



# news

THE ASSOCIATION FOR SUPPLIERS OF PRINTING, PUBLISHING AND CONVERTING TECHNOLOGIES

## GASC Goes to Bat for Trade Show Exhibitors

### TEAMS UP TO DEMAND RIGHT-SIZE COSTS AT CHICAGO'S MCCORMICK PLACE

In recent months, the drum-beat has grown louder from producers of trade shows and conventions held in Chicago over the combination of costs—from aggravating labor union work rules to sky-high markups for electrical service and food—that have created pressure to move to less expensive venues.

In early April, organizer representatives from five shows historically held at Chicago's McCormick Place—including GRAPH EXPO and PRINT produced by the Graphic Arts Show Co. (GASC)—appeared before an Illinois legislative committee



Vince Lapinski, CEO of manroland, Inc., North American division of manroland AG and NPES Board member, calls for change as he presents to the Illinois House and Senate Joint Committee an exhibitor's perspective on the numerous and costly obstacles facing exhibitors that participate in Chicago-based trade shows.

areas must change to reduce expenses and allow exhibitors a greater ability to do things themselves. "We've gone from complaints about labor costs to anger and demand for change," Chris Price, vice president of GASC, testified. Vince Lapinski, CEO of manroland North America, also spoke on behalf of GASC to present the perspective of a trade show exhibitor.

In fact, changes have been underway in Chicago since the 13-person Board of Directors of MPEA (Metropolitan Pier and Exposition Authority), the governing body of McCormick Place and Navy Pier, was dissolved as an entity at the beginning of February 2010. In its place, an

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hearing to voice their concerns.

Before, during, and unwaveringly since that session, GASC has been a leader in helping Illi-

nois State Senators and House Representatives understand that the antiquated work rules, lack of exhibitor rights, and specific

## NPES 2010 Industry Summit Wrap

### FROM RECESSION TO RECOVERY

The **NPES 2010 Industry Summit**, themed "From Recession to Recovery: The Road Ahead," held March 22-24 in Baltimore, MD was an important success, according to the 96 members and guests who were there. Firmly focused on the future, key industry stakeholders joined together to approach the challenges facing our industry from three critical perspectives:

*economic, technology and legislative.*

Opening the event on Monday morning was D. J. Burgess, NPES Chairman and President and CEO of Burgess Industries, who welcomed attendees to the program which encompassed the PRINT OUTLOOK Conference and PRIMIR Spring Meeting.

Keynote presenter Alan Beaulieu, President and Chief Executive Officer of the Institute for Trend

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# president's perspective

## Celebrating Commitment



**Ralph Nappi**  
NPES President

Do you remember when Mark Nuzzaco wore bell bottom jeans and Kip Smythe listened to the rhythms of Bozz Scaggs and the Eagles on his eight track tapes? This was the era when these longtime NPES staff leaders began their illustrious careers at

NPES; Mark Nuzzaco as our first (and only) Director of Government Affairs back in 1985, and Kip as Director of Member Services in 1980. Today you would be hard pressed to find many people, outside family businesses, who have dedicated so much of their time and talent to one organization. NPES has been doubly fortunate to be the beneficiary of a combined 65 years of excellence from Kip and Mark.



Mark Nuzzaco, NPES Director of Government Affairs testifies on behalf of NPES at a March 11, 1986 Senate hearing.

Kip will celebrate his 30th year in August, and is the person NPES has had the pleasure of employing the longest. When he started at NPES in his early 30s he was full of the ideas and energy that helped direct everything from our PRINT OUTLOOK Conference to our Market Data Program. Today, in 2010, he continues to display that same vigor as we have just completed one of our most successful PRINT OUTLOOK programs ever! And, he engages that continuing drive today as he prepares to roll-out yet another beneficial market data program, geared toward digital equipment manufacturers, which will be globally-focused now that Kip has added our international efforts to the stable of services and



Leslee Wheeler (l) with William E. Sherman (c) and Kip Smythe.

programs he directs. Kip's adaptability and knack for effectively keeping multiple balls in the air are continually evident as he directs the activities of our PRIMIR research arm and serves as executive secretary of the International Color Consortium. Simply put, no single person in the history of NPES has had a greater impact on our programs and services than William "Kip" Smythe, Jr. For that, the industry should be appreciative and proud that he has made NPES his home for so long!

Ronald Regan was readying for his second term as President of the United States of America when Mark Nuzzaco began his tenure at NPES...seemingly like a lifetime ago. Those of you who assisted with the early legislative efforts on product liability reform and investment tax credits understand and appreciate the impact Mark has made on behalf of our industry and on Capitol Hill. Mark initiated and nurtured a substantial grassroots effort to leverage the depth and breadth of the printing equipment industry in the U.S. Over the years, he evolved with many Government Affairs Committee chairmen to elevate the level of respect and credibility of our legislative presence.

Throughout his tenure, he represented NPES in dozens of coalitions that put us 'on the map' on Capitol Hill. In addition, Mark's service as Secretary to NPES and his informal guidance as a card carrying attorney permitted NPES to tap and leverage the benefits of his broad legislative and legal knowledge. Most recently, Mark has been instrumental and effective in changing and re-categorizing the Department of Commerce Jobs Definition for our industry. And, he also has been part of a small but tenacious group of industry leaders that has so far thwarted efforts against the Do-Not-Mail campaigns in dozens of states and municipalities. NPES has been fortunate to have Mark dedicate 25 years of his professional career to us for so many years!

