TAPPI 99
THE LARGEST EVENT IN THE 87-YEAR HISTORY OF TAPPI

MARY BETH BENNETT

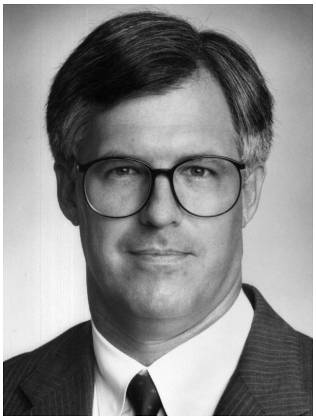
TAPPI 99: "PREPARING FOR THE NEXT Millennium" and the MEGA Conference opened at the Georgia World Congress Center in Atlanta, GA, on March 1, 1999. During the week, the programs and exhibition drew more than 10,000 participants.

Willis J. Potts of Union Camp Corp., chairman of the Annual Meeting Committee of the TAPPI Board of Directors, welcomed the registrants at kick-off sessions and introduced the TAPPI 99 Program Chairman for the MEGA Conference, Paul W. Magnabosco of Diginex. Potts praised him as the individual who "made most of this happen." He continued by noting that "his love and enthusiasm will be evident in the entire week."

Magnabosco shared some behind-the-scenes information and said "TAPPI 99 is a by-the-members, for-the-members event." The motto, "strive for perfection, settle for excellence," was the common goal of the many people who worked for more than three years on the event. The result of their work was the largest event in the 87-year history of TAPPI. Credit goes to the TAPPI 99 Program Committee: Paul W. Magnabosco, Diginex, Program Chairman; Lynden J. Stryker, Specialty Minerals, Inc., Thomas F. Murphy, Kealyn LLC, Richard J. Spangenberg, Conference Co-Chairmen; Jonathan C. Kerr, Thermo Black Clawson Inc., Willard M. Reed, Jr., MacMillan Bloedel Packaging Inc., and Mahendra R. Doshi, Progress in Paper Recycling, Technical Program Co-Chairmen; David L. Forsman, Appleton Papers, Inc., Poster Session Chairman; James R. Thompson, Thompson Avant International Inc., Operational Issues/Meet the Experts Luncheon Chairman; Marc W. Brink, Jacobs Engineering Group, Inc., Papermakers Committee Coordinator; Anthony R. Colasurdo, EKA Chemicals Inc., Papermaking Additives Committee Coordinator; James A. Clay, Fru Con Construction Corp., Stock Preparation Committee Coordinator, and Ronald Alldaffer, Union Camp Corp.; Joanne Arnold, Recycled Paperboard Technical Association; Terry J. Bambrick, Albany International; Martin W. Beck, Fru Con Construction Corp.; Delos E. Boardman, Vinings Industries; Michael D. Breslin, Bercen Inc.; Alan Brown, Columbia River Carbonates; Lock L. Chan, Borden Chemical Canada; Francis J. Foley, ECC International; Philip A. Ford, Allied Colloids, committee members.

EDUCATION/TECHNICAL PROGRAM

Over 1100 people attended the TAPPI 99 Mega-Conference. The 56 technical sessions in the Papermakers Conference; the Process Control, Electrical, and Information Conference, and the Recycling Symposium, 28 poster displays, the 50-plus committee meetings, and the keynote address, CEO panel, Capital Issues Roundtable, Meet the Experts/Operational Issues Roundtable presented compelling industry related content. Subjects included: deinking, color control, water filtration and clarification, recycling, emissions monitoring, operation technology, recycling research and



Paul W. Magnabosco

economics, recycling operations, stock prep/approach flow, new papermaking technology/optimization, operations, papermaking additives, innovative mill process control solutions, new process controls technology, process controls fundamentals, future strategic issues, and capital issues. John N. Reichert, Consolidated Papers, Inc., Wisconsin Rapids, WI, was the conference evaluation incentive winner of two Delta airline tickets. Everyone who filled out the conference evaluation was eligible to win. The winning name was drawn on March 5, 1999.

To expand on the Capital Issues Roundtable, an Effective Use of Capital Symposium was offered. In addition to the MEGA Conference program and the symposium there were six education courses associated with TAPPI 99. Those covered communication skills, process economics & financial analysis fundamentals, brown stock washing, screening & cleaning efficiencies, retention & drainage, and an introductory course on pulp & paper technology. Two of the courses were sponsored by the PIMA-TAPPI Alliance for Paper Industry Education.

