including a new media gallery, an FBA blog, a question of the week, stream-lined access to publications through our improved store and enhanced search capabilities for our technical FAQs.



**Figure A** - Monthly website traffic totals from 1/1/2011-3/1/2012 showing visits and page views.

Look to the new FBA website for the most up-to-date information from the association and around the corrugated industry. The site is a repository of industry-wide information available at your desk or while you're on the move.

## Calendar of Events

2012-2013

<b>Fall 2012:</b>	Independent Corrugator Executive Conference TBA
<b>February 17-20, 2013:</b>	Independent Sheet Plant Operators Workshop Marco Beach Ocean Resort - Marco Island, Florida
<b>Spring 2013:</b>	Fibre Box Association (FBA) Annual Meeting TBA

# Issue Management

*The work of FBA standing committees benefits individual companies by bringing together the knowledge, resources, and expertise of numerous companies, large and small to identify, understand, prioritize and address issues that impact the corrugated industry.*

## Technical Committee

The Technical Committee is FBA's largest and most active committee. It includes representatives from thirteen member companies, with seven alternate representatives and more than 100 member company representatives receiving information copies of the committee's ongoing work.

In 2011, the Committee served as a logical starting point in launching FBA's efforts to increase participation in committee activities. FBA recognized that member engagement through active participation is a key to member retention. Building the bench strength of our committees helps to broaden the conversation, adding diversity and new perspectives to create better informed actions on issues of importance.

As a pilot committee, the Technical Committee established a vision and mission sanctioned by the FBA Executive Committee and created tools to help better manage work flow on their large slate of projects. The group was the first to identify skill sets and typical titles for potential new member participants. Through their efforts, the committee gained three new members, expanding the base for dialogue in the technical arena.

Activities include:

- A comprehensive review of all technical FAQs found on the FBA website; new search capabilities implemented
- Partnering with PMMI to complete ANSI certified updates to four published voluntary guidelines; Tolerances for Regular Slotted Containers (RSCs), Tolerances for Scored and Slotted Corrugated Sheets and Trays, Storage and Handling of Corrugated Packaging and Design Guidelines for the Handling of Corrugated Containers/Cut-Sheets with Vacuum
- Work with PHMSA to transition the HazMat packaging basis weight tolerance from an association authorization to individual member authorization; project to be completed in 2012

**JOIN the Fibre Box Association**  
**TECHNICAL COMMITTEE**

The FBA Technical Committee is looking for new members! Your participation will put you and your company at the forefront of the corrugated industry's technical issues and will provide you with an opportunity to influence their outcome. Participation is open to all FBA member companies, big or small and broader participation means all points of view are considered.

The FBA Technical Committee stays abreast of industry developments and regulations in order to address matters of interest to the corrugated industry. In some cases, its function is to keep FBA members apprised of recent developments, while in others it actively participates with other associations, regulatory and legislative agencies and standards organizations to represent the interests of the corrugated industry. Another function of the committee is to develop training and informational materials for members and their customers. The committee is the key resource to member companies and industry technical inquiries.

**Representative projects include:**

- Published "Edge Crush Test: An Application and Reference Guide" and "How to Get the Best Box" enclosure brochure
- Published latest edition of the Fibre Box Handbook
- Worked with the National Motor Freight Traffic Association (NMFTA) on updating and clarifying carrier regulations
- Participated with ASTM on updating standards
- Worked with DOT to expand basis weight tolerances for HazMat packaging
- Reissued HazMat training materials
- Participated with PMMI on robotic handling standards

The committee meets semi-annually and communicates when issues are identified that require rapid action.

**Join the discussion**  
We encourage you to contact Dave Carlson, FBA Technical and Environmental Manager, at (847) 364-9638 or dcarlson@fibrebox.org to join the discussion and link you and your company to the corrugated industry's technical leadership.



In addition, the Technical Committee continues to monitor industry developments and regulations and address 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, standard development and certification requirements.

The Technical Committee actively participates in 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 Manufacturers 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 Materials Handling Committee (ANSI MH 10).

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## Environmental, Safety & Health

The Environmental Committee helps members interpret environmental regulations and monitors their impact on the industry through work with the Environmental Protection Agency (EPA) and local agencies.

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

The Safety and Health Committee is currently working with the members and staff of the American Forest & Paper Association (AF&PA) and the National Council for Air and Stream Improvement, Inc. (NCASI) to update the Prop 65 Study.

In addition, the committee is responsible for issuing the Annual Report of Occupational Injuries and Illnesses. The report provides data that serves as the basis for the annual Corrugated Industry Safety Awards.