NPES owes enormous thanks and gratitude to Mark and Kip for their dedication and commitment to our members and our industry. Very few organizations can boast the longevity of one key staff person, let alone two! Please join me and the entire NPES staff and Board of Directors in celebrating their commitment to NPES and the printing equipment industry. They deserve nothing less. ●

interim seven-member Board was announced in late March and tasked with developing recommendations for making the city more competitive in the convention and trade show business.

Since then, the Illinois House and Senate created a joint committee to receive input from all shareholders in order to devise a plan that would create a new sustainable model to replace the broken model in Chicago. Based on the feedback received, the committee has been considering ways to reduce expenses for exhibiting companies that will retain major shows and attract new ones. According to GASC and other trade show producers, this process must address McCormick Place's need for debt restructuring and also creating a funding source for operations. All parties, including Chicago Mayor Daley, Illinois Governor Quinn and Representatives of both Houses of the Illinois State Legislature have committed to making substantive changes.

The Illinois legislature is in session



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GASC Vice President Chris Price calls on joint committee panel for relief from costly challenges encountered in producing (and exhibiting) in trade shows in Chicago's McCormick Place.

now (at NPES News press time) working on a bill for McCormick Place Reform. According to Illinois Representative Ken Dunkin, Chair of the Convention and Tourism committee, "There will be change, what is still not solid yet is how much change." The legislation is slated to be presented this month. ●

## As We Go to Press...

On Friday, May 7 the Illinois State Senate passed by an overwhelming majority Senate Bill 28—a HUGE win for exhibitors. This ground-breaking legislation ratifies the much hoped-for solutions proposed by GASC (in tandem with producers of four other top tradeshow), drastically lowering the costs for exhibiting at Chicago's McCormick Place.

Now onto the Governor for signature; among the cost-saving benefits this bill provides:

1. The default crew size is reduced to two immediately with the Authority having the option to reduce it to one when safe (for big machines, safety might require more than two) to be decided by management.
2. Monday-Friday the straight time window is any eight hours worked between 6 a.m. and 10 p.m. After eight hours, time-and-a-half is charged. (Saturdays still time-and-a-half; Sunday/holidays still double time.)
3. Full-time exhibitor employees are allowed to set up any size booth with the use of the exhibitor's ladders and hand tools.
4. The Authority is prohibited from marking up food service; it must be provided at cost.

Watch for an executive summary of the far-reaching cost saving ramifications of this historic legislation in the June issue of *NPES News*. ●

# Market Intelligence News: UCC Filing Update

The chart compiled from UCC data provided herein by Equipment Data Associates (EDA), shows up-to-date UCC (*see definition below chart*) activity for all printing equipment. January 2010 new equipment UCC filings were down over 2009 levels while used equipment filings were relatively flat. Although UCC filings are a combination of new equipment sales, used equipment sales and refinancings of existing placements, they are still a strong indicator of market activity.

This information is extracted directly from EDA's comprehensive database of nearly 30,000 records for purchasers of printing equipment.

For each of the data points in the table, subscribers to EDA's market intelligence services can see exactly who purchased the piece of equipment—and the manufacturer and model. NPES member companies that participate in the free NPES Market Data program are eligible for significant discounts on EDA's services. By

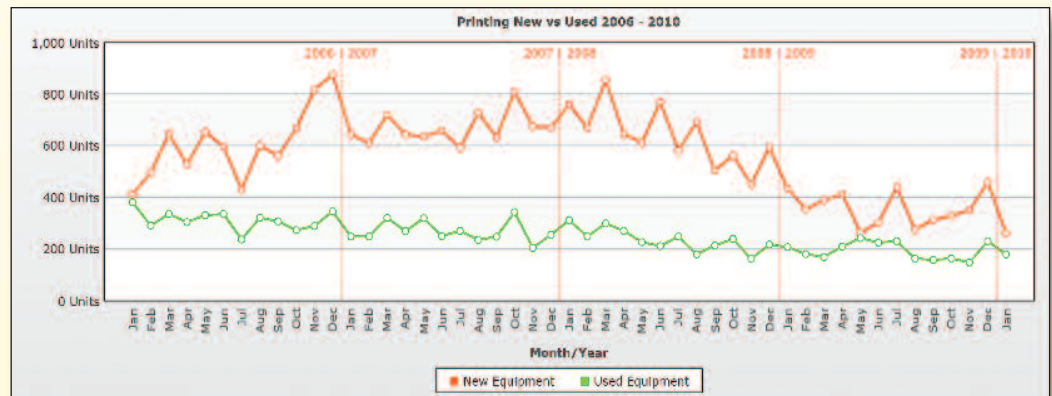
combining the critical purchaser information from EDA with the comprehensive market statistics, analysis, and forecasts provided by NPES' free Market Data program, participating NPES member compa-

nies can get a complete picture of the current *and* anticipated future activity in the marketplace.

For more information, or to join the free NPES Market Data program, contact NPES Assistant Director for Market Data, Rekha

Ratnam at phone: 703/264-7200 or e-mail: rratnam@npes.org. For specific information about the market intelligence services offered by EDA, contact Mauricio Jurin at phone: 704/845-1099 or e-mail: mjurin@edadata.com. ●

## Printing Equipment UCC Filings: 2006–2010



A Uniform Commercial Code Form 1 (UCC-1) filing is a financing statement required by law to be filed with the state to show that one party (usually a lender) has a security interest in another party's (usually a borrower's) personal property, and most frequently relates to the commercial financing of capital equipment through a lending institution. UCC data is filed everyday throughout the U.S. Each UCC data filing statement has three components: the borrower, the lender, and what the borrower purchased, including make, model and serial number. Once the data is filed, EDA's more than 50 employees manually review each filing to identify and correctly classify the transactions of printing equipment. What results is a robust database that offers subscribers continually updated information on exactly who is buying or leasing what pieces of equipment.