The Feed & Seed Marching Abominables led exhibit attendees to the TAPPI 99 reception at the Georgia World Congress Center.

A conference attendee wrote: "I liked everything about the conference!" Job related? "Yes!"

INDUSTRY LEADERS PANEL

The strategic issues facing the pulp and paper industry was the central theme of the Industry Leaders CEO panel. The international panel consisted of Carl G. Bjornberg, president, Myllykoski Corp., based in Finland; A.D. "Pete" Correll, chairman, CEO and president, Georgia-Pacific Corp., based in the United States, and Carlos Augusto Aguiar, president and CEO, Aracruz Cellulose S.A., based in Brazil. The panel was moderated by Sally Love, Paragon Consulting, based in the United States.

The executives addressed questions on strategic issues facing the pulp and paper industry and how the industry must respond in order to achieve sustained operation, profitability and maximum shareholder return. The audience question that brought the most spirited discussion revolved around getting quality workers to help face the strategic issues. Bjornberg responded with "Traditionally competition for top students by the paper industry has been strong in Finland, allowing top workers into the paper industry workforce. However…companies like Nokia have begun to impact the market." Correll added: "We need to develop a better recruiting story for the industry to attract the cream of the crop." Aguiar concurred on the importance of attracting top recruits to paper companies. A challenge for him is simply attracting young people away from cities to work in his mill's more remote location.

KEYNOTE ADDRESS

The keynote speaker for TAPPI 99 was Craig McClelland, CEO of Union Camp Corp. and immediate past chairman of AF&PA. McClelland addressed issues relating to capital intensity of the pulp and paper industry. He began by stating that recovering the cost of capital is the most serious issue that faces the paper business today-an issue that goes back to the 1970s. "As an industry, our market capitalization has not kept up with other industries," McClelland said. Shareholders are showing concern by their investment decisions.

"Other commodity type businesses, such as chemicals, specialty metals, oils, glass, and automobile companies, ranked higher than the paper industry in shareholder return during the same time," said McClelland. "It would be irresponsible not to face the financial issues that confront our industry." Stockholders today who manage the various mutual funds and institutional holdings are not patient with industries that under perform in return on capital and earnings growth. Shareholders can live with a cyclical industry, but they require that a company first cover its cost of capital before making investments for expansion.

In closing, McClelland stated his optimism that "this industry can and will turn the corner financially. It will reward its shareholders with acceptable returns by using focus and strengths and changing some priorities to address the structural cost and sales margin issues that have been a drag on earning power for many years. The positive attributes of the paper industry leveraged with its technology and talented people can overcome poor financial performance."

CAPITAL ISSUES ROUNDTABLE

Immediately following the keynote address, Steven Williams, Jaakko Poyry Consulting and Grant S. Winston, Paribas joined McClelland for a roundtable moderated by Sally Love, Paragon Consulting Group. Williams participated as an engineering and construction representative, and Winton brought the views of an investment specialist.

An audience member asked about the possible influence of fast-growth tree technology in North America. McClelland noted that the fiber side of the business had indeed made considerable progress, but climate conditions limit adoption of some advances in North America. Williams confirmed that sustaining the growth rate available in Chile is probably not possible elsewhere. In addition, large-scale land use in the United States for a monoculture crop might not be acceptable.

In answer to a question on the role of obsolescence and innovation in the paper industry, Williams suggested that shortening the horizon for return from 20-25 years to 10 years might be a good approach. This reduced horizon makes the impact of small changes in the paper industry look radical. Truly radical changes will require a shift in focus from physical capital to intellectual capital. McClelland proposed that the way of offering the most promise for radical change is from the dry end of the machine to the delivery of the product to the user. This is where value adding can command market position and premiums.

Other questions concerned the impact of cluster rules, mobilization of all levels in a company to make breakthroughs and innovations, changes in tax laws and depreciation schedules, effect of the Internet on the paper industry, greater use of a tree as a raw material, the amount of maintenance and money to put into existing equipment, cheaper papermaking machinery, and distribution of risk among participants when considering innovations.