At the highest level, Safety Awards are presented to facilities having the lowest total case incidence rate for the preceding calendar year in five sheet plant and nine corrugator plant categories. Safety Excellence Awards are also presented to all sheet plant or corrugators facilities that obtain a zero lost work day case (lost work days only) incidence rate during the calendar year.

# Issue Management Continued

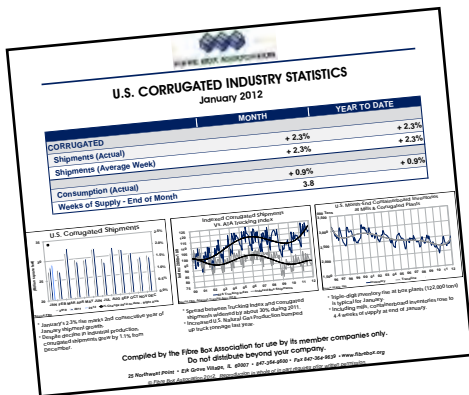
## Data Services

January 2012 marked the beginning of FBA's 72nd year of providing meaningful statistical information to the corrugated industry. This milestone was celebrated by introducing several new enhancements to our data services programs.

Last November our data services committee met to review all reports in preparation for our new year. This group of dedicated member company representatives intimately knows our data services programs, have sometimes been called super-users and have worked with us to identify and implement the following enhancements:

### U.S. Corrugated Industry Statistics – Monthly Report

Beginning with the January 2012 edition, FBA is introducing many new elements to the report. The report has been reformatted to include several new graphs with accompanying key message bullet points. The Report's summary page contains three new graphs:



- U.S. Corrugated Shipments including the percent increase of shipments shown on the right axis
- Indexed Corrugated Shipments vs. ATA Trucking Index
- U.S. Month-End Containerboard Inventories at Mills & Corrugated Plants

Then inside the report, you'll find the addition of two other graphs:

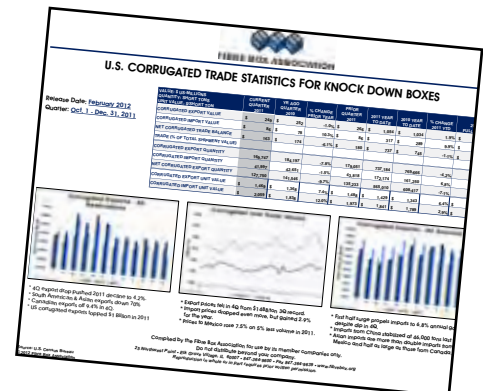
- Inventory/Sales Ratio
- U.S. Exports of Non-Durable Goods

Definitions and an explanation of the importance of each graph were sent with the January release and have been posted to the FBA website for future reference.

### The Corrugated Trade Report for Knock Down Boxes

Recently, FBA published the first Corrugated Trade Report for Knock Down Boxes which provides corrugated trade statistics and analysis, including key messages about the data in a bullet point format, on a quarterly basis.

International trade of corrugated packaging makes a significantly positive contribution to the U.S. balance of trade. Corrugated





packaging exports amounted to slightly more than \$1 Billion in 2011. The Corrugated Trade Report was created to allow members to monitor trends in this growing segment of the corrugated market.

### Report Sub-Committees

The Data Services Committee also agreed to a comprehensive content review of each of FBA's voluntary benchmark reports by sub-committees based on report release dates. Recently, a sub-committee reviewed input, output and data definitions for the Key Performance Indicators (KPI) Survey resulting in revisions to many definitions for clarity in data submission.

Next, a sub-committee tackled reporting of end-use through the North American Industry Classification System (NAICS). The sub-committee reviewed both input and output of reporting as captured in the FBA Annual Report. The committee agreed to collect and report NAICS data at a 4-digit level. Participants in the NAICS reporting will receive both a summary report and data for the six FBA areas.

Additional sub-committee reviews will be held throughout the year as reports are readied for input and publication.

### 3rd Party Review

In addition to member/user review of FBA's data services products, FBA staff is continuing to pursue 3rd party review of all reports including legal counsel to ensure that all reports provide the maximum level of data and information while at the same time adhering to the association's established anti-trust guidelines.

2012 promises to be a busy and exciting year for FBA data services.



# Allied Organizations

*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 our industry speaks with one voice across a broad base of issues.*



The International Corrugated Case Association (ICCA) is a global organization of corrugated trade associations and leadership company members. In 2011, FBA extended its management contract with ICCA and joined the international corrugated community in welcoming a new president, Carl Bohm, to the organization. Through its management contract, FBA provides ICCA with offices and staff support. FBA staff is responsible for ICCA's quarterly shipment/production reports and the annual Global Forecast. FBA also maintains ICCA's web site and provides meeting planning and staffing services to support the biennial Global Summit and annual Board Meetings.