Research, launched the program with his session, **"From Recession to Recovery: The Road Ahead,"** offering a subdued prediction of how much and how soon the economy would continue to rebound. According to Beaulieu, the impacts of government policies of 2009 and early 2010 will slow growth for the next 7 years. When prodded to envision a timeline for the recovery, Beaulieu predicted: slow growth for 2010 and 2011; 2012 would be "up" but not exciting; 2013...flat; 2014 a mild downturn; and 2015 through 2017...*up, up, up!*"

Next, moving from a 30,000 ft. view of the economy to a focused print industry perspective was Andrew Paparozzi, NAPL Vice President and Chief Economist, who presented **"The Outlook for Commercial Printing in 2010."** Noting that during the past two years 2009 equipment shipments were down 16% over 2008 levels which were down 4% over the 2007 levels, he pointed out that at the recession's deepest point—in mid-2009—sales were down 22.8% from late 2007 peak. On the upside, Paparozzi predicted better times ahead for 2010 with sales expected to grow 2% to 3% this year. Of course, he stated, "It isn't going to take much to top last year's numbers." In detailing some key strategies for moving ahead, Paparozzi recommended that attendees: 1) avoid recovery complacency; 2) build productivity and control costs as vigorously during the recovery as they did during the recession; 3) excel at environmental analysis; and, 4) pick their value proposition carefully (i.e., commodity printer, one-stop shop, or solutions provider).

The content-rich morning program recessed just in time for attendees and guests to gather together for a nourishing—and lively—networking luncheon. As participants digested the economic and industry information presented earlier that morning, tables around the room were a-buzz with attendees comparing economic and industry predictions of their own for the coming year.

That afternoon the fast-paced program continued, this time

“Tables around the room were a-buzz with attendees comparing economic and industry predictions of their own for the coming year.”

switching gears from economics to technology, with Douglas Ehmann, Vice President and Chief Technology Officer for The Sheridan Group. Ehmann's key strategies for **"Keeping Print Relevant in a Digital World"** painted a clear picture of how to "prosper in an electronic world." In fact, he advised there is still money to be made in the print industry, specifically:

- in areas that are immune to electronic displacement (i.e., packaging);
- with print that will remain, even with electronic media; and,
- by offering new services and products that adapt to, and take advantage of, changing technology.

Ending his session on a high note, Ehmann outlined opportunities in the way of new services and products that adapt to, and take advantage of, changing technology including: digital printing (ultra-short run, print-on-demand, distribute and print, custom publishing and variable data printing); content conversion to electronic formats; and, content enrichment (audio, video, data, indexing and linking).

Transitioning again, this time finance issues, was Bob Seeds, Owner, International Financial Services Group with his timely presentation, **"The Financial Meltdown and its Impact on Business: How Did We Get Here? What Else is in Store?"** This much anticipated session detailed the recent events that have led up to today's current financing environment and also the factors influencing the ability to write business going forward. Bottom line, Seeds advised: "Refinancing a client's existing debt may be the best way to close a new sale."

A mid-afternoon networking break provided a welcome intermission before the **NPES Public Policy Forum** led by moderator **Ulrik Nygaard**, NPES Government Affairs Committee Chairman and President & CEO of the Baumfolder Corporation, and NPES Government Affairs Director Mark Nuzzaco. Also participating in the discussion were former Government Affairs Committee Chair **Elinor Midlik**,



NPES member Lee Ornati, National Accounts Technical Manager, Mitsubishi Imaging, (r) led the interactive audience follow-up to keynote Alan Beaulieu's presentation on "From Recession to Recovery: The Road Ahead."



William "Kip" Smythe, NPES Vice President of Global Programs and Industry Summit moderator (r), introduces the expert panelists that presented business-focused opportunities (l to r): Jeff Hayes, President, InfoTrends; Dr. Samir Husni, "Mr. Magazine," Director, Magazine Innovation Center, University of Mississippi; Hal Hinderliter, President, Hal Hinderliter Consulting Services; and, David Davis, Director, INTERQUEST.

President, Prime UV Systems, Inc., and **Michael Aumann**, President, Buhrs Americas, Inc., who represents NPES on the United States Postal Service Mailers' Technical Advisory Committee. Among the wide variety of issues presented, much of the discussion focused on the critical role played by the U.S. Postal Service in disseminating printed communication, and NPES' active involvement in the policy debate addressing the future of the financially challenged Postal Service. Tax issues and capital investment financing were also areas of keen interest.

The final event for Day 1 of the Industry Summit was the evening networking reception, which offered the ideal relaxed forum for participants to converse about the variety and depth of information gained that day.

Bright and early on Tuesday morning, immediately following the continental breakfast, yet another invaluable networking opportunity, Day 2 of the Industry Summit resumed with an eye to the future with four informative, and highly entertaining business-focused presentations. After all four were completed, a lively Q&A session ensued led by moderator William "Kip" Smythe, NPES Vice President of Global Programs. He adeptly worked the crowd taking questions from the audience about the new and emerging business opportunities presented by:

- Jeff Hayes, President, InfoTrends on **"Integrating Traditional Print with Digital Print and the Internet"**
- Dr. Samir Husni, "Mr. Magazine," Director, Magazine Innovation Center, The University of Mississippi on **"Ensuring a Print Future in a Digital Age"**
- Hal Hinderliter, President, Hal Hinderliter Consulting Services on **"Augmenting Reality with Mobile Marketing,"** and,
- David Davis, Director, INTERQUEST, on **"The Outlook for Books in a Digital World: Books, Books on Demand, Digital Books and e-Books."**

Signaling the conclusion of the PRINT OUTLOOK program, and transition to the PRIMIR Spring Meeting, was the networking luncheon, which offered attendees an additional opportunity to share in the industry camaraderie and engage in friendly exchange.