In response to a question about long-term considerations by Wall Street, Winston stated that investors do want an increasing, or at least a flat trend in earnings from quarter to quarter. They also focus on how much money is being reinvested into the company for new products. To another question, Winton said that "consolidation is going to be helpful," but the other factors mentioned earlier such as innovation are equally important.

EFFECTIVE USE OF CAPITAL SYMPOSIUM

The capital issues theme continued through the day and into the next as the focus of the "Effective use of capital symposium." Chaired by James R. Thompson of Thompson Avant International Inc., the symposium covered acquisition decisions, rebuilds–control and considerations, assessing returns, and options and perspectives.

F. Keith Hall

The symposium was geared toward mill and contract engineers, strategic planners and acquisition specialists. It gave attendees tips to help evaluate whether or not to add capacity, the best way to add capacity and methods to finance those capital decisions.

In the first session, for example, Bowater's B. Robert Hurley cautioned attendees to carefully assess the environmental compliance requirements associated with any property they may consider buying. The cost of bringing a mill into compliance can add millions of dollars to the actual price of acquiring a mill, he noted.

In a later session, L. Dwight Husband of Sandwell, Inc., discussed "scope creep" as a factor in rebuild projects. All projects will have scope changes, he said, but several things can be done to minimize delays and added costs that may result from those changes. One is to include all necessary items in the project. Leaving items out in order to stay within a budget, then adding them back later can increase the overall cost, in part because of the re-engineering and retrofitting involved.

Before deciding to add or acquire capacity, a market and raw materials assessment is also necessary, Thompson Avant's M. Pike Hamlin told symposium participants. What are the company's strategic objectives and how do they fit with the planned project or acquisition? What is the market for the finished product and how will it be marketed? Are raw materials readily available and what are the options or alternatives for obtaining those materials?

TAPPI BUSINESS MEETING AND AWARDS CEREMONY

Dale Dill, Dill Technologies, Inc., the outgoing President of TAPPI presided over the business meeting. He introduced the new TAPPI Vice President, Michael Wallace of Mead Central Research and the incoming members of the TAPPI Board of Directors: G. Gordon Bugg, Mead Coated Board, Inc., Larry E. Butts, Potlatch Corp., Hou-Min Chang, North Carolina State University, J. Philip E. Jones, ECC International, and Richard B. Phillips, International Paper. For more information on the new TAPPI Board members see page 217. Also recognized were current members of the Board of

TAPPI President Richard G. Barker announces TAPPI's paper industry exhibit that will be at Epcot's Innoventions pavilion.

Directors and retiring Board members: E. Carlyle Franklin, North Carolina State University; William S. Fuller, Weyerhaeuser Co.; Janet Neighbors, Union Camp Corp.; David E. Peakes, Woodward Clyde Consultants; and Willis J. Potts, Union Camp Corp. Joseph E. Atchison, Leonard J. Coughlin, Philip J. Hinkley, William A. Kraske, William K. Metcalfe, and William B. Stengle, were honored for their "50-Year Anniversary" as individual members of TAPPI. Arjo Wiggins Ltd., Crane & Company, Inc., Hollingsworth & Vose Company, J.M. Huber Corp., Nalco Chemical Co., and National Starch & Chemical Co. were recognized for their "50-Year Anniversary" as TAPPI Sustaining Members.

Sister associations of TAPPI, previous Herman L Joachim Distinguished Service Award winners, previous Gunnar Nicholson Gold Medal Award Winners, and former TAPPI presidents attending received recognition, as did the newly elected TAPPI Fellows. (See page 221 for more information on the new TAPPI Fellows: Hou-Min Chang; Kari Ebeling, UPM-Kymmene Corp.; E Carlyle Franklin; Janet Neighbors; David E. Peakes; Willis J. Potts; and Clyde H. Sprague, Jefferson Smurfit Corp.)