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 live International Careers in Corrugated Packaging & Display Teleconference broadcast from Michigan State University by providing industry fact sheets and speakers for the event. Now in its 13th year, the teleconference reached over 450 packaging, graphic communications and design, marketing and sales, supply chain management, and other business students from 17 colleges and universities. FBA also contributed to the development of a new sustainability module for the ICPF curriculum and participated in the annual holiday event in New York.



The Corrugated Packaging Alliance (CPA) is a corrugated industry initiative sponsored by the American Forest & Paper Association (AF&PA), the Association of Independent Corrugated Converters (AICC) and the Fibre Box Association (FBA). The FBA staff leads the work of the alliance whose mission is to foster 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. Charter areas of activity include competing materials, wax alternatives, sustainability and RFID.

This past fall, the CPA conducted a third-party futuring study to determine the need for ongoing activity. The study revealed strong support for continued efforts to promote the virtues and values of corrugated containers. The study indicated support for maintaining a focus on competing materials and sustainability including wax alternatives and placing RFID in a monitoring mode.

In 2012, CPA will:

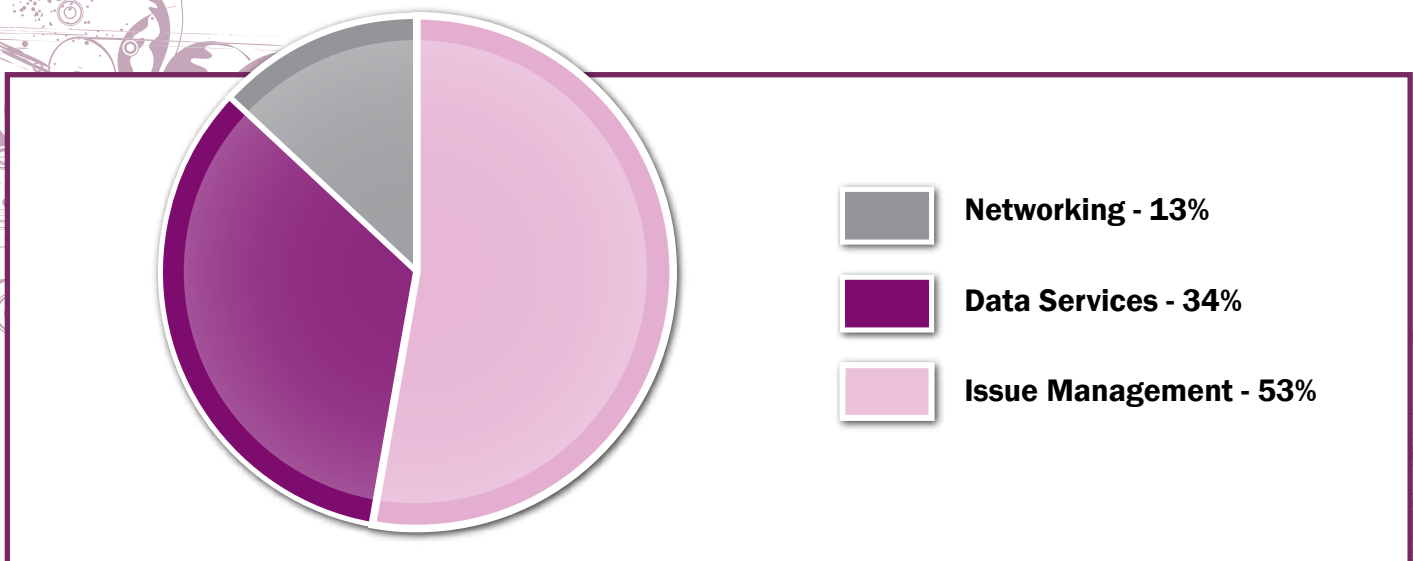
- Complete a comparative Life Cycle Assessment (LCA) study in produce
- Complete the 2010 update to the Industry LCA
- Evaluate findings to pursue compostability certification
- Conclude the International Standards Organization (ISO) Packaging and the Environment Work
- Conduct the annual wax alternative study
- Implement a comprehensive communications plan to share the results of our research

# FBA Financials

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 2011 are shown below. The results were positive, as compared to the budget.

2011 Operating Income and Expense (\$000)		
	2011 Budget	2011 Actual
Income	2,836.6	3,090.1
Expense	2,812.8	3,058.1
Net	23.8	32.0

## FBA Member Dues Allocation





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