Among the highlights of the PRIMIR Spring Meeting were ses-

sions led by an impressive line-up of content leaders including:

- Kemal Carr, President, Madison Advisors on **"Print Suppression Trends in Fortune 500 Companies"**
- Marco Boer, Vice President, I.T. Strategies, on **"Megatrends in Digital Printing Applications"**
- Dr. John Zarwan, President, J Zarwan Partners on the **"Electronic Displacement of Print—Yesterday, Today and Tomorrow"**
- Bob Lieberman, Product Group Manager, Cognis Corporation, with a study presentation on **"Benchmarking and Worldwide Market Trends for Flexographic Printing,"** and,
- John Kalkowski, Editorial Director, *Packaging Digest* with the special luncheon presentation on **"Packaging Trends & Overview."**



PRIMIR member Mike Scheffer, President, Scheffer International kicks-off the panelist Q & A session on new and emerging business opportunities during Day 2 of the Industry Summit.

Mark your calendar now for the inaugural edition of the **Vision 3 Summit** (co-produced by NAPL, NPES and Printing Industries of America), March 13-16, 2011, J. W. Marriott Desert Springs Resort in Palm Desert, CA. ●

# NPES, NAPL and Printing Industries of America Announce New Leadership Conference, Vision 3 Summit



The National Association for Printing Leadership (NAPL); NPES The Association for Suppliers of Printing, Publishing and Converting Technologies (NPES); and, Printing Industries of America have joined forces to create a dynamic new leadership conference for graphic communications executives—the Vision 3 Summit—slated for March 13 – 16, 2011, at the J.W. Marriott Desert Springs Resort in Palm Desert, CA. This high-level program will blend the unique strengths of each of the three organizations to provide a single, authoritative conference that addresses the variety of needs of company owners and executives.

moment industry trends, technology updates and market research from the standpoint of what matters most to a person in charge of running a company.

“From making the most judicious financial decisions in this economic environment to overcoming staffing challenges and assessing the most effective strategies for growing your business, management-level staff face challenges that differ significantly from the work issues of other employees,” observed **Joseph P. Truncale**, President and CEO of NAPL. “Often these needs aren’t effectively met in other educational venues, which try to offer a little something for

mix of subject-matter experts, panel discussions with real-life business examples, and inspiring keynote addresses from both professional and industry-specific leaders. In addition to the management-level viewpoint, emphasis will also be on tactical how-to advice and strategy.

“Particularly in this environment—where the economic future remains ambiguous, profitability is tied closely to productivity. As business moves at lightning speed executives are seeking a comprehensive approach to managing their businesses,” explained **Ralph Nappi**, President of NPES.

“Service providers and vendors want market information at the bird’s-eye view, but they are also looking for real ‘in the trenches’ advice on how to apply this knowledge for immediate impact. The Vision 3 Summit will provide not just industry research and trends, but also translate what it all means for their businesses and how they can take advantage of these developments to maximize their success.”

Though specific educational programming is still being finalized, the unique strengths of each organization will make for a particularly comprehensive, in-depth conference. Specifically, NAPL will bring a business-management focus with its research and expertise on such areas as organizational development and performance measurement. Through its sister organization, NAPL will also provide expertise on the challenges facing small business owners and quick print-

ers. NPES, meanwhile, will offer a vendor-specific perspective on the graphic communications industry, providing an invaluable “other” viewpoint of the printer-vendor relationship. Additionally, it will supply high-end, data-driven market research on the latest trends and challenges faced by the industry, through its Print Industries Market Information and Research Organization (PRIMIR) arm. Finally, Printing Industries of America will provide specialized knowledge of complex areas vital to the graphic communications business, such as updates on government legislation, and environment and safety issues. Additionally, it will contribute knowledge of the challenges faced by midsize to larger graphic communications service providers.

“Today’s graphic communications executive faces an overwhelming amount of business challenges based on issues that were unheard of five years ago,” said **Michael Makin**, President and CEO of Printing Industries of America. “But in the current economic environment, they must balance their need for top-level education with their operating budgets, in terms of how many industry events they can afford to attend. Given our differing areas of expertise, it made

“Today’s graphic communications executive faces an overwhelming amount of business challenges based on issues that were unheard of five years ago.”

Open to both graphic communications service providers and vendors, the two-and-a-half day conference will provide the latest business intelligence covering all aspects of running a graphic communications business. Unlike other programs, the Vision 3 Summit takes a broad and distinctly management-level approach, providing up-to-the-

everyone. With the Vision 3 Summit, we are specifically addressing the variety of issues that graphic communications business leaders face, be they an owner of a 20-employee print shop, an executive of a multimillion-dollar multimedia service provider, or upper management at an equipment vendor.”

The conference will offer a

sense for NAPL, NPES and Printing Industries of America to join forces and present a single new, fresh and inclusive conference that provides everything the savvy executive needs to know to succeed in the 21st century graphic communications industry.”

As such, the Vision 3 Summit replaces NAPL's, NPES' and Printing Industry of America's individual leadership programs, including NAPL's Top Management Conference; NPES' Industry Summit that included the PRINT OUTLOOK Conference and PRIMIR Spring Meeting; and, Printing Industries of America's Presidents Conference. Both NAPL and NPES will hold their individual board of directors meetings in conjunction with this conference. NPES additionally plans to hold PRIMIR committee meetings.