Awards presented by Lyn J. Styker, chairman of the Paper and Board Manufacture Division, included the 1999 Division Technical Award and Harris O. Ware Prize to Elwood M. Beach, Asten, Inc. Special certificates of appreciation were presented to Marc W. Brink, CPR Engineering, Inc.; John A. Charles, ProDry Technology, Inc.; Laura L. Feix, TAPPI; Jerome M. Gess, retired, James R. Ishmael of Ishmael Associates; and Dan W. Manson, Manson & Associates. A special certificate of recognition was presented to Terry J. Bambrick, Albany International. The JWI Group Scholarship went to Katherine Suzanne Pershell of Western Michigan University. Paper and Board Scholarships went to Benjamin L. Benaszeski of the University of Wisconsin–Stevens Point, Jason Phelps Congdon of the University of Wisconsin–Stevens Point, Thomas LeRoy David Jr. of Western Michigan University, Chad T. Skordahl of the University of Minnesota, Wade Matthew Tanev of Auburn University, and Natalie R. Thompson of North Carolina State University.

Awards presented by Hank Wachter, Vice Chairman, Process Control, Electrical, and Information Division Awards included a Certificate of Special Recognition to William H. Stafford, TAPPI and Certificates of Appreciation to Paul D. Collin, Foxboro Co.; Ronald O. Meihofer, Eurotherm Drives, Inc.; Thomas A. Phelps, Bowater, Inc.; and Thomas F. Murphy, Kealyn Llc.

Dale R. Dill presented Robert Lazar with the 1999 Research and Development Division Award. H.F. Jang, as author of "Measurement of fibril angle in wood fibres with polarization confocal microscopy" published in the Journal of Pulp and Paper Science, July, 1998, and Rajinder S. Seth, who with Jang co-authored "Using confocal microscopy to characterize the collapse behavior of fibers" published in *TAPPI JOURNAL*, May, 1998, received the 1998 TAPPI Board Research Committee Best Research Paper Awards (paper tie.)

At the end of the presentation, Dill passed the ceremonial gavel to Richard G. Barker of Union Camp Corp., who then started a two-year term as TAPPI President.

In his address to the audience, Barker thanked Dill for his accomplishments and hard work during his term as president. Highlights of Barker's session were the presentations of the 1999 Herman L. Joachim Distinguished Service Award to F. Keith Hall, retired, and the 1999 Gunnar Nicholson Gold Medal Award to Wayne A. Damrau, Consolidated Papers. These are the highest awards TAPPI can confer on individuals for exemplary leadership and preeminent technical achievements, respectively. (More information on the award winners is available on page 219. Interviews with Damrau and Hall are available in the March issue of *TAPPI JOURNAL*, pages 73 and 79.)

The Local Section Operations Council presented a special certificate of appreciation to Dan Euhus for his role as Student Chapters Representative. Also announced by the Local Section Operations Council was the receipt of funds from the Lakes States, Chicago, and Virginia-Carolina Local Sections toward endowment of the Outstanding Local Section Member Award.

TAPPI 99 CONFERENCE RECEPTION

The TAPPI 99 Conference Reception offered conference attendees the first news concerning TAPPI's interactive exhibit at Innoventions at Disney's Epcot. Special guest Mickey Mouse was on hand to help share the news, as was

TAPPI President Dick Barker and TAPPI Executive Director Wayne Gross. TAPPI's exhibit at Epcot will run for 21 months and will be included in Epcot's "Millennium Celebration," an event that will attract millions of guests. "When we began exploring opportunities with Disney, it became immediately clear that Epcot offered an ideal venue for telling our industry's story," said Gross. "With a concentration on science and technology, the Innoventions attraction is the perfect opportunity to educate the public-to tell our story-about the industry in an entertaining, interactive, and positive way."

"TAPPI made a commitment several years ago to improve the public image of the pulp and paper industry," added Barker. "We have discovered that in this age of public awareness, if we don't tell our story, someone else will… and all too often, those "someones" don't get it right. We have made great strides in educating the public, but there is more we can do. The opening this summer of TAPPI's exhibit at Innoventions at Epcot represents the beginning of a significant public outreach effort. We are committed to its success and to sustaining its impact."Visitors to the exhibit will learn about sustainable forestry, recycling, manufacturing, environmental stewardship, and the role the paper industry plays in everyone's lives. The winner of the TAPPI Conference Reception drawing was Ronald P. (Ron) Pote, Engineering & Management Systems. Pote won round trip airfare for two, two nights' lodging at a Disney resort, two 4-day park-hopper passes, a behind-the-scenes tour, and a VIP tour of Innoventions.