In addition to the multiple educational sessions, the Vision 3 Summit will provide opportunities throughout the program for attendees to network and get to know one another in a casual environment. A number of receptions and recreational outings will also be available for attendees and spouses or companions.

As NAPL, NPES and the Printing Industries of America develop the specific program scope, the three organizations are receiving input from graphic communications service provider and vendor executives on just what they would like covered at the conference. To provide input for the program, visit the online survey at: <http://jointleadership.survey-console.com>.

The Vision 3 Summit is not the first joint venture between NAPL, NPES and the Printing Industries of America. The three organizations co-own the Graphic Arts Show Company (GASC), which produces the popular industry exhibitions GRAPH EXPO and PRINT. ●

# Postal System Business Model Falters

## POSTMASTER GENERAL ROLLS OUT PLAN FOR FUTURE

Postmaster General John Potter has sounded the alarm that “America can continue to enjoy quality, universal postal service at no cost to the taxpayer only if aggressive internal improvements are made [to the USPS business model] in tandem with regulatory and legal changes.”

Until recently the Postal Service's business model worked well, because mail volume increased steadily as the nation grew. But the confluence of increasingly rapid migration toward digital communication and the severe recession has seriously undercut the USPS's ability to sustain current services without major changes to the way it does business.

Although many mistakenly believe that the Postal Service is funded by tax receipts, it is not. Specifically, not since the 1970 Postal Reorganization Act that created the modern independent USPS has it received any taxpayer subsidies to fund its operations. Instead, it has operated on revenues derived from its products and services.

But the USPS business model has faltered since its volume peaked at 213 billion pieces in 2006. Since then postal volume has dropped 17 % to 177 billion pieces in 2009, and it is expected to decline even further to as low as 150 billion pieces by the year 2020. One extreme scenario projects an even lower volume of 120 billion pieces if the U.S. follows the trends of the highly Internet-enabled European Union. And not only has the volume of the mail dropped precipitously, but the mix of mail has shifted markedly away from First Class Mail to less expensive Standard Mail.

Translated into dollars and cents, this huge volume decline has resulted in USPS net losses starting in 2007, which are expected to exceed \$7 billion in 2010. And industry experts project that the dire trend will continue to challenge the Postal Service such that annual losses may reach as much as \$33 billion annually by 2020, totaling a \$238 billion cumulative loss by the end of the decade.

Although the Postal Service has responded aggressively by saving over \$1 billion each year since 2001, with as much as \$6.1 billion saved in 2009, much more must be done. To address this financial crisis and avoid insolvency the Postal Service has developed a two prong plan that it recently announced to postal stakeholders and Congress.

The first prong is to take steps allowed under current law to reduce the projected \$238 billion gap by \$123 billion. These include:

- Expanding products and services;
- Improving productivity by cutting costs and streamlining operations;

- Right-sizing the workforce by attrition due to retirements and increasing use of part-time employees; and
- Negotiating lower vendor contracts.

“Until recently the Postal Service's business model worked well... but the confluence of increasingly rapid migration toward digital communication and the severe recession has seriously undercut the USPS's ability to sustain current services...”

The second prong of the plan would reduce the remaining \$115 billion gap by taking actions that will require legislative changes, including:

- Restructuring retiree health benefit payments;
- Reducing delivery from six to five days (omitting Saturdays);
- Expanding access by partnerships with other business outlets and online services;
- Obtaining congressional authority to require arbitrators to take into account USPS financial conditions when deciding labor/management contract impasses;
- Obtaining congressional authority to adjust pricing to better reflect market forces;
- Obtaining congressional authority to innovate new products and services; and,
- Streamlining the oversight of the Postal Service.

NPES, working through The Coalition for a 21st Century Postal Service, has begun to weigh-in on the discussion of these issues by sending a letter to House and Senate leaders with jurisdiction over Postal Service matters, outlining the initial thoughts of mailers, printers and suppliers on these topics. The letter can be found at [www.npes.org/government/postal-relief.html](http://www.npes.org/government/postal-relief.html). More information on topics discussed in this article can be found at: <http://www.usps.com/strategicplanning/futurepostalservice.htm?from=home&page=EnvisionFuturePostalService>.

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235 or e-mail: [mnuzzaco@npes.org](mailto:mnuzzaco@npes.org). ●

# Changing Marketplace Focus of PRIMIR Spring Meeting

A growing concern for all firms in the print value chain is the Internet and various digital services and devices that are having a negative impact on print applications. In 2005,

“The next big thing is mobile advertising, where spending is expected to top \$1.5 billion by 2013.”

PRIMIR conducted a study aptly titled “*Electronic Displacement of Print*,” which provided an understanding of the new technologies and media that would take share from the ink and toner on paper print segments, how technology developments would impact print, and when as well as to what extent. (See Figure 1)

At the recent PRIMIR Spring Meeting held during the NPES 2010 Industry Summit, Dr. John Zarwan provided a brief update of his original research conducted five years ago for PRIMIR. John noted that while some of the change has come faster than originally predicted—particularly the decline of newspapers—print is still very viable and relevant. He noted that there is uneven impact from electronic media with some applications more affected than others. Many advertising print media applications were the first to shift, driven by changes in consumer behavior, economic trends, increased broadband access and other market factors.

Dr. Zarwan noted that the biggest change since the study was completed is the torrent of Social Media usage—which wasn’t really on the radar screen in the study and the growing use of Mobile (smartphone) advertising. Advertisers continue to chase their audience—many of whom have migrated to online instead of traditional media like newspapers or magazines. Many advertisers have created ‘fan’ pages to

capture the social media market. The next big thing is mobile advertising, where spending is expected to top \$1.5 billion by 2013. He concluded that print will remain viable and vibrant; however, firms in the print value chain must understand their costs, learn about their customers’ business and communications requirements and most of all understand why people print. Done right, print can enhance or complement new media.

The PRIMIR Spring meeting included several other key presentations, but one of the most important features of this particular meeting was focused on developing future research for PRIMIR. After a thorough survey process that included both NPES and PRIMIR members, five ‘hot’ topics emerged for PRIMIR to focus its attention on over the coming year. Task forces were formed to begin the process of crafting a document that will outline the

scope and key objectives of this critical research. Two of the five studies will be available to NPES active members as part of their benefits package.

The new research topics include:

• **Electronic Displacement of Print & Impact**—Originally completed in 2005, this study will examine how print is impacted by existing and emerging technologies. It covered the Internet in general, SMS, Search, RSS Feeds, E-paper, E-Book Readers, E-mail and other electronic media. The study detailed how much electronic technologies are displacing, as well as driving, new print by end product (books, catalogs, direct mail, inserts, journals, etc.), demographic and cultural changes impacting print vs. new media, and in direct marketing—how effectively print compares to other technologies. The update will also quantify the impact, evaluate drivers for change, include a displace-

Print Market	Market Trend in 2005	2010	2015
Books	↑	√	√√
Brochures	↑	√	√√
Forms	↓↓	√√√	√√√
Catalogs	↑	√	√√
Direct Mail	↑	√	√√
Directories	↑	√√	√√√
Financial	↓	√√	√√√
Inserts	= ↑	√	√
Journals	↓	√√	√√√
Labels/Pkg	↑		
Magazines	=	√	√√
Newspapers	↓	√	√√√
Manuals	↓	√√√	√√√
Signage	↑		√
Some potential √		Moderate potential √√	Significant potential √√√

ment forecast through 2015, as well as discuss how firms in the print value chain can embrace the changes.

• **Evolution of Print Business Communications: Implications for the Future**

With a focus on North America and Western Europe, this study will focus on general commercial printing. It will look back at business communications in general, business processes, and technological and structural changes that occurred and where print gained or lost share as a result. It will evaluate the future based on lessons learned and key emerging trends, and provide an outlook for printers and other firms in the print value chain.

• **Evaluating and Understanding Non-Print Revenues of N.A. Printing Companies**

Since the 2006 PRIMIR study was completed, printers continue to add non-print ancillary services to augment their “core” print on paper business. Many are adding services beyond mailing and fulfillment. This study will benchmark the revenue volume and types of non-print related services offered and forecast trends through 2013. Findings will be broken out by employee size, process and end-use/segment specialization. The research will outline the impact of ancillary services on the printer’s business including revenues, profitability, estimating, costing, staffing, workflow, equipment purchases, and more. The report will make recommendations to printers about tracking their revenue sources through various systems, and it will also discuss opportunities and impacts for graphic arts equipment and consumables suppliers.

• **Packaging: Evaluation of Vertical Markets & Key Applications** (All NPES members receive)

As part of a continuing series of studies focused on packaging, this study will delve into the primary vertical markets such as food, pharmaceutical, etc., and investigate key trends impacting the various packaging seg-

ments (flexible, folding carton, corrugated, etc.). Among other things, it will quantify shipments and growth rates by vertical markets and segments, investigate the role of the packaging in marketing and retailing efforts, delve into sustainability and recycling requirements, and evaluate trends in where the package printing/converting is sourced.

• **Printing Industry Consumables Usage & Trends** (All NPES members receive)

This study will provide an understanding of the usage trends for the numerous consumables utilized by the various print processes (flexo, gravure, offset and digital) and by major application segments (packaging, newspapers, general commercial, publication, and government/in-plant/education). A short list of consumables included would be: paper, inks (UV, EB, toner, inkjet, conventional), coatings, plates, blankets, sleeves and other pressroom chemistry. The study should identify consumables shifts as printers transition from conventional to digital by application. The study should provide secondary research quantitative estimates for consumption patterns and shifts.

“ Done right, print can enhance or complement new media.”

If you or someone on your staff is interested in actively participating on the task force for either of the two NPES studies, for further details please contact Jackie Bland at PRIMIR at e-mail: [jbland@primir.org](mailto:jbland@primir.org) or phone: 703/264-7200. PRIMIR also invites NPES active members to participate on task forces for these studies that are currently underway: **Megatrends in Digital Printing Applications** and **Economic Indicators for Print**. ●

## ANSI-accredited B65 Committee: Call for Participation

The ANSI-accredited B65 Committee, Safety Standards for Printing Equipment, will be revising the current set of B65 safety standards. The standards contain safety requirements for printing press systems, binding and finishing systems, guillotine cutters, trimmers and platen presses. The revision will nationally adopt, in whole or in part, a similar set of international standards that have been approved recently, and which include most of the B65 requirements.

The revision will result in a series of standards that includes a “general requirements” part that applies to all equipment, supplemented by additional parts that contain further requirements that are specific to the equipment addressed by that part of the series.