HIGHLIGHTS OF THE EXHIBIT

The TAPPI 99 Exhibit featured over 175,000 square feet of booth space with over 557 exhibiting companies and 10,000 attendees from around the world. Toolboxes were awarded to the following attendees for completing coverage of the exhibit floor and obtaining the right combination: Scott Kerr, MacMillan Bloedel Packaging Inc.; C. T. (Chuck) Robbins, Carolina Power and Light; Sung Hwan Kim, Solutia Korea Ltd., and Wayne Jacobs, Jackson Paper Manufacturing.

The TAPPI Association Booth included a cyber café for visitors checking their email; information on membership, technical divisions and local sections; Public Outreach-including the brand-new traveling children's exhibit-Paper Quest (sponsored by TAPPI); copies of TAPPI JOURNAL; and the chance to shop the TAPPI PRESS bookstore. Pat Hartman, of Westvaco, won the drawing for a US$ 100 TAPPI PRESS gift certificate. A special visit was paid to the TAPPI Association Booth by Jen Ruddle's second grade class from the New Century School, a private school in downtown Atlanta. The students were invited to experience the Paper Quest exhibit.

Exhibitors were pleased with the show. "TAPPI 99 has definitely been an extremely successful show for Beloit. The mill attendance has met or exceeded our expectations," said Elaine Cowlin.

"Overall, we thought it was an excellent show," said Linette Young, of Honeywell-Measurex. "The quality of attendees was good and we found they were very enthusiastic about the industry and interested in new products. We definitely were able to speak with decision makers."

H. Pierce Rumph, vice president of Orion CEM, Inc., said, "In view of today's market conditions, I was extremely happy with the quality of the visitors and the quantity of leads. I am encouraged that there is a bright light at the end of this tunnel."

Wayne Damrau

Thanks go to all of the TAPPI 99 exhibitors for their participation. Special thanks go to the platinum sponsors: Honeywell-Measurex Corp. and Orion CEM, Inc. and the bronze sponsors: Ciba Specialty Chemicals and BTG. For more information on the TAPPI 99 Exhibit and the participating exhibitors see the TAPPI 99 virtual show at www.tappi-expo.org.

The next TAPPI industry wide paper conference and exhibit, entitled the Paper Summit, will be held in March 2002 in Atlanta, GA. For more information on the Paper Summit contact Clare Reagan at creagan@tappi.org or by calling +1 770-209-7271. For more information on other TAPPI events see page 252.**TJ**

TAPPI PAPER SUMMIT 2002

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1999 Fellows, front left: Janet Neighbors, Willis Potts, David Peakes; back from left: Clyde Sprague, Kari Ebeling, E. Carlyle Franklin, Hou-Min Chang

The TAPPI 99 proceedings contain 142 technical papers presented March 1-4 in Atlanta during the TAPPI 99 event. During this event, the Papermakers Conference, Recycling Symposium, and Process Control, Electrical and Information Conference were held. In addition to the technical papers, abstracts from the poster session and several roundtables are included. All are available as a three-volume book set or on a full text-searchable CD-ROM.

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TAPPI 99 Fun Run

The TAPPI 99 Special Edition Paper Chase fun run, held early morning Wednesday, March 3, brought a bus full of dedicated runners. Organized by Scott Robertson of BE&K, the 5K run took its 37 participants around Atlanta's Piedmont Park. Winners were presented with silver trophy bowls. The top three male winners were: Frank Sutman, Hercules Pulp & Paper; Kevin Rolf, Core-Link; and Mike Elsinga, Fransen Engineering. The top three female runners were: Laura Konet, PaperExchange.Com; Carol Jackson, OSI Software Inc.; and Cynthia Oliver, NCR. All of the entry fees will be distributed among 10 pulp and paper scholarship programs.

Thank you to the Paper Chase sponsors: ECC International; Deublin; Georgia Valve & Fitting Co.; Valmet; ITEQ Storage Systems; Raytheon Engineers & Constructors/Rust Division; The William Kenyon Group; Voith Sulzer Papertechnology; Miller Freeman; Stowe Woodward -Mount Hope; Longview Inspection-Advanced Technology Group; Adhesives Research, Inc.; Cellwood Machinery; Beloit; Core Link; Nash; Thermo Black Clawson Inc.; and William Kenyon.