The B65 work is administered by NPES. We especially seek participation by members of the user community. To participate in the revision of these standards, please contact Debbie Orf in the NPES Standards Department at e-mail: [dorf@npes.org](mailto:dorf@npes.org). ●

### SAVE THE DATE!

NPES 2010 Annual Conference  
**Print Reinvented 2011:  
The Future of  
Media Communications**

Thursday, November 18 to  
Saturday, November, 20, 2010

Royal Palms Resort  
Phoenix, Arizona



**Ronald J. Rose is President of Nova Pressroom Products LLC. Before starting Nova Pressroom Products in 2006, Ron had completed a 30-year career within various divisions of FujiFilm, most recently as the Vice President of Sales & Marketing for Fuji Hunt/Anchor. Now based in Jacksonville, FL, he currently serves on the Board of Directors for NPES and is also active in local mental health care charities.**

**Nova Pressroom Products is an independently owned full line manufacturer of pressroom chemicals including water based coatings, UV coatings, fountain solutions and press washes. Nova products are available through a network of graphics arts dealers in the United States, Canada, Latin America and Asia.**

*Nova Pressroom Products is currently expanding into new markets in Canada and the Asia/Pacific rim. How will your company manage its resources to best serve its customers outside the U.S.?*

From the onset, we presented Nova to our customers as a lean 'doing more with less' company. Now beginning our fourth year, we continue to look for ways to provide meaningful services without overwhelming our existing resources. Now, as we expand into the Americas and Asia, we are using readily available communication technologies so, regardless of their geographic location or size, we offer all of our

customers direct access to our formulators for advice and product questions. We feel that the expert advice provided directly from the formula's creator sets us apart in the marketplace and offers real value to our users. Meanwhile, we continue to invest in technical training for our dealers, sales representatives and agents since many of them represent a broad assortment of printing supplies, not just pressroom chemicals.

*Nova is in its fourth year of operation, relatively young for the pressroom chemical business. What strategies do you engage, and which strengths do you feature, to promote brand awareness about the company and Nova's technical support programs?*

Nova was formed by several Anchor LithKemco sales and technical managers who had long-term relationships with many dealers throughout North America. In the beginning, we got the word out simply by making telephone calls. Of course, promoting brand awareness to end-users is not so simple. Our company slogan, "You Know Us," was chosen to remind the printing community that although our company name is new, we've been in the industry for years.

We have invested heavily in our website so that our customers can not only find product and technical literature but also interact directly with our technical staff. But, nothing beats long-term brand awareness like word of mouth. We know that printers talk to each other and are fortunate to have experienced the benefits from early adopters in a geographic area who tell others about us. Today, we are finding that more and more printers have already heard of Nova before we initiate a sales call.

*Looking ahead, what technologies and trends do you believe will impact the pressroom chemicals part of your business in the next five years?*

We used to watch California as an 'early warning predictor' of future regulatory trends that will eventually impact the rest of the country. Now, in today's global

business environment, the world has become smaller, and I feel many regulatory changes that have impacted printing in Europe will find their way to North America. Recent regulations have affected UV inks and coatings, fountain solutions and washes.

Digital printing will continue to grow at the expense of sheetfed during the next five years, but as long as toner costs more, longer runs will always belong to traditional technologies.

Technology often overlooked, but that will continue to influence our business, is the continual improvement of offset printing presses. While there is still a need for a professional to operate the press, equipment manufacturers have taken much of the guesswork out of routine printing. Newer presses require chemical manufacturers to formulate fountain solutions that operate effectively at higher press speeds. This, combined with economic pressures faced by all printers, has led to many to rely more and more on the expertise of suppliers.

*How has NPES been able to assist Nova Pressroom Products adapt and grow through our industry's peaks and valleys?*

Actually, I had been active in NPES with another company, so when we formed Nova, one of my first decisions was to reconnect with this preeminent trade organization. Based on the information gleaned from NPES market data over the years, we knew there was a niche for a small, well-grounded operation focused on superior customer interaction.

We are pleased that our first three years have proven the model correct, allowing us to grow and plan new, innovative products that printers need. Now we use the NPES Market Data Program and PRIMIR research reports to help us plan our expansion strategy. I consider NPES one of our key partners as we continue to seek out new opportunities and navigate through today's challenging business environment. ●



One  
on  
One

**Ronald J. Rose**

**President of Nova  
Pressroom Products LLC**

# President Signs Jobs Bill Extending Section 179 Expensing Again

## MEASURE ALSO INCLUDES NEW TAX INCENTIVES FOR NEW HIRES

President Obama has signed into law the *Hiring Incentives to Restore Employment, HIRE Act of 2010* (H.R. 2847/Public Law 111-147) that extends once again enhanced IRC Section 179 Expensing through 2010. The job creation measure also contains new temporary payroll tax forgiveness, and a retention credit.

The 2008 Economic Stimulus Act increased Section 179 expensing from \$128,000 to \$250,000, and increased from \$250,000 to \$800,000 the threshold after which it is phased-out. The American Recovery and Reinvestment Act stimulus legislation of 2009 extended the temporary increases of the 2008 legislation through 2009.

In general, qualifying property is defined as depreciable tangible personal property that is purchased for use in the active conduct of a trade or business, and it must be placed-in-service before January 1, 2011. Off-the-shelf computer software also qualifies.

The new law also maintains the \$250,000

limit on capital investment in 2010 that can be expensed for companies that purchase less than \$800,000 of capital assets in the year. The \$250,000 expensing amount is reduced (but not below zero) by the amount by which the cost of qualifying property placed-in-service during the taxable year exceeds \$800,000. The entire \$250,000 of enhanced expensing is phased-out after the taxpayer invests \$1,050,000. Enhanced Section 179 expensing applies to equipment that is new or used (“new to the purchaser”).

In contrast to enhanced expensing, bonus depreciation, which also greatly reduces the cost of capital investments, expired at the end of 2009 and has yet to be renewed notwithstanding the President’s Fiscal Year 2011 Budget proposal to extend it through the end of 2010. NPES and other business organizations continue to push for such an extension to be included in other jobs/tax bills that may advance this year.

The new HIRE Act also reduces the payroll tax obligation for the remainder of calendar 2010 for an employer that hires a “qualified” unemployed “individual,” and permits the employer to take a one-time tax credit if the employer retains the individual for at least a year. The following definitions apply:

• **Payroll Tax:** The employer’s share (6.2%) of Social Security portion of FICA taxes limited to no more than \$106,800 of wages.

• **Qualified Employer:** IRS includes businesses, agricultural employers, tax exempt organizations, and public colleges and universities. Household employers are excluded.

• **Qualified Employee:** One that is employed after February 3, 2010, with taxes “forgiven” on wages after

HIRE date of enactment, which was March 18, 2010.

“The job creation measure also contains new temporary payroll tax forgiveness, and a retention credit.”

• **Qualified Individual:** An individual who:

- Begins work after February 3, 2010 and before January 1, 2011;
- Certifies that they have not been employed for more than 40 hours during 60-day period before date of employment;
- Is not employed by the employer to replace another employee of the employer unless the other employee separated voluntarily or for cause; and,
- Is not related to a major owner of the business.

In addition to the tax forgiveness, the employer will receive a business tax credit of the lesser of \$1,000 or 6.2% of wages paid during a 52 consecutive week period for each “retained worker” as follows:

- Retained Worker hired under the conditions qualifying for tax forgiveness;
- Employed for a period of not less than 52 consecutive weeks; and,
- Wages during last 26 weeks must be at least 80%. ●



## NPES CALENDAR

### May 2010

#### IPEX

National Exhibition Center  
NPES Member Booth  
May 18-25 • Birmingham, UK

#### Printtek 2010

#### 11th International Print Technologies and Paper Fair

Tüyap Fair, Convention and Congress Center  
NPES Member Booth and Trade Mission  
May 29-June 6 • Istanbul, Turkey

### June 2010

#### ICC Meeting

June 21-24 • Bressanone, Italy

#### EXPOPRINT Latin America 2010

Transamerica Expo Center  
NPES Member Booth and Trade Mission  
June 23-29 • Sao Paulo, Brazil

### July 2010

#### CGATS/USTAG

July 13-14 • Rochester, New York

#### PRIMIR Summer Meeting

July 26-27 • Atlanta, Georgia

### October 2010

#### EXECUTIVE OUTLOOK Conference

October 2 • Chicago, Illinois

#### GRAPH EXPO

October 3-6 • Chicago, Illinois

#### GASC & GAERF Board Meetings

October 4 • Chicago, Illinois

#### TC 130 WGs and Plenary

October 10-16 • Sao Paulo, Brazil

#### CGATS/USTAG

October 28-29 • Location TBA

### November 2010

#### ICC Meeting

November 4-6 • San Antonio, Texas

#### ICC DevCon

November 8 • San Antonio, Texas

#### NPES 2010 Annual Conference

November 18-20 • Phoenix, Arizona

### September 2011

#### EXECUTIVE OUTLOOK

#### Conference

September 10 • Chicago, Illinois

#### GRAPH EXPO

September 11-14 • Chicago, Illinois

#### International Graphic Arts Show

NPES Member Booth and Trade Mission  
September 21-27 • Tokyo, Japan

## GRAPH EXPO 2010 Welcomes Co-Located Industry Conferences

### DUAL BENEFITS FOR CONFERENCE PARTICIPANTS ATTENDING THE SHOW

**G**RAPH EXPO 2010, the year's largest graphic communication exhibition and conference, coming to Chicago's McCormick Place South, October 3-6, 2010, is now a destination offering dual benefits for attendees of several co-located industry events that include the NAQP 2010 Owners Conference, the International Newspaper Group's (ING) 2010 Conference, and a special edition of the popular Xplor Conference.

NAQP will conduct its 2010 Owners Conference, geared for Quick and small Commercial Printers, to address the latest business challenges and technology impacting independent printers and franchise print businesses. The conference immediately precedes GRAPH EXPO and will be held from Thursday, September 30 through Saturday, October 2 at the InterContinental Hotel. NAQP cited GRAPH EXPO's diverse exhibition of today's latest technologies, as well as its education and networking

focus, as value-added accompaniments to its conference. And, while in Chicago, NAQP conference participants will have the added benefit of attending GRAPH EXPO's special free presentation designed specifically for Quick Printers and Digital Imagers on Sunday, October 3, 2010 from 8:30 a.m. to 10:00 a.m.

The ING 2010 Conference, a day-and-a-half long event designed for Newspaper Production Managers, Executives and Industry Suppliers, will be an information exchange on the latest business challenges and technology impacting the newspaper production process. The program will kick-off on Saturday, October 2, the day before GRAPH EXPO opens, and provide an ideal complement to the debut of the News Print pavilion at the show.

The Xplor Conference,

with content tailored to the needs of Transactional Printers, will conduct sessions during and post GRAPH EXPO beginning mid-day during lunchtime on Tuesday, October 5, again on Wednesday,

October 6 before the show opens and midday, and then will provide a full day of programming on Thursday, October 7. Plus, of additional interest will be a special free In-Plant session that will take place on Tuesday, October 5 at noon.

For the latest updates on GRAPH EXPO 2010 visit: [www.graphexpo.com](http://www.graphexpo.com). ●



“GRAPH EXPO 2010 is now a destination offering dual benefits for attendees of several co-located industry events.”

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